

HABITAT FOR HUMANITY ST. LOUIS

TO: HFHSL Board of Directors

FROM: Kimberly McKinney

RE: Board of Directors Meeting

Tuesday, April 23rd- 11:30 am

LUNCH IS AVAILABLE AT 11:15am

BOARD OF DIRECTORS MEETING

HABITAT FOR HUMANITY SAINT LOUIS ADMINISTRATIVE OFFICE

3830 South Grand Blvd.
Saint Louis, MO 63118

Enclosed please find an agenda with supporting documents for our meeting. Please note that reports are included for those committees with new information since our last meeting. Only those committees with action items will give oral reports. Of course, questions will be entertained of any committees.

So that we may have an accurate lunch count please RSVP to Zoe Sullivan at zoe@habitatstl.org. If we do not hear from you, food will be ordered and purchased as if you are attending!

**Habitat for Humanity Saint Louis
Board of Directors Meeting
April 23, 2019**

Call to Order	Chris Roetheli
Mission Moment	Julia Hart
Minutes of March 26 th , 2019 Meeting	Pattye Taylor-Phillips
Treasurer's Report	Stephen Westbrook
Strategic Topics:	Josh Vaughn & Linda Lowenstein – ReStore Update
CEO Report	Kimberly McKinney

Committee Reports:
Discussion of any requiring Board action and/or questions regarding written reports.

Other/Open Business

Adjournment of Full Board

Executive Session **as needed*

Adjournment

MARK YOUR CALENDARS:

Upcoming Events

Tuesday, May 21, 2019	Board Meeting, 11:30 AM
Friday, June 7, 2019	Executive Build, 2nd of 4
Tuesday, June 25, 2019	Board Meeting, 11:30 AM
Friday, September 20, 2019	Executive Build, 3rd of 4
Friday, December 6, 2019	Executive Build, 4th of 4

“A world where everyone has a decent place to live”

Minutes from the meeting of the Board of Directors of
Habitat for Humanity Saint Louis (HFHSL)
March 26, 2019 Minutes

The following members of the Board of Directors and other interested parties were present:

Chris Roetheli	Stephen Westbrook	Patty Taylor-Phillips
Natasha Das	Ed Alizadeh	Barb Anderson-Kerlin
Amy Berg	Jared Boyd	Jami Boyles
Jamey Edgerton	Kay Gasen Thenhaus	Malaika Horne
Linda Loewenstein	LaDawn Ostmann	John Parker
Nick Popielski	Carla Reid	Josh Udelhofen
Nat Walsh	Bob West	Avis McHugh
Harper Zielonko	Kimberly McKinney	

Chris Roetheli called the meeting to order at 11:34 am. The mission moment was given by Avis McHugh (Director of Family Services) who left the meeting following.

Kimberly welcomed new board member Jamey Edgerton who was unable to attend the January board retreat due to illness. Barb Anderson-Kerlin as his board buddy provided an introduction Jamey is originally from Atlanta. He works in Finance and has lived in several cities across the US prior to his return to St. Louis to be close to family. Jamey is a Vice President at Triad advisors. He has 4 children and volunteers his time at several local organizations. Welcome Jamey!

Minutes: A motion to approve the minutes from the November 27, 2018 Board of Directors meeting was made by Amy Berg and seconded by Stephen Westbrook. The motion was approved.

Treasurer's Report: Stephen Westbrook reported on the new builds planned for 2019 as well as the three closings scheduled for April 2019. ReStore sales through 2/28 are approximately \$100,000 for each location. Stephen reported that the Finance Committee reviews performance in 4 categories: 1) Resource Development: is outpacing budget through the end of February, 2) Management: is on budget, 3) Home Sales: is a little behind, based on how "in kind" is booked, and 4) ReStore: sales are slightly behind budget due to some weather issues, but is expected to rebound to meet the \$1.4 million budgeted. While GAAP Net Income is negative through February, the budget expectation is to the end the year at just over \$800K. The swing from a negative \$125K to positive \$800K is based on home sales and ramping up mission support as it is budgeted to start slowly at the beginning of the year, increasing as the year progresses. Short Term Debt is down \$141k since the end of 2018 year over year and is projected to end the year at \$1,087,000 (with the \$800K unsecured line of credit paid down to \$775K.) Home lines of credit are being paid off when homes are sold. The finances are complicated, because of the various accounting requirements related to being a non-profit, a retailer, and a home builder. Tom Wohlfeil has been hired as the new Finance Manager (replacing Julia Hart) and began work on February 25. He will work three days a week until March 18, when he begins work full time. Julia will work full-time until March 15 and then two days a week until April 30. In closing, the Board acknowledged the great work of the finance team: Dan Cierpiot, Julia Hart, Stephen Westbrook and the Finance Committee.

