

**PPHFH Board of Directors
Annual Board Meeting
Agenda
June 7, 2021**

- 5:45 Opening Prayer & Greeting** (Ryan M.)
- Introduction
 - Mission Moment: Future homeowner (Janet)
- 5:55 Opening Devotions** (Peter S)
- 6:00 Approval of Minutes** (Ryan M.)
- May 3, 2021 Minutes (vote)
- 6:10 Finance Report** (Peter S)
- April 2021 Financial Dashboard
- 6:15 ITEMS REQUIRING DISCUSSION &/OR VOTE**
- FY22 Cash and P&L Budgets (Peter S and Stephanie C) (vote)
 - Presentation of Board members renewal for 2nd term (Chuck S, Governance) (vote)
 - Ratification of new FY21 Board members for 1st Term (Ryan T, Governance Chair)
 - Presentation of FY22 Board Officers (Ryan T, Governance Chair) (vote)
 - Presentation of Deed Restriction and Affordable Housing Inventory (Jay Carlson) (vote)
- 6:45 Executive Director & Staff Report**
- ED, Staff & Committee Report (Kris)
- 6:50 Committee Reports**
- Executive Committee (Ryan M)
 - Governance (Ryan Teeples)
 - Reminder! ½ Day Board Strategic Initiatives Retreat July 24, 8:30-1:00; The Penrose House, 1661 Mesa Ave, Colorado Springs 80906. Chris Bibbo, HFHC as facilitator
- 7:15 Adjournment**

6 Strategic Plan Goals (FY2019-FY2021)

- #1 Open 2nd ReStore – Update included in ED Report
- #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 (See update in Board Packet)

Calendar:

- June 7th **PPHFH Annual Board Meeting to ratify new board members and elect officers**
June 26 FFH, Elizabeth Lizarraga Home Dedication, The Ridge at Sand Creek @ 1:00
June 26 FFH, Dawn Courkamp Home Dedication, Micah's View @ 10:00 am

PPHFH (virtual) Board Meeting Minutes

DATE: May 3, 2021

Board Members	Present?	Staff and Guests	Present?
Shannon Baumgartner	Y		
Jay Carlson	Y		
Rob Giunta	Y	Stephanie Campbell, Director of Finance/HR	Y
Joel Hamilton	Y	Greg Kovach, <i>Director of Operations</i>	Y
Peter Hilts	Y	Kris Medina, <i>Executive Director/CEO</i>	Y
Martha Johnson, Vice President	Y	Iain Probert, <i>Director of Strategic Partnerships</i>	Y
Ryan Mohling, President	Y	Janet Risley, <i>Director of Homeowner Services/Real Estate Acquisition</i>	Y
Janna Mulder	Y	Jeff White, <i>Chief Operations Officer</i>	Y
Ryan Panariso, Secretary	Y		
Peter Scanlon, Treasurer	N		
Chuck Smith	Y		
Eric Stolp	Y		
Ryan Teeples	Y		
Laurel Thorstensen	Y		
Candy Vandenberg	Y		
Bill Wall	Y	Guests:	
		Monya, Future Veteran Build Homeowner	

CALL TO ORDER The (virtual) May 3, 2021 regular meeting of the PPHFH Board of Directors was called to order at 5:46pm by Mr. Ryan Mohling, president.

OPENING DEVOTIONS ~ INTRODUCTIONS ~ ANNOUNCEMENTS:

Future Veteran Build homeowner, Monya, was introduced by Ms. Janet Risley. Her future Sand Creek home is the third annual Veteran Build. She spoke briefly about her current and previous living arrangements and her looking forward to owning her first home for her and her children.

Ms. Janna Mulder's devotional focused on the Board Build and the recent activities of PPHFH Board members working on the homes and lives who will live in them. With Christ as head of and center of the home, it ensures a strong foundation.

APPROVAL OF MINUTES:

Motion made, seconded, and passed to approve the April 5, 2021 minutes as presented. No further discussion occurred.

FINANCE REPORT

Due to technical issues, Ms. Stephanie Campbell, director of finance and HR, presented the February 2021 Financial Dashboard on behalf of Mr. Scanlon. There is a slight net income loss for the month; however, the year-to-date net income is positive and exceeds budget. ReStore sales continue to exceed budget, and investment accounts returned a moderate monthly increase. Being no questions, the financial dashboard will be filed as presented.

ITEMS REQUIRING DISCUSSION AND/OR VOTE:

Motion made, seconded, and passed to ratify Executive Committee's approval of Resolution 2021-005 to apply for City HOME funds.

Motion made, seconded, and passed to ratify Executive Committee's approval of Resolution 2021-006 to sell two homes.

Ms. Janet Risley presented information recommending PPHFH adopt additional deed restrictions to assist with keeping PPHFH homes in affordable housing inventory as well as increase the affiliate's sustainability. Board requested the material be re-presented and edited for additional education before bringing it to a vote.

EXECUTIVE DIRECTOR and STAFF REPORTS:

Executive Director and Staff Report

Ms. Medina asked if there were questions regarding the report. Being none, the report will be filed as stated.

COMMITTEE REPORTS & RECOMMENDATIONS:

Executive Committee

Mr. Mohling reported the committee had approved Resolutions 2021-005 and 006 and discussed the upcoming board elections and officer slate. Topics were suggested for the upcoming July board retreat.

Governance Committee

Mr. Ryan Teeples reported the committee has been reaching out to board members regarding the upcoming slate of board officers as well as identifying topics for the board retreat.

OLD BUSINESS:

NEW BUSINESS:

COMING EVENTS:

MEETING ADJOURNED:

Mr. Mohling adjourned the meeting.

