



Metropolitan Consortium
of **Community** Developers

2013 Annual Report

Building
Opportunity

From the Executive Director

As I am writing this report, those of us in the community development world are celebrating a major legislative advance. Working with the Minnesota Legislature and Governor Dayton, we and our partners were able to obtain \$100 million in state bonding authority for affordable housing. This new bonding allocation—an all-time record in terms of state support—will make an important difference as we move ahead in meeting basic human needs here in Minnesota.

The \$100 million didn't just happen. It was the result of careful planning that occurred in 2013 and even earlier. Our work on bonding legislation points up the importance of partnerships and collaborations—a hallmark of our history, stretching back 25 years, as an association of community development organizations

This past year of 2013 was a busy and productive one for MCCD.

- Our small business program made 47 direct loans totaling nearly \$1.5 million and leveraging over \$14.6 million in financing from banks, community partners and equity.
- Working in partnership with five nonprofit counseling organizations, we made 75 credit building loans, a 32% increase in credit building program activity over 2012.
- Dakota County joined Hennepin and Carver Counties in our innovative Open to Business program, with Scott County following in 2014. Through Open to Business we partner with cities and counties throughout the metro area to provide business counseling and access to capital for emerging small businesses.

This 2013 Annual Report provides more details about our work during the past year.

My personal thanks to our Board of Directors, our members and our many community partners. Your support and encouragement has made an important difference for us, as we celebrate our 25th Anniversary.

Sincerely,

Jim Roth

Executive Director



From the Board President

Resilience.

The dictionary defines it as “the ability to become strong, healthy, or successful again after something bad happens, or, the ability of something to return to its original shape after it has been pulled, stretched, pressed, or bent.”

I think “resilience” aptly characterizes how we in the CDC world approach our work here in the Twin Cities — doggedly pursuing health, strength and wholeness for ALL of us in the pulling, stretching, pressing, bending tensions of historical, current, and anticipated forces that undermine and exploit the most vulnerable among us: our children and elderly.

I like “grit” too, the “firmness of mind or spirit, unyielding courage in the face of hardship or danger.” Gritty Resilience. I think that pretty much captures what I see in the eyes of my neighbors and friends in my community, and what I pray for the courage to live out. Gritty Resilience is what it takes to develop housing that is dignified and accessible to those of us who are unhoused and under-housed. Gritty Resilience is what it takes to envision a building or business into an embedded economic reality. Gritty Resilience is what it takes to challenge, alter, and shape a better and more whole language and narrative that enriches and encourages the humanity and beauty intrinsic in every person.

Now, as MCCD prepares to celebrate its 25th anniversary, our CDCs can look back at the Gritty Resilience we have participated in over the last quarter century in creating more affordable housing, fostering the development of small businesses, and energizing commercial corridors, and build upon the accumulated learnings toward even more innovative, compelling, and nimble solutions.

This Annual Report provides a snapshot of the MCCD activities in 2013. My congratulations to Jim and the MCCD team for another year of impressive accomplishments. And my thanks to all of our many partners who have made that possible.

With grit, resilience, and gratitude,

Chad Schwitters
Board President



MCCD's Mission:

To work collectively to build strong communities by leveraging resources for the development of people and places.

Advocacy

During 2013, we laid the groundwork for a major legislative effort to increase state support for affordable housing. Our advocacy efforts through Homes for All were supported by over 80 organizations including labor groups, teachers, housing developers, and health care providers. During the 2013 legislative session, MCCD staff met with members of key House and Senate committees with jurisdiction over housing issues and programs. In addition, over 30 MCCD and Minnesota Housing Partnership board members met with their lawmakers at our first Day on the Hill, held during a major winter snowstorm.

We participated in media outreach in collaboration with our communications team, which resulted in 17 media articles that directly mentioned the Homes for All campaign, with many more discussing the importance of affordable housing to alleviate homelessness. Finally, MCCD collected and shared information with lawmakers on member investments in their districts and throughout the Twin Cities area.

Our efforts in 2013 led to a successful outcome in 2014 when Governor Dayton and the Legislature approved a \$100 million bonding allocation for affordable housing – an all-time record in terms of state support for programs and projects aimed at meeting this important human need.

