

Homeownership Capital Fund Program Manual

In 2026, Anoka County Housing and Redevelopment Authority (“Authority” or “County”) has created the Consolidated Affordable Housing Development Program (CAHDP) to encourage the preservation and development of affordable housing opportunities throughout Anoka County. CAHDP funds the development of both affordable rental and affordable homeownership projects.

This program manual provides an overview of the Homeownership Capital Fund program requirements and describes relevant policies and priorities. The County reserves the right to waive any and all procedures contained herein where they may interfere with the timely implementation of projects in the County’s interest.

The sources of funds for the CAHDP are federal and local sources including: the HOME Investment Partnerships Program (HOME) 24 CFR Part 92; Community Development Block Grant (CDBG) 24 CFR Part 570; Local Affordable Housing Aid (LAHA) MN Statute 477A.35 and Statewide Local Housing Aid (SAHA) MN Statute 477A.36.

Project eligibility

Affordable homeownership projects are eligible for the Homeownership Capital Fund. Developments anywhere within Anoka County are eligible to receive funds; there are no geographic limitations. Projects must preserve or create single family homeownership opportunities with long-term affordability. Eligible activities include homeownership capital for the following activities: acquisition of property, construction of new housing for permanent ownership, moderate or substantial rehabilitation of homeownership units, site improvements, and other reasonable and necessary expenses related to the development of affordable housing.

Properties must be single family housing, which can include detached townhomes, condominiums, and manufactured units with lot. Ownership can include a fee simple title or a 99-year leasehold interest (Community Land Trust).

Homebuyer eligibility

Homeownership Capital Fund projects may only assist households with annual gross incomes not to exceed eighty percent (80%) of the area median income (AMI) for the Minneapolis/Saint Paul metropolitan statistical area (MSA) as determined by HUD. Current income limits are attached in [Exhibit 1](#). Eligible homebuyers will need to secure mortgage financing and meet Homeownership Capital Fund program guidelines attached as [Exhibit 2](#).

Pre-counseling commitment Homebuyers must attend a Home Stretch or Framework

homeownership counseling class in order to be assisted through the Homeownership Capital Fund. In the case of a Joint Tenancy purchase, both homebuyers should attend and satisfactorily complete a Home Stretch/Framework course.

Fair Housing

The Fair Housing Act prohibits discrimination in all housing related transactions based on race, color, religion, national origin, sex, familial status, and disability. Projects shall comply with all federal laws, executive orders, and implementing rules and regulations. Projects shall also comply with Minnesota law and local city ordinances regarding fair housing and human rights, including the Minnesota Human Rights Act. The Fair Housing Act Prohibits discrimination in all housing related transactions based on race, color, religion, national origin, sex, familial status and disability.

Relocation

Projects that are funded thru the Homeownership Capital Fund may include federal funds, the County requires compliance with the federal Uniform Relocation Act in any Homeownership Capital Fund-funded developments that involve acquisition, demolition or rehabilitation of property. Acquisition includes the purchase of real estate, including vacant parcels, regardless of the source of acquisition funds. Any activities that could result in temporary or permanent displacement and the relocation of tenants will require the creation of a relocation plan. All activities will trigger the need for one or more disclosure notices for the sellers, buyers and/or occupants. It is recommended that the developer work with a relocation expert/consultant.

Construction/Rehabilitation Standards

All building improvements must comply with local and Minnesota State Building Codes. At a minimum, properties must meet HUD's current property and energy standards, and maintain compliance with all applicable ordinances, building and use restrictions, code-required building permits, and any requirements with respect to licenses, permits, and agreements necessary for the lawful use and operation. In addition, applicants are encouraged to include additional following design features to help reduce energy expenditures, maintain sustainability and enhance the health, well-being and productivity of the building occupants, such as:

- B3 Guidelines: B3 (b3mn.org) which includes the SB2030 Energy Standard
- Energy Star products, standards and building certification
- The 7 Principles - Centre for Excellence in Universal Design; "The design of products and environments to be usable by all people, to the greatest extent possible, without the need for adaptation or specialized design."

Environmental Review

A complete Phase I Environmental Site Assessment is required for projects with five or more units. If indicated by the Phase I, a Phase II Environmental Site Assessment and response action plan may also be required.

