



HOUSING DEPARTMENT

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SUMMIT COUNTY ACCESSORY DWELLING UNIT ASSISTANCE PROGRAM

Program Overview

The Summit County Housing Department has implemented a new program called the Accessory Dwelling Unit Assistance Program to assist in the creation of accessory dwelling units (ADU's) in unincorporated Summit County (attached and detached). Depending on the situation, Summit County will reimburse up to \$60,000 of the cost of constructing new ADU's. In areas with participating Water and Sewer districts these funds can be used to pay water and sewer tap fees up front. There is also funding available to create new ADU's in existing homes and to convert non-compliant ADU's into compliant ADU's.

ADU Assistance Program Details

Who is eligible?

Anyone who owns or is building a home in **unincorporated** Summit County and has the ability to construct a compliant Accessory Dwelling Unit on that property, attached or detached. Issued and completed building permits are not eligible for this program.

Funding options & amounts

- New Construction (attached or detached): 25% of total construction cost up to \$40,000 for a studio, \$50,000 for a one-bedroom and \$60,000 for a two-bedroom unit with a rental cap of 110% of Summit County AMI*. The percentage of funding can be increased if an owner lowers the maximum rent charged on the ADU. **However, the maximum dollar amount funded would remain the same.** For example, if the County pays 30% of construction cost, a 100% AMI rental cap would be required. If the County pays 40% of total construction cost a 80% AMI rental cap would be required. The rental cap percentage would be included in the ADU covenant recorded on the property.
- Existing unfinished space: Owners converting existing unfinished space into a compliant ADU can receive 25% of the cost of conversion up to \$35,000 with a 110% AMI rental cap. (Owners may also receive up to 30% & 40% of the construction costs if they agree to a lower rental cap)
- Existing finished space: Owners converting existing finished space into a compliant ADU can receive 25% of the construction cost up to \$30,000 with a 110% AMI rental cap. (Owners may also receive up to 30% & 40% of the construction costs if they agree to a lower rental cap)
- Non-Conforming ADU's: Owners of non-compliant ADU's can receive 25% of the construction costs, up to \$25,000, to bring their unit into compliance with a 110% rental cap. (Owners may also receive up to 30% & 40% of the construction costs if they agree to a lower rental cap)
- Live/Work unit conversion: This program is also available for the conversion of commercial property into a live/work unit. Please consult with a design professional to see if it is possible. Specific funding amounts would correlate to whether the commercial space is currently finished.

*AMI=Summit County Area Median Income- The area median income is the midpoint of a region's income distribution, meaning that half of the households in a region (Summit County) earn more than the median and half earn less than the median. A household's income is calculated by its gross income, which is the total income received before taxes and other payroll deductions.

Tap Fee's

Once an applicant signs the ADU Assistance Program Funding Agreement, the funds can be used to pay water and sewer tap fees if the water and sewer district participates in this program. These funds can also be used up front to purchase water augmentation through the Summit County Managers Office.

Remaining Funds

The remaining funds, not paid to a water or sewer district, would be paid to the owner once the "Certificate of Occupancy" is issued for the Accessory Dwelling Unit.

How to apply

Fill out an ADU assistance program application, provide a copy of your construction contract, bank loan information and/or a full construction cost plan for review with your application.

ADU Assistance Agreement

Once the ADU Assistance application is approved by the Housing Department an ADU Assistance Agreement including the amount offered will be provided to the owner to review and sign. Once the owner submits a building permit, the County will pay the water and sewer tap fees to the respective district, if that district participates in this program. The balance of the funds, not paid to the water and sewer districts would be paid to an owner once the "Certificate of Occupancy" is issued by the Summit County Building Department.

Covenant

All ADU's in Summit County are required to have a restrictive covenant place on their ADU (not the entire home) that requires the occupant of the unit to work in Summit County 30 hours or more per week. Under the ADU Assistance program, an AMI rental cap will be identified in the ADU covenant. The AMI rental cap will correlate to the funding amount as outlined above.

Rental Caps

Because the County is providing funding for construction, rental caps will be enforced in the covenant. This will keep the rents on the ADU's affordable for the tenant and provide fair compensation for the owner. The rental amounts will increase each year as the Summit County Annual AMI* increases. Below are the monthly AMI rental caps for 2023 for reference:

110% AMI: <u>Studio</u> = \$2,134	<u>One-bedroom ADU</u> = \$2,287	<u>Two-bedroom ADU</u> = \$2,745
100% AMI: <u>Studio</u> = \$1,940	<u>One-bedroom ADU</u> = \$2,079	<u>Two-bedroom ADU</u> = \$2,495
80% AMI: <u>Studio</u> = \$1,552	<u>One-bedroom ADU</u> = \$1,663	<u>Two-bedroom ADU</u> = \$1,996

Permits

Funding is only provided for permitted projects. All permits shall be issued through the Summit County Building

Department. ADU's shall be designed and constructed per the 2018 International Residential Code.

Zoning

The zoning regulations have been modified to allow detached ADU on certain properties if your lot size allows it. Not all properties have the space for an detached ADU. All projects shall be compliant with the Summit County Land Use & Development Code Section 3809, which specifically addresses ADU's.

https://library.municode.com/co/summit_county/codes/land_use_and_development_code?nodeId=LAND_USE_DEVELOPMENT_CODE_CH3ZORE_3800RESTSPLAUS_3809LOREHO

Tax Implications

You should check with your financial or legal advisor on any tax implications this funding will have as the County cannot provide any financial or legal advice. Under this program the County is acquiring a deed restriction from you and the County will not issue a 1099 for the proceeds that you receive.