



Board of Directors Meeting,
October 25, 2022 11:30 AM

Microsoft Teams meeting

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Phone Conference ID: 438 038 824#

Call to Order	Stephen Westbrooks
Mission Moment	Avis Laden, Director of Family Services
Minutes of September 27, 2022, Meeting	Kimberley Batteast-Moore
Deeper Dive:	Family Services, Avis Laden
Treasurers Report	Rob Anderson
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 if needed**

Adjournment

MARK YOUR CALENDARS:

Upcoming Events

Tuesday, November 22, 2022

Board Meeting, 11:30 AM

“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)
September 27, 2022

The following members of the Board of Directors and other interested parties participated in this Board meeting via conference call and in person. Participants are listed below:

Amy Berg	Abbey Kepple	Pattye Taylor-Phillips
Floyd Sims	Jami Boyles	John Short
Kevin Wilson	Kimberley Batteast-Moore	Lauren Talley
Malaika Horne	Marisa Botta	Matt Guymon
Paul Woodruff	Phil Hulse	Rob Anderson
Subash Alias	Chris Roetheli	Linda Loewenstein
Nat Walsh	Howard Smith	Kimberly McKinney

Amy Berg called the meeting to order at 11:32 am

Mission Moment: The Mission Moment was brought by Kimberley Batteast-Moore She spoke about staying encouraged with the mission and purpose HFHSTL to keep inspiring others to help others and the purpose of HFHSTL. The mission is important to the community and how we should keep the course and give ourselves a hand clap and know that you have changed someone's life "The Mission Continues" HFHSTL has helped families make their dreams come true of becoming a homeowner.

Minutes: A motion to approve the minutes from the August 23, 2022, Board of Directors meeting was made by Pattye Taylor-Phillips and seconded by Marisa Botta the motion was approved.

Treasurer's Report: Reviewed by Rob Anderson, Cash flow is consistent. Restores Southside 80%, Des Peres had a water main break, in front of the store which resulted in closure and impacted sales. Staffing at both stores remains an issue including the Assistant Manager position at Des Peres. Budget 77% GA (B), 150,00 shortfall to budget H. Cash position remains good so on a short-term basis, we can carry the short fall.

Strategic Topic: MEET YOUR PEERS!!!! How well do we know our fellow board members? Kimberly presented a game of meet your peers for those attending the in-person meeting. Members had a chance to mingle around the table and see what each of us had in common. Wonderful ice breaker! Thanks Kimberly

CEO Report: Kimberly began with Success and Shout Outs to Phil Hulse for hosting the meeting at Green Street, to Kimberley Batteast Moore and Marisa Botta for attending the September dedication event, to Malaika Horne as the author of *Mother's Wit*, and to Ben Robinson, Habitat Saint Louis Office Manager for his assistance and community representation at the Dutchtown clean up event.

Kimberly highlighted the Resource Development September Suggestions including to promote our weekday crew match appeal- <https://www.habitatstl.org/weekdaycrewchallenge/>, KMOV kicks off October 17th. This is a great time to invite someone to tour a site and see Habitat in action. Available from October 17-21st and November 14-18th. Please reach out to Harper and we are always accepting new weekday crew volunteers. Do you know someone who has time free during the week and wants to volunteer with Habitat? We would love to have them work with us! No prior experience needed. Please reach out to Harper.

The Fall Challenge letter hit most mailboxes between 9/15 and 9/19 and will run through 10/31. Verbiage of the letter is provided as a link above (please feel free to share). Learning that the challenge partner is the Weekday Crews, one individual has already stepped up with a \$10k gift pledge.

Gate Phase 1 Dedication: Sunday, September 25th @ Noon, 3429 Park Avenue St. Louis MO 63104.

Women Build to be relaunched later this year – more details (and invitations to participate for you to share) forthcoming.

Family Services hosted a tour for 15 approved families who are at the address selection phase.

Minor Home Repair

Almost launched! Home Repair staff have been hired and will be onboarded beginning 9/20. Once the application is approved by the city, the program will go live via a new website link and home repair hotline.

