

**HARTFORD AREA HABITAT FOR HUMANITY**  
**BOARD OF DIRECTORS MEETING**

April 6, 2021 5:30PM *Via Zoom*

- I. Devotion– **5:30-5:40PM**
  
- II. Proposed Budget Fiscal Year 2022 **5:40-6:00pm**  
Mike DeRoy- Director of Finance & Crystal Floyd- Board Treasurer
  
- III. Strategic Plan Committee Updates **6:00-6:30pm**
  - a. Consultant Approval
  - b. Brain Storm on Major topics to be carved out during the Working sessions
  - c. Timeline for Working Sessions
  
- IV. Committee Updates **6:30-6:45pm**
  - a. Succession Planning-Jennifer Guidry
  - b. Revenue Planning-Billie Augustin
  - c. Governance Committee-Steven Hernandez
    - i. Nomination New Officers Slate
  
- V. Consent Agenda 6:45-7:00pm
  
- VI. Celebration of Mark, Ben and Eric
  - a. Executive Session **7:00-7:30**

**Upcoming Meetings / Events**

**May 4<sup>th</sup>: Haviland Street, Bristol dedication**

**April-May: Strategic Plan Meeting (Dates to be determined)**

**June 1st: Strategic Plan Vote-Board Meeting**

**July-August- Summer Recess**

# **Proposed Budget Fiscal Year 2022**

Minutes for Finance Committee March 16<sup>th</sup>, 2021 8:00am

Attendees: Attendees: Mark Vasington, Bildade Augustin, Crystal Floyd, Don Bates, Anne Hamilton, Ellen Below, Karraine Moody, Mike DeRoy

**Budget Review Fiscal Year Ended 6/30/22**

Department Expenses

2022 Budget of \$1.8 million as compared to projected \$1.6 million for 2021. The 2021 budget was also \$1.8 million.

Construction expenses will be higher for 2022 as we ramp up the building schedule. Increases are only in building & construction site supplies, additional Americorp members and a contingency for warranty costs for homes sold in previous years.

Development expenses will increase for the Full Time Director position.

Family services expenses increased for A Brush with Kindness expenses which are offset by revenue (either from sponsors or homeowner reimbursements).

Restore was expected to breakeven in 2021 and thus far they have exceeded succeeded expectations. 2022 is an aggressive goal of \$100,000 in sales per month resulting in a \$210K profit and \$300K in positive cash flow.

Development Revenue

The shortfall from the \$500K Eversource Housing Tax Credit is most evident in 2021 Revenue, and the effect on cash flow. Business donations are less than expected since we did not have corporate sponsorship paying group builds during the pandemic. We fully expect to qualify for the grant this year.

For 2021-2022 the expected business donations (\$700k) are expected to recover, and we are budgeting for increases in all Development Revenue categories.

Capital and non-cash expenses

Land purchases are budgeted for the remainder of 2021 (Windsor) and 2022 (Burnside Ave East Hartford)

Construction Expenditures

With forethought we are exceeding our budget this fiscal year. When budgeting at this time last year we could not anticipate the long-term outlook because of Covid 19. As the situation improves, we will be

ready to begin home construction in East Hartford at the start of 2022 because we getting the engineering and site work accomplished in 2021.

Later in the meeting it was decided to increase the contingency for cost overruns to 20% because of concerns for building supplies inflation. The draft budget had a 15% contingency and historically we have budgeted for 10%.

#### Home Sales 2021

We are projecting a \$227K gain on sales of homes in FYE 6/30/21. Typically, in the past there is not a large profit from home sales. This gain is affected by the prior year audit write downs of the Main St and Haviland homes construction when it was evident that they would exceed eventual appraisal values. We expect to finish Haviland and sell those two homes by 6/30/21.

#### Home Sales 2022

New construction home sales include 10 Chester and Forbes which will be completed and sold in fiscal year 2021 as well as 132 Cleveland. 62 Vineland is a rehab currently in progress that will be sold in 2022. There are also two recycled homes we expect to sell. Because recycles are added to our books at the discounted value of the remaining mortgage balance the sales usually have a positive effect on our P&L, and that is expected in 2022.

#### Build Schedule

Although there are only 3 new homes sales and one rehab scheduled for 2022, there are 6 new home starts that will be in progress on 6/30/22 and scheduled for completion in 2023.

#### Profit and Loss

The sale of the two Main St duplexes in 2021 (originally planned to sell in 2020), after mortgage discounting will increase our Net Loss for 2020. This budget page also highlights the Development Revenue shortfall. Restore and CHFA mortgage sales offset a portion of the loss. The PPE loan forgiveness would significantly reduce the book loss. Although there were many plans and results that changed because of the pandemic, were it not for the lack of the Eversource funding, 2021 would project a profit.

With fewer home sales in 2022, the anticipated recovery of Development Revenue, ReStore profits and mortgage sales of mostly non-Hartford homes the budget expects a Net Profit of \$315K.

#### Cash Flow



On February 28, 2021 Total Cash is \$1,553,909, but because of the early building starts in East Hartford and Manchester it is projected that Total Cash will be \$1.2 million at the end of this fiscal year.

Although there is a budgeted profit for 2022, increased Construction Hard Costs will likely reduce our cash by the 6/30/22. Total Cash is projected to be approximately \$1 million. While this is lower than the month end balances during 2021, this is not historically low.

It was agreed that we need to be certain that results for Development, Construction and Restore all need to go according to plan, or adjustments will be needed during the year which could include scaling back on building.

The plan for Liberty Bank to offer 80% mortgages to our homeowners is on hold, and rather than wait any longer, we closed the most recent homes with the Affiliate as the mortgage holder.

#### Building Concerns

There is concern on the cost of water and sewer line installation costs for the Manchester land. It could be determined to be cost prohibitive given our current financial outlook. The purchase of this parcel was approximately \$40,000, and we would hold it for the future use if it were removed from our 2022 plans.

#### Budget Approval

The Finance Committee voted to approve the budget and recommend that the full Board give final approval at the upcoming meeting on April 6, 2021.

Member questions and staff replies prior to this meeting are attached.

The meeting adjourned at 9am

#### Prior to the meeting

#### Mark's Questions

Regarding the amount of builds in 2022, is that # really due to the continued uncertainty surrounding covid over this past year, and the impact on confirmed funding?

