

HENNEPIN COUNTY

HOUSING AND REDEVELOPMENT AUTHORITY

UPDATED GUIDELINES: READ THIS FIRST

Hennepin County approved the expansion of the Hennepin County Small Business Relief Fund on May 5th. While the guidelines generally remain the same, there are a few key updates to note, as follows:

- The funds will be distributed as grants, not forgivable loans.
- The maximum grant award amount has increased from \$7,500 to \$10,000.
- Businesses that have already submitted an application online do NOT need to resubmit an application.
- Businesses that have requested the full loan amount of \$7,500 will automatically be considered for the maximum grant amount of \$10,000.

Small Business Relief Fund **Guidelines**

May 5, 2020

The purpose of the Hennepin County Small Business Relief Fund (HC SBR) is to provide temporary financial support to small local businesses in Hennepin County adversely impacted by the COVID-19 pandemic. Our goal is to assist businesses in surviving the current economic crisis and neighborhoods in preventing blight. Grant funds will be used for costs incurred as a result of business interruption caused by required closures during the COVID pandemic.

The HC SBR will be administered through Open to Business by the community-based non-profit provider of Open to Business, Metropolitan Consortium of Community Developers (MCCD), who currently provides technical assistance and access to capital to businesses throughout Hennepin County. Business owners with questions or that need assistance filling out the application are encouraged to contact one of the community-based business technical assistance navigators listed [on the web site here](#).

The guidelines reflect modifications approved on May 5, 2020 by Hennepin County Board Resolution 20-0170, and are subject to Hennepin County Housing and Redevelopment Authority approval on May 12, 2020.



HENNEPIN COUNTY

HOUSING AND REDEVELOPMENT AUTHORITY

Terms

- One-time emergency grant up to \$10,000, based on economic injury from COVID-19, costs of business interruption caused by required closures, and eligible expenses as defined below
- Funds can be used for operating expenses, depending on the duration and degree of business interruption, including rent payments, mortgage payments, utilities, payments to suppliers, tax payments, or other critical non-payroll business expenses as approved by the fund administrator.

Eligible Businesses

Businesses must meet all the following criteria as of March 1, 2020 to be eligible. A business owner's immigration status does not impact eligibility. Eligible businesses must:

- Be locally owned and operated for-profit business with a physical establishment in Hennepin County
- Have at least one W-2 eligible employee in addition to the owner as of March 1, 2020 and not more than 20 employees, and under \$1 million in annual revenue
- Have been operating for at least 6 months prior to March 20, 2020
- Be licensed, in good standing, current on property taxes prior to May 15, 2020, if applicable
- Demonstrate a significant loss in revenue since March 15 and document costs of business interruption

Certain businesses are ineligible, including:

- Home-based businesses; those without a physical establishment
- Non-profit organizations
- Self-employed, independent contractors, or businesses with no employees other than an owner(s)
- Corporate chains, multi-state chains
- Businesses in default conditions prior to February 29, 2020
- Businesses that primarily derive income from gambling
- Businesses that derive any income from adult entertainment



HENNEPIN COUNTY

HOUSING AND REDEVELOPMENT AUTHORITY

- Businesses that derive income from passive investments; business-to-business transactions; real estate transactions; property rentals or property management; billboards; or lobbying

In addition to the Hennepin County Small Business Relief Fund, businesses are strongly encouraged to apply for all available COVID-related funding, such as the [Small Business Administration](#) (SBA) Economic Injury Disaster Loan (EIDL) and Paycheck Protection Program (PPP), State of Minnesota Small Business Emergency Loan (SBEL), and other local programs. However, in order to serve as many businesses as possible, businesses will be ineligible to receive duplicative funds from the Hennepin County Small Business Relief Fund AND city or state SBEL funds. Businesses receiving federal relief funds are still eligible for the Hennepin County Small Business Relief fund, but must use County funds for other eligible expenses than those covered by federal funds.

Application Process

- Applications will be accepted beginning April 27 through **May 8, 2020 at noon**
- Applicants are asked to complete an application form via the web [available here](#).
- Please [contact MCCD](#) if you need assistance filling out the electronic application form.
- If applications exceed the funding available, the fund administrator will select loan recipients using a lottery system.
- The fund administrator, MCCD, will notify approved applicants by email on or before May 15, 2020.
- **Upon notice of an approved application**, applicants will be required to submit the following within 5 business days and prior to closing:
 - 2019 Federal Business Tax Return or appropriate Business Tax Schedule- based on entity type. Businesses that have not yet completed a 2019 Federal Return are eligible to apply and substitute other documentation of revenue, and will need to provide their 2019 Federal Return when completed to qualify for loan forgiveness.
 - Evidence of revenue loss related to the COVID 19 emergency. Applicant should submit documentation that best demonstrates the impact and is deemed acceptable to Program Administrator. Some examples of acceptable documentation



HENNEPIN COUNTY

HOUSING AND REDEVELOPMENT AUTHORITY

include Sales Tax Reporting, Period Statements from 3rd-party Sales Platforms, Merchant Services Statements, and Point of Sale or Register reports.

- Evidence of employment prior to March 1st, 2020. Acceptable documentation may include period reporting from a 3rd-party payroll processor, applicant's Federal Form 941/Employer's Quarterly Federal Tax Return, or other State or Federal payroll-related filing.
- Any additional documentation or information deemed necessary by the fund administrator to determine eligibility, generate loan documents, disburse loan proceeds, or meet program reporting requirements.
- Failure to submit required documentation will result in forfeiture of loan award.

Note: The Hennepin County Housing and Redevelopment Authority reserves the right to revise these guidelines as needed to best address the impact of the current pandemic.

