

HABITAT FOR HUMANITY ST. LOUIS

TO: HFHSL Board of Directors

FROM: Kimberly McKinney

RE: Board of Directors Meeting

Tuesday, May 21st- 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
May 21, 2019**

Call to Order	Chris Roetheli
Mission Moment	Michael Powers, Real-Estate Development Manager
Minutes of April 23 rd , 2019 Meeting	Pattye Taylor-Phillips
Treasurer's Report	Stephen Westbrooks
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

Friday, June 7, 2019	Executive Build, 1 of 3
Sunday, June 9, 2019	Sample Soulard Sunday
Tuesday, June 18, 2019	June Finance Committee Meeting, 11:30 AM
Tuesday, June 25, 2019	Board Meeting, 11:30 AM
Tuesday, August 27, 2019	Board Meeting, 11:30 AM
Friday, September 20, 2019	Executive Build, 2 of 3
Tuesday, November 19, 2019	November Finance Committee Meeting, 11:30 AM
Friday, December 6, 2019	Executive Build, 3 of 3

“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)
April 23, 2019

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

Chris Roetheli	Stephen Westbrooks	Pattye Taylor-Phillips
Natasha Das	Amy Berg	Jami Boyles
Subash Alias	Rob Anderson	Barb Anderson-Kerlin
Marisa Botta	Kay Gasen Thenhaus	Anna Hart
Peggy Holly	Malaika Horne	Linda Loewenstein
Marc Hirshman	Emily Martin	Linda Moen
Howard Smith	Josh Udelhofen	Nat Walsh
Kimberly McKinney	Julia Hart	

Chris Roetheli called the meeting to order at 11:35 am. The mission moment was given by Julia Hart (Finance Manager) who shared her observations of Habitat Saint Louis and described the impact the organization has on families and communities. Although she leaves her role as Finance Manager at the end of April, she plans to continue to be part of the Habitat family as a volunteer on the Family Services Committee. Chris thanked Julia for her contributions to Habitat and specifically to the Finance committee. Julia left the meeting following the mission moment.

Minutes: A motion to approve the minutes from the March 26, 2019 Board of Directors meeting was made by Amy Berg and seconded by Anna Hart. The motion was approved.

Treasurer's Report: Stephen Westbrooks provided the financial summary from the March 2019 Dashboard. Mission Support YTD is 131% of budget. Total Resource Development Revenue YTD is 112% of budget. Other Income is under budget at 36% due to grant revenue (\$342k) from closed homes. For Construction: 3 homes have been sold (which will appear in the April 2019 report), with a planned total of 20 homes to be sold this year. Net Profit (Loss) YTD is behind budget largely due to the timing of home sales. While Net Profit is negative in March, we expect to end the year with a profit.

Strategic Topics: ReStore Update- Josh Vaughn and Linda Loewenstein: Josh Vaughn, General Manager of the ReStores, provided an update that included performance metrics and trends for donations, sales, and operations. We have learned from the first ReStore at Forest Park (Setup, Sales, and Management strategies) and used those lessons learned for the ReStore expansion to Des Peres and, most recently, for the move of the Forest Park Restore to the new South Side location. In 2019, and as an outcome of the ReStore table topic at the Board Retreat, a goal is to leverage relationships with businesses in the construction industry to increase donations for homebuilding materials, Restore inventory, Volunteer Build Opportunities, and additional referrals. Linda Loewenstein reported that many colleagues in the industry remain unaware of the ReStores. There is an opportunity for Board Members to connect to colleagues and friends to build awareness of the ReStores and encourage donations. The initial focus is in 4 industry areas:

1. Apartment owners and developers
2. Senior Living Owners and Developers
3. High End Residential Contractors

4. Kitchen/Bath Design Companies

Josh's philosophy is to make it easier for the businesses to donate to the Restore than to throw materials away. Donations are a "WIN" for donors who can receive a tax deduction for their donations, avoid landfills, and support affordable housing in the St. Louis community via the proceeds of their donation sold at the ReStore.

Josh reported that we have goals for the ReStore, with several already completed including purchase of a new truck, and the development of the new website. Future goals include the implementation of a point of sale system which would streamline processes, and continued acquisition/replacement of box trucks. Two of the 3 box trucks have more than 250,000 miles each. Josh announced that he will be leaving Habitat Saint Louis after 10 years of service to join his family's business. Many thanks to Josh for the update and his leadership of the ReStores. Kimberly is working on communication of the open position.

CEO Report

As part of successes and shout outs, Kimberly thanked Josh Udelhofen and Altus for the recent donation of lights to the ReStore and appreciation to Marisa Botta for again assisting with the grant application to Anheuser-Busch. Habitat will again return to the AB campus for the "Habitat Road Show".

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: The Title Company Industry Challenge is going well. The participation list has grown to 13 with the addition of Fidelity National Title/Midwest. Information about Habitat-St. Louis is being shared with homebuyers at closing. This first Industry Challenge appeal may raise \$10-\$15K. A celebratory happy hour has been scheduled for May 8th at Habitat. Remember that these celebrations also provide an opportunity to recruit participants for the Executive Build. 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 ideas for a Challenge in your industry/business, please reach out to Harper or Kimberly.

Summer Challenge: Chris Roetheli

Spire is the corporate sponsor of the summer match (\$50K). The proposed timing is for the "ask" to drop on June 1st with the challenge beginning on the same day. Goal: Individual donors match \$50K (the Spire money) between June 1 – July 31; with a "bonus" that if \$50K of matched support is garnered by July 31, the Board will donate an additional \$10K which would bring the total to \$110K (approximately 7% of the total Mission Support budget of \$1,601,500). A motion for Habitat Board Members to match (thru companies, connections, or individually) an additional \$10,000 for Habitat – St. Louis if the \$50,000 Spire fund raising goal is achieved was made by Nat Walsh and seconded by Malaika Horne. The motion was approved.

Executive Build: Hosts are needed! At the April Development council meeting, the idea of having Host or Co-Host for the Executive Builds was proposed and embraced. Three Executive Builds at 10 participants each raises \$15K towards Mission Support.

The Role of Hosts / Co Hosts for Executive Builds:

1. Shepherd the reservations for 8-12 participants in the 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.
2. 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.
3. Cover the cost of lunch (tax deductible) which historically ranges \$350 - \$400.
4. Assist staff in sending acknowledgements to participants.

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. This is a great introduction to Habitat for Humanity Saint Louis and our mission.”

Upcoming Executive Build dates for 2019:

1. June 7th – Open
2. September 20th Opening for a Co-Host (with Kathy Sorkin)
3. December 7th – Jamey Edgerton and Subash Alias

HFHI: HFHI Collaborative Development is now actively pursuing a “strong federated” model, named Habitat 2.0 (which would replace SOSI), where funds raised by HFHI would be transferred to affiliates. Currently HFHI receives approximately \$74 million 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 the 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: Upcoming events at 3830 South Grand include St. Louis Council of Construction Consumers (tentative, May 23) and US Green Building Council on May 30th.

Mortgage Loan Fund: Board Retreat Outcome 2015

With two committed banks (First Bank and Royal Bank) and a third one pending, 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 soon 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. The one remaining Hazelwood home has an identified buyer and like Ulena and Indiana is pending underwriting and notifications to close.

LaSaison (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: 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.

Kimberly then shared more information regarding a Letter of Intent received for the outparcel. The LOI from a quick service restaurant was for only a portion of the available property. Following an extensive conversation regarding the use as well as many of the provisions in the ask, Kimberly will convene a meeting with various members of the Board (all are welcome) and our brokers from Newmark Grubb Zimmer. The intent of the conversation is to further vet Habitats role as developer vs seller.

Adjournment

There being no further business, the meeting adjourned at 1:15 pm. The motion was made by Amy Berg and seconded by Natasha Das. The motion was approved.

