



Greater Metropolitan Housing Corporation

Annual Report 2014



New Construction-North Minneapolis

GMHC's mission is to preserve, improve and increase affordable housing for low and moderate income individuals and families, assist communities with housing revitalization as well as create and carry out demonstration projects.

OUR YEAR

Forty four years later, GMHC continues to hold fast to its mission and has never been more involved in responding to the pervasive problems of substandard housing in the Twin Cities. Our goal is to serve more people annually in each of our four core programs serving cities, communities, and especially, areas of concentrated disadvantage.

The Minneapolis business community founded GMHC in 1970 in the wake of social unrest about the declining quality of life in North Minneapolis. The founders' purpose was to increase the availability and quality of affordable housing for low- and moderate-income families and individuals. Through the **Single Family Homeownership Program** we build and renovate single family homes for sale with the majority to first-time home buyers and people with low to moderate incomes. **SHOP Home Mortgage™** provides socially responsible home financing tools to people shut out of the traditional credit market. **HousingResource Centers™** offer homeowners and homebuyers free services and loans or grants to maintain the stock of affordable single family homes and rejuvenate declining neighborhoods. The **Predevelopment Revolving Loan Program** funds the early and often high risk expenses of affordable housing development.

During 2014, 73% of the clients served by our four core programs were persons at or below 80% of area median income and 43% persons of color.

All GMHC Programs At a Glance

2014

Homes Sold: 75

Rehab/Down Payment Loans: 471

Mortgages Closed: 80

Predevelopment Units Under Construction: 543

TOTAL: 1,169

By City:

Minneapolis:

51%

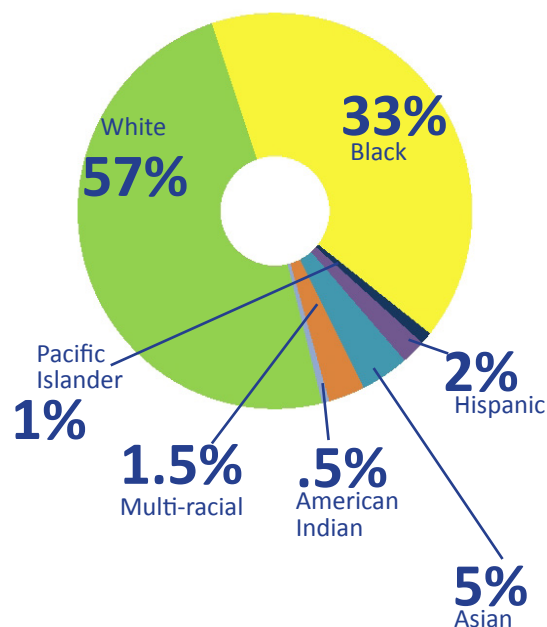
Saint Paul:

17%

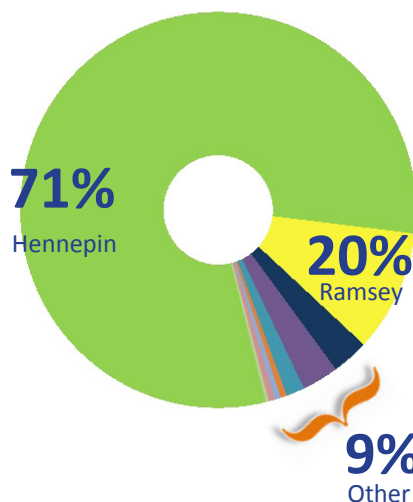
Suburbs:

32%

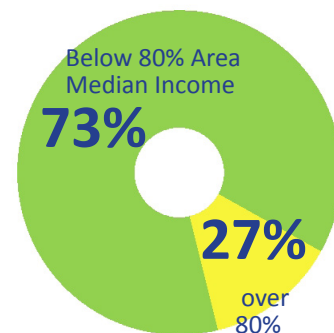
By Ethnicity:



By County:



By Income:



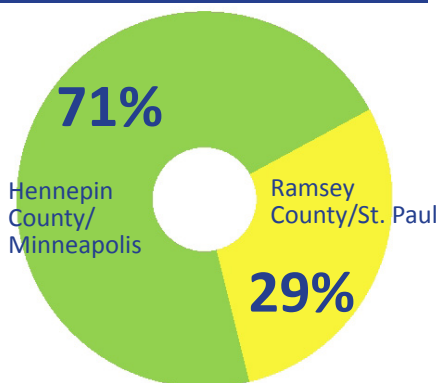
OUR IMPACT

Predevelopment Revolving Loan Fund

This program funds the early and often high risk expenses of affordable housing development. These costs include land purchases, surveys, environmental and soil testing, architectural fees, consulting expenses, and bridge loans. GMHC's early investments leverage construction and preservation of many types of affordable housing, including multifamily rental properties, elderly housing, transitional and supportive housing for families with histories of homelessness, and housing for people with special needs. GMHC loans, which range in size from \$10,000 to \$2,000,000, are available to both nonprofits and for-profit housing developers.

