



FY25 Minnesota Emerging Developer Fund Program Annual Report

As required by Minn. Stat. § 116J.9926

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As required by Minnesota Statute 3.197: This report costs approximately \$1439.35 to prepare, including staff time, printing, and mailing expenses.

Upon request, this material will be made available in an alternative format such as large print, Braille, or audio recording. Printed on recycled paper.

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Minnesota Emerging Developer Fund Program Report

Minnesota Statutes, Section 116J.9926, Subd. 7 requires the Department of Employment and Economic Development (DEED) to report to the legislature on the Emerging Developer Fund Program. The report is to include the following:

1. A report on the use of program funds and outcomes.

Background

The Minnesota Emerging Developer Fund Program (Program) was enacted in 2023 pursuant to the Laws of Minnesota 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). The 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 socio-economic disparities by growing the financial capacity of Emerging Developers.

The legislature directed DEED to grant funds to a partner organization to administer this Program and named Local Initiatives Support Corporation (LISC). Through the 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.

Use of Program Funds and Outcomes

On January 16, 2025, the Local Initiatives Support Corporation (LISC) entered into a grant contract agreement that prescribed the Program framework. Of the \$4,750,000 available, \$1,500,000 is

allocated to fund grants and \$2,775,000 is allocated to fund loans, and \$475,000 is for Program administration.

Grants

A total of \$1,500,000 was allocated to make predevelopment grants of no more than \$100,000 each. These grants provide access to capital and resources for emerging developers for projects that aim to transform neighborhoods, promote economic development, and the creation and retention of jobs in Minnesota. Grant review criteria included, emerging developer background and capacity to implement the project, community impact, strength of application and project readiness, development team capacity, stakeholder support and commitment. Reviews were based on weighted criteria and scoring rubric as shown in Appendix A. Applications for the grant program were accepted between April 4, 2025, and May 2, 2025. The Program received 110 applications seeking \$1,953,500 of grant funding, of which 20 applicants received grant awards totaling \$1,500,000. A list of emerging developers, business name, grant request amount, grant award amount, grant contract agreement status, and approved grant use is shown in Appendix B.

As of December 31, 2025, eight of the twenty grant recipients have duly executed grant contract agreements. It is anticipated that the remaining grant contract agreements will be signed in 2026.

Loans

A total amount of \$2,775,000 was allocated to providing loans. Applications for the loan program were accepted beginning April 21, 2025. Loans are competitive and reviewed in the order received. As of December 31, 2025, 29 applications have been submitted. No Program loan applications have been approved.

Administrative Expenses

To administer the Program, \$475,000 was allocated to administrative expenses available on a reimbursement basis. As of December 31, 2025, \$39,898.94 been paid to LISC for administrative costs and payroll expenses covering the period from November 1, 2024, to July 31, 2025.

Appendix A



EMERGING DEVELOPERS FUND (EDF) PROGRAM

APPLICATION REVIEW GUIDELINES (APRIL 2025)

Below are a set of guidelines the review panel will be looking at as they assess the grant applications. The bullet points are designed to give a sense of the factors that will be considered in assessing the strength of the application. Unless marked otherwise, none of the bullet points individually are required from an eligibility standpoint. Please reach out to LISC staff if you have any questions about your project as you put your application together.

<i>Criteria</i>	<i>Weight</i>
<p style="color: #0070C0;">Emerging Developer Background and Capacity to Implement</p> <ul style="list-style-type: none"> <u>Required</u>: Applicant meets the statutory definition of emerging developer Applicant has a majority ownership stake in the proposed project. Applicant has developed less than three projects. This includes new construction or significant renovation of an existing property. It does not include acquisition of operating property and/or light rehab. Applicant has engaged in educational training in real estate development. Applicant has experience in the real estate sector, such as construction, architecture, property management, brokerage, commercial lending, etc. Applicant demonstrates successful track record in entrepreneurship. Application materials provide a clear case for the developer’s capacity to successfully implement the proposed plan in a timely manner 	25%
<p style="color: #0070C0;">Community Impact</p> <ul style="list-style-type: none"> The project is located in the Twin Cities 7-County metro area in a census tract identified as a disadvantaged or low-income community: https://cimsprodprep.cdfifund.gov/CIMS4/apps/pn-cdfi/index.aspx. The project will stimulate community stabilization/ recovery/ revitalization. The project will increase the supply and/or improve the condition of affordable housing. The project will preserve or add affordable commercial spaces, especially in areas at risk of gentrification and rising commercial rents. The project supports job creation and small businesses. The project will directly benefit low-income households. 	25%

