

Fiscal Year 2020 Annual Report



SERVING
MINNESOTA
AFFILIATES

PUBLIC POLICY & ADVOCACY



DISASTER RECOVERY & RESPONSE



TRAINING & TECHNICAL ASSISTANCE



FUNDRAISING & LENDING

HABITAT IN MINNESOTA

289

families partnered with Habitat in Minnesota in FY20

2,800

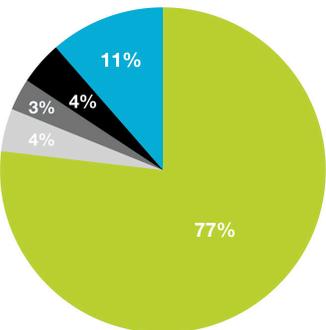
families have partnered with Habitat in Minnesota since 1986

- **93%** of homeowners feel more positive about the future after purchasing their Habitat home, and **90%** feel better about their children's future.

- In **92%** of Habitat homes, at least one adult started, completed, or plans to start higher education or training programs.

- **36%** of Habitat Homeowners said someone in their home has a respiratory or lung illness such as asthma or allergies. Of those people, **57%** say their condition has improved since moving into their Habitat home.

“My health issues improved—because before we were living in an apartment and the rooms were dusty and smelly because the ceilings were wet and moisture made it feel damp and one of my sons had asthma that made it worse. Since being in the Habitat home, he is much better now.” — Habitat homeowner



Total Resources Distributed FY20

- Loan Fund: \$1,788,000
- FHLB Funds: \$99,000
- Impact Funds: \$73,873
- 2020 2nd Mortgage Funds: \$100,000
- 2019 Habitat 500 Funds: \$265,397



*The economic impact data below was estimated by Habitat for Humanity International using IMPLAN software and was based on data from affiliate financial documents.

ECONOMIC IMPACT

\$93.8 million

distributed to Minnesota affiliates since 1997, including \$2.3 million in FY20

\$47.3 million*

invested in operations, construction, rehabilitation and renovation

\$3.8 million*

in local taxes paid

\$1.93*

dollars injected into the state economy for every dollar invested

781*

jobs supported and/or generated

65

Minnesota counties served

IMPACT

Pre-COVID: OLE Conference & Funding

Since 1997, Habitat for Humanity of Minnesota has existed to serve the ever-evolving needs of Habitat and our communities in Minnesota. Prior to the pandemic, Habitat Minnesota hosted a successful statewide Outstanding Leadership & Excellence (OLE) Conference. “The quality of the content presented, and the broad spectrum of topics covered, created a great opportunity for my staff...to become better in our respective roles,” said Lake Agassiz Habitat Executive Director Jim Nelson. “The networking opportunity at the OLE is a significant attraction, too.”

Over several months in 2019, we were also improving our funding programs. Lake Agassiz Habitat was preparing to close on three houses built during their Dakota Blitz build in the fall of 2019. “Because we built all three homes simultaneously, we required a substantial cash position in order to procure building materials and pay subcontractors in a timely manner,” explained Nelson. Habitat Minnesota provided a short-term construction bridge loan to help. “By the time the builds were complete, and partner families had closed on the mortgage loans, we finished fundraising and we were able to repay the funds.” This program was designed for just that—to help affiliates obtain short-term financing and keep builds moving.

COVID Support

When the COVID-19 pandemic hit, Habitat Minnesota refocused our work. We supported affiliates in decision-making around office, ReStore, and construction site closings/re-openings and consulted with them to apply for and successfully receive Paycheck Protection Program (PPP) dollars. “The PPP application process changed daily and often multiple times throughout the day; however, the Habitat Minnesota team kept the affiliate leaders coordinated and well informed. Without securing the PPP loan-to-grant funds, the future of my affiliate would’ve been greatly challenged,” said Nelson.

Construction Assistance

“One of the bright spots during the first 90 days of the pandemic was learning that AmeriCorps members would be made available,” shared Nelson. Habitat Minnesota coordinated the application process. “The AmeriCorps members that were engaged with our affiliate enabled us to complete our first build without the use of volunteers. Simply stated, we couldn’t have been successful without the AmeriCorps team!”

Keeping Connected

In addition to pandemic protocol guidance, supply chain management, and the AmeriCorps application, Habitat Minnesota knew affiliates would need to stay connected, even if it wasn’t in person. “Since Cristen came on board I have felt totally supported by Habitat Minnesota,” shared Ann Schwartz, Aitkin County Habitat Executive Director. “I especially loved the executive directors meeting for networking and advice.” In March 2020, Cristen Incitti, Habitat Minnesota President & CEO, convened regular calls with directors from Minnesota, South Dakota, and North Dakota to share ideas, give advice, and stay connected while apart.

