



DREAMKEY
PARTNERS

2022 BOARD ORIENTATION NOTEBOOK



NeighborWorks®
CHARTERED MEMBER





DREAMKEY
PARTNERS

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SIXTH AMENDED AND RESTATED BYLAWS
OF
**DREAMKEY PARTNERS (FORMERLY CHARLOTTE-
MECKLENBURG HOUSING PARTNERSHIP, INC.)**

ARTICLE I

OFFICES

The principal office of DREAMKEY PARTNERS, INC. (formerly CHARLOTTE-MECKLENBURG HOUSING PARTNERSHIP, INC.) (the “Corporation”) and its registered office shall be located in Charlotte, Mecklenburg County, North Carolina. The Corporation may have such other offices within or without the State of North Carolina as the Board of Directors may determine or as the affairs of the Corporation may require from time to time.

ARTICLE II

MEMBERSHIP

The Corporation shall have no members.

ARTICLE III

BOARD OF DIRECTORS

Section 1. General Powers: The affairs of the Corporation shall be managed by a Board of Directors which shall have complete power and authority to act on behalf of the Corporation in all transactions and matters within the power and purpose of the Corporation.

Section 2. Number, Selection Criteria, Election and Term:

- A. Number. The number of Directors constituting the Board of Directors shall be no less than 12 and no more than 21.
- B. Selection Criteria. In selecting individuals to serve as Directors, the Board of Directors shall consider the following:
- (1) The Corporation's need to maintain a broad base of support and the Board of Directors' need to include skill sets and knowledge consistent with the Corporation's operations, activities and customer base.
 - (2) Persons who have a commitment to the goals and purposes of the Corporation, including individuals or representatives of organizations interested or involved in advocating for, developing, administering, and/or operating programs to promote and to provide low income and affordable housing.
 - (3) Individuals meeting the criteria required or strongly suggested by organizations providing funding or other significant support to the Corporation.
- C. Election. The Board of Directors in its sole discretion shall elect a minimum of 12 and a maximum of 21 individuals to serve as Directors (each individually a "Director" and, collectively, the "Directors"). The election of Directors shall require the affirmative vote of a majority of all the Directors who are eligible to vote and whose terms have not expired.
- D. Term. Each of the individuals serving as a Director shall serve until (i) such Director's term expires or (ii) such Director's death, resignation, retirement, removal (pursuant to

Article III, Section 9 hereof or otherwise) or disqualification. The term of office for each Director shall be shall be three years, except that Directors elected to fill a vacancy caused by the early departure of a former Director shall serve the remaining term of such former Director. In order to maintain continuity within the Board of Directors, Directors shall be divided into three classes of approximately equal size with (i) the term of office for each Director in each such class expiring in the same year and (ii) no two classes of Directors having terms expiring in the same year. No person serving as a Director shall be eligible to serve more than two consecutive three year terms; provided, however, that the Board of Directors may extend the term of any Director who is serving as an officer of the Corporation immediately prior to the end of such person's final term as a Director for up to an additional two years.

Section 3. Meetings of the Board of Directors.

- A. Meeting Chair/Chair Pro Tem. Meetings of the Board of Directors shall be run by the Chair of the Corporation. In the event the Chair is not available then the Vice Chair (and if more than one Vice Chair, a Vice Chair selected in the order set forth in Article IV, Section B hereof) shall run the meeting as "Chair Pro Tem". In the event no Vice Chair is available, then the Secretary or the President shall call the meeting to order and the Directors present shall elect a person (that need not be a Director or officer) to run the meeting as Chair Pro Tem.

- B. Regular Meetings/Annual Meeting. Regular meetings of the Board of Directors shall be held at such times and places as the Board of Directors shall determine. The first regular meeting after the last day of October of each year shall be the annual meeting.
- C. Special Meetings: Special meetings of the Board of Directors may be called by (i) the Chair or the Vice Chair of the Corporation, (ii) four or more Directors of the Corporation or (iii) the President of the Corporation. Special meetings shall be held within sixty (60) days of the date written notice of such special meeting is delivered to the Executive Committee and, subject to the provisions of Article III, Section 3E below, at such time and place as determined by the Executive Committee.
- D. Participation in Regular and Special Meetings. Directors may participate in a regular or special meeting of the Board of Directors (or a committee of the Board of Directors) and the Board of Directors may conduct the meeting through the use of, any means of communication by which all Directors participating may simultaneously hear each other during the meeting. A Director participating in a meeting by this means is deemed to be present in person at the meeting.
- E. Notice of Meetings: Notice of the time and place of any meeting, regular or special, shall be communicated by the President or the Chair of the Corporation either (i) in person, (ii) by electronic means (including for this purpose telegraph, teletype, facsimile, electronic mail (e-mail) and other forms of wire and wireless communication), (iii) by mail or (iv) private courier, to each Director's address as it appears on the records of the Corporation

at least five days prior to the meeting. Any Director that does not receive notice of a meeting may waive the requirement to receive such notice by waiver provided in writing or electronically. The attendance of a Director at any meeting shall constitute a waiver of notice of such meeting, except where such Director attends for the express purpose of objecting to the transaction of any business because the meeting was not lawfully called or convened.

F. Quorum for Meetings: Forty percent (40%) of all voting members of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board of Directors.

G. Action Without Meeting: Any action required or permitted to be taken at any meeting of the Board of Directors or any committee established by the Board of Directors may be taken without a meeting, if written consent setting forth the action so taken shall be signed by all the members of the Board of Directors or by all the members of such committee, as the case may be, and such written consent is filed with the minutes of the proceedings of the Board of Directors or the committee, as the case may be. Such written consent may be provided electronically.

Section 4. Approval of Action Taken by the Board of Directors: Except as may otherwise be provided herein, all action taken by the Board of Directors shall be approved as follows:

A. Special Voting Matters.

- (1) Approval of the following matters shall require the affirmative vote of a majority of all the members of the Board of Directors of the Corporation then in office and not a simple majority of the Board members in attendance at the meeting where such matter is put to a vote (i) matters involving commitment of Corporation funds in excess of \$300,000, (ii) matters involving election or removal of Directors, (iii) matters involving approval or removal of committee chairs and committee members under Article V, Section 2 below, (iii) matters involving approval of a plan of merger of the Corporation with or into one or more other entities, dissolution of the Corporation or a sale of all or substantially all of the Corporation's assets, or (iv) matters which the Executive Committee or the Chair designates as special voting matters.
- (2) Amendments to the Articles of Incorporation of the Corporation shall require the affirmative vote of two-thirds of all the members of the Board of Directors of the Corporation then in office.
- (3) Amendments to these Bylaws shall be made in accordance with the provisions of Article IX below.

B. Other Matters. Approval of all matters other than matters described in Article III, Section 4.A. above, shall require the affirmative vote of a majority of the members of the Board of Directors of the Corporation then in office who are present at a duly called meeting of the Board of Directors where a quorum is present.

Section 5. Removal: Any Director may be removed from office with or without cause by majority vote of all the members of the Board of Directors of the Corporation then in office excluding, for this action, the Director subject to the vote for removal.

Section 6. Vacancies: Any vacancy occurring in the Board of Directors, whether by resignation, removal, increase in the number of Directors or otherwise, shall be filled by majority vote of all the members of the Board of Directors of the Corporation then in office. Notwithstanding the provisions of Article III, Section 2D above, Directors elected to fill a vacancy shall be assigned to a designated class by the Executive Committee upon election and shall serve until the end of the term for such designated class. Following the end of such term, such Directors shall be eligible to serve a (i) subsequent consecutive three year term if elected by a majority of the Board of Directors and thereafter (ii) a second consecutive three year term if nominated by the full Executive Committee (including for this purpose the President) and elected by a majority of the Board of Directors.

Section 7. Compensation: No Director shall be entitled to or shall receive any remuneration or compensation for attendance at meetings of the Board of Directors or for other services rendered to the Corporation as a Director or member of a committee of the Board of Directors; provided however, that the Board of Directors may reimburse any Director for necessary and reasonable out-of-pocket expenses incurred by such person in the performance of his or her duties as Director including attendance at meetings of the Board of Directors and at committee meetings or for services rendered in any capacity to the Corporation other than as a Director or committee member.

Section 8. Interest of Directors: Each Director shall have the responsibility of making prior disclosure to the Board of Directors of any material interest which such Director, or any organization with which he or she is affiliated, has in any matter upon which the Board of Directors is asked to take action. Upon such disclosure the Board of Directors shall determine if such member shall participate in discussion and voting on such matter.

ARTICLE IV

OFFICERS

Section 1. Officers: The officers of the Corporation shall be as follows: a Chair, one or more Vice-Chair(s), a President, a Secretary, a Treasurer, and any other officers as may be deemed necessary by the Board of Directors. Any two or more offices may be held by the same person, except the offices of Chair, President and Secretary. Unless expressly provided herein, no officer of the Corporation shall be a Director by reason of holding a position as an officer of the Corporation.

Section 2. Election or Appointment and Term of Office: All officers shall be elected by the Board of Directors at their annual meeting or any meeting called for such purpose. Unless the Board of Directors shall otherwise determine, the elected officers of the Corporation shall be as follows: Chair, Vice-Chair, President, Secretary, and Treasurer, and such other officers, if any, as shall be determined by the Board of Directors. Vacancies in any elected office may be filled at any meeting of the Board of Directors. The officers shall each serve a term extending from the conclusion of the annual meeting at which they are elected, or the time of their election if not at

an annual meeting, through the conclusion of the next succeeding annual meeting, or until their successors are duly elected and qualified.

Section 3. Duties:

- A. Chair. The Chair shall be the principal executive officer of the Corporation, shall preside at all meetings of the Directors and shall perform such other duties as are incident to such office or are properly required of such person by the Board of Directors. The Chair shall be elected from the members of the Board of Directors.
- B. Vice-Chair or Vice-Chairs: In the absence of the Chair or in the event of his or her death, inability or refusal to act, the Vice-Chair (or in the event there is more than one Vice-Chair, the Vice-Chairs in the order designated at the time of their election, or in the absence of any designation, then in the order of their election) shall perform the duties of the Chair, and when so acting, shall have all the powers of and be subject to all the restrictions upon the Chair. Any Vice-Chair shall perform such duties as from time to time may be assigned to such person by the Chair or by the Board of Directors. Vice-Chairs shall be elected from the members of the Board of Directors.
- C. President: The President shall be the principal operating officer of the Corporation and, as such, shall be responsible for administration and operation of the Corporation's programs and activities. The President shall sign all official documents or instruments of the Corporation as authorized by the Board of Directors, make reports to the Board of Directors and shall perform such other duties as are incident to such office or are properly required

of such person by the Board of Directors. Unless such action is (i) contrary to the direction of the Board of Directors or the Executive Committee or (ii) outside the scope of the Corporation's mission and purposes, the President shall be authorized to sign all documents or instruments arising in the ordinary course of business or as necessary and appropriate to implement decisions of the Board, without the express approval of the Board of Directors.

- D. Secretary: The Secretary shall issue notices for all meetings provided for or caused by these Bylaws, shall keep minutes of all meetings, shall have custody of the books and records of the Corporation except as they shall have been vested in the Treasurer or some other officer, and shall perform such other duties as are an incident of such office or are properly required of such person by the Board of Directors.
- E. Treasurer: The Treasurer shall oversee the financial affairs of the Corporation and shall perform such other duties as are an incident of such office or are properly required of such person by the Board of Directors.
- F. Assistant Secretary and Assistant Treasurer: The Board of Directors may elect one or more Assistant Secretaries and Assistant Treasurers to perform the duties of the offices of Secretary and of Treasurer in the absence or disability of such officers. One person may be named to fill both offices.

Section 4. Bonding of Officers: The Chair, President, Treasurer, and any other officer or employee of the Corporation may, in the discretion of the Board of Directors, be bonded in such amounts as determined by the Board of Directors.

ARTICLE V
COMMITTEES

Section 1. Executive Committee: The Chair, Vice-Chair(s), Secretary, and such other persons as the Board shall appoint shall constitute the voting members of the Executive Committee. The President of the Corporation shall serve ex-officio as a non-voting member of the Executive Committee. The following shall apply to the Executive Committee:

- A. The Executive Committee, which for this purpose shall exclude the President, shall be responsible for evaluating and setting compensation for the President annually or more frequently as determined by the Executive Committee.
- B. Unless expressly prohibited by the Board of Directors, the Executive Committee shall have full authority to act on behalf of the Board of Directors on all matters, including special voting matters described in Article III, Section 4.A, other than (i) election or removal of the President, the Chair or a Vice-Chair, (ii) the election, appointment or removal of Directors, and (iii) amendments to the Articles of Incorporation or Bylaws of the Corporation.
- C. A quorum at an Executive Committee meeting shall be a majority of the current voting members of the Executive Committee.
- D. Each Executive Committee meeting shall have an agenda.
- E. The Executive Committee shall keep minutes of its meetings and provide such minutes to the Board of Directors.

- F. Action by the Executive Committee shall require a two-thirds (2/3s) majority of all the voting members of the Executive Committee.
- G. The Board of Directors shall have the authority to remove a person from the Executive Committee with or without cause by majority vote of all the members of the Board of Directors of the Corporation then in office excluding, for this action, the person (if such person is a Director) subject to the vote for removal.

Section 2. Other Committees: The Executive Committee or the Board of Directors, at its discretion, may establish such standing or special committees as may be deemed appropriate to act in an advisory capacity or to assist in the governance of the Corporation, with responsibilities and powers as provided by the Executive Committee or Board of Directors, respectively, by resolution or formal directive. The following shall apply to committee chairs and committees other than the Chair and the Executive Committee:

- A. Committee chairs shall be selected by the Executive Committee and shall serve at the pleasure of the Executive Committee and the Board of Directors.
- B. Committee members shall be selected by the respective committee chair, the Executive Committee or the Board of Directors and shall serve at the pleasure of the Executive Committee and the Board of Directors.
- C. Committee recommendations shall be reported to either the Executive Committee or the Board of Directors, as determined by the respective committee chair.