Respectfully submitted: Pattye Taylor-Phillips, Board Secretary

Habitat for Humanity of Saint Louis

Dashboard

as of April 2019

Income and Expenses					
	YTD Actual	YTD Budget	%	Annual Budget	Prior Year YTD
Mission Support	\$345,900	\$245,250	141%	\$1,601,500	\$358,813
Restricted Contributions	\$0	\$33,332		\$100,000	\$85,000
Total RD Revenue	\$345,900	\$278,582	124%	\$1,701,500	\$85,000
Construction Grants	\$88,960	\$341,865	26%	\$1,367,460	\$0
Total Contributions	\$434,860	\$620,447	70%	\$3,068,960	\$443,813
Other Income	\$291,072	\$325,104	90%	\$2,816,291	\$183,133
Under budget as amount is tied to grants revenue from closed homes (\$342k)					
House Transfers	\$403,000	\$900,000	45%	\$3,600,000	\$145,000
Construction In-kind	\$0	\$0		\$174,000	\$61,093
ReStore South Side (SS/FP) Revenue	\$194,119	\$217,000	89%	\$650,000	\$81,101
Off budget due to closures/reduced hours that were weather related in Jan - Feb					
ReStore Des Peres (DP) Revenue	\$212,885	\$252,632	84%	\$780,400	\$248,830
Total Income	\$1,535,936	\$2,315,183	66%	\$11,089,651	\$1,162,970
Operating Expenditures	\$1,242,080	\$1,343,755	92%	\$5,755,112	\$1,224,446
Home Construction	\$469,807	\$1,098,304		\$4,393,219	\$153,115
Total Expenditures	\$1,711,887	\$2,442,059	70%	\$10,148,331	\$1,377,561
Net Profit (Loss)	(\$175,951)	(\$126,876)		\$941,320	\$214,591
ReStore Forest Park Profit (Loss)	\$58,811	\$55,401	106%	\$145,767	(\$39,321)
ReStore Des Peres Profit (Loss)	\$128,887	\$193,505	67%	\$ 582,986	\$105,258
	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	\$47,707	\$48,950	St Louis Jefferson Reimbursement		
Royal Bank LOC	\$800,000	\$800,000			
Peoples Bank LOC	\$693,642	\$1,189,367			
	YTD 2019	YTD 2018	Change		
Year/Year Change in Cash	\$7,394	\$13,819	(\$6,425)		
Year/Year AP	\$1,083,613	\$985,293	\$98,320		
Year/Year Change in Debt	\$1,509,017	\$1,794,800	(\$285,583)		
Mortgages	Actual	Benchmark			
Delinquent Mortgages (90+ days)	2		CitiMortgage has transferred all of our remaining loans to Cenlar Financial, however they are not communicating presently. So we are unsure of future homebuyers or the forgiveness program		
Open Communication w Representative	0				
Construction	Actual	Benchmark			
Housing Units Closed	3				
Housing Units Under Construction	11				
Construction In Progress	\$940,795				
Cost/Closed	\$153,926		Includes In Kind Amount of \$17,637 (average per home)		
Financial Donor Volunteer Days	2		2 of 2 possible build days		
Homeowner Applications Distributed	113		81/113 or 72% return rate. 172 Tier 2 / 14 Approved		
Lots Available	30		Ownership or Option. One additional property has an accepted option contract that hasn't yet been		
Vacant Homes	0		No owned, any vacancies are pending title issue resolution/ Wellston (5) Vacant Lots		
ReStore	Actual	Benchmark			
Average Number of Transactions SS	1381		Per Month and Per Customer (not per item)/-36 from prior report; +319 from prior year.		
Average Number of Transactions DP	1515		Per Month and Customer, -49 from prior report, -29 from prior year		
Average Sales Per Square Foot SS	\$28.50	\$22.71	HFHI median of stores similar sqft (20k), -\$1.29 from prior report,+\$19.10 from prior year.		
Average Sales Per Square Foot DP	\$15.99	\$23.99	Benchmark (40k sqft as basis) +\$1.01 from prior report; -\$2.71 from prior year.		
Total pickups/drop-offs this month	743		177 Pick-Ups/133 drop offs SS/433 drop offs DP. (677 total last year)		
					COMMENTS
Resource Development	Actual	Benchmark			
New Donors : Mission Support	165		Increase of 21 from prior report, not reported prior year.		
New Donors YTD -Contribution=/> \$1200	4		Increase of 2 prior report / increase of 1 prior year		
Median GC Gift Amount	\$50		Non change from prior report/increase of \$10 from prior year		
Renewed Mission Support Donor %	41%	40%	Benchmark reflects a NFP Standard		
Renewed Keystone members/Specialty	32		Increase of 4 from prior report / decrease of 14 from prior year.		
New Keystone members/Specialty Buil	10		Increase of 2 from prior report / decrease of 2 from prior year.		
					COMMENTS
Board Engagement	Actual	Benchmark			
Board Meeting Attendance	68%	80%	80% Best Practice Recommendation		
Board Percentage (personal giving ytd %)	48%	100%	Per HFHSL Statement of Commitment. Increase of 9% from prior report and 19% from prior year		
Board Giving (Total \$ YTD)	\$20,775		Increase of \$4560 from prior report/Increase of \$12,225 from prior year		

**Habitat for Humanity Saint Louis Board of Directors Meeting
Tuesday, May 21, 2019
CEO Report**

Successes and Shout Outs!

Resource Development

HFHI Collaborative Development (HFHI documents follow/discussion)

As shared last month, HFHI Collaborative Development is now actively pursuing a “strong federated” model, named Habitat 2.0, where more of the 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 (as a replacement to the current Stewardship and Sustainability Initiative – SOSI) 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.

SOSI began in 2014 as an *“annual fee to offset a portion of the costs associated with efforts that benefit all affiliates”*. From the onset, SOSI was tied to collaborative development review as affiliate feedback overwhelmingly challenged the fairness of a fee while HFHI continued raising money via direct and electronic mail along with telemarketing and in competition with local affiliates. Most recently, the US-SOSI policy was extended until June 30, 2021. The two-year extension of US-SOSI in its current form was approved in order *“to allow HFHI and affiliate leadership to focus on the ongoing Collaborative Operating Model (COM) work, while ensuring HFHI continues to receive revenues needed to maintain the current level of support to affiliates, as well as the COM work.”* The SOSI fee for Habitat St. Louis is currently \$25k annually (for a total of \$125k paid to date).

To further the conversation along collaborative development, HFHI provided to each affiliate the dollar amount benefit received from HFHI during the past year, and for the first time ever, the total amount raised from the number of donors within the affiliate GSA. The fiscal year amounts for St. Louis are –

FY2017 \$528,529 (4,570 donors)

FY2016 \$472,349 (4,327 donors)

FY 2015 \$489,162 (4,198 donors)

for a three year total of **\$1,490,040** raised from direct mail (including media inserts), telemarketing and online giving (email, search engine, digital display, web-giving).

Transfers to St. Louis during this time are reported to be \$172k (FY17), \$273k (FY16) and \$136k (FY15) for a total of \$581k. These amounts are representative of both cash in the form of national partnerships like TD Ameritrade and HFHI’s value of gifts in kind such as the Whirlpool appliance donations.

The May meeting will include further discussion about donor confusion and ideas/steps to address.

Mission Support

Summer Challenge: The ask remains on target to drop early June 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). **Related to above, HFHI's Direct Mail calendar indicates six emails related to a "Habitat Challenge" between June 4th and June 28th.**

Industry Challenge: The Title Company Industry Challenge netted \$21,790! A celebratory happy hour on May 8th included many of the participants who expressed their enthusiasm for participating again next year. **Much thanks to Harper Zielonko for shepherding the challenge and to Nat Walsh for the outreach.**

While we can customize the program to work with any sector, the Title Company challenge is proof of how well the program works for transactional businesses. As a reminder, their contribution was \$5 per side of closing and included an acknowledgement card along with information about the ReStore.

Please consider what sectors may be good partners and who you know that can be contacted to participate. The success of the Title Company is largely because a personal contact was made with a few of the largest industry representatives and their early buy-in encouraged the participation of others. Brainstorming at the Board meeting will occur as time allows – come with ideas. A sector identified is Real Estate firms for an amount to be based on home sales – introductions to executives of large real estate firms appreciated (and those that commit for a month TBD would be invited to participate at the June Executive Build).

Executive Build: Thank you to Jamey Edgerton and Subash Alias for agreeing to serve as hosts for the December Executive Build. If you are interested in serving as host or co-host for the June 7th or September 20th (co-host with Kathy Sorkin) dates, please let either Harper or me know.

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 acknowledgements to participants.

The registration link is:

<https://www.habitatstl.org/executive-build-registration-now-open/>

Program

HFHSL Headquarters: Outparcel (memorandum follows/discussion)

As discussed during the conversation at the April meeting regarding the LOI received (later rescinded), various members of the Board met with our broker representatives from Newmark Grubb Zimmer. An update to their discussion, and possible next steps will be discussed at the May meeting. The memorandum provided to the Board previously (October 2018) if provided for reference.