Strategic Topics: Resource Development & the Board's Role (Harper Zielonko):
Special Initiative - The Industry Challenge: In an effort to raise additional passive income (not directly tied with build benefits), Resource Development is launching industry challenges for 2019. The first challenge will kick off in April 2019 (many thanks to Nat Walsh for his leadership) and will include 12 title companies (Security, Alliance, Continental, Innovative, St. Louis, Clear, Select, Old Republic, Insight, True, Vision and US Title) who will offer \$5 to Habitat for both sides of all closings during the month of April. For their participation, they will be featured on the Habitat Saint Louis website and in social media blasts. We initially hoped to get 4-5 commitments, but we now have more than 10. This initiative may yield more than \$10,000 in mission support donations that were not specifically included in the 2019 budget. Materials can be customized by the Habitat Development team to advertise the appeal with agencies participating in the challenge. We would like to do this again with different industries/agencies sponsoring the donations. A Realtor's Challenge is pending for June 2019.

For the Title Company challenge, Nat reached out to a few organizations to encourage them to participate and used the commitments from the "early adopters" to encourage other title companies to join the effort. The approach is very transferrable to other industries. We just need the leads to follow. Industry Challenge ideas were suggested such as: Residential Broker Agency Challenge, Insurance Agency Challenge, or Accounting Agency Challenge (i.e. donate \$5 per tax return processed and communicate the donation to Habitat- St. Louis on the client's bill). This concept can be applied to many types of businesses. Board Members are asked to submit ideas and leads for future appeals to Kimberly or Harper.

Executive Build: Nat Walsh is cultivating prospects for the Habitat Executive Build. Sadly due to lack of interest, the March date had to be cancelled. For a \$500 donation, this event provides an opportunity to participate in a half-day build experience , with a small group (6-8 people), where a participant can meet and discuss Habitat-St. Louis' mission with Kimberly and Harper. Additional dates for 2019 are June 7th, September 20th, and December 6th. Board members asked: Should Habitat-St. Louis invite the presidents of local companies (in a specific industry such as "Title Companies") to the next Executive Build?... or invite them to the Habitat Office to discuss ways they can engage with Habitat St. Louis' mission? This is an opportunity to provide a personal tour of the Habitat facility and operations (including the Warehouse, Restore, etc.) Board Members are encouraged to think about their networks and invite colleagues to participate. If additional resources are needed, please contact Kimberly or Harper.

Summer Challenge: An application was submitted to Spire to return as the corporate sponsor of the summer match (\$50,000). Before the match appeal, the summer appeal was our weakest direct mail link, routinely bringing in under \$10,000. It had a lower response rate, with 100 – 125 gifts being the norm. The ROI was weaker as well, with a cost per dollar raised right around 25 cents. The first year we implemented the Spire challenge, our net income jumped to almost \$30,000 net from 228 gifts, with a cost per dollar raised at 11 cents. As the match has continued to increase annually, the summer appeal became our second biggest appeal of the year. There were some initial concerns that participation in this appeal would take funds from the winter appeal (which is our most fruitful appeal of the year.) but, to date, it appears to have had little effect on end of year giving. This effort has produced an increase in giving from lapsed donors and new donors. A proposed board match of \$10,000 (on top of the Spire Commitment) was discussed and will be further vetted at the April meeting.

CEO Report

KMOV: Back on for 2019!! Since the Retreat, Harper and Kimberly met with KMOV and requested a modified schedule that would allow us to continue the tradition even though the 2019 sites are not as “accelerated schedule” friendly and KMOV said “yes”. The 2019 home will be built with KMOV partners from Oct 28 – Nov 1 and then again from Nov 18 – Nov 22 with dedication slated for Nov 25th (the Monday prior to Thanksgiving). During the two weeks between KMOV partner days, subcontractor work will be scheduled without incurring additional expenses. Additionally, the “dark period” will allow us to schedule around the 2020 elections (which also means we are confirmed for next year.)

Endowment: In late February, we were notified by the St. Louis Community Foundation that Ralph and Ruthie Deuser created an endowment fund “as a challenge to create or strengthen” our “organization’s unrestricted endowed resources”. To receive a match of \$292,130.20, we must raise an equal amount for the fund by March 1, 2024. Once the match has been reached, the Deuser grant will be deposited into the Community Fund where it remains as an asset on their books. We would then receive in perpetuity a distribution each March of approximately 4% (approximately \$24,000). Various gifts including mutual funds, publicly traded securities and testamentary gifts are accepted towards the match. Board members asked if this is a good economic option for Habitat Saint Louis. Kimberly will provide more information for Finance Committee to vet the economic considerations of the endowment opportunity.

