

**Habitat for Humanity Saint Louis  
Board of Directors Meeting  
November 19, 2019**

Call to Order	Stephen Westbrook
Mission Moment	Linda Loewenstein
Minutes of October 22, 2019 Meeting	Pattye Taylor-Phillips
Strategic Topic	Presentation/Discussion of 2020 Budget Stephen Westbrook
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, December 6, 2019

**Executive Build**, 3 of 3

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

Habitat for Humanity Saint Louis (HFHSL)  
Board of Directors Meeting Minutes  
October 22, 2019

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

Chris Roetheli	Pattye Taylor-Phillips	Natasha Das
Barb Anderson-Kerlin	Rob Anderson	Amy Berg
Jami Boyles	Peggy Holly	Malaika Horne
Linda Lowenstein	LaDawn Ostmann	Nick Popielski
Carla Reid	John Short	Kay Gasen Thenhaus
Josh Udelhofen	Nat Walsh	Marc Hirshman
Howard Smith	Kimberly McKinney	Michael Powers

Chris Roetheli called the meeting to order at 11:33am. The mission moment was given by Nat Walsh. Nat and others from the Missouri Athletic Club (MAC) donated funds to purchase and install basketball hoops at several Habitat built homes. The families and children are enjoying shooting hoops together at their new home, thanks to their generous donation.

Minutes: A motion to approve the minutes from the September 24, 2019 Board of Directors meeting was made by Amy Berg and seconded by Nat Walsh. The motion was approved.

Strategic Topic: Digging Deeper into Real Estate Development / A Virtual Tour was led by Michael Powers, Real Estate Development Manager. Michael provided an overview of the Real Estate Development process for Habitat-St. Louis. The process spans from Pre-development (including selection of the sites Habitat will invest in), to selection of home designs that complement the existing neighborhoods, through the build process and purchase of the home. It is quite a balancing act to coordinate the needs of government officials, planning & building codes, neighbors and community input, architects, construction, and homebuyers. Sites are purchased and developed in several neighborhoods throughout the city, to give the Habitat buyers the option to choose the neighborhood where they will buy their home and raise their families. The Gate District Project Site Plans were made available for board members to review after the meeting. Those who have follow-up questions about the process can reach Michael via email [Michael@habitatstl.org](mailto:Michael@habitatstl.org) or at 314-371-0400 ext. 630.

CEO Report: As a part of success and shout outs, much thanks to Barb Anderson-Kerlin for her work to bring a Leadership St. Louis class to Habitat/Restore in February 2020 and to Malaika Horne for her introduction to Dr. Michael Gearhart from University of MO St. Louis who along with his student completed an impact study which provided housing statistics that will be used in this year's end of year appeal. Kimberly also shared the success that on October 18<sup>th</sup>, the ReStore program hit the \$1 million mark for retail sales. In 2018, we hit this mark on October 17<sup>th</sup>.

As part of World Habitat Day and the Give Local, Build Local campaign, the *St. Louis American* included a guest columnist article, and KTVI had a morning news interview with Kimberly about Habitat Saint Louis' work in the community. Kimberly has written an Opinion/Editorial article that will be published in the *St. Louis Post Dispatch* this Wednesday, October 24, 2019. To encourage our friends to Give Local/Build Local, Kimberly will send an email to board members that can be signed and forwarded to contacts to encourage them to support Habitat Saint Louis where their dollars remain in the community.

Subash Alias and Jamey Edgerton will co-host the Executive Build on December 6<sup>th</sup> and they have set an ambitious goal of 20. To date, the following individuals have either registered or indicated plans to attend – (1) Ben Voss, MO Baptist, (2) Al Voss, Retired Veteran (and Ben’s Dad), (3) Alderman Tom Oldenburg (4) Thomas Byrne, Cornerstone Insurance, (5) Matt Sokolich, Commerce Bank, (6) Phillips Hamilton, Mindactive, (7) Vince Nutt, BJC Healthcare, (8) Sarah Hakes, Colliers, (9) Beau Reiberg, Diversified Structure Solutions, and (10) Kimm Anderson, UHY Advisors.

Just a reminder for Board Members planning to attend our Annual Volunteer Appreciation Event, it will be held on Sunday October 27<sup>th</sup>, Noon – 3 pm at the Anheuser Busch Biergarten – please register at [www.habitatstl.org/volunteerlunch](http://www.habitatstl.org/volunteerlunch). As of October 14<sup>th</sup>, almost 150 people have registered to attend.

HFHSL Headquarters has new lighting! Through the Ameren business initiative program, LED fixtures and lights have been placed throughout the ReStore and Construction Warehouse. Additionally, an application for the neighborhood solar program has been submitted which would allow Habitat to host an Ameren Missouri renewable energy center on our property at no cost to Habitat. The first site could be installed as early as 2020. We have applied for 2 solar carports (1 on each side of the building). Ideal partners in the Neighborhood Solar program are institutions, schools, non- profit organizations and other non-residential locations that act as a hub in the community.

