

# Civil Unrest Business Assistance Update

## Planning and Economic Development

Housing and Redevelopment Authority

January 2021



**SAINT PAUL**  
MINNESOTA

# Civil Unrest Business Assistance Update

**Program Budget: \$1M**

## **Program Goals:**

- Support local businesses in the equitable rebuilding from the damage and root causes of the civil unrest
- Leverage funding to fill gaps related to Recovery, Reimagining, and Rebuilding for All
- New wealth building and ownership models for BIPOC community members is a priority

# Civil Unrest Business Assistance Update

## Recent Progress:

- Interviewed private funding partners in Saint Paul to audit what's been raised and disbursed
- DSI evaluated exterior damage during a second round of assessment
- Advised and/or promoted multiple technical assistance programs:
  - Hack the Gap/AIA MN
  - Pay it Forward
  - Rebuilding Together Coalition
  - Construction Connection to Community

## Current Activity:

- Representing PED at internal and external coordinating tables
- Assessing current gaps and greatest remaining leverage points
- Performing due diligence on our options for deploying funds
- Deploying other emergency assistance for COVID with new surge

# Civil Unrest Private Funding Raised

FUND	ORGANIZATION	GEOGRAPHY	GRANTS FOCUS	TOTAL RAISE AND REMAINING BALANCE	SAINT PAUL BUSINESSES SUPPORTED
Asian Business Recovery Fund	AEDA	Twin Cities wide	Property damage and business losses for Asian small businesses	<b>Raised:</b> \$504K <b>Disbursed:</b> \$428.6K* (in Saint Paul)	<b>38</b>
Let's Rebuild: African Immigrant Businesses in Minnesota	AEDS	Twin Cities wide	Rebuild, Relocate, Repair Damages, or Replace Lost Inventory due to unrest	<b>Raised:</b> \$487K <b>Disbursed:</b> \$165K* (in Saint Paul)	<b>85</b> Businesses and individuals
We Love Midway & We Love Saint Paul	Midway Chamber/SPACC	Midway and Saint Paul	Property damage funding assistance for effected small businesses	<b>Raised:</b> a little over \$1M <b>Disbursed:</b> \$890K <b>Remaining:</b> \$80K – 4 businesses in pipeline	<b>81</b> Includes 4 businesses in pipeline
Neighbors United Fund	Neighbors United Funding Collaborative	Midway	Property damage recovery including inventory, Rebuilding or Relocation funding	<b>Raised:</b> \$1.578M <b>Committed:</b> \$515.7K <b>Disbursed:</b> \$145.7K <b>Remaining:</b> \$1.06M	<b>22</b> Includes 15 businesses in pipeline
East Side Business Assistance Fund	East Side Area Business Association	East Side	Property damage and business losses for East Side businesses	<b>Raised:</b> \$15.2K <b>Disbursed:</b> \$15K	<b>15</b>
<b>TOTAL RAISED \$3.58M</b>				<b>TOTAL DISBURSED: \$1.6M*</b>	

*\*Calculation does not include in pipeline projects*

# Civil Unrest Business Assistance Update

## Findings:

- Of 261 businesses impacted directly, 131 have been repaired, 73 still need repairs, others are condemned, vacant, boarded
- Nearly \$2M in funding still available with private funds for business damages and losses not covered by insurance
- While there are a lot of technical assistance programs available (and perceived need), new programs are underutilized
- Community partners have identified the need for equity-driven ownership models, including:
  - The Alliance, NEEO, LISC, Twin Cities Land Bank, Hamline Midway Investment Coop

# Civil Unrest Business Assistance Update – Community Partners

## *Funding Successes and Challenges*

"We were able to **design criteria with the community** advisory council. This was an opportunity for us to make sure the community designed the criteria on how to distribute the fund and decided who should be funded. **It was about community empowerment.**" –  
*Gene Gelgelu, CEO and President, African Economic Development Solutions (AEDS)*

"Too many of our businesses rent the spaces they rely on and face perennial fears of displacement. We must invest in building capacity and increasing resources to establish BIPOC- and immigrant-led **cooperatives, commercial land trusts and other types of community ownership** to anchor and build equity for our businesses." – *Recommendation from The Alliance's June 26, 2020 Actualizing Equity session, focus impacts of Covid-19 and uprising around the murder of George Floyd*

"Committee noted that there were **many businesses under-insured**...[they] said they thought they had better coverage OR that due to COVID impacting their businesses, they **couldn't pay their premiums**, so insurance had lapsed. Going forward **connecting business owners to reputable insurance brokers**, especially getting BIPOC businesses connected, **could be an area of focus for both the public and private sector.**" – *Kathleen Lohmar Exel, SPACC Foundation*

"There is a huge opportunity right now to focus on commercial **owner-occupied spaces**. Funds could be used in conjunction with STAR, SPPA Equity Bridge Facility, and SBA dollars." –  
*D'Angelos Svenkeson, Founder & CEO, NEOO Partners, Inc.*

# Civil Unrest Business Assistance Update

Fund immediate business damage and losses:

## **Pros**

- Opportunity to contribute to existing partner funds for immediate assistance
- Continue to restore vibrancy to areas that have visible damage
- Potentially faster disbursement of funds

## **Cons**

- \$2M still available and some funds have pipeline challenges due to complex business needs
- Could add potential confusion onto the existing landscape and programming

Fund property ownership with equity lens:

## **Pros**

- Meets goal of intentional systemic change for real intergenerational wealth building and community ownership
- Leverages PED specialties and build framework with partners to acquire properties
- Down payment assistance could be disbursed fairly quickly
- Keep businesses in Saint Paul for future generations and minimize vacant buildings

## **Cons**

- Funds would not all be immediately deployed to businesses, but land bank partners

# Civil Unrest Business Assistance Update

PED team will continue performing due diligence on our options for deploying funds and look forward to your suggestions and questions.

Thank you

ED team members Claudia Klinkhammer, Vong Thao, Kowsar Mohamed, and Mary Rick



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