Relocation: HFHSL Headquarters: Board Retreat Outcome 2014:

The Awards Season continues, as Habitat was recognized:
Recipient of the Economic Impact Award, CREW (Commercial Real Estate Women),
Winner of the St. Louis Business Journal Building St. Louis,
Finalist for the SLCCC (Council of Construction Consumers) Best Practices
Host of “Go Dutch!” 75+ Realtors to promote the Dutchtown Area / March 20th.

Mortgage Loan Fund: Board Retreat Outcome 2015:

CLOSED! The first four loans to be funded by the mortgage loan fund closed in late December. First Bank has now also committed and will be in place to receive two of the three loans from April 10th closings. To keep participation simple and fair, rotation is occurring every five mortgages (which means that Midland has one remaining until their next “turn”.) Providence Bank has asked about next steps and is likely to be in rotation before additional closings. Each bank “ask” is for \$1 million minimum and an interest rate of 2.5%.

Neighborhoods/Home Construction/ Homebuyers: Scattered South City Sites: 5032 Ulena will close on April 10th. One Ulena home and one Indiana home remain under construction. To avoid the expense of a retaining wall at the Indiana property (which would be subcontracted), a garage will be added to the property, allowing Habitat to self-perform much of the work and to increase the sales prices of the house for this added amenity. Tiffany Phase II is at the drywall phase and pending the completion of the masonry will close in late May. Inventory Homes: The last Lookaway and one of the two remaining Hazelwood homes will also close on April 10th. La Saison: (Previously noted as New City Build): Meetings with St. Louis Housing Authority continue. Permits have been approved by the City of St. Louis. Build start is pending legal documents from SLH. To expedite, we provided template language from past projects.

Future Builds: As shared at the Retreat, subsidy funding is in place as follows:

Lookaway Phase 2 – 7 homes \$446,751
Gate District (across from Tiffany) – 5 homes, \$285,800
Tiffany Phase 3 – 3 homes \$216, 287

Additionally, St. Louis County recently requested a proposal as they have reclaimed funds from another entity that is unable to fulfill their requirements under grant funds. A meeting with University City to inquire about land for a possible 2020/2021 development was well received. The lot and additional information requested of them to move forward with an application is expected in April.

ReStore: Full notes from the Board Retreat discussions, both “ReStore Program – Driving Donations and Awareness” and “Real Estate – Present Outparcel and Future of the ReStore” are available on the portal. The strategic topic at a future meeting will further update the discussion. A portion of the discussion related to the ReStore Program was the need to have a volunteer (or volunteer committee) focused on business development and specifically retail centers such as Signature Kitchen and Bath. Much thanks to Linda Loewenstein for agreeing to take on this role! The ReStore has a new truck on the road, funded by a grant from St. Louis Jefferson Solid Waste Management. This 2019 F-550 features a full 16’ bed 19,500-pound payload capacity, removable stake sides and a 2500 lb. capacity lift gate.

Advocacy: Due to the timing of the Affordable Housing Assistance Program (AHAP) release, we did not have enough property under site control to garner the full amount. A second application for the remaining portion has been completed and likely will be submitted prior to the March meeting (pending information from Midwest Redevelopment Corp.) As support letters were included from Senator Nasheed, Representative Franks and Mayor Krewson, the public hearing will be waived.

The Royal Bank branch has opened at 3830 South Grand facility, which is staffed 3-4 days a week. There is also an Integrated Teller Machine (ITM) onsite.

Adjournment

There being no further business, the meeting adjourned at time 12:37 pm. The motion was made by Amy Berg and seconded by Nat Walsh. The motion was approved.

