**Habitat for Humanity of Catawba Valley**

**Board of Directors’ Meeting**

**July 25, 2022**

**Devotion –** Tina Morgan

**Adoption of Agenda** — Rodney Garren

**Consent Agenda:**

Items are considered routine by the Board of Directors and will be enacted by one motion. There will be no separate discussion of these items unless requested by a member. The item will be removed from the Consent Agenda, then added to Action or Informational Items.

1. Minutes from May and June Board Meetings
2. Staff Reports

3) May and June Financial Reports

**Action Items:**

1. 2022-23 Budget Presentation (15 min) Doug Dickson/Mitzi Gellman
2. Selection Committee Recommendations (10 min) Margaret Pope/Andrew Isola

**Informational Items:**

1. HITK Update (5 min) Development Staff
2. Strategic Planning Preparation (15 min) Jenna Ross/Meg Spivey
   1. Habitat Brand, Mission & Vision
   2. Stakeholder Survey (to date)
   3. What’s Next – Orientation to Retreat
3. Homeowner Selection Policy (10 min) Family Services Staff

**Upcoming Events:**

November 10 - Home is the Key

**Next Board Meetings/Events:**

August 22

August 29 & 30 – Strategic Planning Retreat

**Habitat for Humanity of Catawba Valley**

**Board of Directors’ Meeting**

**May 23, 2022**

**Members Present:**  Jim Benton, Doug Dickson, Scott Echelberger, Rodney Garren, Lori Greveling, Frances Hilton, Ander Horne, Graham Hunsucker, Gerry Knox, William Pleasant, Margaret Pope

**Members Not Present:** Tara Bland, Bill Burnham, Pat Jones, Charlotte Williams

**Staff Present:** Mitzi Gellman, Jeff Mingus, Tina Morgan, Melissa Neal, Lynn Nelson, Derek Ross, Jenna Ross, Meg Spivey

**Welcome**

There being a quorum, the May meeting of the Habitat for Humanity of Catawba Valley Board of Directors was called to order by Board President, Rodney Garren, at 12:04 pm. Due to COVID-19, a hybrid of in-person and zoom Board meeting was held.

Mitzi Gellman welcomed and introduced the new Development Director, Meg Spivey.

**Devotion**

Tina Morgan, Director of Homeowner Services, led the devotion sharing Romans 15:5-7 and 1 Cor. 12:12-14 followed by prayer.

**Adoption of Agenda**

Upon a motion by Frances Hilton and second by Jim Benton, the Board unanimously adopted the May Agenda.

**Consent Agenda**

The Board adopted the Consent Agenda of the April Board Meeting Minutes and the April Financial Reports by a motion from Lori Greveling and second by Gerry Knox without dissent.

**Informational Items**

* Overview of Strategic Planning Process:
  + Mitzi Gellman, Executive Director, discussed the creation of a new Strategic Plan. The staff is currently working on the Plan and will continue this work over the next few months then present the information to the Board at the scheduled August Strategic Planning Retreat. The goal is to: do more, do it well, and do it faster.
  + Jenna Ross, Community Outreach Coordinator, shared the Plan will be an evidence-based structure with high engagement/participation. She presented the timeline and next steps:
    - At the next Board Meeting scheduled for June 27, we will have an extended meeting to do a SWOT (Strengths, Weaknesses, Opportunities, and Threats) analysis along with looking at our achievements – we want to look at where we have been and where we want to go.
    - August 29 & 30, Strategic Plan Retreat to include workshops to assist with development of the Plan.
    - Funding for Good will compile the processes and steps to create the finalized Strategic Plan.
* Rodney Garren made a request to outgoing board members to remain on the Board through the completion of the Strategic Plan process (through August/September).
* Home is the Key Preview – Lynn Nelson, Development Assistant, updated the Board on their current standing with the 2022 HITK event scheduled for Thursday, November 10, 2022. Currently we have 12 confirmed sponsors. Continuing to follow-up with prior sponsors. To date, the event will be a hybrid model of in person/virtual. Lynn asked the Board to assist with confirming new Table Captains within their sphere of influence and reaching out to past sponsors. HITK serves as outreach, stewardship, and engagement arm of Habitat.
* Staff Reports – Executive Director’s Report, Mitzi Gellman gave updates on:
  + The administrative office acquisition stating a commercial inspection should be completed this week;
  + the owners of the Charolais, The Cranford Family, have secured an architect who is evaluating the building for proposed renovations;
  + Investment Strategy/Policy – HFHI led discussion groups for affiliates that received a gift from MacKenzie Scott. Habitat International announced plans to release a proposed investment strategy to affiliates;
  + the Hunt house (blue abandoned home Habitat acquired) in Ridgeview was torn down last week;
  + awaiting a closing date of The Rhyne house (last, white abandoned house); and
  + the First Baptist Church of Hickory is sponsoring a home in Ridgeview in honor of Frances Hilton in which Habitat will use The Malone house plans.
  + Mitzi Gellman also announced budget review meetings for the Board to be held on June 7 at 12:00 noon and June 16 at 5:00pm.

