



Metropolitan Consortium
of **Community** Developers

2015 ANNUAL REPORT



FROM THE BOARD PRESIDENT & EXECUTIVE DIRECTOR

Anniversaries are a time for looking back at the journeys we have made, but they are also a time for looking ahead. In 2015, MCCD did both with our Emerging Leaders in Community Development, a group of early and mid-career community development professionals.

The Emerging Leaders helped plan and organize a series of Community Development Conversations around the theme "Past and Future of Community Development." The community-wide events examined lessons learned from the last 20 years and key issues that our field can expect to face over the next 20 years. This series of three CD conversations represented an important follow-up to our 25th anniversary celebration in 2014.

During 2015, our advocacy efforts continued to achieve impressive results. MCCD and our partners were able to obtain a \$25 million boost for statewide housing and homeless services for the 2016-17 biennium. In Minneapolis, our Make Homes Happen coalition worked to help insure that the Affordable Housing Trust Fund was fully funded at a level of \$10 million.

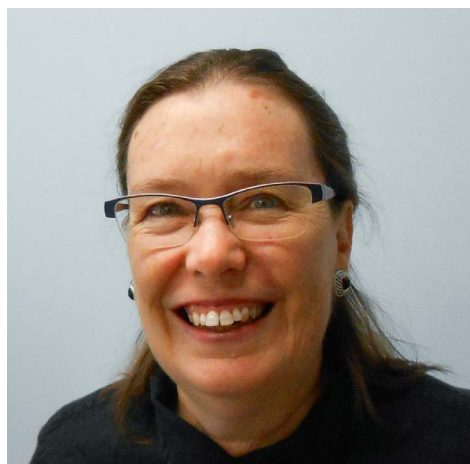
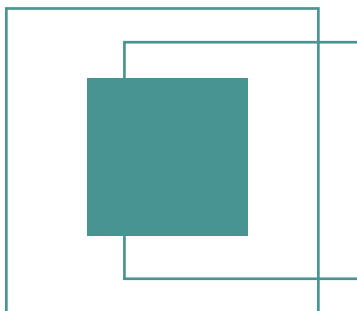
MCCD's small business programs continued to grow and broaden their scope in 2015.

- We made 65 direct loans totaling nearly \$2.4 million and leveraging over \$21 million in financing from banks, community partners, and equity.
- Working with our nonprofit counseling partners, we made 87 credit building loans, which are helping low income and minority borrowers to establish and improve much needed credit records.
- Our innovative Open to Business program was expanded to include Anoka County. 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.

Our thanks to all our friends and partners that worked with us this past year to achieve so much! It truly is a collaboration.

Best Regards,

Karen Reid, Board President & Jim Roth, Executive Director



POLICY

STATE

The 2015 legislative session started with high expectations after winter forecasts indicated the State had a nearly \$2 billion dollar surplus. Unfortunately, different political philosophies between the Democrats controlling the Governor's office and the Senate and the Republicans controlling the House proved difficult to resolve.

Ultimately, we succeeded in securing a \$25 million boost for housing and homeless services for the 2016 – 2017 biennium. Our small business advocacy efforts were unable to secure additional funding, but the Minnesota Department of Employment and Economic Development business competitive grant program was held steady at \$2.8 million for the biennium and a good foundation was built for future efforts. Additionally, a small \$180 million bonding bill passed this session included \$10 million in bonds for housing.

MINNEAPOLIS

After a number of years in which the Minneapolis Affordable Housing Trust Fund (AHTF) failed to receive adequate funding, Downtown Congregations to End Homelessness (DCEH) and MCCD brought together Minneapolis-based affordable housing advocates and allies to organize a campaign around the 2014 Minneapolis budget. These efforts led to the creation of the 'Make Homes Happen' coalition.

In July 2015, the coalition organized a campaign to increase budgetary resources for affordable housing at the local level. These advocacy efforts helped win full funding for the AHTF at \$10 million (a \$1.5 million increase over the mayor's proposed budget). At the same time, the campaign was able to raise awareness about the need for a strategic plan to deal with the city's vacant properties in residential districts.