Respectfully submitted: Pattye Taylor-Phillips, Board Secretary

Habitat for Humanity of Saint Louis

Dashboard

as of March 2019

Income and Expenses						
	YTD Actual	YTD Budget	%	Annual Budget	Prior Year YTD	
Mission Support	\$190,778	\$145,725	131%	\$1,601,500	\$308,701	
Restricted Contributions	\$0	\$24,999		\$100,000	\$85,000	
Total RD Revenue	\$190,778	\$170,724	112%	\$1,701,500	\$393,701	
Construction Grants	\$0	\$0		\$1,367,460	\$0	
Total Contributions	\$190,778	\$170,724	112%	\$3,068,960	\$393,701	
Other Income	\$214,459	\$588,193	36%	\$2,816,291	(\$8,199)	Under budget as amount is tied to grants revenue from closed homes (\$342k)
House Transfers	\$0	\$900,000		\$3,600,000	\$145,000	
Construction In-kind	\$0	\$0		\$174,000	\$61,093	
ReStore South Side (SS/FP) Revenue	\$152,633	\$163,000	94%	\$650,000	\$74,886	Off budget due to closures/reduced hours due to weather
ReStore Des Peres (DP) Revenue	\$170,016	\$187,599	91%	\$780,400	\$187,582	
Total Income	\$727,886	\$2,006,516	36%	\$11,089,651	\$854,063	
Operating Expenditures	\$944,180	\$1,016,233	93%	\$5,755,112	\$915,571	
Home Construction	\$7,489	\$1,098,304		\$4,393,219	\$149,854	
Total Expenditures	\$951,669	\$2,114,537	45%	\$10,148,331	\$1,065,425	
Net Profit (Loss)	(\$223,783)	(\$105,021)		\$941,320	\$211,362	
ReStore Forest Park Profit (Loss)	\$48,513	\$41,678	116%	\$145,767	(\$13,807)	
ReStore Des Peres Profit (Loss)	\$105,373	\$143,283	74%	\$ 582,986	\$76,195	
	Principal Bal	High Limit				
3830 South Grand / Royal TEBF	\$2,040,000	\$2,040,000				The full amount had to be booked in order to purchase tax exempt bonds.
Royal Bank Construction Line of Credit	\$378,225					
Royal Banks Truck Loan	\$48,950					St Louis Jefferson Reimbursement
Royal Bank LOC	\$800,000	\$800,000				
Peoples Bank LOC	\$818,262	\$1,189,367				
	YTD 2019	YTD 2018		Change		
Year/Year Change in Cash	-\$2,556	\$72,352		(\$74,908)		
Year/Year AP	\$1,029,464	\$866,572		\$162,892		
Year/Year Change in Debt	\$1,633,637	\$1,766,600		(\$132,963)		
Mortgages	Actual	Benchmark				
Delinquent Mortgages (90+ days)	2					Currently two third party loans are delinquent. CitiMortgage continues to write off loans regardless of payment history. We are encouraging buyers to seek advice from tax preparers.
Open Communication w Representative	0					
Construction	Actual	Benchmark				
Housing Units Closed	0					
Housing Units Under Construction	14					
Construction In Progress	\$1,323,033					
Cost/Closed	\$94,502					Includes In Kind Amount of \$15,483 (average per home)
Financial Donor Volunteer Days	0					0 of 0 possible build days
Homeowner Applications Distributed	91					64/91 or 70% return rate. 164 Tier 2 / 14 Approved
Lots Available	30					executed with LRA
Vacant Homes	0					No owned, any vacancies are pending title issue resolution/ Wellston (5) Vacant Lots
ReStore	Actual	Benchmark				
Average Number of Transactions SS	1417					Per Month and Per Customer (not per item)/+109 from prior report; +143 from prior year.
Average Number of Transactions DP	1564					Per Month and Customer, +134 from prior report, +46 from prior year
Average Sales Per Square Foot SS	\$29.79	\$22.71				HFHI median of stores similar sqft (20k), +\$2.69 from prior report,+\$17.85 from prior year.
Average Sales Per Square Foot DP	\$17.00	\$23.99				Benchmark (40k sqft as basis)/ +2.52 from prior report; -0.15 from prior year.
Total pickups/drop-offs this month	803					194 Pick-Ups/194 drop offs SS/415 drop offs DP.
						COMMENTS
Resource Development	Actual	Benchmark				
New Donors : Mission Support	144					Increase of 24 from prior year and a decrease of 8 from last year
New Donors YTD -Contribution=/> \$1200	2					Increase of 1 prior report / decrease of 1 prior year
Median GC Gift Amount	\$50					Non change from prior report/increase of \$13 from prior year
Renewed Mission Support Donor %	34%	40%				Benchmark reflects a NFP Standard
Renewed Keystone members/Specialty	28					Increase of 8 from prior report / decrease of 7 from prior year.
New Keystone members/Specialty Build	8					Increase of 5 from prior report / increase of 2 from prior year.
						COMMENTS
Board Engagement	Actual	Benchmark				
Board Meeting Attendance	71%	80%				80% Best Practice Recommendation
Board Percentage (personal giving ytd %)	39%	100%				Per HFHSL Statement of Commitment. Increase of 7% from prior report and 13% from prior year
Board Giving (Total \$ YTD)	\$16,215					Increase of \$8315 from prior report/Increase of \$7480 from prior year

Habitat for Humanity Saint Louis Board of Directors Meeting
Tuesday, April 23, 2019
CEO Report

Successes and Shout Outs!