Closing is still planned for House 5 in Gate (3429 Park). Unfortunately, due to non- financial related issues with the buyer for House 4, there closing has been postponed (anticipate closing within next 30 – 45 days). Application for Vista permit (pending for 1 of 2) is pending universal design review.

House 1 (711 Lookaway) is at drywall phase, 2022 closing date to be projected soon. The second house (715 Lookaway) has also been permitted, excavation to occur soon. The remaining five houses still have unresolved issue related to design (each border very close to the bluff), progress is being made. 4 of the homes are sold.

Lingard lawsuit: No update (written discovery in the form of interrogatories and request for production of documents on his counsel remains open from April 2022)

Art Place Initiative (API): Closing for the second single family property remains pending. Design underway for triplex as next build within project.

A new fee structure will be rolled out to taskforce members sometime the week of 9/26. Unless there has been significant “behind the scenes” changes, it will continue to reflect the four levers: population, revenue, production credit, and adjustment for area median income.

The HFHI Quality Assurance Checklist was reviewed. Prior to September 30, 2022, we must complete our FY2023 Affiliated Organization Covenant and Quality Assurance checklist (QAC) documents. Documents reflect an approval of the covenant by the Board as well as an indication of members in attendance. The agreement follows.

Preface: Habitat for Humanity International and Habitat for Humanity U.S. affiliated organizations work to create decent, affordable housing in partnership with those in need and to make shelter a matter of conscience with people everywhere. This Covenant outlines the relationship between Habitat for Humanity International and its affiliated organizations in the United States.

Mission vision: A world where everyone has a decent place to live.

Mission statement: Seeking to put God’s love into action, Habitat for Humanity brings people together to build homes, communities, and hope.

Agreement to covenant: In recognition of the Principles stated in this Covenant, Habitat for Humanity International and Saint Louis, HFH covenant as follows.

Habitat for Humanity International covenants:

- To support the work of Habitat for Humanity affiliated organizations through program development, communication, learning opportunities, advocacy, and protecting and promoting the good name of Habitat for Humanity.
- To coordinate global fundraising efforts.
- To create a global movement around the need for decent and affordable housing.

- To administer tithe funds contributed by affiliates in support of the efforts of Habitat for Humanity national organizations and affiliates.

Saint Louis, HFH covenants:

- To support the work of Habitat for Humanity affiliated organizations through program development, communication, learning opportunities, advocacy, and protecting and promoting the good name of Habitat for Humanity.
- To comply with the minimum operational standards contained in an annual certification process.
- To conduct its operations within its defined service area.
- To tithe for Habitat for Humanity's housing work outside the United States.
- To reject any support that is conditioned on deviating from the Mission Principles or other approved policies and practices.
- To conduct its operations in a manner that protects and promotes the good name of Habitat for Humanity and contributes to the growth of the Habitat for Humanity movement and is in the best interests of other affiliates and of Habitat for Humanity International, including, but not limited to, actions that are specified in this covenant and in Habitat for Humanity policies.

The U.S. Affiliated Organization Covenant (Covenant) is the foundational document between Habitat for Humanity International and U.S. affiliates. The Covenant continues to be our guiding spiritual and philosophical document. The yearly signing of the online Covenant ensures that, while affiliate

leadership may change over time, the mission, mission principles and core tenets of Habitat for Humanity remain intact.

The QAC is divided into two sections.

Section 1: Core Requirements demonstrate sound, professional business practices and are also essential to one or more of the following: (a) protection and stewardship of the Habitat for Humanity brand and national reputation, (b) preservation of Habitat for Humanity's reputation and credibility with national, state and local government funders, (c) demonstration of practices that are considered critical by insurers and (d) demonstration of compliance with core Habitat for Humanity policies or other legal requirements binding on affiliates. While all of the QAC requirements are critical, noncompliance with a Core Requirement poses a potentially greater risk to the Habitat for Humanity network as a whole.

Section 2: Other Essential Practices demonstrate sound, professional business practices and also demonstrate compliance with core Habitat for Humanity policies or other legal requirements binding on affiliates.

The Quality Assurance Checklist (QAC) contains standards and practices that are expected of each affiliate. As required by the U.S. Affiliation Agreement, affiliates must exercise their best efforts to comply with each of the standards. Failure to meet these standards can potentially affect good standing and result in other disciplinary action.