Funding Increases

Through our coordinated efforts, 2013 saw increases of **over \$21 million in appropriations for Minnesota Housing programs and \$7 million for DHS homeless service programs**, over \$20 million of which were increases to ongoing base funding. Funding increases included an additional \$14 million to the Challenge Fund, an additional \$4.4 million to the Housing Trust Fund and a \$4 million increase to the Homeless Youth Act. Once again, our combined achievements give evidence to the power of collaborative advocacy.

Omnibus Tax Bill

MCCD and members also engaged in work on 2013 tax provisions. Changes included:



Darielle Dannen testifies on behalf of MCCD at the Capitol with Representative Alice Hausman.

- Extensions to Environmental Remediation Funds for Hennepin and Ramsey Counties, which will allow this brownfield remediation fund to continue operating.
- Improvements to the Renter's Credit.
- A 4d property tax classification cap for property taxes, which will provide an upper threshold for property taxes paid by affordable housing, effective in assessment year 2014.

Networking and Information Sharing

MCCD hosts formal and informal events that bring together the region's community development leaders. These gatherings are attended by CDC staff as well as funders, policy makers, staff from city and state agencies, private lenders, for profit developers, and other members of the community. MCCD also shares news and updates with members and partners through its newsletter, website updates, e-news, and Housing Updates.

Highlights:

MCCD has been hosting Community Development Conversations, covering timely topics in housing and economic development, since 2003. Conversation topics in 2013 included:

- Connecting and Reconnecting Community Development to the Community on April 26th at the Minneapolis Community and Technical College;
- Legislative Preview with Senator LeRoy Stumpf and Representative Alice Hausman on December 11th at the Minnesota League of Cities.

In partnership with Twin Cities LISC, we sponsored "The Art of Collaboration, A Community Development Reception and Awards Program" on October 9th. The event honored individuals, programs and organizations that have made outstanding contributions to the field of community development.

We coordinated tours of housing developments sponsored by MCCD members. These tours included:

- Seward Commons (including Touchstone Mental Health Building) by Seward Redesign, Project for Pride in Living, and CommonBond Communities;
- Spirit on Lake Apartments by PRG, Inc.;
- A single family renovation project in Saint Paul by Neighborhood Development Alliance (NeDA).



NeDA's renovation project at 639 Humboldt was a work in progress when MCCD members toured the site in 2013.

Open to Business Program

Open to Business describes our on going efforts to provide business advice and financing to both emerging and maturing small businesses in partnership with metro-area municipalities. Through these partnerships, we help local governments create their own business support programs targeted at residents and entrepreneurs in their communities.

When MCCD launched the Open to Business Program in 2011, we knew it would benefit metropolitan communities. What we didn't realize was how big an impact it could have. The original four municipalities served in 2011 have expanded to 48 by the end of 2013. More importantly, Open to Business has helped hundreds of entrepreneurs with technical assistance and provided scores of them with financing.

In 2012, we started targeting some of our lending to help second stage businesses succeed. Those second stage businesses that received MCCD loans in 2012 were already showing average sales growth of 10% in 2013 and were contributing over \$5 million in payroll to their communities.

In 2013, Open to Business continued our work of helping the newest entrepreneurs along with seasoned businesses to build strong communities.



MCCD financing helped Greg Friedrich expand his business building custom, high-performance race cars.

Highlights:

- MCCD helped 51 businesses access capital.
- These 51 entrepreneurs were located in 20 communities throughout the metro area.
- MCCD support enabled these entrepreneurs to access over \$17.4 million in capital for their business projects.
- MCCD staff provided over 3,500 hours of valuable technical assistance to 465 entrepreneurs.
- Seventy-five metro area residents received credit building loans.

Credit Building Program

Poor credit can be a terrible burden and a cause of great stress. Partnering with five nonprofit credit counseling agencies (CommonBond Communities, Project for Pride in Living's Center for Working Families, Lutheran Social Services' Eastside Financial Center, Build Wealth Minnesota and Neighborhood Development Alliance), MCCD offers credit building loans to help their clients immediately begin improving their credit scores. In 2013, we made 75 credit building loans, bringing the total to 200 since the program started in 2009.

