

Hennepin County Small Business Recovery Fund Guidelines, FAQ, and Application preview

Program information also available in Spanish, Somali, Hmong, Vietnamese at bit.ly/HCBRE.

Updated March 20, 2026

Many small businesses in Hennepin County have experienced significant financial and operational hardship as a result of the recent federal immigration enforcement surge.

The Hennepin County Housing and Redevelopment Authority (HCHRA) is therefore making approximately \$2 million available in the form of grants between \$3,000 and \$10,000 to help impacted businesses overcome short-term financial hurdles, enabling them to remain in business in their communities and to prevent widespread blight in Hennepin County.

To be eligible, businesses must have a brick-and-mortar location in Hennepin County that experienced significant financial disruption due to “Operation Metro Surge,” the federal immigration enforcement action which began on December 1, 2025. Businesses must complete an application and must meet all eligibility requirements described in this document (subject to change). Grant funds can be used for up to two months’ commercial rent or mortgage payments.

The HCHRA is working with NextStage, a nonprofit community-based lender that provides business advising and small business financing, to administer these grants.

The HCHRA reserves the right to revise these guidelines at any time in its sole discretion.

Key dates

Guidelines posted	Thursday, March 12, 2026, by 4 p.m.
Application opens	Wednesday, March 18, 2026, by 4 p.m.
Application closes	Wednesday, March 25, 2026, at 4 p.m.

Applications may be submitted at any time during the application period.

Use of grant funds

Grant funds may be used for a one-time payment of up to two months' business rent or mortgage payments required to overcome financial impacts caused by Operation Metro Surge. The HCHRA reserves the right to consider other one-time uses of funds. All uses must be directly attributable to an eligible Hennepin County brick-and-mortar location.

Eligible businesses

To be eligible, a business must be

- Locally owned and operated for-profit business with a physical, brick-and-mortar establishment in Hennepin County. Businesses with multiple brick-and-mortar locations may submit one application per business location. However, each business owner, or unique ownership entity, may receive no more than \$24,999 total in Hennepin County Small Business Recovery Funds.
- Able to demonstrate a significant loss in revenue during the period from December 1, 2025, to February 28, 2026, due to recent immigration enforcement actions known as Operation Metro Surge (significant loss shall be defined as a 30% drop in gross revenue versus a comparable period).
- Active and in good standing with the Minnesota Secretary of State.
- Licensed (if required), in good standing, and not delinquent on property taxes or other obligations (besides rent or mortgage).
- Engaged in direct sales and/or services to the public on a transactional basis that relies on customer traffic (examples include restaurants, retail stores, salons, personal care businesses) at the impacted brick-and-mortar location. Online-only businesses and home-based businesses are not eligible.
- An employer of fewer than 50 full-time equivalent (FTE) employees as of 12/31/2025. Grants to businesses with no employees other than an owner as of 12/31/2025 are capped at a maximum of \$3,000.
- In revenue operations for at least three (3) months prior to 12/1/2025 with an annual revenue of at least \$25,000 and not more than \$4 million.

Ineligible businesses

- Home-based businesses; those without a physical establishment.
- Businesses suspended/debarred by the state of Minnesota.

- Non-profit organizations.
- Corporate chains, multi-state chains, franchises (unless proof of local ownership).
- Businesses within multi-tenant properties with over 250,000 square feet of commercial (non-residential) space.
- Businesses that primarily derive income from
 - business-to-business sales, governmental contracts, or recurring contracts/memberships
 - passive investments; real estate transactions; property rentals or property management; billboards
 - lobbying.

Grant terms

- One-time grant equal to two (2) months' rent (or two months' mortgage payments) up to a maximum of \$10,000. Grants to businesses with no employees other than the owner(s) as of 12/31/2025 are capped at a maximum of \$3,000. Funds will be used to directly pay rental obligations, or as reimbursement for rents already paid. Grant funds cannot be used for expenses already covered, or expected to be covered, by other grant funds. In extenuating circumstances, Hennepin County reserves the right to approve other operating expenses.
- Funds shall be made as a grant and will not need to be repaid.
- Grants may be subject to federal and/or state or local taxes. Businesses are advised to consult with a professional tax advisor. Businesses that receive grant funds will receive a 1099G document from NextStage, on behalf of the HCHRA.
- Applicants should expect a site visit by the grant administrator to verify eligibility of the business.
- Applicants will be required to enter into a grant agreement and will be required to maintain documentation of eligible expenses incurred for a period of six years.

