

Columbia Heights Economic Support Microloan Program Program Guidelines

Program Description

In response to the demonstrated local economic impact of recent federal immigration enforcement actions in January and February of 2026, the Columbia Heights Economic Development Authority (EDA) will offer a forgivable microloan program for local businesses. Microloan funds shall not be used to cover expenses or losses incurred during the enforcement activity, but instead to support reopenings and future stability by providing resources for anticipated building expenses (see examples of eligible use of loan funds below). Applicants must submit documentation demonstrating losses incurred during the immigration enforcement actions, as described herein.

Loans will be awarded based on a four-month multiplier of demonstrated costs such as regular monthly lease or mortgage payments, not to exceed a total of \$10,000 per business. The loan duration will be eight months. In order to have the loan forgiven, the business must still be in operation in the same location in Columbia Heights eight months after the date of the loan agreement, with no interruptions, and the business must provide a summary describing how the funds helped it continue to operate its business.

Application technical assistance will be available through the Columbia Heights Community Development Department and program partner MCCD.

Eligibility Criteria

- Business must be locally owned, operated, and domiciled in the state of Minnesota with a physical establishment in Columbia Heights.
 - o If there is a parent company or a second location outside of Columbia Heights, only the entity located in Columbia Heights will be eligible.
- Business must be able to demonstrate financial hardship as a result of the Metro Surge federal immigration enforcement actions.
 - o This may be demonstrated by:
 - Year over year (Jan 2025 vs Jan 2026) revenue/sales decrease; or
 - Period-based (Sept-Oct 2025 vs Jan-Feb 2026) revenue/sales decrease
- Business must provide proof of active registration with the Minnesota Secretary of State.
 - o If there is an issue pending with the Minnesota Secretary of State, the applicant may still apply for the loan but will need to demonstrate that the matter has been satisfactorily resolved in order to be eligible and receive loan funds.
- If applicable, the business must be appropriately licensed.

- Business must be current on property taxes and assessments.
- Business must be in good standing with the City.
- Business must employ 50 or fewer Full Time Equivalent employees as of Q4 2025.
- Business must have been in operation at least 6 months prior to application date.
 - o Applicants will not be disqualified for circumstances in which there was an ownership change and the business remained in operation within 12 months prior to application.

Loan Terms

- Loan amount: Up to \$10,000 but not to exceed four months' currently occupied commercial space lease or mortgage.
 - o If the business does not pay rent or mortgage but can still demonstrate regular expenses through building insurance or utilities statements, the business may still apply.
- Loan forgiveness: Contingent on the business still being in operation in the same commercial space in eight months (counted from date of loan agreement), with no interruptions.
 - o Exceptions may be made on a case-by-case basis for unforeseen circumstances such as the business needing to move to another location in Columbia Heights due to sale of a leased building, fire or water damage, etc.
- Loan term: Eight months.
 - o If the business does not meet forgiveness criteria in eight months' time, it will be required to repay loan principal in full (without interest).
- Interest rate: 0%.

Ineligible Businesses/Restrictions

- Applicants who have previously received federal, state, or local loans or grants for the same expenses.
- Multi-state chains are generally ineligible except for locally owned franchisees.
- Nonprofit organizations.
- Businesses that primarily derive income from gambling or adult entertainment.
- Home-based businesses are generally ineligible.
- Businesses that derive income from passive investments (for example, property rentals or property management, group homes / residential care homes / residential elderly care facilities, billboards, and lobbying).
- Use of loan funds for payment of taxes or fees is ineligible.

Examples of Eligible Uses of Loan Funds

- Commercial lease or mortgage payments.
- Commercial utility payments.
- Commercial structure insurance payments.

Application Process

- All applicants must complete an online application to assess eligibility.
- The application deadline shall be April 24th, 2026, at 4:00 p.m.
- Applications that have been submitted before the deadline and that successfully pass through the first review phase will be required to submit documentation to fully demonstrate eligibility, including:
 - o Organizational documents (articles of incorporation or organization, as applicable),
 - o Proof that the business is actively registered with the Minnesota Secretary of State,
 - o Evidence of license to do business, if applicable,
 - o Documentation demonstrating financial hardship, as described in Eligibility Criteria, and
 - o Copy of lease or purchase agreement showing that business is located in the City.
 - o Additional documentation may be required on a case-by-case basis.
- A second application review will then be conducted.
- Following the second review of eligibility and completeness, the Metropolitan Consortium of Community Developers doing business as the Minnesota Consortium of Community Developers (MCCD) and acting as loan administrator will make allocation recommendations to the Executive Director of the EDA.
- Approved applications will proceed to the loan signature and origination stage.
- Following loan origination, MCCD will conduct loan servicing, including verification of forgiveness criteria after eight months.

Disbursement Process

- The loan shall be disbursed in a single lump sum directly to the business owner or operator-applicant, following the approval and signature stage.

The information outlined above is intended to serve as general guidelines. Final loan decisions will be made in consultation with the Executive Director of the EDA after a thorough review of all application factors and criteria.

All applications received during the application period and no later than 4:00 p.m. on April 24, 2026, will be reviewed for eligibility. Applications deemed eligible will be assigned a random numerical indicator. If eligible applications exceed the funding available, the loan administrator will contact eligible applicants to request required program documentation and allocate funds on the basis of the numerical order assigned. Only one application per business location will be considered.

After the initial funding round, the EDA reserves the right to amend any criteria for eligibility as needed to best ensure the effective distribution of remaining funds.