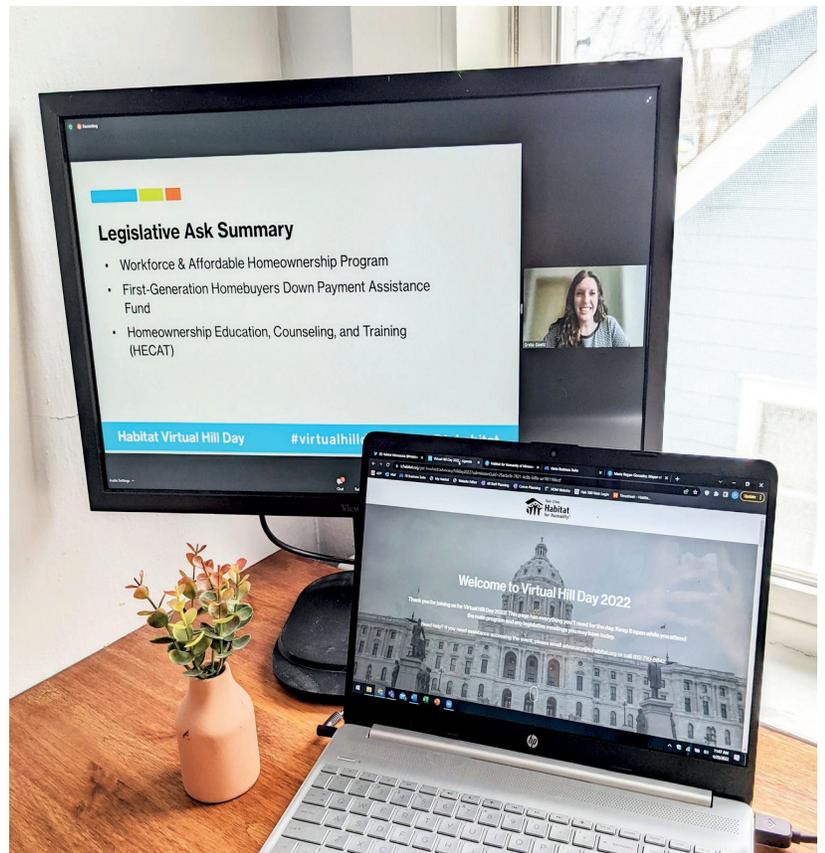




Habitat
for Humanity®
of Minnesota

Fiscal Year 2022 Annual Report

**Serving Minnesota Affiliates
July 1, 2021 - June 30, 2022**



hfhmn.org

(612) 331-4439



Habitat's Impact in Minnesota

59

Minnesota counties being served

732

donations were made to Habitat Minnesota in FY22

267

families partnered with Habitat in Minnesota in FY22

3,000+

families have partnered with Habitat in Minnesota since 1986

Wilder Research:

Impacts of Habitat for Humanity Homeownership

Community:

More than 80% of homeowners reported feeling connected to their community and over half said they participate more in community activities.

Life in General:

Overwhelmingly, 92% of homeowners said their lives were better since moving into their home, with 89% of them attributing that positive change either "completely" or "a lot" to Habitat for Humanity.

International Support

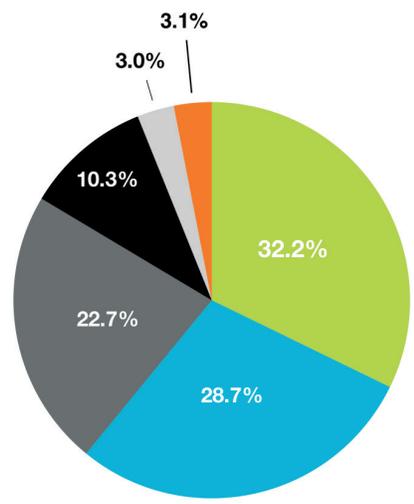
In FY22, Habitat Minnesota tithed \$20,000 to the Orphans and Vulnerable Groups Fund, providing adequate shelter and other interventions for particularly vulnerable communities—children who have lost parents, people living with a disease or disability, and marginalized people facing social exclusion — around the world. In FY22, funding supported programs in Jordan, Lesotho, Mexico, Myanmar, and Vietnam.



