25 YEARS OF LEADERSHIP IN THE FIELD OF COMMUNITY DEVELOPMENT

The Founders

The Emerging Leaders

2014 ANNUAL REPORT
This past year marked an important milestone for MCCD. In 2014, we celebrated our 25th Anniversary. For those in our field, who were the Twin Cities’ community development “pioneers” back in 1989, the past quarter century has gone by quickly. Still today, many of our early leaders are continuing the important work of community building, as they were 25 years ago and earlier.

At MCCD’s anniversary event on October 8, we were able to bring together a group of those founders to help us look back at that earlier time when MCCD, then known as the Minneapolis Consortium of Community Developers, was established. But milestone events are not just a time to look back, they can also help us look ahead.

At our anniversary celebration, we presented an inspiring video of an earlier event that brought together MCCD’s founders with a group of young professionals who are members of our Emerging Leaders in Community Development. At the event, the Emerging Leaders unveiled plans for a series of timely discussions on issues facing the field of community development in the 21st Century.

While the 25th Anniversary was a highlight of 2014, our focus continued to be the important work that we and our members do on a day to day basis. On the advocacy front, we achieved a major legislative victory when the “Homes for All” coalition — co-chaired by MCCD — was able to obtain $100 million in state bonding for affordable housing. Our Open to Business initiative helped 57 entrepreneurs access nearly $22.4 million in capital for their business projects.

Our thanks to all our friends and partners that worked with us this past year to achieve so much! And, a special thanks to the many early community developers that built the foundation of MCCD so many years ago. We wouldn’t be here today without you!

Best Regards,

Karen Reid,
Board President

Jim Roth,
Executive Director
MCCD’S 25TH ANNIVERSARY CELEBRATION

- Photographs:
  1. Jim Roth, Chad Schwitters, Caren Dewar, and Jackie Cherryhomes
  2. Peter McLaughlin
  3. Rose Teng, Rose Carr, and Jackson Schwartz
  4. Dale Forsberg, Nasibu Sarova, and Lisa Kugler
  5. Karen Reid, Cecile Bedor, and Mike Temali
  6. Guests at MCCD’s 25th Anniversary Celebration
ADVOCACY

During the 2014 session, MCCD worked with our members and partners to successfully pass $100 million in bonds for housing, which was a significant part of the $846 million dollar bonding package. This success was due to many years of coordinated and collaborative effort through the Homes for All campaign. MCCD also was able to bring our members’ experience into a number of campaigns outside of Homes for All, and was able to provide feedback on a number of legislative proposals.

Driver’s license issues
MCCD staff worked to collect and share information with the coalition supporting safe drivers’ licenses about how businesses have been harmed by existing restrictions.

Coalition for Choice in Housing
MCCD supported the Coalition for Choice in Housing’s efforts to eliminate existing policy that caps the number of individuals with disabilities residing in a building to no more than 25% of the units. This limit causes substantial hardship for developers who create housing for those with disabilities.

Rental housing regulations
MCCD worked with members and community partners to provide feedback to a number of proposed changes to rental housing regulations.

Foreclosure reform
MCCD worked with our members and community partners who provide direct foreclosure prevention counseling to respond to legislation that would have stripped the existing counseling network of much of their relevance and ability to serve homeowners struggling with foreclosure.

2014 Legislative Highlights

Expanded supporters of Homes for All to over 100 organizations.

With our partners, obtained 35 House and Senate co-sponsors of the stand-alone bonding bill for housing.

Facilitated meetings with key legislators to generate support for housing issues.

Testified in support of housing bonding legislation.

Facilitated news stories and commentary about Minnesota’s affordable housing needs.
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 newsletter, website updates, e-news, and Housing Updates.

In 2014, we continued our Community Development Conversations series, which covers timely topics in housing and economic development. Topics included:

- Post Election Debriefing at Twin Cities Habitat for Humanity.
- Collaborations in Place at the Hopkins Center for the Arts in partnership with Hennepin County Community Works and Twin Cities LISC.

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

- Net-Zero Energy House by Twin Cities Habitat for Humanity. Designed using German Passive Housing methodology, the house is expected to dramatically reduce energy use. Members and partners came to learn more about the energy efficient design, technology, and mechanical systems used.
- Concordia Arms by CommonBond Communities in Maplewood. The developer undertook major renovations to this suburban senior living community and increased on-site supportive services, including units for homeless seniors.
- Four Green Homes North Houses Completed by Members: Artspace, Greater Metropolitan Housing Corporation, PRG, Inc. and Project for Pride in Living. Members and partners learned more about the Green Homes North Program of the city of Minneapolis.