Resource Development

Endowment

As discussed at the March meeting, information related to the endowment was provided to the Finance Committee for review of the economics of participation. Further discussion, inclusive of the Finance Committee recommendation, will occur at a future meeting.

Mission Support

Industry Challenge: The Title Company Industry Challenge continues to go well. The participating list has grown to 13 with the addition of Fidelity National Title/Midwest. A celebratory happy hour has been scheduled for May 8th at Habitat. Following the presentation of the concept at last month's meeting, a proposal for participation by the Association of General Contractors was requested by Amy Berg and has been submitted to AGC for consideration. If you have other industry ideas, please reach out to either Harper or me.

Summer Challenge: An update on Spire as the corporate sponsor of the summer match (\$50k) and further discussion of the possible Board match will occur at the April meeting. As a reminder, before the match appeal, the summer appeal was our weakest direct mail link, routinely bringing in under \$10,000. Each year as we have increased the match, donors have responded. As such, the summer challenge has grown from a \$30k match in 2016 with \$33,274 raised in additional funds to a \$50k match in 2018 with \$61,530 raised in additional funds.

Proposed timing is for the ask to drop on June 1st with the challenge beginning the same day. Goal: Individual donors match \$50k (the Spire money) between June 1 – July 31 with a "bonus" that if \$50k worth of matched support is garnered by July 31, the Board will kick in an additional \$10k which would bring the total to \$110k (approximately 7% of the total Mission Support budget number of \$1,601,500).

Executive Build: Hosts Needed! At the April Development Council meeting, the idea of having Host or Co-Host for the Executive Builds was proposed and embraced. More on the idea is noted below followed by language for you to share with your contacts. If you are interested in hosting or co-hosting – or if you have questions – please see either Harper or me. Three EBs at 10 participants each garners \$15k towards Mission Support!

Host or Co Host of Executive Build:

- Shepherd the reservations for 8 – 12 participants in this half day build opportunity by outreach to your own contacts, past participants, and through personal ask for assistance to Habitat Board and Development Council members. As a reminder, participant cost is \$500
- Participate as Host or Co Host the day of the event either by attending the build (preferable!) at no cost or by joining the group for lunch
- Cover the cost of lunch (tax deductible!) which historically ranges \$350 - \$400.
- Assist staff in sending acknowledgement to participants.

Upcoming dates available:

- June 7th
- September 20th (Co Host with Kathy Sorkin)
- December 7th

Language for you to share with your contacts:

Executive Build is a unique build day opportunity for CEOs and other executive-level business associates to join together to build lasting connections while helping build a stronger St. Louis community! The cost is \$500*

per volunteer for a half day build experience and a networking lunch after the build day's activities. Great introduction to Habitat for Humanity Saint Louis and our mission. Registration information [here](#)

Board Governance

For "Class of 2020", 4 – 6 board openings are anticipated. To assist in brainstorming candidates for consideration, the 2019 board demographics and a "want ad" follow below. Please share possible candidates with either Chris or me.

- Currently 31 members strong (and capacity based on bylaws)
- Male 42% / Female 58%
- White 70% / Non-White 30%
- Affiliation: Business or Corporate 26%, Construction 26%, Finance 13%, HR/Legal 16%, Community 19%
- Board Length of Service – Year 3 or less 54%, 4 to 6 years 32%, 6+ years 14%
- Average age = 51

What does Home mean to you? If you want to be a part of making sure that everyone has a decent place to live, the Habitat for Humanity Saint Louis Board is looking for you. Although unpaid, the benefits of seeing the joy on the face of first-time, and often first-generational, homebuyers are priceless. Qualified applicants will be passionate about the difference that home makes in the lives of St. Louis families, so passionate, in fact, that they will want to share the mission of Habitat for Humanity Saint Louis with everyone in their network with a goal of raising money to support the incredibly important work.

HFHI

HFHI Collaborative Development is now actively pursuing a "strong federated" model, named Habitat 2.0, where funds raised by HFHI would be transferred to affiliates. Currently HFHI receives approximately \$74 million dollars in restricted funds on behalf of US affiliates and \$90 million in unrestricted donations which they retain for their own operations. If approved, the \$90 million would also be transferred to affiliates and an affiliate fee would fund HFHI operations. Options for how the fee would be determined includes population of the geographical service area (GSA, which is how the current SOSI fee is determined), revenue of the affiliate and/or production. To further the conversation, HFHI is preparing and sending to each affiliate the dollar amount benefit received from HFHI during the past year, and the total amount raised from the number of donors within the affiliate GSA. Based on the conference calls, it appears that the affiliate specific information is being sent by affiliate size beginning with small.