D. The Executive Committee or the Board of Directors shall have the authority to remove a committee chair or committee member, with or without cause, by majority vote of such body, excluding, for this action, the person (if such person is a Director) subject to the vote for removal.

ARTICLE VI

BOOKS AND RECORDS

Section 1. Books and Records: The Corporation shall keep correct and complete books and records of all financial accounts and shall keep minutes of the proceedings of the Board of Directors and shall keep at the registered or principal office a record giving the names and addresses of the Directors. All books and records of the Corporation may be inspected by any Director or his agent or attorney for any proper purpose at any reasonable time. There shall be an annual audit of the financial records of the Corporation in such a manner as directed by the Board of Directors.

Section 2. Fiscal Year: The fiscal year of the Corporation shall be the calendar year.

ARTICLE VII

REIMBURSEMENTS AND INDEMNIFICATION

Section 1. Coverage. Except as expressly provided in this Article VII to the contrary, any person who at any time serves or has served as a Director or officer of the Corporation, or in such capacity at the request of the Corporation for any other corporation, partnership, joint venture, trust or other enterprise, or as a trustee or administrator under an employee benefit plan, shall have a

right to be indemnified by the Corporation to the fullest extent permitted by law against (a) reasonable expenses, including reasonable attorneys' fees, actually incurred by such person in connection with any threatened, pending or completed action, suit or proceeding (and any appeal thereof), whether civil, criminal, administrative, investigative or arbitrative, and whether or not brought by or on behalf of the Corporation, seeking to hold such person liable by reason of the fact that he is or was acting in such capacity, and (b) reasonable payments made by such person in satisfaction of any judgment, money decree, fine (including, without limitation, an excise tax assessed with respect to an employee benefit plan), penalty or settlement for which he may have become liable in any such action, suit or proceeding.

Section 2. Insurance: The Board of Directors may, at its discretion, purchase and maintain insurance, in such amounts as the Board of Directors may determine, on behalf of any person who is or was a Director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise, against any liability asserted against such person and incurred by such person in such capacity, or arising out of his or her status as such, whether or not the Corporation would have authority to indemnify such person against such liability.

Section 3. Payment of Expenses: Actual out-of-pocket expenses incurred by such person shall be paid by the Corporation in advance of the final disposition of such investigation, action, suit or proceeding upon receipt of (i) evidence satisfactory to the Executive Committee that such expense is valid and (ii) an undertaking by or on behalf of such person to repay such amount to the

Corporation unless it shall ultimately be determined that he or she is entitled to be indemnified by the Corporation

Section 4. Evaluation. The Board of Directors of the Corporation shall take all such action as may be necessary and appropriate to authorize the Corporation to pay the indemnification required by this Article VII, including without limitation, to the extent needed, making a determination that indemnification is permissible under the circumstances and a good faith evaluation of the manner in which the claimant for indemnity acted and of the amount of indemnity due such person.

The Corporation shall indemnify a Director who was wholly successful, on the merits or otherwise, in the defense of any proceedings to which such Director was a party because he is or was a Director of the Corporation (or is or was serving at the request of the Corporation as a director, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise) against reasonable expenses actually incurred by such Director in connection with the proceeding.

The Corporation shall not indemnify a Director in connection with a proceeding by or in the right of the Corporation in which the Director was adjudged liable to the Corporation. The Corporation shall not indemnify a person against liability or expenses the person may incur on account of his activities which were at the time taken, known, or believed by the person to be clearly in conflict with the best interests of the Corporation or if the person received an improper personal benefit.

Section 5. Consideration. Any person who at any time after the adoption of this Article VII serves or has served in any of the aforesaid capacities for or on behalf of the Corporation shall be deemed to be doing or to have done so in reliance upon, and as consideration for, the right of indemnification provided herein. Such right shall inure to the benefit of the legal representatives of any such person and shall not be exclusive of any other rights to which such person may be entitled apart from the provisions of this Article VII. Any repeal or modification of these indemnification provisions shall not affect any rights or obligations existing at the time of such repeal or modification.

Section 6. Definitions. For purposes of this Article VII, terms defined by the North Carolina Nonprofit Corporation Act and used but not defined herein shall have the meanings assigned to such terms by the North Carolina Nonprofit Corporation Act.

ARTICLE VIII

ELECTRONIC TRANSACTIONS

The Corporation may conduct any transaction or transactions by electronic means as described in Chapter 66, Article 40 of the North Carolina General Statutes. This Article VIII shall constitute the agreement by the Corporation and its Directors to use of electronic means to conduct transactions in accordance with Chapter 55A of the North Carolina Nonprofit Corporation Act.

ARTICLE IX

AMENDMENTS

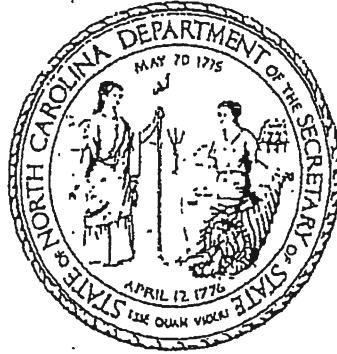
Except as otherwise provided herein or by law, these Bylaws may be altered, amended or rescinded at any time by two-thirds vote of all the members of the Board of Directors of the Corporation then in office.

ARTICLE X

ASSUMED NAME

The Corporation may utilize the name “DreamKey”, or such other name or names as the Board of Directors shall determine, in certain marketing literature as the officers of the Corporation shall deem appropriate. The officers shall take such action as is necessary and appropriate to authorize and document the use of such name.

These Sixth Amended and Restated Bylaws of DreamKey Partners, Inc. (formerly Charlotte-Mecklenburg Housing Partnership, Inc.) were approved at a duly held meeting of the Board of Directors of the Corporation by vote of the requisite number of members of the Board of Directors of the Corporation and are effective as of May 24, 2021.



State of North Carolina

NOTICE

The issuance of a corporate charter to any domestic corporation or a certificate of authority to any foreign corporation does not authorize the use in this State of the corporate name in violation of the rights of any third party under the Federal Trademarks Act, the Trademark Act of this State, a trade name or the common law; and the issuance of such charter or certificate will not be a defense to an action for violation of any such rights.

Certified Copy
from
The Department of The
Secretary of State
to be Recorded
in the
Register of Deeds

STATEMENT OF CHANGE
OF
REGISTERED OFFICE AND REGISTERED AGENT
OF
CHARLOTTE-MECKLENBURG HOUSING PARTNERSHIP, INC.

The undersigned corporation hereby submits the following for the purpose of changing its registered office and its registered agent in the State of North Carolina:

1. The name of the corporation is Charlotte-Mecklenburg Housing Partnership, Inc.

2. The street address and county of the current registered office of the corporation are:

227 North Tryon Street
Mecklenburg County
Charlotte, North Carolina 28202

the mailing address of the current registered office is:

227 North Tryon Street
Charlotte, North Carolina 28202

3. The street address and county of the new registered office of the corporation are:

1201 Greenwood Cliff, Suite 300
Mecklenburg County
Charlotte, North Carolina 28204

the mailing address of the new registered office is:

1201 Greenwood Cliff, Suite 300
Charlotte, North Carolina 28204

4. The name of the current registered agent is W. Donald Carroll, Jr.

5. The name of the new registered agent and the new agent's written consent to appointment appear below.

Patricia G. Garrett

Patricia G. Garrett
Signature

ARTICLES OF AMENDMENT
OF
CHARLOTTE-MECKLENBURG HOUSING PARTNERSHIP, INC.

The undersigned nonprofit corporation hereby submits these Articles of Amendment for the purpose of amending its articles of incorporation:

1. The name of the corporation is Charlotte-Mecklenburg Housing Partnership, Inc.

2. The articles of incorporation of the corporation are hereby amended as follows:

Article 3, Section A. shall be amended so as to read in its entirety as follows:

3. The purposes for which the Corporation is organized are:

A. To operate exclusively for charitable and educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), by developing, administering and operating programs designed to:

(i) promote and provide housing for low and moderate income families;

(ii) promote and provide for the stabilization and revitalization of neighborhoods targeted for community redevelopment or threatened by blight or community deterioration; and

(iii) promote and provide educational opportunities for families, communities and community based organizations with respect to housing and homeownership.

3. Approval by a sufficient vote of the board of directors of the corporation was obtained. As stated in the articles of incorporation, the corporation has no members.

4. The foregoing amendment was adopted on the 22d day of May, 1996.

This the 24th day of July, 1996.

Charlotte-Mecklenburg Housing
Partnership, Inc.

By: Patricia G. Garrett
Patricia G. Garrett
President



NORTH CAROLINA

Department of the Secretary of State

To all whom these presents shall come, Greetings:

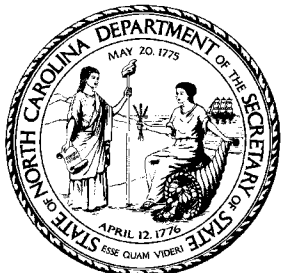
I, ELAINE F. MARSHALL, Secretary of State of the State of North Carolina, do hereby certify the following and hereto attached to be a true copy of

ARTICLES OF AMENDMENT

OF

DREAMKEY PARTNERS, INC.

the original of which was filed in this office on the 4th day of March, 2021.



Scan to verify online.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal at the City of Raleigh, this 4th day of March, 2021.

Elaine F. Marshall

Secretary of State

SOSID: 0231060
Date Filed: 3/4/2021 3:19:00 PM
Elaine F. Marshall
North Carolina Secretary of State
C2021 063 03919

State of North Carolina
Department of the Secretary of State

ARTICLES OF AMENDMENT
NONPROFIT CORPORATION

Pursuant to §55A-10-05 of the General Statutes of North Carolina, the undersigned corporation hereby submits the following Articles of Amendment for the purpose of amending its Articles of Incorporation.

1. The name of the corporation is: Charlotte-Mecklenburg Housing Partnership, Inc.
2. The text of the amendment adopted is as follows (state below or attach):

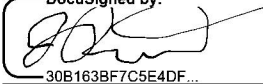
Article 1 is hereby amended to read in its entirety as follows:

The Name of the Corporation is DreamKey Partners, Inc.

3. The date of adoption of the amendment was January 27, 2021.
4. Approval:
 - a. The foregoing amendment was approved by a sufficient vote of the Corporation's board of directors in office as of the date of such approval. As stated in its Articles of Incorporation, the Corporation has no members.
 - b. Approval of the amendment by some person or persons other than the board of directors of the Corporation pursuant to N.C.G.S. §55A-10-30 was not required.
5. These Articles of Amendment will be effective upon filing.

This the 4th day of March, 2021.

Charlotte-Mecklenburg Housing Partnership, Inc.
Name of Corporation

DocuSigned by:

By: _____
30B163BF7C5E4DF...
Name: Julie Porter
Title: President



DREAMKEY
PARTNERS

Language of Affordable Housing

Definitions and Commonly Used Acronyms and Technical Terms



About Affordable Housing and this booklet

In recent decades, the term "affordable housing" has come into common use as a successor to earlier terms such as "low-income housing" or "subsidized housing," which had become negative. Within the housing industry, affordable housing now means housing produced and reserved for households with incomes of 60% of the Area Medium Income (AMI) or below, and with rents capped so that a resident household earning 60% of AMI will pay no more than 30% of its income for rent plus typical utility expenses. To be financially viable, this housing requires below-market-rate financing. Such financing is always in short supply and is typically provided by multiple public and quasi-public sources. Each of these financing sources has its own, sometimes conflicting, program standards and requirements. These programs have also spawned an extensive vocabulary with many specialized terms and acronyms. This booklet is an introduction to some of these terms and acronyms.

10% Carry Forward

A provision in the Internal Revenue Code that requires sponsors of affordable projects that have received a Tax Credit Allocation to spend at least 10% of the project cost no later than June 30th of the calendar year following the year in which they received the allocation. Developers must prove their compliance with the 10% standard by submitting a cost certificate report by an independent accountant to the state agency that allocated the tax credits. Failure to spend the required 10%, or to demonstrate compliance with the required cost certification report, will result in the re-capture of the project's Tax Credit Allocation (i.e. loss of allocation).

8609's

Internal Revenue Service forms issued by each state's Low Income Housing Tax Credit allocating authorities after satisfactory completion of new affordable projects financed with tax credits. These forms are filed with the owner's tax return and validate the owner's use of the project's tax credits.

AMI – Area Median Income (also see income)

The income in a defined area, such as Mecklenburg County, at which half of the area's households have income below that amount and half have income above that amount. HUD data for Mecklenburg County, NC, in 2016 shows the AMI for a household of four is \$67,000.

Within the affordable housing industry, various percentages of AMI are often used as upper limits or caps on residents' incomes for purposes of qualifying for residency, as shown below for various financing programs for Charlotte area projects. For current levels, visit www.nchfa.com or www.hud.gov.

AMI % CAP/Category	2017 Residents' Max Annual Income	Typical Programs using this CAP	Residents' Max Monthly Housing Budget:
30% / extremely low	\$20,100	HUD-Financed Public Housing	\$502
50% / very low	\$33,500	FHLB-AHP	\$837
60% / low	\$40,200	LIHTC's	\$1,005
80% / moderate	\$53,600	FHLB 1st Time Home Buyer	\$1,340
120%	\$80,400	None known	\$2,010

Assumes 30% of income spent on rent (or mortgage PITI) plus utilities

Affordable Housing

Housing that can be owned or rented by low- to moderate-income individuals without spending more than 30% of their income for rent (or mortgage payments in case of home ownership) plus utilities. New affordable rental housing projects usually require one or more forms of public financial support, such as LIHTC's, or rent subsidies such as HUDPEL reimbursements or Section 8 voucher payments. Such projects may be sponsored or owned by public or private, for profit or nonprofit organizations, singly or in various combinations.

