



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 for pre-development costs and non-reoccurring closing costs associated with the construction of the ADU.

<p>Eligible Participant/ Loan Origination/ Servicing</p>	<ul style="list-style-type: none"> • CalHFA approved participants who have executed the ADU Lender Participation Agreement • Participant can use their own various delivery options to price and deliver their construction loans • CalHFA will not purchase construction loans, reimburse Participant for construction loans or provide any sort of guarantee for Participant having made construction loans to eligible borrowers • Participant can retain servicing or release servicing to a 3rd party of their choice
<p>Qualifications</p>	<ul style="list-style-type: none"> • Low-to-Moderate income limits – CalHFA income limit
<p>Program Description</p>	<p>Participant will secure financing to construct the ADU. CalHFA will reimburse up to \$40,000 for pre-development costs and non-reoccurring closing costs to build the ADU.</p> <p>CalHFA's process: Submission package to include:</p> <ul style="list-style-type: none"> • Copy of construction loan deed of trust • Construction loan approval documents • Escrow instructions to wire funds • Loan Estimate or Closing Disclosure • Itemization list for pre-development costs <ul style="list-style-type: none"> o Pre-development cost include but are not limited to: architectural designs, permits, soil tests, impact fees, property surveys, energy reports, and utility hookups. • CalHFA Participant Affidavit <ul style="list-style-type: none"> o Certify the construction of the ADU will follow Fannie Mae/FHA ADU feature requirements o Certify all locality permit and/or impact fees have been paid o Certify income o Certify they will provide a certificate of occupancy upon completion of the ADU • CalHFA Applicant Affidavit <ul style="list-style-type: none"> o Certify owner occupancy o Certify ADU meets all local zoning ordinances for use of property and building codes o Applicant 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 \$40,000 directly to construction escrow. These funds can be used to reimburse applicants for eligible pre-development costs and non-reoccurring closing 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: 05/24/2022