



## 2013 ANNUAL REPORT



Greater Metropolitan Housing Corporation



# GREATER METROPOLITAN HOUSING CORPORATION (GMHC)

was created in 1970 with the following mission:

To preserve, improve and increase affordable housing for low and moderate income individuals and families, and assist communities with housing revitalization.



## OUR STAFF

### **GMHC Main Office**

15 South 5th Street, Suite 710  
Minneapolis, MN 55402  
**ph:** 612-339-0601  
**fax:** 612-339-0608

### **HousingResource Center™ North & East Metro**

1170 Lepak Court  
Shoreview, MN 55126  
**ph:** 651-486-7401  
**fax:** 651-486-7424

### **SHOP Home Mortgage™**

823 East 7th Street  
St. Paul, MN 55106  
**ph:** 651-793-8900  
**fax:** 651-744-0445

### **HousingResource Center™ South**

3749 Cedar Ave. South  
Minneapolis, MN 55407  
**ph:** 612-722-7141  
**fax:** 612-722-6367

### **HousingResource Center™ North**

2148-44th Ave. North  
Minneapolis, MN 55412  
**ph:** 612-588-3033  
**fax:** 612-588-3028

[www.gmhchousing.org](http://www.gmhchousing.org)

[www.shop-mortgage.org](http://www.shop-mortgage.org)



# TO OUR PARTNERS AND STAKEHOLDERS



Carolyn E. Olson, President  
GMHC

Improvement to the economy continued in 2013, however, affordable housing still faced challenges. The development and preservation of affordable housing and purchasing and financing homes remains to be difficult. Financing affordable housing has become more complex and changes in credit and capital markets continue to present challenges to homeowners/homebuyer, neighborhood stability and nonprofit developers such as GMHC. GMHC continues to hold fast to its mission and responds to the lack of affordable housing and the improvement of substandard housing in the Twin

Cities. Our goals are to serve more people annually and to harness the power of housing to catalyze visible change in neighborhoods hard-hit by foreclosures and disinvestment.

GMHC's programs grew in 2013 providing affordable housing solutions to the needs of the low-to moderate income individuals and families of the Twin Cities Metropolitan area. Our Single Family Homeownership program completed and sold 79 homes. SHOP Home Mortgage closed 66 loans of which 52 were through our Bridge-to-Success Contract-for-Deed program. HousingResource Centers provided current and potential home owners services including closing 517 rehab/down payment assistance loans. Predevelopment Revolving Loan program committed \$1,182,500 in loans to the development of 1,814 new units of multi-family very-low income rental housing.

A vibrant community depends on stable affordable housing for its residents. GMHC will continue to innovate and deliver effective solutions to the challenges of affordable housing for families, individuals, and communities as it has done since its inception in 1970.

Please enjoy the following report to the community and find out in detail our results and what our clients have to say about our programs.

Sincerely,

Carolyn E. Olson  
President



# HOUSINGRESOURCE CENTERS™

The HousingResource Center program provides comprehensive free housing services to all residents of participating cities and neighborhoods. This program has proven highly effective in meeting its goal of increasing homeownership, home improvements and redevelopment in areas that are still viable, but showing signs of vulnerability. The HRCs' provide a comprehensive set of housing services, including individual, high quality, assistance through the purchase, financing, refinancing or construction/renovation process.

**Since opening in July of 1995, the HousingResource Centers™ provided 220,065 services, including 81,771 construction consultations and closed 9,182 rehab & home buyer assistance loans totaling over \$44 MILLION.**

**BEFORE**



Homeowners in Falcon Heights, MN were able to make interior home improvements utilizing Ramsey County CDBG program.



**AFTER**

**During 2013 the three HousingResourceCenters™ provided 12,241 services, including 5,020 construction consultations and 526 down payment assistance, rehab loans and grants.**

In July 1995 GMHC's initiated the HousingResource Center™ (HRC) program with the opening of the first HRC in Northeast Minneapolis. The HRCs' have now increased from one to three, all at the request of various communities. The three centers serve residents of Minneapolis/St. Paul and the larger metropolitan area.

