



Aid For ADUs Program | Program Guidelines

These Guidelines are subject to change based on availability of funds, conditions of property and market conditions. ECHDA does not discriminate on the basis of race, color, sex, religion, handicap, familial status, sexual orientation, gender identity, or national origin.

The Aid For ADUs Program, a loan program to support the creation of new units, will support an existing property owner (“Owner”) with a low cost loan for the construction or conversion of existing space to an Accessory Dwelling Unit (“ADU”) on the Owner’s property, where permitted. Through the Aid For ADUs Program, the Eagle County Housing and Development Authority (“ECHDA”) may provide up to one hundred thousand dollars (\$100,000) in the form of a Loan, secured by a Promissory Note and Deed of Trust, to the Owner. In exchange, the Owner will lease the ADU to an Eligible Household at a monthly rental rate no higher than 100% of area median income of rental rates. The intent of the program is to create new housing units for the year round Renter at attainable rental rates in units that are available today in Eagle County.

In Eagle County, ADUs have different names throughout the community, such as an in-law apartment, secondary suites, garage apartments, lock-off or the like, however the definition of an ADU for the purpose of this program is at a minimum, a separate dwelling unit subordinate to the principal use of the property which contains kitchen facilities (at minimum a sink and stove or oven in a room or portion of a room devoted to the preparation of meal), bathroom (including toilet, sink, and shower or bathtub), living, and sleeping area(s). The intent of an ADU is to fully house individual(s) separate from those living in the main residence with no dependence upon the main residence for essentials. The ADU may be located within or attached to the structure containing the principal use of the property, or it may be detached from that structure. The Owner is solely responsible for confirming that ADUs are permitted on the Owner’s property, for obtaining any required approvals or permits from the local governing jurisdiction and for compliance with all rules and regulations of such jurisdiction, including all building code requirements.

A condition of the Loan is that the Owner shall rent the ADU to an Eligible Household. No short term rentals are permitted. The Rent For Locals Program is compatible with this Program.

Purpose of Program	This Program is intended to allow an Owner to construct or convert living space for an ADU that shall be rented to an Eligible Household at no more than 100% of area median income rental rates.
Eligible Households	An Eligible Household is defined by the most recent Eagle County Affordable Housing Guidelines and Administrative Procedures and subject to policies contained therein. ADUs shall be rented to those that make Eagle County their permanent residence. No short term rentals are permitted.
Eligible Property	This program will support the construction or build-out of ADUs within or attached to existing structures containing the principal use of the property, or detached from that structure, that are on a permanent foundation taxed as real property within the jurisdictional boundaries of Eagle County. Owner is responsible for



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	<p>completion of all due diligence and for confirming property eligibility based on zoning and local regulations, at time of application. Proof of approval from Homeowners Association(s), Design Review Board, and municipality or Eagle County, as applicable will be required. Copy of building permit or building permit application and associated plans and cost estimates must also be submitted.</p>
Owner	<p>Owner is the owner of an Eligible Property within Eagle County. If an Eligible Property is not owned by an individual(s), proof of ownership is required.</p>
Renter	<p>Renter is required to be an Eligible Household and use the ADU as its primary residence, as defined in the Eagle County Affordable Housing Guidelines.</p>
Loan	<p>A Loan may be issued to the Owner for up to one hundred thousand dollars (\$100,000) for the construction of an ADU on the Owner’s property. Determination of Loan amount is made by the Program Administrator based on review of the cost estimates for construction of the ADU, including any architectural and other consulting fees.</p>
Loan Program	<p>The term of the Loan shall be fifteen years (“Term”). During the first three years of the Term (the “initial period”), the Loan shall not carry any interest and no Loan payments shall be due. After the expiration of the initial period, the Loan shall carry a maximum simple interest rate of 2% annually for the remainder of the Term or until the Loan is paid in full, whichever occurs first. Loan payments of principal and interest may be made on an annual basis.</p>
Promissory Note and Deed of Trust	<p>The Loan will be evidenced by a Promissory Note (“Note”), secured by a deed of trust recorded against the property (“Deed of Trust”). The Deed of Trust will be released upon full payment of the Note/Loan. The Deed of Trust shall contain a requirement that the ADU be rented to and occupied by an Eligible Household at all times during the Term of the Loan, in accordance with the Rental Requirement set forth below; and that certification/recertification of the Renter occur annually.</p> <p>Lender may accelerate and declare all Note principal and accrued interest to be immediately due and payable in full upon notification of any of the following events: (i) Loan proceeds are used for something other than ADU construction; (ii) the ADU is rented to someone other than an Eligible Household; (iii) the ADU is rented on a short term basis, (iv) the Owner fails to certify or recertify a Renter; (v) the Loan is not paid when due in accordance with the Note (vi) the unit remains vacant for a period of 90 days or greater and/or (vii) the rental rate exceeds 100% of area median income. Upon any such event of default, the Loan shall be immediately due and payable.</p>
Loan Repayment	<p>If a sale or refinance of the Property occurs within the Term of the Loan, the Loan shall be immediately due and payable at the closing of the sale or refinance. Under certain conditions, a Loan may be re-subordinated, subject to prior Program Administrator approval. No partial payment will be accepted, however a Loan can be repaid in full at any time without penalty.</p>