REGIONAL

In July 2015, MCCD hired Casie Moen to expand its current policy portfolio to include a deeper level of engagement in regional affairs. To initiate this work, MCCD identified a number of areas where advocacy and engagement could advance the community development efforts of its membership, including identifying current barriers to affordable housing development, influencing the narrative of affordable housing in the media and with local communities, and furthering a regionwide discussion of equitable community development throughout the metropolitan area.



Will Delaney lends his support to the Make Homes Happen campaign.

NETWORKING & INFORMATION SHARING

MCCD hosts formal and informal events that bring together the region's community development leaders. These gatherings are attended by community development 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 regularly shares news and updates with members and partners through its newsletters and social media outlets.

In 2015, we continued our Community Development Conversation series, and partnered with the Emerging Leaders in Community Development group to cover these topics in housing and economic development:

- Past & Present of Community Development
- Future of Community Development
- Career Development and Mentorship

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

- A walking tour of new construction and renovations in St. Paul's Frogtown neighborhood
- A multi-generational house from City of Lakes Community Land Trust
- The Rose with Hope Community and Aeon
- Fort Snelling Upper Post Tour with CommonBond
- Red 20, Schafer Richardson's market rate development in Northeast Minneapolis



Jim Roth hosted the December 2015 conversation on the future of community development.



The Emerging Leaders in Community Development (ELCD) looked for new ways to implement 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.”

Guided by the 14 members of the Steering Committee, we pursued new partnerships to showcase several unique events. We partnered with the Little Mekong Business District to put

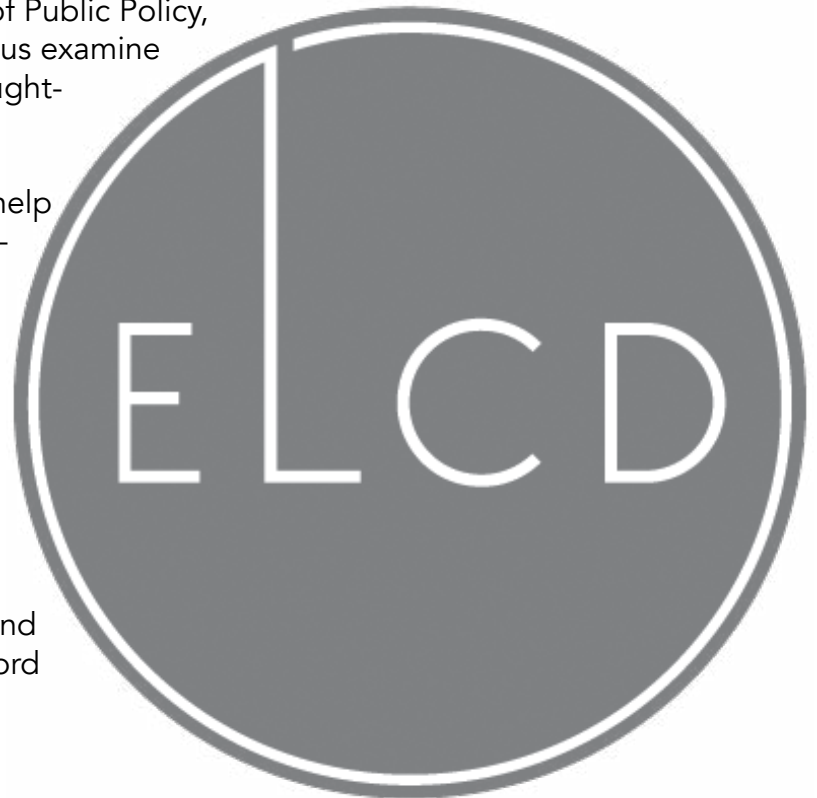
on a “BOPWOP” (Bid On Paintings With Original Poetry) - an interactive event that featured the work of artists who created paintings on the theme of “home.” Our members were then able to bid on the paintings by composing their own poetry on the spot. This was a very unique format for our group, and we appreciated the expertise of the artist organizers from Asian Economic Development Association for their assistance.

