
2024 Annual Report of the Minnesota Emerging Developer Fund Program

Office of Business Finance
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Background

The Emerging Developer Fund Program was established for the purpose of making grants and loans to Emerging Developers for eligible projects to transform neighborhoods statewide and promote economic development and the creation and retention of jobs in Minnesota. The program must also reduce racial and socioeconomic disparities by growing the financial capacity of Emerging Developers.

The legislature directly appropriated \$5,000,000 to the Local Initiatives Support Corporation (LISC) to administer this program. Through this program, the partner organization makes grants and loans to emerging developers. An emerging developer is a developer who has limited access to loans from traditional financial institutions or is a new or small developer who has engaged in educational training in real estate development and is either a: minority; woman; person living with a disability; or a person experiencing low-income.

The partner organization will make predevelopment grants up to \$100,000 and term loans up to \$1,000,000 for the purpose of predevelopment, construction, and bridge loans. Eligible projects must meet one of the following eligible criteria: stimulate community stabilization or revitalization; be located in a disadvantaged community or low-income community; benefit residents of a low-income household; increase the supply and improve the condition of affordable housing and homeownership; support the growth needs of new and existing community-based enterprises that promote economic stability or improve the supply or quality of job opportunities; promote wealth creation, including by being a project in a neighborhood traditionally not served by real estate developers. All loan repayments will be used to seed new lending activity

History

The program was authorized by the Legislature pursuant to Regular Session Laws 2023, Chapter 53, Article 15, Section 16. The appropriation to fund this program with \$5,000,000 was made pursuant to Regular Session Laws 2023, Chapter 53, Article 20, Section 2, Subdivision 2(ff).

Program Funds

Of the \$5,000,000 appropriation, \$1,500,000 is designated for project grants, \$2,775,000 is designated for project loans, and up to \$475,000 may be used by LISC to administer the program. DEED retained \$250,000 to administer and monitor the grant.

Outcomes

The grant contract agreement between DEED and LISC was executed on January 16, 2025. No funds were disbursed in 2024 and there are no outcomes to report.

Contact Information

For more information on the Minnesota Emerging Developers Fund program please contact Shaval Crooms at Shaval.Crooms@state.mn.us, Jason Burak, Small Business Unit Manager at Jason.Burak@state.mn.us, or Stephen Wolff, Interim Executive Director, Office of Business Finance at Stephen.Wolff@state.mn.us.