

Hennepin County

## 2023 Affordable Commercial Incentive Fund

Available only to projects located within ½ mile of a proposed station in the Blue Line Extension LRT Corridor



**Request For Applications (RFA) Issued July 20, 2023**

**Applications due by Thursday, August 17, 2023 at 3:00 p.m.**



# Hennepin County

## 2023 Affordable Commercial Investment Fund

### BACKGROUND

Hennepin County’s 2023 Affordable Commercial Incentive Fund (ACIF), formerly known as the Community Investment Initiative (CII), seeks to strengthen communities and address pre-existing place-based disparities by investing in projects that create affordable commercial space for local small businesses. Affordable commercial space helps business owners keep more of their revenue, be more successful, and generate wealth without displacement. When local businesses succeed, communities benefit. Local small businesses provide jobs, generating livelihoods that help build long-term wealth for our residents. Local businesses return a greater share of their revenue back to the community, creating value and shared prosperity throughout Hennepin County. In addition, small businesses reflect and celebrate the rich cultures of our communities and are a key part of what makes the Blue Line Extension Corridor a great place to live.

The ACIF seeks projects that not only provide affordable commercial space, but also deliver multiple community benefits. The most competitive projects are those that:

- Stimulate investment in, and driven by, low-income communities and communities of color to help address economic disparities by race and by place
- Support the resilience and growth of local businesses and their ability to generate prosperity, economic opportunity, and employment opportunities in their communities

For 2023, ACIF is structured to specifically increase long-term economic opportunity and support wealth building efforts along the proposed Blue Line Light Rail Transit (BLRT) Extension Corridor prior to its construction. Authorized by the Hennepin County Board of Commissioners as part of the approved 2023 Capital Budget, the current program is only available for eligible projects within ½ mile of a proposed station in the Blue Line Extension Light Rail Transit (BLRT) corridor.

For more information about the 2022 CII Program, including guidelines and projects awarded funding, see <https://www.hennepin.us/economic-development/programs/Affordable-Commercial-Incentive-Fund>.

### TIMELINE

June 30, 2023	Guidelines published on Hennepin County website
July 10 – 21	TA Sessions Available, <a href="#">sign-up at this page</a> .
July 20, 2023	Request for Applications (RFA) opens
August 3, 2023	Deadline to submit questions
August 17, 2023 at 3:00 pm	Applications Due via Supplier Portal
October 2023	Funding recommendations anticipated

## FUNDING

- A total of up to \$500,000 is available via a competitive Request for Applications (RFA)
- Awards will be made in the form of a grant. It is anticipated that one (1) to two (2) awards will be made.
- Maximum awards are limited to no more than 30% of total development costs not including acquisition.
- Only eligible expenses incurred after the date of award are eligible for reimbursement.
- Funding is available on a reimbursement basis for actual, eligible, costs incurred.
- Eligible Activities must be completed by December 31, 2024.

## PROGRAM OVERVIEW

The Affordable Commercial Incentive Fund supports projects that provide long-term affordable commercial space or ownership opportunities for locally owned small businesses. Projects may include a range of new construction or redevelopment projects that create business incubators and accelerators or provide long-term affordable commercial space via community or cooperative ownership, commercial condominiums, or other innovative ways to offer below market lease or ownership opportunities for a minimum of three businesses.

Examples of previously funded projects include:

- A city repurposing an existing, city-owned facility to serve as a business incubator with dedicated co-working space, a range of business amenities, and flexible, below market lease terms
- An economic development authority purchasing a formerly vacant commercial space with the goal of renovating and subdividing the building and convert it into an affordable commercial condominium building
- A local for-profit developer renovating and expanding an existing commercial building to provide start-up suites for local entrepreneurs at below market rates
- A local non-profit developer constructing a new mixed-use building with affordable housing and affordable commercial condominiums on the first floor that will be sold to local small business entrepreneurs

## REQUIREMENTS

### GENERAL REQUIREMENTS

Submission of a completed application and required attachments by **3:00pm, August 17**. Applications must be submitted via Hennepin County's Supplier Portal as detailed below. Incomplete applications and applications submitted outside of the required grant system may not be reviewed.