Mortgage Loan Fund: Board Retreat Outcome 2015

Royal Banks has now signed documents as an investor in the Mortgage Loan Fund. Upcoming closings (Ulena, Indiana, Hazelwood, and Tiffany) will be split between Royal and First Bank. Additional investors are being sought, a meeting with Associated Bank is slated for late May. A fall build date is being planned for all investors.

Neighborhoods/ Home Construction/Homebuyers

Scattered South City Sites: The remaining Ulena home and Indiana home have identified buyers and will close late June (Ulena) into early July (Indiana). Garage construction is underway at Indiana.

Tiffany Phase II is still pending the completion of the masonry. Buyers are in place and closings will occur as soon as possible. The build received some positive coverage via a blog post in St Louis City Talk.

<http://www.stlouiscitytalk.com/posts/2019/5/4/habitat-for-humanity-homes-in-tiffany-neighborhood>

La Saison: (previously noted as New City Build): Closing to purchase the Phase 1 property (5 homes: \$521,751 subsidy total) scheduled for May 17th. Site development will begin on May 19th. A HUD required pre-construction meeting will be held with subcontractors on May 21st just prior to the Board meeting. Two kickoff ideas have been presented to SLHA and will be finalized soon. The intent is for Phase 2 construction to begin once house 3 of phase 1 is under roof.

Lookaway Phase 2 – 7 homes, \$446,751: Start date awaits the completion by CDA (Community Development Administration) of an environmental review. KMOV is slated to occur at this build beginning on October 28th.

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

Future Builds:

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

University City Phase 3 – 7 homes, \$425,000: St. Louis County Office of Community Development is in the process of drafting loan documents; start date contingent on outcome and timing of Lookaway environmental review.

ReStore

After much conversation and meetings both internally and externally, we opted to promote Damon Guthrie who had been Manager of South City. In our due diligence, Damon expressed a depth of perspective related to the non-traditional retail environment of the ReStore and the requirements for donations as well as buyers. He was able to participate in a two week "immersion" program with Josh prior to his departure.

Management/General

Audit

The audit will be presented to the Finance Committee on June 18th and to the full Board on June 25th. While any questions or discussion are welcomed at the Board Meeting, the finance committee meeting provides a deeper dive into the financial statements.

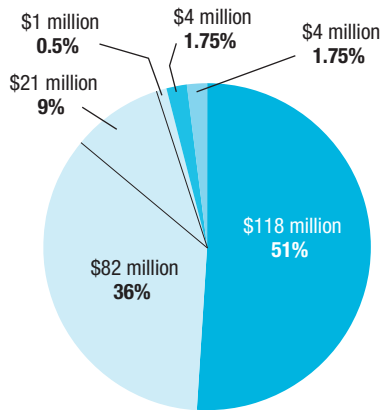


Affiliate Market Benefit Summary

Saint Louis Habitat for Humanity

\$230 million value distributed by Habitat for Humanity International to U.S. affiliates in FY 2015-17*

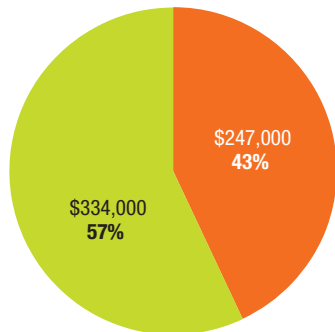
Overall transfers to U.S. affiliates by funding sources



FUNDING SOURCES (in millions)	FY2015	FY2016	FY2017	TOTAL
Cash transferred	\$38	\$43	\$37	\$118
Donated products total value (formerly GIK/SRM)	\$37	\$32	\$35	\$104
Donated products — Construction value	\$28	\$26	\$28	\$82
Donated products — ReStore value	\$8	\$6	\$7	\$21
Donated products — Other	\$1	\$0	\$0	\$1
Public service announcement (PSA) value	\$1	\$1	\$2	\$4
New Markets Tax Credit (NMTC) value	\$2	\$2	\$0	\$4
Total disbursements	\$78	\$78	\$74	\$230

FY 2015-17: \$15 million in FlexCAP loans

Overall transfers to Saint Louis Habitat for Humanity



FUNDING SOURCES (in thousands)	FY2015	FY2016	FY2017	TOTAL
Cash transferred	\$71	\$100	\$76	\$247
Donated products total value (formerly GIK/SRM)	\$65	\$173	\$96	\$334
New Markets Tax Credit (NMTC) value	-	-	-	-
Total disbursements	\$136	\$273	\$172	\$581



270 Peachtree St. NW, Suite 1300, Atlanta, GA 30303-1246
 322 W. Lamar St., Americus, GA 31709-3543 USA
 (800) 422-4828 fax (229) 924-6541 publicinfo@habitat.org habitat.org

*totals may vary based on rounding

Collaborative Operating Model

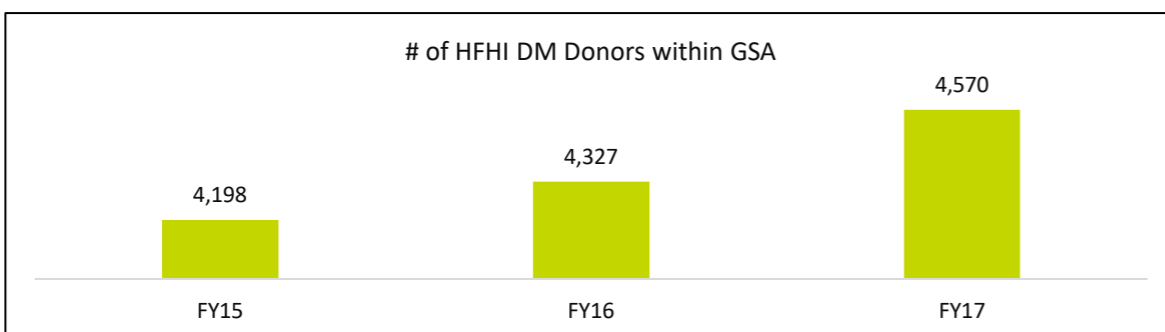
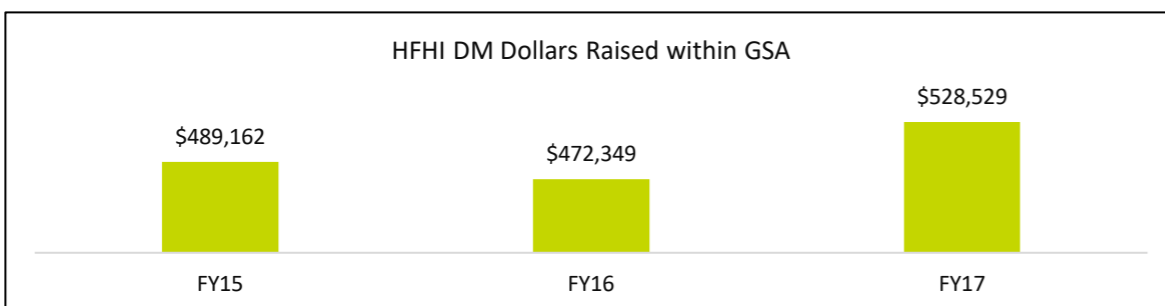
Resource Development

Direct Marketing (DM) Metrics



Affiliate Information	
Name:	Saint Louis HFH
State:	MO
GSA:	Very Large (750,000 or greater)

Direct Marketing Report for Saint Louis HFH			
Description	FY15	FY16	FY17
HFHI DM Dollars Raised within GSA	\$489,162	\$472,349	\$528,529
# of HFHI DM Donors within GSA	4,198	4,327	4,570



HFHI Direct Marketing General Information
Direct Marketing at HFHI raises unrestricted, as well as, restricted revenue
Total Direct Marketing revenue for FY17 is \$72.1 million
Total Direct Marketing expense for FY17 is \$29.5 million
Approximately \$5 million or 6% of DM dollars raised was outside of any affiliate GSA
Direct Marketing channels include: <ul style="list-style-type: none"> - Direct mail (including media inserts) - Telemarketing - Online giving (email, search engine, digital display, web-giving)
HFHI Direct Marketing Home page <ul style="list-style-type: none"> - HFHI FY18 Direct Marketing Schedule (calendar) - Affiliate mailing label and data requests - Sample HFHI Direct Marketing materials

Questions?
Collaboration@habitat.org



DATE: October 16, 2018

TO: Board of Directors

FROM: Kimberly McKinney, CEO

RE: Outparcel Discussion and Recommendations **CONFIDENTIAL**

Per the discussion at the September meeting of the Board of Directors (see minutes excerpt below). Both the Facility Needs Taskforce and Finance Committee discussed elements regarding the sale of the outparcel. Those discussions and recommendations follow below –

Facility Needs Taskforce (*10/9/18: Marc Hirshman, Nat Walsh, Bob West, Brad Beggs, Natasha Das, Amy Berg, Pattye Taylor Phillips*)

Following a discussion about applicable zoning, parking and the opportunity/desire for shared parking from the end buyer, and how certain uses can lessen the value of surrounding real estate, the taskforce prioritized the uses as (1) beneficial to community (i.e. something like Family Care Health Center, Aspen Dental, etc.), (2) restaurant including fast food, (3) office or other use that would consider a shared parking arrangement (4) gas station/convenience store. This information will be shared with NGZ as our broker. Additionally, the taskforce requested a marketing flier be provided to all members of the Board for distribution to personal contacts who may have an interest in developing the property. Flier attached.