In part, the # of builds are restricted by the same land acquisition + cost to build vs. eventual appraisal value problem that we will always face. In the final months of FYE 6-30-21 and during FYE 6-30-22 we are using a substantial amount of cash we have tucked away since March 2020. That cash came from mortgage sales and our PPP and SBA loans. Our currently projected

Development Revenue shortfall for FYE 6-30-21 is about \$600,000 off the original budget figure, and \$500,000 of that was the Eversource Housing Tax Credit we did not qualify for.

And as such, we paused on some possible projects until the following year when we expect to be more aggressive in our outlook on commitments to more builds? Just figured some board members may want to know so wanted to get that out there now.

Yes, sort of. We are starting 2022 with the early stages of the construction process on four new single-family homes (two in Manchester and two in East Hartford). So, we are ramping up the build schedule. By the end of FYE 6-30-22 the two East Hartford homes will be completed and sold, and the two Manchester homes near completion and four Windsor homes started. Six homes in process is a full schedule. But all that is already contingent on an aggressive Development and Grant Revenue goal of \$1,815,000. If midway through the 2022 fiscal year we do not see that we are reaching that target, then we would need to reconsider the timing of the Windsor build. Honestly, to do even more, if that is the strategic plan, would require more Revenue. Our Revenue has decreased since we stopped relying on public funding sources. The mortgage sales have replaced some, but not all, of the cash. Building outside the City of Hartford might help us in this regard. We'll have to wait and see if our appraisal value estimates in this budget are too low. That would be a good thing for our bank account.

In 2021, we actually added some rehabs that I believe weren't budgeted for. Do we expect to be in a position in 2022 which could allow us to do that again if the opportunity(ies) come up, or were they some unique scenarios?

In FYE 6-30-21 we budgeted to purchase one rehab. And we budgeted to complete that rehab and two that were in progress at 6-30-20. In 2021 we have sold two rehabs and are still working on 62 Vineland that will sell in the FYE 6-30-22. An earlier draft of this 2022 budget had two rehab possibilities. But because of the expected acquisition cost and the extent and cost doing the necessary work they would not be profitable enough even if we sold the mortgages. Not only is the single-family housing market not cooperating but building supply costs have increased substantially due to the demand during the covid- stay- at- home & remodel trend.

### Crystal's Questions

Should we be projecting more rehabs since they seem to be more profitable thus creating a gain on Home/Sales?

Rehabs depend on the availability of the right property for the right price. Karraine is always on the lookout for acquisitions, but the market currently (especially for single family homes) is not to the buyer's advantage.

I'm sure you explain this before so please forgive me. Can you discuss the process around determining what and how many mortgages to sell in any given year?



Currently, we are operating where most if not all mortgages must be a candidate for sale to CHFA. We do not have the Development Revenue to cover operations and hard construction costs for a full building schedule. The mortgage sales at 70% of face value allow us to recover some of our costs of construction. We need to sell as many mortgages as it requires to support the planned budget expenditures. The only period of time, in the past decade where the affiliate was not selling/assigning mortgages to CHFA or Windsor Federal is when we were funding homes with public grants (HOME Funds & CT Dept. of Housing).

Also what's the intend use of the construction tablets?

The tablets would be for on-site use by the Construction Site Supervisors to access Sharepoint files and communicate with one another. Using cell phones, as they are doing now, is not as efficient as tablets would be. It also would require fewer trips to the office to accomplish administrative work.

#### Don's Questions:

**Revenue Tab – clarify what Column C is, labeled “Projected 2021”. Is this our revised full year forecast for 2021?**

Yes. (However, it should be noted that my breakdown between Individual, Business, Foundation etc. is just using the \$1M 2021 goal figure and allocating it based on percentages of the revenue breakdown at 12/31/20. The best source of Revenue details for the Development Committee is the Development Department and our NEON system that Ryan Gorecki manages.)

**Revenue Tab – why do we include Net Income for the ReStore, not Gross Revenue?**

In older/prior year versions of this budget document the Net Restore figure in the Revenue tab used to transfer to the Book P&L tab. The Book P&L tab is now set up to get the Restore figures from the ReStore tab. Restore doesn't need to be in the Revenue tab at all. I will delete Restore from this tab and rename the tab “Development Revenue.”

**Book P&L – Can you describe the WIP write-down in 2021.**

These are not 2021 write-downs. They are 2019 (Main St) and 2020 (Haviland St) write-downs affecting the WIP inventory asset carried into 2021 and subsequently recorded as Cost of Sales in 2021 when the properties were sold. I wanted it noted that the \$227,000 **Gain** on Sale of Homes was because of write-downs of construction costs that exceeded the eventual appraisal value of the home. I will add that clarification to the notation.

**BUILD SCHEDULE**

**SOLD:**

**Current Year Construction Hard Costs**

**Budget**  
**FYE 6/30/2022**

**1,086,750**

**Projected**  
**FYE 6/30/2021**

**\$889,350**

**Budget**  
**FYE 6/30/2021**

**456,500.00**

**NEW HOMES SOLD**

1 Chester/Forbes  
2 Chester/Forbes  
2 132 Cleveland

1 Bristol  
2 Bristol  
3 2706 Main  
4 2708 Main  
5 2682 Main  
6 2684 Main

1 Bristol  
2 Bristol

**REHABS SOLD**

62 Vineland

1 61 Taylor  
2 70 Vineland

1 61 Taylor  
2 70 Vineland  
3 62 Vineland

**RECYCLES SOLD**

1 9 Moore  
2 56 Risley

1 170 South Marshall  
2 152 Enfield  
3 36 Guilford  
4 69 Enfield  
5 71 Enfield

1 9 Moore  
2 152 Enfield

**OWNED:**

**NEW HOMES IN PROGRESS**

1 21 South St Manchester  
2 27 South St Manchester  
3 Windsor 1  
4 Windsor 2  
5 Windsor 3  
6 Windsor 4

1 Chester/Forbes  
2 Chester/Forbes  
3 132 Cleveland

None

**REHABS IN PROGRESS**

None

None

**RECYCLES IN PROGRESS**

# BOOK PROFIT & LOSS

## HOME SALES & MORTGAGES

Home Sales  
 Cost of Homes Sold  
 Cost of Land  
 Gain/Loss on Home Sales  
 Est. Mtge. Discounting on Current Year Sales  
 Est. Imputed Interest on All Mortgages Held  
 Loss on Home Sales and Mortgages

