

Why it matters: MACC members & ARP dollars

Many human service nonprofits, including most MACC members are positioned to access American Rescue Plan dollars that will be flowing through the state of Minnesota, our major cities, and our counties over the next 2-3 years.

Tracking how to access these dollars AND potentially how to influence how those dollars are spent is a bit of a moving target. For most of these dollars- the time horizon is quite long for when they can be spent.



This document is a collection of what we know as of mid-July 2021, collected via MACC's advocacy partners. It is by no means exhaustive and is likely out of date as soon as we share it with you all.

Our opportunity to influence how dollars are spent

Got a good contact with your city, your county?

It's worth giving the folks your organization has relationships with a call or email to tell them... *prioritize human services, and prioritize projects you have that can act as economic multipliers- the work we do as human service nonprofits has a DIRECT impact on the social, educational, and economic well-being of residents.*



The federal guidance that has been provided to our state, county, and city governments is quite flexible and can include MUCH of the work the human service nonprofits do. They need to hear your voice as they work on their priorities.

- For reference: Guidance for cities on their ARPA funds (note question #5 and question #14) www.lmc.org/resources/american-rescue-plan-act-of-2021-info-for-cities/#Q4
 - For reference: Guidance for counties on their ARPA funds www.naco.org/resources/featured/us-treasury-interim-final-rule-guidance-state-and-local-fiscal
- **Action Opportunity:** The Minnesota Council of Nonprofits has been doing some work to educate cities and counties about why it's critical to spend their ARP dollars on nonprofits. Our capital projects, our workers, our programs, and our operating costs.
- Check out the resources MCN has developed here: <https://tinyurl.com/4k4cxdr4>
 - There's also a good set of resources developed by a coalition led by the National Council of Nonprofits that includes the Alliance for Strong Families and Communities: www.councilofnonprofits.org/thought-leadership/principles-allocating-arpa-state-and-local-fiscal-recovery-funds
- **Action Opportunity:** Minnesota nonprofits have been pushing for a Nonprofit Resilience and Recovery Fund and as of Mid-July 2021, legislature has NOT acted to support this fund. As a last push... we are asking MACC members to reach out to the Governor's office and communicate this as something that NEEDS the governor's attention as a priority for federal APR dollars that he has discretion over.
- For more information www.macc-mn.org/WhatsNew/COVID-19ActionAlerts.aspx



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July 2021 Overview of Minnesota's ARP Dollars and Spending Priorities

What we know now... How much, What spending priorities look like

Governor's Funds:

- Total ARP Dollars: \$500 million
 - o \$132 million to be spent on student COVID-19 recovery.
 - \$75 million on summer school
 - o Majority of the leftovers will be used for general budget recovery purposes due to losses.
**** note that these funds are a target for our coalition's Nonprofit Relief and Recovery Funds which would provide general operating grants through an equity-centered lottery process. For more information go to www.macc-mn.org/WhatsNew/COVID-19ActionAlerts.aspx*

State:

\$1.2 billion left for 2022 legislative session.

- 2021 legislative session created the Mainstreet COVID relief grants
 - o Main Street Economic Revitalization Program - \$80M
 - o Main Street COVID-19 Relief program - \$70M
- 2021 created full Conformity for PPP and UI with \$1.1 billion of federal funds.

Hennepin County:

- Total ARP Dollars: \$245.9 million
 - o Plans right now include promoting vaccine initiatives and reducing vaccine disparities

Ramsey County:

- Total ARP Dollars: \$106.9 million
 - o Plans for spending allocation on supporting individuals, families, the economy and recovery from COVID-19.

Minneapolis:

- Total ARP Dollars: \$271.2 million
 - o Allocated: \$90 million
 - \$28 million – Affordable Housing
 - \$37 million – Economic Recovery
 - \$13.7 million – Public Safety
 - \$12.7 million – Furlough Relief/Staff Needs
 - \$3 million – Minneapolis Guaranteed Basic Income Pilot Program
 - o City plans to tackle city budget until September and then turn back to spending ARP dollars
 - o According to city staff, about \$80-\$90 million still available to be allocated after accounting for more planned expenses

St. Paul:

- Total ARP Dollars: \$166.6 million
 - o Not spending ARP money yet, still spending CARES and will begin spending ARP after having an evaluation of how CARES funds were spent
 - o 5-Tiered stage for allocation according to City Council.



