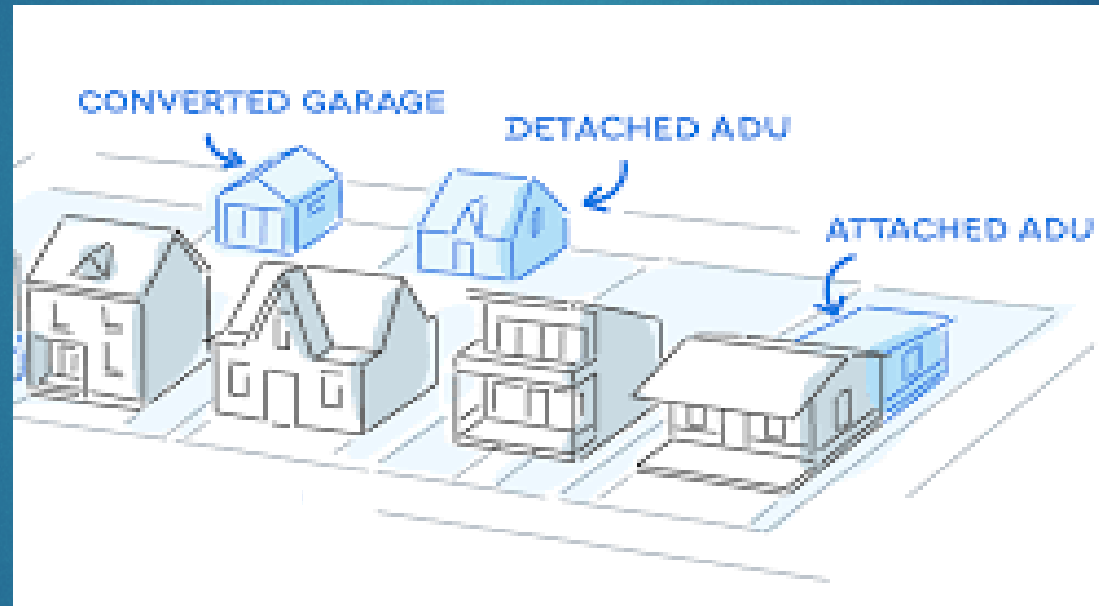


# SMALL HOMES, BIG IMPACT

## Accessory Dwelling Units (ADU) Program



FATHIA MACAULEY  
CHIEF LENDING OFFICER  
HOUSING TRUST SILICON VALLEY



# Who We Are

---

- ▶ We are the local Housing Trust Fund for Santa Clara County
- ▶ We are a Community Development Financial Institution (CDFI) working in 13-counties in the S.F. Bay area and the region's highest-volume nonprofit housing lender
- ▶ We help everyone – from those experiencing homelessness to developers of affordable rental housing to first-time homebuyers - with their affordable housing needs
- ▶ We became the first nonprofit housing lender in the country with a Standard & Poor's credit rating (AA-)





# Our Impact To Date

Since 2000...

\$257+ million invested

Over 9,000 affordable homes produced

34,700 people helped-including 6,800 homeowners and over 7,200 people experiencing homelessness



Housing Trust lends in 13 counties in the greater Bay Area that have one thing in common – a critical need for affordable housing & more capital to support its development

S&P Global Ratings **AA-**



# Alternative Building Methods & Structures

## Modular ADU Homes



## Panelized Walls



## Shipping Container ADU Homes



# WHAT IS AN ACCESSORY DWELLING UNIT?

## Why build one?

---

Homeowners build ADUs for many reasons:

- Aging parents
- Adult children
- Developmentally and/or intellectually disabled family members
- Downsize / Age in place
- Help the housing crisis (e.g. teachers)
- Section 8 voucher participants
- Additional income

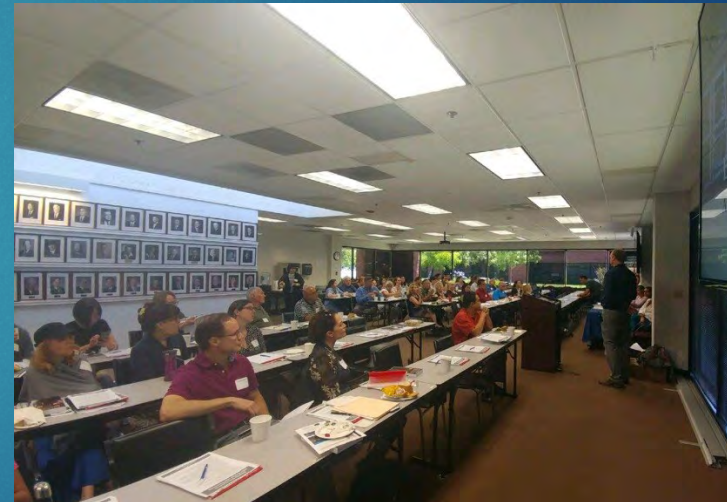


# Purpose of Small Homes, Big Impact

---

The purpose of our ADU Program is to reduce barriers for homeowners developing ADUs by providing education, resources, and financial assistance:

- Quarterly, Live Educational Workshops
  - E-learning will be launched soon!
- ADU Resources
  - Resource Fair / Preferred Vendors
  - Open House Tours
  - ROI Calculator – Coming soon!
- Financial Assistance
  - Planning Report Grants
  - Construction Loans





# Housing Trust ADU Financing Initiative

---

- The Housing Trust has developed a unique and innovative program to accelerate the development of **Accessory Dwelling Units (ADUs)** throughout the Bay area. Its financing program bridges the gap required by homeowners to develop an ADU and the conventional mortgage markets.