Regarding the Outparcel, Communication continues with representatives of Family Dollar related to the Restriction and Easement Agreement (REA) and the \$62,948.58 invoice submitted. To date, Family Dollar has paid just over \$1300 of the debt (the amount billed for snow removal). Natasha and Stinson will follow-up on the remainder due by the terms of the REA.

Follow-up meetings generated from the brainstorming session on “what’s possible for the out lot that can benefit the community” are ongoing.

Mortgage Loan Fund: Citizens National Bank has committed as the fourth investor to the Fund. Total amount committed to the fund since being launched is \$4 million – with less than \$1.4 million deployed. Of the four investors, both Midland and First Bank have closed their first round of five mortgages each, Royal has closed one (four remaining). Citizens will participate in their first closings in early 2020. Additional investors are welcome. Kimberly will send Board Members a summary of the requirements for Banks that might be interested in participating in the Mortgage Loan Fund. An Investor Build Day will be held on October 25<sup>th</sup> from 7:45am – 11:45 am.

Neighborhoods/Home Construction/Homebuyers: Prep for the KMOV build at the Scattered South City Sites is underway. The build will kick off on October 28<sup>th</sup> with KMOV build groups throughout that week and then returning the week of November 18<sup>th</sup>. Dedication to occur on air on November 25<sup>th</sup> – during the noon news. Board Members – please attend if your schedule permits. Specific information regarding time and location will be included in meeting follow-up. The home closing is expected to occur in early December.

Tiffany Phase II is closed!

La Saison (previously noted as New City Build) is progressing. SLHA document completion continues to cause the project to lag specifically as it relates to approval of revised parking plan

(mixture of two-car pads / one car garage) and closing documents for the loan/note. Keystone groups are now onsite on at least two homes / three days per week.

Lookaway Phase 2 – 7 homes, \$446,751: The environmental review has been completed. A Notice of Funding Availability and closing date has been projected for October 25<sup>th</sup> by the City. An individual who lives in one of our St. Louis County homes near the project (the City / County line runs through the subdivision) has filed suit in Circuit Court of St. Louis County claiming damages related to construction trailers, and emotional stress/damages related to his property value. Petition was initially submitted to our insurance who has rejected coverage under general liability due to “no occurrence, nor is there a bodily injury, tangible damage to the property or an advertising or personal injury alleged.” Following a conference call with Natasha Das and Vince Keady with Stinson, a response will be filed prior to the deadline.

Future Builds: Tiffany Phase 3 – 3 homes \$216, 287; Projected to start 2020. University City Phase 3 - 7 homes, \$425,000; Property transfer and UC support (specifically for the application of AHAPs – a NOFA has been released) was delayed from the September 9<sup>th</sup> City Council meeting to October 14<sup>th</sup> due to a delay by UC legal staff in completion documents. An update will be given at the October meeting.

College Prep: In consideration of the demographics of families recently closed or in the pipeline, College Prep is being revamped for participants as young as 2<sup>nd</sup> grade. Students from the Washington University campus chapter will continue to be involved as tutors along with the third-party provider.

2020 Budget: As a reminder the November meeting will be held one week earlier, on Tuesday, November 19<sup>th</sup>, to avoid possible conflicts with the Thanksgiving holiday. The Strategic Topic will be the presentation of the 2020 budget. While all questions/conversation are welcomed, those who want a deeper dive into the budget are invited to attend the Finance Committee meeting on Tuesday, November 12<sup>th</sup>. Both meetings are from 11:30am – 1:00 pm

Staffing: One of our Project Managers, Sean DePass, has tenured his resignation as of the end of the year to start a remodeling business of his own.

In preparation for the Board Governance taskforce recommendations in November, Kimberly shared that Pattye Taylor-Phillips who term limits at the end of 2019 is willing to remain as Secretary unless there is another individual interested in serving. The bylaws in Article IV, Section 4.1 notes that “All officers, must be Directors, except for Secretary, General Counsel and assistant officers who may be, but need not be, Directors. Pattye provided an overview of the time commitment and role.

Treasurer’s Report: In Stephen Westbrook’s absence, Chris provided the Treasurer’s Report. Our new Financial Manager Irena Dimitrova began as of September 23, 2019. Irena has participated in her first Finance Committee meeting as well as completed the entries needed to book the three Tiffany closings which were very complicated due to the number of subsidies. Dan Cierpiot provided Chris with some high-level numbers related to the impact of closing fewer homes. More details will be provided in the November 2019 Board Meeting.

Kimberly provided an overview of the September 2019 Dashboard. Several measures are ahead of budget projections: Mission Support at 104%, Restricted Contributions at 137%, Total RD Revenue at 106%. It was noted that the ReStore YTD revenues are 87% of budget (for the

South Side) and 85% of budget (for Des Peres). The team is watching the performance but believes Des Peres performance is partially lower (compared to budget) because forecasts for 2019 were optimistic, based on 2018 revenues. The team will continue to track. Board giving year to date is at 67% - Kimberly and Chris will be following up with those who still need to make a 2019 gift in order to reach 100% board giving.

Adjournment of Full Board:

There being no further business, the meeting adjourned at 12:36pm. The motion was made by Amy Berg and seconded by Josh Udelhofen. The motion was approved.