- The project must be located within a municipally designated Redevelopment Area, or the municipality must express its intent to establish a Redevelopment Area at time of application. The Redevelopment Area must be established before an award agreement will be signed.
- The municipality in which the project is located must agree to enter into a multi-jurisdictional agreement with the County for any project receiving an award, if applicable. A council resolution from the municipality, approving the project, is required before an award agreement will be signed.
- All projects and awards must meet all eligibility and contracting requirements of Hennepin County and all applicable local, state, and federal laws, as determined by Hennepin County. Grant recipients must agree to enter into a grant agreement with Hennepin County and agree to all contract terms. Grant recipients will be responsible for performing according to all terms of subsequently negotiated funding award contracts and monitoring compliance with all local, state, and federal requirements.

### ELIGIBLE APPLICANTS

- Cities or their economic/housing/development authority
- For-profit and non-profit developers

Projects that received a 2022 Community Investment Initiative award are eligible to apply for funding. Applicants must clearly demonstrate the need for additional funding at this time. The combined award from the two programs is limited to no more than thirty (30) percent of total development costs not including acquisition.

### ELIGIBLE LOCATIONS

Projects must be located within ½ mile of a proposed station on the Blue Line Extension Light Rail Transit (LRT) line. Eligible areas may be found at the link on the [ACIF webpage](#).

### ELIGIBLE PROJECTS

1. Development/redevelopment project that serves at least three (3) small, independently owned (non-formula/non-franchise) businesses; defined as:
  - a. having fewer than 50 employees,
  - b. owned by an individual(s) residing in the Twin Cities Metropolitan Area at time of occupancy, and
  - c. are wholly separate entities from any person or entity that has an ownership stake in the property.
2. A minimum term of affordability is required and projects are encouraged to restrict affordability for a minimum of 10 years. Approved affordability terms will be recorded against the property.

## ELIGIBLE USES OF FUNDS

For projects that meet eligibility criteria, applicants may request funding for certain capital expenditures or hard costs, listed below as eligible uses, including:

- Site or building acquisition
- Costs associated with vacant or abandoned properties, including:
  - Rehabilitation, renovation, maintenance, greening or other costs to secure, improve, and repurpose vacant or abandoned properties
  - Demolition or deconstruction of vacant or abandoned buildings
- Rehabilitation and new construction of commercial properties, including improvements and additions to buildings, storefront and façade improvements, interior buildout of new commercial spaces

Funding is available on a reimbursement basis for actual, eligible, costs incurred.

Only eligible expenses incurred after the date of award are eligible for reimbursement.\*

\* Grantees may allocate up to fifteen (15) percent of an award to final construction design documents, which occurred up to six months prior to an approved ACIF award, with the prior written approval from the County. This funding is not accessible to the grantee before project closing. Applicants must demonstrate the specific funding gap for completing this activity and how ACIF funding assists project advancement to closing and construction.

**Ineligible uses of funds include** program administration or other financing applications; conceptual design services, soft costs (with the exception noted above); refinancing of existing debt; working capital, inventory, equipment, or motor vehicles; billboards.

## APPLICATION PROCESS

Applications will only be accepted through the Hennepin County Supplier Portal.

To submit an application, you must first register with the Supplier Portal. For more information on how to register, please go to the "[Supplier Portal Help page](#)".

Only submit requested materials; do not submit additional, unlisted documents, nor additional sheets for expanded narrative.

Applicants are urged to be as complete with their application as possible, knowing projects may change. Brevity is appreciated, and bulleted points are encouraged.

