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
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.
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.
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**

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Loans</th>
<th>Total Loan Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>32</td>
<td>$1,581,686</td>
</tr>
<tr>
<td>2013</td>
<td>47</td>
<td>$1,470,456</td>
</tr>
<tr>
<td>2014</td>
<td>57</td>
<td>$1,659,448</td>
</tr>
<tr>
<td>2015</td>
<td>65</td>
<td>$2,393,376</td>
</tr>
</tbody>
</table>

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.
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.
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.

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
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.
Metropolitan Consortium of Community Developers
Board of Directors
2016

Karen Reid, MCCD President
Executive Director
Neighborhood Development Alliance

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

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
Real Estate Strategy and Asset Manager
Hope Community, Inc.

Mario Hernandez
Vice President and COO
Latino Economic Development Center

Mary Keefe
Executive Director
Hope Community, Inc.

Barbara McCormick
Vice President of Housing
Project for Pride in Living

Nasibu Sareva
Executive Director
African Development Center

Jeff Washburne
Executive Director
City of Lakes Community Land Trust

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

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

NET INCOME: $585,614

MCCD Total Assets

[Graph showing total assets from 2002 to 2015]
# 2015 MCCD Balance Sheet

## Assets

### Current Assets

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

**Total Current Assets**

<table>
<thead>
<tr>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>$3,200,096</td>
<td>$2,460,936</td>
</tr>
</tbody>
</table>

### Property & Equipment

<table>
<thead>
<tr>
<th>Description</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td>$54,100</td>
<td>$54,100</td>
</tr>
<tr>
<td>Building</td>
<td>$241,919</td>
<td>$230,719</td>
</tr>
<tr>
<td>Furniture, Equipment, &amp; Software</td>
<td>$44,347</td>
<td>$47,294</td>
</tr>
<tr>
<td>Less Accumulated Depreciation</td>
<td>$(48,116)</td>
<td>$(45,743)</td>
</tr>
<tr>
<td>Net Property &amp; Equipment</td>
<td>$292,250</td>
<td>$286,370</td>
</tr>
</tbody>
</table>

**Other Assets**

<table>
<thead>
<tr>
<th>Description</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Long-Term Loans Receivable, net</td>
<td>$4,457,803</td>
<td>$3,496,666</td>
</tr>
</tbody>
</table>

**Total Assets**

<table>
<thead>
<tr>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>$7,950,149</td>
<td>$6,243,972</td>
</tr>
</tbody>
</table>

## Liabilities

### Current Liabilities

<table>
<thead>
<tr>
<th>Description</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Portion Long Term Debt</td>
<td>$52,202</td>
<td>$500,000</td>
</tr>
<tr>
<td>Accounts Payable</td>
<td>$17,682</td>
<td>$26,242</td>
</tr>
<tr>
<td>Accrued Expenses</td>
<td>$82,650</td>
<td>$79,780</td>
</tr>
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</table>

**Total Current Liabilities**

<table>
<thead>
<tr>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>$152,534</td>
<td>$606,022</td>
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</table>

### Long-Term Liabilities

<table>
<thead>
<tr>
<th>Description</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Long-Term Debt</td>
<td>$4,852,637</td>
<td>$3,278,586</td>
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</table>

**Total Liabilities**

<table>
<thead>
<tr>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>$5,005,171</td>
<td>$3,884,608</td>
</tr>
</tbody>
</table>

## Net Assets

### Unrestricted Net Assets

<table>
<thead>
<tr>
<th>Description</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board Designated Net Assets</td>
<td>$2,098,283</td>
<td>$1,447,126</td>
</tr>
</tbody>
</table>

### Temporarily Restricted Net Assets

<table>
<thead>
<tr>
<th>Description</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time Restricted</td>
<td>$20,000</td>
<td>$265,000</td>
</tr>
<tr>
<td>Use Restricted</td>
<td>$826,695</td>
<td>$647,238</td>
</tr>
</tbody>
</table>

**Total Net Assets**

<table>
<thead>
<tr>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>$2,944,978</td>
<td>$2,359,364</td>
</tr>
</tbody>
</table>

**Total Liabilities and Net Assets**

<table>
<thead>
<tr>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>$7,950,149</td>
<td>$6,243,972</td>
</tr>
</tbody>
</table>