



City of El Cajon ADU Loan Program Fact Sheet

The City of El Cajon's (City) Accessory Dwelling Unit Loan Program ("ADU Loan Program") provides financial assistance for homeowners to build an ADU on their owner occupied property. The financial assistance is a deferred loan that requires repayment in the future and assists with construction costs only. ADUs built with help from the program are required to remain affordable for a minimum of 5 years. City staff will assist the homeowner through the loan process and provide technical assistance.

Benefits of the program are as follows: Participating homeowners may generate wealth for themselves through an increase in their property's value and the rental income from their ADU. In addition, the program helps create additional housing stock in the City of El Cajon.



How to Apply

Homeowners interested in participating in the City's ADU Loan Program can request an application at housing@elcajon.gov



Eligible Homeowners

- Agree to rent ADU to households earning up to a maximum 150% of the San Diego Area Median Income (e.g., \$210,250 gross income for a family of four)
- Own residential property (detached single-family residence) within city limits
- Residential property must be owner-occupied
- Must have minimum credit score of 640

Technical Assistance (No cost to the homeowner)

City staff is available to answer questions regarding pre-design, permits, construction, vendor selection tips and to provide project Management Support

Phone: 619-441-1710 or Email: housing@elcajon.gov



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Loan Details

Interest rates vary from 0% to 5% and loan terms vary from 5 years to 30 years, depending on the affordability level of the tenant.

(Please refer to the ADU Loan Guidelines for additional information)

Construction Loan by City

•	Loan Amount	Up to \$100,000
•	Interest Rate	0% to 5%
•	Loan Term	Deferred, Minimum 5 years
•	Loan to Value (LTV)	Maximum 75% LTV
•	Minimum Credit Score	640
•	Future Rental Income	Yes
•	Homeowner's Contribution	Additional Costs to Build
•	Affordability Restrictions on ADU	Affordable for a minimum of 5 years for renter with income up to 150% of AMI