GMHC administers over 60 rehab loans programs most of which are currently active. We are a direct lender of MHFA loan programs and provide rehab-lending services to low and moderate income households throughout the Twin Cities metro area through contracts with local municipalities and counties. In addition to home improvement lending, GMHC is an FHA approved secondary lender and administers a number of entry cost assistant programs to help homeowners realize their dream of homeownership.

HousingResource Centers™ work with local and state governments, neighborhood associations, social service providers, lenders, local businesses, and faith and fraternal organizations in the communities served by an HRC. Our role varies, depending on the nature of the relationship. We take great care not to duplicate services, and refer clients to other organizations that can meet their needs more appropriately, such as Lutheran Social Service, Habitat for Humanity, Senior Resource, First Call for Help, HousingLink, Homeownership Center, and Community Action Suburban Hennepin (CASH).



# A HOUSING RESOURCE CENTER SUCCESS STORY

**Jill Lamers**, a mom of 3, has lived in this 1878-built home in Stillwater, MN for over 14 years. She knew she needed to replace her old, crumbling driveway and through her city newsletter, heard about the Washington County Owner-occupied Residential Deferred Loan. Washington County partners with GMHC and the HousingResource Center to administer this program. This is a no-interest deferred loan for households earning up to 80% of the area median income, adjusted for household size, and may be used to finance projects to make homes safe and livable. Energy efficiency or accessibility improvements, exterior painting, electrical, plumbing, structural problems, siding, windows, doors, sidewalks, lead stabilization and septic improvements are just a few examples of eligible projects. The maximum loan is \$18,000, with no interest and no monthly payments. The full amount of the loan is not due until the homeowner moves, transfers the title, or takes cash out on a refinance of the property. Single family detached homes, townhouses, condos and twin homes are eligible. Eligible properties must have an estimated market value at or below \$239,250. Once Jill was approved for this program, Curt Bennett, Construction Manager at the HousingResource Center-North & East Metro, visited with Jill to discuss her concerns and wishes.

**“CURT WAS JUST GREAT TO WORK WITH. HE WENT ABOVE AND BEYOND TO ENSURE OUR HOME WAS SAFE FOR MY FAMILY.”**

**- Jill Lamers, Stillwater, MN homeowner**



**Jill Lamers home, Stillwater, MN**



**Jill Lamers with her family**

Jill said, “I started out really just wanting my driveway replaced, but Curt took the time to thoroughly inspect my home and suggested other improvements that were necessary.” Jill talked about how it would have been overwhelming to do all the improvements without the help of Curt and the contractors that were hired as a result of working with the HousingResource Center. Curt walked through her home and made suggestions for many health and safety improvements, including new insulation, lead abatement and carbon monoxide detectors. Not only was Jill able to get a brand new driveway, but also take care of these important issues. She said, “My children love being able to skateboard now with a new smooth driveway. It will be our first winter since the improvements, and I can’t wait to see if we save money on our heating bills because we now have new insulation to keep us warmer. Also, our pipes always freeze on the really cold winter days. I am guessing we won’t have that problem this winter, and I am really thankful for that.”



# SHOP HOME MORTGAGE PROGRAM

## SINCE INCEPTION




Since opening in February of 2008, SHOP Home Mortgage™ has provided 10,210 services including:

247 workshops, seminars & community events;  
2,634 program development & partnership meetings;  
7,329 consultations; and received  
1,558 loan applications closing  
211 loans for a total of  
\$19,000,000+ in loans.

In partnership with Dayton's Bluff Neighborhood Services, GMHC created SHOP Home Mortgage™. SHOP's proprietary product is the Bridge to Success Contract-for-Deed program, an innovative and flexible credit facility funded by public and socially responsible investors that offers prudent, affordable credit to borrowers no longer served by mainstream credit markets. SHOP is for people who have the financial capacity to purchase a home but who have been unable to qualify for bank financing due to poor credit history, bankruptcy, foreclosure, or do not understand the financial process. The program allows buyers who have addressed their credit issues to purchase a home now and supports them through a personal financial plan, individual counseling, and home buyer education. The goal for these buyers is to restore their credit and improve their financial habits so that the Contract-for-Deed can be refinanced into a market rate loan product within ten years.