No matter what FY21 brings, Habitat Minnesota will be ready to support affiliates as they continue to build and repair homes!





TRAINING & TECHNICAL ASSISTANCE

Habitat Minnesota offers affiliate staff trainings on many topics, including leadership development and regulatory and programmatic compliance. Technical Assistance is offered on mortgage origination, fundraising, policy application and adaptation, board development, and more.

In Fiscal Year 2020 Habitat Minnesota Hosted:

Affiliate Visits: 22

Executive Director Gatherings: 3

Executive Director Calls: 11

Executive Director Orientations: 1

Networking Webinars: 8

Qualified Loan Originator Training: 36 Attendees from 24 Affiliates

Homeowner Services Calls: 2

Competent Person Training: 27 Attendees

Outstanding Leadership and Excellence

Conference: The OLE Conference was held in Alexandria, MN in partnership with Douglas County Habitat. 90 Habitat leaders attended; the conference featured 27 breakout sessions, 4 plenary sessions, and 10 round table networking sessions.



PUBLIC POLICY & ADVOCACY

Championing affordable homeownership and its preparation, production, and preservation is a critical component of Habitat Minnesota's work to support affiliates. Our advocacy includes sharing the work with elected officials at all government levels, coordinating advocacy efforts throughout the state, connecting affiliates to local leaders, and working in coalition with housing advocates.

In Fiscal Year 2020 Habitat Minnesota Advocated For:

Racial Equity Work: Habitat Minnesota began additional work in understanding the systemic barriers to affordable homeownership and advocating for policy and funding efforts that would work to close the racial gap in homeownership. This is work we will continue and expand in the following years.

Coalitions & Partnerships: We continued our work with the Homes for All Coalition, advocating for funding and policies to support the full housing continuum. We also continued to partner with Habitat across the country through the Cost of Home national advocacy campaign, supporting policies locally, statewide, and nationally.

COVID-19 Response: In partnership with other nonprofits, we tracked COVID-19 legislation and advocated for additional support for housing stability for families across the state.

Habitat on the Hill: In February 2020, President & CEO Cristen Incitti joined hundreds of other Habitat supporters in Washington D.C. to meet with legislators and advocate for policies and funding to support homeownership

On May 6, 2020, Habitat Minnesota staff gathered with 10 Habitat affiliates around the state and many other supporters to virtually advocate for housing policy and funding. Cristen Incitti joined other leaders in speaking to the gathered advocates.



DISASTER RECOVERY & RESPONSE

Our disaster response program formed in response to the COVID-19 pandemic. We offer multiple calls for Minnesota affiliate leaders and staff to network, receive training, and share ideas and advice with one another. In May, we launched the Habitat Minnesota Disaster Response and Crisis Recovery Fund, for short-term, medium, and long-term funding for affiliates.

In Fiscal Year 2020 Habitat Minnesota Helped Navigate:

Disaster Response and Crisis Recovery Fund:

This fundraising and partnership campaign is focused on disaster recovery and response to support affiliate operating needs. The fund first provided COVID-19 recovery assistance to affiliates as needed and will evolve to meet needs from future crises.

Supply Chain Support for PPE: As affiliates around the state prepared to safely reopen ReStores and restart construction, we located vendors for the

production and disbursement of hand sanitizer, masks, and gloves.

Staying Connected: We collected and distributed COVID-19 resources for affiliates on everything from health to HR concerns. We also convened weekly calls for Minnesota affiliate leaders to learn and share with each other, as well as ad hoc calls for homeowner services and ReStore staff.



FUNDRAISING & LENDING

Habitat Minnesota applies for and distributes funding from larger funders, unlocking otherwise unavailable financial support. The Loan and Grant Program also offers financial reviews, policy and procedure guidance specific to Habitat and the funding programs we administer, and staff training in loan and grant program guidelines. Habitat Minnesota staff coordinate the Habitat 500 Bike Ride, an annual event in which riders raise funds for Habitat affiliates. Staff offer support for recruiting and partnering with riders each year, resulting in over \$5.4 million raised for Habitat home construction since 2002.

In Fiscal Year 2020 Money Was Distributed Though:

Habitat Minnesota Loan Program: \$1,788,000 was distributed to 8 affiliates. This is the highest volume of loan disbursements since 2006 due to new collateral flexibilities, including offering a short-term product.

Impact Fund (funded by Minnesota Housing): \$73,873 was distributed to 5 affiliates.

Federal Home Loan Bank (FHLB) Funds: \$99,000 was distributed to 8 affiliates and helped fund 10 homes.

NEW: 2020 Second Mortgage Fund: \$100,000 was distributed to 5 affiliates.

Owner-Occupied Repair Program and Disaster

Response and Crisis Recovery Fund: added in FY20 with disbursements to come in the new year.

