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**Board of Directors Meeting,  
August 22, 2023  
3830 South Grand, St. Louis MO 63118**

Call to Order	Amy Berg
Mission Moment	Kimberly McKinney
Minutes of June 27, 2023, Meeting	Kimberley Batteast-Moore
Strategic Topic	Harper Zielonko, Director of Resource Development Raising More Than Money.
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, September 26, 2023

Tuesday, October 24, 2023

Thursday, October 26, 2023

Sunday, October 29, 2023

Tuesday, November 28, 2023

**Board Meeting, 11:30 AM**

**Board Meeting, 11:30 AM**

**“Close the Gap” Happy Hour**

**Volunteer Appreciation Event @ AB,**

**1 pm – 3 pm**

**Board Meeting, 11:30 AM**

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

Microsoft Teams meeting

**Join on your computer, mobile app or room device**

[Click here to join the meeting](#)

Meeting ID: 213 835 717 339

Passcode: ypGcLF

[Download Teams](#) | [Join on the web](#)

**Or call in (audio only)**

[+1 469-262-1747,,227360947#](#) United States, Dallas

Phone Conference ID: 227 360 947#

Minutes from the Meeting of the Board of Directors of Habitat for Humanity Saint Louis (HFHSL)  
June 27, 2023

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:

Abby Kepple	Angie Eslinger	Amy Berg
Jami Boyles	Jim Del Carmen	John Short
Kimberley Batteast-Moore	LaDawn Ostmann	Lauren Talley
Matt Guymon	Paul Woodruff	Priscilla Bennett
Rob Anderson	Samantha Arvin	Stephen Westbrook
Steven Scott	Tiffany Harvey-Horton	Linda Lowenstein
Nat Walsh	Marc Hirshman	Malaika Horne
Kimberly McKinney	Avis Laden	Harper Zielonko

Amy Berg called the meeting to order at 11:39 am

The mission was presented by Maurice and Andrea M., two children of a Habitat homeowner. They spoke about their memories of the process, the move, and the impact of the community. Maurice, now a college graduate, is a loan officer, and Andrea, in college, is studying Psychology. They both spoke about how unstable life was before joining the HFHSTL family and the consistency that was brought into their lives by the move and their mom becoming a homeowner through HFHSTL. It set the tone to understanding life, making time for your life, and growing up with a home of their own life changing.

A motion to approve the minutes from the Board of Directors meeting was made by Stephen Westbrooks, seconded by Paul Woodruff, the motion was approved unanimously.

The Strategic Topic was a presentation of the 2022 audit by Jeff Dowd and Marcin Jasinski from Cohn Reznick. Jeff focused his comments on the Business Performance Analysis (BPA) which, along with the Financial Statements, had been provided to members in advance. He began with a review of the routine auditor communications including the accounting estimates that includes mortgage receivables and allowances, that there were no difficulties or disagreements with management in completing the audit and that no matters required a second opinion. Jeff then noted the recent accounting standards updates that impacted the audit. He then shared the various strengths and accomplishments as well as the opportunities for improvement. As a review of the balance sheet, Jeff noted that there had been a decrease of total assets, from \$10,212,441 to \$9,320,323, that was largely due to the timing of the AHAP transaction. Similarly, the review of the statement of cashflows loss was also largely related to the AHAP revenue not being booked during 2022, whereas the expenses covered by the AHAP transaction (largely RDP lease) were reflected. Jeff then provided an overview of the various notes, ending with a review of the graphs including that Habitat Saint Louis remains a very lean organization with 85% of expenses being directly attributable to program services while 10% is management/general and 5% is fundraising.

Rob Anderson noted that the Finance Committee met in Executive Session, without staff present, with the Auditors and that the Finance Committee recommended approval of the audit. Following discussion and a motion made by Steven Scott, seconded by John Short, and approved unanimously the Board voted to accept the 2022 Audit. Rob Anderson then reviewed the May dashboard noting that Mission Support and the ReStore continued to perform better than budget and calling upon board members to make their 2023 contribution as currently board giving was 41%.

For the CEO Report, Kimberly reported the following:

Resource Development: To date, the Mother's Day appeal has made \$11,070. With about 2 weeks until the appeal closes, the appeal will likely generate between \$12k-\$14k. The Summer Challenge match appeal drops June 28th, hoping to hit mailboxes on July 1st. The challenge period will be from July 1 through August 31, with a goal is to raise \$75,000 from individuals, with a \$25,000 bonus from the anonymous donor if that goal is met, for a combined \$175,000 between the match benefactor and individual donations. A QR code that goes directly to the landing page was provided.

The \$250k Temporary Assistance to Needy Families (TANF) allocation remains in the State budget. The State budget awaits the signature of the Governor.

To celebrate the NMTC transaction and highlight the multiple collaborations, a press event is pending with Dream Builders 4 Equity from mid to late July. Later events will follow with Art Place Initiative (a wall raising) and Old North St. Louis (hopefully including Warren on their annual holiday tour).

An event called, "Close the Gap," is being planned for later in 2023. The goal of the event is to help Habitat Saint Louis close the affordability gap between construction costs and affordable homeownership. This fundraising (and networking) event is designed to bring in more in-kind partnerships and donations to Construction and the Restore. The event will be the benefactor of pro bono marketing work from New Honor Society, New Honor Society – New Honor Society, thanks to Samantha Arvin.

Anheuser Busch has generously offered to host a volunteer appreciation event at the brewery; the thank you will be held October 29th from 1 – 3 pm.

As Family Service continues to host informational sessions, 25+ families are expected to be Tier 1 by the end of July (of 200 applications received when the list reopened earlier this year). Consideration of opening the application process remains pending as these applicants are reviewed. Home visits have returned to in person.

Approval to hire has been received for a new Home Repair Superintendent (previously referenced in Staff portion below). Dalton Franklin will start in this role as of June 26th.

An allocation of Neighborhood Preservation Act (NPA) Tax Credits for 17 properties has been received (the allocation includes most NMTC addresses). The estimated amount that will be pulled down after fees is \$554,000. These dollars are credits collected post-construction and cover qualifying expenditures.

Building permits have been obtained for Vista within the Gate District and sitework will begin soon.

In Lookaway, three homes are now under roof, and all other homes have foundations, Keystone volunteer groups are working regularly at the multiple home sites. House 1 (711 Lookaway) is complete and will close as soon as documents are finalized with the Affordable Housing Trust fund. House 2 (715) is under the roof and a September closing is anticipated. 716 and 718 are projected to be completed in October. Closings (for Houses 1 and 2) still pending updated documentation related to the AHTF subsidy.

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).

UCity/St. Louis County (and future build, Fountain Park/St. Louis City)

Simultaneous to finalizing the subsidy funds for 6535 and 6545 Plymouth (reworked budget as the timing of the award did not allow funds to be used on the 2022 KMOV house), work is also underway to purchase four lots from a private developer who is currently building market rate housing in the same area. Closing on the land purchase is projected to be completed within the next two weeks. Following which and to allow for a timelier completion of the AHAP contributions, this property will replace the Fountain Park property that was initially identified for the current AHAP allocation.

HFHI and the US Council have advanced Habitat 2.0 to the formal policy comment period. The policy period will run from June 12 – August 10, 2023, with the intent for Habitat 2.0 to become policy as of July 2024. The amount of the fee will be determined each fiscal year using a combination of the affiliate's geographical service area population, and a three-year rolling average of the affiliate's total annual revenue (from the affiliate's 990). The policy cites that "for budgetary planning purposes, affiliates can expect to be noticed of their fee in January." The policy includes three different phase-in paths for fiscal years 2025, 2026, 2027 and 2028 beyond that range from paying 30% of the fee and receiving none of the direct marketing revenue to paying 100% of the fee and receiving 70% of the DM revenue. The amounts for each option are being considered internally.

Royal Banks continues to await plans from their architect. Their interior door has been prepped for a glass insert.

Family Care Health Centers (FCHC) have engaged a realtor, real estate attorney and architect for review of the outparcel and (hopefully) towards a proposal.

Nicole Seward joined as Closing and Compliance Manager on June 20, 2023. She comes with extensive experience in mortgage loan closings including 5 years at Bank of America and 3 at US Bank.

