

The Boston Home Center Financial Assistance Additional Dwelling Unit Loan Program Fact Sheet

The Additional Dwelling Unit (ADU) Home Loan Program is being offered by the Boston Home Center to support the Mayor’s Housing Innovation Lab’s efforts to increase housing affordability by testing innovative housing models. The ADU Loan Program offers gap funding to eligible Boston homeowners of 1-3 unit properties who wish to create an ADU in their home. For more information on the ADU Pilot, go to: www.boston.gov/how-apply-additional-dwelling-unit-loan

What are the benefits?

- A zero percent (0%) interest, deferred loan of up to **\$50,000** for an ADU project to owners of single- to three-family homes. The loan has no monthly payment and does not become due for repayment until the owner sells or transfers ownership of the property, or undertakes a cash-out refinance of the home. (Condominiums are not eligible for this program.)
- There are no owner match requirements for homeowners with incomes below 120% of Area Median Income (see below). Homeowners with incomes between 120-135% of Area Median Income will have to match the City-funded loan 1:1 with their own funds or with a bank loan;

Who is eligible?

- City of Boston residents who own and occupy a 1-3 unit home;
- Homeowners whose annual household income does not exceed 135% of the Area Median Income as defined in the chart below;

HUD INCOME LIMITS & ELIGIBILITY		
Household Size	Zero-Match Loans 120% AMI	1:1 Match Loans 120-135% AMI
1-Person	Under \$ 99,950	\$99,950 - \$112,450
2-Person	Under \$ 114,250	\$114,250 - \$128,500
3-Person	Under \$ 128,500	\$128,500 - \$144,600
4-Person	Under \$ 142,800	\$142,800 - \$160,650
5-Person	Under \$ 154,200	\$154,200 - \$173,500
6-Person	Under \$ 165,650	\$165,650 - \$186,350

- Homeowners must be current with all City of Boston and home accounts, including property taxes and water bills; mortgage and property insurances;
- Homeowners with less than \$75,000 in financial assets, whether in cash, equity in non-primary real estate, investment funds, or any other item of value, excluding the value of the homeowner’s primary residence and some retirement funds and college savings plans accounts;
- Homeowner may not have received home repair financial assistance from any City of Boston program within the past ten (10) years, excluding deleading funds.
- Homeowners who demonstrate proof of readiness to proceed to build the ADU, which means: a) the homeowner has submitted to the Inspectional Services Department (ISD) an ADU preliminary application, including plans and specifications, and received approval from ISD for the ADU; and, b) the homeowner can provide proof of having sufficient funds (net a Boston Home Center loan) for the total development costs (TDC) of the ADU.

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What work is eligible?

Interior improvements which would create a residential living unit providing complete independent living facilities incorporated entirely within the footprint of the existing residential structure.

How do I apply for the ADU Pilot Loan Program and what happens next?

1. Submit or mail a signed, completed Boston Home Center (BHC) Financial Assistance Application and check off ADU Pilot Program under the Homeowner Programs. Submit this application with all the required documentation listed on the Application Checklist. The application is available for download at: www.boston.gov/adu-toolkit or by calling 617.635.4663.
2. Eligible applicants will be contacted by the Program Manager who will work with them.
3. Homeowner must have received preliminary approval from ISD prior to submitting an application.
4. You will receive an enrollment letter indicating your eligibility to receive a 100% City-funded loan, or a 50% City-funded loan that requires a dollar-for-dollar (1:1) match with your own or bank funds for the home repairs.
5. Sign the loan closing documents for the zero percent (0%) interest rate deferred loan and receive a commitment letter from the City.
6. After the loan closing, you can now sign a contract with your selected contractor. The contractor will obtain a building permit from the City's Inspectional Services Department, and your ADU project may begin.
7. Once the work is completed, contact your Program Manager and submit a final invoice from your contractor along with a copy of the signed permit indicating a final approval.
8. A final inspection will be conducted by a Boston Home Center Construction Specialist.
9. The check for payment of City funds will be mailed to your contractor after the project and the final inspection have been completed.

**For More Information, go to:
HomeCenter.Boston.gov or call
617.635.4663**