



California Housing Finance Agency

ACCESSORY DWELLING UNIT GRANT PROGRAM

The objective of the Accessory Dwelling Unit (ADU) Grant Program is to create more housing units in California by providing a grant to reimburse homeowners for pre-development costs associated with the construction of the ADU.

Eligible Lenders/ Loan Origination/ Servicing	<ul style="list-style-type: none">• CalHFA approved lenders who have executed the ADU Lender Participation Agreement• Lenders can use their own various delivery options to price and deliver their construction loans• CalHFA will not purchase construction loans, reimburse Lender for construction loans or provide any sort of guarantee for Lender having made construction loans to eligible borrowers• Lenders can retain servicing or release servicing to a 3rd party of their choice
Qualifications	<ul style="list-style-type: none">• Borrower(s) income \leq 80% AMI per Fannie Mae lookup tool or• Borrower(s) income \leq the CalHFA Income Limit and property is located in a qualified census tract or• Borrower(s) income \leq the CalHFA income limit and the CLTV $>$ 80%
Program Description	<p>Lender will secure financing to construct the ADU. CalHFA will reimburse up to \$25,000 for certain pre-development costs to build the ADU.</p> <p>CalHFA's process: Submission package to include:</p> <ul style="list-style-type: none">• Copy of recorded construction loan deed of trust for ADU financing• Construction loan approval documents• Escrow instructions to wire funds• Itemization list for pre-development costs<ul style="list-style-type: none">◦ Pre-development cost include but are not limited to: architectural designs, permits, soil tests, impact fees, property surveys, and energy reports.• CalHFA Lender Affidavit<ul style="list-style-type: none">◦ Lender to certify the construction of the ADU will follow Fannie Mae/FHA ADU feature requirements◦ Lender to certify all locality permit and/or impact fees have been paid◦ Lender to certify income and CLTV◦ Lender to certify they will provide a certificate of occupancy upon completion of the ADU• CalHFA Borrower Affidavit<ul style="list-style-type: none">◦ Borrower to certify owner occupancy◦ Borrower to certify ADU meets all local zoning ordinances for use of property and building codes◦ Borrower to acknowledge they will receive a Form 1099-G alerting them of potential income tax consequences. <p>CalHFA will review the submission package and contribute up to \$25,000 directly to construction escrow. These funds can be used to reimburse borrowers for eligible pre-development costs to build the ADU.</p> <p>CalHFA loan servicing will issue a Form 1099-G to the borrower for the calendar year in which CalHFA contributed funds to escrow.</p>

Last revised: 08/2021