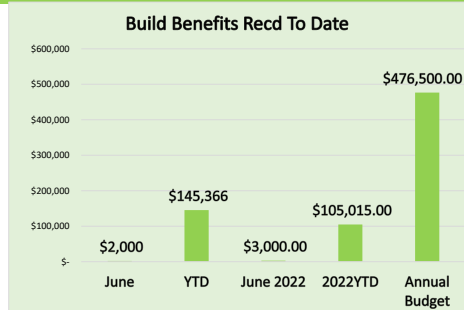
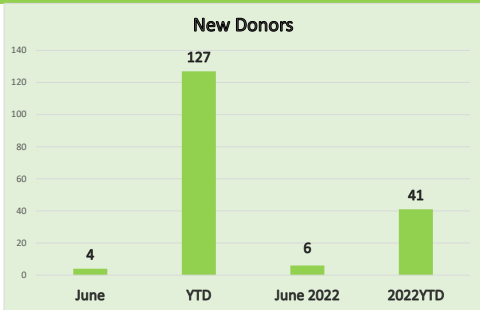
The Executive Committee will convene at the end of the full Board meeting for an update on the La Saison House 3 applicant/renter issue. Other interested members are welcome to remain as well.

The meeting of the full Board of Directors adjourned at 12:34pm.

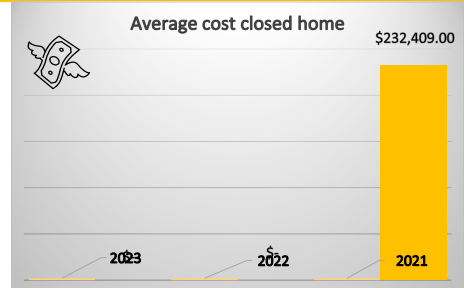
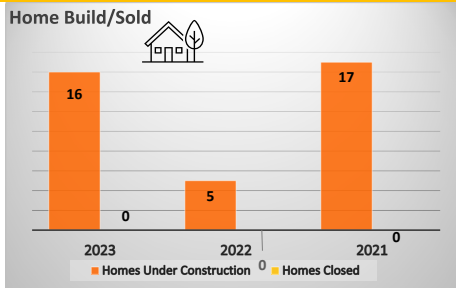
June 2023 DASHBOARD						
<b>RESOURCE DEVELOPMENT</b>	<b>June</b>	<b>YTD</b>	<b>June 2022</b>	<b>2022YTD</b>	<b>Annual Budget</b>	<b>Notes:</b>
New Donors	4	127	6	41	\$ 540,000.00	
New Keystone Benefit Members (\$1500+ Annually/Mission Support)	2	6	4	28		
<b>RESOURCE DEVELOPMENT</b>	<b>June</b>	<b>YTD</b>	<b>June 2022</b>	<b>2022YTD</b>	<b>Annual Budget</b>	<b>Notes:</b>
Build Benefits Recd To Date	\$ 2,000	\$ 145,366	\$ 3,000.00	\$ 105,015.00	\$ 476,500.00	
Build Benefits Pledged	\$25,000	\$141,000	\$19,500	\$143,000		
Renewed Donors	52%		33%			
BOD Funds Pledged	\$0	\$40,650	\$0	\$30,800		
BOD: Funds Received	\$2,250	\$21,600	\$250	\$21,200		
BOD % Giving	17%	48%	7%	52%		
BOD Meeting Attendance		66%		66%		
<b>PROGRAM</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>Annual Budget</b>	<b>Notes:</b>	
Homes Under Construction	16	5	17	13		
Homes Closed	0	0	0			
<b>BUILDS</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>Annual Budget</b>	<b>Notes:</b>	
Average Cost / Closed Home	\$ -	\$ -	\$ 232,409.00			
Future Build Sites Available	22	17	17			
Applicants Pipeline	25	0	53		Tier 1 Applicants, 200+ total	
Mortgage Loan Fund Balance	\$3,635,760	4090610	2445000			
<b>RESTORE</b>	<b>YTD Actual</b>	<b>YTD Budget</b>	<b>2022</b>	<b>Annual Budget</b>	<b>Notes</b>	
Revenue RSS	\$ 325,999	\$ 273,000	\$ 232,602	\$570,000	Sales Only	
<b>RESTORE</b>	<b>YTD Actual</b>	<b>YTD Budget</b>	<b>2022</b>	<b>Annual Budget</b>	<b>Notes</b>	
Revenue RDP	\$ 287,669	\$ 298,000	\$ 208,700	\$ 620,000	Sales Only	
<b>ReStore P/L</b>	<b>\$ (111,944)</b>	<b>\$ (65,790)</b>	<b>\$103,106</b>	<b>\$ 544,015</b>		
<b>Total # of Donations</b>	<b>608</b>					
Drop Offs RSS	72					
Drop Offs RDP	371					
Pick Ups	165					
<b>FINANCIALS</b>	<b>YTD</b>	<b>YTD</b>	<b>YTD</b>	<b>Annual</b>	<b>Notes</b>	
<b>Income</b>	<b>Actual</b>	<b>Budget</b>	<b>%</b>	<b>Budget</b>		
Resource Development	\$ 573,874	\$ 438,875	131%	\$1,233,450		
Program	\$ 257,777	\$ 740,447	35%	\$3,764,808		
ReStore	\$ 1,227,459	\$ 1,261,490	97%	\$3,330,300		
Management General	\$ 290,448	\$ 276,596	105%	\$564,255		
<b>TOTAL INCOME</b>	<b>\$ 2,349,574</b>	<b>\$ 2,717,408</b>	<b>86%</b>	<b>\$8,892,813</b>		
<b>Expenses</b>	<b>YTD Actual</b>	<b>YTD Budget</b>	<b>%</b>	<b>Annual Budget</b>	<b>Notes</b>	
Home Construction	\$ 12,879	\$ 41,637	31%	\$2,945,350		
Operating	\$ 1,363,805	\$ 1,808,674	75%	\$3,030,201		
ReStore	\$ 1,339,403	\$ 1,327,280	101%	\$2,786,285		
<b>TOTAL EXPENSES</b>	<b>\$ 2,716,087</b>	<b>\$ 3,177,591</b>	<b>85%</b>	<b>\$8,761,836</b>		
<b>Net Profit/Loss</b>	<b>\$ (366,512)</b>	<b>\$ (460,183)</b>	<b>80%</b>	<b>\$130,977</b>		
<b>Year over Year changes</b>	<b>YTD 2023</b>	<b>YTD 2022</b>	<b>Change</b>			
Change in Cash	\$ 180,443	\$ 129,571	\$ 50,863			
Account Payable (due to vendors)	\$ 721,233	\$ 396,123	\$ 325,110			
Long Term Loans	\$ 3,214,541	\$ 3,233,706	\$ (19,165)			
Short Term Liabilities	\$ 895,264	\$ 805,264	\$ 90,238			
Construction in Progress	\$ 1,518,648	\$ 916,685	\$ 601,963			

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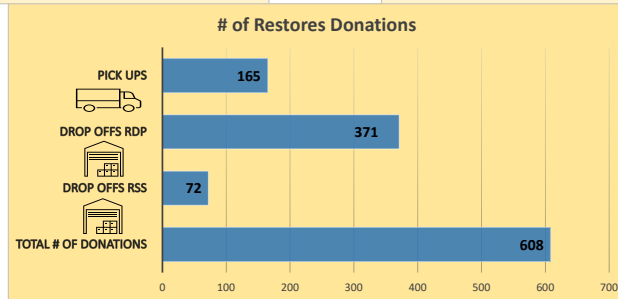
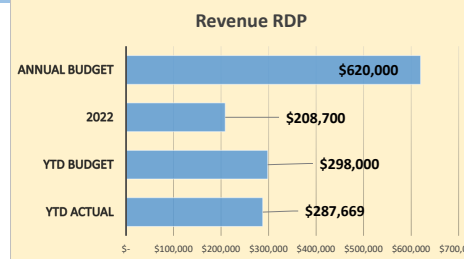
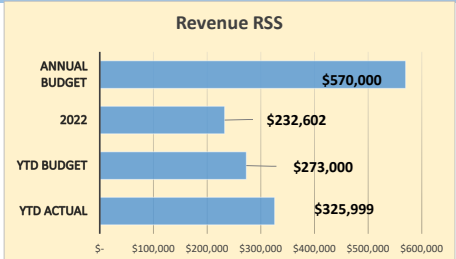
1.RESOURCE DEVELOPMENT