**Anderson Mitchell**

The sole owner of Mitchell Construction, Inc., Anderson Mitchell is also a resident of north Minneapolis. The attractive and affordable houses he and his construction company have built in north Minneapolis have made a lasting, positive impact on the community.

**2511 James Avenue North**

The beautiful home shown at right is one of the four green houses constructed in north Minneapolis. Mitchell Construction, Inc. built this house at 2511 James Avenue North for nonprofit developer PRG, Inc. MCCD provided Mitchell Construction with a transactional loan to help finance upfront costs on this house along with several others the company built.
In 2014, MCCD celebrated not only its 25th anniversary but also 25 years of providing loans and technical assistance to small businesses. When the program started in 1989, our largest loan was only $3,000 and we only made loans in Minneapolis.

Over the years, we have adapted the loan and technical assistance program to meet the wide range of needs of both the small businesses we serve and the organizations with whom we partner.

While we still make microloans as small as $1,500, we’ve also made loans as large as $300,000 to growing second stage businesses.

In the last 25 years, MCCD made 850 loans totaling $13.2 million. However, over one-third of our total loan volume was made in just the last three years when we started targeting some of our lending to help second stage businesses.

Since 2012 alone, we’ve made 136 business loans totaling over $4.7 million. Our loans leveraged another $43 million in other financing, and most important, will lead to the creation or retention of over 900 jobs.

You can see the businesses we’ve financed revitalizing Lake Street, serving customers on Nicollet Avenue, and helping to revive Central Avenue in Minneapolis. They are helping to build communities from Brooklyn Park to Waconia and from Shakopee to Hastings.

2014 Highlights

MCCD helped 63 entrepreneurs secure capital to start, expand or improve their businesses, including 57 who received direct loans from MCCD.

These 57 direct borrowers were located in 25 communities throughout the metropolitan area.

MCCD support enabled our entrepreneurs to access nearly $22.4 million in capital for their business projects.

Open to Business advisors provided valuable technical assistance to 740 entrepreneurs.

MCCD provided 108 metro area residents with credit building loans.

Credit building borrowers who completed the program saw their credit scores increase an average of 35 points.

Peppers & Fries

Steve Frias (aka Fries), pictured at left, opened Peppers & Fries in 2014 with his wife Lorraine and daughter Maria (aka Pepper.) The restaurant is part of the recent resurgence along East Lake Street in Minneapolis. Peppers & Fries offers casual dining with a baseball and sports motif.
When MCCD launched the Open to Business Program in 2011, we served only four communities. Now we are under contract to serve 48 municipalities and will soon bring that number to 67. Through partnerships with metro-area municipalities, we help local governments create their own business support programs targeted at residents and entrepreneurs in their communities.

Open to Business has helped hundreds of entrepreneurs with technical assistance and helped scores of them with financing. Starting or expanding a business is not easy, which is why the technical assistance MCCD offers is as valuable as financing. In 2014 Open to Business advisors provided nearly 4,000 hours of help to over 740 entrepreneurs.

MCCD’s Lending Program provides a range of products tailored to the needs of small business, from micro-loans to help a new entrepreneur start a business to large loans of $150,000 or more to help a growing business fill a financing gap on a multi-million dollar real estate project.

In 2014 MCCD provided 57 small business loans totaling $1.66 million. While the vast majority of our borrowers were early-stage businesses, 25% of our loans were made to second stage businesses that received larger loans averaging nearly $78,000.

MCCD’s direct loans leveraged another $20.7 million in capital from other sources including banks, our community lending partners and owner equity. On average every $1 of MCCD direct loan leveraged $12.50 in other financing, an efficient use of our funds.

“Open to Business has helped hundreds of entrepreneurs with technical assistance and helped scores of them with financing.”

Primrose School - Minnetonka

Cathy and Dan Keefe (pictured at right) were proud to open a new Primrose School in Minnetonka, providing care to children six weeks to 12 years of age. MCCD partnered with our member First Children’s Finance to provide a small loan to help fill the gap on this $4.3 million project.
CREDIT BUILDING PROGRAM

According to Karen Reid, executive director of Neighborhood Development Alliance (NeDA), “the credit builder program may have just as big an impact on individual lives as MCCD’s business loans.”

