CEO Transition: Thank you Sandy!

A Reflection on Service by Sandra Pearson

June 2022

It’s time. The day has come for me to pass the baton to my successor. Like you, I can’t wait to meet our new CEO and do all I can to support the success of Habitat for Humanity of Michigan and the leader of this awesome ministry. With Thom Phillips also starting a new chapter, my time with the ministry has come full circle. Thom was the first new position I hired soon after I had joined Habitat for Humanity of Michigan as Chief Operating Officer in 2008. I loved Thom’s passion and we have been great partners and advocates of the people we serve and the environment.

I did not join Habitat for Humanity to be the CEO. Our founder, Ken Bensen, believed in me and promoted me as his successor to carry out the strategic priorities of the state, represent all affiliates, and be a voice for the mission while staying centered on faith and the people and families we serve. It has been an honor and pleasure to serve the past 14 years with Habitat for Humanity and 30 years in affordable housing. I have had the most blessed, enriching experiences. As I reflect upon all of the builds, the home dedications, the ReStores, the leadership and expansion of our mission into health, safety and energy efficiency building and repairs, financial coaching, pre and post purchase counseling, lending lines of business, global and local advocacy, the mortgage company now known as Affiliate Mortgage Services, what is most meaningful is the relationships and awesome experiences. I have learned that when you create relationships, relationships create trust and trust creates progress. Being a friend and colleague of this great mission group is the honor of my life. You are all passionate, thoughtful, hard-working, and spiritually generous people. Together, anything is possible.

It’s been my honor and pleasure to work with the best teams of people and board members and I can’t thank all of them enough. Special thanks goes out to the search committee and the great deal of time and care they spent in selecting our new leader. I look forward to continuing my relationships with all of you and entering into a discovery phase of what’s next for me. I’m always easy to find.

In Service,

Sandra A. Pearson
President and CEO
Habitat for Humanity of Michigan
“Housing matters and if we don’t get this right, nothing else works.”

Sandra Pearson, President & CEO, Habitat for Humanity of Michigan
Greetings from our new President and CEO

July 2022

I am pleased to join the Habitat for Humanity family as the new President and CEO of Habitat for Humanity of Michigan (HFHM). I am excited to learn Habitat’s systems, operations, etc., and to foster collaborative relationships with each of you. I intend to travel and visit every affiliate, meet your teams, learn about your market(s) and goals, to improve HFHM’s support to affiliates. Please let me know of any upcoming events you have scheduled that might be a good fit for my visit (especially any golf outings!)

I was drawn to this role and this organization because housing is one of the six social determinants of health. My goal is to ensure that the people we serve have access to needed capital by making Fair Lending Services a CDFI and that HFHM is helping affiliates meet their needs. You are welcome to contact me with questions, suggestions, or advice as I learn more about Habitat for Humanity. You can reach me at (517) 485-1006 x111 or by email at jwilliams@habitatmichigan.org.

Thank you,

John M. Williams
President and C.E.O. | HABITAT FOR HUMANITY OF MICHIGAN
The **Priority Home Repair** program takes a holistic and comprehensive “whole-house” critical path approach to address the most fundamental and crucial home repair needs. A general evaluation of the occupant(s) well-being and a full assessment of the house and systems will identify and prioritize the issues that will be addressed in an order of importance and urgency.

**Most Important and urgent repair priorities:**
- Safety | immediate threats of harm or death to family
- Health | threats that may cause harm or death to family with time

In FY22, the PHR program served 115 households (194 adults, 52 children) with an average Area Median Income (AMI) of 37%.
- 23 households included a member who previously or currently served in the military or armed forces
- 60 households included a family member with disabilities

Repairs included: 60 roof repairs or replacements, 21 furnance/boiler replacements, 10 water heater replacements, 17 porch or stairwell safety repairs, and 70 CO and Smoke detector installations, among others.

The homeowners, Mr. Kohler and Ms. Jarvis, were referred to Habitat by Region 9 Area Agency on Aging and Michigan Department of Health and Human Services ILS programs. The homeowners immediately needed a handicap ramp on their home and the front door widened. For almost four years, the local EMS, Fire Department and Police Officers were called out to help get Mr. Kohler out of the home for both emergent and non-emergent care.

