

462A.206 COMMUNITY REHABILITATION FUND ACCOUNT.

Subdivision 1. **Account.** The community rehabilitation fund account is established as a separate account in the housing development fund. Money in the account is appropriated to the agency for the purposes specified in this section.

Subd. 2. **Authorization.** The agency may make grants or loans to cities, nonprofit, or for-profit organizations for the purposes of construction, acquisition, rehabilitation, demolition, permanent financing, refinancing, construction financing, gap financing of housing for homeownership, or full cycle home ownership services, as defined in section 462A.209, subdivision 2. Gap financing is financing for the difference between the cost of the improvement of the blighted property, including acquisition, demolition, rehabilitation, and construction, and the market value of the property upon sale. The agency shall take into account the amount of money that the city, nonprofit, or for-profit organization leverages from other sources in awarding grants and loans. The agency shall also consider the extent to which the grant or loan recipient will coordinate use of the funds with its other housing-related efforts or other housing-related efforts in the recipient's geographic area. In determining whether to award a grant or loan, the agency shall seek to maximize the recycling of state resources wherever appropriate. The city, nonprofit, or for-profit organization must indicate in its application how the proposed project is consistent with the consolidated housing plan. Not less than ten days before submitting its application to the agency, a nonprofit or for-profit organization must notify the city in which the project will be located of its intent to apply for funds. The city may submit to the agency its written comments on the nonprofit or for-profit organization's application and the agency shall consider the city's comments in reviewing the application. Cities, nonprofit, and for-profit organizations may use the grants and loans to establish revolving loan funds and to provide grants and loans to eligible mortgagors. The city, nonprofit, or for-profit organization may determine the terms and conditions of the grants and loans. An agency loan may only be used by a city, nonprofit, or for-profit organization to make loans.

Subd. 3. **Requirements.** Grants or loans made under this section must be used for housing rented to or owned by persons or families with income less than or equal to 115 percent of the greater of state or area median income as determined by the United States Department of Housing and Urban Development. If a grant or loan is used for demolition, the cleared land must be used for the construction of housing to be rented to or owned by persons or for other housing-related purposes primarily for the benefit of persons residing in the adjacent housing.

Subd. 4. **Designated areas.** For the purposes of focusing resources, a city, a nonprofit, or a for-profit organization located in a metropolitan statistical area must designate neighborhoods within which the grants or loans may be used, and a city, nonprofit, or for-profit organization located outside of a metropolitan statistical area must designate a geographic area within which the grants or loans may be used.

Subd. 5. [Repealed, 1997 c 200 art 4 s 23]

History: 1993 c 236 s 15; 1995 c 224 s 104,105; 1997 c 200 art 4 s 13,14; 1999 c 211 s 11; 2000 c 424 s 2,3