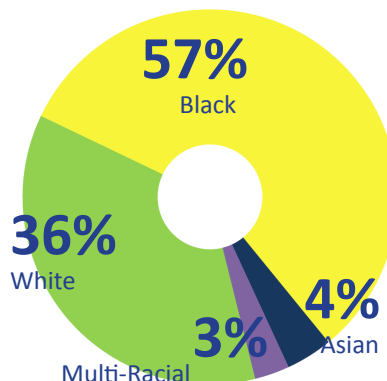
Loan commitments totaling \$2,317,000 for the development of 1,579 units were approved in 2014, leveraging a total development cost of \$202,992,380. Residents living in units supported by the Predevelopment Revolving Loan Fund are at or below 80% of the area median income with 95% at or below 50%. 64% are persons of color. In the last 44 years, GMHC has loaned more than \$69 million for the construction or rehab of 26,177 units of very low income housing, leveraging a total development cost of over \$2 billion. Each GMHC dollar invested was leveraged 30 times. In addition, for every \$100,000 in development costs on a project, 1.2 jobs are created or retained.

By City/County:

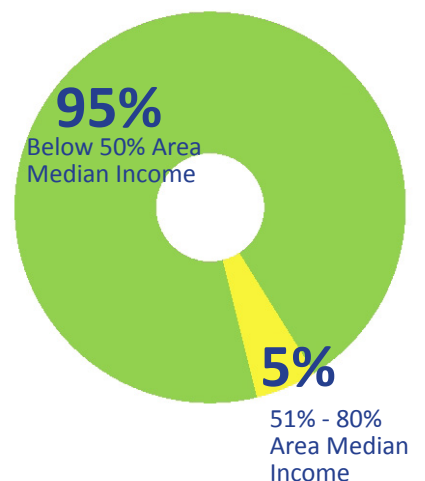


2014 Program Locations and Demographics:

By Ethnicity:



By Income:



OUR IMPACT

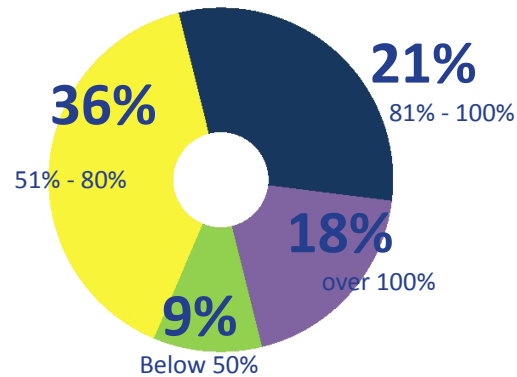
Single Family Homeownership Program

In partnership with public agencies and neighborhood organizations, GMHC builds and renovates single family homes. The majority are sold to first-time home buyers and people with incomes at or below 100% of the area median. New homes built by GMHC follow the Enterprise Green Communities criteria and meet or exceed Energy Star v3.0 requirements resulting in energy efficient homes beneficial to the buyers and the environment. GMHC's homes provide many benefits to the community:

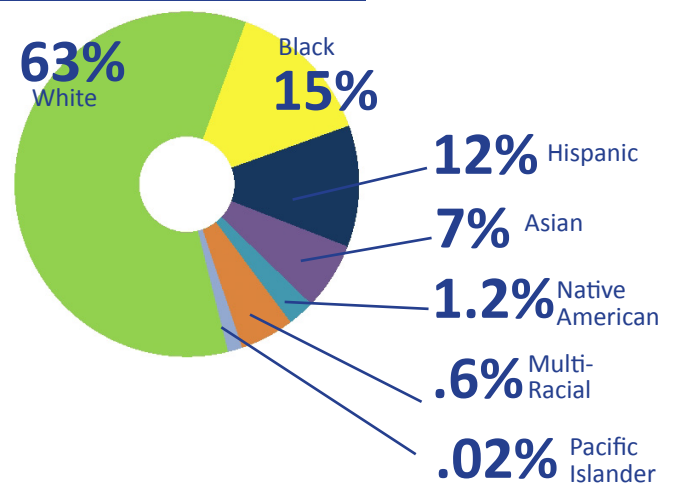
- Families have stable housing in which to nurture their children.
- Property values increase in neighborhoods, generating tax revenues for cities and counties.
- Jobs are created during construction.