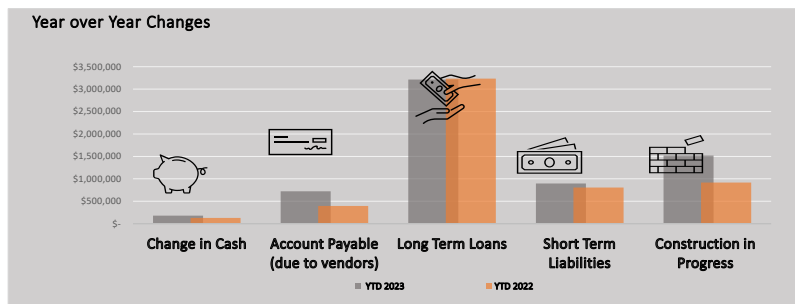
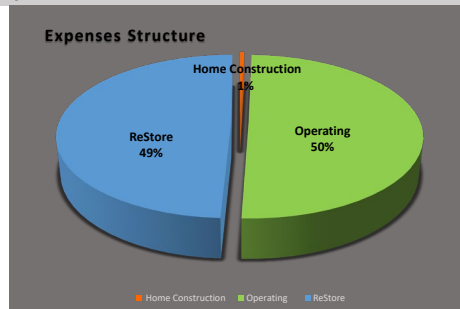
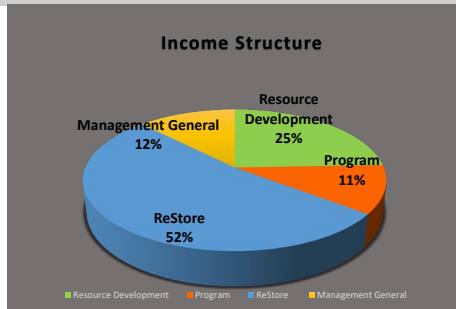
2.PROGRAM & BUILDS



3.RESTORE



4.FINANCIALS



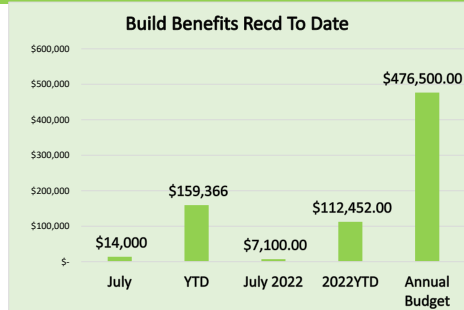
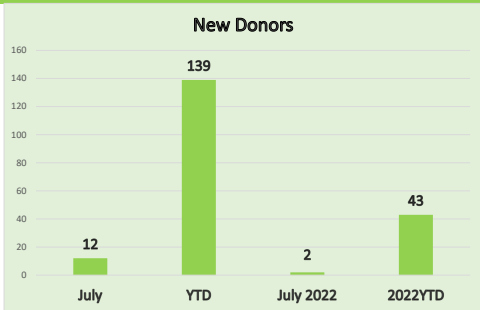
Department	Glossary	Graphic #
<b>RESOURCE DEVELOPMENT</b>	Department works with corporate and individual donors, responsible for volunteer coordination and marketing strategy of the Organization	<b>1</b>
<b>PROGRAM</b>	All the projects currently rulled by the Organization including Construction projects, Family servises, Real estate development, Home repairs program, NMTC	<b>2</b>
<b>RESTORE</b>	Organization is managing two Restores - the data shows individual results for each store	<b>3</b>
<b>FINANCIALS</b>	Data shows the revenue and expenses for each department based on YTD data and compared to the annual budget. Year over year chart shows current data compared to previous year same period position of important cash activities	<b>4</b>



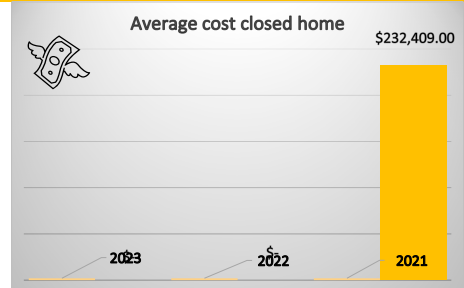
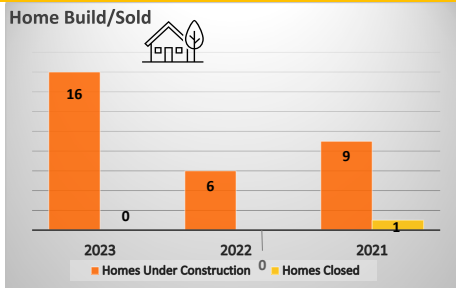
July 2023 DASHBOARD						
<b>RESOURCE DEVELOPMENT</b>	<b>July</b>	<b>YTD</b>	<b>July 2022</b>	<b>2022YTD</b>	<b>Annual Budget</b>	<b>Notes:</b>
New Donors	12	139	2	43	\$ 540,000.00	
New Keystone Benefit Members (\$1500+ Annually/Mission Support)	0	6	2	30		
<b>RESOURCE DEVELOPMENT</b>	<b>July</b>	<b>YTD</b>	<b>July 2022</b>	<b>2022YTD</b>	<b>Annual Budget</b>	<b>Notes:</b>
Build Benefits Recd To Date	\$ 14,000	\$ 159,366	\$ 7,100.00	\$ 112,452.00	\$ 476,500.00	
Build Benefits Pledged	\$3,000	\$144,000	\$7,000	\$150,000		
Renewed Donors	69%		42%			
BOD Funds Pledged	\$0	\$35,650	\$0	\$30,800		
BOD: Funds Received	\$1,250	\$15,750	\$7,750	\$28,950		
BOD % Giving	10%	45%	14%	52%		
BOD Meeting Attendance		66%		66%		
<b>PROGRAM</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>Annual Budget</b>	<b>Notes:</b>	
Homes Under Construction	16	6	9	13		
Homes Closed	0	0	1			
<b>BUILDS</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>Annual Budget</b>	<b>Notes:</b>	
Average Cost / Closed Home	\$ -	\$ -	\$ 232,409.00			
Future Build Sites Available	22	17	17			
Applicants Pipeline	25	0	53		Tier 1 Applicants	
Mortgage Loan Fund Balance	\$3,635,760	\$4,090,610	\$2,445,000			
<b>RESTORE</b>	<b>YTD Actual</b>	<b>YTD Budget</b>	<b>2022</b>	<b>Annual Budget</b>	<b>Notes</b>	
Revenue RSS	\$ 364,931	\$ 339,500	\$ 266,273	\$570,000	Sales Only	
<b>RESTORE</b>	<b>YTD Actual</b>	<b>YTD Budget</b>	<b>2022</b>	<b>Annual Budget</b>	<b>Notes</b>	
Revenue RDP	\$ 312,167	\$ 363,000	\$ 257,652	\$ 620,000	Sales Only	
<b>ReStore P/L</b>	<b>\$ 141,415</b>	<b>\$ 291,593</b>	<b>\$111,861</b>	<b>\$ 544,015</b>		
<b>Total # of Donations</b>	<b>475</b>					
Drop Offs RSS	50					
Drop Offs RDP	288					
Pick Ups	137					
<b>FINANCIALS</b>	<b>YTD</b>	<b>YTD</b>	<b>YTD</b>	<b>Annual</b>	<b>Notes</b>	
<b>Income</b>	<b>Actual</b>	<b>Budget</b>	<b>%</b>	<b>Budget</b>		
Resource Development	\$ 759,705	\$ 547,750	139%	\$1,233,450		
Program	\$ 275,759	\$ 902,694	31%	\$3,764,808		
ReStore	\$ 1,648,480	\$ 1,909,219	86%	\$3,330,300		
Management General	\$ 317,766	\$ 436,506	73%	\$564,255		
<b>TOTAL INCOME</b>	<b>\$ 3,001,710</b>	<b>\$ 3,796,169</b>	<b>79%</b>	<b>\$8,892,813</b>		
<b>Expenses</b>	<b>YTD Actual</b>	<b>YTD Budget</b>	<b>%</b>	<b>Annual Budget</b>	<b>Notes</b>	
Home Construction	\$ 17,590	\$ 46,356	38%	\$2,945,350		
Operating	\$ 1,574,309	\$ 2,046,975	77%	\$3,030,201		
ReStore	\$ 1,507,065	\$ 1,617,626	93%	\$2,786,285		
<b>TOTAL EXPENSES</b>	<b>\$ 3,098,964</b>	<b>\$ 3,710,957</b>	<b>84%</b>	<b>\$8,761,836</b>		
<b>Net Profit/Loss</b>	<b>\$ (97,254)</b>	<b>\$ 85,212</b>		<b>\$130,977</b>		
<b>Year over Year changes</b>	<b>YTD 2023</b>	<b>YTD 2022</b>	<b>Change</b>			
Change in Cash	\$ 238,610	\$ 218,734	\$ 19,875			
Account Payable (due to vendors)	\$ 272,020	\$ 348,680	\$ (76,660)			
Long Term Loans	\$ 3,120,882	\$ 3,230,241	\$ (19,360)			
Short Term Liabilities	\$ 1,008,430	\$ 831,335	\$ 177,095			
Construction in Progress	\$ 1,710,562	\$ 978,808	\$ 731,754			