Applicants are strongly encouraged to make their submissions well in advance of the application due date as the process may take some time to complete. Failure to submit a proposal on time may be grounds for rejection of the proposal; however, the County reserves the right, in its sole and absolute discretion, to accept proposals after the time and date specified.

Applications must include the following, which are downloaded from the Supplier Portal posting:

- Application Form
- Attachments as listed in the application form

## **EVALUATION AND RECOMMENDATION FOR SELECTION**

A selection committee including Hennepin County staff and additional contributors, as needed, will review applications and may request additional information. Hennepin County may elect to allocate funding to projects that best meet program criteria and may not allocate funding if projects do not meet program priorities. Staff anticipates presenting funding recommendations to the Hennepin County Housing and Redevelopment Authority in October 2023.

The County may require the entities selected to participate in negotiations to submit fiscal, technical, or other revisions of their applications that may result from negotiations.

Applications will be evaluated to the extent to which they demonstrate:

1. Organizational scale, experience, qualifications, and capacity to successfully complete a project within 14 months of award
2. A financial gap necessary for the project to proceed that leverages other sources of financing
3. Meaningful support to local businesses and low-income communities and communities of color, including:
  - Benefit to multiple local businesses, as well as the relevant business district, and the broader community
  - Benefit to disadvantaged communities and business owners
  - Improvement to the built environment and quality of life in low-income communities and communities of color, including increased choice and access to new or expanded goods, services, and other opportunities, including employment opportunities

This RFA does not commit the County to award a contract. Submission of a proposal shall neither obligate nor entitle an Applicant to enter into a contract with the County. The County reserves the following rights, to be exercised in the County's sole and absolute discretion: 1) to determine whether any aspect of a proposal satisfactorily meets the criteria established in this RFA; 2) to seek clarification or additional information from any Applicant; 3) to negotiate, sequentially or simultaneously, pricing and/or terms with any Applicant or vendor; 4) to reject any or all proposals with or without cause; 5) to waive any irregularities or informalities in a proposal; 6) to cancel or amend by addenda this RFA, in part or entirely; 7) to award multiple contracts to Applicants; and/or 8) award a contract to a respondent that did not submit an application.

## **INQUIRIES**

Please direct any questions to Ryan Kelley, Manager, Community Development at:  
[ryan.kelley@hennepin.us](mailto:ryan.kelley@hennepin.us).

Potential applicants are **strongly encouraged** to review eligibility of their project with Mr. Kelley prior to submittal. TA sessions may be requested at this link:

The deadline to submit general application questions is **August 3, 2023, by 3:00 pm**.

## **ADDENDA**

The County reserves the right to modify the RFA at any time prior to the application due date. If the RFA is modified, addenda to the RFA will be provided to all applicants known to have received a copy of the RFA. It is the responsibility of each prospective applicant to assure receipt of all addenda.

The County will modify the RFA only by formal written addenda. An applicant's proposal should be based on the specifications herein and any formal written addenda from the County, not oral or other interpretations or clarifications.

## **COUNTY'S RIGHT TO WITHDRAW, CANCEL, SUSPEND AND/OR MODIFY RFA**

The County reserves the right to withdraw, cancel, suspend, and/or modify this RFA for any reason and at any time with no liability to any prospective applicant for any costs or expenses incurred in connection with the RFA or otherwise. Hennepin County reserves the right to accept or reject any or all applications received, to accept or reject any late applications, to rescind the request for proposals, to request additional information as deemed necessary to review any application, to negotiate with all qualified Applicants, to use any or all Applicant ideas and/or approaches presented, or to cancel in part or in its entirety this request for proposals, if it is in the best interest of Hennepin County to do so.

## **APPLICANT'S RIGHT TO WITHDRAW OR MODIFY PROPOSAL**

An application may be withdrawn on written request of the applicant prior to the proposal due date. Prior to the proposal due date, changes may be made, provided the change is submitted in writing and signed by an officer or authorized representative of the applicant. No modification, unless in writing, will be accepted.