Respectfully submitted: Pattye Taylor-Phillips, Board Secretary

The next Board meeting is Tuesday, November 19, 2019 at 11:30 am.

Habitat for Humanity of Saint Louis  
Dashboard  
as of October 2019

Income and Expenses						
	YTD Actual	YTD Budget	%	Annual Budget	Prior Year YTD	
Mission Support	\$906,328	\$1,103,650	82%	\$1,601,500	\$1,078,420	2019 build benefits currently under budget by \$137, partially offset by general donations being over budget by \$63k
Restricted Contributions	\$80,000	\$83,330	96%	\$100,000	\$97,500	
<b>Total RD Revenue</b>	<b>\$986,328</b>	<b>\$1,186,980</b>	<b>83%</b>	<b>\$1,701,500</b>	<b>\$1,175,920</b>	
Construction Grants	\$355,931	\$1,025,595	35%	\$1,367,460	\$30,000	
Total Contributions	\$1,342,259	\$2,212,575	61%	\$3,068,960	\$1,205,920	
Other Income	\$1,164,183	\$1,228,780	95%	\$2,816,291	\$1,892,168	Other income over budget: AHAP over by \$22k
House Transfers	\$1,083,000	\$2,700,000	40%	\$3,600,000	\$145,000	
Construction In-kind	\$83,816	\$87,000	96%	\$174,000	\$424,387	
ReStore South Side (SS/FP) Revenue	\$485,319	\$558,000	87%	\$650,000	\$422,788	Sales off budget but over prior year
ReStore Des Peres (DP) Revenue	\$557,174	\$657,330	85%	\$780,400	\$652,613	Sales off budget but over prior year
Total Income	\$4,715,751	\$7,443,665	63%	\$11,089,651	\$4,742,876	
Operating Expenditures	\$3,128,227	\$4,037,093	77%	\$5,755,112	\$3,465,518	
Home Construction	\$1,291,032	\$2,824,329	46%	\$4,393,219	\$138,908	
Total Expenditures	\$4,419,259	\$6,861,422	64%	\$10,148,331	\$3,804,425	Operating expense under budget. Salaries under budget by \$69k / Facility Cost Under Budget by \$143k
Net Profit (Loss)	\$296,492	\$582,243	51%	\$941,320	\$1,138,318	
ReStore Forest Park Profit (Loss)	\$133,217	\$144,248	92%	\$145,767	\$171,069	
ReStore Des Peres Profit (Loss)	\$277,706	\$499,454	56%	\$582,986	\$468,599	
	<b>Principal Bal</b>	<b>High Limit</b>				
3830 South Grand / Royal TEBF	\$2,040,000	\$2,040,000				
Royal Bank Construction Line of Credit	\$368,827					
Royal Banks Truck Loan	\$40,094	\$48,950				
Royal Bank LOC	\$800,000	\$800,000				
Peoples Bank LOC	\$358,887	\$1,189,367				
	YTD 2019	YTD 2018		Change		
Year/Year Change in Cash	\$57,969	\$130,173		(\$72,204)		
Year/Year AP	\$1,091,824	\$890,252		\$201,572		
Year/Year Change in Debt	\$1,160,762	\$1,809,288		(\$648,526)		
<b>Mortgages</b>	<b>Actual</b>	<b>Benchmark</b>				
Delinquent Mortgages (90+ days)	2					CitiMortgage contact shared that over the past year she has been training the Cenlar staff on how delinquent accounts are handled however they are doing the opposite. Buyers should only be offered repayment plan without submitting proof of income and/or tax returns but Cenlar is still sending a complete packet that request income docs. Cenlar has also switched to charge off rather than write off's which negatively effect credit. STILL UNDER
Open Communication w Representative	0					
<b>Construction</b>	<b>Actual</b>	<b>Benchmark</b>				
Housing Units Closed	7					
Housing Units Under Construction	8					
Construction In Progress	\$829,375					
Cost/Closed	\$186,804					Includes In Kind Amount of \$16,076 (average per home)
Financial Donor Volunteer Days	27					27 of 16 possible build days / 2 ReStore groups
Homeowner Applications Distributed	265					185 returned (70%), 25 buyers confirmed, 245 Tier 2
Lots Available	25					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
<b>ReStore</b>	<b>Actual</b>	<b>Benchmark</b>				
Average Number of Transactions SS	1454					Per Month and Per Customer (not per item)/ +23 from prior report; +175 from prior year.
Average Number of Transactions DP	1583					Per Month and Customer. -9 from prior report, -39 from prior year
Average Sales Per Square Foot SS	\$28.43	\$22.71				HFHI median of stores similar sqft (20k), +0.08 from prior report, +\$6.58 from prior year.
Average Sales Per Square Foot DP	\$16.57	\$23.99				Benchmark (40k sqft as basis)/ +0.26 from prior report; -\$2.96 from prior year.
Total pickups/drop-offs this month	773					176 Pick-Ups/91 drop offs SS/506 drop offs DP.
						<b>COMMENTS</b>
<b>Resource Development</b>	<b>Actual</b>	<b>Benchmark</b>				
New Donors : Mission Support	272					An increase of 18 from prior month / unable to compare to prior year as # was N/A
New Donors YTD -Contribution= / > \$1200	22					An increase of 3 from prior report / same as prior year
Median GC Gift Amount	\$50					No change from prior report / no change from prior year
Renewed Mission Support Donor %	63%	40%				Benchmark reflects a NFP Standard
Renewed Keystone members/Specialty	72					Issue with Etapestry prevented reporting for comparison
New Keystone members/Specialty Buil	23					Issue with Etapestry prevented reporting for comparison
						<b>COMMENTS</b>
<b>Board Engagement</b>	<b>Actual</b>	<b>Benchmark</b>				
Board Meeting Attendance	61%	80%				80% Best Practice Recommendation
Board Percentage (personal giving ytd %)	71%	100%				Per HFHSL Statement of Commitment. Increase of 4% from prior report / decrease of 3% from prior year
Board Giving (Total \$ YTD)	\$32,300					Increase of \$1825 from prior month / increase of \$2254 prior year