That’s because poor credit has a huge negative impact on many aspects of an individual’s life, from whether or not he or she can rent an apartment, find affordable car insurance, secure a loan at a reasonable rate, or sometimes, even to get hired for a job. Partnering with five nonprofit credit counseling agencies including NeDA, MCCD offers credit building loans to help disadvantaged and low income individuals improve their credit scores.

In 2014, we made 108 credit building loans, bringing the total to 308 since the program began in 2009. Even though they face many challenges, most borrowers work hard to pay their loans on time. On average they are increasing their scores by 35 points over a 12 month period, with some borrowers seeing even larger gains.

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

MCCD LENDING PARTNERSHIPS

BankCherokee
Brooklyn Park Development Corporation
BuildWealth Minnesota
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
Northeast Bank
Project for Pride in Living Center for Working Families
Security Bank Waconia
Sunrise Banks
U.S. Bancorp Community Development Corporation
Venture Bank
Wells Fargo Community Development Corporation
Wells Fargo SBA Lending
William C. Norris Institute
## LOCATION OF BUSINESSES THAT RECEIVED MCCD FINANCING

<table>
<thead>
<tr>
<th>County</th>
<th>Number of Businesses Financed</th>
<th>MCCD Financing</th>
<th>Other Funds Leveraged</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anoka</td>
<td>3</td>
<td>$250,000</td>
<td>$6,359,500</td>
</tr>
<tr>
<td>Carver</td>
<td>5</td>
<td>$142,500</td>
<td>$125,538</td>
</tr>
<tr>
<td>Dakota</td>
<td>1</td>
<td>$25,000</td>
<td>$435,000</td>
</tr>
<tr>
<td>Hennepin</td>
<td>33</td>
<td>$822,348</td>
<td>$10,789,113</td>
</tr>
<tr>
<td>Ramsey</td>
<td>4</td>
<td>$130,000</td>
<td>$1,129,079</td>
</tr>
<tr>
<td>Scott</td>
<td>10</td>
<td>$254,600</td>
<td>$1,569,875</td>
</tr>
<tr>
<td>Washington</td>
<td>1</td>
<td>$35,000</td>
<td>$330,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>57</strong></td>
<td><strong>$1,659,448</strong></td>
<td><strong>$20,738,105</strong></td>
</tr>
</tbody>
</table>

*In 2014, every $1.00 of MCCD loan funds leveraged $12.50 of additional financing from banks, community partners, and equity.*

### Doggie Doo’s Spa & Retreat

Starla Tyree (at left in the dark shirt) and her partner Carrie Engh (at right in the light blue shirt) make sure both humans and animals have a great time at Doggie Doo’s Spa & Retreat in Shakopee. The business has grown so much since they opened in their new space that they already have added 10 employees!
EMERGING LEADERS IN COMMUNITY DEVELOPMENT

The Emerging Leaders in Community Development (ELCD) had another great year in 2014, continuing to advance 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.”

Our Steering Committee organized and hosted a new event in 2014, an Oxford-style debate on the topic of gentrification at Minnesota Housing Finance Agency. US Bank’s Vicki Shipley moderated the debate between Gary Schiff (former Minneapolis city council member) and Paul Williams (Project for Pride in Living) against Terri Thao (Nexus Community Partners) and Phil Sandro (Higher Education Consortium for Urban Affairs). Emerging Leaders had the opportunity to meet and discuss ideas with debaters and fellow participants at a social hour following the debate.

Our energetic and enthusiastic mentors and mentees kicked-off a fourth year of our mentorship program at our opening event at Project for Pride in Living. With 38 matches, this is our largest mentorship round so far. The program continues to be popular for those who are new to the field, as well as for mid-career professionals looking to connect with senior-level leaders in the field.

The Professional Development group started a new series of informal peer-learning lunches, called ELCD Exchanges. We hosted two in 2014: one on affordable housing asset management and another on food entrepreneurs and their role in community development.