FY 2021 Operations Dashboard

April 2021

Current Profit and Loss Highlights

Current Net Income (Loss)	\$	179,113
YTD Income (Loss)	\$	520,006



Board of Directors

Balance Sheet Summary

ASSETS		
Current Assets		
Checking/Savings	\$	1,122,929
Investment Cash/Equivalents		20,819
Investment Securities		1,292,606
Accounts Receivable		44,920
Other Current Assets		3,017,118
Total Current Assets	\$	5,498,391
Fixed Assets	\$	3,946,915
Other Assets		2,491,807
TOTAL ASSETS	\$	11,937,113
LIABILITIES & EQUITY		
Liabilities		
Total Current Liabilities	\$	427,397
Long Term Liabilities		1,825,466
Total Liabilities	\$	2,252,863
Total Equity		9,684,249
TOTAL LIABILITIES & EQUITY	\$	11,937,113

Finance Committee Notes

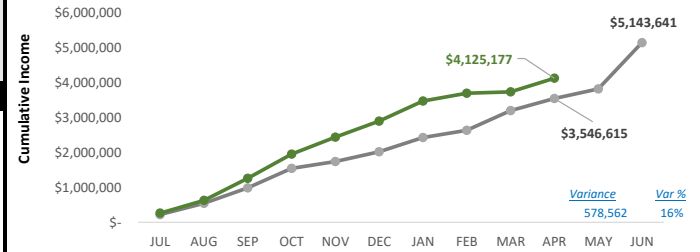
- Current net income (loss):*
- April was a solid month
 - Individual monthly contributions remain strong
 - PPHFH has many generous supporters of affordable housing in El Paso County
 - Record month for ReStore sales that continue to exceed the budget
 - Both the individual contributions and ReStore YTD have surpassed the annual budget
 - Investment account had a positive monthly return
- YTD net income continues to remain solid*

Available Cash Balance Pending Major Disbursements

Item	Apr-21	May-21	Jun-21
Operations	\$ 1,118,128	46%	
Short Term	\$ 21,158	1%	
Long Term	\$ 1,292,267	53%	
Total	\$ 2,431,553		

- Operations Target is 3-months of operating expenses [**\$939,031**] or 15%, whichever is greater.
- Operations amount excludes the construction draw bank account.

PPHFH YTD Income Performance



PPHFH YTD Expense Performance



Development

Current Donation Performance

FY 2021	Actual	Budget	Variance	Var %
Indiv	\$ 27,090	\$ 12,150	\$ 14,940	123%
Bequest	\$ -	\$ -	\$ -	-
Corps	\$ 3,147	\$ 9,250	\$ (6,103)	-66%
Grants	\$ 39,167	\$ 92,900	\$ (53,733)	-58%
Other	\$ 6,586	\$ 1,500	\$ 5,086	339%
Total	\$ 75,990	\$ 115,800	\$ (39,810)	-34%

YTD Donation Performance

FY 2021	Actual	Budget	Variance	Var %
FY 2021	\$ 797,445	\$ 852,100	\$ (54,655)	-6%
FY 2020	\$ 420,858	\$ 31,950	\$ 388,908	1217%
FY 2019	\$ 65,893	\$ 36,250	\$ 29,643	82%

ReStore South

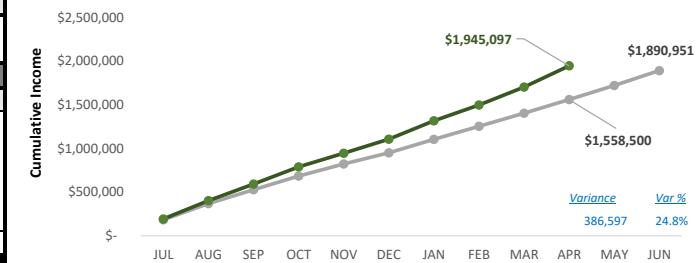
Monthly Donations

Type	\$	#	Avg
Drop Offs	\$ 130,395	1819	\$ 72
Pick Ups	\$ 76,732	119	\$ 645

Top 5 Sales Categories

Class	Total	Qty	Avg
Furniture	\$ 46,948	1498	\$ 31
Windows	\$ 18,653	396	\$ 47
Doors	\$ 15,429	451	\$ 34
Outdoor	\$ 13,668	3258	\$ 4
Lighting	\$ 12,779	2267	\$ 6
All Class Total	\$ 239,318	31,386	\$ 8

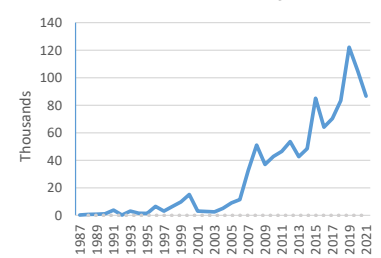
ReStore South YTD Income Performance



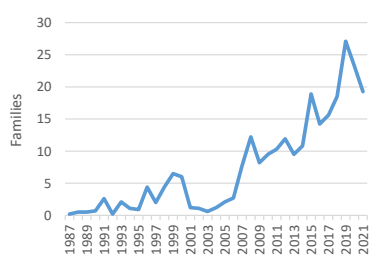
Affiliate Tithe Impact

Q3	Year	Amount	Fam Srv'd
	2021-CY	\$ 86,600	19.2
10-Year Tithe History	2020	104,875	23.3
	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
35-Yr Total	\$ 1,058,991	277.2	