**Action Items**

No Action Items

**Adjourn**

Upon a motion to adjourn the meeting by Francis Hilton and with all in favor, President Rodney Garren adjourned the meeting at 12:44 pm. The next Board Meeting/Strategic Planning will be held on Monday, June 27 from 11am – 2 pm (lunch provided). Upcoming events: July 25 Board meeting, FY2022-23 Budget Presentation and August 29 & 30, Strategic Planning Retreat

**Habitat for Humanity of Catawba Valley**

**Board of Directors’ Meeting**

**June 27, 2022**

**Members Present:**  Jim Benton, Tara Bland, Bill Burnham, Doug Dickson, Scott Echelberger, Rodney Garren, Graham Hunsucker, Pat Jones, Gerry Knox, William Pleasant, Margaret Pope

**Members Not Present:** Lori Greveling, Frances Hilton, Ander Horne, Charlotte Williams

**Staff Present:** Mitzi Gellman, Francisco Gonzalez, Richard Greathouse, Ben Haber, Andrew Isola, Adam Lund, Jeff Mingus, Tina Morgan, Melissa Neal, Lynn Nelson, Derek Ross, Jenna Ross, Meg Spivey, Hannah Yost

**Special Guests:** Marie Palacios**,** Mandy Pearce – Funding for Good

**Welcome**

The regular scheduled June Board Meeting was utilized as a Strategic Planning Session held at Habitat CV Administrative Offices, 772 4th Street SW Hickory from 11:00am – 2:00pm. A quorum of board members was present at the Board Meeting/Strategic Planning Session.

Marie Palacios, Funding for Good, led the Board and staff into an active process of strategic planning.

**Informational Items**

Mitzi Gellman, Executive Director shared the following information:

* Updated the board on closing date change for the purchase of the Bailey House (originally set for September 2022, updated date is July 2022). This is due to rising interest rates. Once purchase is complete, we will lease the space to the current tenants from July -September 2022.
* The Cranford’s will purchase the current Administrative Offices at 772 4th Street SW Hickory by December 31, 2022.
* The ReStore has an opportunity to purchase new furniture for resale at a discounted price.

**Action Items**

Bill Burnham made a motion to approve spending $50,000 for the ReStore to purchase furniture with a second by Scott Echelberger. With all in favor, the motion was approved.

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1. **May and June Financial Reports (Separate Attachment) – Doug Dickson**
2. **Staff Reports:**

**Habitat “New Construction” Report**

**Derek Ross June 2022**

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Community Outreach

Jenna Ross – June Board Report

Capacity Building

* Staff Development:
  + Orientation & mission training with Development Director
  + Planning, programs, and procedure onboarding for Development Director with Development Team
  + Repair transition training session
  + Mission, Principles and Strategic Direction trainings for staff in preparation for Strategic Planning
* Strategic Planning:
  + training & planning meetings with consultants
  + preparation for SWOTA workshop
  + finalized stakeholder list and strategy for engaging
  + formatted and distributed Stakeholder Feedback Survey
* HFHI trainings
  + Affiliate Network Juneteenth Celebration
  + Closing the Racial Homeownership Gap
  + Advancing Black Homeownership Through Policy and Systems Change

Messaging & Media

* Invitations for Richard’s Retirement Party
* Stakeholder feedback survey & accompanying email campaign

Outreach

* NAACP Equity & Inclusion Task Force – Housing Committee Liaison
  + 6/3, 6/6, 6/9, 6/10, & 6/27– led Housing Committee Meetings

