



Habitat
for Humanity®
of Minnesota

Fiscal Year 2023 Annual Report

July 1, 2022 - June 30, 2023



habitatminnesota.org

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Social media, website rebuilds, and more! Find your preferred way of staying connected.





At a Glance



271

Households partnered
with Habitat in
Minnesota in FY23



3,200+

Households partnered
with Habitat in
Minnesota since 1986



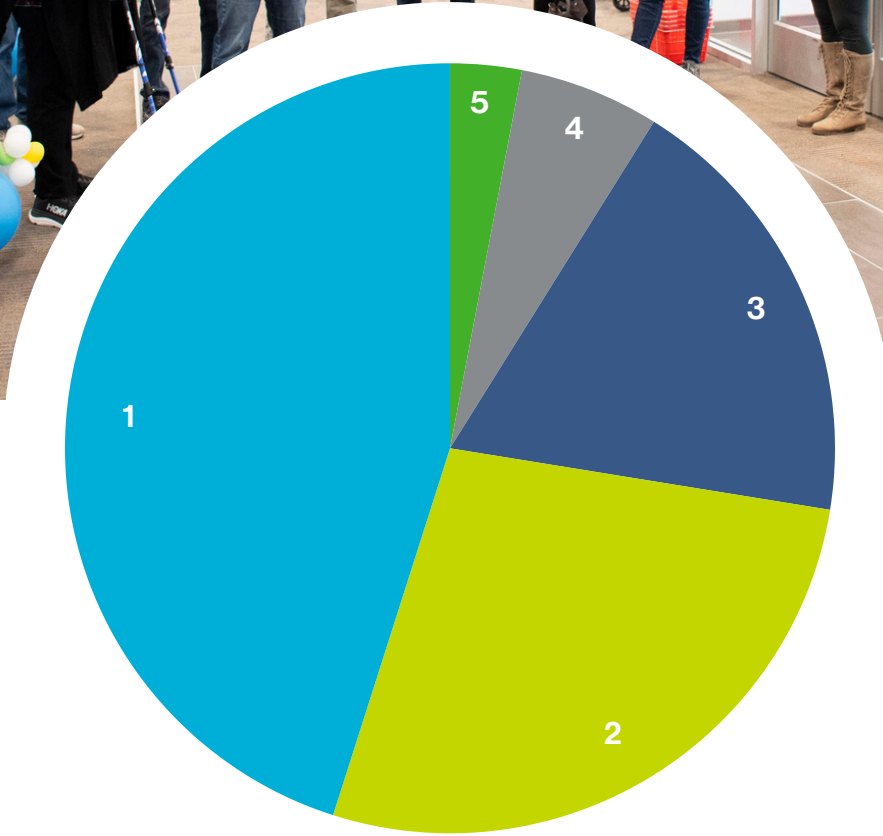
59

Minnesota
counties served

International Support

Habitat Minnesota tithed \$21,362 to the Orphans and Vulnerable Groups (OVG) Fund. The OVG Fund provides 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.

