

ANNUAL REPORT

GREATER METROPOLITAN HOUSING CORPORATION has been at the forefront of contributing, supporting and actively promoting affordable, quality housing since 1970. The Minneapolis business community founded GMHC 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 by committing \$1 million collectively over five years to create the Single Family Homeownership Program, which renovates and builds single family homes. SHOP Home Mortgage™ was created later to help provide contract for deed and first mortgage opportunities for homebuyers impacted by the foreclosure crisis.



MISSION

GMHC preserves, improves, and increases affordable housing for low- and moderate-income families and individuals, assists communities with housing revitalization as well as creates and carries out demonstration projects.

Affordable housing is the foundation of productive lives, school success, asset building, and stable communities. Stable housing and supportive services can increase a person's potential for education and employment and enable people who are ill or disabled to move forward with productive daily living. While the housing market has improved since the market collapse, the development and preservation of affordable housing continues to be a challenge. The number of families and individuals who need affordable housing continues to grow.





SINGLE FAMILY HOMEOWNERSHIP PROGRAM

GMHC builds and renovates single family homes in the inner-city of Minneapolis, St. Paul and 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.

2023 IMPACTS

GMHC sold **four homes** to owner occupant homebuyers with a development cost of **\$1,680,000** creating or retaining **20 jobs**. An additional 12 homes were under construction or completed and pending resale, and 37 properties were in some phase of development such as neighborhood review, plan drawings or out for construction bids, and pre-acquisition. Of the four homes completed and sold to owner occupants, 75% were persons of color and 100% were first time homebuyers. 100% of the buyers have low to moderate incomes and 50% of the buyers were first generation homebuyers.

DURING THE PAST 5 YEARS

GMHC completed and sold **51** homes with a development cost of **\$18,145,000** creating or retaining **218 jobs**. During this timeframe, 70% were homebuyers of color, 64% were low-income homebuyers and 80% were first-time homebuyers. GMHC typically builds spec homes (prior to having a buyer), hires the contractors, provides construction management, and finances the construction, as well as overseeing the marketing and selling to the homebuyer(s).

Since inception, GMHC has constructed or renovated and sold 1,946 homes to homebuyers with total development costs of \$271,509,016.





SHOP HOME MORTGAGE™

In partnership with Dayton's Bluff Neighborhood Services, GMHC created SHOP Home Mortgage™. SHOP's proprietary product was the *Bridge to Success* Contract-for-Deed program, an innovative and flexible credit facility funded by public and socially responsible investors that offered prudent, affordable credit to borrowers no longer served by mainstream credit markets. The Contract-for-Deed was for people who had the financial capacity to purchase a home but who had been unable to qualify for bank financing due to poor credit history, bankruptcy, foreclosure, or not understanding the financial process. The program allowed buyers who had addressed their credit issues to purchase a home then and supported them through a personal financial plan, individual counseling, and home buyer education. The goal for the buyers remaining in a Contract-for-Deed was and still is to restore their credit and improve their financial habits so that the Contract-for-Deed can be refinanced into an FHA or conventional fixed-rate loan product within ten years. As a result of the efforts of SHOP staff, counselors and our servicer, Community Reinvestment Fund, over 87% of the 156 contract-for deed clients have been able to refinance to market rate mortgage products.

2023 IMPACTS

- 3 loans were paid off by assisting Contract-for-Deed buyers to obtain traditional financing of their properties.
- 11 contracts remain in the pool from the original 156 and staff continues to work with clients to secure traditional financing

GMHC OFFICERS AND DIRECTORS

OFFICERS

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2023 SPONSORS

Four corporations (denoted below by a star) were among the business organizations that formed GMHC in 1970. Those organizations along with many others have continued to provide sponsorship funds for the past 49 years and have been joined by many others listed below. In 2023, these generous sponsors provided \$149,510 to enable GMHC to successfully achieve its mission.

Associated Bank
BMO Harris Bank
CenterPoint Energy*
Ecolab Foundation
Old National Bank
Premier Bank
Results Foundation

Sunrise Bank
Target Foundation*
The Dorsey & Whitney Foundation
US Bank Foundation*
Walter C. Rasmussen - Northeast Bank Foundation
Wells Fargo Foundation*

2023 financials available upon request.



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