EMERGING LEADERS IN COMMUNITY DEVELOPMENT

At our 2015 annual meeting, the Theater of Public Policy, an improvisational comedy group, helped us examine transitioning leadership in a funny yet thought-provoking way.

We introduced a new scholarship fund to help our members pursue professional development opportunities. Scholarship recipients attended the American Planning Association conference and the Minnesota Nonprofit Essentials conference, and participated in project management and real estate development training courses.

The fourth round of our mentorship program wrapped up with a celebration at the McKnight Foundation and our fifth round started in the fall of 2015 with another record number of participants—82 mentors and mentees.





HIGHLIGHTS

Now in its fifth year, Open to Business (OTB) was able to broaden its scope and impact in 2015. With the addition of our newest partner, Anoka County, our OTB business advisors are now providing technical assistance and access to capital in 70 metro area communities.

This past year, our advisors, working in each of our five OTB counties, provided more than 6,500 hours of technical assistance to over 750 entrepreneurs.

Through Open to Business, business owners are able to access a broad range of loan products, from micro loans used to launch small neighborhood enterprises to loans of \$150,000 or more used to help second stage businesses complete major real estate projects.

In 2015, we provided nearly \$2.4 million in direct MCCD financing for 65 business projects. Our funds had a substantial multiplier effect. Each \$1 in direct MCCD financing leveraged \$8.78 in financing from other community and private sources. MCCD financing had a significant employment impact, as well. During this past year, our borrowers created or retained 625 jobs.

Nearly 70% of our loans were provided to small neighborhood-based businesses that received financing of \$25,000 or less. Two-thirds of these micro businesses were minority-owned.

The chart below shows the steady increase in our lending activity over the last four years.

FOUR YEARS of MCCD DIRECT LENDING

<p>Number of Loans: 32</p> <p>Total Loan Amount: \$1,581,686</p> <p>2012</p>	<p>Number of Loans: 47</p> <p>Total Loan Amount: \$1,470,456</p> <p>2013</p>	<p>Number of Loans: 57</p> <p>Total Loan Amount: \$1,659,448</p> <p>2014</p>	<p>Number of Loans: 65</p> <p>Total Loan Amount: \$2,393,376</p> <p>2015</p>
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MINNE-MEX CONSTRUCTION



Ivan Betancourt (L) and his partner, Marque Jensen, have been able to build their residential construction company, Minne-Mex Construction, with the help of MCCD financing. Initially, Minne-Mex received several short term loans from MCCD to front-end labor and material costs for individual construction projects. Now, with a successful track record behind it, Minne-Mex is able to access permanent MCCD financing to support its business growth.

GLOBAL VISION of MCCD

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.

SOUTH MINNEAPOLIS WALK-IN CLINIC

Abdul Hussein's South Minneapolis Walk-In Clinic provides a medical alternative for low-income community members who often seek emergency room care for common ailments. His clinic at 4727 Hiawatha Avenue treats a broad range of conditions including ear infections, strep throat and urinary tract infections. One of only two licensed Somali physician assistants in the Twin Cities, Abdul opened his clinic in 2015 with the help of MCCD's small business financing.



MCCD financed Bobbie Evans' North Minneapolis business that helps troubled youth.

FUNDING PARTNERS

Affinity Plus Foundation
Allina Health
Ameriprise Financial, Inc.
Bank of America Charitable Foundation
CenterPoint Energy
Family Housing Fund
The Jay and Rose Phillips Foundation Minnesota
Landmark Environmental, LLC
The McKnight Foundation
Northwest Area Foundation
Otto Bremer Trust
The Saint Paul Foundation
Sunrise Banks
TCF Foundation
Twin Cities Local Initiatives Support Corporation
US Bank Corp and US Bank Foundation
Wells Fargo Foundation Minnesota
Women's Foundation of Minnesota
Xcel Energy and Xcel Energy Foundation

CREDIT BUILDING

In 2015, MCCD made 87 credit building loans, bringing the total number to nearly 400 since the program started in 2009.

