

Single Family Lending Program Bulletin

November 27, 2023

Program Bulletin #2023-12

To: CalHFA Approved ADU Participants

CalHFA allocated additional funding for the CalHFA ADU Grant Program

The 2023-24 State Budget as amended by Senate Bill 104, provides CalHFA with a one-time appropriation of \$25 million to be used for the CalHFA ADU Grant Program. The CalHFA ADU Grant Program provides up to \$40,000 in assistance for pre-development costs and non-recurring closing costs. [CalHFA-approved ADU Participants](#), including lenders, non-profits and local government agencies, will have access to reserve funds for the program starting December 11, 2023. Due to the high demand we anticipate for the program, CalHFA will limit each CalHFA-approved ADU participant to a maximum of 275 ADU Grant reservations. All duplicate reservations will be cancelled.

Qualifications

- Available to [low-income](#) homeowners (<80% AMI) only
- Applicant must own and occupy the property as their primary residence
- ADU must follow Fannie Mae/FHA ADU feature requirements and meet all local zoning ordinances for use of property
- ADU Participant must complete and sign the [CalHFA Participant Affidavit](#) (Rev 11/27/23)
- Applicant must complete and sign the [CalHFA Applicant Affidavit](#) (Rev 11/27/23)
- Certificate of Occupancy must be provided upon completion of the ADU

Please refer to CalHFA's ADU Grant [Termsheet](#) for all program guidelines.

For questions about this bulletin, contact CalHFA Single Family Lending Division by phone 916.326.8033 or by email at SFLending@calhfa.ca.gov. Plus you can always visit CalHFA's website at: www.calhfa.ca.gov or Single Family Lending directly at www.calhfa.ca.gov/homeownership.

CalHFA thanks you for your business and we look forward to continuing to support your affordable housing loan needs.



Participant Affidavit and Certification for CalHFA Accessory Dwelling Unit Grant Program

The following entity, _____, a _____, (“Participant”) has received and reviewed all required documents submitted by _____

(collectively, “Applicant”) for the purposes of supporting the application for a grant to construct an accessor dwelling unit (“ADU”) on the below property (“Property”) with funds made available by the California Housing Finance Agency (“CalHFA”) pursuant to its ADU Grant Program (“Program”) under the terms and conditions of the Program, do hereby represent and warrant as follows:

Property Address		
Street: _____		
City: _____	County: _____	Zip: _____
ADU Construction Requirements		
Participant certifies the construction of the ADU will follow Fannie Mae/FHA ADU feature requirements. ADU construction requirements can be found in Fannie Mae’s Selling Guide and FHA’s Single-Family Housing Policy Handbook.		
ADU Permits, Fees and Costs		
Participant certifies that any “Eligible Costs” under the terms and conditions of the Program (including locality permit and/or impact fees) related to the ADU construction on the Property have been paid in full.		
Certificate of Occupancy		
Participant will provide CalHFA a Certificate of Occupancy issued by the local jurisdiction upon completion of the ADU.		
Program Income Limits		
Participant certifies that the Applicant’s current income meets CalHFA Program requirements. All eligible income sources must be included in the income calculation. Participants shall not exclude or reduce applicant income or remove applicants to meet our income limit requirements.	Annual Income of all individuals used for credit qualifying purposes \$ _____	
Participant Certification		
I certify (or declare) under penalty of perjury under the laws of the State of California that the foregoing is true and correct. I agree that the agency (i.e., CalHFA) to which applicant (each and every one) is applying may, directly or through its contractors, agents, grantees or designees, take such actions as it deems necessary to verify the accuracy of this certification. I further understand and agree that any person or entity contacted by the agency and/or its contractors, agents, grantees or designees, in the course of such verification, may release such pertinent information to the agency and/or its contractors, agents, grantees or designees.		
_____ Signature of Authorized Participant Representative	_____ Date	
_____ Print Name and Title of Authorized Participant Representative		



Applicant Affidavit and Certification for CalHFA Accessory Dwelling Unit Grant Program

I, _____, _____, and I,
 _____, _____, and I,

(each, an "Applicant"), having applied for a grant to construct an accessory dwelling unit ("ADU") on the below property ("Property") with funds made available by the California Housing Finance Agency ("CalHFA") pursuant to its ADU Grant Program ("Program") under the terms and conditions of the Program, do hereby represent and warrant as follows:

Property Address			
Street:			
City:	County:	Zip:	
Statement of Citizenship, Alienage and Immigration Status for State Public Benefits			
Applicant certifies that I am either: (1) A citizen or other National of the United States, or (2) A "Qualified Alien" as defined at 8 U.S.C § 1641.			
Owner Occupancy and Rental or Intergenerational Housing Purpose			
Applicant certifies that I occupy the above Property as my owner-occupied primary residence and that the ADU will be built as a full residential unit for a long-term rental (31 days or more) or to provide permanent housing for a family member or other resident.			
ADU Zoning and Building Codes			
Applicant certifies that the ADU will meet all local zoning ordinances and building codes for use of the Property.			
Acknowledgement of Tax Form 1099-G			
Applicant acknowledges that I may be receiving an IRS income tax form 1099-G which reflects the receipt of benefits from the CalHFA ADU Grant Program. Applicant also acknowledges that this may have income tax consequences and are advised to consult with a tax professional.			
Applicant Certification			
<p>I have personally reviewed and understand the Applicant Affidavit and Certification for CalHFA Accessory Dwelling Unit Grant. I understand that I will be signing this document under penalty of perjury. I understand that the crime of perjury is punishable by up to four (4) years in jail or prison and a fine of up to ten thousand (\$10,000) dollars. I also understand that intentional misrepresentation of material facts may lead to my liability in a civil court for monetary and punitive damages in a civil lawsuit. In addition, I understand that CalHFA reserves the right to refer allegations of perjury, fraud, or material misrepresentation to the local criminal prosecuting agency (District Attorney's Office) or the California Department of Justice for civil and criminal prosecution. I agree that CalHFA, directly or through its contractors, agents, grantees, or designees, may take such actions as it deems necessary to verify the accuracy of this certification. I further understand and agree that any person or entity contacted by CalHFA and/or its contractors, agents, grantees, or designees, in the course of such verification, may release such pertinent information to CalHFA and/or its to CalHFA and/or its contractors, agents, grantees, or designees.</p> <p>I certify (or declare) under penalty of perjury under the laws of the State of California that the foregoing is true and correct.</p>			
_____ Signature	_____ Date	_____ Signature	_____ Date
_____ Signature	_____ Date	_____ Signature	_____ Date

Accessory Dwelling Unit Grant Program

Accessory Dwelling Unit (ADU) 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.

Eligible Participant / Loan Origination / Servicing

- 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

Qualifications

- Low income limits — [CalHFA ADU Grant income limit](#)

Program Description

Participant will secure financing to construct the ADU. CalHFA provides up to \$40,000 for pre-development costs and non-reoccurring closing costs to build the ADU.

Applicant and Participant Process

Submission package to include:

1. Copy of current construction loan deed of trust for financing or current deed on file if no financing is used
2. Construction loan approval documents to include income used for qualifying
3. Escrow instructions to wire funds
4. Loan Estimate or Closing Disclosure
5. Itemization list for pre-development costs including Contractor's Bid, Scope of Work, or Budget
 - Pre-development costs include but are not limited to architectural designs, permits, soil tests, impact fees, property surveys, energy reports and utility hookups
6. [CalHFA Participant Affidavit](#)
 - Certify the construction of the ADU will follow Fannie Mae/FHA ADU feature requirements
 - Certify all locality permit and/or impact fees have been paid
 - Certify all eligible income is included in the income calculation. Participants shall not exclude or reduce applicant income or remove applicants to meet our income limit requirements.



California Housing Finance Agency
500 Capitol Mall Suite 1400, MS-990
Sacramento, CA 95814

916.326.8800
www.calhfa.ca.gov

Accessory Dwelling Unit Grant Program

Process continued

- Certify they will provide a certificate of occupancy upon completion of the ADU

7. CalHFA Applicant Affidavit

- Certify of Owner Occupancy and Rental or Intergenerational Housing Purpose
- Certify ADU meets all local zoning ordinances for use of property and building codes
- Applicant to acknowledge they will receive a Form 1099-G alerting them of potential income tax consequences

CalHFA's Process

CalHFA will review the submission package and contribute up to \$40,000 directly to construction escrow. These funds can be used to for eligible pre-development costs and non-reoccurring closing costs to build the ADU. Any pre-development or closing costs paid up front by the applicant cannot be reimbursed as cash back but can be reimbursed as a principal reduction to the construction loan for the ADU.

CalHFA will issue a Form 1099-G to the borrower for the calendar year in which CalHFA contributed funds to escrow.