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	<p>Owner must notify the Program Administrator at least thirty (30) days prior to a sale or refinance of the Property.</p>
Rental Requirement	<p>Owner shall rent the ADU to an Eligible Household that meets the following -</p> <ul style="list-style-type: none"> ● Eligible Household must meet the definition in the Eagle County Affordable Housing Guidelines ● Rental rate shall not exceed 100% area median income (AMI) based on number of bedrooms. All utilities shall be included in the monthly rental payment. ● Utilities may be separately metered, however the total amount paid by the Renter for rent and utilities can not exceed 100% AMI as defined above. ● Parking must be available, identified in lease, and assigned to Renters of the ADU ● Other terms outlined in the Eagle County Affordable Housing Guidelines
Eligible Household Approval/ Certification	<p>Owner must collect application materials from a potential Renter and shall provide documentation to ECHDA who will review and provide a letter to the Owner approving or denying the Eligible Household. The Owner shall provide the ECHDA with a copy of the signed lease and shall notify the ECHDA immediately upon any termination of the lease for nonpayment or breach of lease terms.</p> <p>Owner shall certify the eligibility of Renter as an Eligible Household at any new lease signing or renewal. Certification includes Renter’s proof of employment in Eagle County.</p>
Recertification	<p>Recertification is required annually. If the Owner fails to provide certification or recertification documents for the current year based on the compliance above, the Loan shall become immediately due and payable. Certification or recertification documents will include at a minimum a fully executed lease and proof of full time employment in Eagle County. Additional documentation may be required and will be outlined in the application.</p>
Rental Rate	<p>The ADU shall be rented for no more than the rental rates determined by 100% of Eagle County area median income (“AMI”) including utilities and fees, as published by the Colorado Housing and Finance Authority. If the Owner is unable to rent the ADU for rental rates determined by 100% of Eagle County AMI, for more than 60 days, the rent should be reduced to a reasonable market rate as determined by prevailing market conditions and as approved by the Program Administrator.</p>
Occupancy	<p>ADU must remain rented to an Eligible Household for the term of the Loan on a year round basis. If the unit remains vacant for a period of 90 days or greater, the Owner must provide proof of inability to rent to the Program Administrator.</p>



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Short Term Rental Provision	The ADU shall not be eligible for short-term rental. Short term rentals are defined in the Eagle County Affordable Housing Guidelines as a non-owner providing compensation to lodge in another owner’s property for periods less than thirty (30) days. Owners shall not advertise any part of their ADU available for short term lease on an open, public forum such as Airbnb, VRBO, Homeaway or equivalent.
Program Application	<p>Applications are received on a first come, first serve basis to be time and date stamped in order of completed applications. A complete application requires proof of ownership of home, permission for ADU buildout from Eagle County, any applicable homeowners’ association, or municipality, design plan, necessary construction permits, Owner credit report, title Owner and Encumbrance report, and photo identification, or other documents deemed necessary by the Program Administrator.</p> <p>Applications will be approved at the discretion of the Program Administrator, subject to program guideline applicability and available funds. All aspects of the ADU Program eligibility and approval are at the sole exclusive discretion of the Program Administrator and availability of funds. These Guidelines are subject to change and changes are binding upon the applicant.</p> <p>Applications may be denied based on the physical condition of the proposed property and/or the ADU design. The Program Administrator will review a Owner’s credit, an updated Owner and Encumbrance title report, and other applicable documentation.</p>
Application Processing	Review and approval within seven (7) business days of receipt by the Program Administrator. Upon notification of approval, the Owner will be referred to the Loan servicer, Impact Development Fund, to apply for the Loan.
Application Fee	An origination fee shall be charged by the Loan servicer at the time of closing.
Other	In the event of policy conflict between this Program and the Eagle County Affordable Housing Guidelines and the Administrative Procedures, the Aid For ADUs Program Guidelines shall control. Program Guidelines may be amended from time to time to effectuate the intent and goals of the Program, and all changes are binding upon program participants.
Program Administrator	ECHDA and/or the TVHS or other as assigned by Eagle County. Loan servicing provided by the Impact Development Fund.
More information	www.housingeaglecounty.com or call (970) 328-8778