Our credit building partners include CommonBond Communities, Project for Pride in Living's Center for Working Families, Lutheran Social Services' Eastside Financial Center, Build Wealth Minnesota, Minneapolis Urban League, PRG, Inc., and the Neighborhood Development Alliance.

Our partners provide financial counseling in conjunction with small personal loans from MCCD. This combination of counseling with loans is helping program participants improve their credit scores by an average of 23 points, with many achieving significantly larger gains. Better credit scores can mean lower interest rates on car and other loans, and better access to affordable insurance and housing.

A typical credit building loan applicant is poor and a minority. About 41% of applicants have no credit score and another 28% have initial scores under 600.



MCCD STAFF

Front row (l-r): Holly Bolstad, Kathleen DuChene, Dave Chapman, Christine Pigsley, Mara O'Neill
Middle row: Iric Nathanson, Jim Roth, Cindy Ohlenkamp, Kris Maritz, Laurie Crow, Rose Teng
Back row: Rob Smolund, Casie Moen, Greg Gramza, Darielle Dannen, Lee Hall

Metropolitan Consortium of Community Developers Board of Directors 2016

**Karen Reid, MCCD President
Executive Director
Neighborhood Development Alliance**

**Mario Hernandez
Vice President and COO
Latino Economic Development Center**

**Nieeta Presley, MCCD Vice President
Executive Director
Aurora/St. Anthony NDC**

**Mary Keefe
Executive Director
Hope Community, Inc.**

**Jim Erchul, MCCD Treasurer
Executive Director
Dayton's Bluff NHS**

**Barbara McCormick
Vice President of Housing
Project for Pride in Living**

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

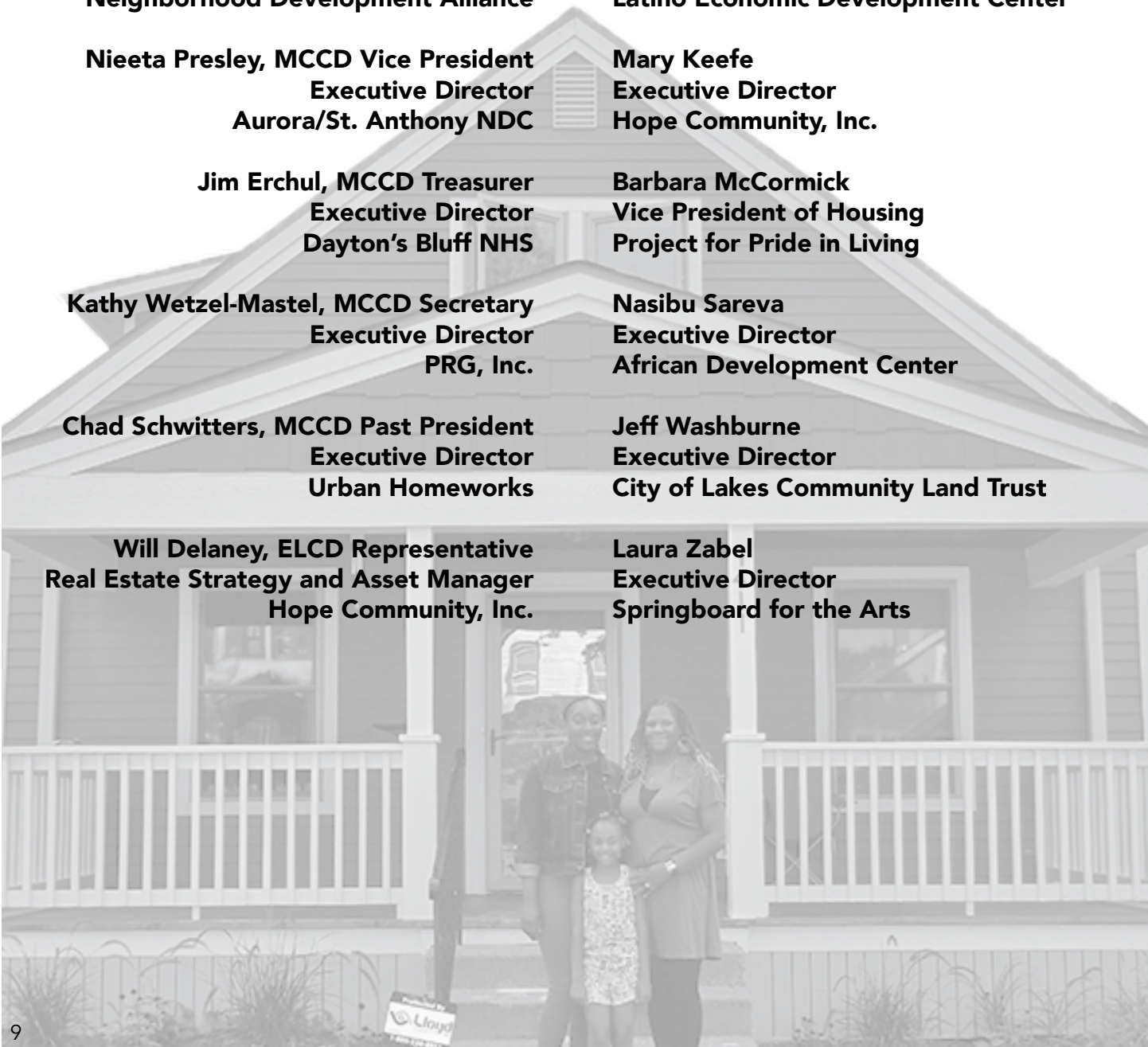
**Nasibu Sareva
Executive Director
African Development Center**