**Habitat for Humanity Saint Louis Board of Directors Meeting**  
**Tuesday, November 19, 2019**  
**CEO Report**

**Successes and Shout Outs!**

**Resource Development**

**Give Local / Build Local**

**HFHI**

As part of the ongoing awareness building, the following OpEd ran in the *St. Louis Post Dispatch*.  
[https://www.stltoday.com/opinion/columnists/kimberly-mckinney-make-educated-decisions-before-you-give/article\\_34df549e-bb1b-5a9b-8f70-b45d6865c7cb.html](https://www.stltoday.com/opinion/columnists/kimberly-mckinney-make-educated-decisions-before-you-give/article_34df549e-bb1b-5a9b-8f70-b45d6865c7cb.html)

**Giving Trends**

Each year, the *Chronicle of Philanthropy* releases its America's Favorite Charities list. This year, Habitat for Humanity is ranked in the top 20 based on the support received by the full Habitat network—HFHI, U.S. affiliates, and national organizations. Additional key points from the article, "*Can the Boom Times Last?*", includes

- *An 11% jump in giving to the top charities shows a widening gap with other groups, but uncertainty looms even for them.*
- *The cash and stock gifts raised by the Top 100 organizations on America's Favorite Charities represents about 8.7 percent of all giving last year, as tracked by the annual "Giving USA" report. That's a striking figure given that the Top 100 is a small fraction of the more than 1.5 million registered nonprofits.*
- *When the 2018 "Giving USA" estimate of overall contributions was adjusted for inflation, the verdict was an unusual 1.7 percent drop — just the 13th decline in overall giving in the past four decades.*
- *More and more charities are turning to the very wealthy to make up for a drop in middle-class giving.*

Habitat for Humanity International ranked 20<sup>th</sup> of the Top 100 with an 18.2% increase in cash / private support and net revenues of 2.1 Billion.

Locally, the *St. Louis Business Journal* recently hosted their Corporate Philanthropy Awards. The top 3 in the categories of small companies (<100 employees), midsize companies (100-999) and large companies (1000+) are noted below. The amounts represent cash and/or in-kind gift value. Each of the 170+ companies that responded to the survey was asked to list the top three local nonprofits it donated to in 2018. Of all the nonprofits listed, 28% were health-related organizations, such as hospitals, health research organizations and nonprofits that aid people with diseases and their families. The United Way of Greater St. Louis was the most frequently listed nonprofit, with 11 total mentions.

Congrats to Board Members LaDawn Ostmann (Ameren), Nick Popielski (Spire) and John Parker (Wells Fargo) whose respective employers were among those recognized.

Large: (1) Emerson (20.23 million), (2) Centene (17.62 million), (3) Schnuck Markets (14 million).

Midsize: (1) Simmons, Hanly, Conroy, LLC (\$1,439,244), (2) Grey Eagle Distributors (\$615,200), (3) Major Brands Holdings (\$455,000)

Small: (1) Dowd Bennett LLP (\$894,515), (2) Mechanical Solutions (\$315,373), (3) Capes Sokol (\$187,661)

**Mission Support**

The end of year appeal is out (many received over the November 8<sup>th</sup> weekend). If you have not already forwarded the Give email provided to your contacts, now is the perfect time to send. Wording will be resent as follow up to the November meeting.

**Executive Build:**

As a reminder, Subash Alias and Jamey Edgerton will co-host the December Executive Build and they have set an ambitious goal of 20. To date, the following individuals have either registered or indicated plans to attend – (1) Ben Voss, MO Baptist, (2) Al Voss, Retired Veteran (and Ben's dad), (3) Alderman Tom Oldenberg

(4) Thomas Byrne, Cornerstone Insurance, (5) Matt Sokolich, Commerce Bank, (6) Phillip Hamilton, Mindactive, (7) Vince Nutt, BJC Healthcare, (8) Sarah Hakes, Colliers, (9) Beau Reiberg, Diversified Structure Solutions, (10) Kimm Anderson, UHY Advisors, (11) David Rhoads, Accurate Disbursing, (12) Mark Grimm, Gilmore Bell

The registration link for the December 6<sup>th</sup> event can be found at:  
<https://www.habitatstl.org/executive-build-registration-now-open/>

### **Volunteer Appreciation Event**

Much thanks to Marisa and AB as host! And thank you to those able to attend.

