

AGENDA
PPHFH BOARD OF DIRECTORS
Virtual via Zoom
5:45-7:30 pm
June 1, 2020

5:45-5:50 CALL TO ORDER (Ryan M.)

5:50-5:55 OPENING DEVOTIONS (Martha J.) ~ INTRODUCTIONS ~ ANNOUNCEMENTS:

5:55-7:00 PRIORITY ITEMS

5:55-6:00 APPROVAL OF MINUTES:

- May 4, 2020 Minutes (vote)

6:00-6:15 FINANCE REPORT:

- April 2020 Dashboard (Peter S.)
- Mortgage Delinquency Report (Janet)

6:15-7:00 ITEMS REQUIRING DISCUSSION &/OR VOTE

- Successors in Interest Rule (Janet) (vote)
- Temporary Working Remotely Policy (Kris) (vote)
- Ratification of FY20 new Board Members P. Hiltz & E. Stolp (vote)
- FY21 Executive Committee member (vote)
 - R Mohling, President
 - M Johnson, Vice President
 - P Scanlon, Treasurer
 - R Panariso, Secretary
 - E Stolp, Member at Large
- FY21 Cash and P&L Budget (Peter S. and Stephanie) (vote)

7:00-7:10 EXECUTIVE DIRECTOR'S & STAFF REPORTS:

- ED & Staff Report (Kris)

7:10-7:30 COMMITTEE REPORTS & RECOMMENDATIONS:

- Executive Committee (Ryan P.)
- Governance Committee (Martha)
- Development Committee (Iain/Sarah)
- ReStore Committee (Ryan P.)
- Family Selection & Services (Joel)
- Building Committee (Laurel)
- Faith and tithe Committee (Barb/Dustin)
- Site Selection/Land Development (Kris)

- **7:25-7:30 Mission Moment:** - Quick overview of PPHFH Strategic Plan goals and update
 - Strategic Plan Goal #5 Strengthen Board Governance (Martha & Kris)

- 6 Strategic Plan Goals
 - #1 Open 2nd ReStore
 - #2 Increase the number of families served through implementation of a Critical Home Repair program, growth in the Brush with Kindness program, and strengthening of homeowner services
 - #3 Implement a Faith in Action Program
 - #4 Stabilize annual home construction to 7-8 homes per year
 - **#5 Strengthen Board Governance**
 - #6 Grow Organizational Capacity

OLD BUSINESS:

NEW BUSINESS:

COMING EVENTS:

- No Board Meeting in July due to July 4th holiday or September due to Labor Day holiday
- September 24th, Volunteer Appreciation Event, The Pinery, 5:45PM - Save the Date!

Habitat for Humanity builds strength, stability and self-reliance through shelter

BOARD MINUTES

PPHFH (virtual) Board Meeting Minutes

DATE: May 4, 2020

Board Members	Present?	Staff and Guests	Present?
Shannon Baumgartner	Y		
Jay Carlson	Y	Stephanie Campbell, <i>Director of Finance/HR</i>	Y
Joel Hamilton	Y	Dustin Alarid, <i>Faith Relations Manager</i>	Y
Peter Hilts	Y	Caitlin Daberkow, <i>Homeowner Services Manager</i>	N
Martha Johnson, Vice President	Y	Kris Medina, <i>Executive Director/CEO</i>	Y
Ryan Mohling, President	Y	Iain Probert, <i>Director of Development</i>	Y
Ryan Panariso, Secretary	Y	Janet Risley, <i>Director of Homeowner Services/Real Estate</i>	Y
Peter Scanlon, Treasurer	Y	Jeff White, <i>Chief Operations Officer</i>	Y
Chuck Smith	Y	Sarah Bunch, <i>Donor Relations Manager</i>	Y
Ryan Teeples	Y	Greg Kovach, <i>Director of Operations</i>	Y
Laurel Thorstensen	Y		
Barb Treacy	Y		
Bill Wall	Y		
Eric Stolp	Y		
		Guests:	
		None	

CALL TO ORDER The (virtual) May 4, 2020 regular meeting of the PPHFH Board of Directors was called to order at 5:45 PM by Mr. Ryan Mohling, president. Due to the governor's executive order for statewide "safer-at-home," the meeting was held virtually via Zoom.

OPENING DEVOTIONS ~ INTRODUCTIONS ~ ANNOUNCEMENTS:

Mr. Peter Scanlon led the devotion based on Phillipian's reminding us not to be anxious, but to submit all worries to God and be willing to lean on Him. When we get weary of trying to carry our cares by ourselves, we need to turn to God.

APPROVAL OF MINUTES:

Motion made, seconded, and passed to approve the April 6, 2020 minutes as stated.

FINANCE REPORT

Peter Scanlon, Board Treasurer summarized the month's Dashboard by stating that, despite the impacts of COVID-19, PPHFH should finish the fiscal year close to its plan. A strong first 9 months of sales, contributions and expense management have given the affiliate some shorter-term capacity to absorb lower ReStore sales, lower contributions, particularly in the Corporate area, and higher relative expenses. March's loss was primarily due to the requirement to recognize our current month's investment losses in our income

statement. The finance committee is currently working with staff on our 2020-21 plan.

On the investment side, In March, our Investment portfolio showed unrealized losses of about \$107,000 for the month, \$150,000 for the year. The year to date loss was lower than the steep drops in the equity markets. However, in April, our portfolio regained almost \$65,000 of our year to date unrealized losses, reducing the loss to about \$83,000 YTD.

Mr. Scanlon reviewed the ad hoc committee's RFP review and recommendation process for financing ReStore #2 and letting the board know that Finance Committee will make a recommendation of which bank's proposal to accept and move forward. The ReStore Committee will also review the RFP responses. Special electronic vote of the Board will occur May 18th.

Mortgage Delinquency

Ms. Janet Risley reviewed the mortgage delinquency report. There is one mortgage continuing towards foreclosure, though no action will be taken during the national COVID-19 crisis. PPHFH will be following the federal request that no foreclosures occur during this time. If the loan is not brought current by the time foreclosures are permitted, this loan will be brought to the board for foreclosure approval. Two families have requested and received payment deferral due to loss of employment. Ms. Risley anticipates more requests as unemployment increases with continuing closures. In answer to questions regarding how delinquencies are internally managed, Ms. Risley and Ms. Medina responded that policies will be followed with a willingness to work with those homeowners who want to partner with PPHFH.

ITEMS REQUIRING DISCUSSION AND/OR VOTE:

Mr. Greg Kovach demonstrated accessing the Board Portal and the available contents for board and committee members.

EXECUTIVE DIRECTOR and STAFF REPORTS:

Executive Director and Staff Report

No questions or comments were provided regarding the ED & Staff Report. Ms. Medina did ask board members who visit the ReStore to thank the staff who are on the "front line." Staff are being mindful in customer and donor interactions with appropriate social distancing while remaining mission focused.