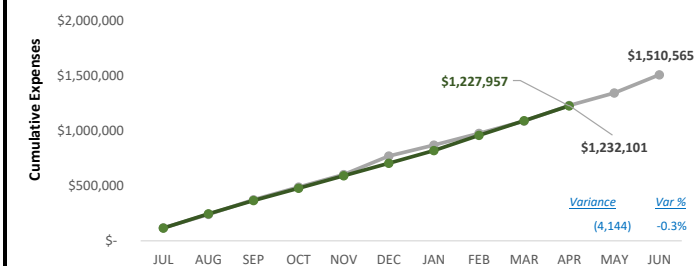
PPHFH Tithe History



Int'l Families Served



ReStore South YTD Expense Performance

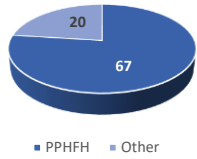


Homeowner Services

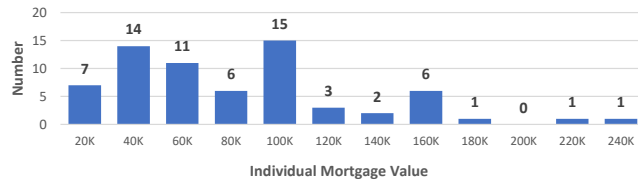
Total Active Mortgages: 87

Total Portfolio Value: \$4,992,510

Loans Serviced



67 Active PPHFH Mortgages



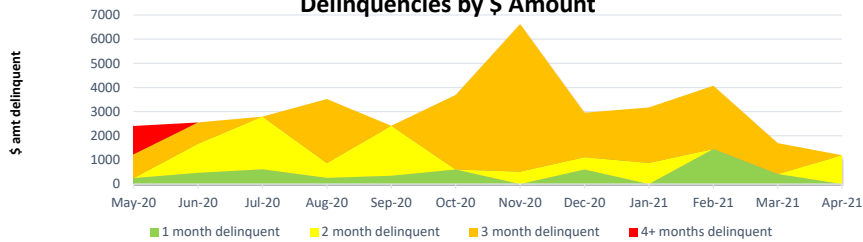
Delinquency Report

Current Status ▲

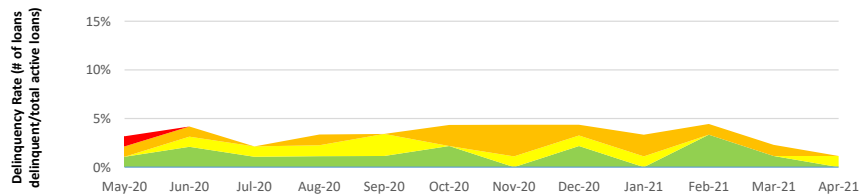
- ▲ Healthy
- ▲ Needs Attention
- ▲ Major Problem

MONTHS DELINQUENT	# Loans	\$Amt	% portfolio at risk
Less than 1 month behind	0	\$ -	0.00%
Last month	4	\$1,686.70	4.55%
1 month behind	0	\$ -	0.00%
2 months behind	1	\$ 1,193.43	1.15%
3 months behind	0	\$ -	0.00%
4+ months behind	0	\$ -	0.00%
Total	1	\$ 1,193.43	1.15%
Last month	2	\$1,695.34	2.27%
April 2020	6	\$4,929.28	6.38%

Delinquencies by \$ Amount



Delinquency Rate

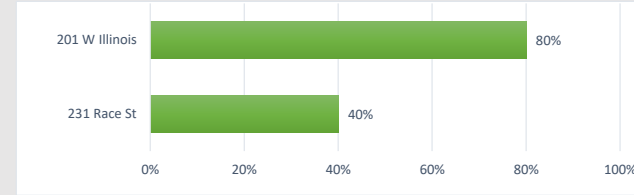


Construction

Active Building Progress

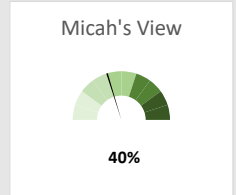
Micah's View

Fountain, CO



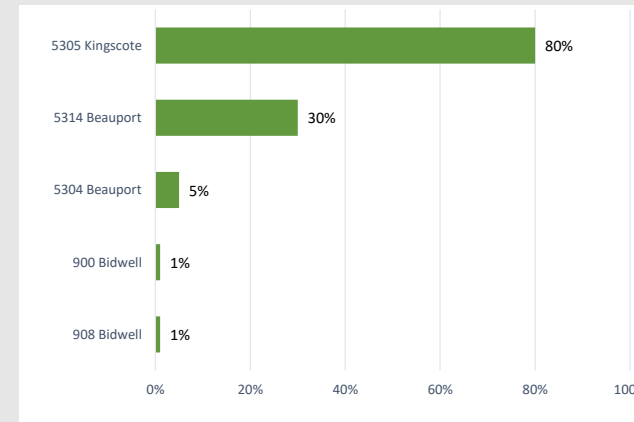
% Site Completion

3 Home Site

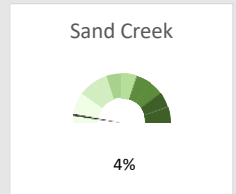


The Ridge at Sand Creek

Colorado Springs, CO

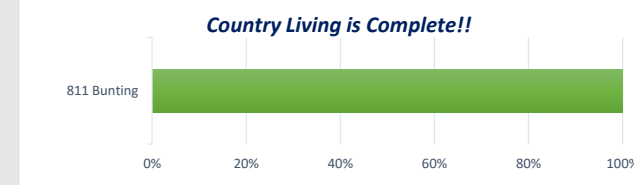


30 Home Site

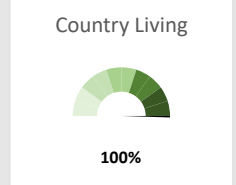


Country Living

Fountain, CO



34 Home Site



Repair Program

Repair Category	Applicants Selected	In Process	Complete
Critical Home Repair	2	0	2
Home Preservation	5	0	5
Critical & Home Preservation	2	0	2

Program Completed

Pikes Peak Habitat for Humanity FY22 Preliminary Budget General Information

What is the estimated value of the 3 mortgages to be sold?

#859 @ \$132,000

#811 @ \$186,500

#unknown @ \$186,500

Note: this line item are loan/mortgages that will be sold & cash that will be received from the loan/mortgage sale(s).

What is the estimated value of the homeowner payoff/sale?

#(s) unknown @ budget prep (based off FY21 homeowner payoffs – FY22 budget estimation = \$120,000 which includes 1 – 3 homeowners paying off their 1st mtg at various amounts – however the average 1st mtg is \$72,700

Also, in the FY22 budget are estimations of 1 – 3 homeowner's - 2nd's that will be received and the discount rate of 3rd party mortgages that will pay off.

What is the average construction cost and sales price per home?

Going forward for FY22, now that we have the appraised value of \$70k/developed lot (which includes the \$25,000/lot development fee), the marketing # to use as "the average cost to build a 3-bedroom home at Sand Creek is \$260,000."

Estimated sales price per home:

#5304 @ \$148,800

#231 @ \$259,000

#5314 @ \$218,000

#900 @ \$268,000

#908 @ \$160,000

What is the % increase for staff wages and benefits over FY21?

Wage increase varies between 3% (salary) - 6.5 % (increase to the market base for hourly) and benefit increase is budgeted at 15%

Increase in FY22 wages/benefits/taxes is \$351,405 (19%) (includes additional/new positions)

What are the primary construction materials increasing and at what % over FY21?

OSB Lumber 400% +

Framing Lumber 250%

Windows/Doors 18%

Foundation Building 73%

Trusses 167%

Drywall 40%

What is the prospective metro district fee at SC?

\$200.00 monthly fee per household/property owner

Estimated average CHR repair per home cost:

CHR @ \$10,000

Preservation projects @ \$5,000

ReStore Northeast Loan:

Interest payments will become due once project is completed.

Only interest payments are due for the 1st 18 months, on the 19th month both P&I become due.

Interest rate is 3.98%.

Pikes Peak Habitat for Humanity FY22 Preliminary P&L Budget Highlights

Revenue:

Increase in ReStore-South sales based off of CY history and planning on ReStore-Northeast breaking even in FY22.

