

4309.0400 ORGANIZATIONAL CRITERIA FOR COMMUNITY DEVELOPMENT CORPORATIONS.

Subpart 1. **Eligibility.** No corporation shall be designated an eligible community development corporation unless it conforms to the following requirements.

Subp. 2. **Form of organization.** A community development corporation must be incorporated under the Minnesota Nonprofit Corporations Act, Minnesota Statutes, chapter 317A.

Subp. 3. **Designated community.** A community development corporation must identify in its articles of incorporation or its bylaws a defined geographic area within which it will operate, called its designated community.

A. At least ten percent of the population of the designated community must have incomes below the existing federal poverty level at the time of incorporation.

B. No more than one community development corporation shall be designated within any one outstate economic development region, with the exception of economic development regions in which a community development corporation was in existence at the time of promulgation of these rules.

C. Within the metropolitan area, the designated community shall be an identifiable neighborhood or combination of neighborhoods where designated by the Metropolitan Council. Elsewhere in region eleven, the designated community shall be townships, cities, unincorporated areas or combinations thereof.

Subp. 4. **Membership.** Voting membership in a community development corporation shall be limited to residents of the corporation's designated community.

Subp. 5. **Board of directors.** The articles of incorporation or bylaws of a community development corporation shall conform to the following requirements concerning its board of directors:

A. Size: the board shall be composed of not less than 15 and not more than 30 directors, unless the corporation can demonstrate to the satisfaction of the assistant commissioner that the disadvantages of a smaller or larger board will be overcome.

B. Not less than 60 percent of the directors of a community development corporation shall be low income members of the corporation.

C. The remaining directors shall be members of the business, financial, and general communities who, to the maximum extent possible, shall be residents of the designated community.

D. Election of directors: The low income directors shall be elected by the members of the community development corporation. The remaining directors shall be elected either by the members of the corporation or by the low income directors.

Subp. 6. **Employees.** Nonmanagerial and nonprofessional employees of a community development corporation shall be hired from among the low income residents of the designated community.

Statutory Authority: *MS s 116J.980; 116J.982*

History: *L 1987 c 386 art 4 s 1; L 1989 c 304 s 137*

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