

Section 410 - Housing and Redevelopment

410.01. Policy. The City Council has found that there is a need for a comprehensive program in the city for the rehabilitation of commercial buildings which are deteriorating, under-used, economically inefficient or functionally obsolete. To meet this need and to prevent economic and physical blight and deterioration, to increase the municipal tax base and to assist in the implementation of the city's comprehensive plan, it is the policy of the city to administer and foster the programs set out in this section.

410.03. Rehabilitation loan program. Subdivision 1. Program adopted. There is adopted and continued, pursuant to Minnesota Statutes, chapter 459 as amended, a program for commercial buildings in the city. The program is administered by the city in accordance with the provisions of this section and law.

410.05. Loans, security. Loans may be made for the rehabilitation and preservation of small and medium sized commercial buildings, which loans shall be secured by mortgages encumbering the property thus being preserved and rehabilitated or by other security acceptable to the council. Except as hereinafter provided, such loans may be made on terms and conditions as authorized in the program.

410.07. Considerations. In approving applications for loans pursuant to this program, at least the following factors and conditions shall be considered.

- a) the availability and affordability of private mortgage credit;
- b) the availability and affordability of other governmental programs;
- c) whether the building is required, pursuant to any court order, statute or ordinance, to be repaired, improved or rehabilitated; and,
- d) whether the proposed improvements will result in conformance with building and zoning codes and improvement of the aesthetic quality of existing commercial areas.

410.09 Limitations. Subdivision 1. Cost. The terms and conditions of all loans made under the program shall be fixed so that the sum of all repayments of principal and interest on them, not then delinquent, and all fees and charges collected, together with other sums to be contributed by the city, shall, over the duration of the program, be estimated to be equal to or greater than the sum of all estimated costs of the program, as determined by the program administrator and approved by the council, including administrative costs, mortgage foreclosure costs, and principal and interest payments on bonds issued to finance the program to the extent not paid from bond proceeds.

Subd. 2. Term. A loan may not be made for a period exceeding 20 years.

Subd. 3. Loan to market. A loan may not exceed 80 percent of the estimated market value of the property to be rehabilitated upon completion of the rehabilitation, less the principal balance of any prior mortgage existing on the property at the time the loan is made.

Subd. 4. Maximum loan. No loan shall be made in excess of \$200,000.

Subd. 5. No grants. No grants of any money shall be allowed or made by the city for any improvements under the program.

410.11. Administration. The council or the housing and redevelopment authority may adopt from time to time various program regulations in connection with the provisions of this section which regulations shall include a definition of "small and medium sized commercial buildings", loan eligibility and loan priority criteria, loan amount limitations and any other provisions and regulations which may from time to time be necessary or desirable and consistent with law.

410.13. Housing and redevelopment authority. The Hopkins housing and redevelopment authority and the council, may exercise all of the powers conferred by Minnesota Statutes, sections 459.31 to 459.33.