Since the taskforce meeting noted above, I spoke with Alderman Shane Cohn who noted that he would be reluctant to provide a conditional use permit which would be required for the property to be developed as a gas station/convenience store. Additionally, a meeting was held with Family Care Health Center and that information will be shared at the board meeting.

Finance Committee (*10/16/18: Stephen Westbrooks, Bob West, John Castagno, Lisa Blamy, Mike Giger, Rob Anderson, Andy Weissler, Roger Brown, Bob Frank, Rick Sullivan, and Chris Roetheli (by phone)*).

For the sake of conversation, the Finance Committee discussion avoided a specific dollar amount and instead focused on the division of any funds that would be realized from the sale of the outparcel. Following much conversation related to the paydown of debt (long term and/or accounts payable) and/or strengthening the cash position, the committee on a motion from Rick Sullivan and seconded by Bob West recommends:

- At least 50% of proceeds be applied to paydown the \$800k Royal Bank line of credit (1% over prime, interest paid through September 30, 2018 = \$35,078) and for this amount to be considered a permanent payoff but for expenses as approved within the annual budget and/or by the Board of Directors.
- 20% or an amount not to exceed \$100,000 for cash reserves within the two organizational operating accounts.
- The remaining 30% to be applied to debt, either in the form of additional payoff to Royal and/or to vendor accounts payable based on highest need at the time proceeds are received.

Excerpt from September Board of Directors meeting minutes:

Kimberly recently received two offers from NGZ (our Real Estate Broker) for the outparcel lot adjacent to the Headquarters and ReStore. Both offers represent buyers who want to build gas stations and/or convenience stores. With the receipt and the review of these offers, Kimberly asked the Habitat Board for recommendations.

Board Members posed several questions about Habitat's needs:

- 1. Does Habitat Saint Louis need (for financial reasons) or want to sell this property now?*
- 2. What kind of business/function does the organization want to sell to (and be a neighbor with)?*
- 3. Does Habitat want community input on the type of business that should occupy the space?*
- 4. Initial considerations include: traffic, parking, safety for employees and customers*
- 5. Are there restrictions that Habitat Saint Louis wants to impose on the use of the property? On the design of the structure?*
- 6. From a Finance Committee perspective: If the property is sold, how does Habitat-STL want to use the proceeds?*
- 7. Several Board members stated that increased restrictions on use of the out lot can decrease developer interest and reduce the offer price (depending on use). The question to be answered is: "What are the priorities for Habitat Saint Louis?"*

A motion was made to ask the Facility Needs Taskforce to reconvene to discuss uses for the outparcel. The motion was made by Bob West, seconded by Nat Walsh, and approved by the Board. Board Members are invited to attend the Facilities Task Force meeting. Amy Berg will be added to the Facilities Task Force. Additionally, the Finance Committee was asked to discuss the use of proceeds at their next meeting. Both recommendations will then be presented to the Board at the October meeting.

BUILDERS CLUB TEAMS



Finance Committee Minutes April 16, 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): Kimberley McKinney, Dan Cierpiot, Julia Hart, Tom Wohlfeil
Scribe: Sabrina Stahl
Attendees: Stephen Westbrooks, Bob West, Bob Frank, Lisa Blamy, Mike Giger, Rob Anderson

Approval of Minutes

- Mike Giger moved to approve the March 19, 2019 minutes. Bob West seconded the motion.
- All in attendance approved and there were no objections or abstentions.

Updates

- Three homes recently closed on 4/10/19, the final home in Lookaway Phase 1, Reasor in the Hazelwood Development and 5032 Ulena in Bevo.
- Currently in inventory and under construction are 5034 Ulena, 3436 and 3434 Indiana, 266 Buddie and 3 homes on Folsom in Tiffany Phase 2.
- We expect to have 6 closings within the next 90 days, as there are buyers identified for all properties except 3434 Indian, which will start construction very soon.
- Construction updates: LaSaison Phase 1 is scheduled to break ground 4/29/19, now that all title issues have been cleared. We will also begin 7 more homes in Lookaway Phase 2 this summer. All these projects have identified solid soft cost funding to help with building costs and good 1st Note amounts.
- The auditors have started their 2018 field work and will be here for 2 weeks beginning 4/16/19.

Mortgage Loan Fund Updates

- It was explained that Habitat for Humanity will originate mortgages in house and then immediately sell them to the bank through the Mortgage Loan Fund.
- Habitat's role will be as a high touch servicer. We will be notified if payments are missed and will immediately begin reaching out to homeowner to get them back on track.
- To address concerns about performance of Tier 2 buyers in the mortgage loan fund, a new item will be added to the monthly dashboard to track delinquency of mortgages.

Endowment

- An opportunity was brought before the committee, presented to Habitat for Humanity St. Louis by St. Louis Community Foundation. The opportunity was an endowment of \$292,000 that would need to be matched by Habitat, no later than March 1, 2024. Once



the money raised is put into the account, Habitat would receive around 4% annually for as long as Habitat for Humanity St. Louis exists.

- The funds raised would be outside of Habitat's normal donors, as not to interrupt normal giving for our mission as is. We would need to target people who prefer to give to endowments, instead of direct donations year over year.
- The finance committee recommended that some due diligence be performed. They recommended looking further into the financials of St. Louis Community foundation, looking at the staff that would be needed to solicit donors for the match, possibly get recommendations from other participants of the foundation and investigate the possibility of there being more left in the estate aside from the original \$292,000.

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.

March 2019 Results

- Tom reported a loss of \$224k for the three months ending March 31, 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 \$18k. In March the combined sales for Restore was \$135k which was \$40k more than last month and \$42k more than last year. Restore Southside sales are forecasted to be \$639k by year end and Des Peres sales are forecasted to be \$762k by year end.
- YTD Actual vs Budgeted - Net Income: RD net income was \$13k over budget. Mission Support is \$45k over budget but restricted donations and AHAP Capacity Building Revenue are a combined \$35k under budget. M&G net income is \$38k under budget. M&G revenue is under budget by \$20k while expenses are over budget by \$18k. The expense increase is related to the Mortgage Loan Service Fund. Program net income is under budget by \$62k. The main reason program is under budget is that we haven't sold any homes in 2019. Restore net income is under budget by \$31k. The majority of the short fall is related to sales. Currently the Restore sales are \$28k under budget.
- Projected GAAP net income at year end is now \$939k which is \$2k under our budget of \$941k. In March, we added \$74k in buyer's subsidy to our grant revenue figure which closed our difference from last month(\$816k) significantly.
- Payables at the end of March 2019 totaled \$1,029k, which is \$163k increase over last year. The majority of the increase is related to home construction. Home Construction AP increased \$200k over last year due to home construction being at a standstill the first four months of 2018 with the build out of 3830 South Grand.
- Cash decreased \$74k year over year. Cash is projected to end the year at \$451k with \$300k pay down of payables.
- Short term debt is down \$209k year over year and is projected to end the year at \$1,136k (with the \$800k unsecured line of credit paid down to \$775k).



- Long term debt increased \$196k over last year and \$49k over last month. The increase from last month was due to purchasing a 2019 Ford 550 truck for \$49k. The loan on the truck will be for three years, with payments starting in April 2019. Long term debt is projected to be \$2,426k at the end of the year.

