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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-THIRD SESSION H. F. No. **1065**

01/30/2023 Authored by Hussein, Hassan, Her, Gomez, Noor and others
The bill was read for the first time and referred to the Committee on Economic Development Finance and Policy

1.1 A bill for an act

1.2 relating to economic development; appropriating money for a grant to the
1.3 Neighborhood Development Center.

1.4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.5 Section 1. **NEIGHBORHOOD DEVELOPMENT CENTER; APPROPRIATION.**

1.6 (a) $6,950,000 in fiscal year 2024 and $950,000 in fiscal year 2025 are appropriated

1.7 from the general fund to the commissioner of employment and economic development for

1.8 grants to the Neighborhood Development Center. These amounts are onetime appropriations.

1.9 (b) Of the amount appropriated each year in paragraph (a):

1.10 (1) $800,000 is for small business programs including training, lending, business services,

1.11 and real estate programming; and

1.12 (2) $150,000 is for technical assistance activities for partners located outside the

1.13 seven-county metropolitan area, as defined in Minnesota Statutes, section 473.121,

1.14 subdivision 2.

1.15 (c) Of the amount appropriated in fiscal year 2024 in paragraph (a):

1.16 (1) $1,000,000 is for development of permanently affordable, concentrated commercial

1.17 space and wraparound business services outside the seven-county metropolitan area, as

1.18 defined in Minnesota Statutes, section 473.121, subdivision 2;

1.19 (2) $2,000,000 is for high-risk, character-based loan capital for nonrecourse loans to be

1.20 used to leverage at least $10,000,000 in recourse lending capital; and

2.1   (3) $3,000,000 is for an emerging developers assistance fund to be used as follows: (i)

2.2 $500,000 for predevelopment grants; (ii) $2,000,000 for short-term construction loans to

2.3   cover up to $200,000 in construction costs; and (iii) $500,000 for specialized technical

2.4   assistance for participant developers.