Extensive outreach with community and faith-based organizations and financial institutions helps us reach and educate families who can benefit from SHOP. SHOP as a nonprofit mortgage broker is able to produce the Bridge-to-Success Contract-for-Deed program as well as market rate financial products.

SHOP works with neighborhood groups, financial institutions, community and faith based organizations, and the cities of Minneapolis and St. Paul. These collaborations are two-way streets. City departments refer people to us for early foreclosure intervention, mortgage needs, or the Bridge-to-Success Contract-for-Deed program. SHOP refers all first-time homebuyers to the Home Ownership Center's 9-hour home buyer training class and all Contract-for-Deed homebuyers are assigned to one of our seven non-profit counseling agencies for budget and financial coaching. Minnesota Housing Finance Agency partners with us in educating the Realtor community on the merits of the program.







Raymond Bristol Pena and family

**“MARCUS WAS THERE EVERY STEP OF THE WAY WITH THE PAPERWORK AND APPLICATION PROCESS.”**

**- Raymond Bristol Pena, Richfield, MN  
Bridge to Success - Contract for Deed  
homebuyer**

Raymond Bristol Pena and his family were introduced to the Bridge to Success Contract-for-Deed program from their Realtor. After moving to Minnesota for a job relocation in the airline industry, Raymond and his family were renting a property and weren't sure if they would be able to own a home. Raymond was relieved when Marcus Manning, Loan Officer for the SHOP Home Mortgage Program at GMHC, helped him with each component. From paperwork, budget counseling and homebuyer education, he was able to take the whole process in stride, which helped him feel more comfortable. Raymond says, “Marcus was there every step of the way with the paperwork and application process. He is really just a neat guy.”

## **DURING 2013**

**THE SHOP HOME MORTGAGE PROGRAM PROVIDED**

**31 WORKSHOPS, SEMINARS & COMMUNITY EVENTS**

**601 Program Development and Partnership  
meetings have taken place**

**2,577 clients have received consultations**

**394 loan applications have been received with 66 loan  
closings, 52 of which were contract-for-deed sales.**



# SINGLE FAMILY HOME OWNERSHIP



New GMHC Single Family home located on  
EM Stately Street, Minneapolis, MN

GMHC builds and/or renovates single family homes in the inner-city of Minneapolis, St. Paul and various suburban communities. The majority of homes are sold to persons with incomes at or below 80% of the median income and first time homebuyers. Financing tools are available to make these homes affordable. This program provides among other things: homeownership opportunities for individuals often previously left out of the ownership marketplace, stability and increased property values to neighborhoods, additional tax revenue for the city and county, and jobs during construction. The homes are built in cooperation with various cities, counties, Minnesota Housing and neighborhood development corporations.



**BEFORE**

1901 EM Stately Street, Minneapolis, MN



**AFTER**

**TO DATE GMHC HAS  
CONSTRUCTED OR RENOVATED  
AND SOLD 1,668 HOMES WITH A  
TOTAL DEVELOPMENT COST  
OF \$196,194,016.**

**DURING 2013, 274 HOMES WERE IN PROCESS  
AT A DEVELOPMENT COST OF \$65,760,000 :**

**79** HOMES WERE COMPLETED AND SOLD

**65** HOMES WERE UNDER CONSTRUCTION

**52** HOMES WERE IN NEIGHBORHOOD REVIEW, PLAN  
DRAWINGS OR OUT FOR BID

**34** HOMES WERE COMPLETED THROUGH GMHC  
CONSTRUCTION MANAGEMENT SERVICES

**24** HOMES WERE COMPLETED AND NOT SOLD

**15** HOMES WERE SOLD TO OTHER DEVELOPERS

**5** HOMES WERE IN PRE-ACQUISITION



# PREDEVELOPMENT REVOLVING LOAN FUND

GMHC provides technical assistance and high risk pre-development (seed) loans to organizations to assist in the development of quality affordable housing. These loans cover expenses such as architectural fees, surveys, environmental and soil testing, land costs, consultants, etc., as well as bridge loans. GMHC also administers the funding during the predevelopment phase.