A motion was made by Matt Guymon and seconded Marisa Botta and approved unanimously to approve the HFHI Quality Assurance Checklist.

As noted in program, home repair staff (Shane Ruble and Leon Brown Jr.) have been hired. Stephanie Klaeger has been hired as Resource Development Coordinator, replacing Ben Cohen. Joe Brenner has been hired as a Site Assistant. Candidates are being interviewed for ReStore Des Peres Assistant Manager as well as the Accounting Assistant.

Employee Retention Tax Credit: Information has been submitted to IPS (payroll company) for assistance with the Employee Retention Tax Credit, amount pending. Much thanks to Amy Berg and John Short for their assistance!

As shared by Rob Anderson earlier, A water break behind Sam's Club occurred on August 27th. Fortunately, Alan Rupp (store manager) had returned to the store after hours and heard/saw the "gurgling" water underneath the pavement (he was able to notify police who contacted MO American Water for water shut off). The leak was an 8" main that supplies all of Sam's as well as RDP. By Monday AM, the leak had created a massive sinkhole that because of its location prevented the store from opening until Thursday (three days closed). A business interruption claim has been filed.

There being no additional business, Kevin Wilson made a motion to adjourn the meeting, seconded by Anderson and approved unanimously.

Respectfully submitted Kimberley Batteast-Moore

Habitat for Humanity Saint Louis Dashboard
as of September 30, 2022

RESOURCE DEVELOPMENT	September	YTD	Notes:		
New Donors	3	47			
New Keystone Benefit Members (\$1500+ Annually/Mission Support)	1	32			
Build Benefits Pledged	\$15,000	\$168,000			
Build Benefits Recd To Date	\$1,326	\$165,766			
Renewed Donors	65%				
BOD Funds Pledged	\$0	\$30,800			
BOD: Funds Received	\$750	\$29,950			
BOD % Giving	10%	52%			
BOD Meeting Attendance	66%				
PROGRAM					
Homes Under Construction	6		Not including API / API +3		
Homes Closed	1				
Average Cost / Closed Home	n/a				
Future Build Sites Available	11	4 or 5 LaSaisonII, 3 Gate Dist., 3 Ucity (Habitat Owned or Optioned)			
Applicants Pipeline	15	+ 12 Active Tier 2 Families, 100+ in pipeline			
Mortgage Loan Fund Balance	\$3,957,760				
RESTORE	YTD Actual	YTD Budget	%	Annual Budget	Notes
Revenue RSS	\$ 344,693	\$ 428,000	81%	\$550,000	Sales Only
Revenue RDP	\$ 332,878	\$ 474,500	70%	\$ 615,000	
ReStore P/L	\$ 127,808	\$ 255,594	50%	\$ 483,241	
# of Donations	638	175 Pick Ups/Drop Offs: 74 RSS and 389 RDP			
FINANCIALS					
Income: Mission Support	\$ 672,920	\$ 841,815	80%	\$1,281,750	
Program	\$ 567,181	\$ 1,201,960	47%	\$3,949,303	
ReStore	\$ 1,707,974	\$ 2,132,447	80%	\$3,084,205	
Management General	\$ 182,028	\$ 190,932	95%	\$382,745	
Other					
TOTAL INCOME	\$ 3,130,103	\$ 4,367,154	72%	\$8,698,003	
Expenses: Home Construction	\$ 314,360	\$ 846,076	37%	\$3,187,635	CIP = \$1,162,624
Operating	\$ 1,649,623	\$ 1,912,505	86%	\$2,893,983	
ReStore	\$ 1,580,166	\$ 1,876,853	84%	\$2,600,964	
TOTAL EXPENSES	\$ 3,544,149	\$ 4,625,434	76%	\$8,682,582	
Net Profit/Loss	\$ (414,044)	\$ (268,280)		\$15,421	
	YTD 2022	YTD 2021	Change		
Year/Year Change in Cash	\$ 124,252	\$ 141,700	\$	(17,448)	
Year/Year AP	\$ 342,070	\$ 802,279	\$	(460,209)	
Year/Year Debt LT	\$ 3,247,714	\$ 3,263,920	\$	(16,206)	
Year/Year Debt ST	\$ 870,590	\$ 761,100	\$	(109,490)	

Saint Louis, HFH (MO)

This is an **EXAMPLE** based on previous years individual affiliate data, updates will be made as data changes in the future.