FY22 Total Resources Distributed

- CDFI Rapid Response: \$450,000
- 2021 Habitat 500 Funds: \$205,249
- Recycled Impact Funds: \$60,000
- Owner-Occupied Repair Funds: \$60,995
- Loan Fund: \$640,000
- 2020 2nd Mortgage Down Payment Assistance(DPA) Funds: \$570,000

Total: \$1,986,244



“We lived in a trailer out in Iron that was a little run down. In fact, we were pretty sure there was black mold and she (Paula’s daughter) got sick all the time... It was time for a new home, so I applied to Habitat.

Habitat is a great program. I’ve just always felt blessed to know people who worked with Habitat whether it was the families, volunteers, or the people who worked there.” - Paula, North St. Louis County Habitat

Habitat Minnesota provided funding for Paula’s home.

Our Priorities



Be a Bold Voice for Affordable Homeownership

Habitat for Humanity's five-year Cost of Home campaign helps advance policies that will increase access to affordable homes for 10 million individuals. Habitat Minnesota serves as a Cost of Home Field Organizer and advances policy and advocacy efforts that focus on four themes:

 SUPPLY AND PRESERVATION	 ACCESS TO CREDIT	 LAND USE	 COMMUNITIES OF OPPORTUNITY
<ul style="list-style-type: none">• Expand affordable home production.• Increase access to existing housing stock.• Preserve existing affordable homes.• Help people keep their homes during times of hardship.	<ul style="list-style-type: none">• Strengthen housing finance systems.• Update credit scoring and underwriting standards.• Promote fair lending and consumer protections.• Expand asset development and housing counseling.• Facilitate access to safe, affordable credit.	<ul style="list-style-type: none">• Reduce land and development costs.• Create incentives or requirements for affordable housing.• Ensure long-term equity, affordability and asset building in land use.	<ul style="list-style-type: none">• Improve the quality and availability of existing housing stock.• Support healthy and economically integrated neighborhoods.• Broaden economic mobility and access to communities with opportunities.

Habitat Minnesota leads this work through affiliate education and training and our involvement with the Homeownership Minnesota (HOM) Coalition.

HOM is a statewide affordable homeownership coalition with 16 affordable homeownership nonprofits. HOM elevates homeownership as critical to solving our statewide affordable housing shortage and a necessary step toward closing wealth disparities and addressing racial inequities. Cristen Incitti co-chairs the coalition. In HOM's second year:

- Launched a \$120M American Rescue Plan Act request for affordable housing CDFIs.
- Two companion bills were introduced and received bipartisan support.
- Habitat MN remained a prominent voice and leader in affordable housing investment discussions.
- Partnered with the Citizens League to host Capital Pathways Intern for the legislative session.

Advocacy and Policy Events:

- Oct. 2021: Hosted the second World Habitat Day Panel on Workforce & Affordable Housing, featuring statewide leaders in housing with 121 people in attendance.
- Feb. 2022: Habitat on the Hill DC: Hundreds of supporters gathered virtually, including a Minnesota delegation. Attendees had 11 meetings with Minnesota and North Dakota legislators and staff.
- April 2022: Habitat on the Hill Minnesota: 146 attendees at the virtual event, coordinated by Twin Cities Habitat and Habitat Minnesota. Habitat staff coordinated 89 virtual lawmaker visits.

Deepen Habitat's Impact in Strengthening Communities

Partnership Impact

In FY22, we celebrated the first year of our partnership with the Re/Max Results Foundation for philanthropic and volunteer support for affiliates, launched strategic planning and visioning support for affiliates, deepened our connection with the Minnesota Rural Development department and the USDA homeownership programs, and increased the state's investment in Habitat's work through public funding for homeownership. Our key successes include:

- \$28,000 in general operating support and Re/Max volunteers supported 3 affiliates in home building.
- Kicked off a visioning session with Douglas County Habitat for Humanity.
- Awarded a Workforce and Affordable Homeownership Development Award of \$55,000 and Community Homeownership Impact Fund Award of \$571,000 from Minnesota Housing.

