



**Board of Directors Meeting,  
November 29, 2022**

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Call to Order	Stephen Westbrooks
Mission Moment	Stephen Westbrooks
Minutes of October 25, 2022, Meeting	Kimberley Batteast-Moore
Strategic Topic	2023 Budget
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**

Adjournment

**MARK YOUR CALENDARS:**

*Upcoming Events*

Board of Directors Retreat

Tuesday, March 28, 2023

Tuesday, April 25, 2023

Tuesday, May 23, 2023

**February 4<sup>th</sup>**

**Board Meeting, 11:30 AM**

**Board Meeting, 11:30 AM**

**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)  
October 25, 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	Brian Pratt	Chris Roetheli
Jami Boyles	Jim Del Carmen	John Short
Kevin Wilson	Lance Cage	Lauren Talley
Kimberley Batteast-Moore	Matt Guymon	Pattye Taylor-Phillips
Tiffany Harvey-Horton	Todd Gibson	Linda Loewenstein
Howard Smith	Nat Walsh	Stephen Westbrooks
Bob West	Avis Laden	Kimberly McKinney

Stephen Westbrook called the meeting to order at 11:33 AM

Mission Moment: Avis Laden, as Director of Family Services, provided the mission moment. She shared more about her direct interactions with Habitat families, and their extended family, as a reminder of the importance of supporting one another.

Minutes: A motion to approve the minutes from the September 27<sup>th</sup> Board of Directors meeting was made by Amy Berg and seconded by Nat Walsh the motion was approved.

The Strategic Topic was a deeper dive into the work of the Family Services department. Avis shared the process of becoming a homeowner, the beginning, and the end until the family closes on their home. She also encouraged us with the challenges that arise in this mission of becoming a homeowner. She explained the expertise of her staff maintaining and flowing smoothly through the process as well as making sure all is well and gracefully complete. Avis ended by answering questions from the Board members including sharing that Habitat benefits from various partnerships (Urban League, various Banks, Better Family Life, and Justine Petersen, as examples).

Treasurer's Report: In Rob Anderson's absence, Kimberly reviewed the as of September dashboard that was included in the board packet. She shared that while the report cited only one closing, two additional closings occurred in October. The ReStore continues to underperform as concerns about staffing are being addressed. The Ameren BizSavers program has been approved and installation is pending for approximately \$22,000 in energy efficiency lighting upgrades at the Des Peres location.

CEO Report: Kimberly expanded on the written report from the Board packets sharing as Success and Shout Outs appreciation to Howard Smith who assisted with a recent, and quick response, to a City of St. Louis request for proposal (RFP) related to a New

Market Tax Credit loan program. Habitat Saint Louis responded with an application that would support up to 35 possible homes, identifying 20 of the 35 in two areas that were deemed a priority in the RFP. If selected for the full amount, more thought and planning would be required to meet the level of construction. An announcement is expected in mid-November. Several other members expressed their appreciation to Howard not only for this opportunity but for past New Market Tax Credit opportunities.

The only ask from Resource Development for the month was a reminder that KMOV presents a great opportunity for a site visit / tour and to reach out to Harper to schedule. The KMOV Home 4 the Holidays dedication will be held on November 21<sup>st</sup> at noon.

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 15<sup>th</sup>. 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.

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

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

House 1 (711 Lookaway) is slated for completion December 1<sup>st</sup>; a closing the week of December 12<sup>th</sup> 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).

The latest HFHI fee structure 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 9<sup>th</sup> 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 9<sup>th</sup> 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 20<sup>th</sup> 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.

Alan Rupp has tenured 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.

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). Kimberly thanked Amy Berg and John Short for their assistance with this program.

Under other business, Kimberly noted that our prayers are with the CVPA and Collegiate students, faculty, staff and families, the school shooting was devastating. She also shared that the same day as the tragic school shooting, a Habitat home repair staff member was detained by St. Louis Police who only shared that he looked like an someone they were seeking as an active shooter. A complaint has been filed with the City of St. Louis Civilian Oversight Board.

Following a motion to adjourn made by Amy Berg, seconded by Jim Del Carmen, and approved unanimously, Stephen Westbrook adjourned the meeting at 12:40 pm.

