

## Local Economic Development

### CHAPTER 466A

### COMMUNITY RESOURCES PROGRAM

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#### 466A.01 DEFINITIONS.

Subdivision 1. **Scope.** The definitions in this section apply to sections 466A.01 to 466A.08.

Subd. 2. **City.** "City" means a city of the first class as defined in section 410.01.

Subd. 3. **City council.** "City council" means the city council of a city as defined in subdivision 2.

Subd. 4. **Community resource program.** "Community resource program" or "program" means a community resource program adopted according to section 466A.03.

Subd. 5. **Targeted neighborhood.** "Targeted neighborhood" means an area including one or more census tracts as determined and measured by the Bureau of Census of the United States Department of Commerce that a city council determines by resolution meets the criteria of section 466A.02, subdivision 2, and any additional area designated under section 466A.02.

Subd. 6. **Assisted housing.** "Assisted housing" means:

(1) the housing is either owned or under the control of a housing agency and is used in a manner authorized by sections 469.001 to 469.047;

(2) the housing is defined as an emergency shelter or transitional housing under section 272.02, subdivision 13 or 20;

(3) the housing is classified as class 5c property under section 273.13, subdivision 25, paragraph (c), clause (4); or

(4) the housing is a building that receives a low-income housing credit under section 242 of the Internal Revenue Code of 1986; or which meets the requirements of that section, and was under construction or rehabilitation prior to May 1, 1988.

**History:** 1989 c 290 art 11 s 1

#### 466A.02 DESIGNATION OF TARGETED NEIGHBORHOODS.

Subdivision 1. **City authority.** A city may by resolution designate targeted neighborhoods within its borders after adopting detailed findings that the neighborhoods meet the eligibility requirements in subdivision 2 or 3.

Subd. 2. **Eligibility requirements for targeted neighborhoods.** An area within a city is eligible for designation as a targeted neighborhood if the area meets at least two of the following criteria:

(1) the area had an unemployment rate that was twice the unemployment rate for the Minneapolis and St. Paul standard metropolitan statistical area as determined by the 1980 federal census;

(2) the median household income in the area was no more than half the median household income for the Minneapolis and St. Paul standard metropolitan statistical area as determined by the 1980 federal census; or

(3) the area is characterized by residential dwelling units in need of substantial rehabilitation. An area qualifies under this clause if 25 percent or more of the residential dwelling units are in substandard condition as determined by the city or 70 percent or more of the residential dwelling units were built before 1940 as determined by the 1980 federal census.

**Subd. 3. Additional area eligible for inclusion in targeted neighborhood.** (a) The city may add to the area designated as a targeted neighborhood under subdivision 2 a contiguous area of one-half mile in all directions from the designated targeted neighborhood.

(b) Assisted housing is also considered a targeted neighborhood.

(c) A neighborhood that is partially targeted may be considered wholly targeted.

**History:** 1989 c 290 art 11 s 2; 1994 c 587 art 9 s 1

#### **466A.03 COMMUNITY RESOURCES PROGRAMS.**

**Subdivision 1. Community resources program; requirement.** A city must prepare a comprehensive community resources program. The program must describe the specific community resource services and means by which the city intends to pursue and implement the program objectives outlined in subdivision 2 for each targeted neighborhood served under the program and the community initiatives program described in section 466A.04.

**Subd. 2. Community resources program objectives.** A community resources program must address at least the following objectives:

(1) increasing community safety and reducing crime;

(2) enhancing family stability including school readiness;

(3) providing opportunities for residents to become self-supporting; and

(4) building the capacity of neighborhood-based organizations to create cohesiveness and stability in their communities.

**Subd. 3. Community participation.** A city must adopt a process to involve the residents in targeted neighborhoods in planning, developing, and implementing the community resource program.

**Subd. 4. Advisory committee.** The city council of a city requesting state financial assistance under section 466A.05 shall establish an advisory council to assist the city in developing and implementing a community resource program. The advisory committee may include, but is not limited to: city council members, county commissioners, school board members, community service representatives, business community representatives, and resident representatives of targeted neighborhoods. The city may designate an existing entity as the advisory committee if the entity meets the membership requirements outlined in this subdivision.

**Subd. 5. Program approval.** A city may approve or modify a community resource program only after holding a public hearing. Notice of the hearing must be provided in a newspaper of

general circulation in the city and in the targeted neighborhoods not less than ten days nor more than 30 days before the date of the hearing. In addition, the notice shall be published in the most widely circulated community newspaper in the targeted neighborhoods.

**History:** 1989 c 290 art 11 s 3

#### **466A.04 COMMUNITY INITIATIVES PROGRAM.**

A city may establish a community initiatives program as part of the community resource plan. No more than ten percent of the community resource money may be distributed under the community initiatives program. State money used for the community initiatives program must be used for implementing activities included in the community resources program. Financial assistance or service contracts awarded to a single nonprofit organization under this subdivision are limited to \$10,000 annually.

**History:** 1989 c 290 art 11 s 4

#### **466A.05 PAYMENT AND ALLOCATION.**

Subdivision 1. **Payment of state money.** Upon receiving from a city the certification that a community resources program has been adopted or modified, the commissioner of employment and economic development shall, within 30 days after receiving the certification, pay to the city the amount of state money identified as necessary to implement the community resources program. State money may be paid to the city only to the extent that the appropriation limit for the city specified in subdivision 2 is not exceeded.

Subd. 2. **Allocation.** Appropriation to each city shall be in proportion to the city's portion of the combined population of the cities. The population of each city is determined by the most recent estimates available to the commissioner.

**History:** 1989 c 290 art 11 s 5; 1991 c 345 art 2 s 59; 1Sp2003 c 4 s 1

#### **466A.06 ELIGIBLE USES FOR COMMUNITY RESOURCE MONEY.**

Subdivision 1. **Eligible uses.** The city may use up to 20 percent of the community resource money for low-income housing needs and economic development in targeted neighborhoods. Not more than 40 percent of this amount may be used to address low-income housing needs citywide.

If a resident of a targeted neighborhood is a recipient of resource services and moves to a residence in another part of the city, eligibility continues for the community resources services.

Subd. 2. [Repealed, 1992 c 412 s 2]

**History:** 1989 c 290 art 11 s 6

#### **466A.07 CITY POWERS.**

A city may exercise any of its corporate powers in implementing the community resources program. In addition to the authority granted by other law, a city, through a request for proposal process, may make grants, loans, and other forms of assistance to and enter into service contracts with, individuals, for profit and nonprofit corporations, and other organizations to implement a community resources program.

**History:** 1989 c 290 art 11 s 7

**466A.08 ANNUAL REPORT.**

A city must provide an annual report on the status of the program implementation and analyze whether the intended objectives are being achieved. The report should be presented to the commissioner and the legislature.

**History:** *1989 c 290 art 11 s 8*