Financial Impact

In FY22, Habitat Minnesota distributed \$1,986,244 to 32 affiliates and 1 nonprofit affordable housing partner, PRG, Inc. This included:

- \$640,000 in 0%-interest construction capital through the 21st Century Loan Fund
- \$570,000 in 2020 Second Mortgage DPA Funds for 20 first-time homebuyers.
- \$450,000 CDFI Rapid Response Program Funds for pandemic-related funding challenges and to build organizational capacity.
- \$60,000 in recycled Impact Funds for homeowner affordability gap support.
- \$60,995 in Owner-Occupied Repair Funds fund 7 critical home repair projects in Greater MN.
- \$205,249 was distributed from the Habitat 500 Bike Ride: 2021 Bike @ Home.

Advance Organizational Resilience and Sustainability

Habitat Minnesota advanced our goals to maintain financial sustainability, deepen philanthropic partnerships, develop and retain a diverse, anti-racist, and inclusive team, and invest in professional development.

Organizational Sustainability Achievements

- Partnered with Creative Enterprise Zone and Northcountry Cooperative Foundation to create an office space that builds connections and community.
- Designed and implemented a transition plan for the Habitat 500 Bike Ride.
- Habitat staff attended and presented at the Habitat International Affiliate Conference in Atlanta for training and networking opportunities.
- Awarded \$80,000 by the Otto Bremer Trust for general operating support.
- Awarded \$15,000 by the Shavlik Foundation for loan software.

Financial Snapshot

Fiscal Year 2022 ended with a positive net balance. Total revenue, which includes interest income, program fees, and contributions, was \$1,557,804. Operating income exceeded operating expenses by \$477,272. At fiscal year end, Habitat Minnesota showed total assets of \$30,111,691, total liabilities of \$26,707,291, and net assets of \$3,404,400.



Optimize the Habitat Affiliate Network

Habitat Minnesota strives to advance and support a thriving network of effective and trusted Habitat affiliates and this year we connected with every affiliate in MN, and several in neighboring states.

Training and Technical Assistance

We offered Executive Director leadership and coaching support, monthly networking calls about Homeowner Services, Construction, Fundraising, and Volunteer Coordination, and visited 13 different affiliates for loan closings, build days, Home Dedications, and Executive Director orientations.

- The 2nd Habitat 500 Bike @ Home event brought together 154 riders, including several affiliate staff and board members.
- Aug. 2021 was the first in-person Executive Director Gathering since 2019.
- Nov. 2021 staff celebrated the 2021 bike.home. dedication in Bemidji, MN, with Northwoods Habitat.
- 32 attendees from 22 affiliates attended the annual Qualified Loan Originator Training.

Leadership Development and Connection

Habitat Minnesota Intentionally collaborated, convened, and connected the Habitat network and community partners through our engagement in:

- Habitat 2.0 and Collaborative Operating Model (COM) Executive Task Force.
- A partnership with Fergus Falls Habitat in planning first in-person Habitat 500 in three years.
- A renewed investment in Habitat Minnesota's Sustainable Building Program with staff support allocated. The program will see continued advancements in FY23.



A Message From Habitat Minnesota

This past year, Habitat Minnesota kicked off our new strategic plan centered on four priorities in pursuit of our mission to bring people together to build homes, community, and hope while advancing the work of Minnesota's Habitat for Humanity affiliates. These priorities guide our work, and here are a few we're most proud of this year:

Deepen Habitat's impact in strengthening communities

Habitat for Humanity in Minnesota saw a year of challenges through continued supply chain issues, cost increases, and labor shortages; yet, affiliates around the state continued to build homes. Some were able to provide more affordable homeownership opportunities than in past years, others saw an increase in ReStore revenue, and others added staff capacity to their teams. Habitat Minnesota's technical assistance, networking and coaching opportunities, and funding programs support these advancements in the affiliate network.

