

Subject Civil unrest immediate relief program

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Overview

Creates a \$125,000,000 program to assist areas affected by the recent civil unrest. Preserves existing entities and encourages new economic development in these areas through locally designed programs focused on providing grants and loans to businesses and nonprofits. Sets baseline terms for this assistance while preserving significant flexibility for responding to local needs. Requires monitoring of performance measures and annual reports to the legislature.

Summary

Section	Description
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1	Civil unrest immediate relief program.
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Creates a program to assist areas affected by the recent civil unrest by providing a funding mechanism to meet local rebuilding needs.

Subdivision 1. Definitions. Defines key terms for the program:

- Defines “community organization” very broadly to mean any organization with the experience and capacity to provide grants and loans to entities and outreach and technical assistance to applicants. Allows the inclusion of nonprofits, community development organizations, or even traditional financial institutions. Specifically identifies the cities of Minneapolis and Saint Paul as qualifying community organizations under the section.
- Defines “entity” also very broadly to include any business or nonprofit organization that would receive a grant or loan under the program.

Subd. 2. Establishment. Directs the commissioner of employment and economic development to create a program to make grants to community organizations to develop their own local economic relief programs to serve the areas adversely impacted by the recent civil unrest addressed in governor’s Executive Order No. 20-64. Sets the primary goal of all such programs as preserving existing

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businesses and encouraging new entities to locate to those areas. Declares subordinate goals of providing outreach to cultural communities and special support to microenterprises and those harmed by the pandemic.

Subd. 3. Available relief. Requires a community organization to first develop a plan for its local program, including details on how the application process will work and the terms of assistance offered. Directs the commissioner of employment to review such plans for approval. Retains great flexibility to design these local programs to meet local needs, but sets some overall requirements:

- Caps grants at \$250,000 per entity and requires a determination that a loan was not appropriate for that applicant.
- Caps loans at \$500,000 per entity and requires a plan for the entity's continued operation. Allows loans to be with or without interest, deferred for up to three years, or forgivable. Requires entities to remain in the community for a minimum of three years for a loan to be deferred or forgivable. Sends all loan repayments back to the general fund.

Subd. 4. Monitoring and reporting. Specifies that community organizations must establish performance measures for each program that the commissioner must monitor for compliance. Requires an annual report of performance measures to the commissioner for a report to the legislature.

Subd. 5. Business subsidy requirements. Exempts this section from existing business subsidy requirements, though goals for job creation, job retention, wages, and benefits must be provided.

Subd. 6. Administrative costs. Allows the agency to use up to four percent of the appropriation for this program (\$5,000,000 under the current language of section 2) for the administrative costs of the department and the participating community organizations.

Effective date: This section is effective the day following final enactment and expires the day after the last loan is repaid or forgiven.

2 **Civil unrest immediate relief program.**

Makes a onetime appropriation of \$125,000,000 in fiscal year 2020 from the general fund to the commissioner of employment and economic development for the civil unrest immediate relief program outlined in section 1. Carves out \$12,500,000 of that amount for a grant to the city of Minneapolis and the same amount for a grant to the city of Saint Paul. Allows the money to remain available until the end of fiscal year 2021.

Section **Description**

Effective date: This section is effective the day following final enactment.



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