The Habitat 500 Bike Ride: In July 2019, 17 Minnesota affiliates participated in the Ride and received a total of \$166,860. Also, \$265,397 was distributed to Habitat across the country and world.

19.8% of participants raised funds for the two North St. Louis County Habitat bike.home families totaling over \$20,600. The Strand and Stark families became not only Habitat homeowners but neighbors too!

In 2020, at the onset of the pandemic, we pivoted to the Virtual Habitat 500: Bike @ Home.

HABITAT FOR HUMANITY OF MINNESOTA

What Does a State Support Office Do?



***Public Policy and
Advocacy***



***Training and Technical
Assistance***



***Fundraising and
Lending***



***Disaster Recovery and
Response***

Everything we do is to support the Habitat offices around Minnesota!



So they can better meet the affordable homeownership needs of their communities!

A MESSAGE FROM HABITAT MINNESOTA

Habitat for Humanity is an organization focused on bringing people together to build homes, community, and hope around the world, including in Minnesota! As you see in these pages, Habitat Minnesota has partnered with every affiliate in Minnesota to advance this mission in the past year. Our work and mission move forward because of generous supporters, trusted partnerships, and community relationships for which we are deeply thankful.

Fiscal year 2020 was a busy, productive year for Habitat Minnesota, and we appreciate you taking time to read about it. Habitat Minnesota has been working to increase the capacity of local Habitat for Humanity affiliates in every corner of our state. After starting the fiscal year in July by raising over \$300,000 for affiliates through the Habitat 500 Bike Ride, we brought together more than 90 Habitat leaders together in Alexandria in February for our statewide “Outstanding Leadership and Excellence” conference, in addition to running our ongoing loan and grant programs. When our environment changed quickly at the outset of the COVID-19 pandemic, Habitat Minnesota changed too, convening weekly conference calls for affiliate Executive Directors to share survival strategies and initiating a Disaster Response and Crisis Recovery Fund in order to help affiliates who were most hurt financially. When you support Habitat Minnesota, you are supporting families and communities throughout our state.

Annual reports reflect on completed work. This year, we are also laying out a vision for the future. As Habitat Minnesota continues to provide programs and services through one of the most challenging years of our generation, we are called to rethink our approach, adjust our offerings, and lead. Affordable homeownership is a critical component of creating thriving, vibrant communities, building strong families, and reconciling racial inequities in wealth, health, and education. Habitat Minnesota is developing our plans for a bold future: one that will advance our mission while centering racial equity in our work.

Thank you for your continued commitment to this mission, and we look forward to our continued partnership!



Cristen Incitti, Habitat Minnesota President and CEO
Kevin Worden, Habitat Minnesota Board Chair



Financial Snapshot

In fiscal year 2020, total operating support and revenue, which includes interest income, program fees, and contributions, was **\$1,133,316**.

Operating expenses exceed operating income by **\$84,348**. At fiscal year end, Habitat Minnesota showed total assets of **\$32.3 million**, total liabilities of **\$29.7 million**, and net assets of **\$2.5 million**.

FY20 Board of Directors

Nichol Beckstrand, *Chair*, YardHomesMN
Bret Busse, Fathom Consulting
Mary Jayne Crocker, Bridgewater Bank
Katie Cumming, Winthrop & Weinstine
Deb Flannery, Greater MN Housing Fund
Doug Gettle, *Treasurer*, Community Member
Julie Gugin, *Secretary*, MN Homeownership Center
Mike Haley, Community Member

Pat Heydon, Allina Health
Geri Hickerson, Northwoods Habitat
Cathy Lawrence, Twin Cities Habitat
Ruth Lunde, Community Member
Dayle Nolan, Larkin Hoffman
Kevin Pelkey, Lakes Area Habitat
Holly Stocker, Winthrop & Weinstine
Kevin Worden, *Vice Chair*, Two Rivers Habitat

Staff

Nancy Fuchs, Interim Executive Director
Cristen Incitti*, President & CEO
Kaitlyn Meyers*, Communications & Events Project Manager
Brianna Murphy*, Events & Communications Associate
Becca Seidel*, Loan & Grant Portfolio Manager
Kristin Skaar*, Development & Communications Director
Jon Slock*, Accountant
Susan Thompson, Loan & Grant Program Director

*denotes current staff member

Photo Credits

Page 1 (top to bottom): Habitat International: US Office, Habitat Minnesota, Brianna Murphy, Herb Lindsay

Page 3 (top to bottom): Lake Agassiz Habitat, Ann Schwartz, Brianna Murphy

Page 7: Brianna Murphy, Two Rivers Habitat

Follow Us:



@HabitatMinnesota



@habitatforhumanitymn



@HabitatMinnesota



Habitat for Humanity of Minnesota



@HabitatMN