COMMITTEE REPORTS & RECOMMENDATIONS:

Executive Committee:

Mr. Mohling reported the committee met. Primary topic was the ReStore #2 RFP process and timelines.

Governance Committee:

Ms. Martha Johnson discussed the Board Build Day tentatively set for September 19th. The June board meeting will include voting on the slate of FY21 board officers as well as ratification of board members.

Development Committee:

Mr. Dustin Alarid provided a brief update regarding Faith Committee activities and asked if the board would like to preview the virtual Thrivent Faith Build Dedication video.

Ms. Sarah Bunch shared an overview of the upcoming Board Thank-a-thon to be held this week. Mr. Hamilton commented via chat that this is a rewarding experience. She also discussed the #GivingTuesdayNow

campaign being held May 5th with a focus on the newly created El Paso County Housing Stability Fund, which donations are restricted to the key areas of the fund's purpose.

ReStore Committee:

Mr. Panariso and Mr. Jeff White did not have additional comments beyond what was reported in the finance report or the Executive Director/CEO & Staff Report.

Family Selection and Services Committee:

Mr. Joel Hamilton reported that newly selected future homeowners will begin their program orientation the week of May 18th.

Building Committee:

Ms. Laurel Thorstensen stated the committee had not met in April. All current activity is reported in the Executive Director/CEO & Staff Report.

Faith Committee:

Mr. Alarid stated subcommittees are being formed for specific tasks.

Ms. Barb Treacy stated how pleased she is with PPHFH's continuing tithe, especially during economically challenging times, as well as the April 23rd committee meeting was great!

Strategic Plan

In the remaining minutes of the board meeting, Ms. Medina reviewed the current year's strategic plan goal #4 to stabilize annual home construction to 7-8 homes per year. All the other strategic board goals support goal #4, including enhancing the volunteer program, opening a second ReStore, acquiring land, and staff expanding programs. Unfortunately, given the projected cash use for Sand Creek land development, ReStore #2 land acquisition and construction, the requirement to build five homes annually at Sand Creek, and a conservative FY21 budget presented to finance committee due to potential economic threats because of COVID-19, the staff somberly made the decision to build six instead of nine homes in FY21. Ms. Risley informed the three selected partner families for Micah's View have been notified their homes will not be built in FY21. Mr. Kovach also reported the added expenses to develop Micah's View, including City of Fountain requiring PPHFH install a new sewer main and a required City bond, both adding \$60,000 to outgoing cash flow should the project proceed, also supported the decision to delay building homes on Micah's View.

NEW BUSINESS:

Mr. Chuck Smith invited members to his home for a BBQ and baby shower for Ms. Johnson to tentatively be held Sunday, June 6.

COMING EVENTS:

CLOSING PRAYER:

MEETING ADJOURNED:

Mr. Mohling invited members who could stay a little longer to watch the Thrivent Faith Build Virtual Dedication, then he adjourned the meeting at 7:30 PM. (The video was definitely an uplifting end to the evening.)

FINANCIALS AND RELATED REPORTS

Pikes Peak Habitat for Humanity

Current Profit and Loss Highlights

Current Net Income (Loss)	\$ 433,606
YTD Income (Loss)	\$ 410,430

Balance Sheet Summary

ASSETS	
Current Assets	
Checking/Savings	\$ 1,947,889
Investments/Securities	1,402,912
Accounts Receivable	8,222
Other Current Assets	1,206,995
Total Current Assets	\$ 4,566,019
Fixed Assets	\$ 1,506,523
Other Assets	2,489,244
TOTAL ASSETS	\$ 8,561,785
LIABILITIES & EQUITY	
Liabilities	
Total Current Liabilities	\$ 295,407
Long Term Liabilities	1,254,477
Total Liabilities	\$ 1,549,884
Total Equity	7,011,902
TOTAL LIABILITIES & EQUITY	\$ 8,561,785

Board of Directors Dashboard

Finance Committee Notes

→ Current net income (loss) is due to the CHDO grant being realized as well as in April the market started to recover from the recent decline.

Items of Note:

- Received PPP Forgivable Loan \$303,313 (balance sheet)
- CHDO Grant Agreement Fulfilled/Realized \$400,000
- FY21 cash and P&L budget were discussed and approved by Finance Committee

Current Fund Balance

Item	April	Aug-20	Sep-20
ReStore 2		\$1,015K	\$750K
Sand Creek			\$750K
Total		\$1,015K	\$750K

Upcoming Major Disbursements

Item	April	Aug-20	Sep-20
ReStore 2		\$1,015K	\$750K
Sand Creek			\$750K
Total		\$1,015K	\$750K

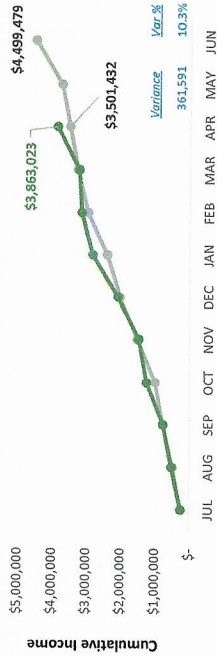
→ Operations Target is 3-months of operating expenses [**\$760,733**]

or 15%, whichever is greater.

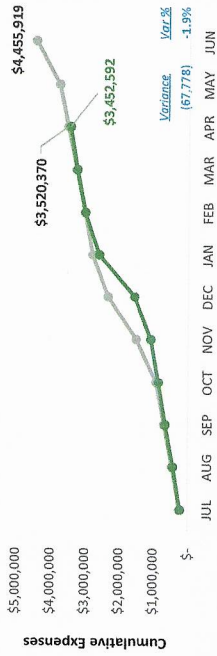
→ Operations amount excludes homeowner escrow bank account.

