



Metropolitan Consortium
of Community Developers



2016 ANNUAL REPORT

FROM THE BOARD PRESIDENT & EXECUTIVE DIRECTOR

Over the years, our field of community development has been characterized by its strong reliance on linkages with a broad range of partners in the public and private sectors. Working together, rather than each going our separate ways, we have done more to make a real difference for the people and communities we serve.

This past year, MCCD explored new partnerships aimed at expanding our reach. We ended the year with an important community conversation that examined the intersection of cultural wellness, health care and community development.

In 2016, our Emerging Leaders program continued to make useful strides. Emerging Leaders brings together young professionals in the field of community development for training, information exchange and career development. With support from the Wells Fargo Community Funding Council, the program initiated a strategic planning process aimed at expanding the program's membership base and increasing cultural diversity.

On the advocacy front, as co-chair of the Homes for All campaign, MCCD along with 170 partner organizations, expanded a broad-based coalition in 2016, organized to secure additional support for affordable housing during the 2017 legislative session. In 2016, we were able to obtain state funding for several key community development initiatives including the Minnesota Emerging Entrepreneur Program, Nonprofit Capacity Building, and Enhanced Financial Capacity for Homeownership.

Open to Business, our partnership with metro area cities and counties, continued to grow in helping emerging entrepreneurs grow their small businesses. In 2016, OTB was expanded to serve the City of Plymouth. Planning was also underway to bring on Washington and Ramsey Counties in 2017.

Finally, our small business loan programs continued to grow and expand their scope in 2016.

- We made 47 direct loans totaling more than \$1.8 million and leveraged over \$7.2 million in financing from banks, community partners and equity.
- Working with our nonprofit counseling partners, we made 103 credit-building loans, which are helping low income and minority establish and improve much needed credit scores.

Our thanks to all our many friends and partners who helped make 2016 another successful year for MCCD.

Best Regards,

Karen Reid, Board President

Jim Roth, Executive Director



2016 POLICY and ADVOCACY UPDATES

The 2016 legislative session was one of the shortest sessions in recent history, leaving lawmakers with less than three months to complete the work of the legislature. The session was also overshadowed in large part by the upcoming November elections for all House and Senate members.

MCCD worked collaboratively with the Homes for All coalition to push for \$130 million in bonds for housing. In addition to the funding ask, we also proposed a policy change to allow senior housing at 50% AMI or below to compete with other existing priorities for funding.

Ultimately, legislators struggled to propose large bonding packages that would take into account the backlog of needs throughout the state. As a result, billions of worthy proposals competed to be part of the relatively small bills proposed by the legislature throughout the session. The bonding bill went through several iterations during session, but ultimately failed to pass with an hour left in the legislative session.

On the economic development front, this session culminated in the passage of the Minnesota Emerging Entrepreneur Program (MEEP) as part of the supplemental budget bill this session. MEEP is a statewide small business loan program for minority, women, veteran, disabled and low-income entrepreneurs effective July 1, 2016. This is an expansion of the Urban Initiative Program into a statewide program which will better serve our state's diverse population.

To pass this bill, we built on the relationships created in prior sessions, and expanded our partnerships outside of our membership, and collaborated with the Minnesota Asset Building Coalition (MABC) and their 150 statewide members. MCCD and MABC partnered with twenty-one organizations who serve entrepreneurs across the state to draft the bill, meet with lawmakers, and advocate for the bill's passage.



Homes for All members rally in support of passing a bonding bill.



ELCD Steering Committee presented with check from Wells Fargo Community Funding Council



Speakers gave Pecha Kucha style presentations at ELCD's Annual Meeting

EMERGING LEADERS IN COMMUNITY DEVELOPMENT

After more than five years of successful programming, 2016 brought new opportunities for the Emerging Leaders in Community Development (ELCD). We continued to pursue 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.” Awarded a special initiatives grant from the Wells Fargo Community Funding Council, the ELCD Steering Committee began to develop a strategic plan to build the membership base and increase diversity. This initiative will continue through 2017 as well and we hope result in a larger and stronger cohort of ELCD members in the future.