**Chad Schwitters, MCCD Past President
Executive Director
Urban Homeworks**

**Jeff Washburne
Executive Director
City of Lakes Community Land Trust**

**Will Delaney, ELCD Representative
Real Estate Strategy and Asset Manager
Hope Community, Inc.**

**Laura Zabel
Executive Director
Springboard for the Arts**



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

2016 Member Organizations

2015 ORDINARY INCOME/EXPENSE

INCOME

Contributed Support

Government Grants	\$704,357
Corporate / Business Grants	\$55,936
Foundation / Trust Grants	\$139,000

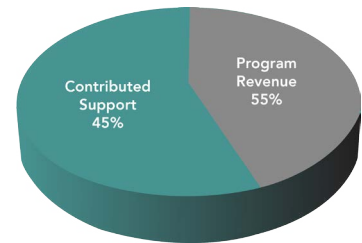
Total Contributed Support \$899,293

Program Revenue

Agency (Government) Contract / Fee	\$735,086
Investment and Loan Income	\$304,813
Other Program Revenues	\$19,140

Total Program Revenue \$1,059,039

TOTAL INCOME \$1,977,482

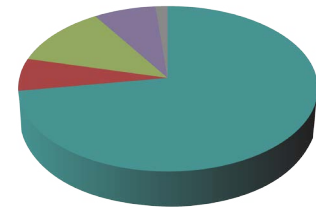


SOURCES OF INCOME

EXPENSE

Open to Business Program	\$957,595
Housing / Member Services	\$108,758
Public Policy / Advocacy	\$203,001
General & Administrative	\$89,803
Fund Development	\$32,711