In 2014, 75 homes were sold to owner-occupants. Of those buyers, 44% were persons at or below 80% of area median income, 81% were first-time home buyers and 38% were people of color. Since 1970, 1,743 homes have built or renovated with a total development cost in excess of \$214 million. In addition, for every \$100,000 in development costs on a project, 1.2 jobs are created or retained.

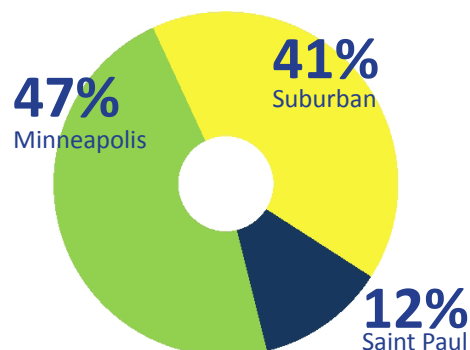
By Income:



By Ethnicity:



Homes Sold: (by location)



First-Time Homebuyers:

81%



NSP Rehab - South Minneapolis

OUR IMPACT

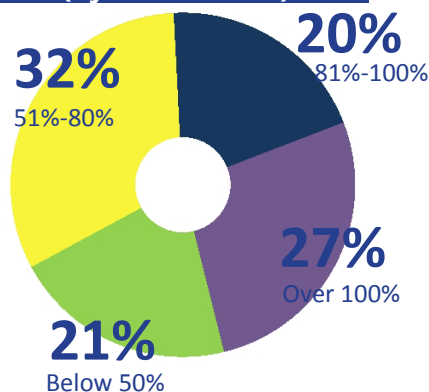
Housing *Resource* Centers™

HRCs' offer homeowners and homebuyers free services, loans and grants to maintain the stock of affordable single family homes and rejuvenate declining neighborhoods. GMHC created this program in 1995 to provide housing services to homeowners. The three HRCs' offer an array of services to homeowners and prospective homeowners in participating cities and neighborhoods including:

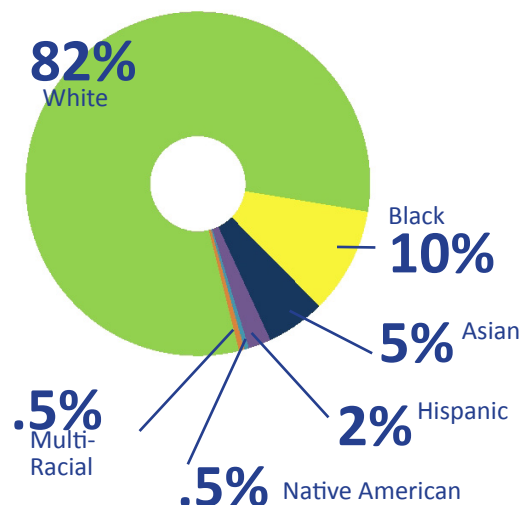
- Extensive, high quality, individualized home improvement and financing advice;
- Construction management, including home inspections to prioritized improvement projects, written scopes of work, contractor referrals, bid evaluations, and other assistance throughout the renovation;
- Loans and grants for more than 60 rehab programs and down payment assistance in 16 cities and counties in the metropolitan area.

Since 1995, Housing *Resource* Centers™ have demonstrated their value through improved housing stock, increased home ownership, and substantial reinvestment in neighborhoods. In 2014, 13,000 services were provided to homeowners or potential homeowners including 4,682 construction management consultations. 471 down payment assistance, rehab loans and grants were closed with 53% for persons at or below 80% of median income & 18% were persons of color. More than 233,000 services have been provided since 1995. Construction and rehab management accounts for more than one-third of the HRC's' services in this period, and homeowners and homebuyers received 9,640 loans and grants through this program.