A large variety of housing is funded under this program including multifamily rental, home ownership, co-op housing, elderly housing, transitional housing and housing for special needs (for the disabled, persons with AIDS, chemical dependencies, mental illness, frail elderly, women and family shelters, etc.). We have also provided this funding for the development of charter schools, as well as commercial developments that enhance inner-city neighborhoods.



Gateway Lofts: Alliance Housing's new 46 unit building in North Minneapolis provides workforce housing. GMHC provided \$300,000 in predevelopment loans for this project.



Dale Street Place in St. Paul: GMHC provided a \$200,000 predevelopment loan to Community Housing Development Corporation for the rehabilitation of 151 units of housing for extremely low-income adults and long-term homeless adults.

**SINCE INCEPTION  
GMHC HAS PROVIDED  
LOAN COMMITMENTS  
OF \$68,908,408 for the  
development of 25,590  
units of affordable  
housing with a  
development cost of  
over \$2.1 billion.**

**DURING  
2013** >

57 units of affordable housing for low and moderate income persons went under construction or renovation, with a total development cost of \$10,751,373. GMHC provided \$255,000 in high-risk front-end loans to these projects. 92% of the units are in Minneapolis, 8% of the units are St. Paul suburban communities. All of the units were for lower-income people.

GMHC approved new loan commitments for \$1,182,500 for the development of 1,814 units. \$615,000 was provided for increases in existing funding commitments for the development of 284 units.

3,011 units are in some phase of development with GMHC loan commitments of \$7,226,644 with a development cost of \$418,122,301.



# CORPORATE SPONSORS

Six corporations (denoted with ★) were among the business organizations that formed the Greater Metropolitan Housing Corporation in 1970. Those organizations along with many others have continued to provide sponsorship funds for the past 38 years and have been joined by many others listed below. In 2013, these sponsors enabled GMHC to successfully achieve its mission to preserve, improve and increase affordable housing for low and moderate income individuals, and assist communities with housing revitalization.



2624 14th Avenue South, Minneapolis  
GMHC Single Family Home Renovation

American Family Insurance  
Architectural Alliance  
Aspen Waste  
Associated Bank  
Beacon Bank  
BMO Harris Bank  
CenterPoint Energy★  
Cermak Rhoades Architects  
Coloplast  
Ecolab Foundation  
Faegre Baker Daniels  
General Mills Foundation★  
Highland Bank  
Kevin Filter & Rosemary Kessler  
MidCountry Bank  
Oak Grove Commercial Mortgage  
Rita Wilczek  
Target★  
TCF Foundation  
The Dorsey & Whitney Foundation  
The Hubbard Broadcasting Foundation  
The Jay & Rose Phillips Family Foundation of Minnesota  
The McKnight Foundation  
Thrivent Financial for Lutherans Foundation  
U. S. Bancorp Foundation★  
Valspar  
W.C. Rasmussen-Northeast Bank Foundation  
Wells Fargo Foundation★  
Western Bank  
Xcel Energy★





# OFFICERS and DIRECTORS

## Officers:

### Chair

**Sue Knight**

Senior Vice President  
Chief Financial Officer  
MTS Systems Corporation

### President

**Carolyn E. Olson**

Greater Metropolitan  
Housing Corporation

### Vice Chair

**Erik A. Anderson**

Senior Vice President  
Treasury Management  
BMO Harris Bank

### Vice Chair

**James F. Clifford**

Senior Managing Director - IRG  
Private Equity Risk & Operations  
Black River Asset Management

### Secretary/Treasurer

**Cornell L. Moore**

Partner  
Dorsey & Whitney, LLP

## Directors:

**Janice K. Angell**

Vice President  
Compensation & Benefits  
3M

**Alex Frank**

Manufacturing Support Mgr.  
General Mills

**Claire Graupmann**

Executive Vice President  
Director- Retail Lending  
TCF National Bank

**Corey Haaland**

Senior Vice President, Finance  
Target

**Jay Kiedrowski**

Senior Fellow  
University of Minnesota  
Hubert H. Humphrey  
School of Public Affairs