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- First Priority/Tier: Vaccine roll out and testing
- Second Priority/Tier: City administrative costs and immediate needs
- Third: Front Line workers and Public Safety
- Fourth: Housing and food security
- Fifth: Projects

Duluth:

- Total ARP Dollars: \$58.1 million
 - Spending on affordable housing, Job training, workforce services, utility and broadband, public safety, and community violence.

Dakota County:

- Total ARP Dollars: \$83.3 million
 - Spending on revenue loss, penalty abatement, public health emergency.

Anoka County:

- Total ARP Dollars: \$69.3 million

St. Louis County:

- Total ARP Dollars: \$54.5 million

Washington County:

- Total ARP Dollars: \$51 million

Olmstead County:

- Total ARP Dollars: \$30.7 million

All other towns and cities:

- Funding for cities with over 50,000 in population: [Click here](#)
- Towns and cities under 50,000 share a source of \$1 million which is then allocated by budget and population. *Max \$100,000. Percent of what towns receive can be [found here](#)

Allocations for all other counties:

- [Click Here](#)



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State COVID grant breakdowns:

Main Street Economic Revitalization Program

- **Eligible projects:** development, redevelopment, demolition, site prep, predesign, design, engineering, repairs, or renovation of real property or capital improvements.
 - DOES NOT include: purchase of real estate, businesses operations or business operations expenses (inventory, wages, or working capital.)
- **Eligible Recipients:** Businesses, nonprofit organizations, developers.
 - DOES NOT include: partner organizations or local governments.

Funding Options:

- **Guaranteed loan:** Loan guaranteed by the state for 80% of the loan amount for a max period of 15 years from the original loan.
 - No more than \$2M.
 - No more than 15 years
- **Leveraged Grant:** a matched grant by the eligible recipient's commitment to the project of nonstate funds for a 2:1 match.
 - No more than \$750,000 and no more than 30% of project.
 - Must have secured commitments for matching funds before grant is distributed.
- **Loan Guaranteed trust fund:** dedicated amount established for the purpose of defaulted loan guarantees.
 - 10% reserved by Commissioner
 - Not eligible after Dec. 31st, 2024.

Steps for Eligibility:

- Outline a plan for leverage grants and guaranteed loans to show the greatest economic development and redevelopment in the surrounding community.
 - Analysis of economic impact that the project will have must be included.
- Establish there are no conflicts of interest in determining awards
- Demonstrate that there has been raised funds for the specific purpose of this program or will do so within 15 months of encumbrance of funds.
 - Existing assets and state/federal funds may not be used.

3 Rounds of Grants:

- 1: Dated before September 1, 2021.
 - No more than 50% of funds will be granted
- 2: Dated after September 1, 2021 but before March 1, 2022
- 3: Dated after June 30th, 2023 if any funds remain.

*Entities may apply in multiple rounds if not funded in earlier rounds.

*4% of grants may be used for administration and monitoring of the program.

Preference given to:

- Greatest regional impact
- Greatest portion of the estimated cost met through non state funds.

*Expires 12/31/2036



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Main Street COVID-19 Relief program

Eligible recipients

- Businesses, both for profit and nonprofit that earn revenue in a similar way to businesses.
- Partner organizations, the Minnesota Initiative Foundations and nonprofit corporations on the certified lenders list, qualification based on Commissioner.

Eligibility criteria

- 1) have primary business operations located in Minnesota.
- 2) be at least 50 percent owned by a resident of Minnesota.
- 3) employ less than the equivalent of 200 full-time workers.
- 4) be able to demonstrate hardship as a result of the pandemic; and
- 5) include in the application a business plan for continued operation.

Preference given to:

- businesses that did not receive previous state assistance under any of the following programs:
 - Small Business Emergency Loans
 - Small Business Relief Grants
 - Grants to Movie Theaters and Convention Centers
 - County Relief Grants to Local Businesses

Award Tiers:

- \$18,000,000 for grants to businesses with less than the equivalent of six full-time workers
- \$10,000,000 for grants to minority-owned and operated businesses
- \$2,500,000 for grants to veteran-owned and operated businesses
- \$2,500,000 for grants to women-owned and operated businesses
- \$2,500,000 for grants to operators of permanent indoor retail and food services spaces that have an ethnic cultural emphasis and house many small businesses
- \$3,000,000 for grants to businesses renting space to other businesses

For more information on the state relief grant programs available as of July 21, 2021- go to <https://mn.gov/deed/business/financing-business/deed-programs/emergency-programs/economic-revitalization/>