## **APPLICATIONS WILL NOT BE RETURNED**

Upon submission, proposals will not be returned.

## **PUBLIC DISCLOSURE OF APPLICATION DOCUMENTS**

Under Minnesota law, applications are private or nonpublic until the applications are opened on the application due date. Once the applications are opened, the name of the Applicant becomes public. All other data in the application is private/nonpublic data until completion of the evaluation process. The evaluation process is completed when the County enters into a contract with an Applicant. At that time, all remaining data submitted by all Applicants is public with the exception of data classified as private/non-public trade secret data under Minn. Stat. § 13.37 of the Minnesota Government Data Practices Act.

Applicants must not submit trade secret material, as defined by Minn. Stat. § 13.37, as part of their application. The County does NOT consider cost or prices to be trade secret material, as defined by the statute. Applicants may present and discuss trade secret information during an interview or demonstration, if applicable.

The Applicant agrees, as a condition of submitting its application, that the County will not, as between the parties, be liable or accountable for any loss or damage which may result from a breach of confidentiality related to the application. The Applicant agrees to indemnify and hold the County, its officials, agents, and employees harmless from all claims arising out of, resulting from, or in any manner attributable to any violation of any provision of the Minnesota Government Data Practices Act, including legal fees and disbursements paid or incurred to enforce this provision. This indemnification survives the County's award of a contract. In submitting an application in response to this RFA, the Applicant agrees that this indemnification survives as long as the Application is in the County's possession. The County is required to keep all the basic documents related to its contracts, including RFA applications, for a minimum of seven years.

### **USE OF APPLICATION IMAGES**

By submitting any renderings, images, perspectives, sections, diagrams, photos, or other copyrightable materials (collectively, "copyrightable materials") with an application, applicant certifies that applicant's organization is the owner of the copyrightable materials or is fully authorized to grant permissions regarding the copyrightable materials and that those materials do not infringe upon the copyrights of others. Applicant also agrees that: 1) Hennepin County has a nonexclusive royalty-free license and all necessary permissions to reproduce and publish any copyrightable materials for noncommercial purposes, including but not limited to press releases, presentations, reports, and on the internet; and 2) your organization will not hold Hennepin County responsible for the unauthorized use of the copyrightable materials by third parties. If applicant desires attribution on the copyrightable materials, you may include a discreet transparent watermark.

### **APPLICANT'S COSTS**

The County shall not be responsible for any costs incurred by applicant in connection with this RFA. Applicant shall bear all costs associated with proposal preparation, submission, and attendance at presentation interviews, or any other activity associated with this RFA or otherwise. These same costs are not eligible for CII grant funding.

### **COLLUSION**

If the County determines that collusion has occurred among applicants, none of the applications of the participants in such collusion shall be considered. The County's determination shall be final.

### **CONFLICT OF INTEREST**

Applicant affirms that, to the best of its knowledge, its application does not present a conflict of interest with any party or entity, which may be affected by the terms of a contract resulting from this RFA. The applicant agrees that, should any conflict or potential conflict of interest become known, it will



immediately notify the County of the conflict or potential conflict, and will advise the County whether it will or will not resign from the other engagement or representation. Further, the County may make reasonable efforts to avoid, mitigate, or neutralize an organizational conflict of interest by an applicant in all competitive procurements. To avoid an organizational conflict of interest by an applicant, the County may utilize methods including disqualifying an applicant from eligibility for a contract award or canceling the contract if the conflict is discovered after a contract has been issued. To mitigate or neutralize an organizational conflict of interest by an applicant, the County may use methods such as revising the scope of work to be conducted, allowing applicant to propose the exclusion of task areas that create a conflict, or providing information to all applicants to assure that all facts are known to all applicants. The County may, at its sole and absolute discretion, waive any conflict of interest.

**Hennepin County** Housing and Economic Development  
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