“We have been called along with the fire department several time to assist the ambulances with getting Mr. Kohler in or out of his home. Your remodel of the residence and ramp installation will not only lessen our calls for assistance but will also improve the quality of life for Mr. Kohler. On behalf of my Officers and the City Fire Fighters a big thank you to you and your staff and volunteers.”

– Chief Kurt R. Jones, Director of Public Safety for the City of Cheboygan

**funding generously provided by:**

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**PRIORITY HOME REPAIR**

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Disabled US Army Veteran Tyrone Mosley of Detroit lives in a historic home built in 1909, that had serious health and safety concerns, including large scale structural damage causing bricks and parts of the foundation to destabilize, and part of the roof to collapse in. Falling bricks are no longer a concern for Mr. Mosley due to the hard work of our Habitat for Humanity of Detroit team, and funding from the Veterans Housing Rehabilitation and Modification program through Housing and Urban Development, and additional funding through the National Guard Association of Michigan and Repair Corps through Habitat International and the Home Depot Foundation. Projects such as Mr. Mosley’s have helped showcase the incredibly important work our Veteran Build affiliates are doing statewide, and have helped to bring about partnerships such as Coldwell Banker, whom recently presented a check to Habitat Michigan’s Veterans Build program for $10,000 at Mr. Mosley’s home. This past year, Michigan became the #1 state for serving Veterans with home repairs and new builds in the country, beating out Texas and California for the first time in our programs history, having served 142 Veterans. The Housing Assistance Council estimates there are 80,000 or more Veterans in the state of Michigan living in sub-standard housing, so our important work has only just begun!
- Erik Schreur, Veteran Engagement Coordinator, HFHM
“Having the Down Payment Assistance made the closing process worry free. The work was already done! Going into the office to close was not stressful, DPA was very helpful. I am truly grateful.”

- Britney and family

The Michigan State Housing Development Authority (MSHDA) Down Payment Assistance (DPA) Forgivable Loan Program helps homebuyers improve their ability to qualify for mortgage financing by providing up to $12,000 to cover down payment, prepaid expenses, closing costs, and principal reduction and up to $350 reimbursement for certified pre-purchase homebuyer education.

In FY22, the DPA program served 27 households (42 adults, 47 children) with an average AMI of 50%.

- 14 New Home Construction
- 8 Gut Rehabs
- 1 Non-Gut Rehabs
- 4 Recycled Homes

These projects included 18 single-parent households. The families on average served 210 sweat equity hours each. The homes have an average appraised value of $182,107.
HFHM’s **Housing Counseling and Financial Education Program** is certified by the Department of Housing and Urban Development (HUD). We help consumers in Michigan who wish to stabilize their housing and/or become more financially capable. Habitat affiliates who choose to partner with HFHM use these services to help locate and engage with potential partners that are working towards mortgage readiness. Through HFHM’s partnership with NeighborWorks, affiliates may work on their own counseling and coaching certifications. These certifications enable knowledge about best practices in the housing counseling industry, and may help affiliates eventually deliver services directly.

Service Types:
- Home buyer education, coaching and counseling
- Financial education and coaching
- Rental Housing Counseling
- Foreclosure avoidance
- Post Purchase non delinquent support
- Homeless referral services
- Small Dollar Loan program - *new 2021*

1720 total households served in FY22

37 families were able to purchase a home after engaging with housing counseling and financial education services with Habitat Michigan in FY22

**HOUSING COUNSELING AND FINANCIAL EDUCATION**

funding and program support generously provided by:
The **Prison Build Program** is supported by Michigan State Housing Development Authority (MSHDA) to provide Habitat for Humanity families with high quality, handcrafted products at a subsidized cost. Through unique partnership with Michigan Department of Corrections (MDOC), prisoners develop skills that they can utilize when they re-enter society.

In FY21, COVID-19 halted production of products to protect the health and safety of the program participants. MSHDA grant funding was used to supplement non-MDOC products so that cabinets, countertops, and wall packages could still be supplied to affiliates. Now in FY22, production has picked up again and approximately half of all products are built through the program, with remaining half being supplemented by outside vendors.