Development's individual contributions and corporation plan includes one (1) Adopt-A-Day a month, year-end campaign(s), NL's, various event sponsorships, BOD pledges, and Thrivent.

Sale of three (3) mortgages through Habitat Colorado's program at discount less than 2%. Which is 75% of the 5 loans budgeted to close in FY22.

Potential PPHFH homeowner payoff/sale(s) and 3rd party payoff discount is expected in FY22.

Decrease in homeowner sales due to closing on five (5) homes vs PY of six (6) homes.

Decreased interest due to less cash in bank(s) from PY (land purchases).

Expenses/CIP:

Construction and wages, benefits, and insurance(s) continue to be the largest budget line items.

Closing on five (5) constructed homes (1 @ MV and 4 @ SC), and completing three (3) Critical Home Repairs (CHR) and three (3) home preservation projects.

Increase in cost of homes sold is due to the rising material cost, metro district home building requirements, and adding a single-car garage.

Interest in FY22 has increased due to ReStore Northeast construction loan (no principal payments are due for the first 18 months).

New hires included in this budget consists of: three ReStore Northeast, a temporary employee to lead the HRP, Human Resources, and Executive Assistant.

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. As of June 2020 the outsourcing of loan servicing continues to support HOS's.

Net Income:

Two (2) grants (1 for SC and 1 for CHR's) were received and posted in FY21, however the expenses for these grants will be received and recorded in FY22.

Capital Purchases:

All ReStore Northeast expenses are being allocated to the fixed asset account until the project is completed, then an AJE will be made at that time.

Potential Risks & plans to address shortfalls:

Any revenue or donations that don't come in as planned, due to unforeseen circumstances, then all expenses and homes being built will be reviewed by the directors to create an alternative plan to stay within the approved budget.

Selling 100% of the FY22 mortgages to address pitfalls arising from donation shortfalls or continued escalating construction costs.

Pikes Peak Habitat for Humanity
CASH - FY22 Budget Summary
For Fiscal Year Ending June 30, 2022

Revenue	FY22 Budget	FY21 Budget	FY21 Year-End Projection	Budget Variance Notes
Contributions	459,140.00	466,350.00	553,304.75	FY22 budget slight decrease from PY, however funding will be actively pursued for both individual and corporation contributions.
Grants	284,700.00	242,500.00	471,679.60	FY22 budget includes an increase in grants from corporate, foundations, state, and government entities.
ReStore 1	2,049,758.00	1,890,831.00	2,335,771.14	FY22 budget increase is based off of PY sales.
ReStore 2	773,192.00	207,619.61	-	ReStore Northeast will be completed and open in FY22.
Other	17,925.00	23,364.00	97,532.27	FY22 budget decrease is due to cash accounts having less balances than PY, and those balances will be earning less interest/dividends due to lower interest rates.
Loan Sale(s)	504,851.00	390,000.00	186,423.00	FY22 budget increase includes three mortgage loan sales vs PY of two.
Homeowner Prin Mthly Transfer/Payoffs	596,000.00	394,519.39	568,604.27	FY22 budget includes a continuation of homeowner payoffs.
Total Cash Inflow	4,685,566.00	3,615,184.00	4,213,315.03	

Expense	FY22 Budget	FY21 Budget	FY21 Year-End Projection	Budget Variance Notes
Compensation/Benefits/Contract Labor/VISTA	2,194,183.00	1,842,778.00	1,678,815.04	FY22 budget increase is due to two additional positions (HR/Exc Asst), RSNE positions, wage increases, and annual benefits.
Professional Development/Conferences/Mileage/Advocacy	48,823.00	52,778.00	7,083.41	FY22 budget decrease is due to many conferences will continue to be held via zoom/webinar vs. in person.
Fundraising/Advertising/Printing	206,199.00	196,842.00	147,423.21	FY22 budget increase is due to vendors annual increase of fee(s).
Noncapital Program Costs	228,710.00	187,463.00	162,180.96	FY22 budget increase is due to the six (6) Repair projects, additional lease box truck, and outsourcing of loan servicing continues to support HOS's.
Insurance	185,854.00	168,813.00	153,633.08	FY22 budget covers the increase for the yearly insurance plans (liability/E&O/auto and workers comp).
Loan Interest	172,033.00	66,287.00	29,475.45	FY22 budget increase is due to the RSNE construction loan interest payments.
Occupancy/Supplies/Postage/Closing/Admin/COVID19	313,856.00	330,489.00	179,098.37	FY22 budget covers the increase for the yearly occupancy expenses/this line item, including building repairs.

Pikes Peak Habitat for Humanity
CASH - FY22 Budget Summary
For Fiscal Year Ending June 30, 2022

Revenue	FY22 Budget	FY21 Budget	FY21 Year-End Projection	Budget Variance Notes
Professional Fees/Subscriptions/Memberships	33,299.00	32,785.00	23,343.61	FY22 budget slight increase is due to vendor annual increase of fee(s).
Professional Services (Audit/Legal/Payroll)	27,035.00	25,470.00	31,525.30	FY22 budget slight increase is due to vendor annual increase of fee(s).
Inventory Purchased Goods/Consignment	200,500.00	140,700.00	182,972.34	FY22 budget increase includes additional inventory being purchased for both ReStores.
Tithe	85,000.00	85,000.00	115,000.00	FY22 budget includes tithing on both unrestricted donations and ReStore's net income.
Loan Principal Pmts	65,317.00	59,471.00	53,851.50	FY22 budget is the amount due from the amortization schedule for RSS.
Construction in Progress (CIP)	971,112.00	1,524,948.00	1,401,472.47	FY22 budget reduction is due to fewer home constructions relating to the continuing fluctuating construction material cost.
ReStore #2	-	1,026,000.00	1,259,969.91	Budget variance is due to RSNE being recognized in the above line items for FY22.
Total Cash Outflow	4,731,921.00	5,739,824.00	5,425,844.65	
Net Cash Inflow	(46,355.00)	(2,124,640.00)	(1,212,529.62)	
May (estimated) Balance Sheet Ending Balance	2,451,253.64			
Ending Cash on-hand	2,404,898.64			

