

Subject Community wealth-building grant program

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Overview

Creates the community wealth-building grant program to fund grants to community development financial institutions and nonprofits to make low-interest loans to cooperatives, employee-owned businesses, and commercial land trusts that are at least 51 percent owned by people who are Black, Indigenous, People of Color, immigrants, low-income, women, veterans, or people with disabilities. Appropriates \$15,000,000 from the general fund for this program.

Summary

Section	Description
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1	[116J.9925] Community wealth-building grant program.
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Creates the community wealth-building grant program.

Subd. 1. Definitions. Defines terms for the program, including that “community business” means a cooperative, employee-owned business, or commercial land trust that is at least 51 percent owned by people who are Black, Indigenous, People of Color, immigrants, low-income, women, veterans, or people with disabilities. Defines “partner organization” to mean a community development financial institution or nonprofit corporation.

Subd. 2. Establishment. Establishes the community wealth-building grant program to make grants to partner organizations to fund low-interest loans to community businesses. Sets goals for the program.

Subd. 3. Grants to partner organizations. Awards grants to partner organizations through a competitive process that will consider defined criteria relating to the organization’s ability to administer the program in accordance with its goals. Requires the commissioner to ensure that loans are made to businesses statewide and that reasonable attempts are made to balance the amount of funding going inside and outside the metropolitan area. Allows partner organizations to use up to ten percent of their award for specialized technical

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and legal assistance to the businesses they serve. Sets grants as being for five-year terms.

Subd. 4. Loans to community businesses. Requires grantee partner organizations to establish a plan for making low-interest loans to community businesses and get that plan approved by the commissioner. Sets plan requirements, such as prioritization of loans in the lowest income areas and minimum (\$50,000) and maximum (\$2,500,000) amounts for the state contribution, as well as interest rates and loan origination fee allowances. Stipulates that 50 percent of all repayments on principal of a loan under the program go back into the state account, with all other repayments remaining with the partner organization to fund loan servicing and additional technical assistance.

Subd. 5. Community wealth-building account. Creates the community wealth-building account in the special revenue fund in the state treasury. Appropriates funds in this account for grants under this section.

Subd. 6. Reports. Requires annual reports from partner organizations to the commissioner and from the commissioner to the legislature on loans made through the program.

2 **Community wealth-building program; appropriation.**

Appropriates \$15,000,000 in fiscal year 2024 from the general fund for deposit in the community wealth-building account in the special revenue fund, with an ongoing base appropriation of \$2,000,000 per year. Allows up to five percent of the appropriation to be used for administration and monitoring of the community wealth-building grant program.



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