

2018 Annual Meeting – A Report to our Members by Lorrie Keating Heinemann, President & CEO

#### Dear MDC Members:

Thank you for being a member of Madison Development Corporation. As we enter our 41st year of providing both quality, affordable housing for Madison and Dane County residents and financing hard to finance businesses ventures in Dane County, we want to thank you, our members, our volunteer Board of Directors, and our talented MDC Staff for helping make our success possible.

When I joined MDC in late 2016, the Board set clear goals which included continued growth in both our Affordable Housing Portfolio as well as our Lending Programs (Business and Venture Debt Loans). Our Housing portfolio grew from 207 units to 253 units with the completion of the Mifflander mid 2017. Our revenue growth kept pace as the Mifflander was 100% occupied by 7-1-17 and remains so today. Our Business Lending Program kept pace in 2017 even though our Venture Debt Fund took a set back due to HUD funding being pulled by our largest investor, WHEDA.



## **MDC's Small Business Loan Programs:**

MDC has three programs for small business loans - our Business Lending Program (BLP) funded by City CDBG dollars, our Dane County Development Corporation (DCDC) Loan Fund, financed by local banks, and our Co-Op Lending Program. As of June 2018, have 44 loans in our BLP program with \$2.14 million of loans outstanding, and we have 12 loans in our DCDC Fund and \$440,000 of loans outstanding. Our Co-Op Loan program is new and under development, and we hope to have new loans before year end.

## MDC's Venture Debt Fund:

Our MDC Venture Debt Fund has 18 investors (Local Banks, MGE, Economic Development Organizations and WHEDA) who have committed approximately \$8 million to our Fund. We have issued \$7.3 million of Venture Debt Loans to 23 companies and currently have \$4.9 million outstanding from these companies.

### **Job Report**

We continue to see good job reports and wages reported by our borrowers. Together our Lending portfolio companies have created well over 200 quality jobs in Dane County in 2017.

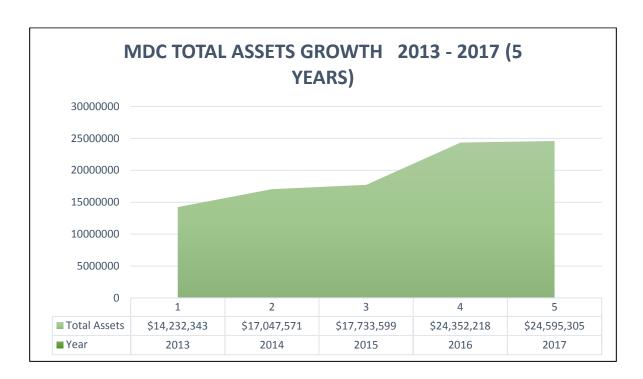
# Affordable Housing

MDC expanded our quality, affordable housing portfolio to low-to-moderate income residents in Dane County by over 50% in the past 12 months. As of December 2016, we had 207 units under management, and as of June 2018, we have 313 units due to the completion of the 46 unit Mifflander in 2017 and the acquisition of 641 W Main St in Madison in 2018.



## **Looking Forward**

We are currently looking at further investments into our properties with our Housing Committee so that we can increase our portfolio of rental properties and meet the strong demand for affordable housing in Madison. This includes both development at our current sites, as well as acquisitions.



Thank you again for being a member of MDC! We look forward to another great year ahead.