

Senate Jobs and Economic
Development Committee
Minnesota Senate Building
95 University Ave West
St. Paul, MN 55155



February 24, 2025

Dear Chair Champion and Committee Members,

The Minnesota CDFI Coalition is a statewide coalition supporting the work of Community Development Financial Institutions (CDFIs) with connections, learning, and collective advocacy to advance shared goals. The Coalition includes the 40 federally certified CDFIs in Minnesota and other mission-driven lenders. These CDFIs work in communities across the state to offer training and financing to support small businesses, housing development, homeownership, childcare, cooperatives, and nonprofit organizations.

As federally certified institutions, CDFIs are accountable to their communities and responsible with their lending. **Certified CDFIs must meet annual audit and reporting standards in order to maintain their certification by the CDFI Fund at the U.S. Treasury Department.** CDFIs are also effective investments for public and private resources – every dollar invested by a CDFI is leveraged eight times over to support Minnesota's economy.

CDFIs offer technical assistance like entrepreneurship training and financial literacy education, resulting in deep community relationships and responsible borrowing. **Collectively, we are writing to ask for your support for Senate File 1521, a \$7.4 million one-time appropriation for the Small Business Assistance Partnerships program at the Department of Employment and Economic Development (DEED).** This investment will help fill the funding gap for the 2026-2027 biennium and is crucial to continuing the delivery of free, high-quality technical assistance to small businesses across Minnesota.

This program helps support the work of CDFIs across Minnesota and in 2023 alone the program was able to create or preserve over 20,000 jobs and leverage \$158 million in public and private financing.

When entrepreneur Fatuma Yasin needed support to launch her business, she first completed the Initiative Foundation's Enterprise Academy, supported in part by the Small Business Assistance Partnership Program, and then secured a microloan for inventory. Yasin now operates Asha's Beauty, the first Somali-owned business in St. Cloud's Crossroads Mall, offering culturally specific fashion and beauty accessories to customers across Central Minnesota.

Thank you for your leadership on the committee and your consideration, we hope that you recognize the value of Minnesota CDFIs and the value of this program in supporting small businesses and entrepreneurs all across our great state. Please reach out to Kari Johnson (kjohnson@mccdmn.org), with the Minnesota Consortium of Community Developers should you need any further information.

Sincerely,

African Development Center, Nasibu Sareva
Community Reinvestment Fund, Anisha Murphy

Entrepreneur Fund, Shawn Wellnitz
Exodus Lending & MN for Fair Lending, Anne Leland
Habitat Minnesota, Cristen Incitti
Hmong American Partnership, May yer Thao
Initiative Foundation, Brian Voerding
LISC – Twin Cities, Kate Speed
Midwest Minnesota Community Development Corporation, Julia Nelmark
Minnesota Consortium of Community Developers, Elena Gaarder
Neighborhood Development Center, Renay Dossman
Neighborworks Home Partners, Jason Peterson
Northcountry Cooperative Foundation, Victoria Clark-West
Northside Economic Opportunity Network, Warren McLean
Propel Nonprofits, Henry Jimenez
Shared Capital Cooperative, Christina Jennings
Southwest Initiative Foundation, Scott Marquardt
WomenVenture, LeeAnn Rasachak