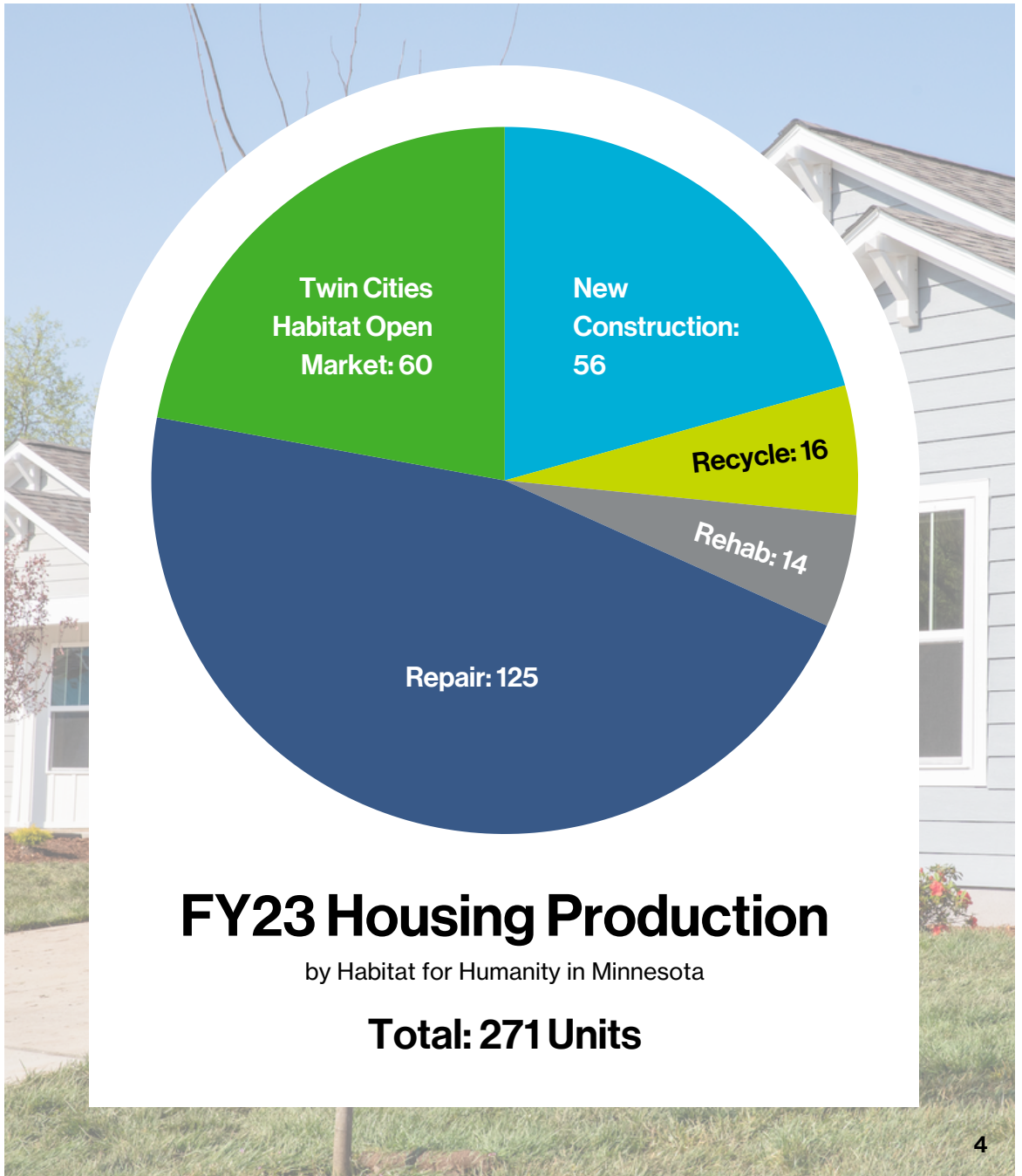
In FY23, the OVG Fund tithes will support programs in Jordan, Lebanon, Lesotho, Malawi, Mexico, and Myanmar.



FY23 Funds Distributed

- 1** 2020 Second Mortgage Down Payment Assistance (DPA) Funds: \$2,060,000
- 2** Other Affiliate Loans: \$1,250,000
- 3** 21st Century Loan Fund: \$853,000
- 4** Statewide Fundraising: \$269,145
- 5** Recycled Impact Funds: \$136,850

Total: \$4,568,995



FY23 Housing Production

by Habitat for Humanity in Minnesota

Total: 271 Units

Our Programs

Habitat for Humanity of Minnesota programs all support our four strategic priorities: deepening Habitat's impact in strengthening communities, optimizing the Habitat affiliate network, being a bold voice for affordable housing, and advancing organizational resilience and sustainability.

Lending & Grants

FY23 saw a drastic increase in lending over the previous five fiscal years. With Minnesota home prices increasing steadily, the need for down payment assistance (DPA) also increased. As such, Habitat Minnesota's down payment assistance program has continued to grow in popularity and demand since it began in FY20. Habitat Minnesota received additional capital in FY23, resulting in an increased ability to lend. We received and deployed the second half of our \$1,000,000 CDFI Rapid Response Fund award. In addition, some loan prepayments received over the last few fiscal years were redeployed back into the affiliate network.

- 21st Century Loan Fund: \$853,000 was disbursed in 0%-interest construction capital to six affiliates.
- 2020 Second Mortgage Down Payment Assistance Program: \$2,060,000 in DPA Funds were disbursed to 80 first-time homebuyers.
- Other Affiliate Loans: \$1,250,000 was disbursed to three affiliates via CDFI Rapid Response Funds and a ReStore loan to build organizational capacity.
- Recycled Impact Funds: \$136,850 in recycled Impact Funds for homeowner affordability gap support was disbursed to two affiliates.

Program Highlight: We increased our lending in one year by just over \$2.5 million, from \$1.6 million to \$4.1 million, or a 150% increase in lending.