Current State and Habitat 2.0 Future State

In the **Current State** the affiliate is paying \$25,000 in SOSI fees and receives on average \$94,824 in current cash transfers. This results in a **Current Net Outcome** of \$69,824 (*Current Transfers - SOSI*).

In the **Habitat 2.0 Future State** the affiliate would pay \$370,000 in Habitat 2.0 investment fees and receive \$341,257 in new direct marketing transfers in addition to the average \$94,824 in current transfers for a total of \$436,081 in transfers. This results in a **Future Net Outcome** of \$66,081 (*Total Transfers - Habitat 2.0 investment fee*).

In this example based on the most current data available the Net Change between **Current** and **Future** states for this affiliate is **\$-3,743**.

Affiliate Current and Future State Calculations

	Current State	Habitat 2.0 Future State
Transfers from HFHI	\$94,824	\$94,824 + \$341,257
Fees Paid By Affiliate	— \$25,000	— \$370,000*
Net Outcome <i>(Net Outcome = Transfers from HFHI - Fees Paid by Affiliate)</i>	= \$69,824	= \$66,081*

Net Change from Current to Future State = **\$-3,743**
(Net Change = Future State Net - Current State Net)

Investment Fee and Affiliate Information

Affiliate Information

Information is based on Previous Years' Data

GSA Population: 1,305,714

Total Revenue: \$5,938,768

Future Direct Marketing Transfers (Gross): \$568,761

Future Direct Marketing Transfers (Net of Cost to Raise)*: \$341,257

-Number of Donors: 4,107

Current Cash Transfers from HFHI: \$94,824

Current SOSI Fee: \$25,000 (Very Large (750,000 or greater))

Future Habitat 2.0 Investment Fee: \$370,000

(Habitat 2.0 Investment Fee = 200,000 + 40,000 + 130,000)

(Population Band Fee + Revenue Band Fee + DM Band Fee)

*Cost to Raise in this example is 40%, this is an estimate and subject to change in the future

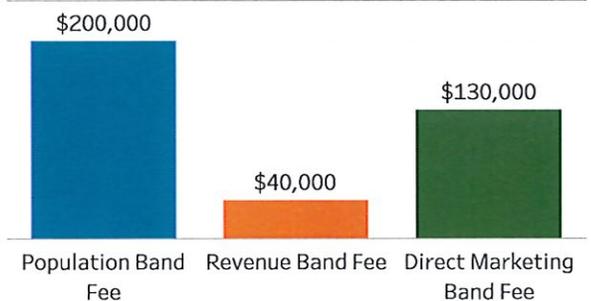
Habitat 2.0 Investment Fee Bands

Saint Louis, HFH (MO)

Pop Band 10: > 1M

Rev Band 9: \$5M - \$10M

DM Band 9: \$400k-\$850k



Affiliate information data sources:

GSA Population = 2020 Census

Total Revenue = FY17-FY19 avg. Based on Line 12 of the IRS 990

Future Direct Marketing = FY20-FY22 avg. of dollars raised by HFHI

Number of Donors = FY20-FY22 avg of HFHI donors contributing to direct marketing in the affiliate GSA

Current Cash Transfers = FY19-FY21 avg. of Cash transfers from HFHI to the affiliate (Details available on the Affiliate Transfer Summary previously provided)

Current SOSI Fee = Based on current affiliate GSA category which is reflective of 2010 Census populations

***Disclaimer: The Habitat 2.0 future state numbers and band fees are all examples based on previous years' data. The band fees, the total investment fee, transfers and outcome numbers will all be different to reflect updated data when the Habitat 2.0 financial model is put into place for FY25.**