Catawba Valley Housing Fair – Lead Planner

* + - * Led final Housing Fair planning meetings
      * Coordinated final event planning details
      * Final advertising push – yard signs, postcard distribution, banner & poster creation, print mailing
      * Proclamation from City declaring June National Homeownership Month: received proclamation from City Council on 6/7 on behalf of the NAACP Housing Committee, in celebration of National Homeownership Month and the upcoming Housing Fair
      * **6/11 – Foothills Community Housing Fair, 11:00 – 3:00**
        + First annual event
        + Collaborated with Catawba County Juneteenth Celebration to host Opening Ceremonies at the Fair, featuring local civic leaders, a libations ceremony, Exodus Outreach Choir, and a local comedian, and dj
        + 150+ attendees
        + 27 Exhibitors made up of non-profit partners and housing industry professionals
        + 100% anticipated return rate from Exhibitors interested in next year
        + Catawba County Juneteenth Celebration Highlight Reel featuring the fair: https://www.dropbox.com/s/b9lzff9t7unv8gc/finished%20juneteenth%20reel%20.mp4?dl=0
* LiveWell Catawba
  + 6/8 - Executive Committee Meeting
  + 6/21– Board Meeting
* exploratory partnership meeting with GHCCM and FUMC Hickory
* partnership meeting with First Baptist Hickory

Development

* HITK
  + Onboarding Development Director
  + Finalizing theme: Build more. Do more. Serve More. Reaching Higher Ground.
  + Orientation meetings between new videographer and Habitat Partner Families & staff

Volunteers

* Volunteer Hours 6/1 – 6/30:
  + 73 volunteers
  + 635 hours served
    - Watauga Opportunities
    - Catawba Valley Association of Realtors – Realtor Give Back Days

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**Development Report**

**Lynn Nelson June 2022**

**Grant Updates**

* Grants Submitted:
  + Bank of America
  + Big Lots
    - * Grants Awarded
        + Wells Fargo - $10,000 Habitat Repairs!
        + NC Synod Council ELCA (Peeler/Casey Funds) - $6,500 Habitat Repairs!
        + The Bolick Foundation - $10,000 Habitat Repairs!
        + Philip L. Van Every Foundation - $15,000 Habitat Repairs!
        + Kulynych Family Foundation - $20,000 Habitat Repairs!
        + The Leon Levine Foundation - $20,000 General Support
        + Catawba County United Way - $23,000 Habitat Repairs!
        + Beaver Family Foundation - $16,900 Habitat Repairs!
* Grants In Process/Prep:
  + TSH Charitable Foundation
  + The Leon Levine Foundation
  + Publix Super Market Charities – Follow Up Report
* Monthly planning meeting with Amy Clinton, grant writer

**Communication/Donors**

* HITK Sponsorship follow-up calls
* Prepping/Organizing 2022 HITK TC List
* Meeting with Jon & Corey from SalemOne (direct mail appeals)
* HITK Pledge payment reminders
* Lapsed donor phone calls
* Thank you, calls/cards, on incoming donations as needed

**Events**

* Preparation for Richard Greathouse’s Retirement (June 17)
  + Final meeting with Nick Miller (June 3)
  + Prep music, gifts, event lay out, compile RSVPs
  + Complete final headcount, event set-up, and payment

**General**

* Leadership Catawba Lunch & Learn (June 7)
* NewOrg Training (June 16 & 22)
* Habitat Strategic Planning Meeting (June 27)
* Monthly tracking of development planner and mail appeals
* Monthly Financial Reports

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**The ReStore Report**

**Jeff Mingus June 2022**

**Donations and Sales –** Sales $84,516.18 (Total sales plus scrap runs) Round Up Change $175.20 Transactions 2754 Avg. Sale $30.43. Approximately 2.5% decrease compared to last year same month.

This month’s big donation and inventory news: purchased product has arrived. Thank you for approving a budget line to purchase. Stone & Leigh, an upholstery and case good manufacturer out of Morganton had some great deals and discounts on sofas and loveseats. Brand new items available in store or online.

Next, a great donation from Sutter Street / William Sonoma, probably the best we’ve ever received from them. (19 pieces, mockup samples and floor models)

Please help us grow the ReStore by sharing contacts and making introductions. Thanks.