Announcements

There were no announcements.

Next Meeting: May 14, 2019 – Habitat for Humanity Saint Louis
Topics to be covered: April 2019, 2018 Audit

HABITAT FOR HUMANITY ST. LOUIS

TO: HFHSL Board of Directors

FROM: Kimberly McKinney

RE: Board of Directors Meeting

Tuesday, May 21st- 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
May 21, 2019

Call to Order	Chris Roetheli
Mission Moment	Michael Powers, Real-Estate Development Manager
Minutes of April 23 rd , 2019 Meeting	Pattye Taylor-Phillips
Treasurer's Report	Stephen Westbrooks
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

Friday, June 7, 2019	Executive Build, 1 of 3
Sunday, June 9, 2019	Sample Soulard Sunday
Tuesday, June 18, 2019	June Finance Committee Meeting, 11:30 AM
Tuesday, June 25, 2019	Board Meeting, 11:30 AM
Tuesday, August 27, 2019	Board Meeting, 11:30 AM
Friday, September 20, 2019	Executive Build, 2 of 3
Tuesday, November 19, 2019	November Finance Committee Meeting, 11:30 AM
Friday, December 6, 2019	Executive Build, 3 of 3

“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)
April 23, 2019

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

Chris Roetheli	Stephen Westbrooks	Pattye Taylor-Phillips
Natasha Das	Amy Berg	Jami Boyles
Subash Alias	Rob Anderson	Barb Anderson-Kerlin
Marisa Botta	Kay Gasen Thenhaus	Anna Hart
Peggy Holly	Malaika Horne	Linda Loewenstein
Marc Hirshman	Emily Martin	Linda Moen
Howard Smith	Josh Udelhofen	Nat Walsh
Kimberly McKinney	Julia Hart	

Chris Roetheli called the meeting to order at 11:35 am. The mission moment was given by Julia Hart (Finance Manager) who shared her observations of Habitat Saint Louis and described the impact the organization has on families and communities. Although she leaves her role as Finance Manager at the end of April, she plans to continue to be part of the Habitat family as a volunteer on the Family Services Committee. Chris thanked Julia for her contributions to Habitat and specifically to the Finance committee. Julia left the meeting following the mission moment.

Minutes: A motion to approve the minutes from the March 26, 2019 Board of Directors meeting was made by Amy Berg and seconded by Anna Hart. The motion was approved.

Treasurer's Report: Stephen Westbrooks provided the financial summary from the March 2019 Dashboard. Mission Support YTD is 131% of budget. Total Resource Development Revenue YTD is 112% of budget. Other Income is under budget at 36% due to grant revenue (\$342k) from closed homes. For Construction: 3 homes have been sold (which will appear in the April 2019 report), with a planned total of 20 homes to be sold this year. Net Profit (Loss) YTD is behind budget largely due to the timing of home sales. While Net Profit is negative in March, we expect to end the year with a profit.

Strategic Topics: ReStore Update- Josh Vaughn and Linda Loewenstein: Josh Vaughn, General Manager of the ReStores, provided an update that included performance metrics and trends for donations, sales, and operations. We have learned from the first ReStore at Forest Park (Setup, Sales, and Management strategies) and used those lessons learned for the ReStore expansion to Des Peres and, most recently, for the move of the Forest Park Restore to the new South Side location. In 2019, and as an outcome of the ReStore table topic at the Board Retreat, a goal is to leverage relationships with businesses in the construction industry to increase donations for homebuilding materials, Restore inventory, Volunteer Build Opportunities, and additional referrals. Linda Loewenstein reported that many colleagues in the industry remain unaware of the ReStores. There is an opportunity for Board Members to connect to colleagues and friends to build awareness of the ReStores and encourage donations. The initial focus is in 4 industry areas:

1. Apartment owners and developers
2. Senior Living Owners and Developers
3. High End Residential Contractors

4. Kitchen/Bath Design Companies

Josh's philosophy is to make it easier for the businesses to donate to the Restore than to throw materials away. Donations are a "WIN" for donors who can receive a tax deduction for their donations, avoid landfills, and support affordable housing in the St. Louis community via the proceeds of their donation sold at the ReStore.

Josh reported that we have goals for the ReStore, with several already completed including purchase of a new truck, and the development of the new website. Future goals include the implementation of a point of sale system which would streamline processes, and continued acquisition/replacement of box trucks. Two of the 3 box trucks have more than 250,000 miles each. Josh announced that he will be leaving Habitat Saint Louis after 10 years of service to join his family's business. Many thanks to Josh for the update and his leadership of the ReStores. Kimberly is working on communication of the open position.

CEO Report

As part of successes and shout outs, Kimberly thanked Josh Udelhofen and Altus for the recent donation of lights to the ReStore and appreciation to Marisa Botta for again assisting with the grant application to Anheuser-Busch. Habitat will again return to the AB campus for the "Habitat Road Show".

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: The Title Company Industry Challenge is going well. The participation list has grown to 13 with the addition of Fidelity National Title/Midwest. Information about Habitat-St. Louis is being shared with homebuyers at closing. This first Industry Challenge appeal may raise \$10-\$15K. A celebratory happy hour has been scheduled for May 8th at Habitat. Remember that these celebrations also provide an opportunity to recruit participants for the Executive Build. 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 ideas for a Challenge in your industry/business, please reach out to Harper or Kimberly.

Summer Challenge: Chris Roetheli

Spire is the corporate sponsor of the summer match (\$50K). The proposed timing is for the "ask" to drop on June 1st with the challenge beginning on the same day. Goal: Individual donors match \$50K (the Spire money) between June 1 – July 31; with a "bonus" that if \$50K of matched support is garnered by July 31, the Board will donate an additional \$10K which would bring the total to \$110K (approximately 7% of the total Mission Support budget of \$1,601,500). A motion for Habitat Board Members to match (thru companies, connections, or individually) an additional \$10,000 for Habitat – St. Louis if the \$50,000 Spire fund raising goal is achieved was made by Nat Walsh and seconded by Malaika Horne. The motion was approved.

Executive Build: Hosts are needed! At the April Development council meeting, the idea of having Host or Co-Host for the Executive Builds was proposed and embraced. Three Executive Builds at 10 participants each raises \$15K towards Mission Support.

The Role of Hosts / Co Hosts for Executive Builds:

1. Shepherd the reservations for 8-12 participants in the 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.
2. 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.
3. Cover the cost of lunch (tax deductible) which historically ranges \$350 - \$400.
4. Assist staff in sending acknowledgements to participants.

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. This is a great introduction to Habitat for Humanity Saint Louis and our mission.”

Upcoming Executive Build dates for 2019:

1. June 7th – Open
2. September 20th Opening for a Co-Host (with Kathy Sorkin)
3. December 7th – Jamey Edgerton and Subash Alias

HFHI: HFHI Collaborative Development is now actively pursuing a “strong federated” model, named Habitat 2.0 (which would replace SOSI), where funds raised by HFHI would be transferred to affiliates. Currently HFHI receives approximately \$74 million 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 the 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: Upcoming events at 3830 South Grand include St. Louis Council of Construction Consumers (tentative, May 23) and US Green Building Council on May 30th.

Mortgage Loan Fund: Board Retreat Outcome 2015

With two committed banks (First Bank and Royal Bank) and a third one pending, 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 soon 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. The one remaining Hazelwood home has an identified buyer and like Ulena and Indiana is pending underwriting and notifications to close.

LaSaison (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: 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.

Kimberly then shared more information regarding a Letter of Intent received for the outparcel. The LOI from a quick service restaurant was for only a portion of the available property. Following an extensive conversation regarding the use as well as many of the provisions in the ask, Kimberly will convene a meeting with various members of the Board (all are welcome) and our brokers from Newmark Grubb Zimmer. The intent of the conversation is to further vet Habitats role as developer vs seller.

Adjournment

There being no further business, the meeting adjourned at 1:15 pm. The motion was made by Amy Berg and seconded by Natasha Das. The motion was approved.

