

Frequently Asked Questions

What is “Second Unit Amnesty”?

For a limited time, the County of San Mateo will provide eligible homeowners in unincorporated areas with the opportunity to explore the feasibility of improving the condition of an unpermitted secondary unit without incurring fines, penalties, or code enforcement action that typically result from unpermitted construction.

Am I eligible to participate in the Second Unit Amnesty Program?

Any second unit created without some or all necessary approvals will potentially be eligible for the program, subject to the following conditions: the property must be located in the unincorporated area of San Mateo County; only one unit per property will be eligible; units must be in “R” (residential zones); and units must have been both built prior to January 2017 and occupied prior to February 2018.

Will an inspector come to my home? What is their role?

Yes, a 3rd party Amnesty Inspector (not a Code Enforcement Inspector) will visit your home and identify necessary improvements and provide a general estimate for the cost of the identified improvements as well as assess the overall feasibility of the rehabilitation to meet the program standards. The Amnesty Inspector will complete another inspection after construction to ensure the work was completed satisfactorily.

The purpose of the program is to ensure the safety and habitability of the second unit. The primary unit and the surrounding property will not be inspected unless such inspections are necessary to adequately evaluate the second unit. This information will not be utilized for code enforcement action.

What are the benefits to participating in the Second Unit Amnesty Program?

Second units are an important source of housing in the County, but unpermitted units may present unsafe and unhealthy conditions for both occupants and neighbors. The Amnesty Program provides an easier, more confident, and more affordable path for owners to improve the safety and habitability of second units, including: modification of various standards, exemption from certain penalties and fees, and the availability of financial assistance to eligible homeowners to support rehabilitation costs. The Amnesty Program is available for a limited time, so owners are encouraged to participate as soon as possible to take full advantage of its benefits.

Second Unit Amnesty Program and Rehabilitation Loan



Is there any financial assistance available under the program?

Applicants may be eligible for reductions or waivers from normally applicable Planning and Building fees. All other standard fees will apply, including fees from the Environmental Health Division, the Department of Public Works, and any non-County entities, such as water and sewer service providers.

Additionally, the County’s Department of Housing has a limited low-interest loan fund available to eligible applicants who are participating in the Second Unit Amnesty Program. Visit the [San Mateo County Second Unit Amnesty Program](#) website for more information.

Am I eligible for an Amnesty Loan? How do I apply?

Only homeowners who are eligible for the Second Unit Amnesty Program and have been referred to the Loan Program by the San Mateo County Department of Planning and Building are eligible to apply. To be eligible for an Amnesty Loan, the second unit must not exceed 1,200 square feet and must have a private entrance, bath and kitchen facility. Also, the property, either the primary or second unit, must be occupied as a principal residence by the homeowner, who must have a household income of less than 120% AMI.

Homeowners who are referred by the Department of Planning and Building will receive information directly about loan eligibility requirements, including current income limits by household size, and how to apply. Not all Amnesty Program participants will be eligible for an Amnesty Loan.

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Second Unit Amnesty Program and Rehabilitation Loan

How much is the loan and what are the loan terms?

Loan amounts are determined by the eligible scope of work identified by the 3rd party Amnesty Inspector under the Second Unit Amnesty Program, up to a loan maximum of \$75,000. Eligible costs include hard and soft construction-related costs necessary to achieve program completion under the Amnesty Program.

These loans feature 3% fixed interest with a 15 year term. Monthly payments of principal and interest are required, and there is no prepayment penalty. The loans are secured by a Deed of Trust on the property, which may not be sold, transferred or refinanced without approval of the County. For more information about loan terms, please visit the [Second Unit Amnesty Program](#) website.

When is the loan due?

Borrowers must make monthly payments of principal and interest for the life of the loan. Any unpaid amounts are due in full upon termination of the 15 year term.

When would a transfer of interest in my property trigger my loan becoming due?

The Loan Program includes eligibility requirements, such as income limits and homeowner occupancy, that must be satisfied to achieve the objectives of the Program. Because the County has no way to ensure that an unauthorized transfer meets the requirements of the Program, any unauthorized transfer of interest makes the property ineligible and accelerates the loan so that the balance becomes due in full.

What is considered a default that could trigger my loan becoming due?

- Failure to make monthly payments
- Termination of owner-occupancy
- A material misstatement or omission by homeowner that impacts eligibility for the loan
- Transfer/sale/refinance without County approval
- Failure to complete the second unit rehabilitation without consent of the County
- Defaulting on any senior debt
- Homeowner breach of the Note or Deed of Trust



Do I have to pay back my Second Unit Amnesty Loan if I refinance?

Yes, if you do so without the prior written authorization of the County.

Can I rent out my home?

Homeowners may rent out the primary unit, the secondary unit, or one or more rooms in either unit, but in any case, the property must continue to be the homeowner's principal residence for the entire duration of the loan (the earlier of 15 years or the loan being repaid in full). All properties are subject to annual monitoring for compliance with program terms, including continued owner-occupancy. Termination of owner-occupancy is a trigger for acceleration of the loan.

How much interest will be due on my loan when I repay it?

The interest rate is fixed at 3% per annum. The total amount of interest due on the loan depends on (1) the principal amount of the loan and (2) the period of repayment (no more than 15 years). After submitting a full application, applicants will receive written disclosures about the terms of the loan, including examples that illustrate how much interest they can expect to pay in relation to their principal loan amount and repayment schedule.

For how long will loan funds be available?

Loans will be made to eligible homeowners until the initial allocation of \$500,000 is exhausted.