**Staff/Volunteer Needs** – Are you part of a social organization that needs to hear the ReStore message? Contact Kristi and we’ll set something up. <https://habitatcatawbavalley.org/restore/volunteer/>

* Cashier: Tuesday AM/PM, Thursday PM, Saturday AM/PM
* Fabric: Our lead, Teresa, is leaving soon. Open time slots all week.
* Greeter: Saturday AM/PM
* Receiving/Pricing: Tuesday AM
* Custodian (General Cleaning/Store maintenance): Friday AM/PM
* Warehouse Receiving/Cleaning: Opportunities open throughout the week
* Online Store (Posting/Inventory) Weekly opportunities open
* Merchandising: All areas Hardware, construction, housewares, and furniture constantly need straightening and display attention.

We’re still looking for a Warehouse keyholder position, full-time with great benefits. Here’s a link with job description and expectations. <https://www.indeed.com/job/warehouse-keyholder-63e3f6e439712121>

**Shop Online –** The ReStore online is growing. It is still a small part of overall sales but people are checking it out regularly. [www.shopcatawbarestore.org](http://www.shopcatawbarestore.org) An easy, safe and comfortable shop from home experience. Browse and add items to your cart then pay online. You will get an email notification when the transaction is complete and ready for pickup. Simply pull around to the warehouse loading area. Show your purchase notification and we will help you from there. Make sure you bring help for loading and the appropriate size vehicle… armoires do not fit inside small cars and loveseats should not ride on rooftops.

Open to the Public Tuesday through Saturday 10am to 5pm. Mondays are workdays for volunteers and staff. Donation Drop offs Monday through Saturday 10am to 4pm Free Donation Pick Ups Tuesday through Saturday Call 828-327-7467 or go online <https://habitatcatawbavalley.org/restore/donate/> to schedule.

**ReStore report (continued)**

**Annual Sales** compared by year and by category. Furniture, the largest revenue stream is split almost evenly between *Better/New* $158K and *Gently Used* $180K. Furniture category also includes *Office* $24K and *Artwork* $23.5K. Lighting is another surprise category. *Lamps/Fixtures* $51K and the *LED (Duke Energy programs) bulbs* $41K.

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Category | FY21-22 | FY20-21 | % Change |  |  |  |  |  |  | Average item value this period | Average item value previous period |  |
|  |  |  |  |  |  |  |  |  |  | $2.34 | $0.00 | 100% |
| **APPLIANCES** | $29,143.87 | $26,644.14 | 9.38% |  |  |  |  |  |  | $70.06 | $67.45 | 3.86% |
| **BOOKS/RECORDS** | $30,549.26 | $23,451.50 | 30.27% |  |  |  |  |  |  | $1.81 | $1.75 | 2.98% |
| **COLLECTIBLES** | $32,084.89 | $37,188.69 | 13.72% |  |  |  |  |  |  | $18.75 | $17.75 | 5.64% |
| **CONSTRUCTION** | $83,489.33 | $72,356.60 | 15.39% |  |  |  |  |  |  | $23.15 | $17.77 | 30.30% |
| **DONATIONS** | $3,834.47 | $7,114.67 | 46.10% |  |  |  |  |  |  | $0.51 | $0.57 | 10.92% |
| **FABRIC** | $9,914.06 | $10,831.92 | 8.47% |  |  |  |  |  |  | $4.50 | $4.44 | 1.29% |
| **FURNITURE** | $386,704.54 | $346,148.49 | 11.72% |  |  |  |  |  |  | $44.58 | $11.32 | 293.90% |
| **HARDWARE** | $117,194.45 | $107,820.26 | 8.69% |  |  |  |  |  |  | $4.77 | $4.63 | 2.99% |
| **HOUSEWARES** | $106,908.27 | $77,143.79 | 38.58% |  |  |  |  |  |  | $2.76 | $2.85 | 3.00% |
| **JEWELRY** | $4,547.64 | $3,720.48 | 22.23% |  |  |  |  |  |  | $2.00 | $3.52 | 43.23% |
| **LIGHTING/ELECTRONICS** | $93,884.30 | $63,087.85 | 48.82% |  |  |  |  |  |  | $4.04 | $3.84 | 5.06% |
|  |  |  |  |  |  |  |  |  |  | $0.00 | $0.00 | — 0% |

**Homeowner Services: Selection and Homeowners-in-Progress**

**Report for Board of Directors June 2022**

The Homeowner Selection Committee met again to discuss home visits and to consider final recommendations for the remaining eight applicants to the Homeownership Program. Many of the applicants display significant need for a safe and affordable housing opportunity. The committee brings their recommendations to the board today.

