

Potential Development Resources

	Funding Source	Program Name	Program Description and Eligible Uses	Amount	Additional Terms
Business Loans	City of Minneapolis	2% Percent Loan	Small business loans for building improvements, equipment	Up to \$75,000	2% interest, up to 10 year maturity, requires private lender match financing at least equal to City's loan
	City of Minneapolis	Alternative Financing Loan	Small business loans for building improvements or equipment, Islamic-law compliant structure	Up to \$75,000	2% rate of return, up to 10 year maturity, requires private lender match financing at least equal to City's loan
	City of Minneapolis	Business Development Fund Loan	Small business loans for building improvements and equipment	Up to \$75,000	market interest rate, up to 10 year maturity, credits for local hiring up to 50% of original loan amount, requires private lender match financing at least equal to City's loan
	City of Minneapolis	Grow North Loan	Business loans for significant capital investments. Business must be located in North Minneapolis, and create/retain 40 jobs to receive max. loan amount	up to \$200,000	3% - 4% interest rate, up to 20 year maturity, credits for hiring North Mpls residents up to 100% of original loan amount.
Housing Programs	City of Minneapolis	Affordable Housing Trust Fund	Funds are used to provide gap financing (the difference between conventional financing and project costs) for affordable and mixed-income rental housing production and preservation projects.	Up to \$25,000 per affordable unit (50% AMI in non-impacted areas of the City, 60% AMI in impacted areas) or 15% of the total development costs, whichever is less	approx. 1% simple interest, repayment of all principal and interest deferred until maturity of first mortgage
	City of Minneapolis	Housing Revenue Bonds	Funds used for affordable and mixed-income rental housing for families and seniors. Entitlement Housing Revenue Bonds come with an automatic 4% tax credit allocation	No cap per project on entitlement bonds or 501(c)(3) bonds; allocation per project must meet 50% test. City receives approx.. \$49M entitlement annually to finance multiple projects	up to 40 year maturity
	Hennepin County	Affordable Housing Incentive Fund	Financial assistance provided to support creation or preservation of long-term affordable housing	\$2,700,000 available in 2016/17. Award sizes vary.	1-3% interest; 30 year affordability requirement.
	Private Investor	Low Income Housing Tax Credits	Provides a reduction in owners and investors tax liability for new construction, rehabilitation or acquisition of existing buildings that offer affordable housing.	4% tax credits generally provide up to 30% equity for affordable housing projects, while 9% tax credits provide up to 70% equity	7 year compliance period and various other federal requirements

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Commercial/Industrial Real Estate Development Financing	City of Minneapolis	Bank Qualified Bank Direct (BQ) Tax Exempt Bonds	Financing for larger real estate development for non-profit user	\$500,000 - \$10 million	below-market rates for eligible tax-exempt projects, 10-30 years
	City of Minneapolis	Great Streets Façade Matching Grants	Grants for façade improvements including windows, doors, signage, awnings, lighting, murals	up to \$7,500	requires private match of at least 1:1; program administered through local business associations
	City of Minneapolis	Great Streets Gap Financing Loan	Commercial real estate loans for catalytic commercial corridor and station area projects	\$100,000 - \$500,000	3% - 4% interest, up to 30 year maturity; requires subordinate mortgage on property
	City of Minneapolis	Revenue Bonds (taxable and tax exempt)	Financing for commercial/industrial real estate development or large equipment investments	\$1 - \$100 million	market interest rate for taxable projects or below-market interest rate for tax exempt, 10-30 year maturity
	City of Minneapolis	Tax Increment Financing	Financing provided through incremental increase in property taxes resulting from significant commercial/industrial development	\$300,000 and up, depending on revenue generated	up to 25 years (15 more common)
	Hennepin County	Hennepin County Transit Oriented Development funds	Funding to real estate development and infrastructure projects on transit lines that will enhance transit usage	\$50,000 - \$1 million	Funding may be awarded as a grant or a loan. Loan terms will be negotiated with awardee.
	Hennepin County	Penn Avenue Community Works	Gap funding for development at key commercial nodes in the Penn Avenue corridor	to be determined	negotiable terms
	Met Council	Livable Communities Demonstration Account Grants	Grants for land assembly and public infrastructure for development projects that maximize benefits of regional infrastructure	\$100,000 - \$800,000	grants
	MN DEED	Minnesota Investment Fund Loan	Loans to businesses where there is significant job creation; eligible business activity includes manufacturing, warehouse, distribution, information technology, finance, insurance, or professional or technical services	up to \$1 million	below-market interest rate; up to 20 year term; portion/all of loan may be forgivable depending on jobs created and wages
	MN DEED	Minnesota Job Creation Fund	Rebates for businesses where there is significant job creation; eligible business types include manufacturing, warehouse, distribution and some information technology operations	up to \$1 million	5% rebate for real property improvements where business invests at least \$500,000; annual rebates based on job creation outcomes
	MN DEED	Redevelopment Grant	Grants to pay for land acquisition, demolition, infrastructure improvements, soil stabilization, ponding or other environmental infrastructure and adaptive reuse of buildings at sites where a subsequent redevelopment will occur.	\$50,000 - \$900,000	grant, multi-year reporting on development, tax base and job growth outcomes
	MN DEED/Hennepin County/Met Council	Brownfield Remediation Grants	Grants to investigate and clean up environmental contamination as part of a real estate development project	\$20,000 - \$900,000	grant, 5 year reporting on development, tax base and job growth outcomes
	Private Investor	New Markets Tax Credits	Real estate development financing for projects in economically distressed communities; equity provided by private investors and community development entities	\$500,000 - \$20 million; tax credits generally provide up to 20% equity for the project	7 year compliance period and various other federal requirements