Application process

All applications received during the application period and no later than 4:00 p.m. on March 25, 2026, will be reviewed for eligibility in randomized numerical order. Only one application per business location will be considered. If applications exceed the funding available, the grant administrator will allocate available funds on the basis of the order assigned and will disburse funds on a first-completed basis (an application shall be considered completed when all required program documentation has been received and approved).

NextStage, the HCHRA contractor administering the grant program, will notify applicants if/when their application has been accepted for review and processing.

Upon notice of selection for review, applicants are required to submit the following within five (5) business days:

- Lease or mortgage documentation that establishes the applicant's Hennepin County-based location and monthly rental/mortgage obligation.
- Completed W-9.
- Most recent Federal Business Tax Return or appropriate Business Tax Schedule - based on entity type.
- Evidence of revenue loss due to recent immigration enforcement actions known as Operation Metro surge, based upon comparable time periods (example December 1, 2024, through February 28, 2025, versus December 1, 2025, through February 28, 2026).
- Applicants should submit documentation that best demonstrates the impact and is deemed acceptable to the grant administrator. Examples of acceptable documentation include comparable-period Sales Tax Reporting, Period Statements from a third-party Sales Platforms, Merchant Services Statements, and Point of Sale or Register reports.
- Evidence of number of employees as of December 31, 2025, to establish that there is at least one employee, other than an owner, and less than 50 FTE employees. Acceptable documentation may include period reporting from a third-party payroll processor, applicant's Federal Form 941/Employer's Quarterly Federal Tax Return, or other State or Federal payroll-related filing.
- Any additional documentation or information deemed necessary by NextStage to determine eligibility, generate grant documents and reporting forms, disburse proceeds, or meet program reporting requirements.
- Failure to submit required documentation may result in denial of a grant award.

FAQs

Please read the program guidelines above thoroughly for additional information on program specifics and eligibility. Questions and answers below are subject to change without notice.

Will my business documents and information I provide be considered public data?

NextStage shall collect and retain all documents and information requested of program applicants. HCHRA will not ask to see personal data beyond what is provided in the applications and any subsequent grant agreements. However, any data provided to NextStage, an HCHRA

contractor, will be subject to the Minnesota Government Data Practices Act and some of that data may be “public” data under that Act.

Additionally, and at its discretion, HCHRA and/or Hennepin County may publicize grant recipients (business names), addresses, and award amounts, such as by posting a list of business names and grant amounts on Hennepin County’s website, by sharing a list of businesses, addresses, and grant amounts with elected officials, or other similar methods to promote transparency.

How is my grant amount determined?

Grant awards for eligible businesses shall be for the equivalent of two (2) months’ rent (or mortgage payment) on the Hennepin County location submitted in the application, up to a maximum of \$10,000. In extenuating circumstances, HCHRA reserves the right to approve other operating expenses subject to verification of expenditures.

Under eligible businesses in the program guidelines, what does “make direct sales and/or provide services to the public on a transactional basis” mean?

The program’s intent is to assist businesses who rely primarily on direct sales to the public on a walk-in or sit-down basis at the location identified in the application, and whose revenue has seen significantly reduced as a result of temporary closure, or loss of regular ‘foot traffic’ during the recent enforcement action, to enable the business to survive at that location. Transaction refers to payment for goods and services received at the time of service. Businesses that generate the majority of their revenue from sales to other businesses, primarily perform work off-site, or generate revenue on recurring contracts or membership fees are not eligible under this program.

How will funds be disbursed if my business is selected/approved, and how may they be used?

Program funds will be used exclusively for the rent/mortgage payments of the applicant’s business facilities, unless other uses have been approved. Funds may be released in one of two ways:

1. As a direct payment to applicant’s lessor. Applicants will be provided a form for landlords to complete that confirms the monthly rental amount, acknowledges payment on the applicant’s behalf, and provides banking details for direct receipt of the payment.
2. As reimbursement for rent paid by the applicant for the identified program period. Applicant must provide documentation of their prior payment to receive the reimbursement. Payments related to owned real estate/mortgages shall be available strictly on a reimbursement basis.

Added March 19, 2026: Can a business owner with multiple business locations submit an application for each location?

Yes, each unique business location, or establishment, that meets all eligibility requirements may apply for and receive grant funds. However, each business owner, or unique ownership entity, may receive no more than \$24,999 total in Hennepin County Small Business Recovery Funds.

Added March 19, 2026: What if a business has relocated during the eligibility period – would they still be eligible?