April 2020

PPHFH YTD Income Performance



PPHFH YTD Expense Performance



Development

Current Donation Performance

FY 2020	Actual	Budget	Variance	Var. %
Individuals	\$ 8,888	\$ 9,250	\$ (362)	-4%
Corps	\$ 945	\$ 500	\$ 445	89%
Grants	\$ 407,167	\$ 19,200	\$ 387,967	2021%
Other	\$ 3,858	\$ 3,000	\$ 858	29%
Bequest	\$ -	\$ -	\$ -	0%
Total	\$ 420,858	\$ 31,950	\$ 388,908	1217%

YTD Donation Performance

Type	Budget	Actual	Variance	Var. %
Drop Offs	\$ 208,500	\$ 10,673	\$ (197,827)	-95%
Pick Ups	\$ 157,000	\$ (103,062)	\$ 260,062	165%
Total	\$ 365,500	\$ 10,611	\$ (354,889)	-97%

ReStore

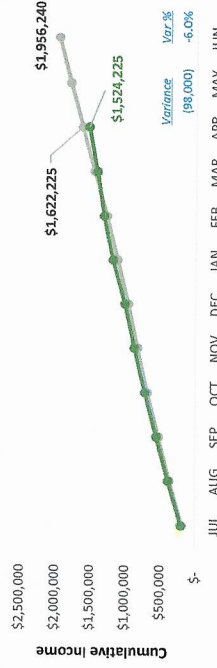
Monthly Donations

Type	\$	#	Avg
Drop Offs	\$ 61,757	710	\$ 87
Pick Ups	\$ 64,299	138	\$ 466

Top 5 Sales Categories

Class	Total	Qty	Avg
Cabinets	\$ 16,895	426	\$ 40
Outdoor	\$ 9,520	1819	\$ 5
Doors	\$ 9,218	345	\$ 27
Plumbing	\$ 8,658	1272	\$ 7
Furniture	\$ 8,009	425	\$ 19
All Class Total	\$ 102,720	17,468	\$ 6

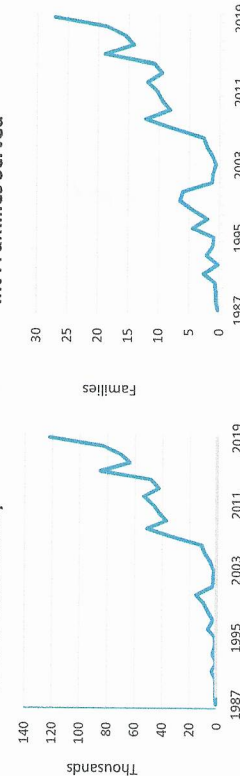
ReStore YTD Income Performance



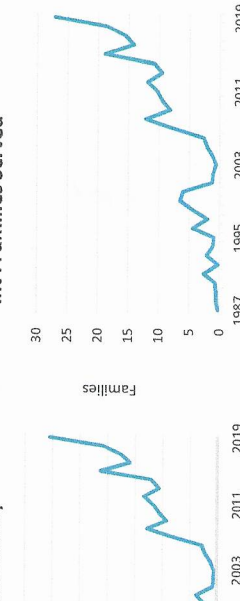
Affiliate Tithing Impact

Year	Amount	Fam.Srv'd
2020-CY	\$ 72,008	16.0
2019	\$ 122,125	27.1
2018	\$ 83,378	18.5
2017	\$ 70,310	15.6
2016	\$ 64,000	14.2
2015	\$ 85,025	18.9
2014	\$ 48,484	10.8
2013	\$ 42,597	9.5
2012	\$ 53,581	11.9
2011	\$ 46,471	10.3
30-Yr Total	\$ 939,524	231.4

PPHFH Tithe History

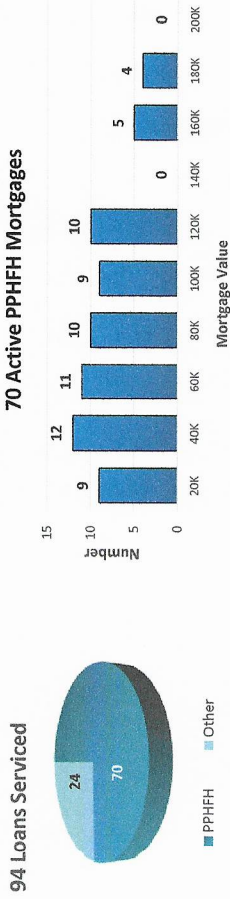


Int'l Families Served



Homeowner Services

Active Mortgages

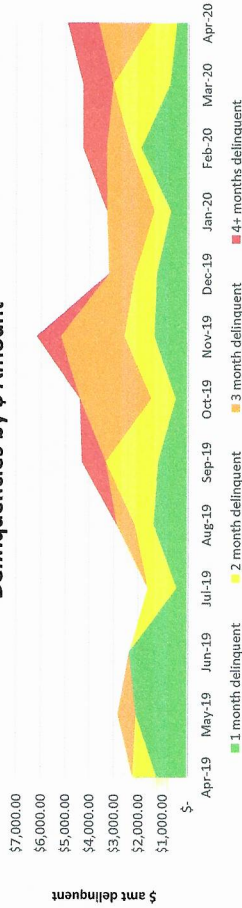


Delinquency Report

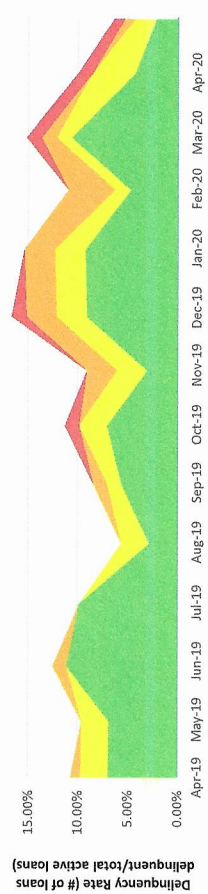
MONTHS DELINQUENT	# Loans	\$Amt	% portfolio at risk
Less than 1 month behind	0	\$ -	0.00%
<i>Last month</i>	4	\$175.07	5.71%
1 month behind	2	\$ 455.76	2.13%
2 months behind	2	\$ 1,023.52	2.13%
3 months behind	1	\$ 2,175.00	1.06%
4+ months behind	1	\$ 1,275.00	1.06%
Total	6	\$ 4,929.28	6.38%
<i>Last month</i>	7	\$4,284.48	10.00%
<i>April 2019</i>	7	\$2,233.02	9.59%

- ▲ Healthy
- ▲ Needs
- ▲ Major Problem

Delinquencies by \$ Amount

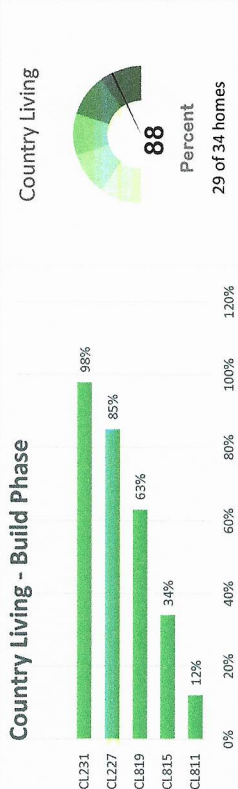


Delinquency Rate

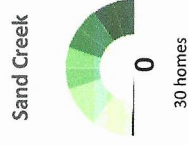


Construction

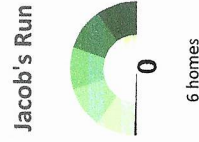
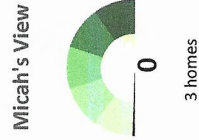
Active Building Progress