Program

Relocation: HFHSL Headquarters: Board Retreat Outcome 2014

Upcoming events at 3830 South Grand include St. Louis Council of Construction Consumers (tentative, May 23rd) and US Green Building Council on May 30th.

A Letter of Intent for the outparcel was received in mid-April and will be further discussed at the April meeting.

Mortgage Loan Fund: Board Retreat Outcome 2015

With two committed banks and a third one pending (likely to confirm prior to meeting), closings are rolling and projected over the next 60-90 days.

Neighborhoods/ Home Construction/Homebuyers

Scattered South City Sites: The remaining Ulena home and Indiana home have identified buyers and will close as possible (completion of underwriting and notifications plus garage for Indiana). The garage for Indiana is expected to be permitted by the end of the month.

Tiffany Phase II is still pending the completion of the masonry. Due to weather and subcontractor delays, closing is likely late June.

Inventory Homes: The one remaining Hazelwood home has an identified buyer and, like Ulena and Indiana, is pending underwriting and notifications to close.

La Saison: (previously noted as New City Build): A final community “Pardon our Dust” presentation has been scheduled with the community for April 23rd. Site development is slated to begin by the end of the month. A celebratory wall raising is pending for mid-June.

Future Builds: As shared at the Retreat, subsidy funding is in place as follows:

Lookaway Phase 2 – 7 homes, \$446,751: Projected to start Summer of 2019

Gate District (across from Tiffany) - 5 homes, \$285,800: Projected to start Fall of 2019

Tiffany Phase 3 – 3 homes, \$216,287: Projected to start 2020

As shared, St. Louis County recently requested a proposal as they have reclaimed funds from another entity that is unable to fulfill their requirements under the grant funds. A proposal will be submitted for 7 homes in a portion of University City that is adjacent to previous builds.

ReStore

April’s Strategic Topic will be an update on the ReStore program.

HFHI Policy Committee is moving forward on a recommendation to the US Council that strengthens the policy of HFHI approval to open (new or expansion) or relocate a ReStore. While previously a policy was in place noting that approval should be sought, it had no specific requirements related to what information would be submitted or ramifications when/if approval was not sought. If approved by US Council, the new policy will tie approval to Good Standing (similar to the SOSI affiliate fee and other reporting requirements currently in place). Submittal requirements will include current evaluation of existing operations, a market analysis along with other possible reviews (example; penetration study). It is anticipated that this policy will be in place by the end of 2019.

Management/General

Audit

Representatives from Cohn Reznick have arrived for field work which is expected to be completed during the weeks of April 15th and April 22nd. The audit will be presented to the Finance Committee on June 18th and to the full Board on June 25th. While the auditors always welcome any questions or discussion at the Board Meeting, the finance committee meeting focuses more intently on the financial statements and is a great way to increase your understanding.

Advocacy

Recommendations from the St. Louis County Affordable Housing Taskforce (formed June 2018) were recently released. The strategic funding priorities include single person headed households in poverty with children, cost-burdened households earning less than \$35k/year, senior citizens and households experiencing homelessness, evictions, or foreclosures. The target area is north county, especially inner north county and areas with high vacancy. The funding sources are primarily identified as a sales tax initiative and/or use tax. A new sales tax initiative cannot be placed on the ballot within two years of a previous initiative which means that November 2020 is the earliest possible date to put an affordable housing initiative to vote. Additionally, taxes enacted locally using this statute cannot total more than 1%; the current total of sales tax levied under the statutory cap is 0.625%. Before a use tax could be enacted locally, the state enabling legislation would need to be revised to broaden possible uses for the revenue in St. Louis County. Additionally, the threshold for out of state purchases must be removed to capture sales tax revenue from individual purchases. Tax on the sale of recreational marijuana, the sale of medical marijuana, and tax increment financing are also considered within the recommendations.

BUILDERS CLUB TEAMS



Development Council Meeting

Date & Time: April 2 , 2019

Location: St. Louis Title, LLC. 7701 Forsyth Blvd Suite 200, Clayton MO 63105

Parking: St. Louis Title can validate both outdoor parking available off Hanley, garage parking available of Forsyth

In Attendance: Craig Webster, Nat Walsh, Kimberly McKinney, Linda Loewenstein, Lauren Talley, Kathy Sorkin, Ellen Mannion, and Harper Zielonko