Despite facing many challenges, most borrowers work hard to pay their credit builder loans on time. On average they are increasing their scores by 35 points, with some borrowers seeing even larger gains.

Lending Program Impact

MCCD's Lending Program provides a continuum of products tailored to the needs of small business. We provide micro-loans to help a brand new entrepreneur start a business to loans of \$150,000 or more to help a growing business fill a financing gap on a multi-million dollar real estate project, and anything in between.

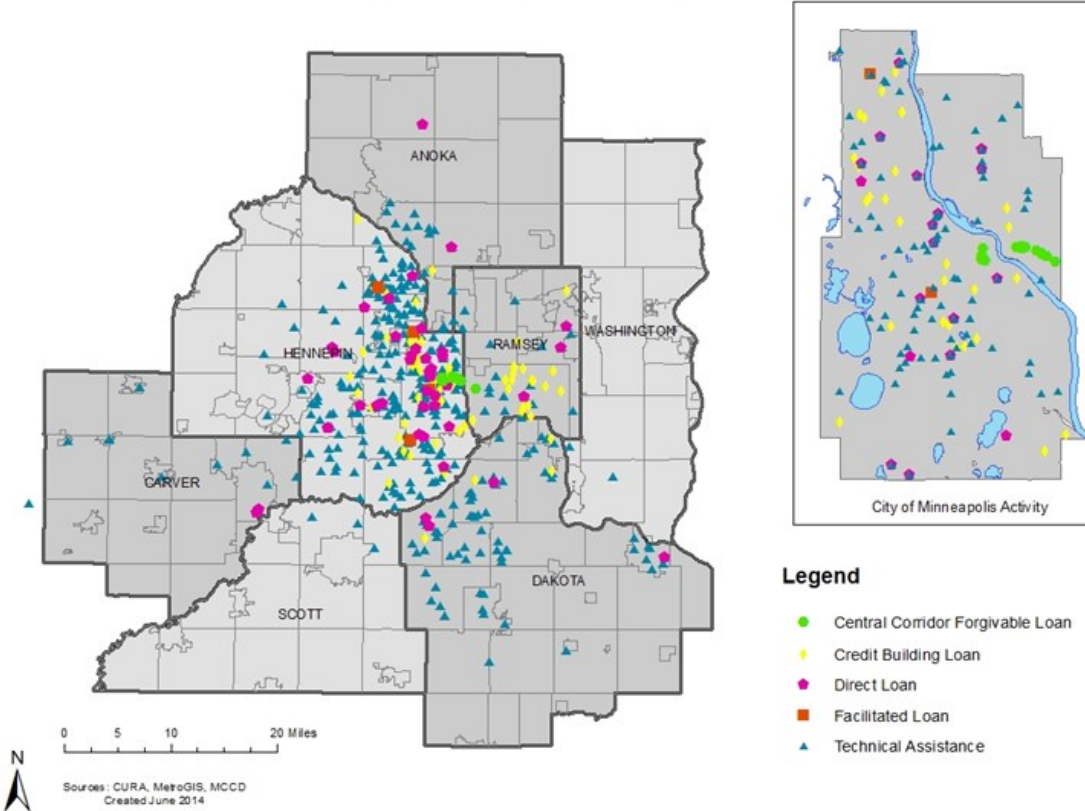
In 2013, MCCD helped 51 entrepreneurs obtain capital to start, expand or improve their businesses. Forty-seven of these entrepreneurs also received nearly \$1.5 million in direct loans from MCCD. While most of MCCD's borrowers were new and emerging entrepreneurs receiving loans of \$25,000 or less, one-third of our loans were made to second stage businesses that received larger loans averaging nearly \$70,000.

MCCD's \$1.5 million in direct loans to businesses leveraged another \$14.6 million in capital from other sources including banks, our community lending partners, and owner equity.



Anderson Mitchell used his MCCD loan for working capital for his building and remodeling company.