Our 2016 annual meeting was a Pecha Kucha night featuring five emerging leaders who gave fast-paced, concise presentations on projects they recently completed. Pecha Kucha is the Japanese word for ‘chit-chat’ and is a presentation style in which 20 slides are shown for 20 seconds each. This format was effective in highlighting the great work by some of our emerging leader members.

The professional development fund was put to good use providing trainings for six emerging leaders this year. Scholarship recipients attended the Minnesota Humanities Center’s Increase Engagement through Absent Narratives Workshop, the 2016 Joint International Conference: Community Development Society and the International Association for Community Development in Minneapolis, the American Planning Association Conference, the Education Pioneers 2016 National Conference, the Project for Public Spaces Placemaking, and a tax credit specialist training.



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 shares news and updates with members and partners through its weekly e-newsletter, social media outlets, and website.

In 2016, we continued our Community Development Conversation series to cover these topics in housing and economic development:

- Regional Strategies to Promote Equitable Community and Economic Development featuring Cecile Bedor, Executive Vice President at GREATER MSP, and Metropolitan Council Chair Adam Duininck
- Linking Community Development and Health to Promote Regional Wellbeing featuring Andriana Abariotes, Executive Director at Twin Cities Local Initiatives Support Corporation, Atum Azzahir, Executive Director of the Cultural Wellness Center, and Jan Malcolm, Vice President of Public Affairs and Philanthropy at Allina Health

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

- Clare Terrace, affordable housing for people living with HIV/AIDS in Robbinsdale
- Anishinabe Bii Gii Wiin, culturally specific, permanent supportive housing programs targeted to Native Americans who have experienced homelessness or near homelessness and have a disability in Minneapolis
- Prior Crossing, permanent supportive housing for homeless youth in St. Paul
- Sunwood Village, transit-oriented affordable housing in Ramsey



MCCD staff and members with Anoka County Commissioners toured Sunwood Village in Ramsey, MN



Staff from American Indian Community Development Corporation and Project for Pride in Living led a tour of Anishinabe Bii Gii Wiin in Minneapolis for MCCD members and Emerging Leaders



Dwight and Ivy Alexander in front of their business Smoke in the Pit at 3733 Chicago Avenue in Minneapolis

SMOKE IN THE PIT

In October of 2012, MCCD partnered with the city of Minneapolis and provided Ivy and Dwight Alexander with financing to start Smoke in the Pit, their barbecue restaurant at 38th and Chicago in south Minneapolis. When the owner put the building up for sale, the Alexanders decided to buy it since they had already invested so much in improving the space. MCCD again partnered with the city and provided the financing that Ivy and Dwight needed to purchase the building in April of 2016.

When asked how she liked working with MCCD's Open to Business program, Ivy said, "I love that they're nonprofit because they believe in you more. They know you and they know where you're going. It's just important to have a relationship with people in your community." We couldn't agree more!

DESTINATION ACADEMY

Kelly Anderson has worked as a child care teacher, manager, and director, but her real goal was to own her own child care center. Unfortunately, start-up costs can approach hundreds of thousands of dollars, a price tag well beyond Kelly's means.

Then came the opportunity of a lifetime. A vacant center in St. Francis was available for sale and the total project was under \$60,000.

MCCD partnered with Village Bank to provide Kelly with the financing she needed to open the child care center in late 2016.

Kelly says that working with Open to Business taught her to be both patient and persistent. She learned that it is possible to start your own business "if you keep trying and working hard enough."

With only two other child care centers operating in the city, Destination Academy offers a much needed service to families of young children in and around St. Francis.



Kelly Anderson opened her St. Francis child care center Destination Academy in December 2016



For over five years, MCCD's Open to Business program has helped several hundred businesses obtain financing and provided technical assistance to several thousand more. In 2016 alone, MCCD's Open to Business Advisors provided nearly 6,100 hours of technical assistance to nearly 900 entrepreneurs.