3 New  
 Homes  
 1 Repairs  
 2 Recycles

### BUDGET

FYE 6/30/2022

940,000  
 -818,000  
 -40,000  
 82,000  
 -517,000  
 400,000  
 -35,000

55% of NEW Mortgage because  
 of no-interest 25-30 year term  
 and risk

Accounting recognition of a portion  
 of mortgage collections as Interest  
 Income

reduced by  
 audit writedown of WIP

### PROJECTED

FYE 6/30/2021

1,730,000  
 -1,369,000  
 -134,000  
 227,000  
 -951,500  
 400,000  
 -324,500

### BUDGET

FYE 6/30/2021

1,155,000  
 -928,000  
 -40,000  
 187,000  
 -635,250  
 435,000  
 -13,250

## DEVELOPMENT & OPERATIONS

Development  
 Public Grant Revenue  
 Department Expenses  
 Development & Operations Net Income

## RESTORE

Restore Revenue  
 Restore Expenses  
 Restore Net Income

Income /- Loss from Operations

Gain on Sale of Mortgages

PPP Loan Forgiveness  
 NET BOOK INCOME \ -LOSS

1,740,000	1,000,000	1,648,000
75,000	26,632	50,000
-1,828,808	-1,597,511	-1,802,323
-13,808	-570,880	-104,323
1,200,000	1,043,860	906,160
-989,041	-893,364	-899,999
210,959	150,496	6,161
162,151	-744,884	-111,412
149,100	142,100	151,200
311,251	263,000	39,788
	-339,784	

mortgages sold at 70%  
 of face value

## MORTGAGE SALES

2021

Clay 155,000  
 Woodbridge 140,000  
 Lyness 170,000  
 2706 Main 250,000  
 2682 Main  
 70 Vineyard 150,000  
 108 Cleveland  
 61 Taylor 150,000  
 1,015,000  
 x.70  
 710,500.00

2022

132 Cleveland 150,000  
 Haviland 1 190,000  
 Haviland 2 190,000  
 Chester/Forbes 1 190,000  
 Chester/Forbes 2 190,000  
 62 Vineyard 155,000  
 1,065,000  
 x.70  
 745,500.00

# CASH FLOW

Development & Operations Net Income	
ReStore Net Income	
Non- Home & Mortgage Revenue	
Current Year Construction Hard Costs	
Land & Rehab Acq. Cost & Other Capital Costs	
Mortgage Receipts from Homeowners	
Loan Principal Payments	
Non- Cash Book Expenses (Depreciation)	
Cash Flow from Operations	
Mortgage Sales to CHFA	
Fiscal Year Cash Flow	
Cash Beginning of Year	
Projected End of Fiscal Year Cash Balance	

	BUDGET FYE 6/30/2022	PROJECTED FYE 6/30/2021	BUDGET FYE 6/30/2021
	-13,808	-570,880	-104,323
	210,959	150,496	6,161
	197,151	-420,384	-98,162
	-1,086,750	-889,350	-456,500
	-229,000	-371,700	-310,000
	480,000	560,000	540,000
	-120,000	-137,000	-100,000
	109,212	109,212	104,000
	-846,538	-728,838	-222,500
	-649,387	-1,149,222	-320,662
	521,850	497,350	756,000
	-127,537	-651,872	435,338
	1,216,139	1,868,011	1,183,776
	1,088,603	1,216,139	1,619,114

February 23, 2021 Actual Cash Balance

1,600,000

**6/30/2021      HOME SALES**

<u>House</u>	<u>Sale Price</u>	<u>OREO</u>	<u>Land</u>	<u>WIP</u>	
2682/2684 Ma	\$250,000.00		\$45,000.00	\$205,500.00	
2706/2708 Ma	\$250,000.00		\$45,000.00	\$205,500.00	
70 Vineland	\$170,000.00	\$58,000.00		\$120,000.00	
61 Taylor	\$160,000.00	\$26,000.00		\$200,000.00	
Haviland 1	\$190,000.00	\$0.00	\$22,000.00	\$159,500.00	
Haviland 2	\$190,000.00	\$0.00	\$22,000.00	\$159,500.00	
170 South Mar	\$140,000.00	\$10,000.00		\$0.00	
152 Enfield	\$150,000.00	\$80,000.00		\$0.00	
36 Guilford	\$50,000.00	\$45,000.00			
69 & 71 Enfielc	\$180,000.00	\$100,000.00			
<b>Totals</b>	\$1,730,000.00	\$319,000.00	\$134,000.00	\$1,050,000.00	\$1,369,000.00
				\$227,000.00	

# **Strategic Plan Committee Brainstorm Session**



## Impact Consults\_Giant Shoulders S.P. Proposal.pdf

Hernandez, Steven <Steven.Hernandez@cga.ct.gov>

Mon 3/15/2021 9:45 AM

To: Karraine Moody <karraine@hartfordhabitat.org>; Vasington, Mark <MVasington@firstam.com>

Cc: Daigle, Ben <bdctus@gmail.com>; donaldbates32@gmail.com <donaldbates32@gmail.com>; Ellen Below <ellen.below@talcottresolution.com>

 1 attachments (2 MB)

Impact Consults\_Giant Shoulders S.P. Proposal.pdf;

Dear Karraine and Mark:

After careful consideration of the four submitted proposals in response to the affiliate's ***"Request For Proposals From Nonprofit Strategic Planning Consultants,"*** the Governance committee charged with the review process has voted to approve **Giant Shoulders/Impact Consultants'** proposal.

The committee developed a rubric which members used to individually score submitted applications. The top two scoring submissions (which were "too close to call") were invited to separate interviews with the committee.

After conducting the interviews, and checking references, the committee voted unanimously to approve the winning submission. We are confident that **Giant Shoulders/Impact Consultants** is the right choice moving forward.

The next steps in this process are to (1) provide notice of selection to the applicants by mail, including acceptance of **Giant Shoulders/Impact Consultants'** proposal, and (2) begin the contracting process. For the first task, would you happen to have sample letters you may have used previously? I defer to the President and the CEO on how to proceed with contracting for these services.