Respectfully submitted: Pattye Taylor-Phillips, Board Secretary

Habitat for Humanity of Saint Louis

Dashboard

as of April 2019

Income and Expenses						
	YTD Actual	YTD Budget	%	Annual Budget	Prior Year YTD	
Mission Support	\$345,900	\$245,250	141%	\$1,601,500	\$358,813	
Restricted Contributions	\$0	\$33,332		\$100,000	\$85,000	
Total RD Revenue	\$345,900	\$278,582	124%	\$1,701,500	\$85,000	
Construction Grants	\$88,960	\$341,865	26%	\$1,367,460	\$0	
Total Contributions	\$434,860	\$620,447	70%	\$3,068,960	\$443,813	
Other Income	\$291,072	\$325,104	90%	\$2,816,291	\$183,133	Under budget as amount is tied to grants revenue from closed homes (\$342k)
House Transfers	\$403,000	\$900,000	45%	\$3,600,000	\$145,000	
Construction In-kind	\$0	\$0		\$174,000	\$61,093	
ReStore South Side (SS/FP) Revenue	\$194,119	\$217,000	89%	\$650,000	\$81,101	Off budget due to closures/reduced hours that were weather related in Jan - Feb
ReStore Des Peres (DP) Revenue	\$212,885	\$252,632	84%	\$780,400	\$248,830	
Total Income	\$1,535,936	\$2,315,183	66%	\$11,089,651	\$1,162,970	
Operating Expenditures	\$1,242,080	\$1,343,755	92%	\$5,755,112	\$1,224,446	
Home Construction	\$469,807	\$1,098,304		\$4,393,219	\$153,115	
Total Expenditures	\$1,711,887	\$2,442,059	70%	\$10,148,331	\$1,377,561	
Net Profit (Loss)	(\$175,951)	(\$126,876)		\$941,320	\$214,591	
ReStore Forest Park Profit (Loss)	\$58,811	\$55,401	106%	\$145,767	(\$39,321)	
ReStore Des Peres Profit (Loss)	\$12,887	\$193,505	67%	\$ 582,986	\$105,258	
	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	\$47,707	\$48,950				St Louis Jefferson Reimbursement
Royal Bank LOC	\$800,000	\$800,000				
Peoples Bank LOC	\$693,642	\$1,189,367				
	YTD 2019	YTD 2018		Change		
Year/Year Change in Cash	\$7,394	\$13,819		(\$6,425)		
Year/Year AP	\$1,083,613	\$985,293		\$98,320		
Year/Year Change in Debt	\$1,509,017	\$1,794,800		(\$285,583)		
Mortgages	Actual	Benchmark				
Delinquent Mortgages (90+ days)	2					CitiMortgage has transferred all of our remaining loans to Cenlar Financial, however they are not communicating presently. So we are unsure of future homebuyers or the forgiveness program
Open Communication w Representative	0					
Construction	Actual	Benchmark				
Housing Units Closed	3					
Housing Units Under Construction	11					
Construction In Progress	\$940,795					
Cost/Closed	\$153,926					Includes In Kind Amount of \$17,637 (average per home)
Financial Donor Volunteer Days	2					2 of 2 possible build days
Homeowner Applications Distributed	113					81/113 or 72% return rate. 172 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	1381					Per Month and Per Customer (not per item)/-36 from prior report; +319 from prior year.
Average Number of Transactions DP	1515					Per Month and Customer, -49 from prior report, -29 from prior year
Average Sales Per Square Foot SS	\$28.50	\$22.71				HFHI median of stores similar sqft (20k), -\$1.29 from prior report,+\$19.10 from prior year.
Average Sales Per Square Foot DP	\$15.99	\$23.99				Benchmark (40k sqft as basis)/+\$1.01 from prior report; -\$2.71 from prior year.
Total pickups/drop-offs this month	743					177 Pick-Ups/133 drop offs SS/433 drop offs DP. (677 total last year)
						COMMENTS
Resource Development	Actual	Benchmark				
New Donors : Mission Support	165					Increase of 21 from prior report, not reported prior year.
New Donors YTD -Contribution=/> \$1200	4					Increase of 2 prior report / increase of 1 prior year
Median GC Gift Amount	\$50					Non change from prior report/increase of \$10 from prior year
Renewed Mission Support Donor %	41%	40%				Benchmark reflects a NFP Standard
Renewed Keystone members/Specialty	32					Increase of 4 from prior report / decrease of 14 from prior year.
New Keystone members/Specialty Build	10					Increase of 2 from prior report / decrease of 2 from prior year.
						COMMENTS
Board Engagement	Actual	Benchmark				
Board Meeting Attendance	68%	80%				80% Best Practice Recommendation
Board Percentage (personal giving ytd %)	48%	100%				Per HFHSL Statement of Commitment. Increase of 9% from prior report and 19% from prior year
Board Giving (Total \$ YTD)	\$20,775					Increase of \$4560 from prior report/Increase of \$12,225 from prior year

**Habitat for Humanity Saint Louis Board of Directors Meeting
Tuesday, May 21, 2019
CEO Report**

Successes and Shout Outs!

Resource Development

HFHI Collaborative Development (HFHI documents follow/discussion)

As shared last month, HFHI Collaborative Development is now actively pursuing a “strong federated” model, named Habitat 2.0, where more of the 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 (as a replacement to the current Stewardship and Sustainability Initiative – SOSI) 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.

SOSI began in 2014 as an *“annual fee to offset a portion of the costs associated with efforts that benefit all affiliates”*. From the onset, SOSI was tied to collaborative development review as affiliate feedback overwhelmingly challenged the fairness of a fee while HFHI continued raising money via direct and electronic mail along with telemarketing and in competition with local affiliates. Most recently, the US-SOSI policy was extended until June 30, 2021. The two-year extension of US-SOSI in its current form was approved in order *“to allow HFHI and affiliate leadership to focus on the ongoing Collaborative Operating Model (COM) work, while ensuring HFHI continues to receive revenues needed to maintain the current level of support to affiliates, as well as the COM work.”* The SOSI fee for Habitat St. Louis is currently \$25k annually (for a total of \$125k paid to date).

To further the conversation along collaborative development, HFHI provided to each affiliate the dollar amount benefit received from HFHI during the past year, and for the first time ever, the total amount raised from the number of donors within the affiliate GSA. The fiscal year amounts for St. Louis are –

FY2017 \$528,529 (4,570 donors)

FY2016 \$472,349 (4,327 donors)

FY 2015 \$489,162 (4,198 donors)

for a three year total of **\$1,490,040** raised from direct mail (including media inserts), telemarketing and online giving (email, search engine, digital display, web-giving).

Transfers to St. Louis during this time are reported to be \$172k (FY17), \$273k (FY16) and \$136k (FY15) for a total of \$581k. These amounts are representative of both cash in the form of national partnerships like TD Ameritrade and HFHI’s value of gifts in kind such as the Whirlpool appliance donations.

The May meeting will include further discussion about donor confusion and ideas/steps to address.

Mission Support

Summer Challenge: The ask remains on target to drop early June 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). **Related to above, HFHI's Direct Mail calendar indicates six emails related to a "Habitat Challenge" between June 4th and June 28th.**

Industry Challenge: The Title Company Industry Challenge netted \$21,790! A celebratory happy hour on May 8th included many of the participants who expressed their enthusiasm for participating again next year. **Much thanks to Harper Zielonko for shepherding the challenge and to Nat Walsh for the outreach.**

While we can customize the program to work with any sector, the Title Company challenge is proof of how well the program works for transactional businesses. As a reminder, their contribution was \$5 per side of closing and included an acknowledgement card along with information about the ReStore.

Please consider what sectors may be good partners and who you know that can be contacted to participate. The success of the Title Company is largely because a personal contact was made with a few of the largest industry representatives and their early buy-in encouraged the participation of others. Brainstorming at the Board meeting will occur as time allows – come with ideas. A sector identified is Real Estate firms for an amount to be based on home sales – introductions to executives of large real estate firms appreciated (and those that commit for a month TBD would be invited to participate at the June Executive Build).

Executive Build: Thank you to Jamey Edgerton and Subash Alias for agreeing to serve as hosts for the December Executive Build. If you are interested in serving as host or co-host for the June 7th or September 20th (co-host with Kathy Sorkin) dates, please let either Harper or me know.

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 acknowledgements to participants.

The registration link is:

<https://www.habitatstl.org/executive-build-registration-now-open/>

Program

HFHSL Headquarters: Outparcel (memorandum follows/discussion)

As discussed during the conversation at the April meeting regarding the LOI received (later rescinded), various members of the Board met with our broker representatives from Newmark Grubb Zimmer. An update to their discussion, and possible next steps will be discussed at the May meeting. The memorandum provided to the Board previously (October 2018) if provided for reference.