Our Open to Business advisors are serving entrepreneurs in over 70 communities in Anoka, Carver, Dakota, Hennepin, and Scott Counties. We expect to expand the Open to Business program in 2017 with the addition of Washington County and its communities.

Everyone knows that new and early stage businesses can have a hard time getting loans to start their businesses. Even successful, second stage businesses can have trouble getting all the financing they need for their expansion projects.

That's why helping small businesses access capital is a fundamental goal of MCCD's Open to Business program.

Since 2012, MCCD has made 248 small business loans totaling over \$8.9 million. These loans leveraged another \$71 million in other financing and resulted in the creation or retention of 1,800 jobs.

You can see the businesses that MCCD has financed revitalizing Central Avenue in Minneapolis, caring for children in St. Francis, serving customers in Shakopee, and creating jobs in Burnsville. They are helping to build communities from Blaine to Belle Plaine, and from Watertown to West St. Paul.

2016 HIGHLIGHTS

- MCCD provided direct loans totaling over \$1.8 million to 47 small businesses.
- These 47 direct borrowers were located in 21 communities throughout the metropolitan area.
- On average, each \$1.00 of MCCD loan leveraged another \$4.00 in financing from banks, other community partners, and owner equity.
- Open to Business Advisors provided critical technical assistance to nearly 900 entrepreneurs.
- MCCD provided credit builder loans to 103 metropolitan area residents.
- Credit building borrowers who paid their loans on time and worked to improve their personal credit habits saw significant improvements in their credit scores.

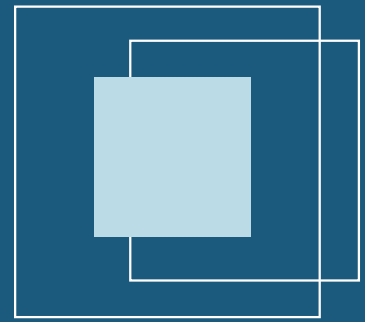
CREDIT BUILDING

In 2014, Neighborhood Development Alliance referred Juan to MCCD for a credit builder loan. In 2009, he had paid off a car loan, but had not had any credit since then. By the time he had paid off his MCCD credit builder loan in 2015, his credit score had risen to 765! If he needs a car loan to replace his existing vehicle, his credit score is ready to go.

Juan is just one example of the 413 area residents that MCCD has made credit building loans to since the program started in mid-2009. While not everyone is as successful as Juan, most credit builder borrowers who pay their MCCD loans on time and continue to work on their credit see increases of 20 to 35 points and even more after one year in the program. MCCD's credit builder loans are zero interest, too, and fees are low.

In 2008, Joan had a medical emergency that sent her to the ICU for a week and left her disabled and unable to work for over two years. By the time she was able to go back to work, medical and other bills had piled up and Joan faced a slew of collections. When she applied for her first credit builder loan in 2010, her credit score was only 469. Joan worked closely with her counselors at the East Side Financial Center to repair her credit. By the time Joan had repaid her second MCCD credit builder loan, her score had jumped over 200 points!

MCCD has made nearly 500 credit builder loans totaling \$129,500 to 413 borrowers. All are low-income and most are persons of color. The vast majority of credit builder borrowers work hard to repay their loans on time and in full. The program has a very low default rate of only 4%.



“MCCD’s credit building program may have just as big an impact on individual lives as MCCD’s business loans.”

Karen Reid, Executive Director,
Neighborhood Development
Alliance

Back Row (L-R): Dave Chapman, John Endris, Mara O’Neill, Christin Boecker, Kathleen DuChene, Cindy Ohlenkamp, Laurie Crow, Kris Maritz

Front Row: Greg Gramza, Rob Smolund, Jim Roth, Lee Hall, Tyler Hilsabeck, Claire Milldrum, Holly Bolstad, Rose Teng



MCCD STAFF

Metropolitan Consortium of Community Developers Board of Directors

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

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

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

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

**Will Delaney, ELCD Representative
Associate Director
Hope Community, Inc.**

**Gene Gelgelu
Executive Director
African Economic Development Solutions**

**Ramon Leon
President and CEO
Latino Economic Development Center**

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

**Nasibu Sareva
Executive Director
African Development Center**

**Va-Megn Thoj
Executive Director
Asian Economic Development Association**

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

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



Emerging Leaders and their mentors discuss professional development goals at the mentorship program Kick-Off.

