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Office of the Minnesota Secretary of State
Minnesota Public Benefit Corporation / Annual Benefit Report
Minnesota Statutes, Chapter 304A



Read the instructions before completing this form
Must be filed by March 31
Filing Fee: \$55 for expedited service in-person, \$35 if submitted by mail

The Annual Benefit Report covers the 12 month period ending on December 31 of the previous year.
Notice: Failure to file this form by March 31 of this year will result in the revocation of the corporation's public benefit status without further notice from the Secretary of State, pursuant to Minnesota Statutes, Section 304A.301

- 1. Corporate Name: (Required) Yard Homer mn SBC
- 2. The public benefit corporation's board of directors has reviewed and approved this report.
- 3. In the field below, enter the information required by section 304A.301 subd. 2 or 3 for the period covered by this report, (see instructions for further information): Note: Use additional sheets if needed. (Required)

See Attached

4. I, the undersigned, certify that I am the chief executive officer of this public benefit corporation. I further certify that I have signed this document no more than 30 days before the document is delivered to the secretary of state for filing, and that this document is current when signed. I further certify that I have completed all required fields, and that the information in this document is true and correct and in compliance with the applicable chapter of Minnesota Statutes. I understand that by signing this document I am subject to the penalties of perjury as set forth in Section 609.48 as if I had signed this document under oath.

Nicholas Beckstrand
Signature of Public Benefit Corporation's Chief Executive Officer

3/18/2021

Date (Must be dated within 30 days before the report is delivered to the Secretary of State for Filing)

Email Address for Official Notices

Enter an email address to which the Secretary of State can forward official notices required by law and other notices:

nichola@yardhomer.mn.com

Check here to have your email address excluded from requests for bulk data, to the extent allowed by Minnesota law.

List a name and daytime phone number of a person who can be contacted about this form:

Nichol L. Beckstrand 612-237-4044
Contact Name Phone Number

Entities that own, lease, or have any financial interest in agricultural land or land capable of being farmed must register with the MN Dept. of Agriculture's Corporate Farm Program.

Does this entity own, lease, or have any financial interest in agricultural land or land capable of being farmed?
Yes No

Special Benefit Corporation

YardHomesMN SBC has executed its Public Benefit Corporation strategies through its' Y-HELP® Leasing Program. This program was created specifically to partner YardHomesMN SBC with nonprofits that own or have access to property that they seek to create housing on and retain the housing as affordable. In addition, this program seeks to also partner nonprofits with individuals that have access to housing vouchers. The attached pages include a redacted version of how the Y-HELP® operates. Portions that have been redacted are covered under the organizations trademark. In 2020, YardHomesMN was able to create traction towards their purpose as a special benefit corporation by putting funds to work in building out the framework in which the ADU financing model will come to life. This included the legal, regulatory and insurance framework for Y-HELP® in addition to the acquisition of land for the first site locations.

The fourth quarter of 2020 was also focused in large part on advocacy in regards to ADU ordinances in Minnesota. Much of the last quarter of 2020 was also focused on advocacy needed in the arena of ADU's. A few examples of these changes:

- St. Louis Park has proposed their own ADU ordinance.
- Golden Valley had indicated that they will follow suit in 2021,
- Bloomington has agreed to take up a study of the use of ADU's in their building plan.
- The City of St. Paul is planning a redraft of the entire Single Family Home ordinance. Not as drastic as the Minneapolis ordinance changes however they will be addressing cluster development language in which to make the use of ADU's in a cluster environment more feasible.
- The City of Mpls planning Commission unanimously agreed to remove the owner occupancy provision in the ADU ordinance at its January 2021 meeting.
- Veteran's Affairs Commissioner Herke has requested an additional \$6.4 Million dollars in the budget for Veteran VASH vouchers which could be used at YardHomesMN locations.

In addition to the noted movement in regulations, we at YardHomesMN have had many fruitful conversations with city staff, influencers and council members. These conversations have been very supportive of our model.

Our challenges we have met in this process to meet our social mission relate mostly to the length of time it really takes to move government organizations, whether this be advocating for a change in ordinances or approving a set plan of submission and ultimately structuring a partnership to ensure the model can receive government payment support.

Another challenge in our current market is the rising cost of housing. Our manufacturing partners are extremely busy and without bringing large volumes of production to them it is difficult to get the manufacturing space and the commitment of time to negotiate the contracts.



Y-HELP® Overview
(YardHomes – Housing Expansion Lease Program)
Redacted Version

YardHomesMN, a provider of high-quality compact dwellings in the Twin Cities, is pleased to offer a unique program that brings affordable homes to low-income residents, called **Y-HELP®**. This program is very simple in concept;

Host a homeless Veteran in a compact dwelling in your back yard (an Accessory Dwelling Unit in zoning language) for 10-years, and thereafter it's yours for free.

The **Y-HELP®** program is intended to provide a number of significant benefits to those directly involved, and the broader community, including:

Impacts and Benefits:

Veterans The 2021 pilot program is targeting currently homeless Veterans who are eligible recipients of the Veterans Affairs Supportive Housing (VASH) rental voucher. The Covid Pandemic has exacerbated housing instability among Minnesota's Veteran community, and there are over 250 Veterans in need of housing across the Minneapolis-St. Paul metro area.