Respectfully submitted  
 Kimberley Batteast-Moore, Secretary

Habitat for Humanity Saint Louis Dashboard  
as of October 31, 2022

RESOURCE DEVELOPMENT	October	YTD	Notes:		
New Donors	6	53			
New Keystone Benefit Members (\$1500+ Annually/Mission Support)	1	33			
Build Benefits Pledged	\$85	\$253,000			
Build Benefits Recd To Date	\$24,500	\$190,266			
Renewed Donors	68%				
BOD Funds Pledged	\$750	\$31,550			
BOD: Funds Received	\$3,500	\$33,450			
BOD % Giving	28%	69%			
BOD Meeting Attendance	63%				
<b>PROGRAM</b>					
Homes Under Construction	4		Not including API / API +3		
Homes Closed	3				
Average Cost / Closed Home	\$231,085				
Future Build Sites Available	20+	LaSaisonII, Gate Dist., Ucity, ONSL (Habitat Owned or Optioned)			
Applicants Pipeline	15	+ 12 Active Tier 2 Families, 100+ in pipeline			
Mortgage Loan Fund Balance	\$3,635,760				
<b>RESTORE</b>	<b>YTD Actual</b>	<b>YTD Budget</b>	<b>%</b>	<b>Annual Budget</b>	<b>Notes</b>
Revenue RSS	\$ 408,631	\$ 470,000	87%	\$550,000	Sales Only
Revenue RDP	\$ 375,052	\$ 524,000	72%	\$ 615,000	
ReStore P/L	\$ 159,018	\$ 261,576	61%	\$ 483,241	
# of Donations	564	135 Pick Ups/Drop Offs: 52 RSS and 377 RDP			
<b>FINANCIALS</b>					
<b>Income:</b> Mission Support	\$ 802,390	\$ 928,065	86%	\$1,281,750	
Program	\$ 1,313,036	\$ 1,210,243	108%	\$3,949,303	
ReStore	\$ 1,947,806	\$ 2,346,825	83%	\$3,084,205	
Management General	\$ 202,179	\$ 210,863	96%	\$382,745	
Other					
<b>TOTAL INCOME</b>	<b>\$ 4,265,411</b>	<b>\$ 4,695,996</b>	<b>91%</b>	<b>\$8,698,003</b>	
<b>Expenses:</b> Home Construction	\$ 779,370	\$ 808,113	96%	\$3,187,635	CIP = \$1,253,179
Operating	\$ 2,029,376	\$ 2,172,728	93%	\$2,893,983	
ReStore	\$ 1,788,788	\$ 2,085,249	86%	\$2,600,964	
<b>TOTAL EXPENSES</b>	<b>\$ 4,597,554</b>	<b>\$ 5,066,090</b>	<b>91%</b>	<b>\$8,682,582</b>	
<b>Net Profit/Loss</b>	<b>\$ (332,141)</b>	<b>\$ (370,094)</b>		<b>\$15,421</b>	
	YTD 2022	YTD 2021		Change	
Year/Year Change in Cash	\$ 276,912	\$ 159,705	\$	117,207	
Year/Year AP	\$ 377,498	\$ 498,124	\$	(120,626)	
Year/Year Debt LT	\$ 3,243,814	\$ 3,260,539	\$	(16,725)	
Year/Year Debt ST	\$ 766,347	\$ 868,598	\$	(102,251)	

**Habitat for Humanity Saint Louis Board of Directors Meeting**  
**Tuesday, November 29, 2022**  
**CEO Report**

**Success and Shout Outs!**

**Resource Development**

Executive Build(s): Build Opportunity! Plans are for 4 – 6 Executive Builds during calendar year 2023. Reach out to Harper to host (or co-host) a 2023 date.

Appeal Letter(s)

The Match Appeal raised \$38,665 from 139 total gifts with a \$10k pledge pending (once received, the total amount raised will exceed the challenge by \$8,665). With appreciation to the Weekday Crew who helped salvage this annual effort, the timing of the appeal was not optimal. The goal for 2023 is to find a \$75k match partner and to return the challenge appeal to the summer months.

The new winter appeal has dropped. Additionally, an online only \$25k challenge will be matched by AAA Missouri is planned for the last two weeks of December.

KMOV Dedication coverage can be found at [dedication coverage](#).

Following the KMOV dedication, a Cardinals.com/MLB.com reporter conducted interviews to highlight the donation from Paul Goldschmidt via the Big-League Impact Foundation. The story can be found at the link, it will run through the Thanksgiving Holiday weekend on Cardinals.com. <https://atmlb.com/3EvjiKW>

**Program**

It's that time of the year for family gatherings, showing gratitude and sharing blessings during the holiday season. The Family Services Department is in conversation with our partner families about the same. Some of whom are signing up to adopt a family in need this year, while others are asking to be added to the list for assistance. If you are able, please consider signing up or share this request if you know someone else that is may wish to adopt a family during this holiday season. Last year we were able to help EVERY family that asked for assistance with holiday gifts, groceries, and utility assistance. We didn't have to turn anyone away in 2021 and with your help 2022 will be the same.

Please reach out to Connie through email at [connie@habitatstl.org](mailto:connie@habitatstl.org) to get more information. Happy Holidays!!!

**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**

Awards from the RFP remain pending. An update will be provided at the meeting.

### **Minor Home Repair**

Home Repair projects have been completed on three properties with additional applications approved.

### **Gate District –**

**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).**

Houses 4 and 5 closed. Permit pending for the Vista property.

### **Lookaway Phase 2**

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).

Work was stalled on House 1 (711 Lookaway) while staff turned their attention to KMOV. Completion and closing pending. Of the remaining homes, 4 of the 5 homes are sold. (The homebuyer application will open January 2023 for the first time since the pandemic.)

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**

As shared above, dedication occurred November 12<sup>th</sup>, a December closing is pending. The home/homebuyer has also been selected as part of the Kurt Warner, First Things First Foundation, for an early December event.

*Art Place Initiative (API):* Closing for the second single family property is scheduled for the end of December. 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**

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

Items requiring Board action and at the recommendation of Board Governance

- Approval of Officers
- Approval of At Large Executive Committee members
- Approval of Board nominees including both new and renewing members

- Approval of Alumni Board addition

**For consideration as Officers:**

2023 Officers / Executive Committee

President – Amy Berg (as elected 2020)

**President Elect – Jim Del Carmen (proposed)**

**General Counsel – Matt Guymon (proposed)**

**Treasurer – Rob Anderson (proposed)**

**Secretary – Kimberly Batteast Moore (proposed)**

**At Large: Jami Boyles (proposed)**

**LaDawn Ostmann (proposed)**

**John Short (proposed)**

Per terms of the bylaws, only those noted as proposed and in bold require Board action (others listed are for reference).