BEA – BEA Enterprise Award Program

A program created in 1994 to support FDIC-insured financial institutions that are dedicated to financing and supporting community and economic development activities. The BEA Program complements the community development activities of insured depository institutions (i.e., banks and thrifts) by providing financial incentives to expand investments in CDFIs and to increase lending, investment, and service activities within economically distressed communities.

Cash Flow

Cash remaining for a time period, typically a month or a year, after an enterprise has paid all its operating expenses, replacement reserves and debt service.

Co-Housing

Housing that combines private and communal forms of living where residents occupy individual, complete housing units and share additional kitchen, dining, and recreational facilities with other residents.

Community Action Agency

A public and/or privately funded agency that provides social services such as fuel assistance, day care or education classes to lower-income residents. Community action agencies may also develop and manage affordable housing.

CDBG - Community Development Block Grant

An annual allocation of federal funds administered by HUD to promote neighborhood revitalization and local economic development. CDBG funds are made available to state and local governments, including: Entitlement Communities (cities and urban counties over 50,000 in population); state governments (for small cities and communities under 50,000 in population); and Indian tribes and insular areas. HUD requires that grantees use at least 75 percent of allocations to benefit low-to moderate-income residents, aid in the prevention of slums or blighted address other urgent community development needs. (Also see Entitlement Community).

CDC - Community Development Corporation, Bank-owned

A for-profit or nonprofit corporation capitalized by one or more banks to make debt or equity investments in local community projects. These CDC's can perform a variety of activities that banks may be prohibited from doing including: buying, selling, developing and managing real property; making equity investments; forming limited partnerships and joint ventures; making high-risk loans; and providing technical assistance and counseling services. CDC activities should promote public benefit and development of a community, or meet the needs of low- to moderate-income populations.

CDC - Community Development Corporation, Community-based

A nonprofit, community-based organization established to provide programs and services such as promoting or developing affordable housing and business revitalization, and/or to provide technical assistance to residents or business owners.

CDCU - Community Development Credit Union

A nonprofit credit union chartered to serve member residents and small businesses in a low-income community. A CDCU is tax exempt and may attract deposits and program funding from churches, foundations, individuals and private business, as well as deposits from commercial banks and foundations. In general, CDCUs offer services not provided by mainstream financial institutions, such as small loans at below-market rates to individuals who might not otherwise qualify for bank loans.

CDE - Community Development Entity

An entity that makes investments or conducts activities that primarily benefit low-and moderate-income individuals, within low- and moderate-income areas, or other geographic areas targeted by a governmental entity for redevelopment. Often, CDEs receive consideration as "qualified investments" under 12 CFR 25.23.

CDFI-Community Development Financial Institution

Private-sector, financial intermediaries with community development as their primary mission. There are six basic types of CDF Is: community development banks, community development loan funds, community development credit unions, microenterprise funds, community development venture funds, and community development corporation based lenders and investors. All are market- driven, locally controlled, private-sector organizations.

CDLF - Community Development Loan Fund

A private, nonprofit financial intermediary that assembles investment capital and lends to community-based organizations and low-income projects. CDLFs assemble capital primarily from private, social investors in the form of loans, paying below-market interest on those funds and passing this subsidy to its borrowers. CDLFs may also provide borrowers with technical assistance. In most cases, they are incorporated as 501(c)(3) non-profit.

CFR - Code of Federal Regulations

The codification of the general and permanent rules published in the Federal Register by the executive departments and agencies of the Federal Government. It is divided into 50 titles that represent broad areas subject to Federal regulation. Each volume of the CFR is updated once each calendar year and is issued on a quarterly basis.

CLT - Community Land Trust

A private, community-sponsored nonprofit organization that owns house building lots in perpetuity and leases them to home buyer at below-market rents. Under this arrangement, only the houses or townhouses (improvements) are sold to eligible low- to moderate-income families, thereby reducing the acquisition cost. Community land trusts control the terms of future sales of the improvements to subsequent purchasers to maintain the affordability of the dwellings for low- and moderate-income buyers.

CO - Certificate of Occupancy

A document issued to a newly completed project by local regulatory authority giving permission to occupy and use the project.

CRA - Community Reinvestment Act

Federal banking legislation that requires banks to make reinvestments in their trade areas through loans to ventures in those areas and other related initiatives. Because providing funds for affordable housing is a powerful contributor to meeting banks' CRA requirements, this legislation stimulates bank funding of affordable housing projects.

Consolidated Plan {formerly known as "CHAS"-

Comprehensive Housing Affordability Strategy) A five-year planning document updated annually and required by HUD from state and local governments as a condition for receiving federal funds for housing programs. A Consolidated Plan must describe a community's housing needs and conditions, and how low- and moderate-income populations will benefit from the strategies in the plan.

Consumer Credit Protection Act

A federal law enacted in 1968 and subsequently amended that includes the following consumer credit protection laws: Truth in Lending Act, Fair Credit Reporting Act, Equal Credit Opportunity Act, Fair Debt Collection Practices Act, Electronic Funds Transfer Act, Fair Credit Billing Act, and Consumer Leasing Act.

CO-OP - Cooperative

A multi-unit building or property in which residents purchase shares in the corporation that owns the property. Share owners have the right to occupy particular units on the property although they do not own the units they occupy. Resale restrictions on the shares give the collective owners of the property the ability to accept or reject subsequent share owners and, therefore, select or reject their future neighbors. This form of housing is common in New York City high rises, especially those built until the 1970s.

Cost Certification

A third-party audit and summary of all qualifying expenditures actually made to construct and lease up a low-income housing tax credit project. The cost certification demonstrates that the project is eligible to receive the full amount of its Tax Credit Allocation.

Direct Loan Program {Section 502}

A program in which individuals or families (mostly with incomes below 80% AMI) receive a home loan via HUD's Housing and Community Facilities Programs at below market interest rate.

DVA {or VA} - Department of Veterans Affairs

A federal agency established by the Department of Veteran Affairs Act of 1930. The VA comprises three organizations that administer support programs for veterans: the Veterans Health Administration; the Veterans Benefits Administration; and the National Cemetery System. The Benefits Administration operates the VA's home loan guaranty program, which enables veterans to purchase their first house with little or no equity.

Due Diligence

A review process in which financing sources require developers to demonstrate soundness of proposed projects with detailed cost and operating projections, site control, utility service commitments, zoning confirmations, geotechnical studies, surveys, entitlements, and many other such documents. This process is usually completed before financing sources provide funds to a project.

ECOA - Equal Credit Opportunity Act

A 1974 act that prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status, age, or because an applicant receives income from a public assistance program.

Enterprise Zone

A geographic area designated by a state or city government to encourage businesses to expand, relocate, purchase new equipment, and/or create and retain jobs within that area. That encouragement typically includes tax relief programs, direct financial assistance, and other incentives. Enterprise zones are generally economically depressed rural or urban areas.

Entitlements

The needed permits, permissions and approvals by any public regulatory entity with the power to approve or disapprove (i.e. stop) a real estate project from proceeding. When all such entitlements are completed, a project is said to be "entitled."

Entitlement Community

A city or urban county with a population of at least 50,000 which, therefore, may apply for and receive community development block grant (CDBG) funds directly from the federal government. Communities having less than 50,000 people are non-entitlement areas and may receive CDBG funding only through each state's office of economic development.

Equity Grant

A grant, generally provided by a government agency, that provides equity for acquisition costs of a housing or commercial development project. The grant may come in the form of a direct cash contribution, or as a reduction in sale price of publicly owned or held real property on which the project will be built.

Exactions

A term applied to the physical assets insisted upon by permit-granting authorities, at developers' cost, as conditions for obtaining entitlements. Usually, these exactions are not embedded in codes or ordinances, and cannot be accurately foreseen by project developers. They are often the kind of assets normally expected to be provided by public authorities using tax funds, such as sidewalks on adjoining public streets, turn lanes added to public roads, or donation of part of a developer's land for a public park or a public school.

Expiring Use Restrictions

The contractual right of owners of affordable rental housing that have received government subsidy or capital funds to repay their publicly assisted mortgage and convert their property to market-rate housing.

Fair Housing Act

This act is Title VI of the Civil Rights Act of 1968, which, among other requirements, prohibits lenders from discriminating in making housing loans because of race, color, religion, national origin or sex. The act applies to transactions regarding the sale or rental of housing.

FMR - Fair Market Rents

Maximum rents set by HUD for areas in the nation, usually by county, as a result of HUD's analysis of operating costs for rental properties in that area. A number of HUD subsidy programs, as well as subsidy and capital programs by others, use HUD's Fair Market Rents as a guide to subsidy amounts or maximum rents that may be charged.

FHA - Federal Housing Administration

An agency created by the National Housing Act of 1934, which became part of HUD in 1965. Since its inception, FHA's primary activity has been to insure home mortgage loans originated by approved lenders, but not meeting conventional underwriting criteria.

Federal Housing Finance Board

An independent regulatory agency established in August 1989 by the Federal Home Loan Bank Act, as amended by the Financial Institutions Reform, Recovery and Enforcement Act to monitor and control the activities of Federal Home Loan Banks, including their financial support for affordable housing.

FHLB - Federal Home Loan Bank

A system consisting of eight regional banks from which local lending institutions borrow funds to finance housing, economic development, infrastructure and jobs. Local lending institutions must choose to become a member of one or more regional FHLB banks in order to have access to their funds.

FHLB-AHP-Federal Home Loan Bank Affordable Housing Program

This program of the FHLB provides below-market-rate permanent loans of up to \$20,000 per unit for new or rehabilitated affordable housing units serving households with incomes that do not exceed 50% of AMI. Funds are awarded annually by each of the eight regional FHLB's to proposed projects that are deemed most worthy. The awards are made via a sponsoring local bank, which must be a member of the FHLB.

FHLMC - Federal Home Loan Mortgage Corporation (Freddie Mac)

A congressionally chartered private agency created by the Financial Institutions Reform Recovery and Enforcement Act of 1989 (FIRREA). Freddie Mac purchases conventional residential mortgage loans from originating financial institutions, maintains purchased loans in its portfolio or packages, and sells them as securities. Freddie Mac also offers programs with flexible underwriting guidelines for lower-income home buyer.

FNMA- Federal National Mortgage Association (Fannie Mae)

A congressionally chartered private agency established in 1937 to purchase and package conventional residential mortgages as securities and sell them to investors. In 1987, Fannie Mae created its Office of Low-and Moderate-Income Housing to provide more flexible underwriting guidelines for low-income home buyer and nonprofit organizations.

Gap Financing

The difference between financing commitments already obtained for a project and the total financing needed so the project has sufficient capital for all its projected costs.

Gentrification

The buying and renovation of houses and stores in deteriorated urban neighborhoods by upper- or middle-income families or individuals, thus improving property values but often displacing low-income families and small businesses.

GNMA - Government National Mortgage Association (Ginnie Mae)

A wholly owned government corporation created in 1968 through an amendment of the National Housing Act. Ginnie Mae is administered by HUD. It guarantees FHA and VA mortgage-backed securities and manages a portfolio of federally owned mortgages.

GRP - Gross Rent Potential

The sum of contractual rents from all residents, plus the potential rents for any vacant units. The GRP is the maximum rental income potential, if a project achieves 100% occupancy.

HAP - Housing Assistance Payments

The amount of housing assistance payments on behalf of an eligible family determined in accordance with the schedules and criteria established by HUD. Unless otherwise specified, this applies to both Section 8 and Section 23 programs.

High Barriers to Entry

A phrase applied to a neighborhood or community where a proposed project is likely to face a lengthy, expensive or problematic process for obtaining entitlements.

Historic Tax Credits

A federal tax credit program with credits awarded to deserving projects by the federal government to encourage the redevelopment, revitalization and adaptive reuse of older projects. Qualifying projects must be more than 40 years old, and developers must be willing to preserve the original architectural character of these projects after their redevelopment.

HOME (Home Investment in Affordable Housing Program)

A program created under Title 11 of the Affordable Housing Act of 1990 and funded by HUD. The HOME Program provides capital funding to states, metropolitan cities, urban counties and government consortia (contiguous units of governments) to produce affordable housing. To be eligible for HOME funds, a jurisdiction must submit a Comprehensive Housing Affordability Strategy (CHAS) for HUD approval.

HMDA - Home Mortgage Disclosure Act

A federal law enacted in 1975 and amended and extended permanently in 1988 that requires financial institutions to annually compile and disclose data about home improvement and mortgage loan applications, approvals and denials. Reported information includes the race, sex and income of the applicant.

Homesteading

A program in which residential properties in blighted areas that are acquired or repossessed by local government due to failure to pay taxes or failure to correct building code violations are resold to families at a nominal price, often one dollar. The purchaser's obligation is to revitalize these properties and occupy them as their residence for at least several years. Sometimes the government may also provide low-interest rehabilitation loans for improvement capital.

Household Income (also see AMI and Income)

The combined, pre-tax money receipts of all residents older than the age of 18 over a single year. The residents of the household do not have to be related.

HTF - Housing Trust Fund

A fund created by a unit of government or private entity (usually a nonprofit) to provide financing for affordable housing. Funds are usually made available to affordable housing projects in the form of loans at below market interest rates or with all debt service deferred until the end of the loan term, often 20 or 30 years.

Housing Choice Voucher Program (Section 8)

A federal rent subsidy program managed by HUD and administered via local PHA's. The program provides rent supplements and rehabilitation funds to private property owners who lease their properties to low-and very low-income families who otherwise would not be able to afford the properties' usual rent. These Section 8 subsidies are said to be "project based." Alternatively, such supplemental subsidies can be via "vouchers," which are given to an individual and may be used wherever that individual chooses to live.