2016 MEMBER ORGANIZATIONS

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

2016 ORDINARY INCOME/EXPENSE

INCOME

Contributed Support

Assets Released	\$416,152
Corporate / Business Grants	\$50,250
Foundation / Trust Grants	\$262,851

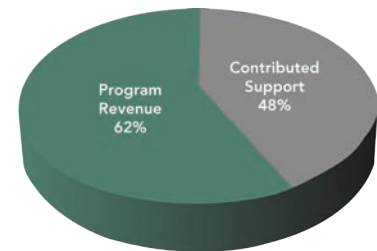
Total Contributed Support \$729,253

Program Revenue

Contract Revenue	\$815,986
Investment and Loan Income	\$335,979
Other Program Revenues	\$21,755

Total Program Revenue \$1,173,720

TOTAL INCOME \$1,902,973

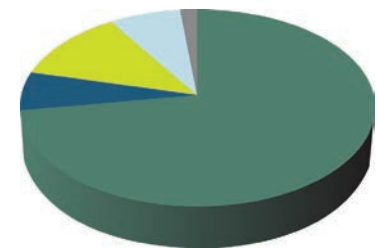


SOURCES OF INCOME

EXPENSE

Open to Business Program	\$1,130,324
Member Services	\$108,457
Public Policy / Advocacy	\$245,717
General & Administrative	\$86,126
Fund Development	\$45,676