If federal funds are provided, the County will need to complete the required Federal Review, prior to a choice limiting action being taken. Choice limiting actions, which is set forth in 24 CFR 58.22 specifies that an environmental review must be performed before any funds, regardless of source are committed to a project. This includes other activities that are not being funded through the grant but are considered part of the overall project. Applicants should not spend any funds or execute any written agreements until the environmental review has been completed. This applies to any entities that are requesting assistance or providing funding as part of the overall project.

Lead Based Paint

Lead-Based Paint For homeownership rehabilitated projects, developer must disclose if the unit was built before 1978. If federal funds are provided, the applicable lead paint rules must be followed. For all projects, the County encourages developers to have a lead safety plan.

Financing and Contracting Requirements

Projects will receive a funding award letter after approval of a Homeownership Capital Fund award by the HRA Board. The award letter will outline important terms of the commitment, including the number of units committed and their affordability levels (AMI). Developers should review award letters upon receipt and examine the terms of the award. Projects awarded Homeownership Capital Fund must close on all of the project's permanent financing (including Homeownership Capital Fund) by the deadline indicated on the award letter. A maximum of two one-year extensions of the closing deadline may be available under certain limited circumstances; please contact the Homeownership Capital Fund Program Manager.

Due diligence requirements

Developers should contact County staff at least six months prior to the anticipated project closing date to begin the due diligence process. County staff will provide developers with a due diligence checklist. Notable items on the due diligence checklist are highlighted below.

Municipal Support It is highly recommended the developer discuss the project with city staff prior to applying for Homeownership Capital Fund.

Financial Commitments: Applicants shall identify all financial commitments necessary to complete the activity and provide third party documentation supporting all funding pledges, conditions/terms and applicable deadlines. Any in-kind contributions from the

municipality, business sector, and/or community must also be documented as part of the due diligence process prior to closing a Homeownership Capital Fund loan.

Documentation of non-debarment: County policies require that the applicant organization, and other members of the project team, must not be suspended or debarred from doing business with the government. The county will verify non debarment of the development entity by checking the federal exclusions database and the state debarred vendor report at time of application. In addition to the items specifically highlighted above, documentation requirements include but are not limited to: Lender's Title Policy; commitment for an American Land Title Association (ALTA) survey; a Legal Opinion Letter; organizational documents; agreement to defend, indemnify and hold the county harmless from any and all claims or lawsuits that may arise from the funded activities; agreement to provide evidence of insurance general liability, builder's risk, worker's compensation in form and content satisfactory to the county.

Financing Terms and Contractual Requirements

As a goal, Anoka County is looking for project and applicant partners to create long-term affordable housing opportunities. Therefore, assistance provided is structured in a way to achieve that goal. Homeownership Capital Fund loan documents include a Loan Agreement, Declaration of Covenants and Restrictions, a Mortgage and a Promissory Note. Successful homeownership projects, depending upon the structure of the project, will be required to ensure either:

- that units will be resold to subsequent eligible buyers at an affordable price and give the seller a fair return on their investment, or
- that funds will be recaptured if there are no sale restrictions and the housing unit is sold prior to the end of the required affordability period.

Homeownership projects required to recapture funds will typically be structured in the form of deferred, loan that must be repaid at the point of maturity, sale, or if the homeowner does not meet the terms and conditions of the contractual agreement.

Homeownership Compliance, Reporting, and Monitoring

Developers will need to provide the following to demonstrate compliance for each project:

- A recorded covenant and ground lease document ensuring ongoing affordability for future resale.
- Documentation acceptable to the County demonstrating household income eligibility
- Confirmation that financing is approved and secured for homeownership activities
- Property appraisal

- Purchase contract
- Title commitment
- Proof of individual's home insurance

All Homeownership Capital Fund projects will be required to comply with the requirements for the entire term of the Homeownership Capital Fund loan. This may include, but is not limited to verifications of household income, household data, property resales, operating budget and financial audits. The HRA has the right to review any and all procedures; materials, notices, documents, etc., prepared for the implementation of the project. Fees may apply for compliance management. Compliance and program monitoring will be managed by County staff. All records pertinent to funding shall