HUD- U.S. Department of Housing and Urban Development

The principal federal agency responsible for programs designed to address the country's housing needs, fair housing opportunities and improvement and development of public housing projects. HUD was established by Congress in 1965 to provide: mortgage insurance for the purchase and improvement of single-family and multi-family dwellings; a secondary market through the issuance and guarantee of mortgage-backed securities for investors in Government National Mortgage Association (Ginnie Mae); direct loans for construction or rehabilitation of housing projects for various targeted groups; housing subsidies for more than a million low- to moderate-income families; grants to cities, towns and states for community development activities; and enforcement of fair and equal housing opportunities.

Inclusionary Zoning

A zoning ordinance that requires a developer to provide some affordable housing units in a proposed project or provide incentives such as density bonuses or property tax abatement for doing so.

Income (also see AMI-Area Median Income and Household Income)

The sum of all the wages, salaries, profits, interest payments, rents and other forms of earnings received in a given period of time, typically stated per annum.

- Moderate-income
A household with an income from 80% to 95% of the local area median income.
- Low-income
A four-person household with an income from 50% to 80% of the local area median income.
- Very low-income
A four-person household with an income less than 50% of the local area median income.
- Extremely low-income
A four-person household with an income less than 30% of the local area median income.

Interest Subsidy

Direct or indirect government assistance that reduces a borrower's interest cost on a loan.

Land Bank

A public or quasi-public agency that acquires and assembles land for affordable housing and economic revitalization projects. Properties for a land bank can be purchased from individual property owners by negotiation or through the power of eminent domain as granted by state urban renewal statutes. A land bank or its affiliates can serve as a developer or sell or lease the property to other developers as part of a planned development, often for purposes of community betterment such as affordable housing.

Lease Up

The period after completion of a rental project when residents are first occupying the property and the property is still partially empty. Lease up of affordable projects is generally considered completed when the project achieves 93% or greater occupancy.

LOC - Letter of Credit

A standard, commercial letter of credit is a document mostly issued by financial institutions to provide an irrevocable payment undertaking. They may be used in the land development process to ensure that approved public facilities (streets, sidewalks, storm water ponds, etc.) will be built.

LIBOR - London Inter Bank Offer Rate

Daily quotes for interest rates for short-term loans of different terms or longevities. LIBOR rates have become a common index for calculating interest on construction loans for affordable housing and other real estate ventures.

LIHTC- Low Income Housing Tax Credits (also see Section 42 Affordable Housing Tax Credits)

A provision in Section 42 of the Internal Revenue Code that provides for income tax credits for the owners of new or rehabilitated housing projects which serve residents with income no greater than 60% of AMI. Equity investments in affordable rental properties with LIHTC allocations have been the dominant financing source for new and rehabilitated affordable housing for the past two decades. LIHTC projects have typically produced 65,000 to 85,000 units per year nationally and 2,000 to 2,500 units in North Carolina.

Loan Consortium

Collaboration among financial institutions in which capital is committed by the participating institutions to finance affordable housing, community development projects or other ventures.

LURA - Land Use Restriction Agreement

An agreement between a capital provider and project owners restricting operation of an affordable project so the project will serve residents only up to a stipulated AMI for a period of time, usually 30 or 40 years. The agreement is recorded and has the effect of being a deed restriction on the property assuring its long-term service as affordable housing.

Median Income (also see AMI-Area Median Income and Income) Mixed Income

Mixed income housing contains housing reserved for and affordable to low-income families as well as market rate housing. A mixed-income development may be created through inclusionary zoning, by using federal tax credits for a portion of a project's units, or by using other subsidy programs.

Mixed Use

Mixed-use development, in one building or several buildings, that combines two or more revenue-producing uses that are physically and functionally integrated and developed in conformance with a coherent plan. A mixed-use development might include retail space on the ground floor, offices on the middle floors and condominiums on the top floors.

Modular Housing

Also known as prefabricated, manufactured or factory-built housing, this housing is assembled on site from several modules built in remote factories. Construction costs are usually lower than comparable site-fabricated or "stick built" homes.

Mortgage Credit Certificate (MCC)

A federal tax credit available to low- or moderate-income home buyers who also meet other government requirements. The credit reduces the personal income tax liability, dollar-for-dollar, by 20% of the mortgage interest paid to a home buyer's lender.

Naturally Occurring Affordable Housing (NOAH)

Housing already on the market whose rents fall within the boundaries of affordability, for example houses or apartment units in modest or transitional neighborhoods that haven't been "gentrified".

NCHFA-North Carolina Housing Finance Agency

The organization in North Carolina that acts as an agent for the federal government to allocate the approximately \$18 million per year in federal Low Income Housing Tax Credits. Allocations are made to proposed projects that the NCHFA deems most worthy of receiving a portion of these tax credits. The NCHFA also allocates funds from various NC programs and provides long-term monitoring of funded projects for adherence to requirements.

Neighborhood Housing Services of America

A private, non-profit, tax-exempt corporation that purchases non-bankable loans from local Neighborhood Housing Services' revolving loan funds.

NeighborWorks America

A congressionally chartered, federally funded, public non-profit corporation established in 1978 to assist in the revitalization of lower-income neighborhoods and in the provision of affordable housing in these neighborhoods. NeighborWorks America works mainly through local neighborhood Housing Services organizations to provide training, operational grants and technical assistance.

NIMBY - Not in My Backyard

A term used to describe opposition to a proposed new development by residents in its vicinity. These residents consider the proposed project an undesirable prospective neighbor and prefer the project to be located "elsewhere." New affordable housing projects nearly always generate NIMBY opposition.

NMTC - New Market Tax Credits

Tax credits awarded to encourage private investment in neglected communities.

NOFA - Notice of Funding Availability

The term used by HUD and other federal organizations for the document used to inform the public that public funds are available for a particular purpose, such as affordable housing.

NOi - Net Operating Income

Funds remaining from project operations for a period of time, usually a month or year, after operating expenses have been subtracted from project revenue, but before debt service has been paid.

PEL – Permissible Expense Level

A HUD term for the permissible operating expenses for a project upon which HUD will base its operating subsidy payments to support a public housing project.

Public Housing

A form of affordable housing in which the housing is owned and usually operated by a PHA using recurring PEL or other subsidies provided by HUD plus some modest rent from low income tenants. Such housing serves residents with incomes of 30% AMI or below

PHA – Public Housing Authority

A public, or quasi public entity, which provides and operates public housing in a particular geographic area, such as a city, for residents at 30% AMI and below. These projects typically receive PEL and/or other subsidies from HUD

PILOT – Payment in Lieu of Taxes

An annual payment by a business entity, such as the owners of an affordable housing project, to a taxing authority, such as a city or county, usually based on a mathematical function of project revenue, rather than the project's assessed value. PILOT is enabled by specific ordinance for a specific project or narrowly defined group of projects, and is designed and intended to produce a lower operating expense than if regular property taxes were imposed.

PITI – Principal, Interest, Taxes and Insurance

The four typical components of a homeowner's monthly mortgage payments.

PMI – Private Mortgage Insurance

Insurance required of borrowers at the borrower's expense by mortgage lenders, with lenders as beneficiary in the event of foreclosure. The requirement is typically imposed when homeowners borrow more than 80% of the appraised value of their residence. The PMI provides funds to reimburse the mortgage lender for expected expenses to repair and resell a foreclosed property.

Pro-Forma (sometimes "Pro-Forma Cash Flow")

Projections of future years cash flow from property operations on a year-by-year (or sometimes month-by-month) basis.

PUPY – Per Unit Per Year

The annual cost of property operations expressed as the total operating expenses before debt service, divided by the number of units in the project. In 2009, newer affordable rental properties in the Charlotte area have PUPY operating expenses in the \$4,000 to \$5,000 range.

QAP – Qualified Allocation Plan

The name of the document that contains the design preferences, financing standards, submission dates and all other relevant application matters for each state's allocation of low-income housing tax credits for a given year. The term is sometimes applied to comparable standards for other financing programs.

QCT – Qualified Census Tract

In certain high-poverty or difficult-to-develop census tracts, the Internal Revenue Code permits an additional 30% allocation of tax credits to encourage development of affordable housing in these census tracts

RPP – Rental Production Program

A program of below market rate loans in the State of North Carolina, competitively awarded to the most deserving proposed affordable projects, as judged and administered by the NCHFA.

Replacement Reserves

A sum of money charged against current operations, and placed in a separate reserve account. These funds are to be used in future periods for capital repairs and replacements. Potential users for these funds include repainting building exteriors, re-roofing, resurfacing parking lots and replacing appliances. \$250 per unit per year is a commonly required replacement reserve amount for affordable housing projects.

RLF – Revolving Loan Fund

A loan fund where repayments from initial loans are added back to the fund balance to be loaned again. RLF's are typically used for a worthy community purpose, such as affordable housing, and usually for short to intermediate terms of one to several years.

Right of First Refusal

A right to purchase a property granted to and held by a specific party. This right provides the specific party the opportunity to purchase a property before the property is sold to another party. Sometimes the right of purchase is conditioned on the specific party matching a purchase offer made by others.

Section 42-Affordable Housing Tax Credits (also see LIHTC)

The section of the Internal Revenue Code which creates and permits LIHTC's.

Soft Debt

Loans to affordable projects at interest rates below commercial rates and/or loans with deferred debt service for extended periods. By reducing operating expenses, soft loans help make feasible affordable projects with below-market rents serving low-income residents.

Subordinated Mortgage

A mortgage that has a junior lien position on pledged collateral in relation to more senior debt.

SRO - Single Room Occupancy

A type of affordable housing unit consisting of a private room and bath and sometimes a modest kitchenette. In the field of affordable housing, this unit type is most often found in projects serving individuals transitioning from homelessness and/or chemical dependency back to full economic and social independence. Effective SRO projects typically include extensive individual and group counseling for residents.

Subsidized Housing

Any housing that receives below-market-rate capital funds and/or continuing operating funds from a source other than from residents. Usually, subsidies include a requirement that such housing serve a low-income clientele in units with rents capped to be affordable to that clientele. Section 8, or PEL operating subsidies are typical forms of direct rental subsidies from HUD.

Sweat Equity

Labor performed by a prospective buyer, on a dwelling by a prospective property owner. The value of such labor is treated as equity when the property is financed. Typical sweat equity might include carpentry, electrical work, or painting.

Tax Abatement

A government entity's suspension of some or all future property or income taxes to encourage development or redevelopment of a specific property or area, such as in a blighted neighborhood.

Tax Credit Allocation

A dollar amount of federal income tax credits awarded to a proposed affordable housing project. The amount allocated is used by project owners as a credit against federal taxes due from other business activities each year for a 10-year period beginning when the proposed project is completed and placed in service as affordable housing.

Tax Credit Pricing

The amount of investors' equity in a tax credit project provided in exchange for the investors receiving the right to use a Tax Credit Allocation. The Tax Credit Raise Up is usually expressed as total equity dollars or on a cents-on-the-dollar basis. For example, if a tax credit project with an allocation of \$1 million per year for 10 years can obtain equity of 75% of the \$10 million total tax credits, the pricing is said to be "seventy-five cents" (on-the-dollar) or "seven and one half million" dollars.

Transit-Oriented Development (TOD)

Development of commercial space, housing services, and job opportunities close to public transportation, thereby reducing dependence on automobiles. TODs are typically designed to include a mix of land uses within a quarter-mile walking distance of transit stops or core commercial areas.

Transitional Housing

A project that has as its purpose facilitating the movement of homeless individuals and families to permanent housing within a reasonable amount of time (usually 24 months). Transitional housing includes housing primarily designed to serve deinstitutionalized homeless individuals and other homeless individuals with mental or physical disabilities and homeless families with children.

USDA Rural Development Housing Programs

The Single-Family Housing Program provides homeownership opportunities to low- and moderate-income rural Americans through several loan, grant and guarantee programs. The program also makes funding available to individuals to finance vital improvements necessary to make their homes decent, safe and sanitary.

Urban Renewal Area

A slum area or a blighted, deteriorated, or deteriorating area in the locality involved which the Secretary approves as appropriate for an urban renewal project.

Urban Renewal Project

A project planned and undertaken by an LPA [Local Public Agency] in an urban renewal area with Federal financial and technical assistance under Title I of the Housing Act of 1949. A project may involve slum clearance and redevelopments rehabilitation and conservation, or a combination of both. It may include acquisition of land, relocation of displaced site occupants, site clearance, installation of site improvements, rehabilitation of properties and disposition of acquired land for redevelopment in accordance with the Urban Renewal Plan.

Utility Allowance

So called "rentables" as distributed by various state agencies that administer tax credits, are a combination of maximum allowable rents and the amount the resident is expected to pay for utilities, such as electric service, or water and sewer services. The amount that must be deducted from the apparent maximum rents for utility allowances varies by local market. Developers may use HUD generic standards, impartial data for comparable properties obtained from utility companies (if they will provide it), or engineered studies to determine utility allowance amounts. For example, if the rent tables indicate a maximum rent for a hypothetical two-bedroom apartment of \$700 per month, and an engineered study indicates a reasonable utility allowance for that unit's utilities is \$95, then the project may charge no more than \$605 in rent (\$700 from rent tables; \$95 utility allowance = \$605 net rent) which can be charged by the project.

UNIVERSAL DESIGN

A design concept that encourages the construction or rehabilitation of housing and elements of the living environment in a manner that makes them usable by all people, regardless of ability, without the need for adaptation or specialized design.

VACANT UNIT

A dwelling unit that has been vacant for not less than nine consecutive months.

VA - (Department of Veterans Affairs - Also see DVA)

A federal agency established by the Department of Veteran Affairs Act of 1930. The VA comprises three organizations that administer support programs for veterans: the Veterans Health Administration; the Veterans Benefits Administration; and the National Cemetery System. The Benefits Administration operates the VA's home loan guaranty program, which enables veterans to purchase their first house with little or no equity.

DreamKey Partners, Inc. is a broad-based, private, nonprofit housing development and financial corporation organized to expand affordable and well-maintained housing within stable neighborhoods for low and moderate-income families in the City of Charlotte and Mecklenburg County.

