

## ACCESSORY DWELLING UNIT LOAN PROGRAM (ADULP)

### Owner Instructions

Steps required to legalize an unpermitted ADU or JADU with ADULP financing are summarized below.

For more information, refer to materials available at the [ADULP website](#).

#### **Phase I: Pre-Approval**

1. Applicant completes the [ADULP Eligibility Checklist](#) to confirm minimum eligibility requirements are met.
  - A. *Project Eligibility:* An unpermitted secondary unit in an [Opportunity Zone](#) appropriate for ADULP legalization
  - B. *Applicant Eligibility:* owner occupancy, maximum household income [80% of Area Median](#) by household size.
2. If all questions in the checklist were answered **YES**, applicant completes the [pre-screening survey](#).
3. Likely candidates will be invited to submit a full application with supporting income and asset documentation.
4. A site assessment by the Project Manager will occur for those that appear eligible.

#### **Phase II: Feasibility Assessment & Bids**

5. After the initial assessment, staff develops a preliminary checklist of items to be reviewed for code compliance. *This review is to inform potential bidders and assess project feasibility and may not identify all code violations.*
6. Qualified contractors from the approved program list or as chosen by the owner are invited to attend a Bid Walk inspection with the owner and Project Manager. *See contractor guidance at the [ADULP website](#).*
7. Interested bidders develop the proposed scope of work, including any subcontracting needs for specialty expertise such as mechanical, electrical, plumbing, or architectural services.
8. Bidders submit sealed bids with a complete Scope of Work proposal to the Project Manager and owner.
9. Owner reviews bids, chooses a contractor, and returns the signed Bid & Proposal.

#### **Phase III: Loan Documents & Construction Contract**

10. Once a contractor is chosen and the loan amount is determined, applicant submits updated eligibility documentation for final loan approval.
11. Loan Documents are prepared and signed, notarized, and recorded to fund the account that will pay for services.
12. The Pre-Construction Conference to finalize scope and agreements is conducted with owner, Project Manager and contractor. Progress Payments may now be invoiced and paid according to the agreed upon schedule.

#### **Phase IV: Permitting, Construction & Progress Payments**

13. The [Amnesty Program for ADUs](#) may allow exemption from some zoning requirements and/or deferment of code enforcement assessments related to an unpermitted unit. A [preliminary application](#) is required to take advantage of this program before your contractor submits the [Single Family ADU Application](#) with the remaining permitting documents. *Discuss this option with your Project Manager if you think you can benefit.*
14. If not applying for amnesty, the contractor prepares plans and submits the full [Single Family ADU Application](#) through the Permit Center's on-line portal as *Small Project Design Review*.
15. Once permit requirements are met and fees are paid, the permit is issued, and construction may begin.
16. Invoices for Progress Payments must be submitted to the owner by the contractor for approval, then to program staff for processing. Any cost changes must be submitted and approved prior to commencement of relevant work. Payment processing and electronic deposit occur within two weeks.

#### **Phase V: Project Completion**

17. As construction nears completion and prior to the final payment request, contractor completes a closeout inspection with Project Manager to develop final punch list to be satisfied before all balances are paid.
18. Project receives passing final permit inspection and Contractor submits Notice of Completion (NOC) and Lead Clearances. The NOC is recorded with Alameda County and escrow is closed.