2013 MCCD Open to Business Program Activity



Location of Businesses that Received Financing

City	# of Businesses Assisted	MCCD Financing	Total Project Cost*
Blaine	1	26,400	680,000
Bloomington	1	30,000	60,000
Brooklyn Center	1	11,200	11,200
Brooklyn Park	3	30,000	587,000
Burnsville	2	140,000	140,000
Cedar	1	6,950	13,900
Chaska	2	30,000	81,000
Eagan	1	25,000	92,800
Hastings	1	30,000	609,073
Hopkins	1	50,000	486,000
Maplewood	1	4,000	4,365
Minneapolis	25	585,906	5,168,744
Minnnetonka	2	24,000	179,000
Plymouth	2	210,000	5,357,000
Richfield	1	0	74,000
Robbinsdale	1	4,000	20,640
Saint Paul	1	50,000	50,000
St. Louis Park	2	62,000	137,000
Wayzata	1	150,000	3,678,900
White Bear Lake	1	1,000	1,000
Total	51	\$1,470,456	\$17,429,622

* Includes MCCD Financing, Bank Financing, Partner Financing and Owner Equity.

Source: MCCD Loan Program



Arwyn Birch and Teresa Fox, owners of Glam Doll Donuts LLC in Minneapolis, show off their outrageously good donuts.

Partnerships

- BankCherokee
- Brooklyn Park Development Corporation
- BuildWealth Minnesota
- Central Bank
- CommonBond Communities
- Community Development Financial Institution (CDFI) Fund
- Highland Bank
- Infinia Bank
- Latino Economic Development Center
- Lutheran Social Services East Side Financial Center
- Minneapolis Department of Community Planning and Economic Development
- Minnesota Department of Employment and Economic Development
- Neighborhood Development Alliance
- Neighborhood Development Center
- Northside Economic Opportunity Network (NEON)
- Northeast Bank
- Project for Pride in Living Center for Working Families
- Security Bank Waconia
- Sunrise Banks
- U.S. Bancorp Community Development Corporation
- Venture Bank
- Vision Bank
- Wells Fargo Community Development Corporation
- Wells Fargo SBA Lending
- William C. Norris Institute

Emerging Leaders in Community Development

Since our first event in September 2011, the Emerging Leaders in Community Development (ELCD) have been striving to fulfill our mission “to equip early-career and mid-career community development professionals with the knowledge and relationships needed to effectively work with people and places to build our best possible future”

In 2013, the ELCD Steering Committee continued to focus on three primary areas: helping Emerging Leaders build a professional network, providing career development and growth opportunities, and forming relationships through our one-on-one mentorship program that matches Emerging Leaders with senior level professionals in the field.



Minnesota Housing Commissioner Mary Tingerthal, sixth from the right, is shown with a group of Emerging Leaders at their 2013 Annual Meeting.

Highlights:

Mentorship Program:

- We completed the second year of our mentorship program.
- We hosted a speed-networking event for mentors and mentees to meet.
- We began a third round, our largest group yet, with 27 matches.

Professional Development:

- We hosted a career conversation about community development within the private sector featuring Craig Mizushima of US Bank’s Chicago office.
- We hosted a panel discussion on arts and community development strategies at All My Relations Gallery.

Outreach:

- Our 2013 Annual Meeting featured Minnesota Housing Commissioner Mary Tingerthal.
- We hosted two networking happy hours to provide an opportunity for Emerging Leaders in different areas of the community development field to meet and connect.
- ELCD continues to intentionally reach out to communities of color and other underrepresented groups in the community development field.

2013 Board of Directors

Chad Schwitters
MCCD President
Executive Director,
Urban Homeworks, Inc.

Nieeta Presley
MCCD Vice President
Executive Director,
Aurora/St. Anthony Neighborhood
Development Corporation

Karen Reid
MCCD Treasurer
Executive Director,
Neighborhood Development Alliance

Kathy Wetzel-Mastel
MCCD Secretary
Executive Director,
PRG, Inc.

Jeff Washburne
MCCD Past President
Executive Director,
City of Lakes Community Land
Trust

Jim Erchul
Executive Director,
Dayton's Bluff Neighborhood
Housing Services

Mary Keefe
Executive Director,
Hope Community, Inc.

Paul Fate
President & CEO,
CommonBond Communities

Barbara McCormick
Vice President of Housing,
Project for Pride in Living, Inc.