DreamKey Partners, Inc. formerly Charlotte-Mecklenburg
Housing Partnership, Inc.
Address: 4601 Charlotte Park Drive, Charlotte, NC 28217
Contact number: (704) 342-0933

For more information about the DreamKey Partners, Inc. access our website at www.dreamkeypartners.org or follow us on Facebook and Twitter @DreamKeyOrg.



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Board of Directors Roster

2022

Term	Members	Committees
First (2020-2022)	Ms. Nicole Baldon Senior Vice President; Senior Relationship Manager Community Development Banking Bank of America, N.A. 501 Knights Run Ave., Apt. #4104 Tampa, FL 33602 (704) 737-3023 Nicole.Baldon@bofa.com	Real Estate Development
First (2018-2020)	Ms. Astrid Chirinos Executive Director Simmons YMCA 6824 Democracy Dr. Charlotte, NC 28212 (704) 451-3978 astrid.chirinos@ymcacharlotte.org	Programs and Fund Development Race, Equity, Diversity and Inclusion
First (2017-2019)	Ms. Elyse Dashew Charlotte Mecklenburg Schools Board of Education - At Large 6501 Ciscayne Pl. Charlotte, NC 28211 Elyse.dashew@gmail.com	Race, Equity, Diversity and Inclusion
First (2019-2021)	Mr. David R. Finnie (Retired Partner) Pesta, Finnie & Associates 6826 Morrison Blvd. Charlotte, NC 28211 (704) 364-1892 / Fax (704) 364-8564 dfinnie@pestafrinnie.com	Finance and Audit/Asset Management



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First (2018-2020)	Judge Linwood O. Foust Superior Court Judge (Retired) Community Advocate 416 Walnut Ave. Charlotte, NC 28208 (704) 965-1886 jlofoust@gmail.com	Executive Real Estate Development
First (2022-2024)	Mr. Malcolm Graham Councilman, City of Charlotte 3404 Cresta Ct. Charlotte, NC 28269 (704) 576-4568 Malcolm.graham@charlottenc.gov	
First (2017-2019) Second (2020-2022)	Mr. Kevin Granelli Area President _ DRB Group 227 West Trade Street, Suite 1610 Charlotte, NC 28202 (704) 778-2330 (cell) kgranelli@drbgroup.com	Executive Real Estate Development
First (2019-2021)	Mr. Rickey Hall President West Boulevard Neighborhood Coalition 3133 Reid Ave. Charlotte, NC 28208 (704) 451-2464 Rhall6257@gmail.com	Programs and Fund Development
First (2022-2024)	Ms. Brenda Hayden Broker, Keller Williams 17224 Snug Harbor Rd. Charlotte, NC 29378 (704) 369-6106 brendahayden@kw.com	
First (2022-2024) Term will begin July 2022	Rev. Bob Henderson Sr. Pastor, Colonial Presbyterian Church 1000 East Morehead St. Charlotte, NC 28204 (704) 333-9071 Bob.Henderson@covenantpresby.org	



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First (2019-2021)	Ms. Jessica Beil Hindman Architect & Owner Studio H 720 E. Tremont Ave. Charlotte, NC 28203 (980) 494-0594 jessica@studioh-design.com	Executive Communications Race, Equity Diversity and Inclusion
First (2020-2022)	Mr. Chris Jackson President & CEO Goodwill Industries of the Southern Piedmont 5301 Wilkinson Blvd. Charlotte, NC 28208 (704) 332-0264 Chris.Jackson@goodwillsp.org	Programs and Fund Development
Finished term for Kevin Wright (2020) First (2021-2023)	Mr. Dave Kautter Director, Community Lending and Investment Wells Fargo 550 S. Tryon St., 23rd Fl. (MAC D1086-239) Charlotte, NC 28202 (704) 715-8859 (704) 915-0770-cell David.w.kautter@wellsfargo.com	Finance and Audit/ Asset Management Real Estate Development
First (2020-2023)	Mr. Raymond (Raki) McGregor VP New Business Growth-Chief Digital Technology Officer Novant Health 108 Providence Rd., 3 rd Floor Charlotte, NC 28207 (704) 384-8974 rrmcgregor@novanthealth.org	Executive Committee Programs and Fund Development
First (2017-2019) Second (2020-2023)	Ms. Jacqueline O'Garrow Senior Vice President – ESG Bank of America (Retired) 3259 Luke Crossing Dr. Charlotte, NC 28226 (516) 641-9535 jogarrow@msn.com	Executive (Chair) Communications Programs and Fund Development Race, Equity, Diversity and Inclusion



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First (2020-2023)	Winston A. Robinson Executive Director The Applesauce Group 1646 Washington Ave. Charlotte, NC 28216 (704) 299-5046 Winrob12@hotmail.com	Programs and Fund Development Communications Race, Equity, Diversity and Inclusion
First (2017-2019) Second (2020-2022)	Mr. Ken Schorr Executive Director Charlotte Center for Legal Advocacy (Retired) 7319 Valleybrook Rd. Charlotte, NC 28270 (704) 458-3966 kennethschorr@gmail.com	Communications Programs and Fund Development Race, Equity, Diversity and Inclusion
First (2022-2024)	Mr. Joaquin Soria Chief Financial Officer Charlotte Regional Business Alliance 1575 Duckworth Ave. Charlotte, NC 28208 (704) 904-5153 jsoria@charlotteregion.com	Finance and Audit/ Asset Management
Second (2019-2021)	Mr. James R. Simpson Retired 3913 Columbine Circle Charlotte, NC 28211 (704) 904-5153 rochesimpson@gmail.com	Real Estate Development Executive (Vice Chair)
Other Associated with the Board of Directors		Committee
Mr. Fred Dodson, Assistant Secretary DreamKey Partners 4601 Charlotte Park Drive, Suite 350 Charlotte, NC 28217 (704) 342-0933, Fax (704) 342-2745 fdodson@dkp.org		Assistant Secretary Real Estate Development



DreamKey Partners, Inc. Basic Responsibilities of Board Members and Board Committees

1. Determine the mission and purpose of the organization. It is the board's responsibility to create and review a statement of mission and purpose that articulates our vision, goals and primary customers.
2. Select the President. Reach consensus on the chief executive's responsibilities and, as needed, undertake a careful search to find the most qualified individual for the position. (EXECUTIVE COMMITTEE)
3. Support and help evaluate the President. The board should ensure that the President has the moral and professional support he or she needs to further the goals of the organization. (EXECUTIVE COMMITTEE)
4. Ensure effective planning. DreamKey Board members must actively participate in an overall planning process and assist in implementing and monitoring the plan's goals. (EXECUTIVE AND STRATEGIC PLANNING COMMITTEES)
5. Monitor and strengthen programs and services. It is the board's responsibility to determine which programs are consistent with the organization's mission and monitor their effectiveness. (PROGRAMS AND FUND DEVELOPMENT COMMITTEE)
6. Assist in fundraising activities and identify prospects to ensure the financial viability of DreamKey Partners. (PROGRAMS AND FUND DEVELOPMENT COMMITTEE)
7. Ensure adequate financial resources. One of the board's foremost responsibilities is to secure adequate resources for the organization to fulfill its mission. (FINANCE COMMITTEE)
8. Protect assets and provide proper financial oversight. The board should assist in developing the annual budget and ensure that proper financial controls are in place. (FINANCE COMMITTEE)
9. Build a competent board. All board members have a responsibility to articulate prerequisites for candidates, orient new members, and periodically and comprehensively evaluate their own performance. (NOMINATING/GOVERNANCE COMMITTEE)
10. Determine goals and activities to+ enhance Diversity, Equity and Inclusion and both Board and Staff levels. (DIVERSITY, EQUITY AND INCLUSION COMMITTEE)
9. Ensure legal and ethical integrity of the board. The board is ultimately responsible for adherence to its own bylaws, legal standards and ethical norms. Each member is required to sign a conflict of interest statement.
10. Enhance the organization's public standing. Board members should be able to clearly articulate the organization's mission, accomplishments, and goals to the public and garner support from the community. (COMMUNICATIONS COMMITTEE)

DreamKey Partners, Inc.

Additional responsibilities of Executive Committee

1. Set President's compensation. Based on achievement of goals and evaluation of performance, review and establish President's salary and bonus potential.
2. Review budget to actual and cash flow. On an ongoing basis, routinely assess the health of the organization financially and ensure adequate resources to cover operations.
3. Nominate new members. Review resumes and potential board member qualifications and recommend new members of the board.
4. Advise the President. As needed, advise the President on issues of staffing, budget, programs and projects.
5. Make needed decisions and pass executive committee resolutions. As needed on an emergency basis and/or between board meetings, be available to convene to approve needed corporate resolutions.

Updated 8/5/2021



DREAMKEY
PARTNERS

CONFLICT OF INTEREST POLICY

I. Statement of Purpose

It is the policy of the Board of Directors of DreamKey Partners to perform its duty in a manner that prohibits conflicts of interest by the members of its Board of Director (“Directors”).

II. Application of Policy

This policy applies to Directors and to their immediate family members.

III. Prohibited Activities Conflicting with the Interest of DreamKey Partners

No director shall engage in any of the following activities:

- A. Enter into a contract with DreamKey Partners or be a beneficiary of a contract entered into by others.
- B. Enter into a contract with or be a beneficiary of a program which receives any funding from or through DreamKey Partners.
- C. Receive financial assistance directly or indirectly for the construction of housing, the rehabilitation of real property or the construction of property improvements under a program administered by or through DreamKey Partners.

IV. Benefit to a Business entity in Which a Board Member has an Interest

Any proprietorship, corporation, or other business entity in which a Director owns more than 10% of that entity will for purposes of this

policy cause the activities of such business entity to be considered as if such activities were those of the Director.

V. Disclosure of Common Interest

Except as otherwise excluded herein, Directors may (i) be employed by, (ii) serve as a consultant or director for or (iii) own interest of 10% or less in an organization or business entity which assists in carrying out the operations or programs of DreamKey Partners. In all such cases such Directors shall disclose the fact of such relationship at the next regularly scheduled meeting of DreamKey Partners, and in all events prior to any vote being taken on matters related thereto. This disclosure shall be recorded in the minutes of the meeting with the name of the individual, the organization involved and a description of the interest involved. The Director shall refrain from voting on any resolution or authorization by DreamKey Partners that relates to such organization or business entity.

VI. Length of Prohibitions

This policy applies to each Director and any organization or business entity covered by virtue of its relations with the Director for a period beginning two years prior to the Director's election and acceptance of membership on the board of Directors and ending one year following the end of their term.

VII. Statutory Prohibitions

In addition to the conduct prescribed herein, Directors are to the extent applicable by law subject to the provisions of Section 14-234 of the North Carolina General Statutes.

VIII. Gifts

Directors shall not accept gifts, favors, or anything of monetary value from individuals of organizations who are current or potential providers of goods or services or beneficiaries of the programs and operations of DreamKey Partners. Gifts of nominal value, as defined by the IRS as deductible gifts, may be accepted without violating this section.

IX. Waiver

The applicability of this policy may be waived, to the extent permitted by law or regulation, by majority vote of the disinterested Directors where applications of the policy would create an undue hardship on the intended DreamKey Partners' programs.



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**BOARD OF DIRECTORS
DISCLOSURE**

NAME: _____

ORGANIZATION: _____

INTEREST INVOLVED: _____

ADDITIONAL COMMENTS: _____

_____ *I have no disclosures to make at this time*

SIGNATURE: _____ **DATE:** _____



DREAMKEY
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2022 Board Schedule

2022 Board Meeting Dates:

1/26, 2/23, 3/23, 4/27, 5/25, 6/22, 8/24, 9/28, 10/26, 12/7
Generally, meets on the **fourth Wednesday** of each month.

Board Orientation and Tour Meeting
7/28

Staffing: Noelle Bell, Julie Porter, Fred Dodson, Erin Barbee, Rebekah Baker, Kevin Schrader, Dona Stephenson

2022 Committee Assignments and Meeting Dates:

Executive Committee:

Jacqueline O'Garrow (Chair)
Jim Simpson
Jessica Hindman (Vice Chair)
Hon. Linwood Foust
Kevin Granelli (Secretary)
Raki McGregor

Meets: Bi-monthly

Schedule: Eight times each year at 3:00 p.m. before the full Board meeting.

1/26, 3/23, 4/27, 5/25, 6/22, 8/24, 10/26, 12/7

Staffing: Julie Porter

Finance and Audit / Asset Management Committee:

David Finnie
Dave Kautter
Joaquin Soria

Meets: 3:00 p.m.

3/21, 6/20, 9/26, 12/5

Staffing: Kevin Schrader, Rebekah Baker and Julie Porter



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Real Estate Committee:

Nicole Baldon
Linwood Foust
Kevin Granelli
Dave Kautter
Jim Simpson

Meets: 10:00 a.m. to 11:30 a.m. on the following dates:
1/24, 3/7, 5/9, 7/11, 9/12, 11/14
Staffing: Fred Dodson and Julie Porter

Programs and Fund Development Committee:

Astrid Chirinos
Brenda Hayden
Chris Jackson
Raki McGregor
Jacqueline O'Garrow
Winston Robinson
Ken Schorr

Meets: Quarterly at 4:00 p.m.
1/19, 4/20, 7/20, 10/19
Staffing: Erin Barbee and Julie Porter

Communications Committee:

Astrid Chirinos
Jessica Hindman
Jacqueline O'Garrow
Winston Robinson
Kenneth Schorr

Meets: per committee member's schedules but generally quarterly at 11:30 a.m.
2/8, 5/10, 8/9, 11/8
Staffing: Noelle Bell and Julie Porter



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Race, Equity, Diversity & Inclusion (REDI) Committee:

Astrid Chirinos

Elyse Dashew

Jessica Hindman

Jacqueline O'Garrow

Winston Robinson

Ken Schorr

Meets per committee member's schedules but generally will meet quarterly at 9:00 a.m.