Looking forward,

Steve

# **Committee Updates**

**DRAFT**

**Revenue Development Plan**

**2021-2024**

## **Executive Summary**

Hartford Area Habitat for Humanity (HAHfH) is part of a global, nonprofit housing organization operated on Christian principles that seeks to put God's love into action by building homes, communities, and hope. HAHfH is dedicated to eliminating substandard housing locally and worldwide through constructing, rehabilitating, and preserving homes; by advocating for fair and just housing policies; and by providing training and access to resources to help families improve their shelter conditions. Habitat for Humanity was founded on the conviction that every man, woman and child should have a simple, durable place to live in dignity and safety, and that decent shelter in decent communities should be a matter of conscience and action for all. This Revenue Development Plan is a collaborative effort of selected board members and staff that has formed an Impact Team. We have the ability to serve the community and achieve the organization's vision by successfully implementing this plan.

### **Covid-19**

Even before the COVID-19 pandemic hit, the U.S. was facing extreme housing challenges. For decades, stagnant wages combined with insufficient supply to meet demand have pushed the cost of owning a home out of reach for millions of families. Now, with hours, wages and jobs cut as a result of the coronavirus, even more individuals are facing housing instability at a time when one's ability to be safely and affordably housed is integral to the health and safety of us all. HAHfH is in alignment with CDC guidelines for our construction, office and ReStore environments as we move forward and recover from this pandemic.

### **The Vision and Message**

The organization will be financially stable and viable, with a more diversified funding stream. New sources of funding and earned income will make it possible for HAHfH to invest appropriately in its employees and infrastructure, so that the unique and critically important role it plays in lives and our community are more widely understood and appreciated.

Our goal is to serve 50 families on an annual basis starting in 2021 through 2024. Our revenue development is based on new construction, rehabs, repair projects, financial freedom center, and our ReStore. Internally we need to generate an additional **\$200,000** per year to meet this goal. We currently serve between **20-25** families in terms of homeownership, repair projects and the Financial Freedom



Center (FFC) and the ReStore. It costs approximately \$8,000-10,000 to serve a family in any of these capacities including staff time, resources, and follow up.

### **Recommended Revenue Development Strategy**

*Impact Drives Revenue.* Building general public awareness of HAHfH accomplishments by reaching out on a very personal basis is the key to success. Recommendations in this report fall under the following four categories:

- Diversify sources of funding and grow unrestricted individual giving
- Expand earned and contributed income to support agency growth
- Develop and implement a comprehensive fundraising program
- Establish consistent funding streams to sustain increased staffing in mission-critical areas

The area for the most potential improvement with the greatest Return On Energy (ROE) is improving personal outreach to prospective individual, corporate, foundation, and civic group investors in the vision. With these goals in mind, the Impact Team has the tools and skills to initiate individual face-to-face visits with potential investors, including board members. They have been coached on using the tools and process and will begin to see the results of their initial efforts through potential investment commitments. A recommended practice of weekly check-ins and additional coaching will help maintain momentum.

## **Habitat for Humanity's Approach, and Overall Message**

### **Approach**

Hartford Area Habitat for Humanity has an open-door policy: All who believe that everyone needs a decent, affordable place to live are welcome to help with the work, regardless of race, religion, age, gender, political views, or any of the other distinctions that too often divide people. In short, Habitat welcomes volunteers and supporters from all backgrounds, and also serves people in need of decent housing regardless of race or religion. As a matter of policy, Habitat for Humanity International and its affiliated organizations do not proselytize. This means that Habitat will not offer assistance on the expressed or implied condition that people must either adhere to or convert to a particular faith, or listen and respond to messages designed to induce conversion to a particular faith.

## **Purpose of Development and How it Funds the Mission**

The purpose of the Development Department is to develop and implement the Revenue Development Plan in order to raise vital funds in a cost-effective and timely manner for Hartford Area Habitat for Humanity's programs and operational infrastructure. In working with leadership and the board, the development team is able to reach fundraising goals through long term relationship building, donor cultivation and retention, event sponsorship, cause marketing, appeal campaigns, crowdfunding, corporate and foundation grants, community engagement and youth advocacy.

How we budget and fund the mission?

The next section outlines the annual budget process which outlines the following:

- Construction Expenses
- Department Expenses
- Development Revenue
- ReStore Revenue
- In-Kind Donations
- Other Revenue

For each house built, the development team must raise \$180,000 to cover hard construction costs, construction and family services staff. If the affiliate wants to build 10 new construction homes, the affiliate must raise \$1,800,000.

For each rehab home, the construction team budgets \$100,000 which includes purchase and hard construction costs. For each repair, the construction team budgets for the repair not to exceed \$10,000 and uses in-kind donations to reduce the overall costs to the family (veteran, elderly or limited mobility).

The financial freedom center is powered primarily by volunteers so the overall costs is minimal but the impact is great for the affiliate. The family services budget is roughly \$150,000 per year which is the fundraising goal.



## FUND DEVELOPMENT STRATEGY

### **Corporate Development Strategy:**



**House Sponsorship - House**  
Sponsorships allow for our corporate partners to invest in the community on a deeper level. By sponsoring a Habitat home, businesses are not only helping hard working families experience the dream and stability of homeownership they are also supporting the economic growth and vitality of the community. House Sponsorship levels range from \$10,000 partial house sponsorship to \$125,000 full house sponsorship.

**Corporate Build Days -** Corporate build days allow companies to offer their employees a private, hands on, team building experience that also gives back to the community. \$2,000 flat rate per team of 12 allows our affiliate to maximize our on-site fundraising potential throughout the year. By requiring sponsorship we are able to increase revenue by an estimated \$200,000

**Build-A-Thon -** Offered strictly to local corporations, this event bring the corporate community together for a three week building blitz with the goal of raising enough funds to sponsor a home for the upcoming year. This on-site team-building opportunity not only gives employees an opportunity to volunteer in their community, it also offers businesses additional marketing benefits. Sponsorship for this event ranges from \$3,000 to \$12,000 per team adding an estimated \$150,000 in revenue.





**Playhouse Build** - Playhouse build offers a unique opportunity for teams to work together to build and decorate a children's playhouse which is then donated to a local family or community group serving children in Greater Hartford. The pre-planning of this event allows employees to begin the team building process prior to the build day.