Grover Jones
Executive Director,
Northside Economic Opportunity
Network (NEON)

Sarah Larson
Project Manager,
Beacon Interfaith Housing Collaborative

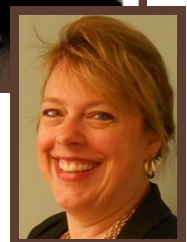
Brenda Bailey
Director of Real Estate Development,
Model Cities of St. Paul, Inc.

MCCD Staff



MCCD staff from left to right: Laurie Crow, Iric Nathanson, Rose Teng, Mara O'Neill, Jim Roth, Kris Maritz, Lee Hall, David Chapman, Darielle Dannen, Rob Smolund, Greg Gramza

MCCD welcomed our newest staff member, Christine Pigsley, in January 2014.



2013 Members

Aeon	East Side Neighborhood Development Company	NEON
African Development Center	Emerge Community Development	Northeast CDC
African Economic Development Solutions	First Children's Finance	Northside Residents Redevelopment Council (NRRC)
Alliance Housing Incorporated	Greater Frogtown Community Development Corporation	PRG, Inc.
American Indian CDC	Greater Metropolitan Housing Corporation	Project for Pride in Living, Inc.
Artspace	Hmong American Partnership	Seward Redesign, Inc.
Asian Economic Development Association	Homes Within Reach	Riverton Community Housing Association
Aurora/St. Anthony NDC	Hope Community	RS Eden
Beacon Interfaith Housing Collaborative	Latino Economic Development Center	Springboard for the Arts
Build Wealth Minnesota	Metropolitan Economic Development Association	Twin Cities Habitat for Humanity
City of Lakes Community Land Trust	Model Cities of St. Paul, Inc.	Twin Cities Housing Development Corporation
CommonBond Communities	Neighborhood Development Alliance	Two Rivers Community Land Trust
Community Housing Development Corporation	Neighborhood Development Center	Urban Homeworks, Inc.
Community NHS	Neighborhood Housing Services of Minneapolis	West Bank CDC
Dayton's Bluff Neighborhood Housing Services		WomenVenture
		YWCA Saint Paul

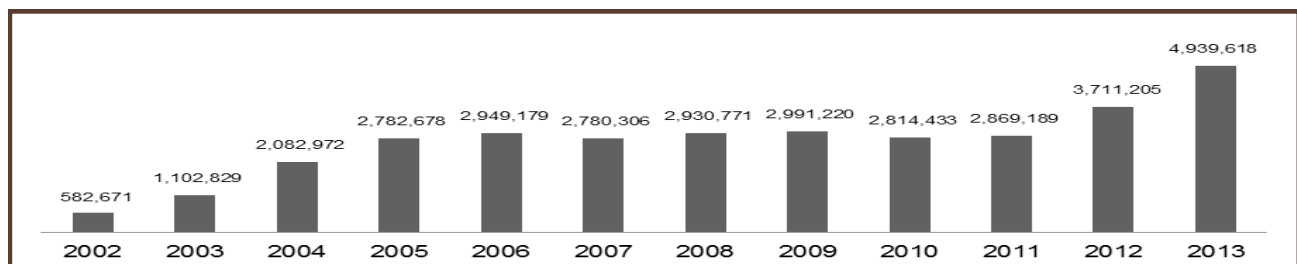
2013 Financial Supporters

Allina Health	The Jay and Rose Phillips Foundation Minnesota	Wells Fargo Foundation Minnesota
Ameriprise Financial, Inc.	Sunrise Community Banks	Western Bank
CenterPoint Energy	TCF Foundation	Women's Foundation of Minnesota
Central Corridor Funders Collaborative	Twin Cities Local Initiatives Support Corporation	Xcel Energy and Xcel Energy Foundation
Family Housing Funds	US Bank Corp and US Bank Foundation	
Landmark Environmental, LLC	VALSPAR FOUNDATION	
The McKnight Foundation		