1/12, 4/20, 7/21, 10/19

Staffing: Noelle Bell, Julie Porter, Fred Dodson, Erin Barbee, Rebekah Baker, Kevin Schrader

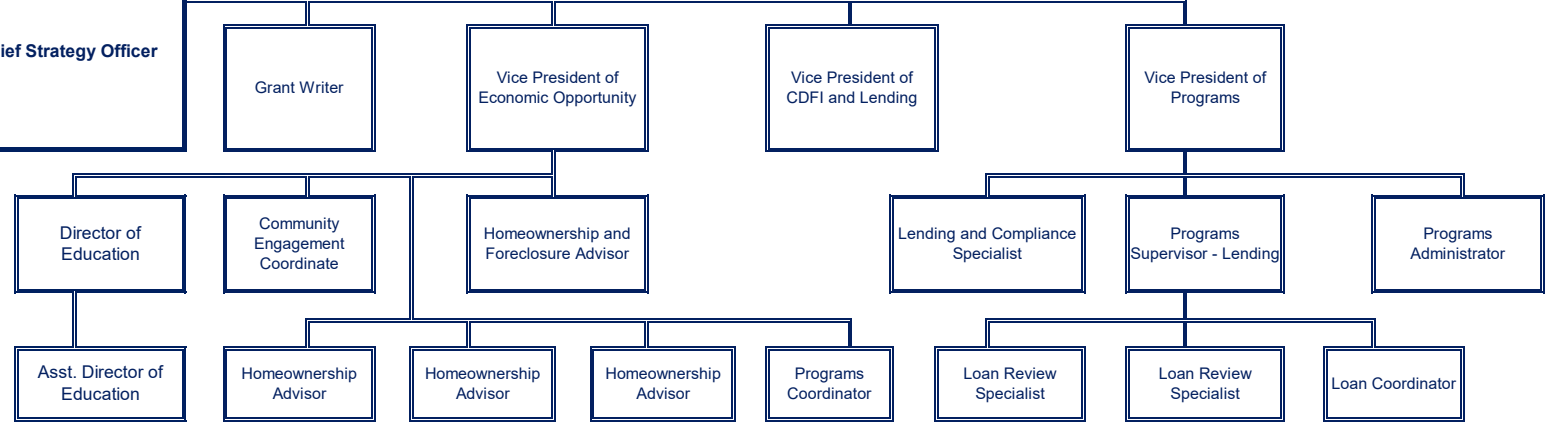
Board of Directors

President
Executive Assistant



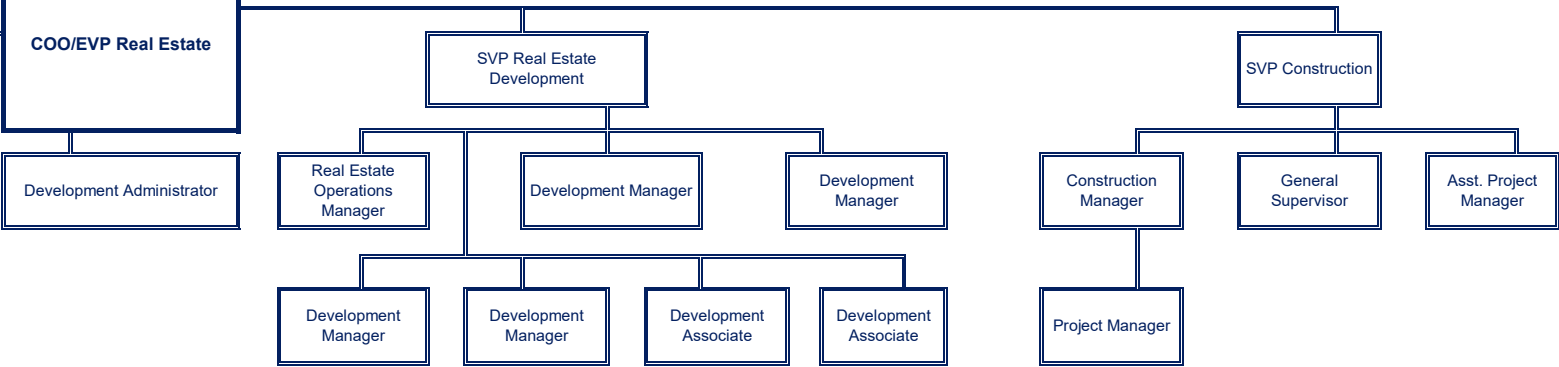
Chief Strategy Officer

PROGRAMS AND HOMEOWNERSHIP (19 perm)



COO/EVP Real Estate

REAL ESTATE DEVELOPMENT (15 perm)



SVP Asset Management

ASSET MANAGEMENT (3 perm)

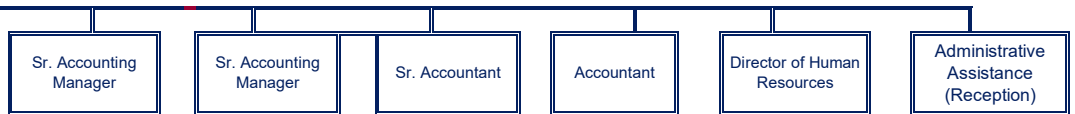


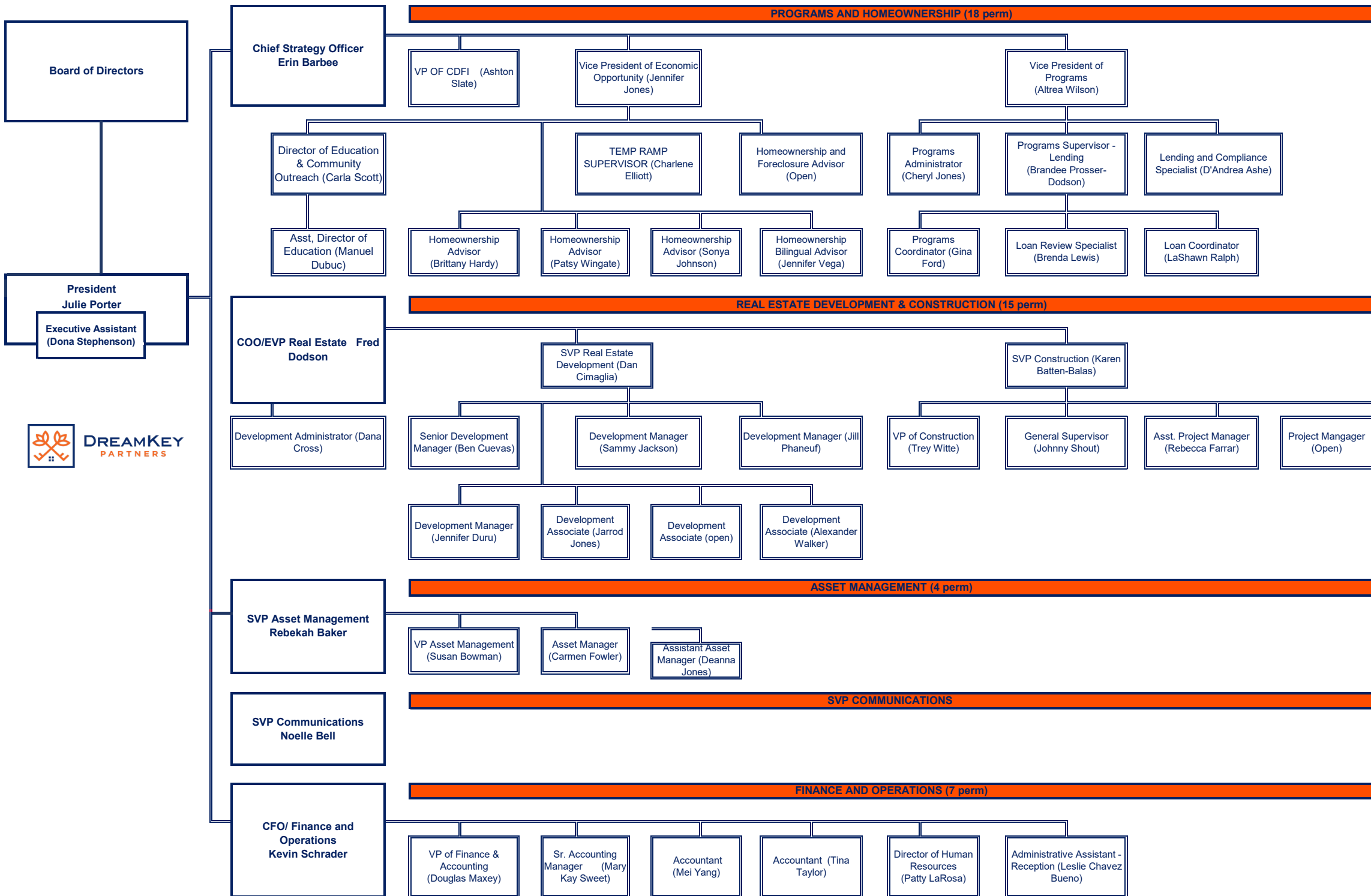
SVP Communications

SVP COMMUNICATIONS

CFO/ Finance and Operations

FINANCE AND OPERATIONS (6 perm)







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10/2021



DREAMKEY
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**DreamKey Partners
President
Succession Plan - 2021**

Introduction

A change in executive leadership is inevitable for all organizations. It is a time of both risk and opportunity. It is a period in an organization's history when the Board Chair must increase his/her level of engagement. It is also a time when some may seek assurance of the organization's viability and long-term sustainability.

A succession policy for the President position is a routine risk management and sustainability planning tool. The policy ensures organizational sustainability by providing a proactive, orderly plan for executive leadership transitions.

To that end, the Board of DreamKey Partners is adopting this succession policy for purposes of:

- Focusing Board attention on leadership team development through annual communications between the President and Board about the depth of staffing and succession plans for senior staff positions
- Establishing principles, role clarity and procedures to support positive leadership transitions that foster good endings and beginnings with departing and arriving leaders and build organizational capacity when a planned or unplanned executive leadership change occurs

The Board Chair shall be responsible for implementing this policy and its related procedures, and for annually reviewing and updating the policy as needed.

In the event of a planned or unplanned leadership transition, the Board shall immediately appoint a Transition Committee which shall plan and manage the transition, including the search for a new President. (See below for details)



DREAMKEY PARTNERS

Guiding Principles

- DreamKey Partners and its Board of Directors is open to and will consider both internal and external candidates when filling the President position. As a matter of policy and in order to fulfill its due diligence responsibility, the Board acknowledges it is in the best interest of the organization and its clients to engage in a robust, competitive search process that involves both internal and external candidates.
- The President's position is often shaped by the incumbent's talents and areas of specialized interest. That person's departure might necessitate other organizational changes including the creation of the new positions and/or realignment of current positions.
- The preeminent goal of a transition to a new President is maintaining continuity of DreamKey Partners' mission-related work. A transition also presents an opportunity for the organization to continue to grow and develop.

Lines of Authority

1. The selection of the President is the responsibility of the Board.
2. The current President has the responsibility to continuously identify, encourage, and help to develop senior managers within the organization who are qualified to meet future leadership needs, whether that be on a temporary or permanent basis.
3. The current President has the responsibility to plan for the orderly transition of all senior managers.

Emergency Backup Plan

1. Related to the position of President: To be prepared at all times for a leadership transition, the organization shall maintain an up-to-date Emergency Backup Plan with guidelines for the planned or unplanned short-term and long-term absence of the President. This plan is approved by the Board and will be reviewed annually. The plan can also serve as the Transition Plan when there is a vacancy in the President position.
2. Related to senior staff Positions: To be prepared at all times for a senior staff transition, the President shall maintain an up-to-date Emergency Backup Plan with guidelines for the planned or unplanned short-term and long-term absence of members of the senior staff. Those plans shall be provided to the Board Chair and made available to the Board.



DREAMKEY PARTNERS

Board Action in the Event of Vacancy in the President Position

1. Organizational Assessment: The Board or Transition Committee shall take time to assess the leadership needs of the organization before the search for a new President is conducted. The assessment shall include a review and update (if needed) of the organization's strategic plan. The assessment will be designed to help assure the selection of a qualified and capable leader who fits well with the organization's mission, vision, values, culture, goals, and objectives, and who has the necessary skills to lead the organization.
2. Option of appointing an Acting or Interim President: To assure the organization's operations are not interrupted while the Board assesses the leadership needs and recruits a new President, the Board may appoint an Acting President from among senior executive staff or hire an Interim President from outside the organization.
3. Duties of the Acting/Interim President: Among such duties will be to ensure that the organization continues to operate without disruption and that all organizational commitments previously made are appropriately executed, including but not limited to, speaking engagements, grant and contract obligations, reports, licenses, certifications, membership renewals, and other obligations to funders and other stakeholders,
4. Authority of Incoming Interim: The authority of the incoming interim will be determined by the Board. Areas to be reviewed and authority clarified include financial considerations (i.e. contracts, check signing, lines of credit, draw approvals, etc.)
5. Simultaneous transitions for Senior Staff Positions: The Board may make other temporary senior staff appointments from among other senior staff, external hires, or whatever combination of those options best assures continuity in leadership and program success through the transition period and afterwards.

Preparation Time Frame for Replacement of the President

1. The optimal period for the President to announce his/her departure from that role – or proposed commencement of a new role in the organization – is at least six to twelve months before the date of departure.
2. The organization's Board understands that time required for successfully completing a planned leadership transition is approximately eight to twelve months.



DREAMKEY PARTNERS

Role of the Outgoing President in Planned Transitions

The departing President, unless otherwise directed by the Transition Committee, will be involved in some transition activities such as: fundraising, communicating with funders and other stakeholders, and briefing the incoming President. The departing President's role during the transition and after the new President starts shall be developed in consultation with the Board Chair and/or Transition Committee and communicated to the Board.