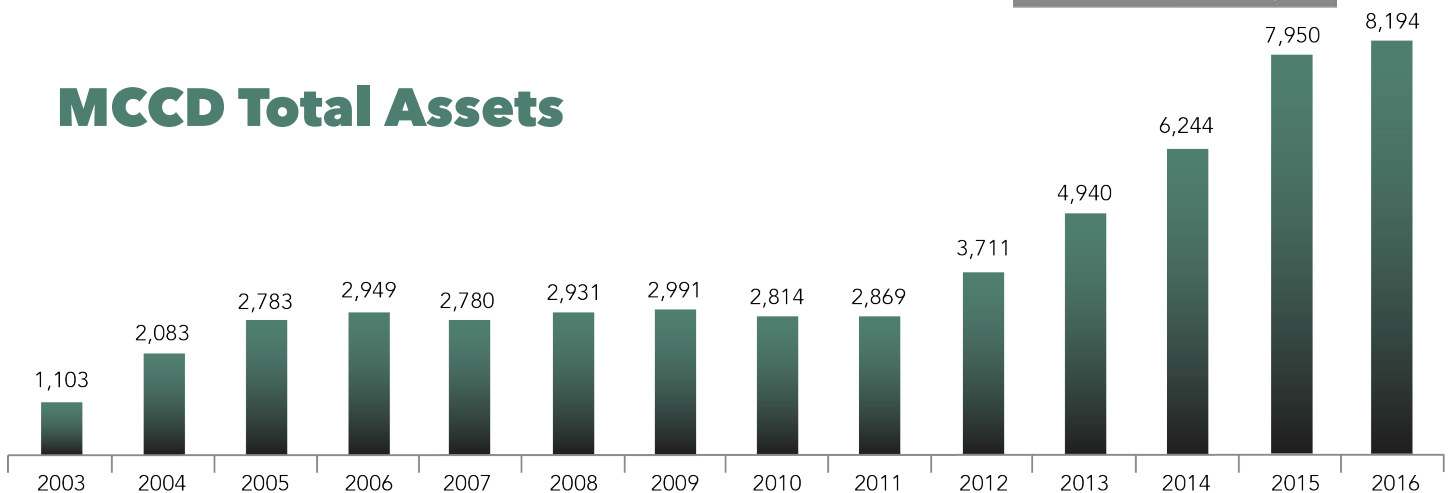
TOTAL EXPENSES \$1,616,300



CATEGORIES OF EXPENSE

NET INCOME \$286,673

MCCD Total Assets



2016 MCCD BALANCE SHEET

ASSETS

CURRENT ASSETS

	2016	2015
Cash & Cash Equivalents	\$1,068,376	\$1,119,858
Restricted Cash for Loan Fund	\$25,434	\$34,721
Restricted Cash by Funder	\$848,318	\$649,425
Accounts Receivable	\$197,138	\$96,200
Promises to Give Receivable	\$365,000	\$720,000
Prepaid Expenses	\$0	\$1,041
Current Portion of Loans Receivable (net of allowance)	\$609,964	\$578,850

TOTAL CURRENT ASSETS	\$3,114,230	\$3,200,096
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PROPERTY & EQUIPMENT

Land	\$54,100	\$54,100
Building	\$241,919	\$241,919
Furniture, Equipment, & Software	\$51,041	\$44,347
Less Accumulated Depreciation	\$(56,081)	\$(48,116)
Net Property & Equipment	\$290,979	\$292,250

OTHER ASSETS

Long-Term Loans Receivable, net	\$4,788,418	\$4,457,803
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TOTAL ASSETS	\$8,193,627	\$7,950,148
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LIABILITIES

CURRENT LIABILITIES

	2016	2015
Current Portion Long Term Debt	\$53,246	\$52,202
Accounts Payable	\$4,486	\$17,682
Accrued Expenses	\$82,828	\$82,650

TOTAL CURRENT LIABILITIES	\$140,560	\$152,534
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LONG-TERM LIABILITIES

Long-Term Debt	\$5,000,945	\$4,852,637
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TOTAL LIABILITIES	\$5,141,505	\$5,005,171
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NET ASSETS

UNRESTRICTED NET ASSETS

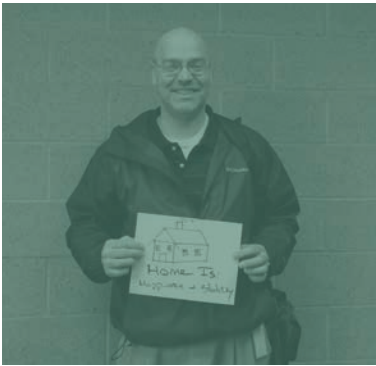
Board Designated Net Assets	\$2,384,955	\$2,098,283
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TEMPORARILY RESTRICTED NET ASSETS

Time Restricted	\$165,000	\$20,000
Use Restricted	\$502,167	\$826,695

TOTAL NET ASSETS	\$3,052,122	\$2,944,978
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TOTAL LIABILITIES AND NET ASSETS	\$8,193,627	\$7,950,149
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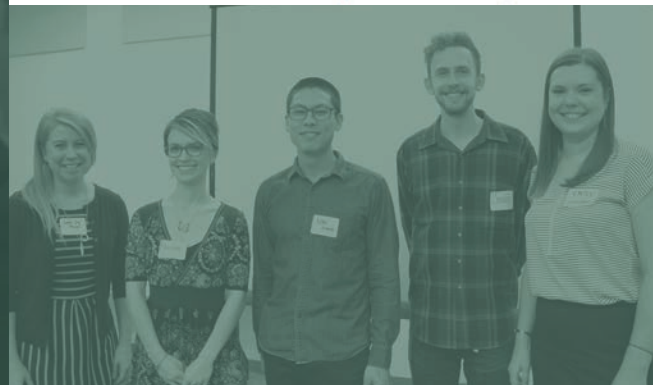


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MCCD
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of Community Developers



FUNDING PARTNERS

Allina Health Systems
Ameriprise Financial
Bank of America
CenterPoint Energy
Family Housing Fund
Jay & Rose Phillips Foundation
Landmark Environmental, LLC
McKnight Foundation
Northeast Bank

Otto Bremer Foundation
St. Paul Foundation
Sunrise Banks
TCF Foundation
US Bank Corp/Foundation
Wells Fargo
Western Bank
Women's Foundation of Minnesota
Xcel Energy Foundation