Future Site Plan



Pre-Construction Building Sites



- Coming Soon!**
- Recycle Home
 - Critical Home Repair Program

Total # of active loans as of 5/27/2020	94
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LOANS LESS THAN 1 MONTH BEHIND	# of Loans	\$ Amt ¹	% of portfolio at risk ²
Less than 1 month behind	1	\$ 473.33	1.06%
<i>Last month</i>	0	\$0.00	0.00%

LOANS MORE THAN 1 MONTH BEHIND	# of Loans	\$ Amt ¹	% of portfolio at risk ²
1 month behind	1	\$ 247.43	1.06%
2 months behind	0	\$ -	0.00%
3 months behind	1	\$ 982.74	1.06%
More than 4 months behind	1	\$ 1,174.04	1.06%
Total	3	\$ 2,404.21	3.19%
<i>Last month</i>	6	\$ 4,929.28	6.38%
<i>May 2019</i>	9	\$ 2,832.71	12.50%

¹ Amounts reflect principal balances outstanding and do not include outstanding escrow and late fee balances

² Calculated against the total number of outstanding mortgages

Your "delinquency rate" is the percentage of mortgages that are 30 days or more delinquent.

-  Healthy Delinquency rate (not in yellow or red)
-  More than 20% overall or 12% at 60 days and more is a **problem (action required)**.
-  More than 20% at 60 days and more is a **major problem**.

PRIORITY ITEMS FOR DISCUSSION/VOTE

Servicing Rule Requirements

Effective Date

* Implications to Habitat Affiliates

Successors in Interest (SII)

Strengthen protection for Successors in Interest.

- In general, SII is defined (in RESPA and TILA) as persons to whom an ownership interest in the property is transferred from a borrower through inheritance from a family member or upon death of joint tenant or tenant by the entirety, after divorce or legal separation, through family trust, or through transfer from spouse or from parent to child.
- Definition of SII is not limited to surviving spouses or heirs of deceased borrower.
- It is not necessary for the person to assume the loan or otherwise be liable for the loan to qualify as SII.
- Servicing policy must be updated to include that upon notification of death of borrower or of any transfer of property servicer can:
 - A. Promptly identify SII, and
 - B. Facilitate communication with SII about the property.
- Servicer does not have to search for a potential SII.
- Documents that servicers can require must be reasonable in light of: (A) laws of jurisdiction, (B) specific situation of successor, and (C) any documents already in servicer's possession.
 - A. Examples: Death Certificate, Executed Will, Court Order.
 - B. But not reasonable to require documentation of probate proceeding if probate is not required under applicable law.
 - C. Servicers can also require documents reasonably necessary to prevent fraud or criminal activity (e.g., if servicer believes that presented documents are forged).
- If a Requests for Information from a Potential Successor in Interest is received by a servicer, the general 5 day

April 19, 2018

Affiliates that service in-house must comply with this rule. Policies and procedures must be updated to ensure that a process is in place to confirm a Successor in Interest and once confirmed that they will be considered a "borrower", and entitled to all the rights. As a reminder, the SII does not have to assume the loan.

requirements for written acknowledgment must be met. The servicer is not required to provide any information before confirming identity and ownership interest. The servicer can provide:

- A. information regarding documents the servicer reasonably requires to confirm identity and ownership interest in the property, and
 - B. servicer's contact information.
- Upon receipt of documents from potential SII: servicers must promptly make determination and notify potential successor of the decision and or request additional documents to make decision.
 - After servicer confirms SII's identity and ownership interest in the property (i.e., SII becomes a "confirmed" SII):
 - A. SII is considered "borrower" for purposes of escrow and servicing rules (RESPA); and
 - B. SII is considered "consumer" for purposes of the servicing requirements for closed-end loans: Mortgage transfer disclosures; prompt crediting of payments; handling of partial payments; prohibition on pyramiding of late fees; timing for providing payoff statements (TILA).
 - Optional Notice and Acknowledgment - Final rule allows servicers to provide confirmed SIIs who are not liable on loan with an initial explanatory notice and acknowledgment form. In the acknowledgment, among other things:
 - A. SII requests receipt of servicing disclosures
 - B. SII acknowledges that he or she is not liable on loan unless he or she assumes the obligation



**Pikes Peak
Habitat
for Humanity®**

We build strength, stability, self-reliance *and* shelter

Pikes Peak Habitat for Humanity Temporary Telecommuting Policy

In the event of an emergency such as a weather disaster or pandemic, Pikes Peak Habitat for Humanity may allow or require employees to temporarily work from home to ensure business continuity.

Procedures:

In the event of an emergency, Pikes Peak Habitat for Humanity may require certain employees to work remotely. These employees will be advised of such requirements by the department director. Preparations should be made by employees and directors well in advance to allow remote work in emergency circumstances. This includes determining appropriate operating protocols, tasks, and equipment needs, such as hardware, software, phone and data lines. The Director of Finance and Human Resources is available to review IT and other equipment needs with employees and to provide support to employees in advance of emergency telework situations.

For voluntary telework arrangements, either the employee or department director can initiate a temporary telecommuting agreement during emergency circumstances. The employee and director will discuss the position's responsibilities and determine if the position is appropriate for a telecommuting arrangement, including equipment needs, workspace design considerations and scheduling issues.

A telecommuting agreement will be prepared by the Director of Finance and Human Resources and signed by the employee and his or her manager. Final approval rests with the Executive Director/CEO.

The employee will establish an appropriate work environment within his or her home for work purposes. Pikes Peak Habitat for Humanity will not be responsible for costs associated with the setup of the employee's home office, such as remodeling, furniture, or lighting, nor for repairs or modifications to the home office space.

Pikes Peak Habitat for Humanity will determine the equipment needs for each employee on a case-by-case basis. Equipment supplied by the organization is to be used for business purposes only.

Consistent with the organization's expectations of information security for employees working at the office, telecommuting employees will be expected to ensure the protection of proprietary company and customer information accessible from their home office.

Employees should not assume any specified period of time for emergency telework arrangements, and Pikes Peak Habitat for Humanity requires employees to return to regular, in-office work at any time.