Initial Implementation

1. Within fifteen (15) days of the announcement of a planned departure, the Board Chair shall appoint a Transition Committee. The Transition Committee shall be comprised of five to nine members, a majority of whom shall be Board members. Consideration as deemed appropriate by the Board may be given to inclusion of the Committee of former Board members, other community representatives or representatives of funding entities or other stakeholders. Other external stakeholders and/or staff may be recruited to advise or assist the Committee at the discretion of the Board Chair and Transition Committee.
2. The Transition Committee shall be responsible for implementing this transition plan and further developing the plan as needed.

At its first meeting, the Transition Committee shall determine its role, including responsibilities related to conducting the search process. The Transition Committee may recommend that the Board Chair appoint a separate Search Committee, while the Transition Committee manages the overall transition process for the organization. The Committee shall also discuss and decide on how the senior staff will be substantively involved in the transition planning process and consulted in the selection process.

3. The Board is committed to providing opportunities for input and regular communication updates on transition and search to staff and agreed upon stakeholders.
4. The Transition Committee shall also determine the need for consulting assistance (i.e., transition management consultant and/or executive search firm) based on the circumstances.
5. As needed, the Board Chair shall authorize an organizational assessment and schedule a Board Retreat to review and/or refresh the organization's strategic plan.



DREAMKEY
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DreamKey Partners Commitment Regarding Diverse Candidates and Staff Leader Development

1. In order to provide career advancement for staff, the organization shall encourage the professional development of current employees.
2. In order to support the Board's due diligence and ensure that the best possible candidate is hired, the organization shall implement a search and selection process that is open to internal and external candidates.
3. In order to develop a finalist pool that is reflective of the community, the organization shall work proactively to develop a diverse pool of candidates for the President position.

Adopted by the Board of Directors on:

Chair



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DreamKey Partners

EMERGENCY BACKUP SUCCESSION PLAN

Guideline for the Appointment of an Acting President in the Event of an Unplanned Absence of the Incumbent

1. Rationale

The President position in a nonprofit organization is a central element in the organization's success. Therefore, ensuring that the functions of the President are well-understood and shared among senior staff is important to ensure organizational stability and leadership continuity in the event of unplanned and unexpected change. This kind of risk management is equally helpful in facilitating a smooth leadership transition even when it is predictable and planned.

The purpose of this plan is to ensure the continuous coverage of duties critical to the ongoing successful operations of DreamKey Partners. The Board of Directors is adopting policies and procedures for the temporary appointment of an Acting President in the event of an *unplanned and extended absence* of the President. The Board Chair, or the Board Vice Chairs in the absence of the Board Chair, may determine the appropriate time to initiate the implementation of this plan.

While the Board of Directors acknowledges that such an absence is highly improbable and certainly undesirable, they believe that due diligence in exercising executive-level management functions requires that it have an emergency backup succession plan in place. It is expected that this plan will ensure continuity in the administration of the organization's day-to-day programs and operations, management of external relationships and supervision of staff and finances.

2. Priority functions of the President position at DreamKey Partners

The full President position description is attached. (*See Attachment 1*)

The duties listed in the position description provide examples of the key functions of the President, and therefore, have a corresponding temporary staffing strategy. Functions to be covered by an Acting President are attached. (*See Attachment 2: Emergency Backup Succession Plan Detail: President*)



DREAMKEY PARTNERS

The positions assigned in the Temporary Staffing Strategy are based on DreamKey Partners organizational structure as of July 2012. In the event this plan is implemented and those assigned are no longer available or positions are vacant, the Board Chair may select other senior staff to support each of the key President functions. It is the responsibility of the President to ensure that positions have appropriate cross-training to successfully implement the temporary staffing strategy.

3. Business as Usual

This emergency backup succession plan and the staffing structure at DreamKey Partners are intended to minimize disruption in quality service and maintain business as usual to the extent possible. In the absence of the President, unless otherwise determined by the Board of Directors, business as usual includes maintenance of the following (See *Attachment 2*):

- A. Delivery of services including construction contracting, development activities and mortgage services.
- B. Financial management including accounting, billing, payroll, purchasing, payables and audit process as needed.
- C. Reporting to multiple funding sources
- D. Liaison with the Board of Directors
- E. Facilities and information technology oversight
- F. Management of the organizational portfolio of rental property
- G. Key relationships with elected officials

The following are the areas where the Board may consider a change in the authority of the Acting President:

- Real estate purchases
- Wire transfers over \$50,000
- Changes in personnel benefits
- Contracts and purchases over a specific amount

4. Emergency Backup Succession Plan Implementation

The Board of Directors authorizes the Board Chair to implement the terms of this emergency backup succession plan in the event of a planned or unplanned temporary, short-term absence of the President. A Vice Chair of the board is authorized to implement this plan in the event that the Board Chair is unavailable or cannot be reached. Phone calls and conference calls are an acceptable substitute for any meetings designated in this plan.



DREAMKEY PARTNERS

As soon as feasible, following notification of an unplanned temporary or short-term absence, the Board Chair may convene an Executive Committee meeting to affirm the procedures prescribed in this plan, or to modify them if needed.

While this timeline may vary based on circumstances, the suggested steps for implementation are:

- The COO or CFO informs Board Chair immediately of unplanned absence.
- The Board Chair appoints an Acting President.
- The Board Chair informs Board of the Acting President appointment.
- The Board Chair (and potentially other officers) consults with the Acting President on the circumstances of the absence, organizational situation, and related factors.
- After Board Chair and Acting President consult, stakeholders will be notified following the communications plan outlined in 6H.

5. Definitions

- A temporary absence is one in which it is expected that the President will return to his/her position once the events precipitating the absence are resolved.
- An unplanned absence is one that arises unexpectedly, in contrast to a planned leave, such as a vacation, planned medical procedure or a sabbatical unless otherwise agreed.
- A short-term absence is three months or less.
- A long-term absence is one that is expected to last more than 3 months. A permanent absence is one in which it is firmly determined that the incumbent President will not be returning to the position.

6. Emergency Backup plan in event of a temporary, unplanned absence (SHORT-TERM)

A. Who may appoint the Acting President?

- The Board of Directors authorizes the Board Chair to implement the terms of this emergency backup succession plan in the event of the unplanned absence of the President.
- In the event of an unplanned absence of the President, a member of the senior staff shall immediately inform the Board Chair of the absence.
- As soon as is feasible, the Board Chair may convene a meeting of the Senior Staff to affirm the procedures prescribed in this plan or to make modifications the Board Chair and team deems appropriate.

B. Standing appointee to the position of Acting President.



DREAMKEY PARTNERS

- The Board Chair may designate any Senior Staff member to the position of Acting President. All Senior Staff will have an emergency backup succession plan with designated appointees in case of appointment to the position of Acting President.
- The Board Chair may also consider splitting duties among designated appointees based on the primary functions to be carried out. (See *Emergency Backup Detail* for complete listing.)

C. Cross-training plan for appointees

The President, in collaboration with the Board Chair, will develop a plan for training the potential appointees in the priority functions of the President which are listed in section 3 above. The training plan will be attached to this document when the plan is completed. The President in cooperation with the candidates will have the responsibility of handling the logistics of the plan's implementation.

D. Authority and restrictions of the appointee

The person appointed as Acting President may have the same authority for day-to-day decision making and independent action as the President except as further defined by the Board Chair. Decisions that will be made in consultation with the Board Chair or other appropriate committee include senior management staff hiring and terminations, financial issues, taking on a new project, and taking public policy positions on behalf of the organization.

E. Compensation

The Board Chair, in consultation with the Executive Committee, may consider a salary adjustment for the Acting President.

F. Board Chair responsibility for oversight and support to the Acting President

As with the President, the Board Chair and Board of Directors will have the responsibility for monitoring the work of the Acting President. The Acting President will provide regular updates and meet with the Board Chair on a regular basis as determined by the Board Chair. The Board Chair must also be



DREAMKEY PARTNERS

alert to the special support needs of the Acting President serving in this temporary leadership role and act to address them.

G. Communications plan

Within eight (8) hours after an Acting President is appointed, the Board Chair and the Acting President will meet to implement an external communications plan to announce the organization's temporary leadership structure, including the kind of information that will be shared and with whom (e.g. major donors, civic leaders, government officials). (See *Attachment 2*)

Within 24 hours after an Acting President is appointed, the Board Chair and Acting President will implement the communications plan to announce the organization's temporary leadership structure to the management team and all CMHP staff, the Board of Directors and the Advisory Boards. Notifications will take place in sequence on the following timetable:

- ✓ Within 24 hours, the Board Chair will notify the Board of Directors and the Senior Staff.
- ✓ Within 24 hours, the Board Chair and the Acting President will notify the remaining staff.
- ✓ Within 72 hours, the Board Chair and the Acting President will notify key stakeholders via e-mail or mailed letter. (See *Attachment 2*)
- ✓ Within seven days, the Chief Financial Officer will notify major vendors, the banks and the auditor.
- ✓ Within seven days, the Board Chair with the assistance of the Acting President will notify all organizations that have a contractual relationship with the organization.
- ✓ Within seven days, the Board Chair with the assistance of the Acting President will notify governmental funding agencies and appropriate officials,

Updated Key Contact information will be maintained in the organization's database for easy access on an ongoing basis by a member designated by the President.

(For a full overview of the communications plan, see *Attachment 2: Emergency Backup Succession Plan Detail: President.*)



DREAMKEY PARTNERS

7. Emergency Backup plan in event of a temporary, unplanned absence (LONG-TERM)

The procedures and conditions to be followed will be the same as for a short-term absence with one addition: The Board Chair will give immediate consideration, in consultation with the senior staff, to temporarily back-filling the position left vacant by the Acting President. This is in recognition of the fact that, for a term of more than three months, it may not be reasonable to expect the Acting President to carry the duties of both positions. The position description of a temporary appointment would focus on covering the priority areas in which the Acting President needs assistance.

8. Emergency Backup plan in event of a PERMANENT unplanned absence

The procedures and conditions will be the same as for a long-term temporary absence with one addition: The Board Chair may appoint a Transition and Search Committee of no less than five members in accordance with the terms of DreamKey Partners Succession Policy and follow the procedures set forth in the Policy.

9. Approvals and maintenance of record

A. Emergency Backup plan approval

This emergency backup plan will be approved by the full Board of Directors and reviewed annually at an Executive Committee meeting (preferably at the time of the evaluation of the President) to make any needed changes in the standing appointees or backups. The Board Chair may review and amend the plan at other times if a standing appointee or backup is no longer available to serve in an Acting President capacity. The Board Chair may reevaluate the plan when new designees are appointed.

B. Signatories

This plan will be signed by the Board Chair, the President, the standing appointees and the backup appointees designated in this plan.

C. Maintenance of record

Copies of this plan will be maintained by the Board Chair, the President, the standing appointees and the two backup appointees designated in this plan.



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Approved by DreamKey Partners Board of Directors

On: _____

Jacqueline O'Garrow, Board Chair

Julie A Porter, President

I acknowledge that I have reviewed this plan:

Fred Dodson, EVP and COO Date

Kevin Schrader, CFO Date

Erin Barbee, SVP Date

Rebekah Baker, SVP Date

Noelle Bell, SVP Date



DREAMKEY PARTNERS

Attachment 1

DreamKey Partners, Inc.
POSITION DESCRIPTION

Position Title: President

Supervisor: Board of Directors

Exempt

Overview

The President of DreamKey Partners plans, organizes, leads, directs, coordinates and controls the organization's overall operations, adhering to the highest professional standards consistent with the objectives and policies established by the Board of Directors. The President must support and implement the philosophy and policies established by the Board of Directors and is accountable and reports to the Chair of the Board of Directors and as Chief Administrative Officer of the Corporation, has legal authority to carry out any and all directives of the Board of Directors.

Qualifications:

The President must have, at a minimum, a Bachelor's degree and extensive management experience in a non-profit, government, or affordable housing organization. Accreditation from a management program and a master's degree are preferred.

The President must demonstrate leadership, organizational and administrative skills including leading and directing professionals working collaboratively with budget planning and control, staff development, fund raising, Board development and public relations.

Responsibilities:

I. Administrative:

- A. Work closely with the Chair of the Board of Directors to insure that Board policies and programs are established and implemented.
- B. Establish annual operating objectives, which fulfill the mission and vision of the company.
- C. Lead the Board in developing short and long-range strategic plans which clarify the direction the company is taking to fulfill its mission.



DREAMKEY PARTNERS

- D. Oversee the preparation of an annual operating budget for Board approval, control expenditures, insure sources of revenue to meet these expenditures and manage the overall finances of the organization.
- E. Coordinate inter and intra-department affairs to provide services in the best interest of the customer.
- F. Direct the activities of the Senior Staff in administering the services and programs operated by the organization.
- G. Oversee the direction, recruitment, employment and motivation of qualified personnel to assume responsibility for the organization's services and terminate those who are not meeting performance standards. Assure adequate, current personnel policies and insure that yearly evaluations are carried out on all staff. Recruit, hire and promote senior staff.
- H. Supervise the Information Technology Director in managing IT functions.
- I. Oversee the management of all multifamily and single-family developments with high integrity, maintaining an outstanding image of the organization throughout.

II. Board Relationships:

- A. Provide the Board with all pertinent information about the state of operations so that plans and policies can be implemented.
- B. Participate in the consideration of policy options with the Board and sit ex-officio on all committees.
- C. Provide the Board Chair and Executive Committee the necessary support required to carry out the duties of their offices. Prepare and consult on meeting agendas and other materials presented to the Board.
- D. Provide support to the Nominating Committee in recruiting new Board members, interviewing prospective Board members and orienting new members.