Pikes Peak Habitat for Humanity
P&L - FY22 Budget Summary

For Fiscal Year Ending June 30, 2022

	Admin	Development	Mortgage Activity	Restore 1	Restore2	Program	FY22 Budget Total	FY21 Budget Total	FY21 Yr End Projection	Budget Variance Notes
Revenue										
Contributions		459,140.00				-	459,140.00	466,349.50	603,304.75	FY22 budget slight decrease from PY, however funding will be actively pursued for both individual and corporation contributions.
Grants		284,700.00				-	284,700.00	545,813.00	471,679.60	FY22 budget decrease is due to both the PPP and CHDO funds being recognized in PY.
Restore				2,049,878.00	773,312.00	-	2,823,190.00	2,098,570.61	2,320,948.24	FY22 budget increase includes both Restore's.
In-Kind						180,375.00	180,375.00	170,545.00	329,296.56	FY22 budget increase includes additional GIK in both materials and services.
Home Mortgage Activity			1,588,166.00			-	1,588,166.00	1,760,500.00	1,386,085.77	FY22 budget decrease is due to closing on five (5) homes vs six (6) in PY.
Other		20,400.00	190,675.00			3,150.00	214,225.00	101,863.22	97,532.27	FY22 budget includes a continuation of homeowner payoffs and discount adjustments as PY.
Total Revenue		764,240.00	1,778,841.00	2,049,878.00	773,312.00	183,525.00	5,549,796.00	5,143,641.33	5,208,847.19	
Expense										
Cost of Homes Sold		-				1,230,000.00	1,230,000.00	1,340,568.70	1,186,012.71	FY22 budget decrease is due to closing on five (5) homes vs six (6) in PY.
Mortgage Activity <u>NOTE:</u> noncash line item			637,000.00			-	637,000.00	588,000.00	715,110.78	FY22 budget slight increase is due to the recording of the home closing value.
Compensation/Benefits/ Contract Labor	296,551.28	365,109.01		766,060.62	325,518.12	440,943.97	2,194,183.00	1,842,774.64	1,678,815.04	FY22 budget increase is due to two additional positions (HR/Exc Asst), RSNE positions, wage increases, and annual benefits.
Professional Development/Conf's/ Mileage/Advocacy	5,500.00	22,503.00		9,900.00	5,500.00	5,420.00	48,823.00	57,517.04	7,083.41	FY22 budget decrease is due to many conferences will continue to be held via zoom/webinar vs. in person (less expense).
Fundraising/Advertising/ Printing	1,125.00	60,817.34		111,400.00	31,556.00	1,300.00	206,198.34	191,227.11	148,723.21	FY22 budget increase is due to vendors annual increase of fee(s).

Pikes Peak Habitat for Humanity
P&L - FY22 Budget Summary

For Fiscal Year Ending June 30, 2022

	Admin	Development	Mortgage Activity	ReStore 1	ReStore2	Program	FY22 Budget Total	FY21 Budget Total	FY21 Yr End Projection	Budget Variance Notes
Noncapital Program Costs	6,320.96	1,563.64		61,928.96	27,416.54	135,979.91	233,210.01	198,422.93	262,180.96	FY22 budget increase is due to the six (6) Repair projects, additional lease box truck, and outsourcing of loan servicing continues to support HOS's.
Insurance	3,410.95	4,461.09		98,865.03	25,916.54	52,435.54	185,089.15	168,813.01	153,633.08	FY22 budget covers the increase for the yearly insurance plans (liability/E&O/auto and workers comp).
Loan Interest	-	-		25,049.96	146,983.87	-	172,033.83	65,286.36	29,475.45	FY22 budget increase is due to the RSNE construction loan interest payments.
Occupancy/Supplies/Postage/ Closing/Admin/COVID19	32,960.80	44,450.53		141,029.07	55,215.00	36,664.43	310,319.83	332,894.24	183,498.37	FY22 budget covers the increase for the yearly occupancy expenses/this line item, including building repairs.
Professional Fees /Subscriptions/Memberships	3,000.00	5,098.88		11,200.00	4,318.94	9,681.06	33,298.88	32,300.15	23,343.61	FY22 budget slight increase is due to vendor annual increase of fee(s).
Depreciation (Bldg./Equip/Vehicle/ Software) NOTE: noncash line item	-	-		64,760.00	87,000.00	29,687.56	181,447.56	101,041.14	78,847.56	FY222 budget increase is due to ReStore Northeast capital expenses being depreciated.
Professional Services (Audit/Legal/Payroll)	21,505.85	857.09		2,914.64	1,028.71	2,228.83	28,535.12	28,470.00	46,519.10	
Purchased Goods/Consignment	-	-		143,240.00	57,500.00	-	200,740.00	114,000.00	210,945.04	FY22 budget includes sales at both ReStore's for the monthly cost of goods sold.
Tithe	-	-		-	-	85,000.00	85,000.00	85,000.00	115,000.00	FY22 budget includes titling on both unrestricted donations and ReStore's net income.
Total Expenses	370,374.84	504,860.58	637,000.00	1,436,348.28	767,953.72	2,029,341.30	5,745,878.72	5,146,315.32	4,839,188.32	
Net Gain/(Loss)	(370,374.84)	259,379.42	1,141,841.00	613,529.72	5,358.28	(1,845,816.30)	(196,082.72)	(2,673.99)	369,658.87	

**PPHFH Annual Meeting
Board of Directors Election
June 7, 2021**

Ratification of board members who joined in FY21 and 1st Term beginning 7/1/2021-6/30/2023

Rob Giunta
Janna Mulder
Candy Vandenberg

Vote to Approve 2nd Term of PPHFH Board Members beginning 7/1/2021 – 6/30/2023

Jay Carlson
Ryan Teeples
Bill Wall

Vote to Approve Recommendation for FY2022 Officer Slate 7/1/2021-6/30/2022*

President	Ryan Panariso
Vice President	Eric Stolp
Secretary	Janna Mulder
Treasurer	Rob Giunta
At Large (past president)	Ryan Mohling
At Large	Peter Hilts

*Slate recommended by PPHFH Governance and Executive Committees

FY21 (July '20 – May '21) Key Performance Indicators
 11-month view
 (Calendar year 2019 data*)