July 2023 DASHBOARD						
<b>RESOURCE DEVELOPMENT</b>	<b>July</b>	<b>YTD</b>	<b>July 2022</b>	<b>2022YTD</b>	<b>Annual Budget</b>	<b>Notes:</b>
New Donors	12	139	2	43	\$ 540,000.00	
New Keystone Benefit Members (\$1500+ Annually/Mission Support)	0	6	2	30		
<b>RESOURCE DEVELOPMENT</b>	<b>July</b>	<b>YTD</b>	<b>July 2022</b>	<b>2022YTD</b>	<b>Annual Budget</b>	<b>Notes:</b>
Build Benefits Recd To Date	\$ 14,000	\$ 159,366	\$ 7,100.00	\$ 112,452.00	\$ 476,500.00	
Build Benefits Pledged	\$3,000	\$144,000	\$7,000	\$150,000		
Renewed Donors	69%		42%			
BOD Funds Pledged	\$0	\$35,650	\$0	\$30,800		
BOD: Funds Received	\$1,250	\$15,750	\$7,750	\$28,950		
BOD % Giving	10%	45%	14%	52%		
BOD Meeting Attendance		66%		66%		
<b>PROGRAM</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>Annual Budget</b>	<b>Notes:</b>	
Homes Under Construction	16	6	9	13		
Homes Closed	0	0	1			
<b>BUILDS</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>Annual Budget</b>	<b>Notes:</b>	
Average Cost / Closed Home	\$ -	\$ -	\$ 232,409.00			
Future Build Sites Available	22	17	17			
Applicants Pipeline	25	0	53		Tier 1 Applicants	
Mortgage Loan Fund Balance	\$3,635,760	\$4,090,610	\$2,445,000			
<b>RESTORE</b>	<b>YTD Actual</b>	<b>YTD Budget</b>	<b>2022</b>	<b>Annual Budget</b>	<b>Notes</b>	
Revenue RSS	\$ 364,931	\$ 339,500	\$ 266,273	\$570,000	Sales Only	
<b>RESTORE</b>	<b>YTD Actual</b>	<b>YTD Budget</b>	<b>2022</b>	<b>Annual Budget</b>	<b>Notes</b>	
Revenue RDP	\$ 312,167	\$ 363,000	\$ 257,652	\$ 620,000	Sales Only	
<b>ReStore P/L</b>	<b>\$ 141,415</b>	<b>\$ 291,593</b>	<b>\$111,861</b>	<b>\$ 544,015</b>		
<b>Total # of Donations</b>	<b>475</b>					
Drop Offs RSS	50					
Drop Offs RDP	288					
Pick Ups	137					
<b>FINANCIALS</b>	<b>YTD</b>	<b>YTD</b>	<b>YTD</b>	<b>Annual</b>	<b>Notes</b>	
<b>Income</b>	<b>Actual</b>	<b>Budget</b>	<b>%</b>	<b>Budget</b>		
Resource Development	\$ 759,705	\$ 547,750	139%	\$1,233,450		
Program	\$ 275,759	\$ 902,694	31%	\$3,764,808		
ReStore	\$ 1,648,480	\$ 1,909,219	86%	\$3,330,300		
Management General	\$ 317,766	\$ 436,506	73%	\$564,255		
<b>TOTAL INCOME</b>	<b>\$ 3,001,710</b>	<b>\$ 3,796,169</b>	<b>79%</b>	<b>\$8,892,813</b>		
<b>Expenses</b>	<b>YTD Actual</b>	<b>YTD Budget</b>	<b>%</b>	<b>Annual Budget</b>	<b>Notes</b>	
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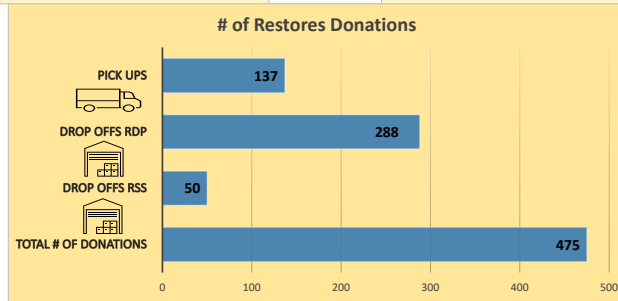
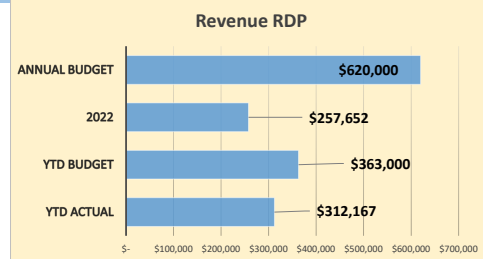
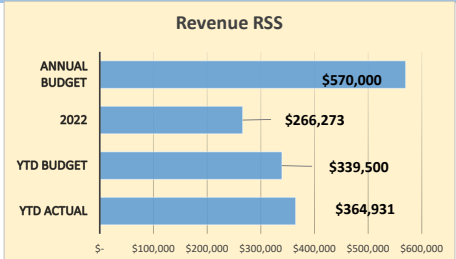
1.RESOURCE DEVELOPMENT



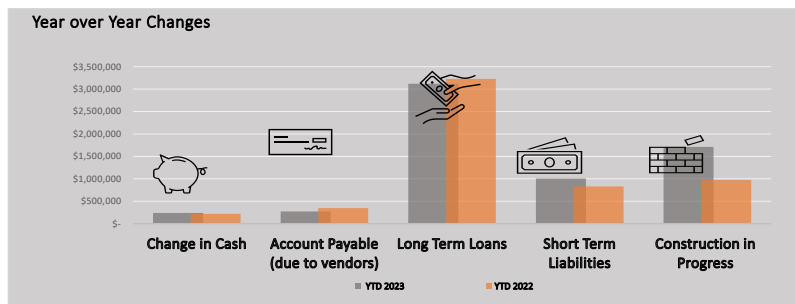
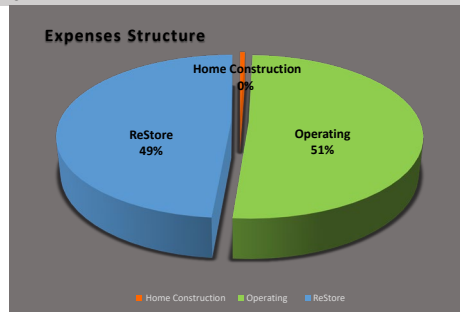
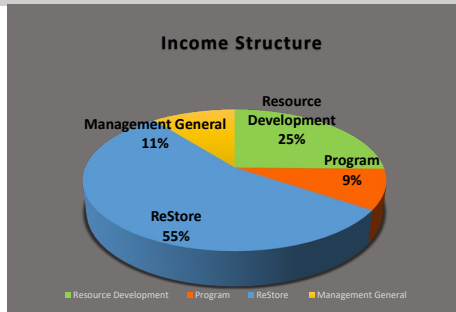
2.PROGRAM & BUILDS



3.RESTORE



4.FINANCIALS



Department	Glossary	Graphic #
<b>RESOURCE DEVELOPMENT</b>	Department works with corporate and individual donors, responsible for volunteer coordination and marketing strategy of the Organization	<b>1</b>
<b>PROGRAM</b>	All the projects currently rulled by the Organization including Construction projects, Family servises, Real estate development, Home repairs program, NMTC	<b>2</b>
<b>RESTORE</b>	Organization is managing two Restores - the data shows individual results for each store	<b>3</b>
<b>FINANCIALS</b>	Data shows the revenue and expenses for each department based on YTD data and compared to the annual budget. Year over year chart shows current data compared to previous year same period position of important cash activities	<b>4</b>

**Habitat for Humanity Saint Louis Board of Directors Meeting**  
**Tuesday, August 22, 2023**  
**CEO Report**

**Success and Shout Outs!**

**Resource Development and ReStore**

Appeals: The Mother's Day Appeal closed out, having raised \$13,410 from 97 gifts (goal of \$12k - \$14k).

As of 8/11/23, the Challenge match appeal which dropped June 28<sup>th</sup> and runs through August 31 had designated gifts of \$46,964.33 with \$28,056.67 to raise. As shared in an August 7<sup>th</sup> email, if you have not made a 2023 gift, have made partial payment on your pledge, or simply wish to give more, now is the perfect time as the donor has pledged a \$25,000 bonus if the \$75,000 is matched. QR code for you or to share with contacts below:



State of MO Allocation: The \$250k was included in this year's State budget as part of the Department of Social Services funds. Documentation on the program expenses and draw requests is underway.

Media Event: Unfortunately, due to a scheduling issue, the press event with Dream Builders 4 Equity had to be postponed. A new date is pending.

"Close the Gap" Event:

Harper Zielonko, Director of Resource Development, will be in attendance at the August meeting and, along with Samantha Arvin/New Honor Society who is providing pro bono assistance with this event, will share more.

Goal: Help Habitat Saint Louis close the affordability gap between construction costs and affordable homeownership. This fundraising (and networking) event is designed to bring in more in-kind partnerships and donations to Construction and the Restore. If these services and/or products are donated, it is less money to raise.

