



First-Generation Homebuyer Grant Policy

Effective May 21, 2024

First-Generation Homebuyer Grant Overview

The Washington County Community Development Agency (the "Agency") is committed to supporting affordable homeownership and reducing the homeownership disparity gap within Washington County. The Agency's First-Generation Homebuyer Grant is available to provide additional resources to first generation homeowners within Washington County to support their entry into sustainable homeownership. First generation homeowners do not have the benefit of generational wealth that can be created and passed down through homeownership. They also do not have the benefit of sustained exposure to the rights and responsibilities of homeownership. The First-Generation Homebuyer Grant provides additional support for these new homebuyers, both financially and educationally.

Grant Purpose

The First-Generation Homebuyer Grant is available to:

- Support affordable homeownership for first generation homebuyers in Washington County.
- Reduce the homeownership disparity gap within Washington County.
- Provide education on the homebuying process, as well as the rights and responsibilities of homeownership.
- Leverage public and private sector funds.

Delegation of Authority

The Agency's Board of Commissioners has established this policy to guide the use of the Agency's Homebuyer Grant. Agency staff are responsible for ensuring that funds are provided only to eligible applicants and expended only for allowable costs. Applications for First-Generation Homebuyer Grants shall be reviewed and approved by designated Agency staff in accordance with this policy.

Capitalization of First-Generation Homebuyer Grant Program

First-Generation Homebuyer Grant sources consist of, but are not limited to, those listed below. Grant awards must meet the statutory requirements of the applicable funding source(s).

- State and Local Affordable Housing Aid: Funds allocated by the State of Minnesota to Washington County via the Local Affordable Housing Aid and Statewide Local Housing Aid Acts, MN Statutes §477A.35 and §477A.36, respectively.
- CDA Levy: The Agency may appropriate funds through the Agency's special benefit levy when approved by the Agency Board of Commissioners.
- Match Funding: From time to time, the First-Generation Homebuyer Grant program may receive additional funds from outside sources, including public, private, or philanthropic funds. Moneys received from other sources will be deposited into the First-Generation Homebuyer Grant program and used to award grants.

Funding Availability

First-Generation Homebuyer Grant funds are available on a first come, first served basis. Applications will be accepted throughout the year as long as uncommitted funds are available and the application meets the First-Generation Homebuyer Grant requirements.

A. Eligible Recipients

Recipients meeting the following criteria shall be eligible for a First-Generation Homebuyer Grant:

1. The applicant is a first-generation homebuyer household approved for an established mortgage program designated for first-generation homebuyers.
2. The applicant household is purchasing their home in Washington County, Minnesota.
3. All individuals named on the mortgage or note for the home purchase have attended a HomeStretch Workshop provided by the Washington County Community Development Agency, unless a waiver for attendance through another provider has been approved in the sole discretion of the Agency.
4. All individuals named on the mortgage or note for the home purchase have completed homebuyer advising through the Agency, unless a waiver for completion through another provider has been approved in the sole discretion of the Agency.
5. To promote sustainable homeownership, the debt to income ratio for the applicant household is no greater than 43%, as demonstrated by the final underwriting and transmittal summary or other documentation acceptable to the Agency.

B. Grant Amounts and Terms

First-Generation Homebuyer Grants of \$5,000 are available to each eligible applicant household. Partial grant funds may be awarded if insufficient funds are available for a full grant award.

Grants shall be structured as a gift awarded to the applicant household with a gift letter provided for closing. First-Generation Homebuyer Grant funds shall be provided directly to the title company administering the mortgage closing for the applicant household unless an alternative disbursement method has been approved by the Agency in its sole discretion.

Policy Amendments

This policy may be amended from time to time by the Executive Director of the Agency to address administrative updates or to reflect the requirements of funding sources or applicable regulations. Substantive policy amendments shall be approved by the Agency Board.

Reporting

The Agency shall report annually to Washington County on First-Generation Homebuyer Grant awards funded with State and Local Affordable Housing Aid.