A business that relocated from one location within Hennepin County to another location within Hennepin County during eligibility period may apply for grant funds and may be eligible if all other criteria are met, including the ability to demonstrate revenue losses of 30% or more due to Operation Metro Surge.

Added March 19, 2026: What documentation is required to demonstrate a 30% drop in gross revenue versus a comparable period)?

When requested by NextStage, applicants should submit documentation that best demonstrates the impact and is deemed acceptable to the grant administrator. Examples of acceptable documentation include comparable-period Sales Tax Reporting, Period Statements from a third-party Sales Platforms, Merchant Services Statements, and Point of Sale or Register reports.

Added March 19, 2026: What if a business already received a grant or loan from another entity to help offset losses due to Operation Metro Surge?

A business that received a grant or loan from another entity to offset losses due to Operation Metro Surge is eligible to apply to the Hennepin County Small Business Recovery Fund. However, Hennepin County funds may not be used for the same expenses covered by another funding source (in other words, no “double dipping”). The business must demonstrate that funds received from the other entity were used to pay for expenses other than commercial rent or mortgage payments as stipulated in Recovery Fund guidelines.

Added March 19, 2026: Are food trucks eligible?

No, food trucks are not eligible for this fund.

Added March 19, 2026: Am I still eligible to apply if I closed my business for part of January?

We understand that many businesses reduced hours or even closed temporarily between December 2025 and February 2026 due to Operation Metro Surge. Temporary closure of a business does not make a business ineligible to apply. Businesses that have closed permanently, however, are **not** eligible for a grant.

Added March 19, 2026: I have already paid rent for my business through the end of March. Can I apply for a grant to reimburse me for rent paid? If so, what documentation do I need to provide to show that rent has been paid?

Business owners that have paid rent through March 2026 and meet all other eligibility requirements can request that grant funds be paid directly to the property owner toward rent for the months of April and May 2026, or the business owner may request reimbursement of rent paid up to maximum grant amount if they provide receipts of rent paid from the property owner or another form of documentation deemed acceptable by NextStage.

Added March 19, 2026: I own the building where my business operates and I do not have a mortgage on the property. Can I still apply for a grant?

Yes, provided all other eligibility requirements have been met. The grant administrator will work with you to obtain additional information about your business and property, and will calculate a reasonable monthly cost of occupying the property that can be reimbursed with grant funds. The grant amount will be determined by NextStage and the county/HCHRA.

Added March 19, 2026: My business opened in mid-2025. What information will be used to determine whether my business meets the minimum revenue loss requirement of 30%?

Businesses that have been in business less than a year, but more than three months' prior to December 1, 2025, are still eligible to apply for grant funds. Revenue for the months preceding the onset of Operation Metro Surge (December 1, 2025) will be used to evaluate revenue loss against the threshold, and a determination will be made by NextStage and the county/HCHRA.

Application preview worksheet

Section 1: Program eligibility

- Q1.1 Is your business a locally owned and operated, for-profit business located within Hennepin County?
- Q1.2 How many employees did your business employ as of December 31, 2025? This includes full-time and part-time employees. Use a full-time equivalency (FTE) to figure out how many employees. (One FTE is equivalent to 2,080 staff hours per year)
- Q1.3 What was your estimated gross revenue in 2025?
- Q1.4 When did your business start revenue operation?

- Q1.5 Can your business demonstrate a significant loss in revenue (30% or more) due to immigration enforcement actions?
- Q1.6 How much did your gross revenue drop due to immigration enforcement activities?

Section 2: Applicant information

- Q2.1 First name
- Q2.2 Last name
- Q2.3 Email address
- Q2.4 Phone number
- Q2.5 Legal name of business
- Q2.6 Are you operating with an assumed business name or as a DBA?
- Q2.6a What is your assumed business name or DBA?
- Q2.7 Business address (line 1)
- Q2.8 Business address (line 2)
- Q2.9 City
- Q2.10 Zip Code
- Q2.11 Website (if applicable)
- Q2.12 Federal EIN/Taxpayer ID

Section 3: About your business

- Q3.1 Briefly describe what your business does (e.g. what services or products do you provide)?
- Q3.2 Please describe how recent immigration enforcement has directly impacted your business operations and revenue.
- Q3.3 Do you lease or own your business space?
- Q3.4 What is your monthly rent or mortgage payment?
- Q3.5 What is the approximate square footage of your business space?

Section 4: Demographic info (optional)

- Q4.1 What is your gender?
- Q4.2 What is your race or ethnicity (mark all that apply)?