**Robert Odman**

Retired/  
Community Representative

**Douglas Peterson**

Director of Sales and  
CIP Implementation  
CenterPoint Energy

**Paul G. Schmidt**

Executive Vice President  
Commercial Real Estate  
Division Manager  
Wells Fargo

**Gerald Thole**

Senior Vice President  
U.S. Bancorp CDC  
Community Affairs

**Maureen Warren**

President  
Children's Home Society  
& Family Services

**Scott Weatherby**

Vice President  
Nuclear Finance  
Xcel Energy

**Maureen O'Brien**

**Wieser**

Chief Operating Officer  
MidCountry Bank

**Laura Waterman**

**Wittstock**

President &  
Chief Executive Officer  
Wittstock & Associates

"On behalf of the Board of Directors, we are very proud of the work that GMHC does to preserve, improve and increase affordable housing and assist communities with housing revitalization. The GMHC team is highly committed to the organization's mission, working hard every day to create new housing alternatives in our community during these times when the demand is at record levels. GMHC is an integral part of making the Twin Cities a great place to live."

-Sue Knight, Chair

Below: Single Family Homes of EM Stately Street, Minneapolis, MN





# CONSOLIDATED STATEMENT OF ACTIVITIES

## YEAR END DECEMBER 31, 2013

### **PUBLIC SUPPORT AND REVENUE:**

### **TOTAL**

#### Public Support:

Foundations and Corporations

\$ 1,739,462

#### Revenue:

Real Estate Sales Proceeds

14,266,252

Program Grant Revenue

4,081,934

Project Development Fees

1,866,876

Equity in LLC Investment Loss

(63,912)

Interest

417,731

Total Revenue

20,568,881

Net Assets Released from Restrictions

--

Total Support and Revenue

22,308,343

### **EXPENSES:**

#### Program Services:

Predevelopment

869,714

Housing Resource Center

5,721,726

Single Family Homes

14,389,892

Total Program Services

20,981,332

#### Supporting Services:

General and Administrative

535,004

Fundraising

49,914

Total Supporting Services

584,918

Total Expenses

21,566,250

**INCREASE (DECREASE) IN NET ASSETS**

742,093

**NET ASSETS at Beginning of Year**

3,115,369

**NET ASSETS at End of Year**

\$ 3,857,462

For complete audit, contact our office at 612-339-0601.





3301 17th Avenue South, Minneapolis  
GMHC Single Family Home Renovation



3837 4th Avenue South, Minneapolis  
GMHC Single Family Home Renovation



# OUR OFFICES

## **GMHC Main Office**

15 South 5th Street, Suite 710  
Minneapolis, MN 55402

**ph:** 612-339-0601

**fax:** 612-339-0608

## **SHOP Home Mortgage™**

823 East 7th Street  
St. Paul, MN 55106

**ph:** 651-793-8900

**fax:** 651-744-0445

## **HousingResource Center™ North**

2148-44th Ave. North  
Minneapolis, MN 55412

**ph:** 612-588-3033

**fax:** 612-588-3028

## **HousingResource Center™ North & East Metro**

1170 Lepak Court  
Shoreview, MN 55126

**ph:** 651-486-7401

**fax:** 651-486-7424

## **HousingResource Center™ South**

3749 Cedar Ave. South  
Minneapolis, MN 55407

**ph:** 612-722-7141

**fax:** 612-722-6367

[www.gmhchousing.org](http://www.gmhchousing.org)

[www.shop-mortgage.org](http://www.shop-mortgage.org)







3610 Girard Avenue North, Minneapolis  
GMHC Single Family Home Renovation



15 South Fifth Street, suite 710  
Minneapolis, MN 55402  
**ph:** 612-339-0601  
**fax:** 612-339-0608

**Greater Metropolitan Housing Corporation**

[www.gmhchousing.org](http://www.gmhchousing.org)