### **Board Governance (for discussion and approval)**

Items Requiring Board Action and at the recommendation of Board Governance Taskforce:

- Approval of Board nominees including both new and renewing members.
- Approval of Officers –  
Treasurer, Secretary, General Counsel (one-year term per by laws)
- Approval of At Large Executive Committee members (one-year term per by laws)

### **New Members Proposed (alphabetical order):**

Personal meetings have been held with the candidates listed below. Additionally, the Board job description and Statement of Commitment has been shared with each so that expectations are clearly outlined.

- 1 Jim Del Carmen – Partner, Collaborative Strategies  
<https://www.linkedin.com/in/james-del-carmen-112b9450/>
- 2 Todd Gibson - Regional Director, Spire  
<https://www.linkedin.com/in/todd-gibson-55b2a175/>
- 3 Matt Guymon – General Counsel and Director of Investments, Twain Financial Partners  
<https://www.linkedin.com/in/matthew-guymon-33b9503/>
- 4 Phil Hulse – Managing Principal and Founder, Green Street St. Louis  
<https://www.linkedin.com/in/philip-hulse-58a9a666/>
- 5 Floyd Simms – President, Simms Building Group  
<https://www.linkedin.com/in/floyd-simms-0b1374a/>

The individuals noted below are completing a three-year term and are being recommended for **renewal as provided for in HFHSL by laws: Marisa Botta, Lance Cage, Malaika Horne and Linda Moen.**

With the election of the new members noted and the renewal of those above, the HFHSL Board will be 31 members strong.

### **For consideration as Officers:**

#### 2019 Officers / Executive Committee:

President:	Chris Roetheli (as elected 2016)
President Elect:	Stephen Westbrooks (as elected 2016)
<b>Treasurer:</b>	<b>Rob Anderson (proposed)</b>
<b>Secretary:</b>	<b>Pattye Taylor-Phillips (proposed)</b>
<b>General Counsel:</b>	<b>Natasha Das (proposed)</b>
<b>At Large:</b>	<b>Malaika Horne (proposed)</b>
	<b>Anna Hart (proposed)</b>
	<b>John Short (proposed)</b>



Per terms of the bylaws, only those noted as proposed and in bold require Board action (others listed are for reference). Additionally, per terms of bylaws, at large Board members are to be elected annually to serve on Executive Committee.

We say good-bye but also express **our heartfelt appreciation** to the following retiring Board Members: Jami Boyles, Peggy Holly, John Parker, and Nick Popielski.

## **Program**

### **Outparcel**

Work underway to file suit related to the Restriction and Easement Agreement (REA) and the \$62,948.58 invoice submitted to Family Dollar. Natasha will update further at the November meeting.

### **Mortgage Loan Fund: Board Retreat Outcome 2015**

BancorpSouth and Sterling both have a strong interest in the Fund. If confirmed, they would represent Investors 5 and 6. The Investor Build day held Friday, October 25<sup>th</sup> was well attended and a great opportunity for Investors to get to know one another as well as key Habitat staff (Thanks Dan Cierpiot and Avis McHugh!)

To assist Tier 2 families, we are considering a possible partnership with MoCaFi, a rent payment and rent reporting service. The partnership, introduced to us via David Stiffler with Equifax, would provide applicants with the opportunity to take advantage of their on-time and/or historical monthly rental payment by having them reported to the credit bureau.

### **Advocacy**

St. Louis County Councilwomen Lisa Clancy (District 5) and Rochelle Walton Gray (District 4) introduced a bill last month that would be the first step in establishing an Affordable Housing Trust Fund in St. Louis County. More info in a recent *St. Louis Post Dispatch* article. There are essentially two parts to the proposed bill:

1. Establishment of an Affordable Housing Trust Fund in St. Louis County to create new funds to address the growing housing crisis. This has been an official Community Builders Network-member policy priority since 2017 (I currently serve as Board President of CBN)
2. Creation of a single, expanded Housing Resource Commission that would direct & coordinate all housing resources for St. Louis County

The next public hearing will be on November 19<sup>th</sup> at the County Council Chambers. If you are a resident of St. Louis County, please reach out to your County Council representative in support of Bill #284. I am happy to provide additional resources or answer questions as needed.

### **Neighborhoods/ Home Construction/Homebuyers** (dedication flier attached)

*Scattered South City Sites*: KMOV is well underway. Coverage can be found at -

[https://www.kmov.com/community/home\\_4\\_the\\_holidays/](https://www.kmov.com/community/home_4_the_holidays/)

As a reminder, dedication will be at **noon** on **Monday, November 25<sup>th</sup>**. Please attend (and invite prospects) if possible. Invite flier attached. The buyer will close in early December.