<p>Homeowner Services:</p> <ol style="list-style-type: none"> 1. 55 Applications Received (32) 2. 7 Families Selected for Affordable Homeownership Program (6) 3. 126 Hours of Homebuyer education completed (134) 4. 22 (16) individuals served, and 12 (11) children served (counting out of the 22 total individuals) 5. 5 (4) Families served through Community Education Partnerships 6. \$118,366.60 (\$130,327.24) reinvested into community through Habitat homeowner's property tax payments 7. Homeownership Success Rate = 93% (94%) year-over-year 	<p>ReStore:</p> <ol style="list-style-type: none"> 1. Volunteer Hours- (17,345) - Volunteer Total Hours equates to (11 full-time employees) - Total ReStore Individual Volunteers – (972) 2. Recycled materials (diverted from landfill) - (288) tons of metal - (42) tons of porcelain - (780) yards of cardboard - (225,000) gallons of paint - (1,356) total tons of material diverted from landfill 3. (\$775,000) in net profit 4. (24th) in nation out of 990 for profitability 5. (16679) drop off donations 6. (1966) pickups 7. Grand total of (18645 donations)
<p>Construction/Deconstruction:</p> <ol style="list-style-type: none"> 1. Deconstruction: - (10) Homes - (116) Volunteers - (1,764) total volunteer hours 2. GIK for Fountain: (\$26,500 per home) 3. Cost to Build in Fountain- - (2BR \$147,000) - (3BR \$149,00) - (4BR \$155,000) - (5BR 163,000) - (Average \$153,500) 4. Construction Volunteers - Total # (1,905) - Hours Equated to Full Time Employees: (14) - Total Build Days with Groups: (163) - Total Unique Groups: (122) - Total Volunteer Hours: (29,222) 5. 13 homes in progress - Being built - Closed out (sold) <p>Average cost overall for all PPHFH homes completed in 2019 (\$160,500)</p>	<p>Faith:</p> <ol style="list-style-type: none"> 1. Tithe Impact: 258 (225.7) Families Served (lifetime) <ul style="list-style-type: none"> o \$1,058,991 tithed to date (up to March, 2021) 2. CityServe Day Volunteering at PPHFH sites – CityServe not held in 2020 (120 volunteers, 720 volunteer hours) 3. Faith Groups- 20 (13) congregations from 6 (6) different denominations and/or religious traditions 4. 15 (14) years of partnership with Thrivent Financial

FY21 (July '20 – May '21) Key Performance Indicators
 11-month view
 (Calendar year 2019 data*)

<p>Development: * fundraising data based upon the financial year rather than the calendar year* (FY19 = July '18 – June '19 & FY20 = July '19 – June '20)</p> <p>individual donors who gave \$2,500 -\$4,999</p> <ul style="list-style-type: none"> • In FY19 19 total • in FY20 17 total • in FY21 19 total <p>individual donors who gave \$5,000+ (does not include \$2,500 - \$4,999 donors)</p> <ul style="list-style-type: none"> • in FY19 38 total • in FY20 28 total • in FY21 31 total 	<p>Goals: set in June 2020 with FY21 performance noted in bold</p> <ul style="list-style-type: none"> • Legislative Build cancelled in FY21 • Cost of Home campaign kickoff • Election Engagement (Cost of Home part 2) PPHFH was an active participant of Homes, Communities, Hope + You campaign, a C-19 funding and awareness initiative • 2020 Thrivent Faith Build completed on-time • Inaugural Interfaith Build for Unity build has begun • ReStore #2 Estimated that PPHFH will take possession of building in July 2021 <p>"In 2020, we will":</p> <ul style="list-style-type: none"> • Continue our Cost of Home campaign advocacy, including elections engagement PPHFH actively engaged in both Cost of Home and elections campaign messaging pertaining to affordable housing • Break ground on our inaugural Interfaith for Unity Build Ground Breaking took place in March '21 with builds days taken place since • Break ground on a new 30-home mixed-income affordable homeownership development in Colorado Springs Community Ground Breaking ceremony took place in November '20, resulting in five homes currently under construction the first of which will be dedicated on June 26th, 2021
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**PPHFH Long-Term Affordability
Resale of PPHFH Homes and Related Mortgage Restrictions**

- Goal – Find the right balance between long-term affordability and wealth creation that is fair to the original homeowner, donors, the subsequent homeowner, and the community.

Right of Repurchase

- If Owner desires to sell their PPHFH property within 90 years of purchase, the Homebuyer will contact PPHFH to repurchase the Property.
- If PPHFH repurchases the property, an appraisal will be performed to determine fair market value. The final sales price will be the lower of the amount from the Maximum Sale Price and the appraisal (fair market value).
- If PPHFH chooses not to repurchase the property, Owner may sell the Property to an Eligible Buyer at a price the does not exceed the Maximum Resale Price Schedule.

Eligible Buyers

- No Investors
- Owner Occupancy
- Up to 120% of Area Medium Income **(Metro Denver Habitat uses up to 100%)**

Number in Household	40% Median Income	50% Median Income	60% Median Income	70% Median Income	80% Median Income	90% Median Income	100% Median Income	110% Median Income	120% Median Income
4	\$ 32,960	\$ 41,200	\$ 49,440	\$ 57,680	\$ 65,900	\$ 74,160	\$ 82,400	\$ 90,640	\$ 98,880

Source: The HUD Exchange 2021 HOME Guidelines, effective June 1, 2021

Maximum Resale Price (MRP)

- The MRP will start at the original (set by PPHFH at time of sale) first mortgage amount, and be compounded by 1% - 3% annually, base on market rate, plus the value of any significant capital improvements (as reasonably determined by PPHFH), deduct excessive damage assessment and add sale commission paid by the Owner, provided that this amount may not exceed 2.5%.

Maximum Resale Price Schedule			
Initial Maximum Resale Price: \$240,000			
Appreciation Rate:		2% compounded annually	
Year	Maximum Resale	Year	Maximum Resale
1	\$240,000	16	\$323,008
2	\$244,800	17	\$329,469
3	\$249,696	18	\$336,058
4	\$254,690	19	\$342,779
5	\$259,784	20	\$349,635
6	\$264,979	21	\$356,627
7	\$270,279	22	\$363,760
8	\$275,685	23	\$371,035
9	\$281,198	24	\$378,456
10	\$286,822	25	\$386,025
11	\$292,559	26	\$393,745
12	\$298,410	27	\$401,620
13	\$304,378	28	\$409,653
14	\$310,466	29	\$417,846
15	\$316,675	30	\$426,203

Example of Resale if PPHFH repurchases:

In 2018, a 50% AMI family of two purchases a property from PPHFH with a fair market value of \$240,000. The first mortgage is set at \$160,170 to keep housing cost at no more than 28% of gross income, and a second mortgage is created for \$79,830. In 2028, the family decides to sell the property back to PPHFH. The Property appraises for \$300,000 and the maximum appreciated value from the schedule, after 10 years of owning, can be sold for \$286,822. PPHFH purchases the Property from the

owner for \$286,822. Proceeds to the owner are \$286,822 - \$106,770 (remaining balance on 1st mortgage) -\$79,830 (remaining balance of 2nd mortgage) = \$100,222.