On the day of the event they are engaged

in an activity that comes full circle with the recipient coming to pick up the playhouse at the end of the day. This one week building blitz event with each playhouse requiring a \$2,5000 sponsorship adds an estimated \$100,000 in revenue.



**Golf Tournament** - For over 25 years, with the help of our golf committee, Hartford Habitat has been hosting an annual charity golf tournament at Wampanoag Country Club in West Hartford. This event brings together over 30 corporate partners and over 100 golfers to join us on the green for the day. With an estimated revenue of \$70,000 this day on the course, helps to sponsor a home.

**Corporate Grants** - To help diversify our corporate funding, corporate foundation grants allow us to apply for much needed program support which is not necessarily linked to volunteerism. Larger foundation grants allow us to garner partial house sponsorships, operational funding, and any additional initiatives (i.e. data analysis) for which we need grant support.



### **Fund Development: Women Build**

Hartford Area Habitat for Humanity knows that safe, decent and affordable shelter plays a critical role in helping families to create lives filled with possibility and progress. Women are disproportionately affected by the severe cost-burden of paying half or more of their income on their home. They make up a larger share of U.S. households living in poverty and as well as receiving government-subsidized housing. Women still earn, on average, 80 percent of what the average male does.

In May, HAHfH holds our fundraising event Women Build to increase individual support of the mission. This build event has the potential to bring in over \$100,000 with each participant donating a \$150 minimum to build. Habitat's Women Build volunteers come together from all walks of life to build stronger, safer communities by creating teams and building for a day. Since women and children make up the majority of people populating Habitat neighborhoods, as they are the most likely to be affected by poor living conditions. Our Women Build event provides the opportunity for women to take a proactive step in serving their communities while fundraising through teams.

### **Fund Development: Faith Engagement**

Interfaith groups joining together can provide a vital witness to the community. HAHfH works in helping religious faiths come together toward ending poverty & blight in the Greater Hartford & Tolland area. Establishing strong relationships with churches has strengthened our affiliate and has helped us serve more families. Decent housing for all is a core issue.

Habitat for Humanity has a longstanding, extensive partnership with Thrivent Financial to continue our faith-based experience - Building on Faith or a Thrivent Build. HAHfH and Thrivent bring members and volunteers together to increase Faith engagement that allows for participation in Thrivent's grant programs. These programs can vary from full or partial sponsorship of a house funding. The affiliate must be in good standing with Habitat for Humanity International as well as meet minimum standards as detailed in the HFHI Quality Assurance Checklist.

## **Civic & Youth Revenue Development**

Beginning in 2017, Hartford Area Habitat for Humanity expanded capacity to host more Youth and Civic volunteer teams, activities and fundraising events; specifically designed to engage volunteers as Ambassadors and Fundraisers for our Mission. Centered around build day sponsorship, these models have raised over \$50K through previously untapped donors, and have brought hundreds of Ambassadors to our affiliate:

### **Civic Revenue Development:**

In 2017, we implemented a new build day sponsorship model called “Partner Build Days”. This fundraising model offers a team of individuals an opportunity to reserve a build day on our calendar and requires a commitment to raise a minimum of \$50 per volunteer, per build day to help fund our construction projects and drive our Mission. This model focuses on engaging new individual donors through the use of our online crowdfunding platform, MobileCause. Our goal for this model is to create a base of recurring fundraising teams through exceptional build site experience. These opportunities are typically available November – April.

Hartford Habitat has also seen an increase in civic team utilization of third-party fundraising events to generate build day sponsorship, or as independent fundraisers. Events such as; Restaurant Nights, Paint Nights, Color Runs, and Wine Tastings have helped us to reach another untapped donor demographic.

### **Youth Revenue Development:**

In 2018, we launched our Youth Advocacy & Engagement Program that focuses on engaging our future leaders through advocacy, engagement, fundraising and build activities. Through this program, we engage students from Middle Schools to Masters Programs to share our Mission and inspire a lifelong passion for public service.

Revenue development through this program also follows the build day sponsorship model established with “Partner Build Days”. Habitat recognizes certain youth demographics have different fundraising capacities, so we have structured our “Education Build Day” fundraising requirements differently. Higher Education teams (typically students over the age of 18) must meet a minimum fundraising requirement of \$50 per volunteer per build day. High school and community youth teams (typically students between 16-18 years of age) must meet a minimum



fundraising requirement of \$25 per volunteer, per build day. These opportunities are typically available November – April.

During our annual Youth Month (April), participants also engage in affiliate sponsored fundraising events hosted at local supermarket locations. During these Supermarket advocacy events; students join affiliate staff at pop up booths outside of these locations to share Habitat Mission and highlight youth advocacy in the community. Donation boxes are provided at each booth, and Habitat staff also has the ability to process credit cards. Through the month, we will typically see revenue of \$500 cash from these events.

Each year, our Youth Month ends with a culmination “Youth Advocacy & Engagement Conference” event. This conference provides an opportunity to celebrate and educate our future leaders ages 11 -18. This event is currently funded through contributions from “Education Build Days”, Supermarket Advocacy Dates, and In-kind donations of food, beverage, and service. We believe that this event has the capacity to continue to grow in attendance and as a youth driven fundraising event.

## **Public Sector Revenue Development**

### **Diversify sources of funding**

In recent years, Habitat has seen a decrease in government funding that can only be addressed by finding new sources of grant money. In order to diversify its sources of funding, Habitat must look beyond traditional funding partners: nurturing already established relationships with public foundations is essential, but these funding partners do not have the capacity to make up for the absence of government funding.

Hartford Habitat does more than just build affordable housing. It is important to remember that Habitat’s builds are not all the same: they can be sorted into different categories depending on which of Habitat’s initiatives it falls under. ‘Build on Faith’, ‘Womans Build’ and ‘A Brush with Kindness’ all involve building or restoring homes, but each initiative has its own focus. Therefore, it follows that if the goal is to find new sources of funding, Habitat should expand its search to identify organizations that are particularly interested in these “focus areas”.

Current focus areas include: seniors, veterans, sustainability/environmental protection, and financial education.