Homeowner Highlight

An unexpected illness left Desiree Thoenke using a wheelchair and living in a rehabilitation facility, hours away from her children. By partnering with Lakes Area Habitat, Desiree purchased a fully accessible home that meant she had a safe and affordable place to live, and her family was reunited. Habitat Minnesota supported the project with down-payment assistance (DPA) funding.

Lakes Area Habitat later moved their office and ReStore into a larger space. Habitat Minnesota supported the move with a short-term loan. Their new space will help the affiliate meet its goal of doubling housing production so more families like Desiree's will have a home.



Homeowner Highlight:

Diona, a single mom to three kids, struggled to find her own space after moving back to Minnesota to be near family. A friend encouraged her to apply for a Fergus Falls Habitat home. "To get to a point where I can have the dream of owning my own home was beyond me," she shared.

Diona's home was completed in December of 2022, aided by Habitat 500 Bike Ride funds and volunteers. A total of \$57,585 was raised for Fergus Falls Habitat through the Habitat 500.



Fundraising

McKnight Foundation: In July 2022, Habitat Minnesota secured our largest multi-year operating grant of \$300,000 over two years.

Otto Bremer Trust: In December 2022, Habitat Minnesota was awarded \$90,000 from the Otto Bremer Trust, continuing our ongoing support from the Trust.

Re/Max Results Partnership: In its second year, Re/Max Results Foundation provided volunteer support and \$30,000 in funding for four Habitat affiliates and Habitat Minnesota.

Habitat 500 Bike Ride: Habitat Minnesota, in partnership with Fergus Falls Habitat, hosted the final Habitat 500 in July 2022. Eighty-one in-person and 37 virtual riders, along with staff and volunteers, came together for the first in-person Ride since 2019. \$247,300 was raised to support Habitat for Humanity around the state, country, and world. Overall, the event has disbursed more than \$5.8 million since 2002.



Sustainable Building

Building a Foundation: Until his departure in November 2022, Sustainable Building Director Zach Hallett visited and surveyed affiliates to learn more about their sustainability and construction needs.

The hiring of a new Sustainable Building Director, Jeremy Beier, in March 2023, will lead to further program investments in FY24.

Jeremy spent his first few months building relationships with Habitat staff around the state, researching new sustainability initiatives, and exploring construction material purchasing.



Advocacy

Our advocacy includes statewide coordination, connecting affiliates to local leaders, and coalition work. FY23 saw the expansion of our advocacy program with the hiring of full-time Advocacy Director Jeru Gobeze! Accomplishments from the year included:

- Historic State Investment: The state legislature passed over \$1 billion for housing.
- Minnesota Community Development Financial Institution (CDFI) Coalition: Habitat Minnesota co-led the development of the MN CDFI Coalition, hosting the first convening, designing the first legislative agenda, and coordinating a Hill Day.
- Lawmaker Learning: Habitat Minnesota, MinnCap, Homes for All, and the Minnesota Consortium of Community Developers (MCCD) hosted an Affordable Housing 101 session for lawmakers.
- The creation of the new Homeownership Investment Grants Program secured \$40M in new funding at the state legislature for affordable ownership programs.
- Cristen Incitti testified multiple times to the Minnesota legislature on behalf of homeownership priorities. She also testified in North Dakota and Texas on behalf of bills led by Habitat in those states.
- In partnership with the Citizens League, Habitat Minnesota hosted their second Capitol Pathways intern, Wiwin Suryani, for the legislative session.

Advocacy Events:

- Start with Home Rally: Habitat Minnesota co-hosted a gathering of housing advocates from around the state at the Minnesota State Capitol in January 2023.
- Habitat on the Hill DC: In February 2023, 14 advocates from Habitat offices in Minnesota joined hundreds of other Habitat supporters to advocate nationally for affordable homeownership.
- Habitat on the Hill MN: In April 2023, more than 100 Habitat supporters, including nine Minnesota affiliates, gathered at the Minnesota State Capitol to meet with legislators and rally around affordable homeownership.

Homeowner Highlight:

In 2010, Becky Zoubeck partnered with Rice County Habitat to build and purchase her home. The security of her Habitat home allowed her to go back to school.

Becky spoke at the Capitol during the Start with Home Rally, urging legislators to prioritize housing funding and support.



Training & Technical Assistance

Training: includes leadership development, compliance, orientations, weekly webinars, and monthly networking calls

Technical Assistance: includes support on mortgage origination, fundraising, policy application, and board development.