*La Saison*: Build progressing. While the parking plan issue has been resolved, SLHA document completion continues to cause project to lag specifically as it relates to closing documents for the loan/note. Keystone groups continue onsite on at least two homes / three days per week. A supplemental application of \$37,500 was submitted to the City of St. Louis Affordable Housing Trust Fund to increase the number of AHTF homes from 4 to 5.

*Lookaway Phase 2* – 7 homes, \$446,751: The environmental review has been completed. A Notice of Funding Availability and closing date projected for October awaits review from the Board of Estimate and Apportionment.

In response to the petition filed by the individual who lives in one of four St. Louis County homes near the project (the City / County line runs through the subdivision), Vince Keady with Stinson on our behalf filed a Motion to Dismiss and a Motion to Strike (claim for atty fees).

Future Builds:

*Gate District* (across from Tiffany) - 5 homes, \$285,800: Site development and excavation will occur within the next couple of months. Additionally, a response to the RFP for a second phase, 7 homes, has been submitted to Midtown Redevelopment (RFP closes November 15<sup>th</sup>). Additionally, this was one of the project requests for funding in the current round of City of St. Louis Affordable Housing Trust fund. I will be serving as a co-panelist with Brooks Goedeker, Midtown Redevelopment Corporation, at the "Town and Gown" conference (Town and Gown is a partnership between area universities and St. Louis Association of Community Organizations (SSLACO) to maximize institutional effectiveness in enhancing community life in St. Louis.

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

*University City Phase 3* – 7 homes, \$425,000: Property transfer and UC support (specifically for the application of AHAPs – a NOFA has been released) remains pending.

*St. Louis Art Place Initiative:* In partnership with Kranzberg Arts Foundation and the Incarnate Word Foundation, a collaborative build in the Gravois Park area is under consideration. The first development of the St. Louis Art Place Initiative is comprised of 14 vacant lots and 11 structures in a 4 by 1 block radius in the Gravois Park neighborhood. Habitat's possible role as the builder of new homes and possible General Contractor is still under development.

**Management/General**

**Holidays**

In observance of the Thanksgiving holiday, the Administrative offices and the ReStore will be closed Thursday November 28<sup>th</sup> and Friday November 29<sup>th</sup>.

Additionally, the Administrative offices will be closed December 23 – December 25<sup>th</sup>, will close early on December 31<sup>st</sup> and will be closed on January 1<sup>st</sup>. The ReStore will be closed to the public on December 26<sup>th</sup> and 27<sup>th</sup> for inventory, will reopen on December 28<sup>th</sup> – 29<sup>th</sup> and then close again from Monday 12/30 (per normal schedule) – January 2<sup>nd</sup>.



**Habitat**  
for Humanity®  
Saint Louis



**KMOV HOME 4 THE HOLIDAYS DEDICATION DAY**

**NOV. 25 at 11:30 AM 3434 INDIANA AVE. ST. LOUIS, MO 63118**

**FOR MORE INFO, CONTACT HARPER ZIELONKO**

**[harper@habitatstl.org](mailto:harper@habitatstl.org) 314-371-0400**

Attendees are asked to park on Potomac Street or surrounding streets.





**BUILDERS CLUB TEAMS**



## 2020 Budget Assumptions

### Home Construction and Mortgage Origination

1. As part of the 2020 Budget process, HFHSL continues to present a budget package which includes a stand-alone organizational budget, combined only with project specific construction budgets for which there is certainty regarding, among other things, funding sources, build timing, and mortgage loan commitments. Trended finance reports will be updated with additional Construction projects throughout the year as construction specific revenue, expense, and schedule information become more certain.
2. The Mortgage Loan Fund (MLF) originated in 2018 with Midland States Bank as the first investor bank. Closings utilizing the MLF have occurred throughout 2019. Current investors - each at a \$1 million commitment - include Midland States, Royal Banks of MO, First Bank and Citizens National. Even without additional investors, commitments from those currently participating cover all anticipated 2020 closings. Additionally, staff proposes to continue to originate Tier 1 mortgages with banks if/when it makes financial sense to the organization, using affordable mortgage pricing consistent with HFHI Policy, with funding at closing and a 2nd Note that is forgivable over 30 years.
3. Project specific construction budgets will continue to assume that current 1st note sale price amounts remain consistent, with an interest rate of 2.5%, while continuing to ensure an affordable mortgage for the partner families.
4. To ensure consistency, Real Estate Development expenses, including the costs to purchase land, are budgeted as part of specific construction project budgets.
5. This Budget assumes the closing of 18 homes in 2020 - La Saison Phase I (5); Gate District Phase I (5); Lookaway Summit Phase II (7); and Itaska (1) 2020 KMOV home. All mortgages for these homes will be originated through the MLF at an interest rate of 2.5%, with very aggressive 1st Note amounts.