MCCD Balance Sheet, 2013

ASSETS	2013	2012
Current Assets		
Cash and cash equivalents	308,627	651,718
Restricted cash for loan fund	326,879	255,099
Restricted Cash by Funder	297,757	498,575
Investments	108,972	0
Accounts receivable	71,162	32,615
Promises to give receivable	600,000	150,000
Prepaid expenses	1,051	1,017
Current portion of loans receivable (net of allowance)	416,186	361,868
Total Current Assets	2,130,634	1,950,892
Property and Equipment		
Land	54,100	54,100
Building	230,719	165,806
Furniture, equipment and software	40,119	40,119
Less accumulated depreciation	(42,435)	(29,902)
Net Property and Equipment	282,503	230,123
Other Assets		
Long-Term Loans receivable, net	2,526,481	1,530,190
Total Assets	4,939,618	3,711,205
LIABILITIES		
Current Liabilities		
Current Portion Long Term Debt	500,000	500,000
Accounts payable	45,917	41,617
Accrued expenses	69,860	64,394
Total Current Liabilities	615,777	606,011
Long-Term Liabilities		
Long-Term debt	2,751,117	1,801,495
Total Liabilities	3,366,894	2,407,506
NET ASSETS		
Unrestricted Net Assets		
Board Designated Net Assets	609,566	594,737
Temporarily Restricted Net Assets		
Time restricted	25,000	200,000
Use Restricted	938,158	508,962
Total Net Assets	1,572,724	1,303,699
Total Liabilities and Net Assets	4,939,618	3,711,205

MCCD Total Assets, 2002-2013



Ordinary Income/Expense, 2013

Income

Contributed Support

Asset Released from Restriction	514,709
Corporate/business grants	60,500
Foundation/trust grants	41,298
Total Contributed Support	616,507

Program Revenue

Agency (government) contract/fee	484,202
Investment and Loan Income	179,145
Other Program Revenue	28,189
Total Program Revenues	691,536

Other Income	6,934
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Total Income	1,314,977
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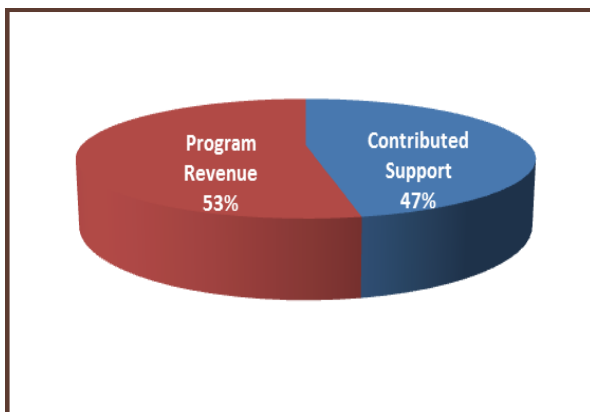
Expense

Open to Business Program	923,978
Housing/Member Services	70,162
Public Policy/Advocacy	156,639
General & Administrative	125,479
Fund Development	23,797

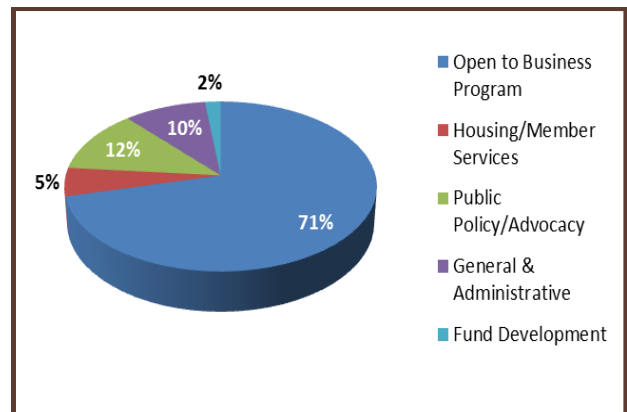
Total Expense	1,300,055
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Net Income	14,922
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Sources of Income



Categories of Expense



Metropolitan Consortium
of Community Developers

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Minneapolis, MN 55407

612-789-7337
www.mccdmn.org
www.opentobusinessmn.org



Global Vision

The vision of MCCD is one of hope and commitment. We hope for a time when communities are strong and articulating and influencing their own destinies. We hope for a time when everyone has a safe place to live that serves their physical needs and provides meaningful relationships and opportunities for contribution. We hope for economic opportunities for fulfilling and life sustaining work for everyone with a desire to achieve the well being of their families and communities. We commit ourselves to ensure no one is excluded from this vision.