General Work Arrangement

1. This Agreement is between Pikes Peak Habitat for Humanity (PPHFH) and (“Employee”) to establish the terms and conditions for temporarily performing work at an alternate work site.
2. This Agreement begins on (date) and ends on (date). You understand that this Agreement to permit you to work remotely is a temporary measure only, and will be reviewed continuously during the period in which PPFH may alter this schedule or end the temporary remote work agreement at any time at its discretion.
3. This agreement will remain in effect unless altered or terminated at any time as described in paragraph 2 above.
4. The following conditions apply:
 - Employee’s remote work schedule is:
(Specify days and hours. If it varies, please include those details).
 - Employee’s regular remote work site location is:
 - Employee’s regular remote work phone number is:
5. While working remotely, Employee will:
 - remain accessible during the remote work schedule;
 - check in with the supervisor to discuss current schedule/project(s) and status and open issues;
 - be available for video/teleconferences, scheduled on an as-needed basis;
 - be available to physically attend scheduled work meetings as requested or required by the department;
 - request supervisor approval in advance of working any overtime hours (if employee is non- exempt);
 - take rest and meal breaks while working remotely in full compliance with all applicable policies;
 - request supervisor approval to use vacation, sick, or other leave in the same manner as when working at Employee’s regular work location.
6. Employee’s duties, obligations, responsibilities, and conditions of employment with PPFH remain unchanged except those obligations and responsibilities specifically addressed in this agreement (if any). Job responsibilities, standards of performance, and performance appraisals remain the same as when working at the regular PPFH work site. The supervisor reserves the right to assign work as necessary at any work site.

7. PPHFH's employee handbook remains in full effect.
8. The parties acknowledge that this agreement may be evaluated on an ongoing basis to ensure that Employee's work quality, efficiency, and productivity are not compromised by the remote work arrangement described herein.
9. You acknowledge that if your manager deems that the temporary remote work arrangement described in this Agreement is not working effectively or as envisioned, management may at any time adjust or end this agreement. Management will strive to provide at least 24 hours' advance notice of any changes to this agreement.

Safety & Equipment; Information Security

1. Employee agrees to maintain a safe, secure, and ergonomic work environment and to report work-related injuries to Employee's supervisor at the earliest reasonable opportunity. Employee agrees to hold PPHFH harmless for injury to others at the alternate work site. Regarding space and equipment purchase, set-up, and maintenance for telecommuting purposes:
 - Employee is responsible for providing space, printing, networking and/or Internet capabilities at the telecommute location and shall not be reimbursed by the employer for these or related expenses. Internet access must be via DSL, Cable Modem, or an equivalent bandwidth network.
 - Employee agrees to protect PPHFH owned equipment, records, and materials from unauthorized or accidental access, use, modification, destruction, or disclosure. The precautions described in this agreement apply regardless of the storage media on which information is maintained, the locations where the information is stored, the systems used to process the information, or the process by which the information is stored.
 - Employee agrees to report to Employee's supervisor and Director of Finance/Human Resources any incidents of loss, damage, or unauthorized access at the earliest reasonable opportunity.
 - Employee understands that all equipment, records, and materials provided by PPHFH shall remain the property of PPHFH.
 - PPHFH equipment will be signed out to the employee prior to remotely working (list will be attached).
2. Employee understands and agrees that Employee's personal vehicle may not be used for PPHFH business unless specifically authorized in writing by Employee's supervisor in advance of such use.
3. With reasonable notice and at a mutually agreed upon time, PPHFH may make on-site visits to Employee's remote work location to ensure that the designated work space is safe and free from hazards, provides adequate protection and security of PPHFH's property, and to maintain, repair, inspect, or retrieve PPHFH's property.
4. Employee agrees to return PPHFH's owned equipment, records, and materials within ___ days of termination of this agreement. Within ___ days of written

- notice, Employee must return PPHFH's owned equipment for inspection, repair, replacement, or repossession.
5. Employee understands that Employee is responsible for tax consequences, if any, of this arrangement, and for conformance to any local zoning regulations.

I hereby affirm by my signature that I have read this Temporary Remote Work Agreement and understand and agree to all of its provisions.

Employee Signature Date

Supervisor's Signature Date

Executive Director/CEO Signature Date

This signed Agreement must be sent to the Director of Finance/Human Resources for placement in the Employee's personnel file. The employee and the supervisor should each keep a copy of this Agreement for future reference.

Pikes Peak Habitat for Humanity FY21 Preliminary P&L Budget Summary

Revenue:

Due to potential COVID19 impact, reduced individual and corporate donations by 10% and ReStore by 20% for four (4) months.

Development's corporation plan includes three (3) Adopt-a-Days a month Oct - June; monthly small event sponsorships (Veteran Build/YE matching(s)/happy hours); Thrivent.

Sale of three (3) mortgages through Habitat Colorado's program at discount less than 2%. Which is 50% of the 6 loans budgeted to close in FY21, thus staying withing board's loan sales policy.

Larger dollar amount and increased number of asks are planned for GIK in FY21 by construction and ReStore.

Decreased interest and dividend revenue from current year due to less cash in bank(s) due to ReStore2 and Sand Creek land costs.

Per auditor, SBA PPP forgivable loan will be recorded as revenue in FY21 (cash received in FY20).

Sand Creek land donation value is approximate at \$1.5M. (\$50k/lot x 30 lots) Donation value will be recorded when appraisal is completed after payment for lot development in October 2020.

Expenses/CIP:

Construction and wages/benefits/insurance continue to be the largest budget line items.

Closing on six (6) new construction homes (CL811/815/819 & 3 @ SC), one (1) recycled (CL859), and completing three (3) Critical Home Repairs (CHR) and three (3) home preservation projects.

Cost of homes sold increase is due to Sand Creek land and development value being higher than Country Living. The addition of a single-car garage adds approximately \$15,000 per home.

Compensation in FY21 is frozen. Benefits increased by 15%. No new hires included in this budget with exception of four (4) for ReStore2 in Q4 of FY21. 401(k) budget includes the 4% match for those employees currently participating plus the yearly admin fee.

All positions across the affiliate have been reviewed for necessity and positive impact for current stabilization and future growth. All positions in the FY21 budget are determined necessary. Removing lower level positions will harm director level as all directors and managers are working more than 40 hours per week consistently to keep current projects on line and launching future projects, such as planned giving and expanded social media, accounting to support two stores, and new and repair construction. One position has been eliminated beginning June 2020 with outsourcing of loan servicing. Remain in holding pattern with not budgeting for HR, repair, administrative assistant/reception.

Workers Comp insurance is based on current premium policy plus an increase due to a four-year rolling period of claims and prior years' claims exceeding the premium paid.

Net Income:

Net income is significantly in the black due to recognition of the estimated value of the Sand Creek land donation and the forgivable SBA PPP loan of \$303,313.

Capital Purchases:

Acquiring land and constructing ReStore2. Some start-up capital including a forklift.

Sand Creek completion of acquisition transaction and development expenses (\$25k/lot for 30 lots)

All expenses being incurred for ReStore2 are allocated between Profit & Loss and Balance Sheet. There will be a year-end auditor reclassification of the capital and expense recognition and recording of depreciation.

Potential Risks & plans to address shortfalls:

Risks: ReStore budgeted revenues and donations don't come in as planned; construction costs for store #2 increase beyond budget due to unforeseen circumstances. Plan: all expenses and number of homes being built will be reviewed by the directors to create an adjusted plan to maintain cash levels at \$1 million.