The Homeownership Program is recruiting new members to the selection committee. When recruiting new members, the Homeownership Program attempts to keep the demographic makeup of the committee as similar to the demographic makeup of Catawba County as possible. The program also attempts to recruit individuals with a variety of professional backgrounds. New committee members are asked to serve a two-year term on the committee. At the end of this time, they can choose to continue service with the committee or move on to other work.

The Homeowner Selection Committee wants to thank Troy Howard for his service to the committee. Troy has served as the chair of the selection committee for about three years. He recently resigned his chairmanship as he has taken a new call to pastor a church in another part of the state. He has guided the selection committee through many difficult decisions. He has led with grace and compassion. We thank him for all he has done for Habitat.

**Homeowner Services: Habitat Repairs!**

**Report for Board of Directors June 2022**

Over the past month, Habitat Repairs! has done one more site visit for the last of our most recent round of applicants; she was accepted, bringing the total new projects to twelve. We have also continued to push along the process of getting scopes of work done and contracts in place for the other eleven of our newly accepted homeowners.

The bigger and more difficult challenge for the past month has been preparing to go forward without Richard. We have worked to be sure that all the bases will be covered and that there will be no gaps in service for our repair homeowners. We have also made plans to pick up the other pieces that Richard has been managing, like the Habitat Partners Program, the Duke Energy/Piedmont Natural Gas grant, and the records that keep us organized and on top of our projects and the funds that make them possible.

While Richard is irreplaceable, we believe that the plans that we’ve made will work well. We’re eager to try our hands at our reapportioned duties, and to see how much good we can do!

**Homeowner Services: Homeowner Support**

**Report for Board of Directors June 2022**

**Delinquency Report**

**Reporting Period as of 7/1/2022 Total Mortgages: 88**

|  |  |  |  |
| --- | --- | --- | --- |
| Delinquent | # Mortgages Delinquent | Arrearage | % Delinquent |
| 1-2 months | 5 | $ 1,841 | 5.7% |
| 2-3 months | 1 | $ 928 | 1.1% |
| Over 3 months | 4 | $ 5,649 | 4.5% |
| Total this month | 10 | $ 8,418 | 11.3% |
| Total 6/1/22, 89 mtgs | 11 | $ 8,456 | 12.3% |
| Total same mo. prior yr: 7/1/21, 94 mtgs | 12 | $ 7,640 | 12.8% |
| Total 1/1/20, 98 mtgs pre-pandemic | 22 | $ 21,492 | 22.4% |
| Jun. 2013, last mo. prior to AMS, 119 mtgs | 12 |  | 10.1% |

**Homeowner Services News**

Our delinquencies are down by one loan this month, in the three or more months past due category.

We now have nine homeowners who we know have applied to NCHAF for COVID related mortgage assistance funded by the American Rescue Plan. Of those nine, three have received funds, one has received word that assistance will be coming, and five are waiting to hear if they will be accepted.

Mee Thao has paid off both of her Habitat mortgages (first mortgage about $36,000; second mortgage about $28,000) and is considering selling her lot in Blue Sky Acres.

The Homeowner Resource Committee has reviewed the drafted Anti-Money Laundering Policy, AML Risk Assessment, and related documents and policies. These are being referred to a local attorney for further review before being brought to the board for approval.

We are reaching completion of the implementation phase of getting the NewOrg database software up and running. Our homeowner information has been uploaded, and we are reviewing the online applications. We are eager to begin using it!

Rosa Bessette, in our older Highland neighborhood, has been harassed by a non-Habitat neighbor. The police have tried to help, but neither they nor Rosa have been able to collect evidence. She has been considering selling her house to get away from him. We have let her know about the market rate house that we may have available in Ridgeview, but Rosa says that she loves her house and is happy to have her mortgage down to only about $4,000. For now, she’s going to stay where she is. We are supporting her with the police and have offered to help with infrared cameras.

Our meeting last month with Lt. Levey of the Hickory Police Department and Carolyn Thompson, long-time resident of Ridgeview, was enlightening. They both spoke passionately about the strength of the community and their appreciation for it. Carolyn said that she’d never had any problems with criminal activity even though she’s lived there for more than twenty years. Lt. Levey said that he feels safer and more comfortable in Ridgeview than anywhere else in Hickory because of the relationships between the community residents and the way that they work with the police. Lt. Levey said that law enforcement statistics show that there is virtually no innocent victim crime in Ridgeview.