Our 2014 Annual Meeting was held at Cookie Cart in North Minneapolis and featured keynote speaker Devean George of Building Blocks. Devean shared his background growing up in Minneapolis and how he became involved in community development after his time playing basketball in the NBA. The Emerging Leaders also started a new membership program to encourage people to become more involved in the group and help us continue to grow and expand.
2014 BOARD OF DIRECTORS

Karen Reid  
MCCD President  
Executive Director,  
Neighborhood Development Alliance

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

Kathy Wetzel-Mastel  
Executive Director,  
PRG, Inc.

Chad Schwitters  
Executive Director  
Urban Homeworks

Jeff Washburne  
Executive Director,  
City of Lakes Community Land Trust

Mary Keefe  
Executive Director,  
Hope Community, Inc.

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

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

Sarah Larson  
Project Manager,  
Beacon Interfaith Housing Collaborative

Mario Hernandez  
Vice President and COO,  
Latino Economic Development Center

Mike LaFave  
Vice President and COO  
Neighborhood Development Center

Nasibu Sareva  
Executive Director,  
African Development Center

MCCD’s Mission:  
To work collaboratively to build strong, stable communities by leveraging resources for the development of people and places

MCCD STAFF

Jim Roth  
Executive Director

Lee Hall  
Director of Finance

Holly Bolstad  
Loan Program Administrative Assistant

Kris Maritz  
Business Advisor

Dave Chapman  
Director of Lending and Operations

Iric Nathanson  
Business Advisor

Laurie Crow  
Business Advisor

Mara O’Neill  
Loan Program Manager

Kathleen DuChene  
Business Advisor

Christine Pigsley  
Business Advisor

Darielle Dannen  
Public Policy Director

Rob Smolund  
Business Advisor

Greg Gramza  
Office Manager

Rose Teng  
Policy Analysis and Research Coordinator
2014 MEMBER ORGANIZATIONS

Aeon  
African Development Center  
African Economic Development Solutions  
Alliance Housing Incorporated  
American Indian Community Development Corporation  
Artspace  
Asian Economic Development Association  
Aurora/St. Anthony Neighborhood Development Corporation  
Beacon Interfaith Housing Collaborative  
Build Wealth Minnesota  
Building Blocks  
City of Lakes Community Land Trust  
CommonBond Properties  
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 (LEDC)  
Metropolitan Economic Development Association (MEDA)  
Model Cities  
Neighborhood Development Alliance (NeDA)  
Neighborhood Development Center (NDC)  
Neighborhood Housing Services  
NeighborWorks Home Partners  
NEON  
Northeast Community Development Corporation  
Northside Residents Redevelopment Council (NRRC)  
PRG, Inc.  
Project for Pride in Living, Inc. (PPL)  
Riverton Community Housing Association  
Rondo Community Land Trust  
RS Eden  
Seward Redesign, Inc.  
Springboard for the Arts  
Twin Cities Habitat for Humanity  
Twin Cities Housing Development Corporation  
Two Rivers Community Land Trust  
Urban Homeworks  
West Bank Community Development Corporation  
WomenVenture  
YWCA Saint Paul
2014 FINANCIAL SUPPORTORS

Allina Health  
Ameriprise Financial, Inc.  
CenterPoint Energy  
Family Housing Fund  
Infinia Bank  
Landmark Environmental, LLC  
The McKnight Foundation  
National Association of Development Companies  
Northwest Area Foundation  
The Jay and Rose Phillips Foundation Minnesota

Sunrise Community Banks  
TCF Foundation  
Twin Cities Local Initiatives Support Corporation  
US Bank Corp and US Bank Foundation  
Valspar Foundation  
Wells Fargo Foundation Minnesota  
Western Bank  
Women’s Foundation of Minnesota  
Xcel Energy and Xcel Energy Foundation

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 wellbeing of their families and communities. We commit ourselves to ensure no one is excluded from this vision.