**New Members Proposed:** alphabetical order by last name.

Samantha Arvin - <https://www.linkedin.com/in/samantha-arvin-35a1aa60/> [\[linkedin.com\]](#)

Priscilla Bennett - <https://www.linkedin.com/in/priscillabennett/> [\[linkedin.com\]](#)

Keith Brooks - <https://www.linkedin.com/in/keith-brooks-57955a2/> [\[linkedin.com\]](#)

Judy Cromer - <https://www.linkedin.com/in/judycromer/> [\[linkedin.com\]](#)

Angie Eslinger - [https://www.linkedin.com/in/angie-eslinger-48734b5](https://www.linkedin.com/in/angie-eslinger-48734b5/) [\[linkedin.com\]](#)

David Stiffler - <https://www.linkedin.com/in/david-stiffler-56a5b3a3/> [\[linkedin.com\]](#)

Raj Tailor, <https://www.linkedin.com/in/rajtailorst/> [\[linkedin.com\]](#)

Dan Weiss - <https://www.linkedin.com/in/danrweiss28/> [\[linkedin.com\]](#) [\[linkedin.com\]](#)

The individuals noted below are completing their first term and are being recommended for **renewal as provided for in HFHSL bylaws:**

Jim Del Carmen, Collaborative Strategies

Matt Guymon, Twain Financial Partners

Phil Hulse, Green Street

Floyd Simms, Simms Building Group

We say good-bye but also express **our heartfelt appreciation** to the following retiring Board Members: Marisa Botta, Lance Cage, Todd Gibson, and Linda Moen.

**It is also the recommendation of Board Governance that Malaika Horne be added to the Alumni Board**

With the approval of above, the Board will reflect 30 Board Members and 6 Alumni Board members.

**Demographics of current Board (not including Alumni members)**

- Gender: Male 58% / Female 42%.
- Race: White 64% / Non-White 36%.



- Age: Over 50 - 50% / Under 50 – 50%
- Affiliation: Business or Corporate 40% / Construction 18% / Community 18% / Finance 14% / HR and Legal 10%
- National Statistics: Board demographics (from BoardSource) 53% Male / 47% Female, 78% White/22% Non-White, 43% over 55

### **HFHI**

The November Collaborative Operating meeting was cancelled due to the holiday. HFHI instead published feedback received from affiliates from the newest model. Because it reduces the fee structure levers (removing AMI) and removing tithe, many are responding that they prefer the simplified approach. However, there are many comments expressing concern about the cost to fundraise, the lack of transparency in fundraising costs and impact to affiliate production.

### **Staff**

Michell Montgomery Brown has hired as ReStore Des Peres Assistant Manager. An offer has been extended to a manager candidate.

### **Other**

ReStore Des Peres: Energy efficient lighting through Ameren BizSavers program has been installed.

