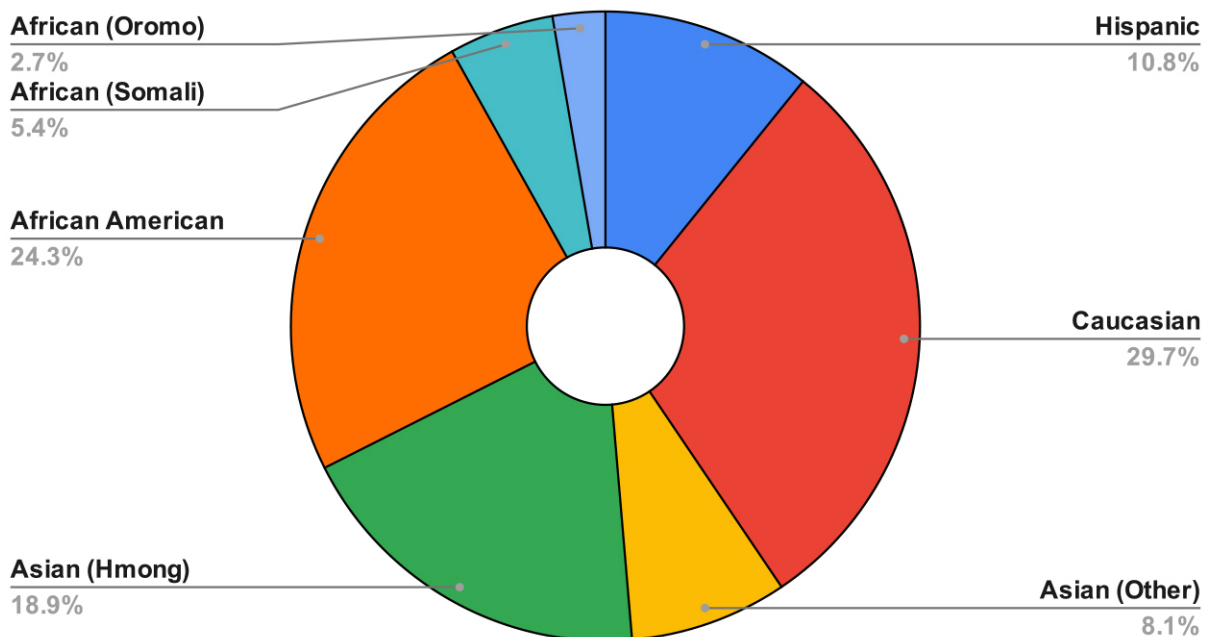




## **NDC COVID-19 RESPONSE**

- Work with business owners to submit SBA EIDL, MN DEED Emergency Loans, City of Minneapolis Gap Fund Loans, and City of St. Paul Bridge Fund.
- Deployed \$1.4MM of DEED Loan Funds to 35 businesses in NDC’s targeted areas.
- Provided 1,600 hours of loan packaging TA.
- Deployed emergency technical assistance with accounting and marketing support, resulting in 120 hours of TA.
- Moved training curriculum to online starting the week of April 20th .
- Determine grant/loan program for businesses up to and upon re-opening.

### **Ethnicity of Completed Applications**



## RECOMMENDATIONS

### Additional emergency funding of small and micro businesses, to better reach low-income communities and entrepreneurs of color

#### a. Focus of the fund:

- i. 50% of the new round of funds to businesses with 20 or fewer FTE employees, not counting owners;
- ii. The other 50% of the round could go to businesses with up to 100 employees and under \$2M in annual revenue;
- iii. Consider dedicating some portion of the bill for small Main Street businesses in commercial spaces in low-income communities statewide.

#### b. Eligibility:

- i. Demonstrate significant negative impact from economic slowdown and Governor's Shelter in Place and other Executive orders;
- ii. Demonstrated viability before March 16th EO and reasonable projections for viability after economy opens up.

#### c. Terms:

- i. 0% interest
- ii. Maximum size - \$35,000;
- iii. One half forgivable after one year if business owner remains in business and communicates with lender

#### **Partners and Process:**

Run these through the DEED network as first SBDL program, plus other CDFI's, IF they have a proven track record of getting funds to Micro and Small entrepreneurs and entrepreneurs of color;

Ensure strong communication and education about the program to each of these communities, one week before the program opens for applications;

Lengthen the timeline to get these out by a few weeks

Application process emphasizes verbal transmission of business information to lender, who puts into forms, and entrepreneur signs off.

15% admin and TA budget added on from DEED to lender/TA provider, for the additional TA required before and after these loans are closed, including translation services;

Additional TA funds provided for lenders to provide Re-Opening training and technical assistance, to prepare businesses for that difficult reality.