MEMBERS PRESENT  Annamarie Buller, Juan Daniel Castro, Sadie Erickson, Francine Gaston, Rich Kogelschatz, Kyle Irwin, Gustavo Rotondaro, Angie Sanborn, Kim Sims, Rick Stevens, Troy Stressman, Lee Nelson Weber, Renee Williams

MEMBERS ABSENT  Kellie Kitchen, Gil Segovia

STAFF & GUESTS PRESENT  Chris Bennett, David deVelder, Rebecca Long, Zoe Post, Steve Recker, Justin Rhodes, Jenn Schaub, Denny Sturtevant, Alonda Trammell

Andre Butler, NeighborWorks America

Carol Hubbard, Larissa VanPutten, Jordan VanderWall; Beene Garter

The board meeting convened via conference call at 7:31 AM.

MISSION MOMENT  Ms. Schaub shared about the installation of garden beds at New Hope Hopes by Dwelling Place staff and volunteers.

APPROVAL OF CONSENT AGENDA  The consent agenda for the June 2, 2021 meeting contained the following items:

1.  1. Board of Directors minutes (04/07/21)
2.  2. Committee minutes:
   a.  Diversity, Equity, & Inclusion Committee Minutes (04/05/21)
   b.  Joint Executive/Governance Committee Minutes (04/13/21)
   c.  Finance Committee Minutes (03/31/21)
   d.  Marketing & Development Committee Minutes (04/27/21)

The consent agenda was approved by motion of Annamarie Buller, supported by Francine Gaston and carried unanimously.

BOARD ELECTIONS  Per recommendation of the Executive/Governance Committees, the terms for Annamarie Buller and Lee Nelson Weber will end early and renew for an additional three year term. Motion to renew terms for Annamarie Buller, Lee Nelson Weber, and Rick Stevens was made by Rich Kogelschatz, supported by Juan Daniel Castro, and carried unanimously.

The proposed 2021/2022 board slate was as follows:

- Chairperson: Juan Daniel Castro
- Vice Chairperson: Renee Williams
- Secretary: Lee Nelson Weber
- Treasurer: Sadie Erickson

Motion to approve this slate was made by Annamarie Buller, seconded by Francine Gaston, and carried unanimously.
MARTINEAU CONDO
CONVERSION RESOLUTION
A resolution was drafted to authorize the CEO to take steps necessary to convert Martineau Apartments into sub-condominiums as part of the CLT conversion. **Motion to approve the resolution was made by Rick Stevens, supported by Rich Kogelschatz, and carried unanimously.**

GENESIS NPHC RESOLUTION
Originally formed as a membership corporation, Genesis NPHC has been operating independently for many years and now seeks conversion to a directorship corporation. As Dwelling Place was a member of the corporation, a resolution was drafted to authorize this change. **Motion to approve the resolution was made by Rich Kogelschatz, supported by Sadie Erickson, and carried unanimously.**

MCACA GRANT
Dwelling Place staff have completed an application for $26,750 through the Michigan Council of Arts and Cultural Affairs (MCACA) to support community art projects, art clubs, and other art activities conducted through Dwelling Place. **Motion to approve submission of this application was made by Annamarie Buller, supported by Lee Nelson Weber, and carried unanimously.**

CEO TRANSITION AND P.R.O.M.P.T. REVIEW
Andre Butler, Dwelling Place's Relationship Manager, discussed the upcoming virtual on-site PROMPT review. This full-scope review measures the health of the organization and assures management systems are in place to comply with NeighborWorks standards. Dwelling Place has held an exemplary rating, which affords the organization with a number of funding opportunities. Mr. Butler also reviewed possible corrective measures that could be implemented if Dwelling Place does not retain this rating. **The board has been asked to participate in the review process by attending a special board meeting on June 30 at 10:00am.**

2020 AUDIT
Ms. Hubbard listed the documents Board members should have received and reminded them of their governance responsibilities related to the audit.

Ms. Hubbard explained there were two entries not included in the management letter that had been deemed immaterial by management. The first was the discovery of accrued interest on a HOME loan through the City of Grand Rapids that was recorded in the current year, but that should have also been recorded in the past two years. The past financial statements were not adjusted. The second was timing of a construction invoice received and recorded in January 2021 that was for costs in December 2020. Ms. Hubbard noted there were three sensitive note disclosures this year regarding concentrations of funding and compliance with a variety of funding agreements. In addition, there was a standard footnote disclosure related to Covid19 and the uncertainty of the financial impact on the organization. The management letter states there were no material weaknesses or significant deficiencies. Ms. Hubbard ended her discussion of the management letter with comments encouraging the continuous improvement process, use of technology to its fullest, to remain vigilant of cyber security risks, and that the lease accounting standard effective date was extended to 2022 due to Covid19.
Ms. Hubbard then discussed the Single Audit, which is a compliance audit of Federal funding. The major program tested this year was HOME funds. There were no findings.

Next Ms. Hubbard presented a Combined Statement of Operations comparing 2020 to 2019. Revenue and support had a slight increase, but so did operating expenses. The increase in expenses was primarily related to salaries, related benefits and taxes. Overall, there was an increase in net operating income. Ms. Hubbard pointed out donations received from the Michigan Nonprofit Housing Corporation (MNPHC) significantly decreased over the last two years, but they have had a significant impact on the organization. Cumulatively an excess of $60 million has been received over the years. A couple of other line items of note were the approximate $90,000 decrease in unrealized gain on marketable securities and that forgiveness of debt had a significant increase. Forgiveness of debt had three components. More than $700,000 was received from the Paycheck Protection Program. It was fully forgiven. The Grandville Heartside HOME loan and accrued interest of approximately $700,000 was forgiven by the City of Grand Rapids. And an AHP grant of approximately $300,000 to “old” Fergson was also forgiven. Overall, adjusting for the $2M received from MNPHC, there was an improvement in operating loss in 2020.

Ms. Hubbard then delved into details of the organization’s assets, liabilities, net assets, revenues and support, and expenses using graphs and charts to provide visual depictions and historical trends. The upward growth trend of total assets continues. Current liabilities also increase year to year, mostly due to construction. Ms. Hubbard then shared graphs representing Dwelling Place alone. Overall, the analysis shows a paced growth trend.

Ms. Van Putten reviewed Dwelling Place’s financial ratios for 2020 showing the last few years and a comparison to Neighborworks’ Peer Group ratios. Dwelling Place is outperforming all but the Cash on Hand ratio.

**UPDATES & ANNOUNCEMENTS**

**Staff Performance Bonus**
The Executive and Governance Committees recently approved a $425/employee staff bonus based on their performance in certain company-wide metrics.

**Creation of a Homeownership Fund**
Establishment of a homeownership assistance fund is in the works. Dwelling Place staff hope to garner donor interest in the fund to provide support for families that are potential CLT home buyers but have difficulty coming up with funds to cover a down payment and closing costs.

**ADJOURNMENT**
The Board of Directors meeting adjourned at 9:07 AM.