Plan: ReStore2 land is purchased, however the building construction will be postponed.

Plan: We foresee selling 50% of mortgages going forward until store #2 is stabilized and producing positive net income.

Pikes Peak Habitat for Humanity
P&L - FY21 Budget Summary
 For Fiscal Year Ending June 30, 2021

Revenue	Mortgage Activity					FY21 Total	FY20 Budget Total	FY20 Yr-End Projection	Variance Notes
	Admin	Development	ReStore 1	ReStore2	Program				
Contributions		466,350				466,350	542,000	402,023	FY21 budget reduction is due to the uncertainty of COVID19 and more in line with FY20's actual.
Grants		545,813				545,813	500,500	503,386	FY21 budget includes the PPP loan and FY20 budget included the CHDO and HFHI Capacity Building grants.
ReStore			1,890,951	207,620		2,098,571	1,956,240	1,845,635	FY21 budget includes ReStore #2 and the uncertainty of COVID19. FY20 actual is due to COVID19 closure and restrictions.
In-Kind					1,670,545	1,670,545	184,849	243,531	FY21 budget includes recognition of the Sand Creek land donation.
Sale of Homes		1,760,500				1,760,500	1,213,500	1,575,923	FY21 budget is due to anticipated higher appraisals/sales prices of homes though number of homes at 6. Appraisals are higher in Colorado Springs than Fountain.
Other		24,929				101,864	102,390	198,484	accounts with less balances will be earning less interest/dividends and lower interest rates.
Total Revenue		1,037,092	1,837,435	207,620	1,670,545	6,643,643	4,499,479	4,768,982	

Expense	Mortgage Activity					FY21 Total	FY20 Budget Total	FY20 Yr-End Projection	Variance Notes
	Admin	Development	ReStore 1	ReStore2	Program				
Cost of Homes Sold					1,340,569	1,340,569	1,120,000	1,319,600	FY21 budget includes closing on seven (7) homes, with add 'I' expense for adding a garage to three (3), increase in building materials, and increased developed lot values. FY20 closed (9).
Mortgage Activity						588,000	440,000	477,500	FY21 budget includes the increase of the appraisals and sales price of the SC homes.
Compensation/Benefits/Contract Labor	139,856	356,123	805,110	61,938	479,599	1,842,626	1,914,520	1,478,409	FY21 budget variance is due to all wages and hiring being frozen and also, the construction team wages being reflected in the cost of homes sold FY20 YTD projection. FY20 budgeted positions not filled as well.
Professional Development/Conf's/Mileage/Advocacy	2,126	21,721	13,200	200	15,530	52,778	28,375	26,700	FY21 budget increase is due to the HFHI conference/ 4 ReStore #2 new hires' training needed/add 'I' department travel. This is one line item that will be eliminated if needing to address cash burn.

Pikes Peak Habitat for Humanity
P&L - FY21 Budget Summary
 For Fiscal Year Ending June 30, 2021

	Admin	Development	Mortgage Activity	ReStore 1	ReStore2	Program	FY21 Total	FY20 Budget Total	FY20 Yr-End Projection	Variance Notes
Fundraising/Advertising/ Printing	300	61,172		80,800	12,950	1,845	157,067	155,758	108,898	FY20 printing decrease due to going to more electronic distribution. Development's advertising under budget. FY21 printing will be similar to FY20; for Dev/marketing, majority of FY21 budget represents ReStore1 and ReStore2 monthly advertising expense.
Noncapital Program Costs				61,164	11,325	100,017	172,506	104,580	112,882	FY21 budget increase is due to the (6) Repair projects, add '1 needed supplies, another box truck lease, and ReStore2.
Insurance	19,904	24,880		79,796	11,600	21,609	157,789	122,006	130,153	FY21 budget covers the increase for the yearly insurance plans (liability/E&O/auto and workers comp) increases and the ReStore2.
Loan Interest				36,001	30,286		66,287	33,020	29,765	FY21 budget increase is due the ReStore2 construction loan interest payments.
Occupancy/Supplies/Postage/ Closing/Admin/COVID19	28,332	47,214		254,309	16,060	61,483	407,398	237,019	235,189	FY21 budget covers the increase for the yearly occupancy expenses, includes minor building repairs, and 2-COVID19 outbreak ReStore fumigations at \$50k each.
Professional Fees /Subscriptions/Memberships Depreciation (Bldg./Equip/Vehicle/ Software)	4,082	6,211		13,638	1,160	7,694	32,785	24,692	24,345	FY21 budget increase is due to the current staffing memberships and PPHFH's yearly renewals. (SOSI, HBA, Chamber of Commerce, etc.)
Professional Services (Audit/Legal/Payroll)	18,911	926		67,297	18,750	14,996	101,043	74,734	81,720	FY21 budget increase is due to the ReStore2 capital expenses.
Purchased Goods/Consignment				108,000	6,000		114,000	108,240	70,100	FY21 budget is in line with FY20 YTD projection.
Tithe						85,000	85,000	70,000	95,000	FY21 budget both ReStores' cost of goods sold. FY20 actual purchased goods sales decrease due to COVID19 prior month(s) restrictions. FY21 budget includes titling on unrestricted donations and ReStore net income.
Total Expenses	213,511	518,248	588,000	1,524,464	170,269	2,131,824	5,146,317	4,455,919	4,219,996	
Net Gain/(Loss)	(213,511)	518,844	1,249,435	366,487	37,350	(461,279)	1,497,325	43,560	548,986	

Pikes Peak Habitat for Humanity
CASH - FY21 Budget Summary
For Fiscal Year Ending June 30, 2021

<u>Revenue</u>	FY21 Total	FY20 Budget Total	FY20 Year-end Projection	Variance Notes
Contributions	466,349.50	542,000.00	362,023.46	FY21 budget reduction is due to the uncertainty of COVID19 and more in line with FY20's actual.
Grants	242,500.00	500,500.00	503,385.94	FY21 budget reduction is due to not receiving the same CHDO and Capacity Building grant amounts as FY20.
ReStores 1 & 2	2,098,570.61	1,956,000.00	1,845,635.13	FY21 budget includes ReStore2 and considering the uncertainty of COVID19. FY20 actual is due to inclement weather days and COVID19 closure and sales item restrictions.
Other	105,363.89	94,890.00	190,636.73	accounts having less balances than FY20, and those balances will be earning less interest/dividends due to lower interest rates.
Loan Sale(s)	390,000.00	-	587,587.00	FY21 budget reduction is due to the sale of fewer mortgage loans than in FY20.
Homeowner Prin Mthly Transfer	312,400.00	272,507.00	260,534.45	FY21 budget includes the increase of the appraisals and sales price of the SC homes.
Total Cash Inflow	3,615,184.00	3,365,897.00	3,749,802.71	