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**Action Items:**

1. 2022-23 Budget Presentation Doug Dickson/Mitzi Gellman

(see separate attachment)

1. Homeowner Selection Committee Report – Margaret Pope

***Please be aware that this information is confidential and should be handled accordingly.***

**Action Item 1:** The following individuals were presented to the Homeowner Selection Committee as applicants for the homebuyer program. These individuals were recommended for denial based on their failure to complete the application or to meet the ability to pay guidelines presented in the Homeowner Selection Policy. The HSC has voted to deny these individuals and recommends this decision to the Board. Per HFHI recommendation, *names are not included in the information to the board to lessen the appearance of biased decision making.*

|  |  |  |  |
| --- | --- | --- | --- |
| **Ability to Pay screening** | | | |
| **Applicant Name** | **Household Size with Number of Adults/Children** | **Income as a % of AMI** | **Reason for Denial** |
| Applicant #1 | 6 (2/4) | 63% | Needs 12 months of steady employment |
| Applicant #2 | 3 (2/1) | 71% | Incomplete application |

**Action Item 2:** The following individuals were presented to the Homeowner Selection Committee as applicants for the homebuyer program. The Committee recommends denial of the following applications as they do not meet HFHCV Selection criteria.

**Household of 4 (2 adults/ 2 children)**

The Homeowner Selection Committee reviewed this application and found that the applicants met the income and credit guidelines set forth in the selection policy. However, the background report obtained on the applicants shows two charges that are pending and have not yet gone to trial. The Committee believes this situation presents an unknowable financial instability for the applicants as the applicants could have a disruption to their employment and/or court costs or judgments associated with these charges. Committee recommends application be denied for ability to pay reasons.

**Household of 5 (2 adults/ 3 children)**

The Homeowner Selection Committee reviewed this application at its first meeting and found that the applicants met the income and credit guidelines set forth in the selection policy. However, upon request of additional documentation to assist with the application processing it was discovered that the applicants have not filed income taxes in the past 2 years. The Committee believes this situation will likely result in financial instability, including judgments and/or wage garnishments, for the applicants that could affect their ability to pay a Habitat mortgage. The Committee recommends this application be denied for ability to pay reasons.

**Action Item 3:** The following individuals were presented to the Homeowner Selection Committee as applicants to the homebuyer program. The applicants listed below meet Habitat for Humanity of Catawba Valley’s (HFHCV) selection criteria for ability to pay, need, and willingness to partner. The Homeowner Selection Committee recommends that these applicants be conditionally approved for HFHCV’s Homeownership Program and pre-approved for a Habitat loan. Per HFHI recommendation, names are not included in the information to the board to lessen the appearance of biased decision making.

**Household of 1 (1 adult)**

Employer: N/A; permanent disability income

Annual Income: $21,186.00

Applicant’s Income as a percentage of Area Median Income: 45%

Credit: meets requirements

Consumer Debt to Income Ratio: 24% (back end)

Current Rent: $500.00/ month (28% of monthly gross income)

Need: Poor air quality, problems with mold, inadequate space

Willingness to partner: meets requirements

**Household of 4 (1 adult/ 3 children)**

Employer: Hickory YMCA

Annual Income: $23,896.72

Applicant’s Income as a percentage of Area Median Income: 35%

Credit: meets requirements

Consumer Debt to Income Ratio: 24% (back end)

Current Rent: $500.00/ month (25% of monthly gross income)

Need: Inadequate space, temporary housing

Willingness to partner: meets requirements

**Household of 5 (2 adults/ 3 children)**

Employer: PDQ Restaurant

Annual Income: $29,500.19

Applicant’s Income as a percentage of Area Median Income: 41%

Credit: meets requirements

Consumer Debt to Income Ratio: 35% (back end)

Current Rent: $250.00/ month (10% of monthly gross income)

Need: No heat/ AC, problems with pests, structural issues, inadequate space, unsafe neighborhood

Willingness to partner: meets requirements

**Household of 2 (1 adult/ 1 child)**

Employer: Cintas

Annual Income: $35,016.00

Applicant’s Income as a percentage of Area Median Income: 65%

Credit: meets requirements

Consumer Debt to Income Ratio: 33% (back end)