What kind of donations: Anything that goes into a Habitat home or could be sold in the Restores. Think roofers donating roofing packages for X number of homes, HVAC companies donating the unit and installation of X number of units, overstock donations to the restores which will not fit in Habitat homes.

What do they get? Tax deductions, onsite logo and name recognition, publication in Habitat newsletters, recognition at dedication events, social media shout outs, etc.

Timing: October 26, 2023

Volunteer Appreciation Event: Mark your calendar! October 29<sup>th</sup> from 1 – 3 pm @ Anheuser Busch

**ReStore Des Peres (RDP)**

As requested by email invitation (7/14/23), a taskforce of the Board has been formed to discuss the lease terms for ReStore Des Peres. While a better option may not be possible, the taskforce has met twice to discuss/develop a proposed new lease. In the interim, and given that the current lease has expired, a month-to-month LOI has been provided to the landlord. Thanks to Abby Kepple, Brian Pratt, Lauren Talley, Matt Guymon, and Stephen Westbrooks for “volunteering” for the taskforce!

As shared in previous meetings, there was a proposed legislative change to AHAP tax credits that would remove the demarcation line, placing all AHAP credits into one bucket instead of divided into a very small amount for operating and a larger bucket for production. Unfortunately, it did not pass. Additionally, as HFHI appears to be headed to implementation of the Habitat 2.0 fee that is partially based on revenue (line 12 of 990), any AHAP check exchange including the most recent one with the RDP landlord of over \$900k would hit revenue.

### **Program**

#### **Neighborhoods/ Home Construction/Homebuyers**

CDA = Community Development Administration, HOME funds.

AHTF = Affordable Housing Trust Fund

#### **Minor Home Repair (MHR)**

Dalton Franklin, MHR Superintendent is making great progress with approved applicants on various repairs. The MHR Assistant position remains open. The announcement on possible continued funding through the City of St. Louis is expected soon.

#### **Neighborhood Preservation Act (NPA) Tax Credits**

Cost certification for the first property to receive NPA credits (711 Lookaway) is underway and will result in approximately \$32,000 of additional subsidy.

#### **Gate District/St. Louis City –**

3427 Park Avenue, 63104 (as sample address, 5 homes total in first phase/ all 5 Phase 1 homes closed) / 3 blocks east of Grand (\$69,860/house in AHTF subsidy).

Foundation work underway at Vista.

#### **Lookaway Phase 2/St. Louis City**

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).



Two homes complete or nearly complete and await closing. Others are at various phases from final framing (710, 712) to electric rough in (716), to insulation (718) to painting (715).

## **St. Louis County**

UCity: All the private lots needed have been purchased and the purchase of 6545 Plymouth from University City is pending. Partial paperwork to complete the AHAP transactions with Chapman and Cohn Reznick has been submitted and will be final once the final lot is purchased from UCity. As a reminder, the UCity lots are replacing Fountain Park property that was originally included in the AHAP application. Build plans have been submitted and are being reviewed. Keystone partner groups are scheduled to work on homes at Lookaway multiple days per week.

Ferguson/Maplewood: In response to a St. Louis County Office of Community Development RFP, an application for both new and rehab homes in Ferguson (5) and Maplewood (5) has been submitted. The projected development costs and subsidy request are \$1,250,044/\$725,040 (Ferguson) and \$1,277,506/\$657,506 (Maplewood).

## **Management/General**

### **HFHI**

Habitat 2.0/Collaborative Development: *Attachments Letter to HFHI / HFHI Response*

As part of the formal policy comment period which ended August 10th, the attached letter was submitted and the attached response from HFHI received.

Affiliate Agreement/Quality Assurance Checklist: *Attachment QAC Preview*

Prior to September 30, 2023, we must complete our FY2024 Affiliated Organization Covenant and Quality Assurance checklist (QAC) documents. The U.S. Affiliated Organization Covenant (Covenant) is the foundational document between Habitat for Humanity International and U.S. affiliates. Documents reflect an approval of the covenant by the Board as well as an indication of member in attendance. **Discussion/ Approval needed.**

The Quality Assurance Checklist (QA Checklist) contains standards and practices that are expected of each affiliate. The QA Checklist 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.
- D) Demonstration of compliance with core Habitat for Humanity policies or other legal requirements binding on affiliates.

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

There are a few changes to highlight:

- The requirement for board term limits has been moved from the "Other Essential Practices" section to Standard 4 of the "Core Requirements" section.
- Standard 5 has been updated to include uploading the two most recent IRS Form 990s within the QA Checklist tool.
  - Although submitting completed tax returns has been a requirement of Policy 9 – Financial Reporting to HFHI for many years, only 23% of affiliates comply.
  - HFHI is now requiring that affiliate tax returns be uploaded as part of the QA Checklist instead of through the Affiliate Document Center. If the U.S. Council and HFHI Board of Directors approve the Habitat 2.0 funding model policy, this information will be used as

part of the fee calculation. HFHI asserts that they will need all affiliates' 990s more quickly than is currently possible through the IRS.

- Standard 24 has been updated to reflect the use of mortgages from third-party lenders.

### **Outparcel and Tenant Space**

Newmark Zimmer (Mike and Jay) forwarded an offer received for the outparcel on 8/14/23. While the group would like to maintain confidentiality at this point, Jay shared that he was told they are a one stop shop medical provider for urban core areas and are funded via the government and grants with one other existing location in South City currently. The terms of the offer are as follows:

Purchase Price: \$836,352 / \$16/sqft

Ernest Money (EM): 5 days / \$15k

Purchase Sales Agreement (PSA): 10 days after execution of LOI

Due Diligence (DD): 180 days

Closing: 15 days following expiration of due diligence

In discussing the offer with Mike and Jay, they had some suggestions including additional EM within the DD period (two extensions requiring EM when exercised), shortening the DD to 120 days and removing items from the seller list of requirements that are not applicable. **Discussion/ Approval Needed.**

Royal Banks is working on the cost right now and permits for the ATM. Their interior door has been prepped for a glass insert.

### **Staff**

Unfortunately, the Closing and Compliance Manager position hired as of last month is again open – interviews are pending.

### **Board of Directors/Board Governance**

Due to professional demands, Rob Anderson has requested to step down as Treasurer. After discussion, it is proposed that Judy Cromer replace Rob for the remainder of the 2023 term (officers other than President and President Elect are one-year terms per the bylaws). Judy joined the Board of Directors in 2023 having actively served on the Finance Committee for several years.

**Discussion/Approval Needed.**

Prospective candidates are being considered for “Class of 2024” board membership. Four openings are anticipated. If you know of someone you wish considered (either for 2024 or future), please share their name and information with either Amy, Jim or me.

Currently, the Board is 30 members strong (not including Alumni members). The current Board demographics are:

Gender: 58% male/42% female

Race: 64% white/36% nonwhite

Age: 50% over 50/50% under 50

Affiliation: Business/Corporate 40% / Construction 18% / Community 18% / Finance 14% / HR and Legal 10%

### **Out of Office**

All functions of Habitat will be closed on Wednesday, August 30<sup>th</sup> for a Staff Outing.

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



# Fiscal Year 2024 Covenant and Quality Assurance Checklist

Origination date: January 2007

Revision date: July 2023

**Affiliates can use this preview copy\* of the FY2024 Covenant and Quality Assurance Checklist to review standards with their boards. We realize some affiliate boards review and approve the Covenant at annual or quarterly board meetings, often held prior to the release of the Quality Assurance Checklist every July. For this reason, the Covenant's approval date may be entered separately and the Quality Assurance Checklist's approval date, which should occur on or after July 28, may be entered when it is reviewed and approved by your board.**

**\*Minor changes may occur in the final version of the online Quality Assurance Checklist tool, however, no new standards will be added.**

Welcome to the annual electronic submission process for the U.S. Affiliated Organization Covenant and the Quality Assurance Checklist. Affiliates are required to complete this process annually. Failure to file the Quality Assurance Checklist on time will result in loss of Good Standing and constitutes a violation of the U.S. Affiliation Agreement.

In response to affiliate feedback, the answers to a few questions in the Quality Assurance Checklist have been prepopulated for you based on information we already have in our records. For example, if our records show that you have served at least one family over the last 12 months through a new home, a rehabilitated home, repaired home, weatherized home, or recycled home, you will see that you don't have to complete that question, and the tool will indicate that our records show you have met that standard. If our records show you have not served a family through one of these types of construction, the tool will indicate that you do not comply with the standard and will offer you only the "No" answer options to choose from. Similar prepopulated questions include those around minimum insurance requirements, qualified loan originator, competent person as well as the ability to bypass any Habitat ReStore questions if our records indicate you do not operate a store.

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 Quality Assurance Checklist (QA Checklist) 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.