Optimize the Habitat affiliate network

Habitat Minnesota continues to connect affiliate staff every month for idea sharing, resource connections, and leadership development. We've heard from leaders around the state that these regular connection opportunities, and other advancement activities we provide, have led folks to feel part of a bigger network, innovate and redesign their own programs, and to always have a "go-to partner" for questions and learning opportunities. An optimized network means everyone has a connection and a partner in this work, and Habitat affiliate leaders have that because of our work together.

Be a bold voice for affordable homeownership.

Habitat Minnesota took on a bold legislative agenda in 2022, seeking investments in affordable homeownership at deeper levels than ever before. We supported affiliates in their pursuit of securing American Rescue Plan Act resources in their local communities, and we're happy to report that affiliates in Brainerd and Winona were able to do so. We also made strides in educating our lawmakers about the importance of community development financial institutions (CDFIs) and nonprofit lenders, setting us up to continue efforts to secure an investment in 2023. Additionally, our efforts to educate and train affiliate leaders on the importance of advocacy at all levels have led to innumerable conversations statewide about the need for workforce and affordable homeownership. We're excited to see long-term outcomes of this work in the coming years.

Advance organizational resilience and sustainability.

Habitat Minnesota continues to celebrate community support of Habitat's mission in our state. We're thankful for new philanthropic partners, continued affiliate financial support, long-standing donors, and funding partnerships that affiliates and Habitat Minnesota have with varying levels of government. We also celebrate the recent Minnesota Housing awards that total more than \$600,000 to create new affordable homeownership opportunities around the state.

While 2022 was not without its new challenges, we look back on the last year with appreciation for community support of our work. Our four strategic priorities continue to be a road map, and Habitat Minnesota is set on a firm foundation to continue our pursuit of closing the racial disparities in homeownership and living out the vision where everyone has a safe, stable, and affordable place to live. We hope you are inspired to join us in this effort. If you have any questions, please reach out at any time.

With deepest gratitude,



Cristen Incitti, President & CEO



FY22 Board of Directors

Aubrey Albrecht, MN Multi Housing Association	Vincent Henry, Edina Realty
Bret Busse, <i>Vice Chair</i> , Fathom Consulting	Geri Hickerson, Northwoods Habitat
Mary Jayne Crocker, Bridgewater Bank	Emma Kasiga, Old National Bank
Katie Cumming, Winthrop & Weinstine	Jill Kiener, Excelsior Group
Deb Flannery, <i>Treasurer</i> , Evernorth	Cathy Lawrence, Twin Cities Habitat
Doug Gettle, Community Member	Ruth Lunde, Community Member
Marjorie Grevious, Temple Within	Jim Nelson, Lake Agassiz Habitat
Julie Gugin, <i>Chair</i> , MN Homeownership Center	Kevin Pelkey, <i>Secretary</i> , Lakes Area Habitat
Mike Haley, Community Member	Grant Piller, Piller Financial Group

Current Staff

Susie George, Administrative Assistant & Office Manager
Jeru Gobeze, Advocacy Director
Phil Hatlie, Lending Programs Consultant
Dawn Hill, Loan & Grants Coordinator
Cristen Incitti, President & CEO
Brianna Jonas, Public Relations & Content Creation Specialist
Kaitlyn Meyers, Communications & Events Project Manager
Becca Seidel, Loan & Grant Portfolio Director
Kristin Skaar, Director of Advancement
Wiwin Suryani, Capitol Pathways Intern
Diverge Finance Team, Vice President of Lending & Finance

In memory: In September of 2021, Susan Thompson, longtime Habitat Minnesota *Loan & Grant Program Director*, passed away. Staff continues to find ways to honor her legacy with Habitat.

Photo Credits

Page 1: North Saint Louis County Habitat and Habitat Minnesota
Page 2 (Left to Right): Douglas County Habitat, Twin Cities Habitat, and Herb Lindsay
Page 3 (Top to Bottom): Habitat Minnesota and Rice County Habitat
Page 4 & 6: Habitat Minnesota

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