Hosts Any ADU eligible property may provide a location for a **Y-HELP®** unit. The landowner must comply with all applicable local Accessory Dwelling (ADU) regulations and the standard unit must fit and be accessible to the intended site location. Hosts, who also must be resident homeowners in some jurisdictions, gain a high-quality compact unit. Initially, these are leased to a Veteran but thereafter offer a wide range of uses – a home for aging parents, adult children back home, a backyard office, bonus living space, an art studio, etc.

There are 19 cities across the MSP metro with ADU ordinances. A quick tool to check eligibility and spatial attributes of your property is at www.YardHomesMN.com, then click "Check Eligibility" and enter your address.

*Supportive
Housing Partner*

Minnesota Assistance Council for Veterans (MACV), a 501c(3) nonprofit organization that has been serving Veterans and their families who are homeless or at risk of becoming homeless across the State of Minnesota for over 25 years.

Communities

Communities across the metro are facing a severe housing crisis. Demand for housing has outpaced available supply, pushing rents higher and leaving many literally out in the cold. Tent cities are emerging in parks and alongside highways in many parts of the metro. Homelessness also drives up health care costs and other burdens on

governmental agencies and communities. There are many solutions and the **Y-HELP®** program is just one.

The quality of life and social connections that come from living in an ADU within a neighborhood are often better than when living in older larger multi-family buildings, and without a welcoming Host. Neighborhoods can be strengthened by new residents, new quality housing structures, and new social connections that benefit Veterans, Host families and their neighbors.

Other Details:

Units

The 2021 model compact dwelling is the YardHomes 510, with an outside dimension of 15' by 34', an area of 510 square feet. This prefabricated unit is complete with an ADA compliant bathroom, small kitchen and combined living, dining, sleeping area. The units are Minnesota Made, built in a modular housing manufacturing facility to the Minnesota Modular Building Code using a wood frame and materials and finishes comparable to single-family homes. The units are permitted by the Minnesota Department of Labor and Industry and your local building inspector reviews the site work and connections to municipal water, sewer and electrical service. The units are permanently installed on a conventional foundation. These are not manufactured homes or Tiny Houses on wheels. The interior space is comparable to an efficiency apartment in a modern urban apartment building. These units are designed to be so-called "Detached ADUs" under local zoning codes and sit independently in the rear yard and not connected to the main house or other structures. The units are suitable for conventional financing and comply with the rules for traditional mortgages and those insured by Fannie Mae, Freddie Mac, HUD and the VA.

The standard unit is unfurnished but otherwise fully ready for occupancy with quality high-value materials. The homeowner may elect certain upgrades (solar roof, different exterior siding, etc.) by paying for those additional costs as a downpayment.

Legal Details

The program works by the homeowner (redacted details) small land area in the rear yard with an affiliate of YardHomes. YardHomes pays a ground lease payment of (redacted details). YardHomes technically owns the compact dwelling unit that sits on that land, and is responsible for casualty insurance, unit maintenance and the lease arrangement with the Veteran, and all the details of that person's eligibility under the VASH rental voucher.

During the program term, the Host, the Veteran, MACV and YardHomes owner affiliate operate under the **Y-HELP®** Social Contract. This helps ensure compatibility and positive social outcomes for all and sets out the rules and expectations of all, and the means for resolving any concerns that might arise during (redacted details). This document would typically address any work-sharing agreements and regular engagement expectations. A Veteran may agree to help with yard work, while a family may agree to hosting summer BBQ's or weekly family meals, for example. A MACV Case Officer is assigned to each location and resident, and is a primary contact for help at all times.

Funders

Long-term, below-market interest rate funding to support this program was generously provided through the **Venn Foundation** and a Program-Related Investment (PRI) structure. Lead Funders include the **MAGGIE Foundation** and the **Bush Foundation**. These funds, plus traditional bank loans provide the funding for the program. There are no government funds used to pay for the units.

If you would like to participate in the program but your home is not eligible for an ADU or your backyard is not configured to allow a YardHomes unit to fit, you are welcome to contribute to the **Y-HELP®** PRI noted above. Each \$25,000 contribution supports approximately one additional **Y-HELP®** unit. Contributions should be tax-deductible, but please consult with your tax advisor.

Take Action Soon

For more information, please first check the eligibility of your property by going to www.YardHomesMN.com and input your address in the "Eligible" section on the home page.

Contact:

YardHomesMN GBC
2327 Wycliff Street, Suite 250
St. Paul, MN 55114

Nichol@YardHomesMN.com
www.YardHomesMN.com
(612) 460-8631

YardHomesMN is a private company organized as a social benefit enterprise, a Minnesota B-Corporation. It strives to create a profitable and sustainable business while also expanding housing supply and housing choices across Minnesota.

YardHomesMN also provides a range of high-quality compact dwelling units outside of the Y-HELP program. Please see our web site for further details and to schedule a tour of a model unit or site visit to your location. Depending on unit styles, finishes and options, all-in installed prices range from (redacted details). We also offer unit styles suitable for backyard home offices and rural cabins.

Y-HELP® program terms and conditions are subject to change, and subject to availability.



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Steve Simon

Steve Simon
Secretary of State