Example of Resale if PPHFH does not repurchase:

Family can list on the open market for \$286,822, maximum appreciated sale price. Assuming proceeds to the family is \$100,222, less real estate fees/closing costs associated with the sale. The Maximum Resale Price restriction would stay in effect for 80 more years, the remainder of the original affordability period.

Repurchase Calculation			
PPHFH Repurchase		Resale on Open Market	
Maximum Resale Price	\$ 286,822	Maximum Resale Price	\$ 286,822
less Principal Balance of all liens	(\$186,600)	less Principal Balance of all liens	(\$186,600)
less Capital Improvements	\$ -	less Capital Improvements	\$ -
less Excessive Damage Assessment	\$ -	less Excessive Damage Assessment	\$ -
		add Real Estate Commission (2.5%)	(\$7,171)
Proceeds to Homeowner	\$100,222	Proceeds to Homeowner	\$93,051

Note: Does not include closing costs or if tap fees are owed

Second Mortgages

- The Second mortgage is used to cover the financing needs when there is a gap between the First Mortgage and the Sales Price.
- The Second mortgage rate is 0% with a 90-year term. No periodic payments are due and payable under the mortgage and is only payable in full in the event of sale, default under the First mortgage, refinancing or transfer of title. Otherwise, the Second mortgage is forgiven after the 90-year period has expired.

Establishing Sale Price

- Currently, each home is sold at the fair market value determined by an independent appraiser. Below demonstrates the difference in the second mortgage if PPHFH were to use the “Cost to Build” model to establish the initial resale market value.

Appraised Value with PPHFH 2nd				PPHFH's cost to build value with PPHFH 2nd			
Address	Est. Appraised value	PPHFH 1st (28% income)	PPHFH 2nd Mortgage	Address	Cost to build	PPHFH 1st (28% income)	PPHFH 2nd Mortgage
5304 Beauport	\$ 365,000	\$ 148,833	\$ 166,167	5304 Beauport	\$ 240,000	\$ 148,833	\$ 91,167
5305 Beauport	\$ 330,000	\$ 111,840	\$ 167,160	5305 Beauport	\$ 240,000	\$ 111,840	\$ 128,160
5314 Beauport	\$ 365,000	\$ 218,083	\$ 146,917	5314 Beauport	\$ 240,000	\$ 218,083	\$ 21,917
908 Bidwell	\$ 325,000	\$ 160,170	\$ 114,830	908 Bidwell	\$ 240,000	\$ 160,170	\$ 79,830
900 Bidwell Dr	\$ 325,000	\$ 268,080	\$ 56,920	900 Bidwell Dr	\$ 240,000	\$ 240,000	\$ -

Enforcement

- Resale restrictions are typically enforced through the recording of a Deed Restriction or Covenant that runs with the land.
- Reverter Clause – voiding a conveyance by the Owner (take the property back).

- Title Company - (called Bill McAfee (719) 499-0968 and left message, not sure if you want to call Jay)

Benefits of Deed Restriction

To Affiliate:

- Satisfied expectation of donors and other stakeholders that Habitat is a good steward of subsidies provided for development, and that those subsidies continue to work to meet ongoing affordable housing needs in the community
- Helps affiliate afford to exercise right of repurchase by reducing the cash proceeds to homeowner
- If affiliate elects not to exercise its right of repurchase, shared appreciation may provide additional proceeds to the affiliate at resale to a market homebuyer, to assist with the development of an alternative affordable housing unit
- Discouraging predatory lenders from engaging the homeowners and it hinders predatory buyers in the event of foreclosure.

To the Community:

- Keeping the home affordable for the long-term by retaining public sector, donor and volunteer subsidies invested to create that home.
- Sustainability means the home remains affordable and we are sustaining the investment the community has made in the home.

How does shared appreciation impact the homebuyer:

- This tool shifts some of the appreciation's economic benefit away from the current family and to a future low-income family.

Recommendations to the Board of Directors?

**PPHFH Board Report
June 7, 2021**

Homeowner Services:

- Staff continues to work on PPHFH's Community Housing Development Organization (CHDO) re-certification status so that an application for funding can be submitted, to the City's Community Development Division, for down payment assistance, for The Ridge at Sand Creek Subdivision.
- Staff has been working with the development team to gather data points for 2020 statistics.

Homeowner Support:

- Escrow Analysis was completed by our servicing contractor IDF. Most homeowners have seen a large increase in insurance premiums this past year, along with some property tax increases.

Family Selection:

- Staff is in the process of updating market material for the next application cycle, to begin in mid-July 2021, with an anticipated approval recommendation to the Board in October 2021.
- Preparing closing documents for 201 W. Illinois and 5305 Kingscote; will close on June 28th.
- Maintenance Class for future homeowners will take place at Sand Creek on June 5th @ 2:00 pm.
- Two dedications will be celebrated on June 26th. Micah's View - 201 W. Illinois @ 10:00 and Sand Creek - 5305 Kingscote @ 1:00 pm, all are welcome to come.

Construction/Repair Program:

- The Ridge at Sand Creek:
 - 5305 Kingscote 3BR – All exterior work (paint/siding etc.) is complete. Interior trim almost complete, closing in late June.
 - 5314 Beauport 4BR – Trusses set, roof decking in progress, roof donated by Owens Corning/Total Roofing scheduled for 6/17.
 - 5304 Beauport 4BR – foundation walls complete with concrete scheduled for 6/3.
 - 900 Bidwell 2BR – foundation formed with concrete scheduled for 6/2.
- Micah' View:
 - 201 W Illinois – Interior trim/paint is complete gas distribution by Black Hills Energy is complete with existing gas meter abandonment schedule for 6/2 with driveway and sidewalk immediately following. Closing scheduled end of June.
 - 231 S Race – Roof shingled (thanks Total Roofing), windows and blueboard insulation is complete. Closing scheduled for October 2021.
- Veteran Repairs:
 - Four *Scope of Work* documents submitted to Home Depot's Veteran Repair program on 5/28. Two of the homes are in desperate need of roof replacement (one will pursue GAF opportunity) while the others need gutters and window replacements. Three of these repairs will be considered Critical Repairs.
- Rising Building Material Costs:
 - The latest Random Lengths prices as of the week ending on May 28th shows the price of framing lumber near \$1,309 per thousand board feet — down from an all-time high of \$1,670 per thousand board feet during the first week of May (52-week low shows a staggering increase over 400%, up from \$350 per thousand board feet)
 - Capital Economics' Samuel Burman believes the price of lumber should see a sharp drop by the end of 2022. ... Burman says this is likely going to happen due to increased domestic supply in the U.S., as well as additional imports of lumber.