*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.*

## Habitat For Humanity Saint Louis

### 2023 Budget

	GAP 2023 Budget	GAP 2022 Budget	YTD 2022 Act & Projected YE	2023 Projected VS 2022 Actual	GAP 2021 Actual	Cash 2023 Budget
<b>INCOME</b>						
40900 Mission Support	1,163,700	1,219,000	997,941	165,759	1,202,453	1,163,700
41000 Fundraising/Special Events	25,000	15,000	11,000	14,000	9,109	25,000
40000 Restricted Support	20,000	x	x	20,000	3,500	20,000
47000 ERTC	137,394	x	x	137,394	x	137,394
45033 MO FUND	220,675	125,000	286,796	(66,121)	x	220,675
45038 MHRP	280,000	x	x	280,000	x	280,000
40950 Contribution - AHAP Check Exchg	800,000	603,955	785,540	14,460	723,643	x
46000 In-kind	178,000	140,000	90,000	88,000	96,162	x
40100 Transfer to Homeowner	2,310,000	2,340,000	1,140,000	1,170,000	1,548,000	1,820,000
40200 Grants	609,206	945,695	228,820	380,386	255,980	609,206
46200 Art Place Initiative Project Developer Fees	70,088	206,250	16,120	53,968	33,237	70,088
46205 Art Place Self Performed Services	36,000	112,000	10,677	25,323	17,975	36,000
40700 Restore Sales - South Side	570,000	550,000	510,000	60,000	506,969	570,000
40800 Donated Materials - Restore South Side	570,000	550,000	510,000	60,000	421,780	x
40700 Restore Sales -RDP	620,000	615,000	500,000	120,000	538,320	620,000
40800 Donated Materials-Restore - RDP	620,000	615,000	500,000	120,000	536,622	x
46698 New Market Tax Credit-Int. Inc.	23,194	23,194	23,194	-	23,192	x
47000 Other Income Items	311,700	319,750	181,883	129,817	892,484	311,700
47110 Amortization Interest Income	92,496	87,414	89,178	3,318	79,251	x
47003 QALICB Rent Income Building	235,360	230,745	230,745	4,615	226,221	x
<b>TOTAL INCOME FROM OPERATIONS</b>	<b>8,892,813</b>	<b>8,698,003</b>	<b>6,111,894</b>	<b>2,780,919</b>	<b>7,114,898</b>	<b>5,883,763</b>
<b>OPERATING EXPENSES</b>						
Management & General Expenses (including CHDO)	610,546	549,621	520,769	89,777	647,297	456,546
Resource Development Expenses	325,841	337,727	304,999	20,842	228,168	325,841
Marketing	68,869	75,114	54,780	14,089	33,773	68,869
Volunteer Coordination	89,750	88,211	85,670	4,080	65,136	89,750
<b>Program Expenses</b>	x	x	x	x	x	x
Program General (including CHDO)	1,224,935	1,086,978	966,000	258,935	754,693	879,802
Home Construction (including CHDO)	2,945,350	3,187,635	1,138,410	1,806,940	2,213,188	1,721,556
Real Estate Development (including CHDO)	110,618	96,795	95,583	15,035	67,205	110,618
Family Services	256,199	222,142	214,189	42,010	154,234	256,199
ReStore -South Side Incl COGS	1,087,756	1,010,274	925,982	161,774	864,434	517,756
ReStore - Des Peres Incl COGS	1,698,529	1,590,690	1,266,968	431,561	1,421,295	554,988
QALICB Expenses	235,360	230,745	230,745	x	226,221	x
New Market Tax Credit (POB)	108,084	206,650	133,952	(25,868)	133,685	x
HC LOC and Royal LOC repayment	x	x	x	x	x	885,000
<b>TOTAL OPERATING EXPENSES</b>	<b>8,761,836</b>	<b>8,682,582</b>	<b>5,938,048</b>	<b>2,819,174</b>	<b>6,809,329</b>	<b>5,866,924</b>
<b>CHANGE IN NET ASSETS FROM OPERATIONS</b>	<b>130,976</b>	<b>15,421</b>	<b>173,846</b>	<b>(38,255)</b>	<b>305,569</b>	<b>16,839</b>
<b>Homebuilding Activity - Direct Cost/Revenue</b>						
#40100 Transfer to Homeowners	2023 Budgt	2022 Projected Year end	2021 Actual	2020 Actual	2019 Actual	
	2,310,000	1,140,000	1,548,000	270,000	1,496,000	
#40200 Grant Income & #46000 In-kind	787,206	228,820	255,980	42,704	422,000	
#55040 Discount on Mortgage	(129,865)	(204,463)	(176,055)	(24,076)	(106,113)	
<b>Net</b>	<b>2,967,341</b>	<b>1,164,357</b>	<b>1,627,925</b>	<b>288,628</b>	<b>1,811,887</b>	
#55155 HC-Build Expenses Closed Homes (Direct Cost only)	(2,945,350)	(1,138,410)	(1,451,397)	(302,614)	(1,107,999)	
<b>Total Home Building</b>	<b>21,991</b>	<b>25,947</b>	<b>176,528</b>	<b>(13,986)</b>	<b>703,888</b>	
<b>Restore Net:</b>						
	<b>Restore 2023 Budget</b>		<b>Restore Combined</b>			
	<b>South Side</b>	<b>Des Peres</b>	<b>2022 Projected YE</b>	<b>2021 Actual</b>	<b>2020 Actual</b>	
#40700 Sales	570,000	620,000	1,010,000	1,043,777	833,900	
#40800 Donated Material	570,000	620,000	1,010,000	958,402	841,511	
Other Income (AHAP net, Special Event, Sustainability)	22,400	927,900	471,568	770,644	625,598	
Cost of Goods Sold (COGS)	(570,000)	(620,000)	(1,010,000)	(1,043,973)	(833,899)	
<b>Expenses</b>	<b>(517,756)</b>	<b>(1,078,529)</b>	<b>(1,182,950)</b>	<b>(1,241,758)</b>	<b>(1,169,049)</b>	
<b>Total Restore Net to Affiliate</b>	<b>74,644</b>	<b>469,371</b>	<b>298,618</b>	<b>487,092</b>	<b>298,061</b>	



# 2023 BUDGET Proposal

## Our Vision

A world where everyone  
has a decent place to live.

