



PHB Portland Housing
Bureau

Mayor Ted Wheeler • Director Kurt Creager

ACCESSORY DWELLING UNIT PILOT LOAN PROGRAM

November 9, 2017



Program Overview

A loan program designed to assist low-income, long time homeowners in retaining their home, thereby reducing displacement, by creating a fully permitted accessory dwelling unit (ADU)



ADU Uses

- Flexible uses
 - Family member
 - Live-in caregiver
 - Downsize, and rent the primary home
- Non-regulated rents
- Cannot be used as a short-term rental.



Loan Terms

- \$80,000 Maximum loan amount
- 15-year 0% Interest loan
 - 180 equal monthly payments
- Assumable by family member
- Secured by a lien on title
- Up to \$15,000 additional for Home Repairs
 - Silent / No Payments
 - Forgiven after 15 years



Loan Qualifications

- Current on Mortgage payments
- Current on property taxes or in Tax Deferment Program
- Have enough home equity to secure loan amount.
- Debt to Income ratio up to 60%
- No Reverse Mortgages



Eligible Applicants

- Current Homeowner
 - Household income under 120% AMI
 - Purchased home prior to August 2000
- OR -
- Purchased a home that has been in the family prior to August 2000



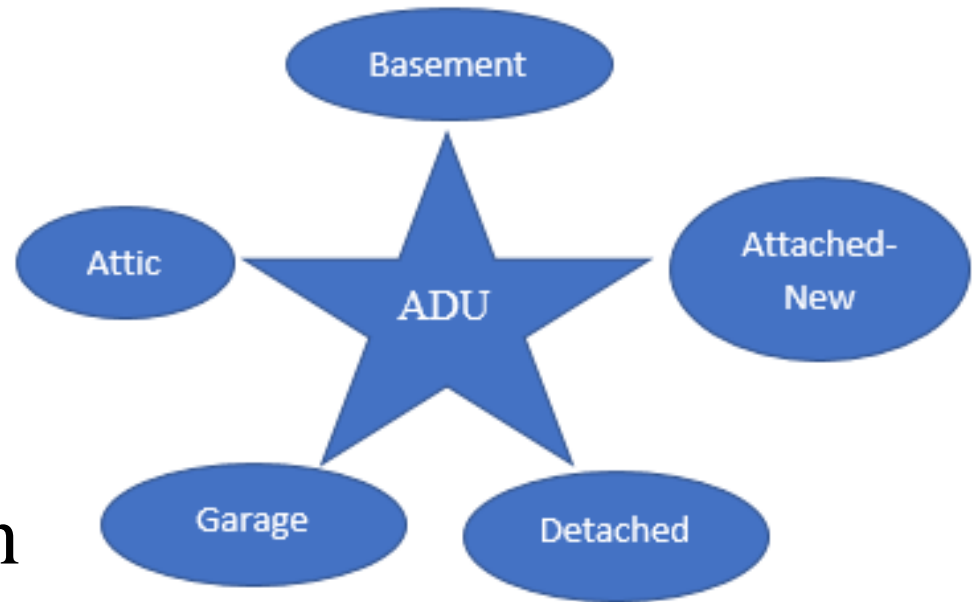
Eligible Properties

- Located in Interstate Corridor Urban Renewal Area
- Single-family detached owner occupied unit
- Home has a basement with a minimum of 500 sq. feet.
- Primary unit in safe and habitable condition or able to be improved to program standards within available funding limits.



Why Only Basements

- Lowest overall cost on average
- Allows for program focus
- Develops efficiency
- Allows for expansion rather than contraction





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Program Requirements

- Complete landlord education
- Register as a business with the City of Portland
- Sign agreement for loan terms and program restrictions.



Supportive Services

- Budget and Program Review
- Property Inspection and Assessment
- Metro HomeShare
- Income Tax Education
- Landlord Education
- Community Partners



Outreach

- PHB will send out a mass mailing to all home owners in the ICURA
- PHB will send out a second targeted mailing to identified homes that could qualify
- Communicate with community partners to share with their clients.



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Questions?