### **Reconnecting with old funding partners**

Hartford Habitat has worked with a vast number of public foundations since the organization began in 1989. Many of these relationships exist today, but some have not: staff changes, new funding priorities, and general administrative difficulties can lead to the dissolution of what was once a successful partnership.

By establishing a full history of grants awarded to Hartford Habitat, it is possible to identify foundations who have, in the past, been interested in supporting Habitat but for whatever reason have not been approached recently. Using the available data, all of the public foundations that have awarded grants to Habitat can be organized based on their service area, funding interests, capacity, etc.

Feedback from foundations that do not elect to fund Habitat is invaluable: having an application denied because there were too many good applicants in that particular grant cycle is not the same as being denied due to bad fit. By tracking both awards and rejections, it is possible to make more informed decisions regarding who to apply to in the future.

### **Streamline the application process**

The more applications that are sent, the more chances there are to receive grant funding. Grant applications vary, but many of the application questions will be the same. By referring to past grant applications, especially ones sent to the same foundation, the application process can be streamlined significantly.

To avoid missing grant opportunities, it is important to maintain a grant calendar for each fiscal year. This will include application deadlines, when applications become available online as well as interim and final report due dates. Not only is this a great organizational tool, but it's also useful when there are multiple applications in progress at the same time: comparing deadlines on a calendar helps when assigning priority.

## **Major Gift Cultivation**

Major gift cultivation is important to the long-term stability of the new as well as continued support from our donors. The Development team is working diligently on bringing new Major donors to join in supporting Habitat's mission. There are several proposals that are waiting on response from new donors. We are also continuing to reach out to previous major donors that currently are not contributing to us. The consensus of previous donors as to why they are no longer contributing seems to be that we have "fell off their radar." The team will work to maintain a better line of communication with all donors.

## **Board Engagement**

## **Donor Tracking and Acknowledgement Practices**

Hartford Habitat has established and implemented best practices in donation processing, recording, and acknowledgement. We are committed to providing a prompt, high quality acknowledgement for every gift that our affiliate receives:

### **Overview:**

- Physical Donations (Check, Cash, Manual CC Entry)
  - All physical donations will be processed & recorded within 3 business days of receipt
  - All physical donations will be acknowledged within 1-2 business days of processing
- Online Donations (Affiliate Website)
  - All online donations will process within 1-2 business days through MobileCause platform
  - All online donations will receive an immediate electronic acknowledgement
  - All online donations will be recorded and will receive a secondary physical acknowledgement the first week of the month following the date of donation.
- Third-Party Donations (Employee Giving Portals, Facebook, PayPal, etc.)
  - All third-party donations will be processed within each external system
  - Habitat will receive a notification of funds distribution
  - All third-party donations will be recorded and acknowledged the first week of the month following the date of distribution.
- Direct Deposit & Stock Transfer
  - All direct deposit donations will be processed within 1-2 business days by our banking institution
  - All stock transfer donations will be processed within 1-2 business days by our Finance Director
  - All DD & ST donations will be recorded and acknowledged within 3-5 business days of the date of transaction

### **Donation Acknowledgement Best Practices:**

- All donations receive a physical acknowledgement letter, when mailing address is provided
- All donations  $\geq \$250$  will receive a handwritten thank you card from CEO
- All donations  $\geq \$1000$  will receive a personally signed acknowledgement letter
- Current and previous fiscal year donors will receive "Habitat Happenings" communications
- Major donors will receive special thank you gift from CEO for continued support

### **2017 RDP Recommendations Implemented:**

#### **1. Obtain/improve revenue data system training**

Donor database upgraded to NEON CRM in 2019. System provides a more streamlined, accessible, and cloud-based platform for donor data entry and reporting. NEON system offers a multitude of staff training videos, tutorials, and 1-2-1 specialist walkthrough training hours through our contract. Staff also has access to the NEON support community, where other NEON client questions and feedback are addressed by support staff.

#### **2. Create/improve the instructions template and protocols for data entry**

We have established data entry protocols for NEON CRM, and enforce these protocols with all data entry staff. Data entry staff has been trained by the system administrator on full data entry protocol, and instructions are easily accessible within the system for reference by data entry staff. User permissions have been put in place to limit data entry accessibility to only fully trained data entry staff.

#### **3. Master Prospect List (MPL) for major investors**

MPL has been generated, and is being maintained externally from the full donor database. Database administrator has been appointed to continuously update, report results, and maintain this listing. Supplemental prospect lists for MPL special campaigns or initiatives will be created, maintained or integrated at the discretion of the CEO.



# Board of Directors DEVELOPMENT Strategic Plan & Goals

## Strategic Plan – Review of Historical and Projected Development Revenue

	Actual 2017	Actual 2018	Actual 2019	Actual 2020	Projected 2021	Budget 2022	Budget 2023	Budget 2024
Individuals	239,498	270,165	339,652	281,523	338,721	325,000		
Business (excludes Eversource Housing tax credit)	513,469	931,197	679,587	502,760	573,436	700,000		
Eversource Housing tax credit	429,000	410,000	488,000	499,000	0	500,000		
Foundation Grants (incl. FS, FFC, ABWK & CHR)			152,149	141,205	63,247	175,000		
Schools, Faith, United Way & Other	16,526	29,042	58,304	32,430	24,596	40,000		
All Public Grant Income	1,035,437	812,614	80,250	0	26,632	75,000		
<b>Development Revenue</b>	<b>2,233,930</b>	<b>2,453,018</b>	<b>1,797,942</b>	<b>1,456,918</b>	<b>1,026,632</b>	<b>1,815,000</b>		
Restore Net Income	58,112	101,676	153,193	28,737	150,496	210,959		
<b>TOTAL</b>	<b>2,292,042</b>	<b>2,554,694</b>	<b>1,951,135</b>	<b>1,485,655</b>	<b>1,177,128</b>	<b>2,025,959</b>	<b>2,300,000</b>	<b>2,600,000</b>
							includes ReStore NI	

### Notes:

- Significant revenue growth to support our Strategic Objectives over the next 3-5 years
- 2022 is 36% growth compared to 2020 (pre-Covid); 13% growth in 2023 and 2024
- Reliance on Eversource Housing Tax Credit to meet Revenue Goals
- Continued strong Restore performance projected

## Board Goals & Strategies

1. Board Development Revenue Generation (\$) – Goal \$100k annually to support a new build every year; 5% of Total Revenue Goal
2. Referrals – Goal of 100% participation of at least 1 referral to the Development Team each year (Individual or Business), no minimum donation threshold
3. Activities – Goal of 100% participation of at least 1 activity such as donor outreach, host a build day, etc.