Next Iteration: Three-Banded Model Formula

Population Banded Lever

Makes up ~50% of the total solve amount

Population Bands	Band Fee
Pop Band 1: < 25K	\$2,500
Pop Band 2: 25k - 40k	\$3,500
Pop Band 3: 40k - 60k	\$5,000
Pop Band 4: 60k-80k	\$7,000
Pop Band 5: 80k-120k	\$10,000
Pop Band 6: 120k-180k	\$15,000
Pop Band 7: 180k- 250k	\$22,000
Pop Band 8: 250k- 500k	\$36,000
Pop Band 9: 500k- 1M	\$80,000
Pop Band 10: > 1M	\$200,000

Population is based on 2020 census data for an affiliate's Geographic Service Area (GSA).

Revenue Banded Lever

Makes up ~15% of the total solve amount

Revenue Bands	Band Fee
Rev Band 1: < \$50k	\$1,000
Rev Band 2: \$50k - \$150k	\$1,200
Rev Band 3: \$150k - \$300k	\$1,400
Rev Band 4: \$300k-\$500k	\$2,000
Rev Band 5: \$500k - \$850k	\$4,000
Rev Band 6: \$850k - \$1.5M	\$6,500
Rev Band 7: \$1.5M - \$2.5M	\$10,500
Rev Band 8: \$2.5M - \$5M	\$20,000
Rev Band 9: \$5M - \$10M	\$40,000
Rev Band 10: > \$10M	\$80,000

Revenue is based on a 3-year rolling average of line 12 from an affiliate's 990. Revenue band fees have been weighted less than population and direct marketing band fees in response to concerns around revenue.

Direct Marketing Banded Lever

Makes up ~35% of the total solve amount

DM Bands (Gross Amount)	Band Fee
DM Band 1: <\$4k	\$1,500
DM Band 2: \$4k-\$8k	\$1,700
DM Band 3: \$8k-\$15k	\$3,000
DM Band 4: \$15k-\$25k	\$6,000
DM Band 5: \$25k-\$50k	\$10,000
DM Band 6: \$50k-\$120k	\$20,000
DM Band 7: \$120k-\$250k	\$40,000
DM Band 8: \$250k-\$400k	\$80,000
DM Band 9: \$400k-\$850k	\$130,000
DM Band 10: >\$850k	\$310,000

Direct Marketing is based on a 3-year rolling average of the gross dollars FFHI raised in direct marketing in an affiliate's GSA.

An affiliate's investment fee

NOTE: Band Fees are based on \$57M solve amount using data from FY20-22 and will change before implementation in FY2025 after updated data is applied

**Habitat for Humanity Saint Louis Board of Directors Meeting
Tuesday, October 25, 2022
CEO Report**

Success and Shout Outs!

Resource Development

October Opportunity:

Just one ask! KMOV kicks off October 17th. Harper will be on site every day from 11-12:30 from October 24-28th and November 14-18th and would love to host you and anyone else. Please shoot her an email if you have time to stop by either solo or with a possible new partner! We would also love to see your faces at the KMOV Home 4 the Holidays dedication on **November 21st at noon.**

Appeal Letter(s)

As of 10/17, the Weekday Crew appeal has raised \$32,925 total from 105 donors. A \$10k pledge from an individual donor who was moved to give because the challenge included the weekday crew is not included in the reported amount. The Weekday challenge runs through 10/31.

The next appeal will drop on or around November 15th. Additionally, an online only \$25k challenge will be matched by AAA Missouri is planned for the last two weeks of December.

Charity Navigator

Charity Navigator, a charity assessment organization that evaluates hundreds of thousands of US based charitable organizations will be releasing new scores in early November. Based on the preliminary scoring provided for review, we will receive the highest score possible of four stars. Charity Navigator provides "*insights into a nonprofit's financial stability, adherence to best practices for both accountability and transparency, and results reporting.*" It is the largest and most-utilized evaluator of charities in the United States.

Program

Neighborhoods/ Home Construction/Homebuyers

CDA = Community Development Administration, HOME funds.