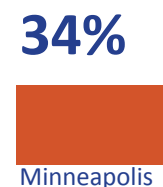
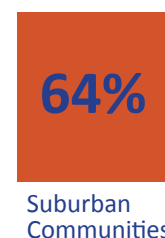
Income:
(by loans closed)



By Ethnicity:



2014 Closed Loan Locations:



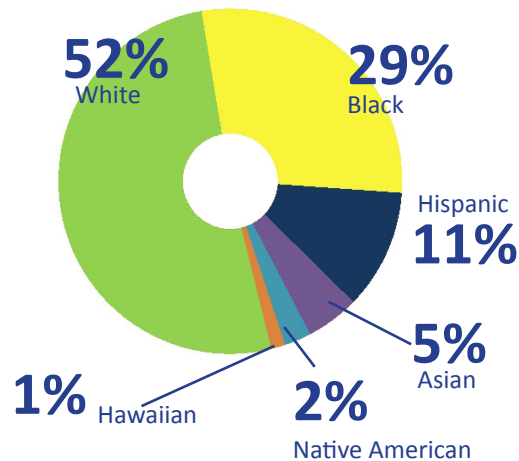
OUR IMPACT

SHOP Home Mortgage™

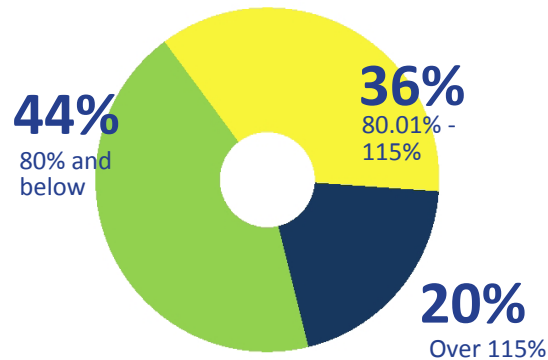
In partnership with Dayton's Bluff Neighborhood Services, GMHC created SHOP Home Mortgage™. SHOP's proprietary product is the Bridge-to-Success Contract-for-Deed program, an innovative and flexible credit facility funded by public and socially responsible investors that offers prudent, affordable credit 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 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 FHA or conventional fixed-rate loan product within ten years. Extensive outreach with community, faith-based organizations, financial institutions and realtors 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.

In 2014, 80 loans closed – 73 of which were contract-for-deeds. Of the mortgages closed 44% were for persons at or below 80% of median income and 48% were persons of color. Since SHOP's inception in 2008, 289 loans have closed. We have consulted with more than 9,000 prospective homebuyers and presented 271 community events, workshops and seminars.

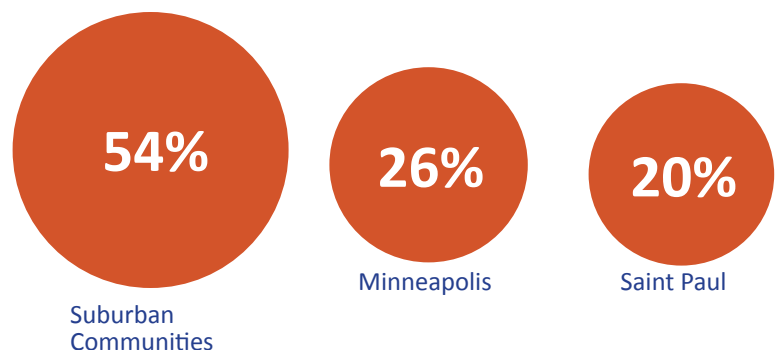
By Ethnicity:



Income: (by loans closed)



2014 Closed Loan Locations:



OUR BOARD & SPONSORS

OFFICERS

CHAIR:

Maureen O'Brien Wieser
Chief Operating Officer
Midcountry Bank

PRESIDENT:

Carolyn E. Olson
Greater Metropolitan
Housing Corporation

VICE CHAIR

Erik A. Anderson
Senior Vice President
BMO Harris Bank

VICE CHAIR:

Corey Haaland
Senior Vice President, Treasurer
Target

SECRETARY/TREASURER:

Jay Kiedrowski
Senior Fellow/Faculty Director
Public & Nonprofit
Leadership Center
Humphrey School of
Public Affairs, Univ. of. MN

DIRECTORS

Janice K. Angell
Vice President
Compensation & Benefits, 3M

Claire Graupmann
Executive Vice President
Director Retail-Lending
TCF National Bank

DIRECTORS CONT'D:

Christopher P. Higgins
Executive Vice President
Chief Information Officer/
Technology & Operations
U.S. Bank