The QA Checklist 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.
- D) Demonstration of compliance with core Habitat for Humanity policies or other legal requirements binding on affiliates.

While all of the QA Checklist 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 include legal requirements binding on all affiliates and demonstrate sound, professional business practices and compliance with core Habitat for Humanity policies.

Please go through each question and provide the most accurate response for your affiliate. When using the submission tool, note that you can choose to “Save and Continue” using the blue button at the bottom center of each page to move to the next page of questions, or you can choose “Save and Return Later” in the black bar across the top of your screen to come back to the QA Checklist later. An email will be sent to you with a unique link to return to your QA Checklist where you left off.

**The deadline to electronically submit the FY2024 Covenant and Quality Assurance Checklist is Sept. 29, 2023.**

## **Affiliate Info**

Affiliate Name:
Affiliate ID:
State:
GSA:
Submitter Name:
Submitter Title:
Submitter Email:
Submitter Phone:

**NOTE:** The above section will be prepopulated. If any of the information is incorrect or missing, please contact the Affiliate Support Center at [USSupportCenter@habitat.org](mailto:USSupportCenter@habitat.org) to update your records.

## **Section 1: Core Requirements**

1. Affiliate is an organization based on Christian principles and as such:

- A) Adopts the official [vision and mission statements](#) of Habitat for Humanity.
- B) Affiliate board of directors reads and signs the [Covenant](#) annually.
- C) Supports Habitat for Humanity's international work through an [annual tithe](#).
- D) Adopts and follows the Habitat for Humanity [non-proselytizing policy](#).

Please provide the most accurate response for each item.

Yes

No - Policy/procedure in this area is in progress or pending board resolution.

No - We understand we are not adhering to the standard and there are no plans to change.

2. Affiliate [serves](#), as reported on the [Affiliate Statistical and House Production Report](#):

A) A minimum of one family per year (every 12 months) through one of the following housing interventions: new home, rehabilitated home, repaired home, weatherized home, recycled home, and;

B) A minimum of one family over a three-year period (every 36 months) through a rehabilitated or new home construction.

Yes

No - Policy/procedure in this area is in progress or pending board resolution.

No - We understand we are not adhering to the standard and there are no plans to change.

3. Affiliate makes all reasonable efforts to serve families who demonstrate a [housing need](#). Need is evaluated by considering the affiliate's service area median income, cost of living index, etc. Household incomes should not exceed 60% AMI and in no case exceed 80% AMI.

Yes

No - Policy/procedure in this area is in progress or pending board resolution.

No - We understand we are not adhering to the standard and there are no plans to change.

4. Affiliate activities are governed by written, duly adopted bylaws and policies that are enforced and comply with all local, state, and federal laws, such as the Fair Housing Act, Equal Credit Opportunity Act, and other fair lending laws, the Fair Credit Reporting Act, privacy and data security laws, flood laws, the Bank Secrecy Act - Anti-Money Laundering, Office of Foreign Assets Control, Real Estate Settlement Procedures Act, the Truth in Lending Act, Occupational Safety and Health Administration, etc. Bylaws and policies include but are not limited to:

- a) [Anti-discrimination](#).
- b) [Child labor prohibitions](#).
- c) [Conflict of interest](#).
- d) [Construction safety](#).
- e) [Employment](#), including grievance.
- f) [Fiscal safeguards](#).

- g) [Mortgage origination](#), including homeowner selection and house pricing and transfer. Written policies are required of all affiliates, including affiliates that use third-party originators.
- h) [Mortgage servicing](#), including escrow fund management. Written policies are required of all affiliates, including affiliates that use third-party servicers.
- i) [Records retention](#).
- j) [Sex offender registration check](#).
- k) [Whistleblower](#).
- l) [Board member and officer term limits](#) – corporate bylaws limiting terms for board members to eight consecutive years or less.

Please provide the most accurate response for each item.

Yes

No - Policy/procedure in this area is in progress or pending board resolution.

No - We understand we are not adhering to the standard and there are no plans to change.

N/A – Not applicable for the following standard:

- Employment *\*N/A should only be selected by affiliates with no employees.*

5. Affiliate complies with Internal Revenue Service Section 501 (c)(3) and with all state and local tax laws. Additionally:

- Affiliate annually files the appropriate [IRS tax filings](#) —Form 990, 990EZ, 990N and, if applicable, 990T — in a timely manner and in full accordance with IRS regulations and requirements.
- Affiliate has adopted or is considering the appropriate IRS Form 990 standardizations recommendations in Policy 5, as outlined in the [Sample IRS Form 990 Part III and Schedule O](#).
- Affiliate donors receive a timely written receipt documenting their contributions, as required by IRS guidelines.

Yes

No - Policy/procedure in this area is in progress or pending board resolution.

No - We understand we are not adhering to the standard and there are no plans to change.

Please note: As required by Policy 9: Financial Reporting to Habitat for Humanity International, affiliates must submit their IRS Form 990s to HFHI annually. This upload feature is replacing the previous requirement to upload affiliate 990s (as filed with the IRS) to the Affiliate Document Center. Failure to upload affiliate 990s next year will place an affiliate out of good standing in fiscal year 2025.

6. Affiliate has the [required minimum insurance coverage](#) for all aspects of its operations including general liability, builder’s risk, volunteer accidental medical, directors and officers liability, and, if applicable, workers’ compensation and auto coverage.

Yes

No - Policy/procedure in this area is in progress or pending board resolution.

No - We understand we are not adhering to the standard and there are no plans to change.

7. Affiliate loan originator activities are conducted by at least one [loan originator qualified](#) by:
- Making a determination of demonstrated financial responsibility, character, and general fitness based on:
    - A) A criminal background check.
    - B) A credit check.
    - C) Information about any other proceedings.
  - Ensuring each such staff member or volunteer has completed all required training on federal and state laws that apply to the activities.

All loan originator activities, as defined by federal law, are performed only by a qualified loan originator. QLOs are required of all affiliates, including affiliates that use third-party originators and/or servicers.

Yes

No - Policy/procedure in this area is in progress or pending board resolution.

No - We understand we are not adhering to the standard and there are no plans to change.

8. Affiliate uses the [HUD Equal Housing logo](#) or equal housing opportunity statement on all applicant-facing materials and web pages and ensures it is posted anywhere applications are submitted and/or provided to applicants.

Yes

No - Policy/procedure in this area is in progress or pending board resolution.

No - We understand we are not adhering to the standard and there are no plans to change.

9. Affiliate has at minimum one person who has been trained by HFHI as a [Competent Person](#).

Yes

No - Policy/procedure in this area is in progress or pending board resolution.

No - We understand we are not adhering to the standard and there are no plans to change.

10. Affiliate has [liability waivers](#) signed annually by all volunteers and retains those waivers for at least one year beyond expiration of the statute of limitations.

Yes

No - Policy/procedure in this area is in progress or pending board resolution.

No - We understand we are not adhering to the standard and there are no plans to change.

11. Affiliate [deselection of approved applicants](#) occurs only in the following cases:
- A) Failure to complete requirements set forth in the letter of acceptance or Homeownership Agreement.
  - B) Negative change in financial condition which would significantly impact the ability to pay.
  - C) Fraud on the application.

D) Violation of a sexual offender policy.

Yes

No - Policy/procedure in this area is in progress or pending board resolution.

No - We understand we are not adhering to the standard and there are no plans to change.

12. Affiliate with revenues of more than \$250,000 per year or assets greater than \$500,000 have had [financial statements audited](#) by an external auditor within the past 12 months. Affiliate is exempt from audit only if both of the following are true:

Annual revenue is less than \$250,000 per year.

Assets are less than \$500,000.

Please choose from the following options:

Yes

No – Policy/procedure in this area is in progress or pending board resolution.

No – We understand that we are not adhering to the standard and there are no plans to change.

**Exempt** (*displays + auto-selects only if both exemption conditions are selected*)

13. Affiliate has officially adopted authorized adaptations of the global Habitat for Humanity logo and, if applicable, Habitat ReStore identifiers, and uses only authorized adaptations on all materials, following the guidelines established in the [Habitat Brand User Guide](#). Affiliates with a registered Habitat logo but no Habitat ReStore should still select “Yes.”

Yes

No - Policy/procedure in this area is in progress or pending board resolution.

No - We understand we are not adhering to the standard and there are no plans to change.

14. Affiliate has and abides by Habitat ReStore and/or retail operation safety standards as set forth in [Policy 30](#), including, but not limited to:

A) Employs no fewer than two paid staff members who are within the facility during business hours for each retail location.

B) Has a safety manual.

C) Has an emergency action plan for each retail location.

D) Has a fire protection plan for each retail location.

E) Has a hazardous communications plan for each retail location.