<u>Expense</u>	FY21 Total	FY20 Budget Total	FY20 Year-end Projection	Variance Notes
Compensation/Benefits/Contract Labor/VISTA	1,842,626.00	1,914,521.00	1,478,409.00	FY21 budget variance is due to all wages and hiring being frozen, and construction team wages being reflected in the cost of homes sold in FY20 YTD projection on the P&L tab.
Professional Development/Conferences/Mileage/Advocacy	52,778.00	28,375.00	26,700.00	FY21 budget increase is due to the HFHI conference/position training needed/add 'I department travel.
Fundraising/Advertising/Printing	157,067.00	155,758.00	108,898.00	FY20 printing has decreased due to increased electronic distribution. Development's advertising came in under budget. FY21 printing will be similar to FY20; for Dev. Majority of FY21 budget represents both ReStores' monthly advertising expense.
Noncapital Program Costs	172,505.92	104,580.36	112,882.00	FY21 budget increase is due to the (6) Repair projects, add 'I needed supplies, another leased box truck, and ReStore2.
Insurance	157,790.00	122,006.08	130,153.00	FY21 budget covers the increase for the yearly insurance plans (liability/E&O/auto and workers comp) increases and the RS2.
Loan Interest	66,287.00	33,020.00	29,765.00	FY21 budget increase is due the ReStore2 construction loan interest payments.

Pikes Peak Habitat for Humanity
CASH - FY21 Budget Summary
For Fiscal Year Ending June 30, 2021

Revenue	FY21 Total	FY20 Budget Total	FY20 Year-end Projection	Variance Notes
Occupancy/Supplies/Postage/ Closing/Admin/COVID19	397,058.00	237,015.06	224,189.00	FY21 budget covers the increase for the yearly occupancy expenses, includes minor building repairs, and 2-COVID19 outbreak ReStore fumigations at \$50k each.
Professional Fees/Subscriptions/Memberships	32,785.00	24,691.50	24,345.00	FY21 budget increase is due to the current staffing memberships and PPHFH's yearly renewals. (SOSI, HBA, Chamber of Commerce, etc.)
Professional Services (Audit/Legal/Payroll)	24,808.08	22,975.00	24,200.00	FY21 budget is in line with FY20 YTD projection.
Inventory Purchased Goods/Consignment	140,700.00	135,000.00	74,891.00	FY21 budget increase includes add 'l inventory being purchased for both ReStores. No inventory purchases during April - June, due to COVID-19 impact.
Tithe	85,000.00	70,000.00	95,000.00	FY21 budget includes tithing on both unrestricted donations and ReStore net income.
Loan Principal Pmts	59,471.00	56,738.00	52,553.00	FY21 budget is the amount due from the amortization schedule for ReStore1.
Construction in Progress (CIP)	774,948.00	546,250.00	907,706.00	FY21 budget reduction to FY20 YTD projection is due to fewer home constructions. As well as add 'l expenses in FY20 for needed prep work on newly purchased lots. FY21 budget does include adding a garage to Sand Creek homes.
ReStore #2	1,026,000.00		48,783.00	
Sand Creek	750,000.00		-	
Total Cash Outflow	5,739,824.00	3,450,930.00	3,338,474.00	
Net Cash Inflow	(2,124,640.00)	(85,033.00)	411,328.71	
April Balance Sheet Ending Balance	3,350,801.29			
Cash on-hand	1,226,161.29			

STAFF & COMMITTEE REPORTS

Executive Director and Staff Report
June 1, 2020

ReStore:

- Sales for first 20 days of May averaging \$8,300/day.
- Created incentive for people to continue wearing masks and customers love it.
- Utilizing volunteer groups to help get the Broadmoor donated product out of trailers and into store and storage.
- We have approximately 50 pallets of product for ReStore 2. This includes new windows, new doors, new plumbing fixtures, new cabinets, artwork, lighting, and more.
- Completed one deconstruction project in Mid-May. Estimated resale value of the materials collected is \$8,000.

Development:

- Board Thank-a-Thon:
 - Still need notes/confirmation from some members.
 - Board member detailed notes on the calls have led to valuable insights and follow ups with our ReStore and construction sites.

Thank you so much for your time, support, and team spirit in making these calls!
- Giving Tuesday Now campaign:
 - Raised \$2,906.97 for the El Paso County Housing Stability Fund.
 - Acquired four first-time donors.
 - Reactivated a lapsed donor.
- El Paso County Housing Stability Fund:
 - The fund continues to be promoted on website, email, and social media.
 - Restricted designation to El Paso County builds and supporting current homeowners experiencing financial difficulties.
- Development & faith team meeting with future homeowners to develop relationship and media content.
- Spring Print Newsletter with Year in Review included to go out first week of June.
- eNews to go out on June 6th to include combined Virtual Home Dedication video for Real Estate and Veteran Builds.
- Reviews of COVID-19 funding resources continue with requests submitted where applicable.
- Pikes Peak Community Foundation awarded PPHFH a \$10K grant from their COVID Relief Funds to help finish the Veteran Home Build and the Real Estate Build houses.
- Pikes Peak United Way reassessed the community's emergency COVID-19 needs for this coming year due to the pandemic disruption, and unfortunately will not be supporting PPHFH with a grant in FY21. The grant is separate from individual donations made through United Way and designated to PPHFH, so we will still receive donations like this. This decision does not affect our Partner Agency status with United Way.
- Development Committee requested from staff a position description document so that a Gingerbread Home Build event sub-committee can be formed to organize the December 2020 fundraising opportunity. As of May 22nd, the document has been presented to committee members to begin recruitment.
- **Colorado COVID Relief Fund** granted PPHFH \$5,000.00 to cover costs of PPE plus cleaning and social distancing supplies.
- Ent Credit Union granted PPHFH \$4,500 to acquire and wrap a tool trailer for the repair program. The trailer wrap will include the PPHFH and Ent Credit Union logos.