Mortgage Loan Fund: Board Retreat Outcome 2015

Royal Banks has now signed documents as an investor in the Mortgage Loan Fund. Upcoming closings (Ulena, Indiana, Hazelwood, and Tiffany) will be split between Royal and First Bank. Additional investors are being sought, a meeting with Associated Bank is slated for late May. A fall build date is being planned for all investors.

Neighborhoods/ Home Construction/Homebuyers

Scattered South City Sites: The remaining Ulena home and Indiana home have identified buyers and will close late June (Ulena) into early July (Indiana). Garage construction is underway at Indiana.

Tiffany Phase II is still pending the completion of the masonry. Buyers are in place and closings will occur as soon as possible. The build received some positive coverage via a blog post in St Louis City Talk.

<http://www.stlouiscitytalk.com/posts/2019/5/4/habitat-for-humanity-homes-in-tiffany-neighborhood>

La Saison: (previously noted as New City Build): Closing to purchase the Phase 1 property (5 homes: \$521,751 subsidy total) scheduled for May 17th. Site development will begin on May 19th. A HUD required pre-construction meeting will be held with subcontractors on May 21st just prior to the Board meeting. Two kickoff ideas have been presented to SLHA and will be finalized soon. The intent is for Phase 2 construction to begin once house 3 of phase 1 is under roof.

Lookaway Phase 2 – 7 homes, \$446,751: Start date awaits the completion by CDA (Community Development Administration) of an environmental review. KMOV is slated to occur at this build beginning on October 28th.

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

Future Builds:

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

University City Phase 3 – 7 homes, \$425,000: St. Louis County Office of Community Development is in the process of drafting loan documents; start date contingent on outcome and timing of Lookaway environmental review.

ReStore

After much conversation and meetings both internally and externally, we opted to promote Damon Guthrie who had been Manager of South City. In our due diligence, Damon expressed a depth of perspective related to the non-traditional retail environment of the ReStore and the requirements for donations as well as buyers. He was able to participate in a two week "immersion" program with Josh prior to his departure.

Management/General

Audit

The audit will be presented to the Finance Committee on June 18th and to the full Board on June 25th. While any questions or discussion are welcomed at the Board Meeting, the finance committee meeting provides a deeper dive into the financial statements.

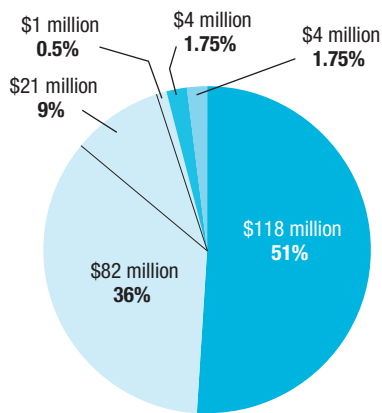


Affiliate Market Benefit Summary

Saint Louis Habitat for Humanity

\$230 million value distributed by Habitat for Humanity International to U.S. affiliates in FY 2015-17*

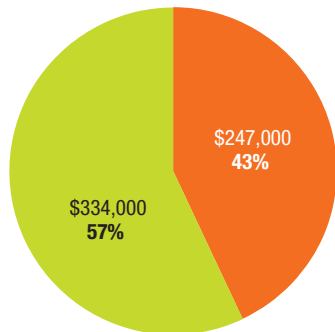
Overall transfers to U.S. affiliates by funding sources



FUNDING SOURCES (in millions)	FY2015	FY2016	FY2017	TOTAL
● Cash transferred	\$38	\$43	\$37	\$118
● Donated products total value (formerly GIK/SRM)	\$37	\$32	\$35	\$104
Donated products — Construction value	\$28	\$26	\$28	\$82
Donated products — ReStore value	\$8	\$6	\$7	\$21
Donated products — Other	\$1	\$0	\$0	\$1
● Public service announcement (PSA) value	\$1	\$1	\$2	\$4
● New Markets Tax Credit (NMTC) value	\$2	\$2	\$0	\$4
Total disbursements	\$78	\$78	\$74	\$230

FY 2015-17: \$15 million in FlexCAP loans

Overall transfers to Saint Louis Habitat for Humanity



FUNDING SOURCES (in thousands)	FY2015	FY2016	FY2017	TOTAL
● Cash transferred	\$71	\$100	\$76	\$247
● Donated products total value (formerly GIK/SRM)	\$65	\$173	\$96	\$334
● New Markets Tax Credit (NMTC) value	-	-	-	-
Total disbursements	\$136	\$273	\$172	\$581



270 Peachtree St. NW, Suite 1300, Atlanta, GA 30303-1246
 322 W. Lamar St., Americus, GA 31709-3543 USA
 (800) 422-4828 fax (229) 924-6541 publicinfo@habitat.org habitat.org

*totals may vary based on rounding

Collaborative Operating Model

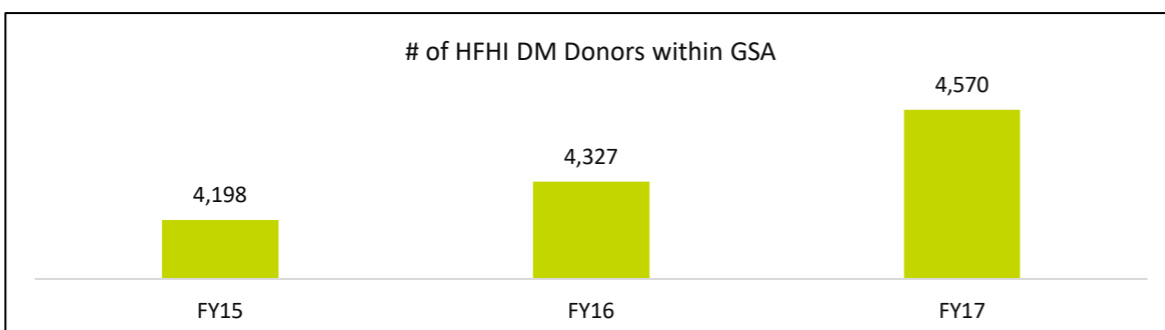
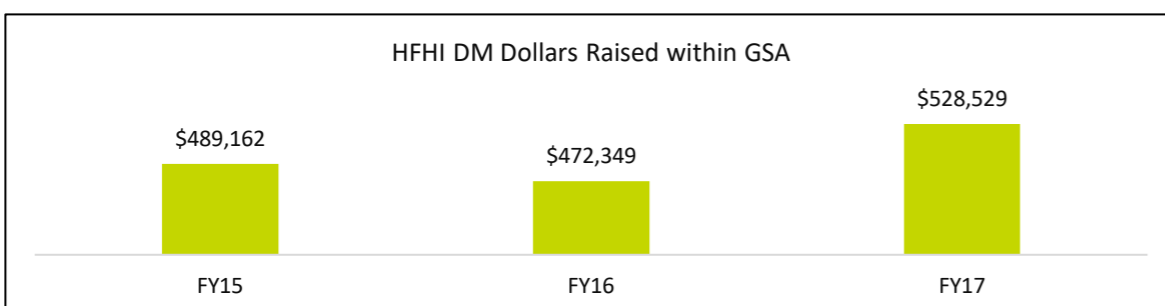
Resource Development

Direct Marketing (DM) Metrics



Affiliate Information	
Name:	Saint Louis HFH
State:	MO
GSA:	Very Large (750,000 or greater)

Direct Marketing Report for Saint Louis HFH			
Description	FY15	FY16	FY17
HFHI DM Dollars Raised within GSA	\$489,162	\$472,349	\$528,529
# of HFHI DM Donors within GSA	4,198	4,327	4,570



HFHI Direct Marketing General Information
Direct Marketing at HFHI raises unrestricted, as well as, restricted revenue
Total Direct Marketing revenue for FY17 is \$72.1 million
Total Direct Marketing expense for FY17 is \$29.5 million
Approximately \$5 million or 6% of DM dollars raised was outside of any affiliate GSA
Direct Marketing channels include: <ul style="list-style-type: none"> - Direct mail (including media inserts) - Telemarketing - Online giving (email, search engine, digital display, web-giving)
HFHI Direct Marketing Home page <ul style="list-style-type: none"> - HFHI FY18 Direct Marketing Schedule (calendar) - Affiliate mailing label and data requests - Sample HFHI Direct Marketing materials

Questions?
Collaboration@habitat.org



DATE: October 16, 2018

TO: Board of Directors

FROM: Kimberly McKinney, CEO

RE: Outparcel Discussion and Recommendations **CONFIDENTIAL**

Per the discussion at the September meeting of the Board of Directors (see minutes excerpt below). Both the Facility Needs Taskforce and Finance Committee discussed elements regarding the sale of the outparcel. Those discussions and recommendations follow below –

Facility Needs Taskforce (*10/9/18: Marc Hirshman, Nat Walsh, Bob West, Brad Beggs, Natasha Das, Amy Berg, Pattye Taylor Phillips*)

Following a discussion about applicable zoning, parking and the opportunity/desire for shared parking from the end buyer, and how certain uses can lessen the value of surrounding real estate, the taskforce prioritized the uses as (1) beneficial to community (i.e. something like Family Care Health Center, Aspen Dental, etc.), (2) restaurant including fast food, (3) office or other use that would consider a shared parking arrangement (4) gas station/convenience store. This information will be shared with NGZ as our broker. Additionally, the taskforce requested a marketing flier be provided to all members of the Board for distribution to personal contacts who may have an interest in developing the property. Flier attached.

