



AFFORDABLE ADU LOAN PROGRAM



Affordable to Build.

■ ■ ■ ■ **Affordable to Rent.**

Brought to you by:

**Orange
County** | Housing
Finance
Trust

What Are the Benefits of This Loan Program?

- \$100,000 deferred loan for 20 years
- \$5,000 fully forgivable loan for disability-accessible ADUs*
- \$400 forgiveness per month with a qualified tenant**
- 0-3% interest with a qualified tenant
- Option to rent to family or students
- Professional property management assistance for finding and selecting a tenant

* Limited number available

** Rental households whose income is categorized as very-low-income

What Are the Eligibility Requirements For This Loan Program?

- Owner-occupied in a Trust member city in Orange County (ochft.org/member-cities)
- A planned or under-construction ADU
- No more than two other loans and no other Affordable ADU loans
- Adequate funding for any remaining construction costs
- Working with a licensed contractor with ADU experience

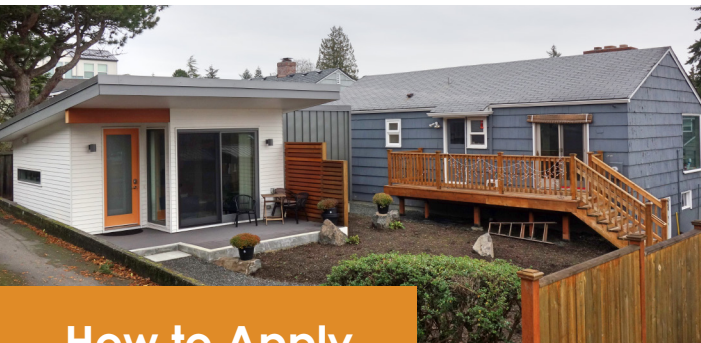
What is an ADU?

An Accessory Dwelling Unit (ADU) is a smaller, secondary residence on a lot that already has a home, or has one under construction. ADUs serve various needs for homeowners, including housing elderly or young adult family members and caregivers or increasing household income as a rental outside of the family.

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Orange County Housing Finance Trust

The Orange County Housing Finance Trust is excited to offer the only subsidized construction-to-permanent loan specifically for Accessory Dwelling Units (ADUs) for Orange County homeowners. In this innovative loan program, homeowners looking to add a rental to their property agree to lease their new ADU to a very low-income tenant for 10 years. In return, they receive a deferred, low-interest, and partially forgivable loan of \$100,000 to reduce their construction costs, with delayed payment for up to 20 years.



How to Apply

Learn more about the affordable ADU loan program and begin the application process at bit.ly/affordableADU or use the QR code here.



9/2023

Examples of the projected total benefits for a homeowner with a one-bedroom ADU:

	Participate for 3 years		Participate for 5 years		Participate for 10 years	
	Voucher	Low Income Tenant	Voucher	Low Income Tenant	Voucher	Low Income Tenant
Principal	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
Interest	\$0	\$9,000	\$0	\$15,000	\$0	\$30,000
Forgiven	\$14,400	\$14,400	\$24,000	\$24,000	\$48,000	\$48,000
Construction Interest	\$5,040	\$5,040	\$0	\$0	\$0	\$0
Total Repaid	\$90,640	\$99,640	\$76,000	\$91,000	\$52,000	\$82,000
Rents Received	\$66,600	\$48,420	\$111,000	\$80,700	\$222,000	\$161,400

Assumptions: Federal Rate of 5.08%, 6 months of construction after loan disbursement, loan is repaid as soon as homeowner stops participating in the program. Rents are subject to market changes and approval by public housing authorities or CA HCD.

Anyone whose income is less than 50% of the Area Median Income is an eligible renter, including:



Your parent



Your child



A new neighbor



An old friend



A voucher-holder



AFFORDABLE ADU LOAN PROGRAM

Orange County Housing Finance Trust

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bit.ly/affordableADU



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