- **Qualified Loan Originator (QLO) Training:** 33 attendees from 21 affiliates
- **Executive Director Orientation:** 1 new leader training held
- **Networking Webinars:** 10 webinars with over 200 attendees
- **Technical Assistance:** All 25 affiliates received assistance
- **Affiliate Visits:** Staff visited 18 affiliates around the state
- **Networking Calls:** 58 calls on five topics, open to all affiliates
- **Executive Director Calls:** 10 calls; every leader attended at least once
- **Affiliate Strategic Planning Support:** 4 affiliates received support

Habitat 2.0 and Collaborative Operating Model support: Disseminated information to and met with Habitat affiliate staff and boards of directors in Minnesota, South Dakota, and North Dakota.

Executive Director Gathering & Excelsior Homes Tour: Affiliate leaders gathered in Hutchinson, MN, for a day of learning, followed by a tour of modular homes at Excelsior Homes.

Minnesota Statewide Conference

For the first time since February 2020, the statewide conference gathered staff and volunteers in person in Farmington, MN.

At a glance: The conference included over 100 attendees, 28 breakout sessions, and two keynote plenaries. Trainings were led by affiliate leaders, Habitat Minnesota staff, Habitat International staff, and local experts.

Attendee Highlights:

“I loved meeting Habitat staff from across Minnesota and beyond! Getting to know them and seeing their passion for our work was so fun. I learned many skills and strategies I can apply to my job.”

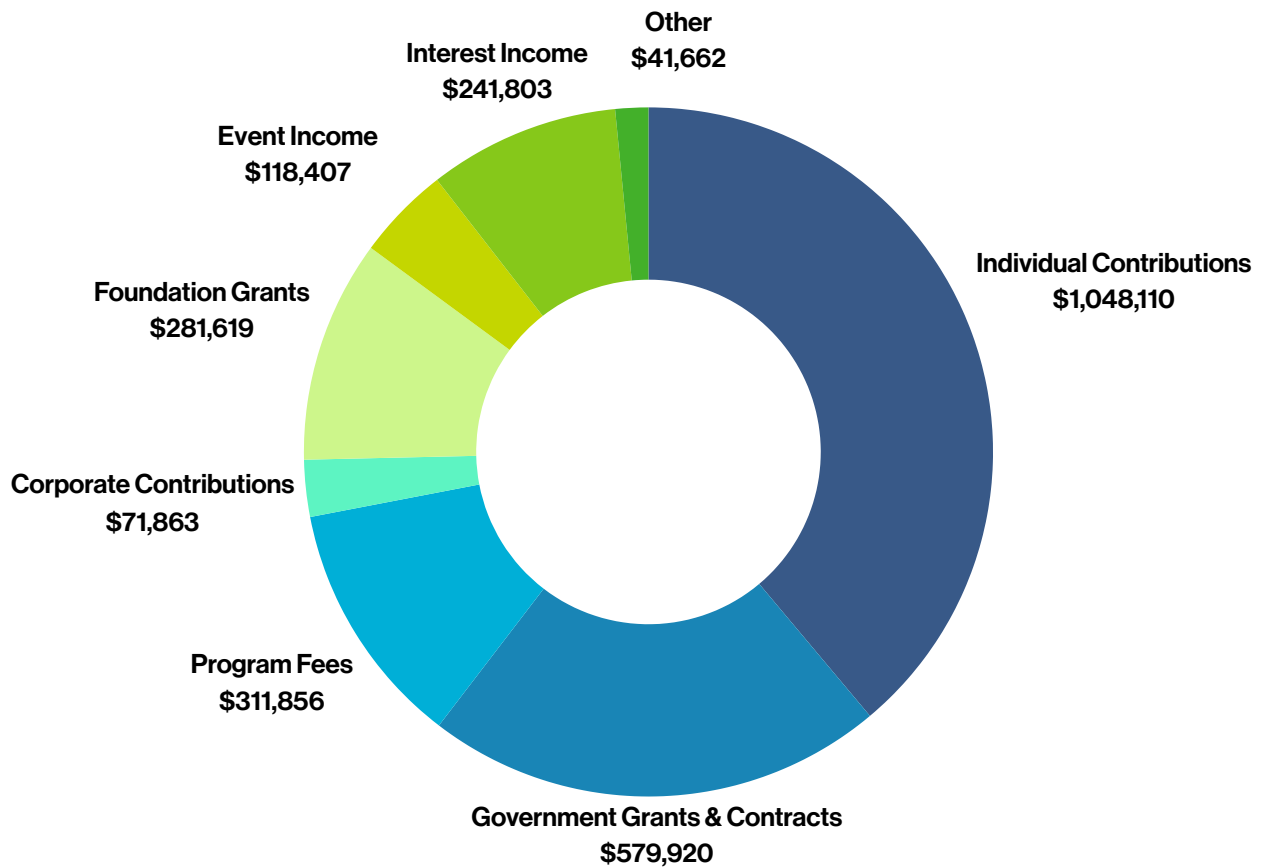
“I love having time to connect with others and learn from those who have similar experiences or work they are doing. I enjoy the atmosphere of all Habitat together.”