# Financial Assistance Program: Existing ADU Financing and Market Gap

---

## Current Conventional Financing Options

- Cash (savings and/or borrowing from friends and family)
- Refinance-Cash Out
- Home Equity Line of Credit (HELOC)

## Market Gap

- Lack of secondary mortgage construction financing
- Lenders cannot consider projected ADU rents/income
  - ADU rents require up to 2-years of operating history
  - Rental income considers only 75% of gross rents
  - Lenders require up to 2-years property mgmt. experience



# Financial Program: What does \$200,000 buy?

---

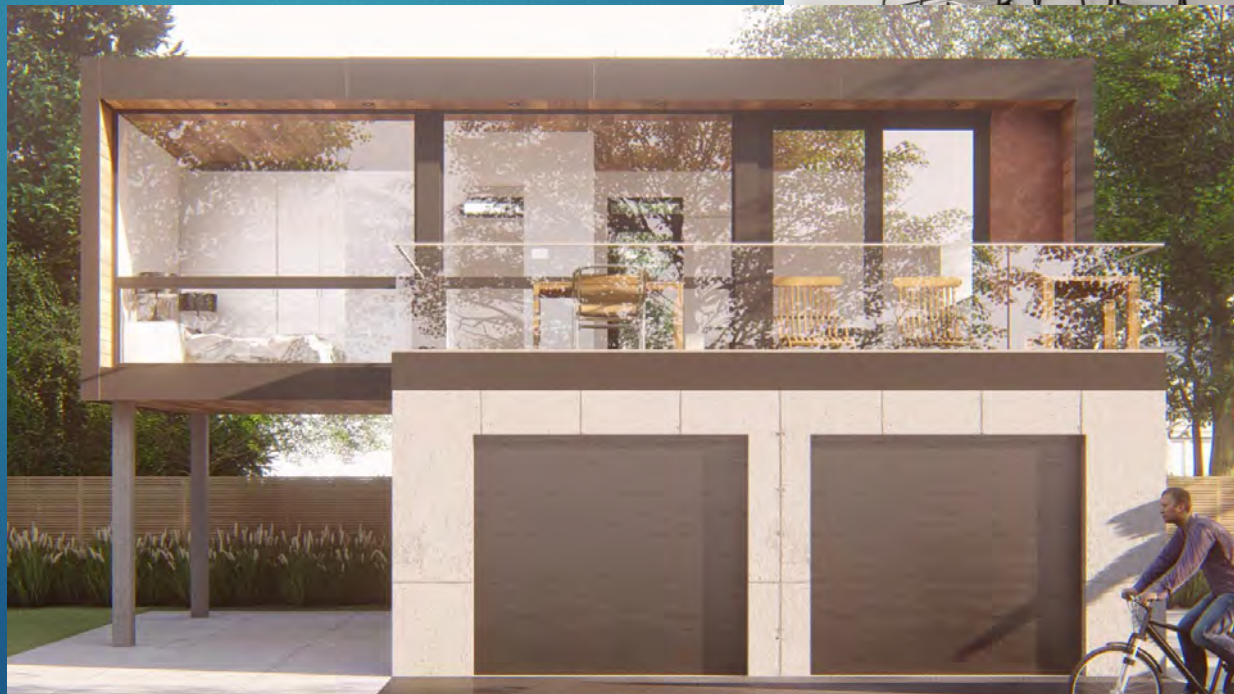
- Detached 430 SF in Sunnyvale, CA
- Studio/1 Bath
- Wood from construction
- \$179,000 Total Dev Cost
- Owners are renting below FM Rat \$1,500
- No covenant, want to help with the housing crisis





# Financial Program: What does \$200,000 buy?

- Detached 419 s.f. in Half Moon Bay, CA
- 1 Bedroom/1 Bath
- Honomobo Modular
- Built to local code
- \$177,000 TDC
- Rent \$2,600





# Financial Program: Construction Loan Terms

---

- Up to \$200,000 (Max. amount)
- Second mortgage/DOT
- 36 month term / 20-year amortization
- Interest 5% (int. only Year 1 and P&I Years 2-3)
- Eligible costs: soft and hard costs
- Up to 97% CLTV
- Minimum two year affordability restriction
- Tenant income restriction 80-120% AMI (\$72,750-\$110,400)
- Tenant may utilize up to 34% of income towards rent
- Rents capped at \$2,023 or fair market rent, whichever is less
- Loan amount will be sized based on rent



# Contact

---

For additional information to learn how the Housing Trust can assist your community in financing and developing its housing programs please contact:

**Fathia Macauley**

Chief Lending Officer

Housing Trust Silicon Valley

75 E. Santa Clara St, Suite 1350

San Jose, CA 95113

(408) 703-3837 (ext. 243)

[Fathia@housingtrustsv.org](mailto:Fathia@housingtrustsv.org)