### ReStore

1. RSS Revenue: ReStore South Side budgeted sales numbers assume no increase over the projected 2019 sales total but are consistent with historical performance of the RSS location.
2. RDP Revenue: ReStore Des Peres budgeted sales numbers assume no increase over the projected 2019 sales total but are consistent with historical performance of the RDP location.
3. RDP Rent and AHAP: This Budget assumes an AHAP check exchange that will result in a reduction of the rent for ReStore Des Peres, pursuant to the Amended Lease Agreement. This Budget also Assumes a second AHAP tax credit check exchange which will result in \$0 of cash rent due in 2020, as well as enough cash to pay Property Taxes and Insurance due on the RDP facility. This Budget further assumes a return of revenue in cash for management fees and reimbursement of certain facility expenses for RDP.
4. ReStore Salaries: This Budget assumes that the ReStore program bonus incentive plan will continue in 2020. Any bonus salary expenses associated with this program will only occur

when monthly budgeted numbers are exceeded, and the additional revenue will more than offset costs.

## Resource Development

1. RD Revenue: RD Revenue: Budget lines continue to reflect contributions as Mission Support and Restricted Support. Mission Support will be all money received which is not designated to a specific need. Restricted Support shall be all money which has been assigned a specific intent by the donor or by way of grant restriction. RS staff has developed language to further assist donors in understanding the difference of Mission Support/Restricted specifically as related to the administrative costs and establishing a minimum of \$1500 for restricted gifts. The budget numbers are reflective of various giving trend data.
2. Endowment: In response to the matching grant opportunity through the St. Louis Community Foundation, Resource Development plans to spend 2020 building the development infrastructure needed to roll out an effective endowment push in 2021. Infrastructure will include designing all marketing materials, developing a strategic communications plan, donor research and targeting, preliminary donor commitments for roll out ready gifts, and coordinating RD department roles and responsibilities.
3. AHAP Tax Credits: HFHSL will be submitting its applications for \$1,000,000 in AHAP tax credits for the 2019-2020 period. If awarded, credits will be allocated to RDP expenses as noted, as well as costs associated with the annual audit. The amount of credits applied for is consistent with the credits awarded over the past four years and will again be considered by MHDC and the State of Missouri to be a capacity building award which will require and allow HFHSL to leverage new and higher dollar amount donations. Eligibility for the program will require current donors to increase their previous giving level in order to best maximize the credits as a capacity building mechanism.

## General Operating

1. Loan Principal Reduction Strategy / Reserve Implementation: Royal Bank of Missouri Revolving Line of Credit. HFHSL established revolving line of credit with and is in the process of moving all bank accounts to, Royal Banks of Missouri. The LOC carries a much more favorable interest rate of 4.5%, and is secured by sponsorships, grants, and a portion of the equity in the building as needed. Interest payments only are required; however, staff will utilize a similar paydown strategy as that utilized for the Central Bank LOC.
2. While the extension or modification of the US Stewardship and Organizational Sustainability Initiative (US-SOSI) continues to be under consideration by HFHI as part of the Collaborative Development overhaul, this Budget assumes a \$25,000 payment in July as consistent with prior years budgets.
3. This budget does not make any assumptions related to the possible sale of the outparcel.
4. This budget does not anticipate a New Market Tax Credit (NMTC) transaction but does reflect semi-annual interest payments and dividend income along with closing cost amortization expenses for the remaining deals. This item is a GAAP expense not a cash effect to the budget. As always, the potential for a NMTC transaction will be sought. During 2020, there will be no roll off of NMTC transaction(s) with a corresponding recognition of GAAP revenue and a corresponding increase in organizational net assets.