- **Welcome and Introduction**

Nat Walsh- Development Council Chair

- **Habitat for Humanity Saint Louis 2018 Construction Update**

Kimberly McKinney- CEO Habitat for Humanity Saint Louis

- **Build and 2019 update Build update:**

- Numerous awards for the construction of the new Habitat headquarters including Developer of the Year from the City of St. Louis, SLCCC Best Practices Award, St. Louis Business Journal Building St. Louis Award Renovation, and a finalist for the AGC Mid America Class Building Project under \$10 million.
- Moving forward with Ten houses in La Saison- five houses to be under construction in 2019 expecting to break ground end of April. Each have homeowners already identified.
- Finishing up the three houses in Tiffany neighborhood Phase two and subsidy funding awarded for Phase three.
- Lookaway neighborhood Phase two will most likely start in the fall of 2019. KMOV house will be in this neighborhood with a slightly modified schedule, but still dedicating the Monday before Thanksgiving.
- Partnership agreement in place for a new partnership with St. Louis Midtown Development Corp for five houses in the gate district. Very early in the planning stages. See the press announcement [here](#).
- Closing on three homes in April with more to follow in late Spring. These closings include Mortgage Loan Fund mortgages

- **2019 Development Council Projects**

Harper Zielonko- Resource Development Relationship Manager

- Executive Build- \$500 donation per person. June 7th, September 20th, December 6th.
 - Kathy Sorkin brought up having a Host and/or co-hosts for each Executive Build to drive attendance and engagement. We are running with this brilliant idea and are encouraging both Development Council members and Board Members to sign on. Hosts are tasked with brining in attendees and covering lunch costs and

may attend the event for free. Kathy has offered to host the September 20th Executive Build. We are still looking for a host or hosts for the June 7th and December 6th events.

- Industry Challenges- Title Industry Month in April is a hit! We have 13 agencies signed on and have pledged \$5 per side per closing. Social media campaign has been launched and a press release and check presentation/happy hour will take place on May 8th to celebrate the collective engagement of all title agencies.
 - We are looking to replicant this model in each month. Pursing leads with the residential realty industry and AGA. Looking at banks, architecture firms, residential mortgage lenders, car dealerships, law firms, engineering firms, accounting firms, etc. We need a champion from within each industry to lead the charge and challenge others to raise money.
- Un-golf tournament – September targeting the 25th for an un-golf event at top golf. More to come.
- Encourage anyone in need of meeting spaces to consider Habitat. We have a beautiful board room and can give tours of the entire facility while highlighting our mission and Restore.
- Meeting dates for 2019:
 - June 4th, August 6th, October 8th, and December 3rd

“A world where everyone has a decent place to live.”



Finance Committee Minutes March 19, 2019

Mission Statement: The objective of the Finance committee is to support long-term growth and stability through effective stewardship of all financial affairs. This stewardship will include recommendations and counsel to the board and staff related to: current financial situation; financing and mortgage policies, procedures and practices; accounting and control policies, procedures and practices; annual and long-term financial plans.

Facilitator(s): Dan Cierpiot, Julia Hart, Tom Wohlfeil
Scribe: Sabrina Stahl
Attendees: Stephen Westbrooks, Bob West, Bob Frank, Lisa Blamy, Mike Giger, Judy Cromer, Rob Anderson, Andy Weissler

Approval of Minutes

- Bob Frank moved to approve the February 26, 2019 minutes. Mike Giger seconded the motion.
- All in attendance approved and there were no objections or abstentions.

Updates

- Build Update: staff is working on finalizing schedule for remaining 2019 builds
- We recently received the clear to close on the project at La Saison, with all title issues being cleared up.
- Royal Banks here at 3830 South Grand held a ribbon cutting recently and is now open for business, with limited hours Wednesday thru Saturday.
- Habitat for Humanity St. Louis is changing their sale price model, in the new model there will be a set 1st Note mortgage amount.
- The new ReStore truck purchase was finalized using the grant we received for Jefferson Solid Waste, after their grant we were able to purchase a truck worth \$50,000 for around \$18,000.
- Home Closings: Homes on Lookaway, Reasor and Ulena are scheduled to close on April 10, and closing on three homes in Tiffany are anticipated in Mid June.
- Dan presented a template for a Construction Project Analysis and anticipates doing one for each project Habitat will do.

Mortgage Loan Fund Updates

- First Bank will be the second participant in the Mortgage Loan Fund. Habitat is hoping to sign contracts with them within the next few days and hoping to have the first five loans financed by the end of June 2019.
- There has been a meeting held with Providence Bank and they are very interested in the Mortgage Loan Fund, hope to have them on board soon.
- A meeting is scheduled tomorrow to discuss the Mortgage Loan Fund with royal Banks.
- There is still a remaining \$500,000 from Midland States first contribution into the Fund that will be ready for homeowner loans soon.



