The City of Pine City is applying for funding for owners interested in improving their commercial buildings from the Minnesota Department of Employment & Economic Development’s (DEED’S) Small Cities Development Program (SCDP) which is funded by the United States Department of Housing & Urban Development (HUD).

This assistance to owners will be in the form of a 10-year deferred loan which must be matched with other funds to complete the project. The match of funds must at least equal 20% of the total cost of improvements prior to start of construction; as well as a 10% of the loan repaid to the City of Pine City over 7 years. SCDP funds will only pay for 70% of the total cost of improvements, not to exceed $40,000 per property.

The SCDP deferred loan is repaid to the city if the property is sold or the title is transferred, or conveyed within 10 years of the loan closing. The obligation to repay is reduced by one-tenth of the original loan amount after each of the years. If after 10 years the property is still owned by the borrower, the loan is forgiven.

To qualify:
- Building must be in the City of Pine City’s target area (see attached map) for SCDP and used for commercial purposes.
- You must be an owner/occupant or an owner with a rental occupant of a building used for commercial purposes, either free of debt, through a mortgage or recorded Contract for Deed. (If you are buying the property on a Contract For Deed, the holder of the contract must sign off on the loan.)
- You must be able to meet the requirement for matching funds (20% of total project costs, 10% City loan at 2% interest over 7 years).
- Applicants must be current on paying mortgage payments, property taxes, as well as current or in good standing on payment of municipal bills.
- Applicant must carry sufficient property insurance to rebuild the building in case of fire, storm, or other accidents.
- The building must have an active and bona fide business in its premises, or have one moving in within 6 months of the rehabilitation activities being completed.
- The project must conform with all city zoning and design standards.

The following improvements qualify under this program:
- Work necessary to put the property into decent, safe, sound and sanitary condition including, but not limited to, the following:
  - Exterior repairs/improvements
  - Code violation corrections
  - Energy improvements

Required:
- The City of Pine City enforces the State Building Code. A building permit will be required from the City along with inspections. Questions? Call the City of Pine City (320) 629-2575.
- Work must be done by licensed and insured contractors.
- No early work starts are allowed, approved projects must have a Proceed to Work Order from Lakes and Pines.

If you are interested in applying, contact:
Lakes & Pines Community Action Council, Inc.
320-679-1800 or 1-800-832-6082  1700 Maple Ave E, Mora, MN 55051  [www.lakesandpines.org](http://www.lakesandpines.org)