Board engagement with the Development Team will be a focus of the strategic planning for the next 3-5 years. The Goals outlined above will be tracked to ensure as a Board we are engaged and focused on the strategic objectives.

### Board Initiatives:

- Board House (\$100k)
- Matching Gifts
- Direct Board Donations
- Board Lead Build Days
- Amazon Smile
- Prospect List
- Referrals

HARTFORD HABITAT  
PROPOSED BOARD OFFICERS FOR JULY 1, 2021

Board President: Bildade Augustin

Board Vice President: Crystal Floyd

Board Treasurer: Ellen Below

Board Secretary: Anne Hamilton

# **February Financials**

# **Consent Agendas**



Account Purpose	Operating Accounts	02/28/21
Current revenue, expenses and payroll	Checking - Windsor Federal & Sweep Acct.	480,057
Savings	Bank of America	250,500
Savings	United Bank	100,000
Shop Loan - immediate EFT to WFS upon receipt	Windsor Federal HUD/SHOP-0429	300
Current revenue & expenses	ReStore Operating Cash	723,052

**1,553,909 Total Cash**

**(114,125) 3 months Construction Hard Costs Budget**

**(450,625) 3 months General Operations Budget**

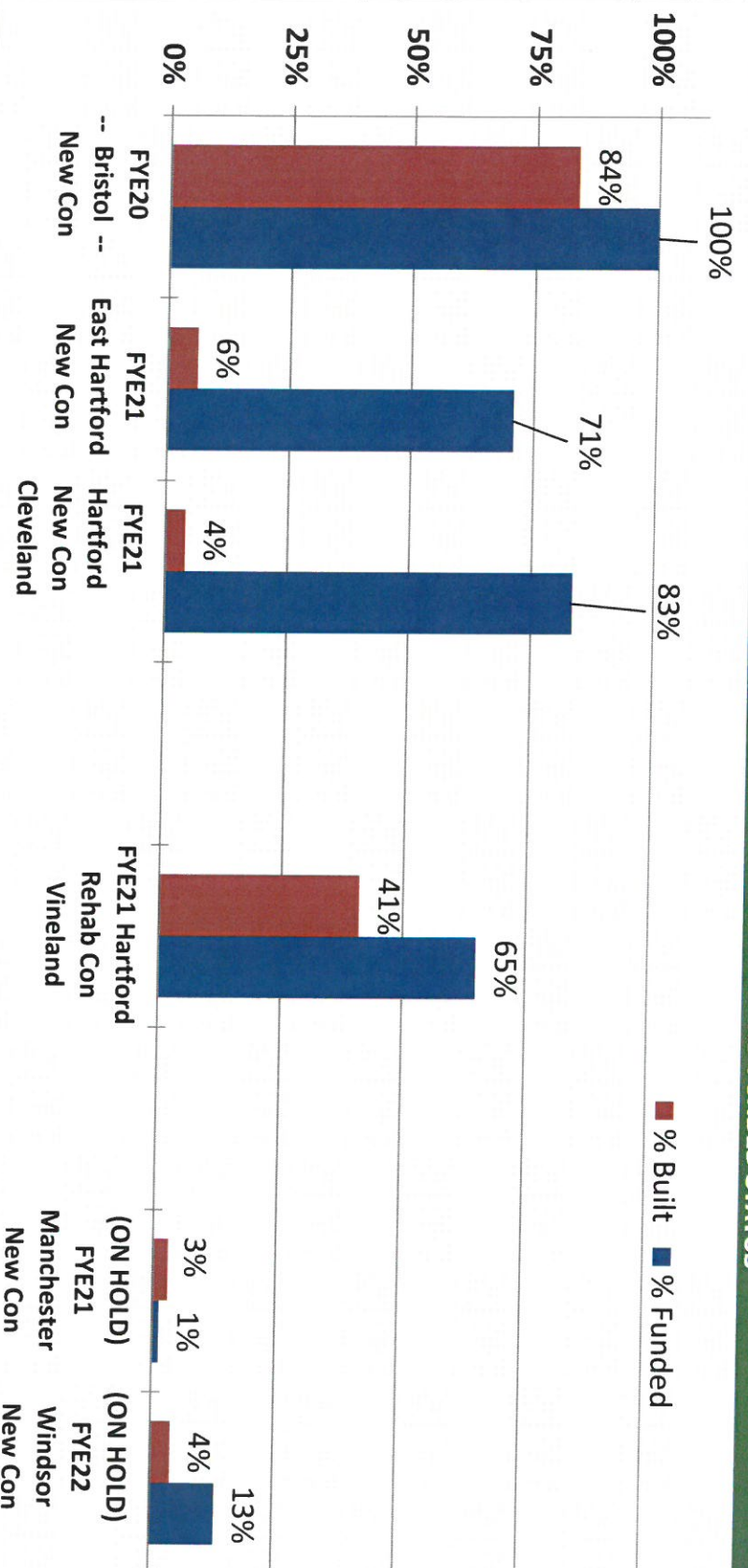
**989,159 Additional Cash Reserve**

### Additional Cash Reserve

January 31, 2021	1,115,390
December 31, 2020	970,859
November 30, 2020	1,101,760
October 31, 2020	1,255,260
September 30, 2020	1,264,907
August 31, 2020	1,272,536
July 31, 2020	1,217,172
June 30, 2020	1,154,251
May 31, 2020	752,317
April 30, 2020	712,158
March 31, 2020	808,617
February 28, 2020	935,840