December 2018 preliminary Results

- Julia reported a surplus of \$663k at December 31 vs \$743k reported at the February meeting and vs \$851k reported at the January meeting. The difference of \$108k was with revenue from the December Chapman Venture check exchange shifting to 2019.
- Cash ended the year at \$91,643k
- Time sensitive audit workpapers have been uploaded to the CohnReznick portal and remaining ones will be uploaded by April 11.
- Audit fieldwork begins the day of the April Finance Committee meeting, April 16, 2019.

February 2019 Results

- Julia reported a loss of \$125k for the two months ending February 28, 2019
- No homes closed during the reporting period, but forecast is to close 20 homes this year.
- ReStore Southside sales were off budget by \$10k and Des Peres was off budget by \$21k. Snowstorms in Jan and Feb resulted in some store closings.
- YTD Actual vs Budgeted - Net Income: Both RD and M&G came in \$1k over budget. Mission Support is over budget by 24k, Restricted Contributions are off by \$17k, and AHAP Capacity Building Revenue is off by \$9k. During January we received \$10k from Royal Banks for rent on the space at their new branch. Programs net income is under budget by \$21k. In Kind Contributions off by \$29k because of budget time phase that will be corrected by next meeting. ReStores are under budget by \$36k, primarily because of revenue variance.
- Projected GAAP net income at year end is now \$816k which is \$125k off budget- \$74k buyer's subsidy grants may be rolled back into forecast, which will increase net income projection.
- Payables at Feb 28 totaled \$1,058k and increased \$301k year over year because home construction was at a standstill the first four months of 2018 with the build out of 3830 South Grand, so there were very few home construction payables compared to Feb 2019, when we are building homes.
- Cash decreased \$47k year over year. Cash is projected to end the year at \$422k with \$240k pay down of payables.
- Short term debt is down \$193k year over year and is projected to end the year at \$1,115 (with the \$800k unsecured line of credit paid down to \$775k).

Announcements

There were no announcements.

Next Meeting: April 16, 2019 – Habitat for Humanity Saint Louis
Topics to be covered: March 2019, 2018 Audit



Leading Edge Committee Meeting Minutes

To: Leading Edge Committee Members and HFHSL Board of Directors
From: Joe Fetter, HFHSL Volunteer Services Manager
Date: March 21, 2019 @ HFHSL Boardroom
Attendees: John Beaury, Bill Schwartz, Bob Frank, Bob Fayman, Kathy Ryan, Bob Miller, Paul Tohl (LE Chair), Joe Fetter (HFHSL VSM)
Absent: Erica Flanagan

I. Welcome – 6:00pm

Paul Tohl, Leading Edge Chair

II. Approved February 2019 Minutes

- a. February 2019 minutes reviewed.
- b. Bill Schwartz moves to accept the minutes as written. Bob Miller seconds.
- c. February 2019 minutes are approved.

III. Sub-Committee 2019 Updates

a. Leadership Recruitment & Retention (R&R) Subcommittee

- i. Review of 2019 CLT numbers and statistics (see meeting agenda)
- ii. All new potential CLTs that have expressed interest since last meeting have been contacted.

b. Leadership Training Sub-Committee

- i. Debrief of Intro to CL training on March 20th
 1. Overwhelmingly positive reviews from attendees
 2. Weeknight CLT trainings should be 2.5 hours, instead of 2
 3. Bob Miller suggests informing mentors when their mentee attends a training, so they can follow up and see how it went.
- ii. Next CLT training
 1. Wednesday, April 24th, 6:00pm-8:30pm
 2. Exterior Wall Framing, in the warehouse
 3. No more than 6 attendees, and give first priority to those who attended the March 20th Intro to Construction Leadership
- iii. Future CLT trainings
 1. Continue with the 2.5-hour trainings in the warehouse
 2. To increase capacity, we could do them on Saturdays, and do one training in the morning, and another in the afternoon with a different group.
 3. We should also prioritize a CLT build day, if the build schedule allows. Ideally, we could devote one La Saison house to CLT build days and trainings.

- iv. Joe will talk to Family Services about homebuyer trainings and get an idea of what they have in mind for that (i.e. what topics they want covered, the skills they want the homebuyers to learn, etc.)

IV. Committee is informed that Erica Flanagan has resigned her position with Leading Edge, though she still plans to remain active as a Construction Leader.

V. Upcoming LE Committee Events

- a. **Construction Leadership Dinner:** April 13th, 2019, 5:30pm-8pm at 3830 South Grand
- b. **Leading Edge Committee:** April 18th, 2019; 6pm at South Grand
- c. **CLT Training:** April 24th, 2019, 6:00pm-8:30pm at the construction warehouse

VI. Meeting Adjourned – 7:30pm