Yes

No - Policy/procedure in this area is in progress or pending board resolution.

No - We understand we are not adhering to the standard and there are no plans to change.

N/A - Not applicable *\*N/A should be selected only by affiliates without Habitat ReStores or other retail operations.*

## Section 2: Other Essential Practices

15. All affiliate board and staff members and volunteers in leadership positions abide by the [standards and requirements](#) of [Safeguarding, Policy 34](#). The affiliate maintains, for all work locations, an environment that is safe, productive, and respectful. It also maintains an environment that prevents and responds to reports of physical/sexual abuse, exploitation, harassment, and/or bullying, of the people in the communities that we serve, especially vulnerable adults and children, and the people with whom we work and partner.

Yes

No - Policy/procedure in this area is in progress or pending board resolution.

No - We understand we are not adhering to the standard and there are no plans to change.

**NOTE:** If any of the information below is incorrect or missing, please email the Affiliate Support Center at [USSupportCenter@habitat.org](mailto:USSupportCenter@habitat.org) to update the information. (This information will be auto populated in the online Covenant and Quality Assurance Checklist tool.)

16. In order to provide consistent communications and access, the affiliate has the following components of [Policy 4, Communications and Technology](#):

a) A dedicated, publicly accessible office.

b) A dedicated mailing address \_\_\_\_\_.

c) A telephone number dedicated exclusively to affiliate with voice mail capacity, which shall remain the property of affiliate in the event of the individual account holder's departure \_\_\_\_\_.

d) An email address exclusive to affiliate which shall remain the property of affiliate in the event of the individual account holder's departure \_\_\_\_\_.

e) Ownership of at least one computer with internet access and software for word processing and spreadsheets.

f) A website (or other social media platform) displaying the Habitat for Humanity vision and mission statements and a reference to Habitat for Humanity's non-proselytizing policy.

Please provide the most accurate response for each item.

Yes

No - Policy/procedure in this area is in progress or pending board resolution.

No - We understand we are not adhering to the standard and there are no plans to change.

17. Affiliate abides by requirements for [operating a Habitat ReStore](#) or any other retail/resale operation, including, but not limited to: all first, additional, or relocating stores must complete the [registration process](#) for each store location with Habitat for Humanity International.

Yes

No - Policy/procedure in this area is in progress or pending board resolution.

No - We understand we are not adhering to the standard and there are no plans to change.

N/A - Not applicable *\*N/A should be selected only by affiliates without ReStores or other retail operations.*

18. Affiliate [tracks volunteer hours](#).

Yes

No - Policy/procedure in this area is in progress or pending board resolution.

No - We understand we are not adhering to the standard and there are no plans to change.

19. Affiliate board annually approves a [written budget](#), which includes projected sources and amounts of income and anticipated expenses. Affiliate and its board review the actual income and expense statements at least quarterly and compare them to the budget.

Yes

No - Policy/procedure in this area is in progress or pending board resolution.

No - We understand we are not adhering to the standard and there are no plans to change.

20. Affiliate abides by a board-approved [Anti-Money Laundering program](#), ensuring that the following provisions are met:

- A) Policies and procedures, which include internal controls, are developed and applied consistently.
- B) An AML compliance officer is appointed and aware of their responsibilities.
- C) Ongoing training is conducted with all applicable staff and volunteers.
- D) An independent audit tests the compliance and effectiveness of the AML program.
- E) Suspicious Activity Reporting is done properly.

Yes

No - Policy/procedure in this area is in progress or pending board resolution.

No - We understand we are not adhering to the standard and there are no plans to change.

21. Affiliate and its board review the performance of affiliate's mortgage loan portfolio using the delinquency definitions in the [Affiliate Statistical Report](#), comparing the number of delinquencies and amount of arrearages with prior periods, at least quarterly.

Yes

No - Policy/procedure in this area is in progress or pending board resolution.

No - We understand we are not adhering to the standard and there are no plans to change.

22. Affiliate has designed, implemented and currently maintains safeguards to [keep consumer information confidential](#) and protect it from threats and hazards such as unauthorized access or use of such records.



Yes

No - Policy/procedure in this area is in progress or pending board resolution.

No - We understand we are not adhering to the standard and there are no plans to change.

23. Affiliate establishes an independent, [third-party appraisal for each housing unit](#). If the Fair Market Value of the affiliate's housing units are more than the sum of (i) the first mortgage, plus (ii) any cash down payment paid by the homebuyer, plus (iii) any third-party subordinate mortgages, then the affiliate must utilize deferred subordinate mortgages (commonly called a "soft" mortgage) to protect equity.

Yes

No - Policy/procedure in this area is in progress or pending board resolution.

No - We understand we are not adhering to the standard and there are no plans to change.

24. Affiliate sells the housing units it builds and/or rehabs and either finances them with a zero-percent affiliate-originated mortgage loan as described in [Policy 23](#) or allows the homeowner to obtain a [third party-originated mortgage](#) that the affiliate determines to be affordable and responsible.

Yes

No - Policy/procedure in this area is in progress or pending board resolution.

No - We understand we are not adhering to the standard and there are no plans to change.

25. Affiliate [provides homeowner pre- and post-support](#) services to all selected families through appointed volunteers, staff, HUD Certified Counselor, or other professionals.

Yes

No - Policy/procedure in this area is in progress or pending board resolution.

No - We understand we are not adhering to the standard and there are no plans to change.

26. Affiliate complies with all [applicable state and local building codes](#). Where there are no state/local codes, affiliate builds in compliance with the 2006 version of the International Residential Code.

Yes

No - Policy/procedure in this area is in progress or pending board resolution.

No - We understand we are not adhering to the standard and there are no plans to change.

27. Affiliate builds houses in accordance with the [Habitat House Design Criteria](#).

Yes

No - Policy/procedure in this area is in progress or pending board resolution.

No - We understand we are not adhering to the standard and there are no plans to change.

Exempt – Local ordinances prevent affiliate from adhering to the Habitat House Design Criteria.

28. Affiliate is [not overly dependent on any single source of revenue](#), including Habitat ReStore, government funding, or single private donors. As a guideline, affiliate generally has no single source of revenue on a continuing basis that exceeds 40 percent of the annual affiliate operating budget.

Yes

No - Policy/procedure in this area is in progress or pending board resolution.

No - We understand we are not adhering to the standard and there are no plans to change.

29. Affiliate adheres to [U.S. Collaborative Development Handbook](#).

Yes

No - Policy/procedure in this area is in progress or pending board resolution.

No - We understand we are not adhering to the standard and there are no plans to change.

30. Affiliate uses all contributions for the [purpose expressed by the donor](#).

Yes

No - Policy/procedure in this area is in progress or pending board resolution.

No - We understand we are not adhering to the standard and there are no plans to change.

31. Affiliate fundraising personnel, including employees, volunteers, and independent consultants, are [not compensated on a percentage of the amount raised](#) or any other commission formula.

Yes

No - Policy/procedure in this area is in progress or pending board resolution.

No - We understand we are not adhering to the standard and there are no plans to change.

**U.S. Affiliated Organization Covenant**

**Preface**

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.

### **Mission Principles**

(1) **Demonstrate the love of Jesus Christ.** We undertake our work to demonstrate the love and teachings of Jesus, acting in all ways in accord with the belief that God’s love and grace abound for all, and that we must be “hands and feet” of that love and grace in our world. We believe that, through faith, the minuscule can be multiplied to accomplish the magnificent, and that, in faith, respectful relationships can grow among all people.

(2) **Focus on shelter.** We have chosen, as our means of manifesting God’s love, to create opportunities for all people to live in decent, durable shelter. We put faith into action by helping to build, renovate or preserve homes, and by partnering with others to accelerate and broaden access to affordable housing as a foundation for breaking the cycle of poverty.

(3) **Advocate for affordable housing.** In response to the prophet Micah’s call to do justice, to love mercy and to walk humbly with God, we promote decent, affordable housing for all, and we support the global community’s commitment to housing as a basic human right. We will advocate for just and fair housing policy to eliminate the constraints that contribute to poverty housing. And, in all of our work, we will seek to put shelter on hearts and minds in such powerful ways that poverty housing becomes socially, politically and religiously unacceptable.

(4) **Promote dignity and hope.** We believe that no one lives in dignity until everyone can live in dignity. We believe that every person has something to contribute and something to gain from creating communities in which all people have decent, affordable places to live. We believe that dignity and hope are best achieved through equitable, accountable partnerships.

(5) **Support sustainable and transformational development.** We view our work as successful when it transforms lives and promotes positive and lasting social, economic, and spiritual change within a community; when it is based on mutual trust and fully shared accomplishment; and when it demonstrates responsible stewardship of all resources entrusted to us.