Robert Odman
Retired-Minnesota Housing

Doug Peterson
Senior Director of Sales &
CIP Implementation
CenterPoint Energy

Glenn A. Sansburn
Senior Vice President
Commercial Real Estate Group
Wells Fargo

James J. Solem
Retired - Metropolitan Council

Gerald Thole
Retired - Wells Fargo

Scott Weatherby
Vice President - Nuclear Finance
Xcel Energy

Laura Waterman Wittstock
President/Chief Operating Officer
Wittstock & Associates

Financial Statement

Consolidated Statement of Activities Year Ended December 31, 2014

PUBLIC SUPPORT AND REVENUE:	Total:	
Foundations and Corporations	\$	470,777
Revenue:		
Real Estate Sales Proceeds		13,885,325
Program Grant Revenue		4,465,462
Project Development Fees		2,266,931
Equity in LLC Investment Income		26,706
Interest		427,433
Total Revenue		21,071,857
Net Assets Released from Restrictions		
Total Support and Revenue		21,542,834
EXPENSES:		
Program Services:		
Predevelopment		883,935
Housing Resource Center		5,815,285
Single Family Homes		14,625,188
Total Program Services		21,324,408
Supporting Services:		
General and Administrative		517,753
Fundraising		50,482
Total Support Services		568,235
Total Expenses		21,892,462
CHANGE in NET ASSETS		(349,809)
NET ASSETS at Beginning of Year		3,857,462
NET ASSETS at End of Year		3,507,653

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

SPONSORS

American Family Mutual Insurance Company
Architectural Alliance
Aspen Waste Systems
BMO Harris Bank
CenterPoint Energy
Cermak Rhoades Architects
Coloplast
Ecolab
Frana Companies
General Mills Foundation
Guaranty Commercial Title, Inc.
Kevin Filter & Rosemary Kessler
MidCountry Bank
Minneapolis Area Association of Realtors Foundation
Oak Grove Commercial Mortgage
Rita Wilczek
Target
TCF Foundation
The Dorsey & Whitney Foundation
The Hubbard Broadcasting Foundation
They Jay & Rose Phillips Family Foundation of Minnesota
The McKnight Foundation
Thrivent Financial
U.S. Bank Foundation
Valspar
W.C. Rasmussen-Northeast Bank Foundation
Wells Fargo Foundation - Minnesota
Wells Fargo Housing Foundation
Western Bank
Xcel Energy Foundation

New Construction-South Minneapolis



OUR OFFICES

KEY STAFF

Carolyn E. Olson, President
Pete Flom, SHOP Vice President
Eden Spencer, Director of Single Family Housing
Curt Bennett, Senior Construction Manager
Suzanne Snyder, Director of HousingResource Centers
Glenda Ware, Director of Finance
Sally Krusell, Development Director

GMHC Main Office

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SHOP Home Mortgage™

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HousingResource Center™ North

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

HousingResource Center™ North & East Metro

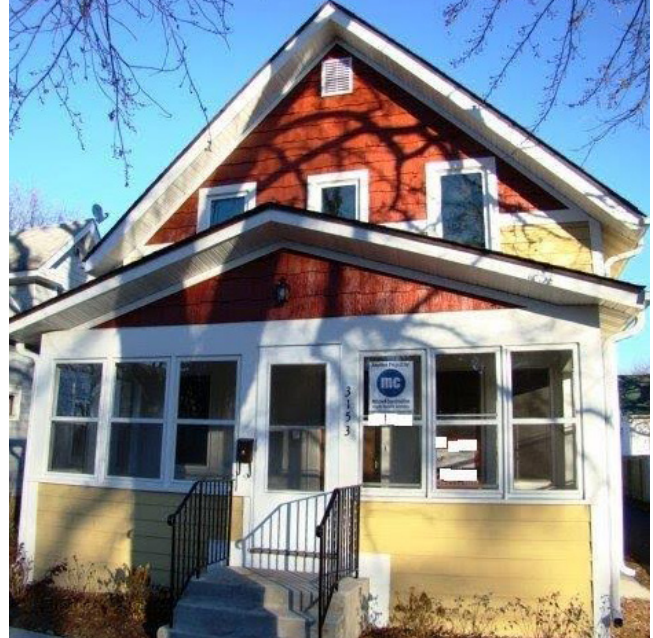
1170 Lepak Court
Shoreview, MN 55126
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3749 Cedar Ave. South
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fax: 612-722-6367

www.gmhchousing.org

www.shop-mortgage.org



NSP Rehab- South Minneapolis



NSP Rehab- North Minneapolis