

462A.203 HOUSING PRESERVATION PROGRAM.

Subdivision 1. **Establishment.** The agency may establish a housing preservation program for the purpose of making housing preservation grants to cities. Cities may use the grants to establish revolving loan funds for the acquisition, improvement, or rehabilitation of residential buildings for the purpose of preserving eligible housing. To achieve the policy of economic integration stated in section 462A.02, subdivision 6, the aggregate original principal balances of noneligible mortgagor loans must not exceed 25 percent of the total amount of housing preservation loan funds allocated to a city provided that the mortgagor's income must not exceed 110 percent of the area median income. Housing preservation loans may not be made for housing located within a targeted neighborhood designated under a neighborhood revitalization program.

Subd. 2. **Eligibility requirements.** A city's application for a housing preservation grant must include a geographic description of the area for which the grant will be used. A city may designate only one area for each grant application submitted, but may submit more than one application. The application must include a city council resolution certifying that the designated area meets the following requirements:

- (1) at least 70 percent of the single-family housing is at least 35 years old;
- (2) at least 60 percent of the single-family housing is owner-occupied;
- (3) the average market value of the area's owner-occupied housing is not more than 100 percent of the purchase price limit for existing homes eligible for purchase in the area under the agency's home mortgage loan program; and
- (4) the geographic area consists of contiguous parcels of land.

Subd. 3. **Local match.** In order to qualify for a program grant, a city must match every dollar of state money with one dollar of city matching funds. City matching funds may consist of:

- (1) money from the general fund or a special fund of the city;
- (2) money paid or repaid to a city from the proceeds of a grant that the city has received from the federal government, a profit or nonprofit corporation, or another entity or individual;
- (3) the greater of the fair market value or the cost to the city of acquiring land, buildings, equipment, or other real or personal property that a city contributes, grants, or loans to a profit or nonprofit corporation, or other entity or individual in connection with the implementation of the housing preservation program;
- (4) money to be used to install, reinstall, repair, or improve the infrastructure facilities of an eligible area;

(5) money contributed by a city to pay issuance costs or to otherwise provide financial support for revenue bonds or obligations issued for a project or program related to the implementation of a housing preservation program; and

(6) money derived from fees received by a city in connection with its community development activities that are to be used in implementing a housing preservation program.

Subd. 4. **Advisory committee.** Before a city may make any loans under the housing preservation program, the city must establish an advisory committee to advise and assist the city in implementing the housing preservation program.

History: 1989 c 328 art 1 s 9