Since the taskforce meeting noted above, I spoke with Alderman Shane Cohn who noted that he would be reluctant to provide a conditional use permit which would be required for the property to be developed as a gas station/convenience store. Additionally, a meeting was held with Family Care Health Center and that information will be shared at the board meeting.

Finance Committee (*10/16/18: Stephen Westbrooks, Bob West, John Castagno, Lisa Blamy, Mike Giger, Rob Anderson, Andy Weissler, Roger Brown, Bob Frank, Rick Sullivan, and Chris Roetheli (by phone)*).

For the sake of conversation, the Finance Committee discussion avoided a specific dollar amount and instead focused on the division of any funds that would be realized from the sale of the outparcel. Following much conversation related to the paydown of debt (long term and/or accounts payable) and/or strengthening the cash position, the committee on a motion from Rick Sullivan and seconded by Bob West recommends:

- At least 50% of proceeds be applied to paydown the \$800k Royal Bank line of credit (1% over prime, interest paid through September 30, 2018 = \$35,078) and for this amount to be considered a permanent payoff but for expenses as approved within the annual budget and/or by the Board of Directors.
- 20% or an amount not to exceed \$100,000 for cash reserves within the two organizational operating accounts.
- The remaining 30% to be applied to debt, either in the form of additional payoff to Royal and/or to vendor accounts payable based on highest need at the time proceeds are received.

Excerpt from September Board of Directors meeting minutes:

Kimberly recently received two offers from NGZ (our Real Estate Broker) for the outparcel lot adjacent to the Headquarters and ReStore. Both offers represent buyers who want to build gas stations and/or convenience stores. With the receipt and the review of these offers, Kimberly asked the Habitat Board for recommendations.

Board Members posed several questions about Habitat's needs:

- 1. Does Habitat Saint Louis need (for financial reasons) or want to sell this property now?*
- 2. What kind of business/function does the organization want to sell to (and be a neighbor with)?*
- 3. Does Habitat want community input on the type of business that should occupy the space?*
- 4. Initial considerations include: traffic, parking, safety for employees and customers*
- 5. Are there restrictions that Habitat Saint Louis wants to impose on the use of the property? On the design of the structure?*
- 6. From a Finance Committee perspective: If the property is sold, how does Habitat-STL want to use the proceeds?*
- 7. Several Board members stated that increased restrictions on use of the out lot can decrease developer interest and reduce the offer price (depending on use). The question to be answered is: "What are the priorities for Habitat Saint Louis?"*

A motion was made to ask the Facility Needs Taskforce to reconvene to discuss uses for the outparcel. The motion was made by Bob West, seconded by Nat Walsh, and approved by the Board. Board Members are invited to attend the Facilities Task Force meeting. Amy Berg will be added to the Facilities Task Force. Additionally, the Finance Committee was asked to discuss the use of proceeds at their next meeting. Both recommendations will then be presented to the Board at the October meeting.

BUILDERS CLUB TEAMS



Finance Committee Minutes April 16, 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): Kimberley McKinney, Dan Cierpiot, Julia Hart, Tom Wohlfeil
Scribe: Sabrina Stahl
Attendees: Stephen Westbrooks, Bob West, Bob Frank, Lisa Blamy, Mike Giger, Rob Anderson

Approval of Minutes

- Mike Giger moved to approve the March 19, 2019 minutes. Bob West seconded the motion.
- All in attendance approved and there were no objections or abstentions.

Updates

- Three homes recently closed on 4/10/19, the final home in Lookaway Phase 1, Reasor in the Hazelwood Development and 5032 Ulena in Bevo.
- Currently in inventory and under construction are 5034 Ulena, 3436 and 3434 Indiana, 266 Buddie and 3 homes on Folsom in Tiffany Phase 2.
- We expect to have 6 closings within the next 90 days, as there are buyers identified for all properties except 3434 Indian, which will start construction very soon.
- Construction updates: LaSaison Phase 1 is scheduled to break ground 4/29/19, now that all title issues have been cleared. We will also begin 7 more homes in Lookaway Phase 2 this summer. All these projects have identified solid soft cost funding to help with building costs and good 1st Note amounts.
- The auditors have started their 2018 field work and will be here for 2 weeks beginning 4/16/19.

Mortgage Loan Fund Updates

- It was explained that Habitat for Humanity will originate mortgages in house and then immediately sell them to the bank through the Mortgage Loan Fund.
- Habitat's role will be as a high touch servicer. We will be notified if payments are missed and will immediately begin reaching out to homeowner to get them back on track.
- To address concerns about performance of Tier 2 buyers in the mortgage loan fund, a new item will be added to the monthly dashboard to track delinquency of mortgages.

Endowment

- An opportunity was brought before the committee, presented to Habitat for Humanity St. Louis by St. Louis Community Foundation. The opportunity was an endowment of \$292,000 that would need to be matched by Habitat, no later than March 1, 2024. Once



the money raised is put into the account, Habitat would receive around 4% annually for as long as Habitat for Humanity St. Louis exists.

- The funds raised would be outside of Habitat's normal donors, as not to interrupt normal giving for our mission as is. We would need to target people who prefer to give to endowments, instead of direct donations year over year.
- The finance committee recommended that some due diligence be performed. They recommended looking further into the financials of St. Louis Community foundation, looking at the staff that would be needed to solicit donors for the match, possibly get recommendations from other participants of the foundation and investigate the possibility of there being more left in the estate aside from the original \$292,000.

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.

March 2019 Results

- Tom reported a loss of \$224k for the three months ending March 31, 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 \$18k. In March the combined sales for Restore was \$135k which was \$40k more than last month and \$42k more than last year. Restore Southside sales are forecasted to be \$639k by year end and Des Peres sales are forecasted to be \$762k by year end.
- YTD Actual vs Budgeted - Net Income: RD net income was \$13k over budget. Mission Support is \$45k over budget but restricted donations and AHAP Capacity Building Revenue are a combined \$35k under budget. M&G net income is \$38k under budget. M&G revenue is under budget by \$20k while expenses are over budget by \$18k. The expense increase is related to the Mortgage Loan Service Fund. Program net income is under budget by \$62k. The main reason program is under budget is that we haven't sold any homes in 2019. Restore net income is under budget by \$31k. The majority of the short fall is related to sales. Currently the Restore sales are \$28k under budget.
- Projected GAAP net income at year end is now \$939k which is \$2k under our budget of \$941k. In March, we added \$74k in buyer's subsidy to our grant revenue figure which closed our difference from last month(\$816k) significantly.
- Payables at the end of March 2019 totaled \$1,029k, which is \$163k increase over last year. The majority of the increase is related to home construction. Home Construction AP increased \$200k over last year due to home construction being at a standstill the first four months of 2018 with the build out of 3830 South Grand.
- Cash decreased \$74k year over year. Cash is projected to end the year at \$451k with \$300k pay down of payables.
- Short term debt is down \$209k year over year and is projected to end the year at \$1,136k (with the \$800k unsecured line of credit paid down to \$775k).



- Long term debt increased \$196k over last year and \$49k over last month. The increase from last month was due to purchasing a 2019 Ford 550 truck for \$49k. The loan on the truck will be for three years, with payments starting in April 2019. Long term debt is projected to be \$2,426k at the end of the year.

Announcements

There were no announcements.

Next Meeting: May 14, 2019 – Habitat for Humanity Saint Louis
Topics to be covered: April 2019, 2018 Audit