### Habitat For Humanity Saint Louis

#### 2020 Proposed Budget

11/20/2018	2020 GAAP Budget	2019 Budget	Oct 2019 YTD Act. & Projected	2020 vs. 2019 Act. & Projected	2020 Cash Budget	2018 Actuals
<b>INCOME</b>						
40800 AHAP Capacity Building Revenue	15,000	15,249	25,810	(10,810)	15,000	10,000
40900 Mission Support (Unrestricted Contribu	1,520,500	1,534,000	1,412,020	108,480	1,520,500	1,296,699
40000 Restricted Support	100,000	100,000	105,003	(5,003)	100,000	98,650
46000 In-kind	270,000	174,000	162,113	107,887	270,000	464,044
40100 Transfer to Homeowner	3,440,000	2,120,483	1,443,000	1,997,000	2,485,000	974,000
40200 Grants	1,222,482	920,710	697,796	524,686	1,222,482	118,960
40700 Restore Sales - RFP/SS	650,000	650,000	584,507	65,493	650,000	510,928
40800 Donated Materials - Restore FP/SS	650,000	650,000	584,507	65,493	-	533,960
40700 Restore Sales -RDP	780,000	780,400	693,160	86,840	780,000	738,428
40800 Donated Materials-Restore - RDP	780,000	780,000	693,160	86,840	-	771,715
40950 Contribution - AHAP Check Exchg	625,000	426,638	689,162	(64,162)	625,000	445,576
41000 Fundraising/Special Events	40,000	40,000	34,853	5,147	40,000	60,745
46698 New Market Tax Credit-Int. Inc.	10,800	18,044	18,958	(8,158)	-	53,849
Other Income Items	197,300	152,669	146,312	50,988	197,300	301,275
49999 POB2012 Cancellation of Debt	-	431,000	431,133	(431,133)	-	1,107,707
47110 Amortization Interest Income	60,000	73,872	75,606	(15,606)	-	74,350
<b>TOTAL INCOME FROM OPERATIONS</b>	<b>10,361,082</b>	<b>\$ 8,867,065</b>	<b>\$ 7,797,100</b>	<b>\$ 2,563,982</b>	<b>7,905,282</b>	<b>\$ 7,560,886</b>
<b>OPERATING EXPENSES</b>						
Management & General Expenses (including CHDO)	655,075	726,282	537,151	117,924	654,875	881,667
Fund Raising Expenses	369,634	376,268	321,477	48,157	369,634	326,846
ReStore - Forest Park -South Side (RFP/SS)	1,220,129	975,183	998,283	221,846	538,129	881,858
ReStore - Des Peres (RDP)	1,700,502	1,583,268	1,419,935	280,567	882,502	1,452,374
<b>Program Expenses</b>						
Family Services	56,750	65,520	31,152	25,598	56,750	50,412
Marketing	67,000	73,900	42,948	24,052	67,000	55,258
Volunteer Coordination	32,975	33,275	24,785	8,190	32,975	21,806
Real Estate Development (including CHDO)	27,025	24,800	26,719	306	27,025	45,470
Home Construction (including CHDO)	3,502,125	2,169,403	1,814,204	1,687,921	1,855,125	1,272,911
Program General (including CHDO)	1,520,869	1,822,016	1,132,936	387,933	1,432,274	1,324,649
New Market Tax Credit (POB)	77,838	119,413	1,413,731	(1,335,893)	-	743,857
HC LOC and Royal LOC repayment	-	-	-	-	1,402,000	-
<b>TOTAL OPERATING EXPENSES</b>	<b>9,229,921</b>	<b>\$ 7,969,328</b>	<b>\$ 7,763,321</b>	<b>\$ 1,466,600</b>	<b>7,318,289</b>	<b>\$ 7,057,108</b>
<b>CHANGE IN NET ASSETS FROM OPERATION</b>	<b>1,131,161</b>	<b>\$ 897,737</b>	<b>\$ 33,779</b>	<b>\$ 1,097,382</b>	<b>586,993</b>	<b>\$ 503,778</b>
<b>Homebuilding Activity - Direct Cost/Revenue</b>						
	<b>2020 Budget</b>	<b>2019 Projected</b>	<b>2018 Actual</b>	<b>2017 Actual</b>	<b>2016 Actual</b>	
#40100 Transfer to Homeowners	3,440,000	1,443,000	974,000	1,303,000	665,000	
#40200 Grant Income & #46000 In-kind	1,492,482	697,796	118,960	565,247	236,857	
#55040 Discount on Mortgage	(88,044)	(197,135)	(95,062)	(107,545)	(324,114)	
<b>Net Cash in</b>	<b>4,844,438</b>	<b>1,943,661</b>	<b>997,898</b>	<b>1,760,702</b>	<b>577,743</b>	
#55155 HC-Build Expenses Closed Homes (Direct C	(3,440,000)	(1,814,204)	(1,107,999)	(740,356)	(1,501,775)	
<b>Total Home Building</b>	<b>1,404,438</b>	<b>129,457</b>	<b>(110,101)</b>	<b>1,020,346</b>	<b>(924,032)</b>	
2nd Forgivable Loan Expense - Deferred	(78,700)	(75,000)	(106,934)	(99,427)	(84,678)	
<b>Total Home Building with Deferred Expense</b>	<b>1,325,738</b>	<b>54,457</b>	<b>(217,035)</b>	<b>920,919</b>	<b>(1,008,710)</b>	
<b>ReStore Combined</b>						
<b>Restore Net:</b>	<b>South Side</b>	<b>Des Peres</b>	<b>2019 Projected</b>	<b>2018 Actual</b>	<b>2017 Actual</b>	
#45400 ReStore Grants	-	-	30,000	30,000	35,000	
#40700 Sales	650,000	780,000	1,277,667	1,280,883	1,107,332	
#40800 Donated Material	650,000	780,000	1,277,667	1,280,883	1,124,729	
Other Income (AHAP net,Special Event, Sustainability)	300	641,500	345,000	482,598	587,111	
Cost of Goods Sold (COGS)	(650,000)	(780,000)	(1,277,667)	(1,280,883)	(1,097,058)	
Expenses	(570,129)	(920,502)	(1,140,551)	(1,263,991)	(1,237,174)	
<b>Total Restore Net to Affiliate</b>	<b>80,171</b>	<b>500,998</b>	<b>512,116</b>	<b>529,490</b>	<b>519,940</b>	
<b>Fundraising - Special Events</b>						
	<b>2020 Budget</b>	<b>2019 Projected</b>	<b>2018 Actual</b>	<b>2017 Actual</b>	<b>2016 Actual</b>	
#41000 Fundraising/Special Events	40,000	26,750	60,745	35,819	21,013	
#58000 Fund Raising/Spec Events	(10,750)	(2,500)	(8,654)	(11,172)	(1,286)	
<b>Total Special Events Net:</b>	<b>29,250</b>	<b>24,250</b>	<b>52,091</b>	<b>24,647</b>	<b>19,727</b>	