**Facility Locations & Available Products:**
- Central Michigan | St Louis | Cabinets, Countertops, Wall Packages, Sheds
- Bellamy Creek | Ionia | Cabinets, Countertops
- Richard A. Handlon | Ionia | Cabinets, Countertops
- Marquette Branch Prison | Marquette | Cabinets, Countertops
- Parnall | Jackson | Wall Packages and Sheds

35 Habitat families were served in FY22 through the **Prison Build Program**
Habitat Michigan hosted its second live-stream Affiliates in Motion Conference October 25 - 27, 2021. Affiliate leaders and community partners led 42 learning sessions and networking opportunities, with a keynote presentation by Vu Le, nonprofit blogger, and plenary presentations with Jenifer Acosta on Incremental Development and Kim Trent on the Michigan Poverty Task Force. Approximately 225 people attended from 43 Michigan affiliates. The Awards Ceremony recognized 38 individuals and organizations, including 27 affiliate Volunteers of the Year.

pictured below: Kim Trent, Michigan Department of Labor and Economic Opportunity, left; Vu Le, Nonprofit AF, right
Habitat Michigan’s first virtual **HOMES Summit** was held February 22-24. Construction staff from 33 affiliates attended 11 sessions across two days held on the Zoom platform, discussing topics on Net-Zero Energy Homes, Concrete-Free Foundations, Veteran Repair services, and Carbon Footprint Reduction.

*pictured below: Thom Phillips, Sustainable Housing Director, left; Jessica Halstead, Housing Programs Resource Manager, right*
FISCAL RESPONSIBILITY & FUNDRAISING

**FISCAL RESPONSIBILITY & FUNDRAISING**

**DEBT RATIO**
What percentage of total assets are provided via debt? < .30 is preferred

**SURVIVABILITY**
11 months of operating cash

**LIQUIDITY**
Current assets / current liabilities > 1 is preferred

**FY 22 EXPENSE BREAKDOWN**

- **Priority Home Repair** - 41% $1,351,958
- **Affiliate Services** - 10% $333,401
- **Down Payment Assistance** - 10% $339,871
- **Housing Counseling & Education** - 15% $483,770
- **Management & General** - 8% $250,641
- **Fundraising** - 1% $33,429
- **Sustainable Building** - 5% $176,016
- **Other Programs** - 3% $90,750
- **Prison Build** - 5% $173,969

**FY 22 FUNDRAISING**

- BUDGETED $1,964,400
- SECURED Q1 $1,561,337
- SECURED Q2 $819,219
- SECURED Q3 $1,964,400
- SECURED Q4 $3,268,887

**STRATEGIC PLAN UPDATES & NOTABLE ACCOMPLISHMENTS**

- **July 2021**
  Habitat Michigan staff attend trainings with NeighborWorks consultant on operational efficiency

- **September 2021**
  HFHM releases press release announcing the launch of Fair Lending Services Small Dollar Loan program

- **October 2021**
  HFHM is awarded a $1M grant from HUD to serve Veteran families in housing rehabilitation and modifications

- **January 2022**
  HFHM is awarded $2M from HUD for Healthy Home Production program to address home repairs for 160 low-income residents

- **April 2022**
  Thom Phillips presented a session on Carbon Reduction efforts in sustainable building practices at HFHI’s National Affiliate Conference in Atlanta, GA

- **May 2022**
  HFHM joins MSHDA for Building Michigan Communities Conference, with focus on the new Statewide Housing Plan

- **June 2022**
  HFHM President and CEO Sandy Pearson steps down after 14 years leading the organization

- **August 2021**
  Rock Family of Companies Community Challenge National runs all month of August, raising over $7,000 for HFHM

- **October 2021**
  25th annual live-stream Affiliates in Motion Conference is held Oct 25-27, with theme of Building Hope Together

- **January, 2022**
  HFHM hires Koya Partners to undertake the new CEO search and hire process

- **February 2022**
  Habitat Michigan hosts its first virtual HOMES Summit Feb 22-23 for 90 attendees

- **April 2022**
  Power of Home fundraiser with Consumers Energy reaches fundraising goal in 10 days - a campaign record

- **June 2022**
  HFHM joins MSHDA for Building Michigan Communities Conference, with focus on the new Statewide Housing Plan

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with thanks to our generous supporters

Abigail Pearson
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* No longer with Habitat Michigan as of June 30, 2022

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