In addition, in recognition of and commitment to the global nature of the Habitat for Humanity mission, each U.S. affiliate is expected to contribute (tithe) at least 10 percent of its undesignated cash contributions to Habitat for Humanity’s international work.

### **Agreement to Covenant**

In recognition of the Mission Principles stated in this Covenant, Habitat for Humanity International and (Auto-populate affiliate name) 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.

**(Auto-populate affiliate name) 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 outlined earlier 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.

This Covenant is valid upon approval by the affiliate board of directors and a designated representative of Habitat for Humanity International.

**Covenant Signatures**

Habitat for Humanity International:

By: Mande Butler, Vice President, U.S. Operations

Date:

By: (Auto-populate affiliate name):

Date:

**Covenant Approval by Board of Directors**

I certify that the Covenant between Habitat for Humanity International and (Auto-populate affiliate name) was approved by the board of directors at a meeting held on:

Date:

**Quality Assurance Approval by Board of Directors**

I certify that the Quality Assurance Checklist for (Auto-populate affiliate name) was approved by the board of directors at a meeting held on:

Date:

**Secretary of Board of Directors:**

Secretary Phone:

Secretary Email:

**Board President Information**

Board President Name:

Board President Phone:

Board President Email:

**Board Vice-President Information**

Board Vice-President Name:

Board Vice-President Phone:

Board Vice-President Email:

**Board Treasurer Information**

Board Treasurer Name:

Board Treasurer Phone:

Board Treasurer Email:

**Affiliate Contact Information**

Affiliate Contact Name:

Affiliate Contact Title:

Affiliate Contact Phone:

Affiliate Contact Email:

Affiliate Website:

**Board Approval and Certification**

The affiliate board of directors has reviewed the answers provided on this U.S. Affiliated Organization Covenant and Quality Assurance Checklist, certified them as correct, and approved this submission as an accurate declaration of the affiliate. We understand that failure to submit a timely and accurate Covenant and QA Checklist may result in loss of good standing or other disciplinary action. Yes



*Building  
houses,  
building  
hope*

August 3, 2023

Dear Members of IBOD, HFHI Senior Management, U.S. Council, and Executive Task Force,

Habitat for Humanity International is a recognized and trusted brand because of the hard work and ethical standards of affiliates around the world. We are the builders, the ambassadors, and the boots on the ground which have created a model for empowering our communities to alleviate suffering through affordable housing. Yet it has become clear that the leaders of this organization have been living in a warped reality in which you believe the affiliates' fealty to Habitat International is more important than our service to people in need in our own communities.

When I served on the US Council (the maximum 6-year term), we made the decision to tie SOSI to Collaborative Development to create more effective strategies for communicating with donors. Unfortunately, and despite those efforts, HFHI continues to create a false perception in which contributors have been deliberately misled to believe that donations made to either the affiliates or the parent organization are organically funneled back into local communities. HFHI has thrived from creating that confusion; just a few days ago, a friend brought me an acquisitions solicitation she had received from Habitat International which implied that a gift made to the parent organization would build homes in her "own community." How does this deceptive ambiguity create a legitimate collaborative model for fundraising? How does this respect contributors' intentions when you continually create a narrative that is designed to confuse and misinform?

As we've debated the nature of collaboration amongst ourselves – first with SOSI/Collaborative Development and now with Habitat 2.0 – it is clear that a third and integral voice has been deliberately left out of the dialogue: our donors. I recently had a conversation with a gentleman who has been supporting our affiliate for longer than the 25 years I've been working here. In fact, he provided a \$100,000 anonymous grant to fund our summer match appeal. I asked him, hypothetically, how he would feel about supporting our affiliate if \$42,000 of the \$100,000 he donated this year was all that would trickle down to St. Louis. He thought it over carefully for a moment and then replied, "I volunteer and contribute because I can put faces to those being helped by Habitat for Humanity Saint Louis. I'm proud of what we do. But I'm not sure I could support a system in which so little of my donation helps people *here*." Diluting the effectiveness of donor investment in their own communities could have dire consequences for us all.

I could state my objections from the standpoint of compliance regulations outlined in the Affiliate Agreement, Quality Assurance Checklist, or Good Standing Requirements - all of which affiliates must follow in order to receive funds intended for our communities, but for which there is no oversight of HFHI's compliance, nor consequences for when the parent organization is out of compliance. Where was oversight when our affiliate was left out of countless conversations between HFHI and local corporate donors? In one instance, we were unaware of a partnership put into place with HFHI until our contact reached out, assuming we were looped in. We are penalized when out of compliance, but it appears that door does not swing both ways.

3830 South Grand Blvd.  
St. Louis, MO 63118  
(314) 371-0400 (phone)  
(314) 371-0404 (fax)  
[www.habitatstl.org](http://www.habitatstl.org)

I could argue that using Line 12 of affiliates' 990 is inequitable because it doesn't take into account our cost of doing business, which includes income from in-kind contributions and pass-through arrangements required by a State tax credit as well as mortgages; yet HFHI's direct marketing proposal is hypocritically based in recouping expenses before affiliates ever see their share of the revenue – a paltry 42% of donors' original contributions. In fact, using line 12 would include the revenues from direct marketing fund distributions, which would then be included in the fees we are paying in 2.0, essentially charging us twice for the same funds. There is no way in which this fee structure is fair when affiliates get penalized for expenses, but HFHI takes theirs into account before affiliates see a penny.

I could point out that none of us has seen the Memorandum of Understanding - but we are being asked to move forward with trust that it will be fair to affiliates when we've yet to see any genuine consideration for our concerns, coupled with a history of HFHI blatantly disregarding its fiduciary responsibility to collaborate with honesty and transparency. Even if I believed that 2.0 is a workable proposition, the legal minds on our board would wisely never allow us to sign on to terms we have not seen.

I could show you the numbers that members of my staff have put together to demonstrate how the proposed fee structure of Habitat 2.0 would be financially devastating to our affiliate, and greatly impact the number of homes we would be able to build and – more importantly – families we would be able to serve in our community. By the numbers you provided for projected direct marketing revenue to our affiliate, we would face a loss of at least 25% from local direct marketing donations – and we have yet to see concrete plans for how we would share in major gifts and corporate contributions.

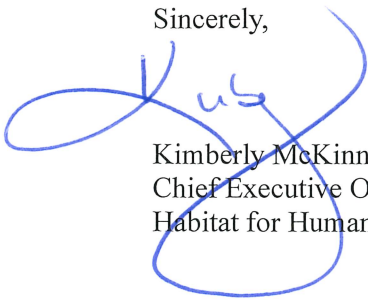
I could question the dubious data-gathering methods used to create your projections: for example, using revenue data from the years just before the pandemic in combination with more current data cannot build an accurate prediction of revenues, especially at the same time that trusted sources such as Giving USA have reported that individual giving has dropped 13.4% due to inflation. If HFHI doesn't meet its goals, how is that shortfall accounted for and how will affiliate fees and revenues be affected?

In the end, these issues all stem from Habitat for Humanity International's outdated fundraising paradigm, and its parasitic dependence on affiliate results and affiliate revenues to continue feeding a bloated operating model that has become more important to the parent organization than its responsibilities to address our collective mission to build homes, communities, and hope. Habitat 2.0 will negatively impact our ability to construct homes as less money goes to the important mission. It would confuse and manipulate people in our community who want to support us financially, but whose gifts would fund more bureaucracy than builds. It denies hope to the people who need us most: families who simply want to build and buy a home where they can afford to live and thrive.

Habitat for Humanity Saint Louis exists to serve our local community. By extension, Habitat for Humanity International should exist to support the needs of its affiliates and empower us to continue creating better lives for deserving people in the regions where we operate. I believe with all of my heart that if Habitat International could truly embrace collaborative strategies which help rather than hinder our ability to build, we could all raise even more money and awareness, becoming exceptionally effective stewards of the resources entrusted to us by our donors. The consequences of failing to work together to protect and honor our reputation built through affiliate work in our local communities could have disastrous consequences for families still waiting their turn to build a more secure future through affordable housing.

Back to the donor I mentioned earlier; I echo his sentiments. I am proud of the work we do here. I've spent the past quarter century of my life with this organization, building homes in St. Louis, and through that work, partnering with local volunteers, donors, and families to build the Habitat for Humanity brand. It is my faith in the value of this brand and the trust it instills in homebuyers, donors, and volunteers alike that compels me to fight for the future of this organization, and the St. Louis affiliate's prospects as a continuing partner in this worldwide community of people who share a common belief that everyone deserves a decent place to live. I thank you in advance for your sincere consideration of the concerns being expressed by myself and many of my colleagues throughout the nation who simply want to be able to effectively, honestly, and ethically fulfill our mission.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Kim', is written over the typed name and title.

Kimberly McKinney  
Chief Executive Officer  
Habitat for Humanity Saint Louis