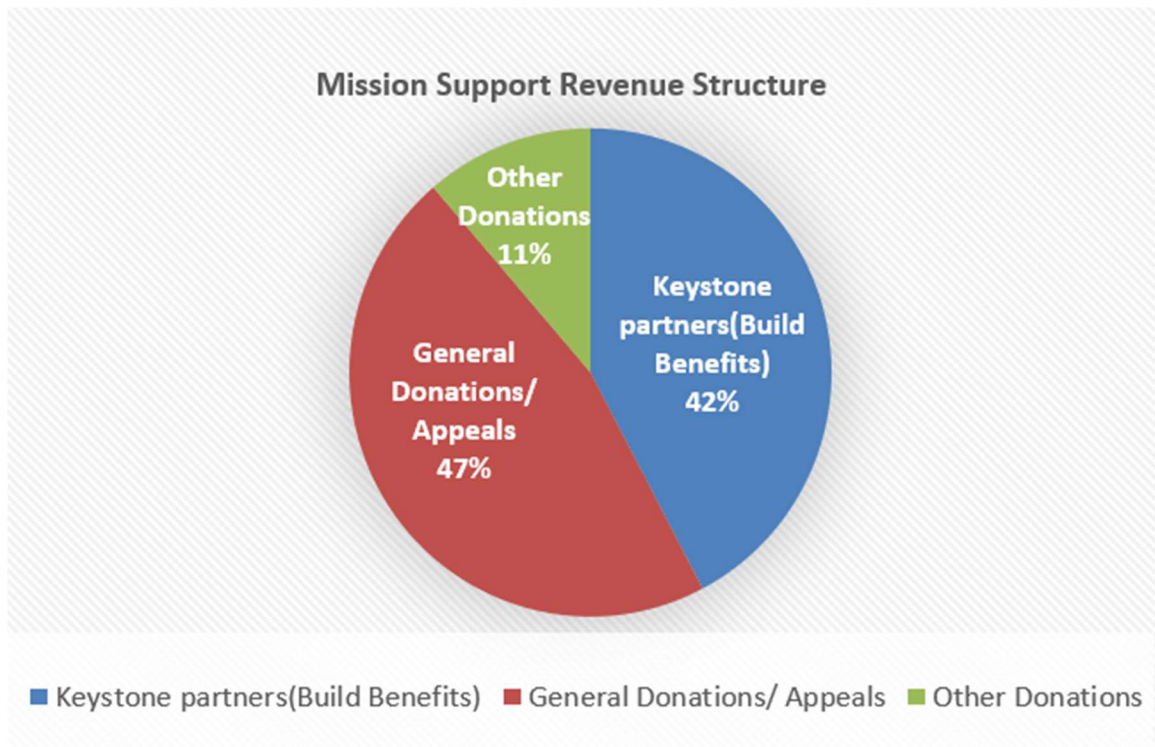
## 2023 BUDGET HIGHLIGHTS

Assumptions were based on the regular monthly income/expenses from January to October 2022 plus any additional activity expected to occur before the end of the year. 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.

### Income:

Mission Support: \$1,163,700 including:

- Keystone Partners (Build Benefits) based on 2022 performance + those who have indicated via personal contact that they hope to return in 2023.
- General Donations / Appeals projected based on the consistency in the numbers year over year plus consideration of a possible recession and the expected reduction in donations made by individual donors.



Fundraising/Special Events

Two major events planned for the spring and the fall along with other third-party benefit events. Expected revenue \$25,000.

Restricted Support

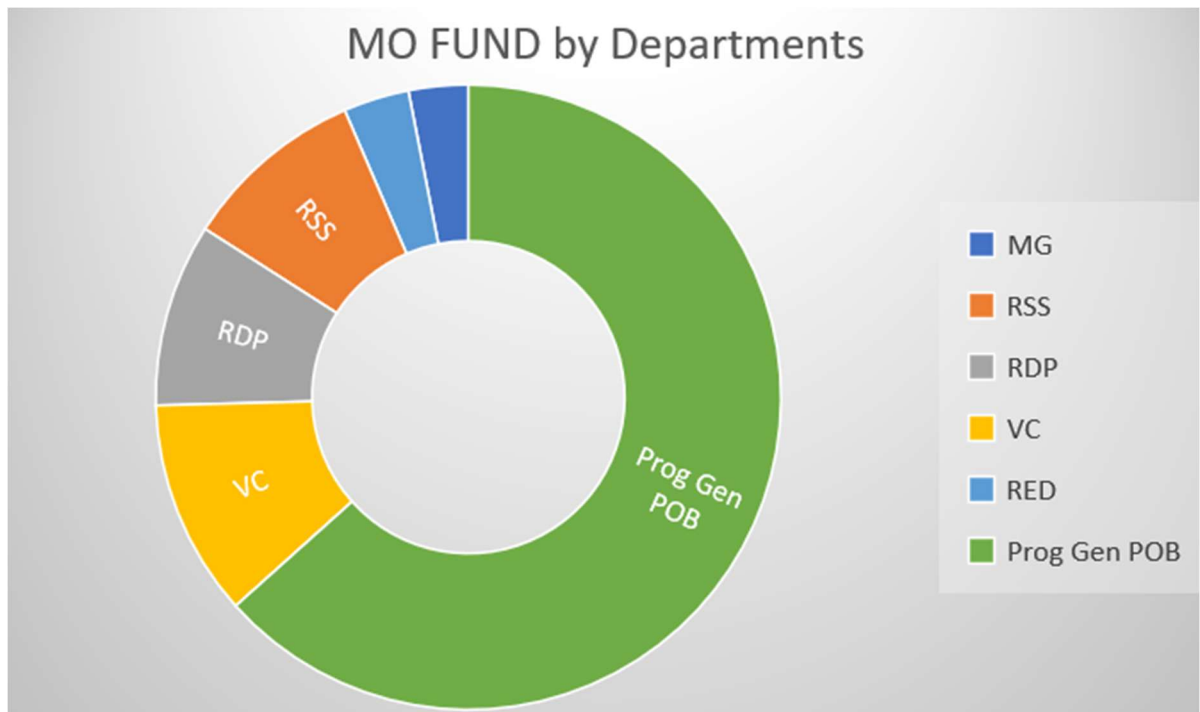
Includes \$20,000 allowance for potential donations/grants with specific conditions

ERTC

In October 2022 HFHSL applied for Employee Retention Tax Credit (ERTC). ERTC is a refundable credit that HFHSL claimed for 2<sup>nd</sup> & 3<sup>rd</sup> quarters of 2020. Since HFHSL received two PPP loans (both forgiven), only 50% of qualified wages paid could be claimed. The total amount expected is \$137,394 and is anticipated to be received mid-2023.

