

2nd Unit ADU Program

Frequently Asked Questions

ABOUT THE PROGRAM

1. Which option would I chose if I want to convert my detached garage to an ADU?

A garage (or another legal structure) that has never been occupied for use as a dwelling unit qualifies for the new ADU construction option. A garage (or another legal structure) that is currently or has previously been occupied as a dwelling unit qualifies for the existing unpermitted ADU option.

2. Will a fine be assessed to the homeowner for revealing their property as an existing unpermitted ADU for participation in this program?

Properties that have an existing and unpermitted ADU which is not in compliance with the Pasadena Municipal Code may apply for the program. The purpose of this program is to help legalize such units. Please know that the intent of the program is not to refer unpermitted ADUs to the Code Enforcement Division unless there is a life safety threat on the property, such as illegal and unsafe wiring, lack of adequate fire escape, and the like, and such threats will be required to be corrected immediately.

3. Is there an option to participate in the program without taking the City's loan?

Participation in this program is for homeowners who need loan assistance to build an ADU. Services of the ADU consultant team comes with the loan assistance, and is not provided separately.

4. What is the maximum size an ADU can be?

For participation in this program, the maximum ADU size is 750 square feet.

5. Does the loan only cover the construction portion of the project?

No, the ADU financing is designed to cover the entire cost of the project. There should not be any out of pocket cost for the homeowner as long as the project costs do not exceed the maximum loan limit.

APPLICATION EVALUATION

6. How can I submit the application?

Only paper applications will be accepted for this program. Any electronic or faxed applications will be rejected. The Housing Department is located at 649 N. Fair Oaks Ave. #202. If the department office is closed, please drop off the application in the black drop box located just outside office doors. You may also mail your application to the Housing Department to the attention of Randy Mabson, Program Coordinator. The program application must be received by the Housing Department no later than 1:00p.m. October 30, 2020.

7. What is the definition of a severely disabled person?

Persons are classified as having a severe disability if they: (a) used a wheelchair or had used another special aid for 6 months or longer; (b) were unable to perform one or more functional activities or needed assistance with an Activity of Daily Living or Instrumental Activity of Daily Living; (c) were prevented from working at a job or doing housework; or (d) had a condition including autism, cerebral palsy, Alzheimer's disease, senility, or mental retardation. Finally, persons who are under 65 years of age and who are covered by Medicare or receive SSI are considered to have a disability (and a severe disability).

8. What age is considered a senior?

For this program, a senior is a person who is 65 years or older.

9. How do I calculate my income?

Please refer to the appendix found in the [2nd Unit ADU Program Handbook](#) for what is considered household income. For Option #1 New ADU Construction, the total annual income is required for the applicant (homeowner). Use the adjusted total gross income reported on your 2019 tax return.

For Option #2 Unpermitted ADU, the total annual income for all adults living in the household is required. All persons who occupy the household, whether related or not. The occupants may be single family, one person living alone, two or more families living together, or any other group of persons who share living arrangements. Use the adjusted total gross income reported on 2019 tax returns for all adults.

10. How do I know if I live within the Community Development Block Grant (CDBG) census tract?

A property is not required to be located in a CDBG census tract to participate in this program. For scoring purposes, the City will determine if a property is located in a CDBG census tract.

11. How long will the application evaluation and loan approval process take?

Application evaluations are expected to be completed within 30 days after the close of the application window period. Those selected to participate in the program will have 20 days to submit required loan package documentation. Approval from the City's loan review committee and City Council is expected within one month of completing the loan package.

DESIGN AND CONSTRUCTION

12. How long will permitting review and approval take?

When complete and fully compliant ADU plans are submitted to the Permit Center approval can take less than 30 days. However, corrections are often needed for ADU plan submissions. This can extend approval times.

13. Can an ADU be built that exceeds the loan amount if other funding is used?

Yes, private funds can be used at the homeowner discretion in combination with the loan funds.

14. Do residential impact fees apply to ADUs?

Yes, however ADUs under 750 square feet are exempt from impact fees.

15. Can I build my ADU to any design aesthetic I want?

Yes, as long as it can be approved by the Planning Department.

16. Does the ADU Consultant or general contractor enter into a contract with the homeowner?

The ADU consultant is contracted with the City to provide guidance and act as a project manager over the ADU construction. The homeowner will enter into a contract with the general contractor and other consultants to perform work needed to complete the ADU project.

17. Does the Planning Dept. have design templates available to reduce the overall ADU project cost?

Currently the Planning Department does not have any ADU design templates available. This may be an option in the future.

18. Can I pick my own contractor after my loan is approved?

The homeowner may select their own contractor however, the contractors must meet the City's requirements. The ADU consultant will ensure this is the case.

19. Are prefabricated or modular ADUs allowed?

Modular and prefabricated ADUs are allowed under the new ADU construction option. If a homeowner is selected to participate in the program, and is interested in considering building a modular unit, the ADU consultant team can help determine if the property is a good candidate for modular construction and will make sure the homeowner has the appropriate site conditions and lot space for the size unit desired.

POST CONSTRUCTION

20. How does the process for tenant selection work?

For Option #1, the homeowner will meet with Housing staff to become a Section 8 landlord. The homeowner may rent the unit to any person they choose who has a Section 8 voucher. For Option #2, the homeowner may select whomever they choose to live in the ADU.

21. What happens if I choose to sell the house before the required 7 years of renting to a Section 8 voucher holder?

During escrow, the City will notify the buyer of the requirement to continue renting the ADU to a Section 8 voucher holder for the remaining time required.

22. Will there be landlord training and support?

The Housing Department provides orientations for all new Section 8 landlords, and has program staff available for training. Landlord/tenant information sessions are also offered on a regular basis by the Housing Rights Center. Move information can be found at <https://www.housingrightscenter.org/landlord-tenant-counseling>.

23. Is there any prepayment penalty for the loans?

There is no prepayment penalties on the loans. The City prefers that you pay the loan back as soon as possible.