<ul style="list-style-type: none"> • The project will help catalyze additional investment in the surrounding neighborhood. • The project will contribute to the improvement of the built environment and public realm, such as: <ul style="list-style-type: none"> • revitalizing vacant or underutilized property, • providing space(s) for community/ public gathering and/ or arts and cultural centers, • promoting safety, • access to public transit, biking, and walkability. • The project incorporates green building elements, reduces greenhouse gas emissions, and/ or adheres to sustainable site design principles. 	
<p>Strength of Application and Project Readiness</p> <ul style="list-style-type: none"> • The project scope and implementation plan is articulated. • Documentation is provided to support a viable path to project completion, including, but not limited to: <ul style="list-style-type: none"> • sources and uses, • cash flow projections, • other funding/ financing commitments, • project feasibility study, • market study, • property inspection or conditions report, • environmental reports. • Evidence of site control through a purchase agreement, option, deed/ title, etc. While site control or ownership is not required, applicants with site control will be given priority. 	25%
<p>Development Team Capacity</p> <ul style="list-style-type: none"> • The development team (i.e., architect, general contractor, property manager, etc.) has experience with similar projects. • History of successful track record of developer’s partnership with any members of the development team. 	15%
<p>Stakeholder Support and Commitment</p> <ul style="list-style-type: none"> • How well the applicant demonstrates stakeholder engagement and/or support for the project. • The degree to which this project has received funding from other public and private sources. Committed sources should be denoted separately from planned or pending sources. • Demonstration of plan for continued engagement with tenants, residents, and users of the space. 	10%

Appendix B

Emerging Developer's Name	Development Company Name	Grant Award Requested	Grant Award Amount	Grant Award Executed in 2025	Proposed Grant Use
Kenya McKnight-Ahad	1200 KMA Development LLC	\$100,000	\$40,000	Yes	Professional fees, property taxes and insurance, interim maintenance and project overhead
Wilmar Delgado	2709 East Lake LLC	\$100,000	\$80,000	Yes	Design fees
Houston White	HWhite Development Company LLC	\$100,000	\$100,000	Yes	Architecture and design fees, construction documents and administration
Kali Terry	New Verticals Development LLC	\$60,000	\$45,000		Appraisal, building inspection, earnest money, professional fees, property taxes, survey, closing fees
Nawal Noor	Noor Development Group	\$100,000	\$100,000		Design fees, professional fees
Jamez Staples	Northgate Development	\$100,000	\$100,000	Yes	Design fees, professional fees, market study
Christopher Webley	Lowry Ave Partners	\$100,000	\$50,000	Yes	Design fees, professional fees, property taxes and insurance, site preparation and demolition
Ian Alexander	Riverfront Development Partners LLC	\$100,000	\$80,000		Design fees, earnest money, site prep, demolition, stabilization
Teto Wilson	Wilson's Image Holding LLC	\$100,000	\$70,000		Building inspection, maintenance and project overhead, market and feasibility study, design and professional fees

Victoria Yopez	VY Management	\$100,000	\$100,000	Yes	Site preparation, demolition, stabilization, design fees
James Archer	Matrix Development LLC	\$100,000	\$100,000		Tax credit/application fees, property taxes, professional fees
Jesse Ross	Mr. Jesse Ross LLC	\$100,000	\$40,000		Design fees, interim maintenance, project overhead, professional fees, property taxes
Leeta Song	2926 Chicago LLC	\$100,000	\$75,000		Design fees, professional fees, feasibility study, property taxes
Chi Nguyen Phung	974 Arcade LLC	\$100,000	\$56,000		Design fees, professional fees, surveys
Kiara Ellis, Kurtiz Ellis	Aventus Holdings LLC DBA Aventus Properties LLC	\$100,000	\$55,500	Yes	Earnest money, professional fees, closing fees
Gloria Wong, Leng Wong	GloryVille LLC	\$100,000	\$100,000		Design fees, professional fees
Chibuzor Nnaji	Goshen Estate LLC	\$100,000	\$85,000		Earnest money, inspection, appraisal, Environmental fees, closing fees, property insurance and taxes, professional fees, stabilization and interim maintenance
Ivan Alvarado	Noble Stories LLC	\$98,500	\$98,500		Environmental fees, market study, appraisal, survey, design fees, site preparation
Ahmed Muhumud	Nomad Properties LLC DBA Nomad Properties	\$95,000	\$75,000	Yes	Earnest money and closing fees, environmental and professional fees
Nzinga Ayana Shakir	Shakir Consulting Services LLC	\$100,000	\$50,000		Demolition, property taxes, property insurance, professional fees, environmental fees
TOTAL		\$1,953,500	\$1,500,000		