AHTF = Affordable Housing Trust Fund

**St. Louis Developers Corporation RFP for Housing Access and Neighborhood
Stabilization Revolving Loan Fund**

A response was submitted to the RFP (released 9/23 with a due date of 10/14) in partnership with Old North St. Louis and St. Louis Art Place Initiative for 20 units of affordable housing in two of the targeted redevelopment areas. If selected (for the full amount), it would represent utilization of new market tax credits on 35 units of affordable housing. **Much thanks to Howard Smith and Jill Gilbert from Smith and Associates for their vital assistance with the application.**



Minor Home Repair

Launched! Home Repair applications are now being accepted and HR staff are beginning walk throughs. The first reimbursement request is pending.



Gate District

photo courtesy of - Habitat for Humanity Saint Louis - www.habitatsll.org

3427 Park Avenue, 63104 (as sample address, 5 homes total in first phase/ 3 of 5 homes closed in December) / 3 blocks east of Grand (\$69,860/house in AHTF subsidy).

Closing(s) for Houses 4 and 5 are scheduled for October 18th. The Vista permit (pending for 1 of 2) is still pending universal design review.



Lookaway Phase 2

photo courtesy of - Habitat for Humanity Saint Louis - www.habitatsll.org

711 Lookaway Court, 63137 (as a sample address, 1 of 7).
North St. Louis City across from Chain of Rocks Park.
\$78,576/house subsidy (\$54,300 CDA / \$24,276 AHTF).

House 1 (711 Lookaway) is slated for completion December 1st; a closing the week of December 12th is being planned. The second house (715 Lookaway) is pending excavation. The remaining five houses still have unresolved issue related to design (each border very close to the bluff), progress is being made. 4 of the homes are sold.

Lingard lawsuit: No update (written discovery in the form of interrogatories and request for production of documents on his counsel remains open from April 2022).



KMOV

2022 KMOV: Coming Up! Build weeks are October 24 – 28 and November 14 – 18 with dedication on November 21st **Please see ask in Resource Development!**

Art Place Initiative (API): Closing for the second single family property is scheduled for November 7th. Design underway for triplex as next build within project.

Future Builds:

Those listed below represent no change from the prior report(s):

Old North St. Louis Phase 3 – 3 homes, \$270,000. CDA has determined that the sound issue related to the sites identified would prevent funding. Replacement sites being identified. Possible project similar to API being considered with Old North St. Louis Restoration Group.

Management/General

HFHI

The latest fee structure (see more attached) proposed is based on three levers, each banded based on various ranges of population, revenue, and current direct mail revenue (the gross amount being raised by HFHI in geographical service area).

- The ten population bands range from under 25k in population at a \$2500 fee to over 1 million at a \$200k fee – Habitat Saint Louis is in the highest band (\$200k).
- The ten revenue bands range from under \$50k in revenue at a \$1,000 fee to over \$10 million at a \$80,000 fee – Habitat Saint Louis is in the 9th of 10 bands (\$40k).
- The Direct Mail (gross) ranges from under \$4k in current DM raised by HFHI for a fee of \$1500 to over \$850k and a fee of \$310) – Habitat Saint Louis is in the 9th of 10 bands (\$130k). The gross amount raised is estimated at \$568,761 with a

net (the amount Habitat Saint Louis would receive less fundraising costs) of \$341,257 (a fee of 40%). The report cites 4,107 donors.

- The net impact is an additional expense of approximately \$3800.
- The next Collaborative Operating Model call is scheduled for October 20th and will be the first call since affiliates received the newest projections.
- For now, tithe and a production credit have been removed from the fee calculation.

Staff

Alan Rupp has tendered his resignation as ReStore Des Peres Manager. As interviews for Assistant Manager were ongoing, Damon Guthrie (ReStore General Manager) is revisiting candidates for both Manager and Asst Manager.

Other

Employee Retention Tax Credit: Amended returns have been prepared and sent by IPS (payroll company) for an ERTC net of just over \$130,000 (anticipated return of 8 – 10 months).

ReStore Des Peres: An application to Ameren BizSavers program has been approved and approximately \$22k in lighting improvements at no cost to us is pending installation (anticipated to occur next week). Additional incentives related to HVAC are pending.

If you have any questions not covered in above, please feel free to email me in advance of Tuesday's meeting and I will prepare for / add to our discussion. Thanks.