State of MO Allocation

HFHSL was approved for the second year a State of MO allocation. Requested and approved was \$220,675 for future reimbursement for construction materials, a percent of payroll expenses for different departments, professional services and other Program equipment and supply expenses.



### MHRP – Minor Home Repair Program

The MHRP grant was awarded from Community Development Administration (CDA). The main goal of the program is for HFHSL to provide minor home repair services to approximately 150 low and moderate-income homeowners. The total approved funding is for \$280,000 (year one, renewable for up to 3 years) reimbursable expenses with the majority for personnel and materials. The fund will also cover payments of the new van HFHSL purchased this year for the project needs with all related expenses for maintenance, travel costs, supplies etc. Two new employees have been hired for the MHRP program.

### Affordable Housing Assistance Program (AHAP) Tax Credits

Projected revenue \$800,000.

HFHSL will be submitting its applications for \$1,000,000 in AHAP tax credits for the 2022-2023 period. The credits will be allocated to RDP rent and maintenance expenses as noted, as well as costs associated with the future annual audit. The number of credits applied for is consistent with the credits awarded over the past five 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 to best maximize the credits as a capacity building mechanism.

### In-kind

Total projected In-Kind donations to be obtained in the form (labor and materials) is \$178,000. The number is based on the actual relationships with partners and reflects a percentage of in-kind versus total expense of between 5.5% - 6.5%.

### Transfer to homeowners

Projection is based on the transfer of 11 homes in 2023.

- 2 of the homes from Lookaway II are planned to be completed and sold by 2<sup>nd</sup> quarter of 2023. Two more homes from same project planned for 3<sup>rd</sup> quarter and 2 homes for the 4<sup>th</sup> quarter of 2023
- Two homes from each of the new projects – Gate II and LaSaison II to be finished by the end of the year.
- 1 KMOV home - University City project planned for 3<sup>rd</sup> quarter

The total amount received from the transfers will be \$2,310,000

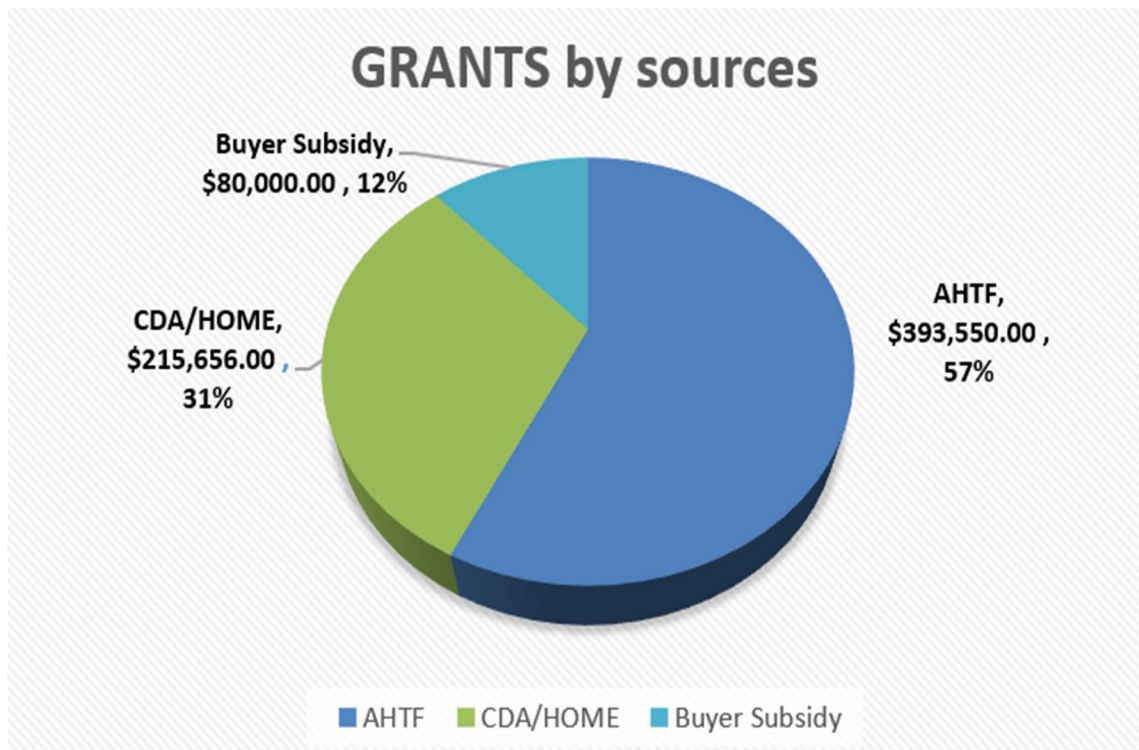
Home closings utilizing the Mortgage Loan Fund (MLF) which originated in 2018 will continue to occur. Current investors - each at an initial \$1 million commitment - include Midland States, Royal Banks of MO, First Bank, and Sterling. Commitments from those currently participating cover all anticipated 2023 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 second promissory note that is forgivable over 30 years.

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.