# HARTFORD HABITAT FOR HUMANITY - BOARD OF DIRECTORS DASHBOARD

## HABITAT HOMES: WORK-IN-PROGRESS BUILT AND FUNDED STATUS

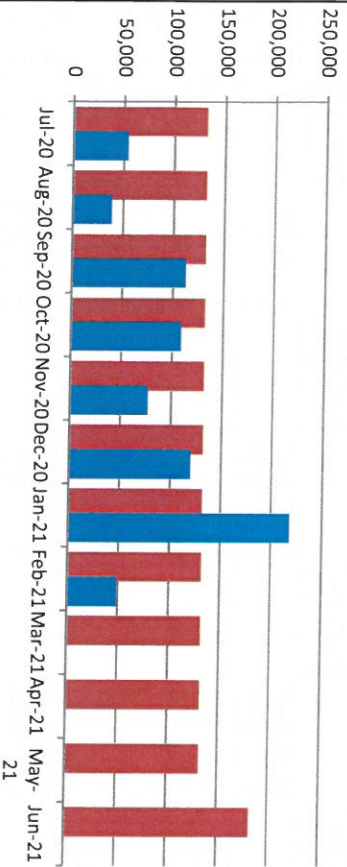


Primary Sponsor	Arthur G. Russell, SHOP, WB20, KBE, Barnes	BOA, GOLF21, CBD21, BAT21, WB21, PBD21, YTH21, NAA21	SHOP, HOME, TRAVELERS	SHOP, HOME	EVERSOURCE	Pledged: TLD, Stanadryne
Amount Funded	\$380,000	\$297,318	\$150,000	\$65,000	\$5,000	\$105,322

Assumptions: Based on 2020/2021 Budget Formalized 02/2020  
 FVE20 Bristol: \$380,000.00

# HARTFORD HABITAT FOR HUMANITY - BOARD OF DIRECTORS DASHBOARD

## Development & Grant Revenue

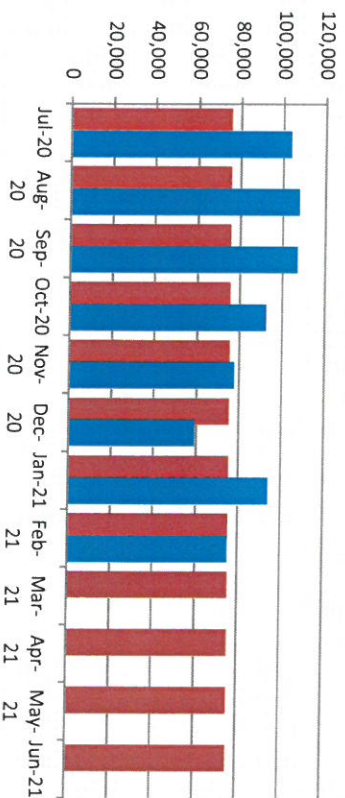


■ Development & Grant Revenue - Budget

■ Development & Grant Revenue - Actual

## REVENUES AND EXPENDITURES

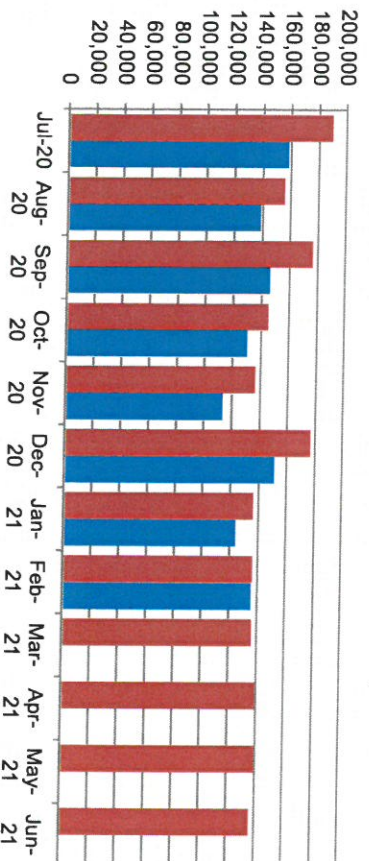
### ReStore Revenue



■ ReStore Revenue - Budget

■ ReStore Revenue - Actual

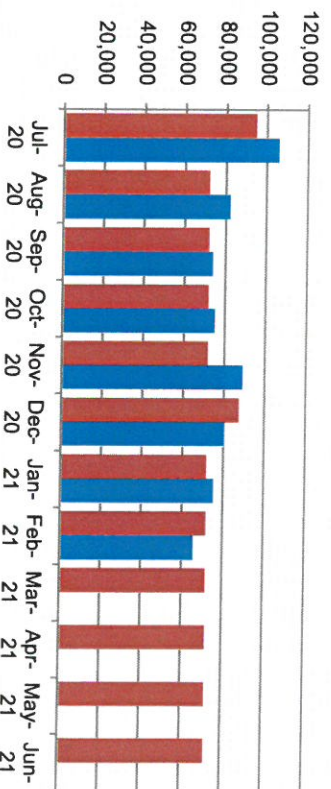
### Operating Expenditures (excl ReStore)



■ Operating Exp - Budget

■ Operating Exp - Actual

### ReStore Expenditures



■ ReStore Exp - Budget

■ ReStore Exp - Actual



MONTHLY		January		February		March	
		Date	Initial	Date	Initial	Date	Initial
Bank Reconciliations	WFS	2/12/21	MD	3/5/21	MD		
	WFS Sweep	2/3/21	MD	3/5/21	MD		
	WFS HUD Shop	2/3/21	MD	3/5/21	MD		
	United Bank	2/5/21	MD	3/5/21	MD		
	Liberty Bank	2/3/21	MD	3/5/21	MD		
	Bank of America	2/12/21	MD	3/9/21	MD		
Payroll and Benefits							
1st Payroll of month	Federal and State taxes Paid	1/13/21	MD	2/8/21	MD	3/5/21	MD
	401K Transfer made	1/14/21	MD	2/5/21	MD	3/17/21	MD
2nd Payroll of month	Federal and State taxes Paid	1/27/21	MD	2/22/21	MD		
	401K Transfer made	1/27/21	MD	2/22/21	MD		
3rd Payroll of month	Federal and State taxes Paid	NA					
	401K Transfer made	NA					
Restore							
	Restore Sales Tax	2/12/21	MD	3/5/21	MD		
	Reconcile Restore Deposits	2/12/21	MD	3/5/21	MD		
Loan Payments							
	WFS	Auto Pay					
	CHFA	1/8/21	MD	3/2/21	MD		
	Toyota	Auto Pay					
	SBA	NA until May 2021					
	SHOP	Auto Pay					
Quarterly							
	Lockton Insurance Installments	12/2/20	MD	3/2/21	MD		
	Payroll Tax Returns	1/7/21	MD	-	-		