The Faith in Action Program:

- Thrivent Faith Build web page, the tithing page (now called “Global Impact”), and the interfaith page of our website have all been updated. Additionally, a new Faith in Action Program landing page has been created.
- Release of Thrivent Faith Build 2020 virtual Ground Blessing on May 7th (National Day of Prayer) via Facebook, YouTube, Instagram, and our website.
 - Analytics from Facebook (as of May 21st): 340+ views, 779+ reach, 107+ engagements including nine shares, 40 “likes”
- The Thrivent report that triggers the first half of the Faith Build funds (\$40K of the total \$80K) has been submitted, and we should see that funding soon. This report is submitted following the initial volunteer activity on the Faith Build house, and the first group (brand new partner), The Catholic Diocese of Colorado Springs’ Young Adult Ministry, worked on the foundation on May 16th.
- Monthly Faith Relations Committee Meeting via Zoom was conducted on May 28th.
- An Interfaith Build for Unity “teaser” video has been created and released —10+ participants from diverse set of backgrounds and faiths.
- June Faith in Action Newsletter released via email on June 1st.
- During the month of May engagement has taken place with the following faith partners:
 - Ascension Lutheran Church
 - Family of Christ Lutheran Church
 - First Congregational Church
 - First Lutheran Church
 - Holy Cross Lutheran Church
 - Islamic Society of Colorado Springs
 - St. Francis of Assisi Catholic Church
 - Temple Beit Torah
 - USAFA Chaplains Office
- Engagement also with the following new and lapsed faith organizations:
 - Congressman Lamborn’s Faith Advisory Office
 - International Anglican Church
 - Mountain Springs Community Church
 - Rock Family Church
 - UCCS Catholic Campus Ministries

Advocacy:

Emails were sent promoting Colorado HB1049 to Senators Hisey and Bob Gardner asking for their support to reauthorize the Colorado Tax Check off for Habitat for Humanity Colorado.

Emails also sent to Colorado senators Michael Bennett and Cory Gardner to support two key bills — the Housing Assistance Fund Act and the Work Opportunities and Resources to Keep Nonprofit Organizations Well (WORK NOW) Act.

The Housing Assistance Fund Act would provide \$75 billion to boost foreclosure and eviction prevention efforts in all 50 states. A similar version of the bill was included in the House proposal for the next relief package (the HEROES Act). This policy is also directly aligned with the goals of the Cost of Home campaign.

The WORK NOW Act would provide \$50 billion for the nonprofit sector to scale much needed services and help unemployed individuals get back to work.

It is our hope that with significant support for these bills, they will be included in the Senate priorities and ultimately a part of the final relief bill passed by both chambers.

Construction

- **COVID-19 safety procedures** continue as we begin gradually increasing the number of “regular” volunteers and some daily volunteers active on the site. We also had our first Thrivent group (10 people) on site to help with foundation building on 811 Bunting. In addition to safety protocols noted in last month’s report, the following safety measures continue in efforts to protect staff and volunteers:
 - Sanitation stations (sanitizer, cleaning supplies) at each home actively being built
 - Disinfecting tool, safety equipment, office trailer etc. each lunch time and end of day
 - Limiting max total of staff/volunteers of 15 each day
 - One Volunteer Group per week (beginning 5/1 – 5/16)
 - Distributing tasks across interior and exterior on all five homes to keep groups from congregating on one site/task area
 - Maintaining a minimum of six-foot distances between individuals
 - Daily submission of the Volunteer Screening form by each volunteer
 - Daily review of construction site COVID-19 safety measures each morning
- **Country Living:** Construction continues with five active lots in various stages of building. The new Thrivent Faith Build home (811 Bunting) had the foundation poured on 4/29 with the first Thrivent volunteer group participating on 5/16 and a second group scheduled for 5/20. The Veteran Build home at 231 Red Finch is complete with carpet installation, landscaping and fence installation all completed over the last few weeks and scheduled for a late June closing. The Real Estate Build home at 227 Red Finch is nearly complete with carpet installation scheduled for 5/30. The closing on this home is also late June. The home at 819 Bunting is now framed and dried-in, with doors/windows installed and rough mechanical also complete. The foundation/stem walls are complete for both 815/811 Bunting with flooring/framing underway on both homes with our first Colorado Roofers Association/HFHI roof installation set for late June.
- **Micah’s View:** ALL documentation for the Final Plat application has been approved. Due to the implications of COVID-19 and the impacts to the FY21 Budget, along with the costly site work, the building of the three homes at Micah’s View has unfortunately been postponed. Based on revenue projections, this effort will not begin until FY22. In discussions with the City of Fountain Building Planner, PPHFH is not required to begin building for one year from plat approval.
- **Jacob’s Run:** Feedback from the City of Fountain on the paperwork submission was received in early April. No additional action has been taken as construction has been placed on hold due to similar issues as Micah’s View.

- **Sand Creek:** The installation of sewer infrastructure is in progress with PPHFH's intention of pulling building permits by October 2020.
- **Master building Plans:** Both Fountain one-story 2BR/3BR master plans were approved by Pikes Peak Regional Building in early April while the 2BR/3BR one-story plans for Sand Creek are in various stages. Plans for 2BR has been approved and 3BR should be submitted in early May. The 2-story 4BR/5BR plans are in progress.
- **Repair Program:** Working on the Memorandum of Understanding with Brothers Redevelopment. Due to the implications of COVID-19 and the impacts to the 2021 Budget, no additional staff will be hired. Existing staff will coordinate the repairs as outlined in the board-approved business guidelines. (FY21 budget has 3 Critical Repairs, 3 Home Preservation Repairs). First repair will be scheduled for July 2020.
- **Volunteer:** We are truly grateful for all those volunteers who continue to work with our staff during the COVID19 pandemic. A consistent group of 10+ individuals have been on site each build day and the progress made has been substantial. A big thank you to those volunteers!
- **Board Portal:** All board members should have received an email from Greg Kovach concerning their login ID information and permissions. Please contact greg@pikepeakhabitat.org if you have any issues with that information or cannot login to the portal.

Homeowner Services:

Homeowner Support:

- Staff is in the process of transferring PPHFH's loan portfolio to IDF. IDF will start servicing on July 1.
- All homeowners received a loan servicing transfer letter and staff followed up with a call to the homeowners ensuring that their loans were not being sold.
- Mortgage payment forbearance is being offered to homeowners that contact staff and provide required documentation. As of May 27th, there have been one forbearance given for the month of May.
- Mortgage Servicing Policy and Procedure addition. Policies and procedures must be updated to ensure that a process is in place to confirm a *Successor in Interest* (SII). SII is defined as persons to whom an ownership interest in the property is transferred from a borrower through inheritance from a family member. See attached SII rule requirements.

Family Selection:

- Staff held meetings with the newly selected homeowners to discuss expectations and sign their partnership agreement.

Finance & Administration:

- FY21 P&L and Cash Use budgets were finalized and presented to Finance Committee. Committee recommends the budgets be submitted to the Board for approval.
- The ReStore mortgage modification to reduce the interest rate from 4.25% to 3.99% was signed on May 28th. This loan will be paid in full December 2029.

- Kris and Jeff met with ANB Bank representatives and the ReStore2 general contractor to review the closing of land, construction and mortgage loan, and to review the construction draw process and timelines.
- The SBA has approved a \$150,000 Economic Disaster Impact Loan. Kris is working on the details.
- Stephanie will be completing the application for forgiveness of the PPP Loan and submitting it to Kirkpatrick Bank early June.
- Two homeowner mortgage loans are being submitted to HFHC for sale by June 30th due to extremely low discount rate and a limited time of only \$500 sale fee. The discount rate is less than 2%.