### Grants

All 2023 homes have a budgeted and secured subsidy by different funding sources. The total revenue of \$609,206 to be recognized from Grants includes:

- AHTF - \$393,550
- CDA/HOME - \$215,656
- Buyer Subsidy (through either CDA or AHTF) - \$80,000

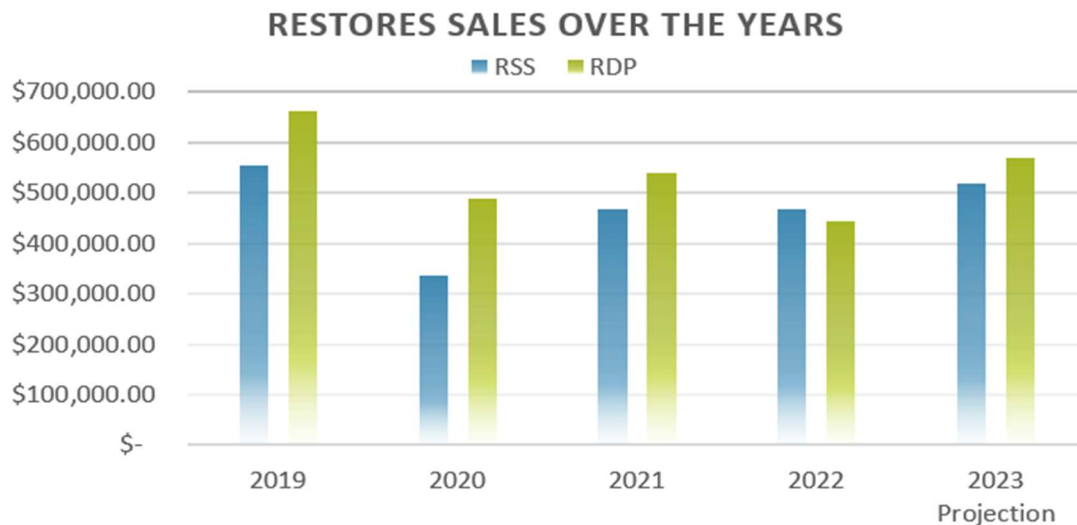


Art Place Initiative (API)

HFHSL will continue in a general contractor role in 2023 for this Project. Estimated revenue of \$106,088 from the API project is based on 2023 budget provided to HFHSTL and includes 15% fees calculated on total of 3 units for total cost \$623,000 as of 75 % completed by the end of the year. Additionally, HFHSL will be reimbursed for self-performed services provided during that project estimated at \$36,000

ReStore

Restores sales are projected based on last five years analysis and exclude 2020 (the Pandemic year). Projected sales for ReStore South Side (RSS) are \$ 570,000 and for ReStore Des Peres (RDP) are \$ 620,000. Both stores’ projections include \$50,000 for each store revenue from deconstruction materials through a partnership with Deconstruction Development Partners.



NMTC

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, that does not have a cash effect to the budget. As always, the potential for a NMTC transaction will be sought. During 2023, there will be no roll off NMTC transaction(s) with a corresponding recognition of GAAP revenue and a corresponding increase in organizational net assets.



Other Income items

The \$311,700 listed as other income on the proposed budget includes:

- RDP building maintenance and utilities expenses reimbursed per lease agreement - \$145,000
- Restore DP – Management fee for utilizing the building - \$115,000
- Potential sale of fully depreciated assets - \$5,000
- Rebates received from Insurances - \$10,000
- Mortgage Loan fund service fees - \$11,000
- Other including rental income - \$25,700

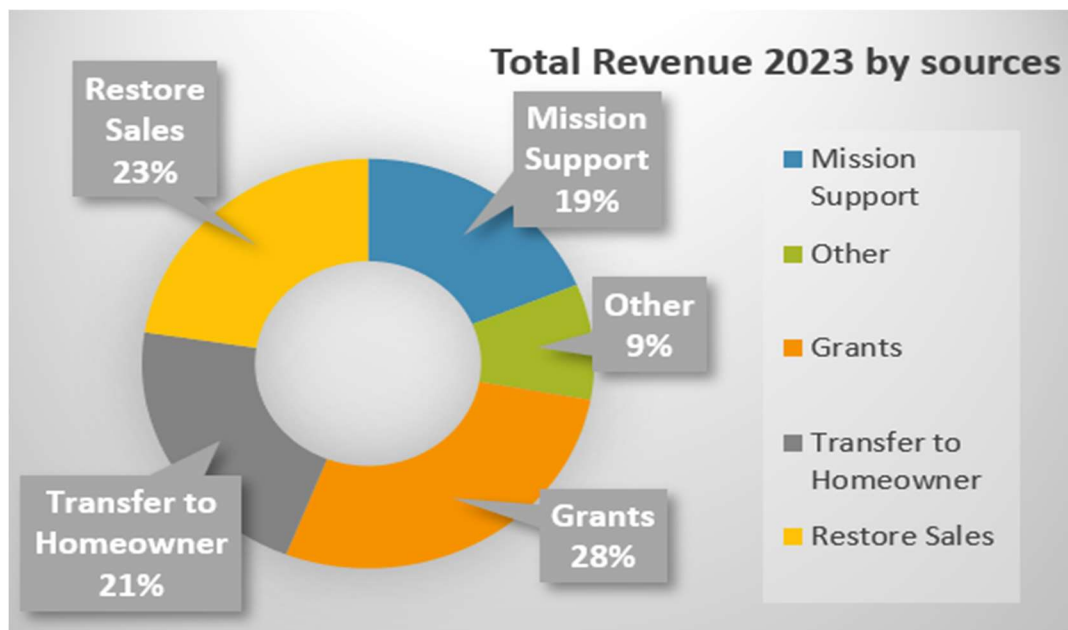
Amortization Interest income

This represents the recognized interest income from the allocated portion for 2023 of unearned interest revenue related the second forgivable notes. The numbers are tied and dependent on the number of houses sold and amounts of the HFHSL forgivable note.