Current Rent: $875.00/ month (30% of monthly gross income)

Need: Structural issues, unsanitary conditions

Willingness to partner: meets requirements

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**Informational Items:**

1. HITK Update (5 min) Development Staff
2. Strategic Planning Preparation (15 min) Jenna Ross/Meg Spivey
   1. Habitat Brand, Mission & Vision
   2. Stakeholder Survey (to date)
   3. What’s Next – Orientation to Retreat
3. Homeowner Selection Policy (10 min) Family Services Staff

**Homeowner Selection/Mortgage Origination Policy Revisions**

The Homeowner Selection Committee presents the newly drafted Homeowner Selection/Mortgage Origination Policy to the board for approval. (The policy is presented separately; please read the introduction below first.)

**Introduction to Homeowner Selection/Mortgage Origination Policy Draft**

This policy draft is a modified template from HFHI for US Habitat affiliates. Habitat affiliates must operate within the existing guidelines set forth by federal and state mortgage lending regulations. Therefore, much of this template that cannot be changed (see attached appendices). Highlighted sections are areas that can be changed to reflect the situations and needs of Habitat Catawba Valley.

As recommended by HFHI this policy draft has been reviewed by a local attorney (Tom Hannah) who is familiar with our state’s laws. Tom Hannah has reviewed and replied, “I see no problems with the policies and procedures.”

This policy draft includes several changes (from our current Homeowner Selection Policy) that will acceptance of a greater percentage of applicants.

These changes include:

* A new structure for conditional acceptances, allowing more people an opportunity to repair credit issues or debt load while in the program.
* A variety of changes to “acceptable debt”, which may allow the acceptance of more applicants without significant increase in the risk of mortgage default and, by extension, risk to Habitat Catawba Valley’s bottom line.
* Changes to Habitat Catawba Valley’s previous residence requirements; and
* Changes to the minimum income guidelines. The policy draft sets these guidelines at the same percentage of AMI for all household sizes. (The current minimum income required was based on the board specified maximum amount of subsidy; the change respects that maximum amount but structures the income requirement differently.)

The Homeowner Selection Committee (HSC) and Homeowner Services staff have considered this policy template carefully and at length to shape it to meet our affiliate’s needs. Our intent is to “broaden the funnel”: making it as wide as possible while still staying within federal and state mortgage lending laws *and* funding partners’ requirements. This move will increase the number of eligible applicants providing the opportunity to buy a Habitat home.

Federal and state mortgage lending law and our funding partners require that Habitat Catawba Valley (as lender and/or partner) prove that each accepted applicant has a likelihood of paying off a proposed mortgage loan. Lending law makes this standard concrete with mandated income and debt load formulas. This standard is met by collecting and maintaining documentation that proves an applicant’s acceptable income, credit history, and debt load.

This is one of the great pain points for Habitat affiliates: within the income range that we serve\*, only a small percentage of individuals can keep their credit history acceptable and their debt load low enough to meet the mandated proof of readiness to take on a mortgage loan. Another limiting factor to reach more applicants is Habitat Catawba Valley’s maximum acceptable income is determined by our funding partners’ requirements. Our minimum acceptable income is determined by the board approved highest allowable subsidy amount that will allow the affiliate to remain sustainable.

The selection policy changes reflected in this draft will allow acceptance of a greater percentage of applicants. However, the underlying dilemma hasn’t changed: most individuals in our income range do not have the required credit history and minimal debt load that allows them to take on a mortgage loan. This systemic problem means that, even with these changes, we will very likely still have to deny many more applicants than we can accept.

This is the heartache that underlies each selection round. We all hurt over each denial. Habitat talks about decent shelter for all but serves only a small handful. We have tried to change the equation as far as possible to accept more applicants, but it is ever clearer that homeownership cannot provide the answer to decent shelter for all. If we really want to meet the housing needs of most of our applicants, we’ll need new programs that meet them where they are and help them move forward into progressively better housing opportunities.

\*Habitat Catawba Valley’s maximum acceptable income for most household sizes is below the Self Sufficiency Standard for Catawba County.

**Upcoming Events:**

**Next Board Meetings:**

August 22 – Board Meeting

August 29 & 30 – Strategic Planning Retreat