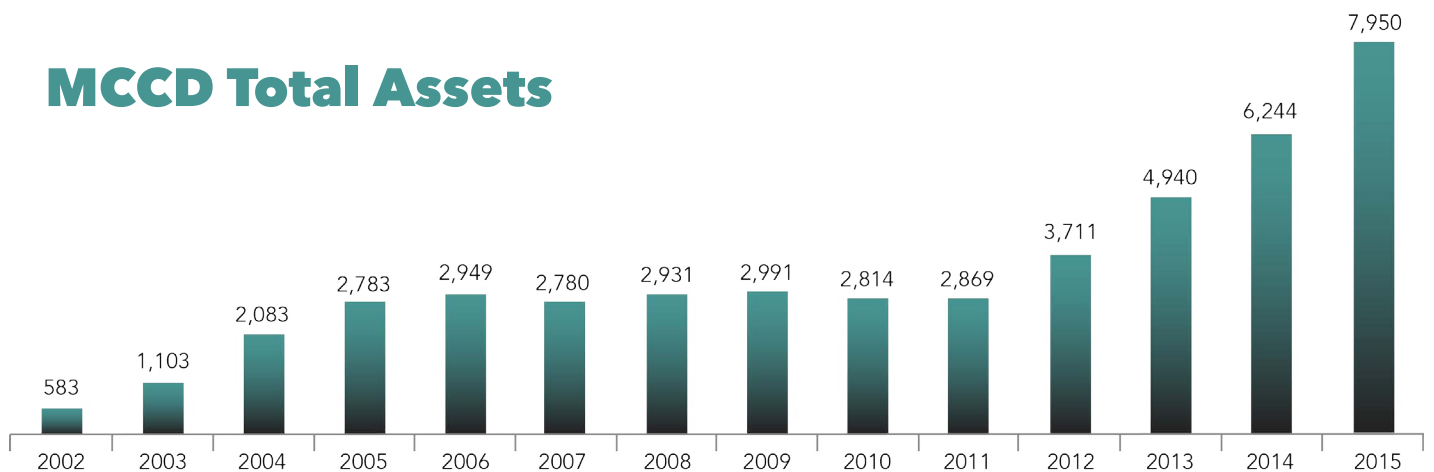
TOTAL EXPENSES \$1,391,868



CATEGORIES OF EXPENSE

NET INCOME \$585,614

MCCD Total Assets



2015 MCCD BALANCE SHEET

ASSETS

CURRENT ASSETS

	2015	2014
Cash & Cash Equivalents	\$632,300	\$562,717
Restricted Cash for Loan Fund	\$522,280	\$129,848
Restricted Cash by Funder	\$649,425	\$674,310
Accounts Receivable	\$96,200	\$73,600
Promises to Give Receivable	\$720,000	\$542,500
Prepaid Expenses	\$1,041	\$476
Current Portion of Loans Receivable (net of allowance)	\$578,850	\$477,485

TOTAL CURRENT ASSETS	\$3,200,096	\$2,460,936
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PROPERTY & EQUIPMENT

Land	\$54,100	\$54,100
Building	\$241,919	\$230,719
Furniture, Equipment, & Software	\$44,347	\$47,294
Less Accumulated Depreciation	\$(48,116)	\$(45,743)
Net Property & Equipment	\$292,250	\$286,370

OTHER ASSETS

Long-Term Loans Receivable, net	\$4,457,803	\$3,496,666
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TOTAL ASSETS	\$7,950,149	\$6,243,972
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LIABILITIES

CURRENT LIABILITIES

	2015	2014
Current Portion Long Term Debt	\$52,202	\$500,000
Accounts Payable	\$17,682	\$26,242
Accrued Expenses	\$82,650	\$79,780

TOTAL CURRENT LIABILITIES	\$152,534	\$606,022
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LONG-TERM LIABILITIES

Long-Term Debt	\$4,852,637	\$3,278,586
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TOTAL LIABILITIES	\$5,005,171	\$3,884,608
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NET ASSETS

UNRESTRICTED NET ASSETS

Board Designated Net Assets	\$2,098,283	\$1,447,126
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TEMPORARILY RESTRICTED NET ASSETS

Time Restricted	\$20,000	\$265,000
Use Restricted	\$826,695	\$647,238

TOTAL NET ASSETS	\$2,944,978	\$2,359,364
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TOTAL LIABILITIES AND NET ASSETS	\$7,950,149	\$6,243,972
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Metropolitan Consortium
of Community Developers



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