

Ramsey Local Affordable Housing Aid (LAHA) Program

Adopted _____ 2026

Program Overview

The Ramsey Local Affordable Housing Aid (LAHA) program is intended to provide improvements to owner-occupied homes where the expense of such improvements would be cost-prohibitive or exceedingly burdensome to income-qualified residents. Providing assistance for exterior improvements not only help the residents of that home, but also benefit the surrounding neighborhood with improved aesthetics. Improvements to internal systems can provide for a safer and healthier living environment.

Eligible Participants

To be qualified for this program, recipients must meet all of the following criteria:

1. The household (combined total of all people residing in that house) income level must be at or below 115% Area Median Income (AMI) as defined for that year. Income verification will be done by review of tax filings.
2. The property must be owner-occupied and homesteaded with Anoka County. It may not be a relative homestead or in a trust.
3. The owner must not own or have any financial interest in any other homes or dwelling units—such as seasonal cabins, second homes, or as investment property.
4. Exterior improvements are limited to single-family homes. Interior improvements are available to single-family homes, owned manufactured homes in Oak Terrace Estates, and townhomes.
5. Must be a resident of Ramsey and the home must be located with Ramsey.

Preferred Participants – Should there be more demand than money available, first preference will be given to households below 80% AMI and second preference given to homes resided by someone over 65 years of age (identification required if not the same person as on the deed).

Eligible Expenses

The following improvements on the home are eligible for use of LAHA money:

Exterior Improvements – Minimum award amount = \$10,000; Maximum award amount - \$50,000 (total per home).

1. New Windows
2. New Siding
3. New Roofing
4. Connecting wells and/or septic systems to municipal utilities and the costs of proper removal or abandonment. Replacement costs are eligible provided that municipal utilities are not available.
5. Tree trimming and/or removal if the tree poses a threat to the home or it is a tree in the front yard.
6. Bituminous or concrete driveway replacement (between the main garage and the street only).

Interior Improvements – Minimum award amount \$1,000; Maximum award amount - \$10,000 (total per home).

7. Furnace
8. Air conditioner

- 9. Water heater
- 10. Mold remediation
- 11. Electrical panel replacement

The Council shall designate amounts each year for exterior and interior improvements.

Matching Contributions

The Council has stated that they would like to have homeowners to have some “skin in the game,” but also recognizes that some of the residents with the greatest needs do not have anything to contribute. The following table rewards a greater homeowner contribution with a shorter repayment period. This money is not intended to provide a resale value increase in order to flip a property quickly.

There will be no interest charged or collected on any repayment. This program is a forgivable grant with a sliding scale based on the amount the homeowner contributed to the project and the length of time that homeowner remains in the home.

Repayment terms shall be secured by a lien on the property recorded with the Anoka County Recorder’s office. If repayment is required at the time the home sells, money received must be deposited into the Housing Fund as required by Law.

Repayment Portion (%) Based on Homeowner Contribution and Resale Timeframe.

Resale	Percent Project Contribution		
	0-24.99%	25-49.99%	50%+
0-2 Years	100%	100%	100%
2-4 Years	75%	66%	50%
4-6 Years	50%	33%	0
6-8 Years	25%	0	0
After 8 Years	0	0	0

Example 1: A homeowner contributes 25 percent of the project costs and sells the house in three years, 66 percent of the awarded amount must be repaid to the City:

<i>Total Project Cost</i>	<i>\$20,000</i>
<i>Homeowner Contribution</i>	<i>\$5,000 (25% of \$20,000)</i>
<i>Award Amount</i>	<i>\$15,000</i>
<i>Amount Owed to City when sold in 3 years</i>	<i>\$10,000 (66% of \$15,000)</i>

Example 2: A homeowner contributes nothing to a project and remains in the home for ten years. There is no repayment required.

<i>Total Project Cost</i>	<i>\$20,000</i>
<i>Homeowner Contribution</i>	<i>\$0</i>
<i>Award Amount</i>	<i>\$20,000</i>
<i>Amount Owed to City when sold in 10 years</i>	<i>\$0 (the award is forgiven)</i>

Should it be discovered after-the-fact that a recipient did not meet all of the *Eligible Participants* criteria, the entire awarded amount must be repaid at the time of sale, regardless of the timeframe between when the award was granted and the sale date.

Payments to Contractors

The City will not pay homeowners directly. Instead, the City will pay the contractors directly for their services. All contractors must be properly licensed and pull the applicable building/electrical permits. The City will pay a down payment (up to 50% project cost) and then a final payment. Final payment will only be made after work is complete and passes all required inspections. Should a homeowner be including their own funds in the project, their funds must be first applied to the down payment. The contractor and homeowner will sign a form acknowledging this arrangement and that no money will be used for kickbacks, bonuses, or anything unrelated to the actual work being performed.

After-the-fact or reimbursement applications and payments are not allowed.

Application Timing

The listed *exterior* improvements are generally scheduled months in advance. Funding these improvements will be based on submitting an application and a contractor's bid during an application window during the month of February. The applicant's tax returns must be filed for the previous year to provide the most recent income verification.

The listed *interior* improvements are generally needed with little or no warning. The City will take in applications and the contractor's bid with the most recent tax returns on a rolling basis.

Should available *exterior* improvement money exceed the amounts requested during the February application window, a supplemental application period will be available on a rolling first-come/first-serve basis. This excess available money can be used for *interior* improvements.

Re-Applicants

Nothing will preclude a homeowner who received LAHA funds from applying for additional exterior projects in future application cycles. In order to improve as many homes as possible, priority will be given, however, to homes that have not received any LAHA awards.

Administration

The program will be administered by Community Development staff with the payments coordinated by Finance staff.

Community Development Staff will review all of the applications for *exterior improvements* in early March after the February application window closes. Staff will prioritize those applications by *preferred applicants* noted above. Staff will select as many applicants, in order of application submittal, as possible. Should demand exceed money available, Staff will request a reallocation to the Council.

Community Development Staff will review each *interior improvement* application generally within two business days and process requests quickly as these types of improvements are generally more pressing in need.

In order to respond quickly to our residents and to keep them out of a potentially political situation, all applications and awards will be handled by staff.

Reporting

Staff will prepare a report to the Council on the types of projects the money was used each year. Staff must also provide an annual report to Minnesota Housing per State Law.