

Minnesota Senate COVID-19 Response Working Group
Attn: Majority Leader Paul Gazelka
365 Rev. Dr. Martin Luther King Jr. Blvd.
St. Paul, MN 55155



April 3, 2020

Dear Senator Gazelka and Working Group Members,

As you consider additional emergency legislation and funding in response to the COVID-19 crisis, we would like to take this opportunity to encourage you to provide additional financial support for struggling entrepreneurs and small businesses in Minnesota.

The Metropolitan Consortium of Community Developers (MCCD) is an association of nonprofit organizations committed to expanding the wealth and resources of communities through housing and economic development initiatives. MCCD represents approximately 15 non-profit economic development organizations; we also provide free business counseling to current and prospective entrepreneurs in the seven-county metropolitan area through our Open to Business program. Nonprofit business advisors also assist entrepreneurs in identifying borrowing needs and accessing financing options, including providing direct financing and loans in partnership with banks and other nonprofit lenders.

As you all know, small businesses are the lifeblood of our communities throughout Minnesota. Small businesses provide gathering places for neighbors to spend quality time together, they help meet culturally specific needs, provide entertainment, and they provide countless job opportunities. By threatening these neighborhood institutions, COVID-19 is also threatening the very heart of what community is.

MCCD and many of our members serve as a critical resource and support system for entrepreneurs, which is needed now more than ever. We know firsthand how the COVID-19 public health crisis is impacting small businesses of all kinds. Among the most visible immediate impacts felt by many types of businesses from restaurants to small theaters and retail stores is a dramatic decrease in business, resulting in a devastating loss of income that impacts the ability to pay vendors, staff, rent, and mortgages.

Another major concern is that a large number of the small business clients that MCCD and our members work with are sole proprietors who are unable to collect unemployment. Furthermore, while many small businesses are figuring out new ways to engage with customers, many do not have access to reliable internet or the technology needed to be connected to their peers and their primary clientele. Although we are thankful that the State has provided emergency assistance programs, many of our small business clients will face difficulty pulling together the financial documents needed to apply for emergency loans and assistance programs.

MCCD Business Advisors are playing a critical role in connecting our small business clients to the emergency loans and other assistance programs, but we still do have serious concerns about the future livelihoods of many of these businesses. MCCD is a state-approved partner for the DEED Small Business Emergency Loan Program; in less than a week we have received over 440 completed initial applications. We anticipate that our allocation will be approximately \$1 million to distribute, meaning

that less than 50 small businesses will be able to receive assistance from MCCD. Entrepreneurs and small business have put everything into their businesses, and they are worried about what the future looks like for themselves, their families and their employees.

Thank you for the opportunity to provide comment regarding the impact that the COVID-19 crisis has had on entrepreneurs and small business owners throughout Minnesota. MCCD and our members would like to thank you for your time and consideration. Please reach out should you need any further information or if we can be helpful in any way.

Sincerely,

Rose Teng
Interim President, MCCD
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Minneapolis, MN 55408

cc: Governor Tim Walz
Commissioner Steve Grove