Financial Snapshot

Fiscal Year 2023 ended with a positive net balance. Total unrestricted income, which includes interest income, program fees, and contributions, was \$2,695,230. Operating income exceeded operating expenses by \$1,531,031. At fiscal year-end, Habitat Minnesota showed total assets of \$36.5 million, total liabilities of \$32.2 million, and net assets of \$4.3 million.

FY23 Sources of Revenue



As a Community Development Financial Institution (CDFI), Habitat Minnesota puts the community first and values local economic growth. CDFIs are mission-driven financial institutions. To become a certified CDFI, the financial institution must have a primary mission of promoting community development; provide financial products and services; serve one or more defined low-income target markets; maintain accountability to the community it serves; and be a legal non-governmental entity.

A Message from Habitat Minnesota

Two years ago, Habitat Minnesota embarked on our new strategic plan to deepen Habitat's impact in strengthening communities, with our values – racial equity, leadership, community, and growth and resilience – at our center. This past fiscal year, Habitat Minnesota led through our second year of sustainable growth by creating new lending and grant programs, hiring new staff to build our Advocacy and Sustainable Building Programs, expanding our training and education offerings, and collaborating with our peers across the region.

We have seen the impact of this growth create ripple effects in Minnesota communities. Some key accomplishments that highlight the importance of growth include deploying more than \$4.5 million in capital to nearly every corner of Minnesota; partnering on the Start with Home Rally and the Minnesota CDFI Coalition inaugural Hill Day; launching strategic planning support for affiliates in our region; and expanding our services to include sustainable building expertise.

Our successes in FY23 were not created alone; we thank the affiliates who collaborate with us for their trust, engagement, and support. We are deeply grateful for the support of our philanthropic partners, who value the role of an intermediary organization. Finally, we are stronger with our peers; in short, we cannot do this work without our community partners.

We say this every year, but it remains true: Habitat's mission requires every community member, and we are thankful for the gifts, partnerships, true collaboration, and joint commitment given to this work. Habitat Minnesota continues our pursuit of closing the racial disparities in homeownership, led by our four strategic priorities and values, as we move toward a world where everyone has a safe, stable, and affordable place to live.

As you read this report, we hope you are inspired to join us in this effort, and if you have any questions, please feel free to reach out anytime.

Sincerely,



Cristen Incitti, President & CEO





Current Staff

Jeremy Beier, Sustainable Building Director
Jeru Gobeze, Advocacy Director
Phil Hatlie, Finance Director
Dawn Hill, Lending & Grant Program Coordinator
Cristen Incitti, President & CEO
Valerie John-Joseph, Lending Director
Brianna Jonas, Public Relations & Content Creation Specialist
Ambar Larsen, Lending & Grant Program Specialist
Kaitlyn Meyers, Education & Research Manager
Devon Pohlman, Lending Strategies Director
Becca Seidel, Deputy Executive Director
Kristin Skaar Newbauer, Director of Advancement

Our newest staff members



Jeremy Beier



Ambar Larsen



Valerie John-Joseph



Devon Pohlman



FY23 Board of Directors

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



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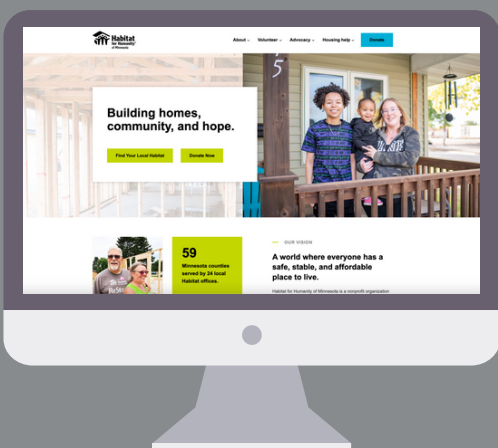


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Check out our new website:



www.habitatminnesota.org



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