Tweak the Glam Studio

MCCD helped Tawanna Jackson (pictured above) start Tweak the Glam Studios in the North Loop area of Minneapolis. A licensed esthetician, Tawanna specializes in eyelash extensions and make-up artistry and “anything glam.”
# MCCD BALANCE SHEET, 2014

## ASSETS

<table>
<thead>
<tr>
<th>Category</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>562,717</td>
<td>308,627</td>
</tr>
<tr>
<td>Restricted cash for loan fund</td>
<td>129,848</td>
<td>326,879</td>
</tr>
<tr>
<td>Restricted Cash by Funder</td>
<td>674,310</td>
<td>297,757</td>
</tr>
<tr>
<td>Investments</td>
<td>0</td>
<td>108,972</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>73,600</td>
<td>71,162</td>
</tr>
<tr>
<td>Promises to give receivable</td>
<td>542,500</td>
<td>600,000</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>476</td>
<td>1,051</td>
</tr>
<tr>
<td>Current portion of loans receivable (net of allowance)</td>
<td>477,485</td>
<td>416,186</td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td>2,460,936</td>
<td>2,130,634</td>
</tr>
<tr>
<td><strong>Property and Equipment</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land</td>
<td>54,100</td>
<td>54,100</td>
</tr>
<tr>
<td>Building</td>
<td>230,719</td>
<td>230,719</td>
</tr>
<tr>
<td>Furniture, equipment and software</td>
<td>40,119</td>
<td>40,119</td>
</tr>
<tr>
<td>Less accumulated depreciation</td>
<td>(45,743)</td>
<td>(42,435)</td>
</tr>
<tr>
<td><strong>Net Property and Equipment</strong></td>
<td>286,370</td>
<td>282,503</td>
</tr>
<tr>
<td><strong>Other Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Long-Term Loans receivable, net</td>
<td>3,496,666</td>
<td>2,526,481</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>6,243,972</td>
<td>4,939,618</td>
</tr>
</tbody>
</table>

## LIABILITIES

<table>
<thead>
<tr>
<th>Category</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current Portion Long Term Debt</td>
<td>500,000</td>
<td>500,000</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>26,242</td>
<td>45,917</td>
</tr>
<tr>
<td>Accrued expenses</td>
<td>79,780</td>
<td>69,860</td>
</tr>
<tr>
<td><strong>Total Current Liabilities</strong></td>
<td>606,022</td>
<td>615,777</td>
</tr>
<tr>
<td><strong>Long-Term Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Long-Term debt</td>
<td>3,278,586</td>
<td>2,751,117</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>3,884,608</td>
<td>3,366,894</td>
</tr>
</tbody>
</table>

## NET ASSETS

<table>
<thead>
<tr>
<th>Category</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unrestricted Net Assets</td>
<td>1,447,126</td>
<td>609,566</td>
</tr>
<tr>
<td>Board Designated Net Assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Temporarily Restricted Net Assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Time restricted</td>
<td>265,000</td>
<td>25,000</td>
</tr>
<tr>
<td>Use Restricted</td>
<td>647,238</td>
<td>938,158</td>
</tr>
<tr>
<td><strong>Total Net Assets</strong></td>
<td>2,359,364</td>
<td>1,572,724</td>
</tr>
<tr>
<td><strong>Total Liabilities and Net Assets</strong></td>
<td>6,243,972</td>
<td>4,939,618</td>
</tr>
</tbody>
</table>

## MCCD TOTAL ASSETS, 2001-2014

(IN $1,000s)

- 2002: 583
- 2003: 1,003
- 2004: 2,093
- 2005: 2,783
- 2006: 2,949
- 2007: 2,780
- 2008: 2,991
- 2009: 2,991
- 2010: 2,814
- 2011: 2,859
- 2012: 3,711
- 2013: 4,940
- 2014: 6,244

Building

Opportunity
## ORDINARY INCOME/EXPENSE, 2014

### Income

**Contributed Support**
- Asset Released from Restriction: $1,065,403
- Corporate/business grants: $67,800
- Foundation/trust grants: $288,000

Total Contributed Support: $1,421,203

**Program Revenue**
- Agency (government) contract/fee: $522,736
- Investment and Loan Income: $262,226
- Other Program Revenue: $13,625

Total Program Revenues: $798,587

**Total Income**
- $2,219,790

### Expense

- Open to Business Program: $999,362
- Housing/Member Services: $89,720
- Public Policy/Advocacy: $167,252
- General & Administrative: $106,194
- Fund Development: $19,701

Total Expense: $1,382,229

**Net Income**
- $837,561

### Sources of Income

- Contributed Support: 64%
- Program Revenue: 36%

### Categories of Expense

- Open to Business Program: 72%
- Housing/Member Services: 12%
- Public Policy/Advocacy: 8%
- General & Administrative: 12%
- Fund Development: 1%