QALICB

In 2020 HFHSL entered into a ground lease agreement with HFHSL QALICB Real Estate Holding LLC The lease term is for 25 years. The activity between both organizations is eliminated in consolidation. No cash impact from this activity.

**Total Revenue Projected for HFHSTL in 2023 Budget proposal - \$8,892,813**



## Expenses

### Management and General Expenses

Projected expenses increase compared to 2022 Budget but still smaller than 2021 actual expenses reported:

- Payroll expenses includes additional funds to pay a portion of unused vacations days from 2020 and 2021(during which time, the carryover policy of 5 days was waived.)
- Group Health Insurance: An increase currently projected at 30% starting January 2023
- Increased interest on various lines of credit recently adjusted to 8% interest
- Increased professional service fees for Audit. (These will not affect cash flow, since will be paid with AHAP credits as usual)

### Resource Development Expenses

NO Significant changes compared to 2022 Budget and actuals.

Projections include payroll expenses for three employees, on-line and web site related expenses, donor cultivation and recognition events, several large appeals, 3 postcards as well.

### Marketing

NO Significant changes compared to 2022 Budget and actuals

Expenses include payroll for one employee, external printing and video production, advertising, and other professional services.

### Volunteer Services

NO Significant changes compared to 2022 Budget and actuals.

Projections include payroll expenses for one employee. Par of personnel expenses will be reimbursed by MO Funding. Other expenses include continuance of volunteer scheduling software, costs related to construction leadership including a kickoff event and volunteer appreciation party.

### Program General Expenses

Total amount projected - \$1,224,935 increase by \$258,935 compared to 2022 Budget. The increase is due to the new home repair program staff (refenced in revenue) and the material cost needed for the program. These expenses are all offset by the funding award of \$280,000 in total, and there will be NO cash impact overall. NO other significant changes in projected expenses. Other expenses included here:

- Payroll of construction staff
- Discount of Mortgages for homes not included in NMTC project - \$129,865 (no cash impact)
- Forgivable Note Amortization expenses - \$107,184 (no cash impact)
- Interest expenses on various loans and lines of credit - \$144,000
- HFHSL for Humanity SOSI fee \$25,000.

While the modification of the HFHI US Stewardship and Organizational Sustainability Initiative (US-SOSI) continues to be under development to become an Investment Fee as part of the Collaborative Development overhaul, this Budget assumes a \$25,000 payable in two instalments as consistent with prior years budgets.

### Home Construction Expenses

The numbers reflect the market increase of construction materials and services. All other operating expenses were calculated according based on actuals over the past. The total expenses are smaller than last year projection based of the smaller number of the houses included in 2023 Budget. For cash purposes the amounts of all construction related, and land purchased before 2023 were excluded from cash budget.

### Real Estate Development

NO Significant changes compared to 2022 Budget and actuals  
Projections include payroll expenses for one employee. Part of personnel expenses will be reimbursable from MO Funding. Other expenses include lawncare of vacant properties, appraisals, and various fees (recording, AHAP tax credit, land option).

## Family Services

NO Significant changes compared to 2022 Budget and actuals.

Expenses for this department include payroll for three employees. Projections slightly Increased due to additional fund to be paid for unused vacation days from 2020 and 2021. Other expenses include family selection and support activities such as educational classes, emergency support for families, and house dedications.

## ReStores

Expenses include pay increases according to the minimum wage requirement. and various applicable training to limit staff turnover. In addition to the incentive for sales increasement, funds have been included for a flat fee bonus in certain months for hitting sales goals. Funds have also been allocated for necessary maintenance at both properties, but specifically RDP (partially recoverable via lease agreement). COGS included. Part of the expenses for both stores projected will be reimbursed by MO Funding. This Budget assumes an AHAP check exchange pursuant to the Amended Lease Agreement that will result in \$0 cash rent due in 2023 for ReStore Des Peres, as well as enough cash to pay Property Taxes and Insurance due on the RDP facility.

## Other Expenses

### QALICB:

In 2020 HFHSL entered into a ground lease agreement with HFHSL QALICB Real Estate Holding LLC The lease term is for 25 years. The activity between both organizations is eliminated in consolidation.

No cash impact from this activity.

### New Market Tax Credit:

GAAP impact of \$108,084 including the following and partially offset by revenue.

- Forgivable Note amortization expenses - \$21,684
- Amortization expenses - \$41,300
- Interest expenses and fees - \$38,294
- Oher related NMTC 2017 & 2020 deals – \$6,806

**Total Expenses Projected for HFHSTL in 2022 Budget proposal - \$8,761,836**

- Home Construction – 35%
- ReStore – 33%
- Program General – 14%
- Management – 7%
- Resource Development – 4%
- Family Services – 3%
- Real Estate Development – 1%
- Marketing – 1%
- Volunteer Management – 1%
- Other – 1%

**Expenses by Departments**