- Home Electrification:
 - Three homeowners have chosen to proceed with All Electric solutions for heating (and cooling) their homes. A visit to Flatirons Habitat for Humanity proved educational and a key takeaway was that despite the frigid temps, no performance degradation occurred on the Mitsubishi equipment being utilized.
 - Working closely with Colorado Springs Utilities (rebate), Rampart Supply and Mitsubishi (equipment) so that PPHFH can apply this solution affordably and with the utmost efficiency.
- Volunteers:
 - The last two weeks has seen an uptick in volunteer groups (thanks Sarah). Groups from Ent, the Air Force, GE Johnson, First Bank, Executive Park Eye Care are a few examples of the increase in volunteers.

Development

Missing Board Thank-A-Thon call notes from three Board Members - please send to Sarah Bunch ASAP

- Home Repair Program trailer wrap install on May 28; Photo opportunity with Ent Credit Union
- Still recruiting members for our Gingerbread Home Build Event Planning Committee
 - If you know of anyone, please let Iain know so we can reach out to them
- Week of the 7th:
 - Build the Story of Home with ReStore Campaign

Early planning for:

- Country Living Closeout celebration July timeframe
- ReStore NE Grand Opening event August/September timeframe

Grant funding:

- Grant from First Congregational Church, \$4,000 for Interfaith Build for Unity

Faith

With Dustin's recent departure it is felt appropriate to share the accomplishments that have been achieved via the Faith In Action Program over the past quarter. The Faith In Action Program Manager position vacancy has been posted across various employment channels (appropriate to the position).

- Personal contact with at least 6 'Tier 1' church contacts including but not limited to: Ascension Lutheran, Bethel Lutheran, First Congregational Church (x2), Grace and St. Stephen's, St. Francis of Assisi, and more.
- Personal contact with at least 5 'interfaith and friends' contacts including but not limited to: BodhiMind Center, Christ the King Lutheran (x2), Islamic Society of Colorado Springs, and Temple Beit Torah
- Personal contact with at least 6 'guides' including but not limited to: HFHI, Thrivent, Y360, USAFA, COSILoveYou, Ithica Land Trust, and more.
- Social media posts via Facebook and Instagram that recognized local churches and faith organizations who have partnered with PPHFH on the Thrivent Faith Build 2021 and/or the IBU. *These posts primarily promoted the Thrivent Faith Builds Ground Blessing.*
- Electronic newsletters emailed to 100+ churches, interfaith groups, and guides during mid-April, mid-May, and mid-June.

- 10 donor recognition 'events' completed including Board Thank-A-Thon calls, and thank you letters. Churches included but were not limited to: Ascension Lutheran, Bethel Lutheran, Black Forest Lutheran, Christ the King, First Congregational, First Lutheran, First Presbyterian, Mountain Springs, Our Lady of the Pines and St. Francis of Assisi
 - Website updated with a new content for the Interfaith Build for Unity, Thrivent Faith Build, Tithing Partners, and more.
 - Personal contact with at least 3 'active' churches including, but not limited to: Boulder Street Church, First Christian Church, and The Sanctuary Church
- **New Contact with "other prospect" churches and faith groups – 6 qtr**
 - Personal contact with at least 7 "other prospect" churches and faith groups including but not limited to: Catholic Young Adult Ministries, Cross Fellowship Church (x2), First United Methodist Prairie Campus, International Anglican Church, Pikes Peak Christian Church, UCCS Catholics, and more.
- **Quarterly newsletters / mailings to "other prospect" and faith groups**
 - On April 20, 2021, an e-newsletter sent to 118 'other prospect' churches. This e-newsletter had an open rate of 17%.
- **Coordinate Thrivent Builds (incl. Thrivent Faith Builds)**
 - Ground Blessing done on Saturday, April 24th, 2021. Included participation from Habitat staff, board of directors, future homeowner, and local pastor Breck Merkle (Cross Fellowship Church Palmer Park). The event was broadcasted live on Zoom and also uploaded to PPHFH social media, website, and more.
 - 10 volunteer slots, from July to December were opened and as of to date (May14th) , 7 have been filled. This includes potential participants from First Christian Church, Mountain Springs Church, Cross Fellowship Palmer Park, Black Forest Lutheran Church, St. Francis of Assisi Lutheran, Bethel Lutheran Church, First Lutheran Church, and Holy Cross Lutheran Church.
- **Coordinate Interfaith Build for Unity work days**
 - 30 volunteer slots (of 5 people each) was opened from April to December of 2021. 3 slots have been cancelled, and 26 of the remaining 27 slots have been reserved to date. This includes reservations from First Congregational Church, USAFA Community Chapel, Christ the King, BodhiMind Center, First United Methodist – Prairie Campus, Temple Beit-Torah, Sunrise United Methodist, Islamic Society of Colorado Springs, ENT Business Banking, Broadmoor Community Church, First Christian Church, and more.
 - Volunteer days were done on April 3rd with First Congregational Church, May 1 with USAFA Community Chapel, May 15th with First Congregational Church and BodhiMind Center, and will be done June 15th with Christ the King and First United Methodist, and June 27th with Temple Beit Torah and Grace and St. Stephen's Episcopal.
- ***Coordinate quarterly meetings of Faith Leader Advisory Council**
 - The Faith Leader Advisory Council meetings have been coordinated in conjunction with the Faith Relations committee. This group currently has membership from 15 prominent faith leaders from the local community including representation from the Buddhist, Catholic, Islamic, Jewish, and Protestant traditions.

- We set a new record for the month of May sales.
- Staff are working hard to establish new relationships with donors.
- We are seeing an increase in regular volunteers to help with both stores.
- RSNE is fully enclosed and most of the interior framing and sheetrock is complete.