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Attachment 2

Emergency Backup President

DreamKey Partners

Emergency Backup Succession Plan Detail

Julie A. Porter

First Backup – Fred Dodson, COO

Second Backup – Kevin Schrader, CFO

Short Term Staffing of Key Functions

Financial – Kevin Schrader

- **Signing Checks**
- **Verifying all wired funds**
- **Reviewing bank statements**
- **Management of Audit/Finance Committee**
- **Authorizing purchases/contracts over \$5,000**
- **Requests for funds**

R.E. Development – Fred Dodson

- **All negotiations, signatures and agreements for current tax credit projects/developments until completed and turned over to asset management**
- **Management of Program Committee and R.E. Development Committee**
- **Approval of all personnel actions ***
- **Sign Construction contracts and change orders**

Operations – Fred Dodson

- **Review all agreements/contracts**
- **Scheduling monthly board meetings, preparing agenda and mail outs, and providing assistance to the board chair**
- **Wire funds**
- **Management of office/lease and all systems**
- **Staff insurance and fringe benefits decisions**
- **Set up meetings as needed for Fairview Housing Seniors**
- **Management of All Staff meetings**
- **Review all personnel actions ***
- **Sign Construction contracts and change orders**

***The CFO and COO should jointly determine changes in position, salary and/or bonuses**



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Programs and Fund Development – Erin Barbee, SVP

- Authorize second mortgages**
- Authorize sale of any CMHP owned house**
- Authorize paid in full mortgages**
- Authorize foreclosure proceedings**
- Prepare and sign all reports for homeownership or foreclosure activities**

Outreach– Noelle Bell, SVP

- All dealings with CMHP membership organizations**
- Relationships with elected officials**
- Board orientations**
- Tours for visiting dignitaries, funders and newly elected officials**
- Media relationships**

Notifications

All to be notified immediately. Contacts are available electronically.

- Scott Farmer – NC Housing Finance Agency**
- Fairview Senior Housing Board of Directors**
- NeighborWorks®America District Office**
- Don Phoenix, Executive Director**

Tom Bledsoe – Housing Partnership Network
City of Charlotte

- Marcus Jones, City Manager**
- Pam Wideman – Director of Housing and Neighborhood Services**

Mecklenburg County

- Dena Diorio, County Manager**
- Todd Brockman, Attorney, tax credits**
- Cheryl Steele, Attorney, real estate**
- Bob Mendenhall, counsel to the board**

Cross training

To be determined annually during discussions with senior staff



DREAMKEY PARTNERS, INC.
STRATEGIC PLAN 2022

Pillars:
GROWTH
LEADERSHIP
RESILIENCE

Mission: DreamKey Partners transforms lives, communities and what is possible through affordable housing.

Vision: Thriving communities where everyone has an opportunity to succeed.

Pandemic Response: There are significant uncertainties in the 2022 plan. COVID-19 will likely be with us for a good part of the year and will affect goals in nearly every pillar of prior plans. Although this uncertainty makes planning difficult, we can still set our priorities for the year and pursue a stronger organization which effectively addresses the needs of our community.

PILLAR 1
GROWTH

Pillar 1 – Growth	Strategies	Goal through 2022
<p>A. DreamKey Partners will provide a critical component of economic mobility, stable and affordable housing, at least doubling its current portfolio. (2019-2023)</p>	<p>1. By 2023, double the affordable housing portfolio with an emphasis on building in areas of opportunity and serving customers who are at 60% Area Median Income (AMI) and under.</p>	<p>Close financing for units to meet goal of doubling overall portfolio by December 2023. In 2022:</p> <ul style="list-style-type: none"> • Close financing for Scaleybark, Johnson Oehler and YWCA. • Apply for two Mecklenburg 4% bond transactions in January with a minimum of 20% targeted to households less than 30% of AMI. Win HTF for both. • Rezone Billingsley property site. • Apply for one 9% LIHTC project in Charlotte in January with a minimum of 20% targeted to households less than 30% of AMI. Win HTF. • Partner with True Homes to build and rent 14 townhome units at Wingate.



	<p>2. Purchase NOAH and expiring use properties and expand internal knowledge/expertise in order to minimize risk.</p>	<p>Purchase units to meet goal of doubling overall portfolio by December 31, 2023. In 2022:</p> <ul style="list-style-type: none">• Acquire at least 800 units in the Fayetteville portfolio in partnership with Greystone.• Bid on at least three NOAH or hotel properties for conversion to affordable housing.• Acquire Golden Green hotel and position it for redevelopment.• If an expiring-use property becomes available, enter a contract to purchase at least 60 units.
	<p>3. Develop affordable housing in nearby North Carolina communities and surrounding states either alone or in partnership with other developers.</p>	<p>Close project financing to meet goal of doubling overall portfolio by December 31, 2023. In 2022:</p> <ul style="list-style-type: none">• Alone or in partnership, have two land acquisition targets for 2023 LIHTC applications of at least 200 total units in another state.• Close financing on Dunbar (SC) multi-family LIHTC project and begin construction.• Close project financing for awarded Georgia project in partnership with OneStreet Residential.• Close financing for Yanceyville HUD 202 project.• Rezone Wilhurst property and apply for tax credits.• Identify and place under contract one land acquisition target in a nearby North Carolina community for one 2023 LIHTC application of at least 60 total units.



Pillar 1 – Growth	Strategies	Goal through 2022
<p>B. DreamKey Partners will provide opportunities for a critical component of economic mobility, financial stability, through expanding homeownership and financial literacy programs.</p>	<p>1. Expand homebuyer education counseling, eviction prevention counseling and financial literacy coaching.</p>	<ul style="list-style-type: none"> • Provide homebuyer education classes in English and Spanish (classroom and online) to 450 homebuyers. • Expand financial literacy program to include offering classes in Spanish and serve 100 customers. • Act as host for one homeownership counseling event in partnership with a lending partner or NCHFA and host one training for counselors across the state.
	<p>2. Continue to partner with the City of Charlotte, North Carolina Housing Finance Agency and local financial institutions for housing counseling and downpayment assistance programs.</p>	<ul style="list-style-type: none"> • Be awarded and execute contract for the City of Charlotte’s Housing Counseling Grant and serve 350 customers. • Contract with the City of Charlotte for HouseCharlotte Down Payment Assistance and serve 300 customers. • Continue to offer 6 HouseCharlotte Continuing Education Program classes and/or webinars for loan officers. • Administer the NCHFA Community Partners Loan Pool and close 10 loans. • Expand outreach to attract 10 new lending and realtor partners.
	<p>3. Partner with nearby cities, municipalities and employers to provide down payment assistance to low-and moderate-income residents.</p>	<ul style="list-style-type: none"> • Contract with one nearby municipality for Down Payment Assistance (DPA) or Home Buyer Education (HBE). • Contract with one local employer (non-government) for DPA and/or HBE. • Serve 3 customers through partnership with Inlivan for Down Payment Assistance.



	<p>4. Partner with City, County and State government to deliver COVID-relief funding as is available.</p>	<ul style="list-style-type: none">• Deploy funding from ERA-1 and ERA-2 by the guideline provided by the Treasury and local government. Meet deadlines and expectations of partners.
	<p>5. Target owned rental communities with special programs designed to promote economic mobility and access to homeownership.</p>	<ul style="list-style-type: none">• Provide programs for 75 seniors to assist with life skills and financial self-sufficiency.• Provide six Homeownership sessions in person or virtually at owned apartment complexes and market services to tenants.• Advertise Homeownership Center services on a quarterly basis in DreamKey Partners' Apartment Newsletter.• Execute Eviction Prevention for three properties.• Work with external partners to develop an outcomes tracking mechanism for economic opportunity programs.
	<p>6. Grow the Community Development Financial Institution program with new sources of capital and lending.</p>	<ul style="list-style-type: none">• Execute CDFI grant to expand homeownership for the Hispanic market. Twenty Latino customers will purchase a home using CDFI DPA.• Assess the potential for a 2022 application for CDFI funding. If promising, explore hiring a consultant to assist with the application.• Identify a servicer for existing portfolio of 2nd mortgages or begin to modify loans as needed.



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Pillar 1 – GROWTH	Strategies	Goal through 2022
<p>C. DreamKey Partners will provide a critical component of economic mobility, healthy and resilient neighborhoods by building single family homes, engaging with, and training resident leaders in target neighborhoods and collaborating with them to revitalize their communities.</p>	<p>1. Engage in holistic (economic, social & physical) revitalization of target neighborhoods and build resident engagement and leadership.</p>	<ul style="list-style-type: none"> • Retain NeighborWorks® America Community Building and Engagement designation. • Build relationships in East and West Charlotte and work in partnership with resident leaders on shared goals. • Train at least six resident leaders through annual participation in NeighborWorks® America Community Leadership Institute (if possible due to COVID). • Host one local CLI community leadership event. • Identify one Health and Housing initiative for place-based programming based off the community needs assessment.
	<p>2. Build single family homes in target neighborhoods for customers who are less than 80% of Area Median Income.</p>	<ul style="list-style-type: none"> • In Grier Heights, complete 17 townhome lots for development. Build and sell 17 townhome units, with 40% of all units developed for customers less than 120% of AMI. • In Coulwood, construct and sell 35 single family homes, reserving 30% for customers less than 120% of AMI. • At Vantage Point Townhomes redevelopment develop 12 townhomes in partnership with the City of Charlotte and reposition the HOA.
	<p>3. Assist seniors in targeted communities to age in place through special programs such as tax abatement.</p>	<ul style="list-style-type: none"> • Research programs designed for senior financial stability. • Offer 2 senior specific financial workshops or tax abatement clinics.



**PILLAR 2
LEADERSHIP**

PILLAR 2 LEADERSHIP		
Pillar 2 – LEADERSHIP	Strategies	Goal through 2022
A. DreamKey Partners will be recognized as the affordable housing sector’s thought leader locally and will have a national profile.	1. Lead advocacy and collaborations aimed at increasing social and economic equity through affordable housing strategies.	<ul style="list-style-type: none"> • Convene non-profit housing organizations leading to joint advocacy agendas. • Organize thought leadership events focused on affordable housing and equity issues. • Collaborate with stakeholder philanthropic, government, faith-based and corporate institutions on programs aimed at increasing understanding of and interventions for improved economic mobility.
	2. Identify opportunities for community outreach to elevate expertise and leadership with stakeholders and position the President as a go-to thought leader in Charlotte and beyond.	<ul style="list-style-type: none"> • Develop a plan to position DreamKey’s president as a leader among other Charlotte senior civic leaders especially related to expertise in affordable housing, the 2040 plan, the UDO, etc. • The president will engage with senior civic leaders on a systematic basis and will be invited to participate in important initiatives. • The president will participate in at least 12 annual affordable housing/community development forums as presenter or panel member. • The president will regularly attend forums on economic mobility and community issues. • The president will attend NNA day if it is “in-person” to educate about affordable housing.



	<p>3. Promote DreamKey Partners' brand (goodwill, engagement and impact).</p>	<ul style="list-style-type: none"> • President will hold membership in two national or regional boards and will sit on at least two national task forces. • Senior staff will participate in at least two national/regional boards and will participate in two panel discussions and task forces at the request of NeighborWorks® America and Housing Partnership Network. • Create strategic communications program for internal and external audiences, across all channels. • Educate Board members on core messages and elevator speech to ensure consistent messaging.
	<p>4. Utilize senior staff to expand reach of external relations so that housing and the role it plays in economic opportunity is broadly understood.</p>	<ul style="list-style-type: none"> • Senior staff will combine to participate in 12 local panels or presentations as experts on affordable housing.
<p>Pillar 2 – LEADERSHIP</p>	<p>Strategies</p>	<p>Goal through 2022</p>
<p>B. DreamKey Partners' brand will be recognized, and stakeholders will have a positive perception of the organization as a leader in community development and affordable housing.</p>	<p>1. Develop clear, concise messaging to inform and educate the community about the need for affordable housing as well as the link between healthy neighborhoods, stable housing and upward mobility.</p>	<ul style="list-style-type: none"> • Refine messages and messaging platform(s). • Redesign/refine digital marketing channels to enhance content and engagement. • Create and refine assets – photography, video, animation, info-graphics, quote cards, etc. • Produce marketing and educational materials for Programs Dept. • Produce an annual report, video newsletters and other marketing collateral as needed.



**PILLAR 3
RESILIENCE**

PILLAR 3 RESILIENCE		
Pillar 3 – RESILIENCE	Strategies	Goal through 2022
<p>A. DreamKey Partners will ensure long-term financial sustainability by raising varying streams of capital, debt, equity and grants, by diversifying earned income and by effectively managing risk.</p>	Real Estate Development:	
	<p>1. Develop projects that allow for a strong return on investment through a diverse mix of project type and range of AMLs and sell land or buildings that contribute to risk or have no strategic purpose.</p>	<ul style="list-style-type: none"> Defer no more than 30% of any developer fee. Plan a workforce housing community in readiness for 2023 closing. Close on sale of “grocery store site” at Brightwalk. Close on sale of Cindy Lane Phase II. Close on sale of Westdowns apartment community.
	<p>2. Raise equity capital through partnerships with Foundation For The Carolinas, faith-based institutions, intermediaries and social capital investors.</p>	<ul style="list-style-type: none"> Raise enough low-cost social equity capital to cover gaps beyond Housing Trust Fund, grants and deferred developer fees on new projects. If a 2021 CAP-MAG award is forthcoming, raise matching enterprise level funding.
<p>3. Raise debt capital through multiple financial institutions and intermediaries such that production goals are met.</p>	<ul style="list-style-type: none"> Build relationships through regular in-person and electronic meetings with lending partners and borrow from at least 4 different entities. 	



	<p>4. Raise project-related grants to cover gaps in funding for projects.</p>	<ul style="list-style-type: none"> • Apply for and be awarded one project specific grant from the Federal Home Loan Bank for Affordable Housing Program funding. • Raise additional grants as needed to close project gaps from financial institutions, intermediaries, foundations or corporations.
Asset Management:		
	<p>1. Efficiently manage properties to maximize cash-flow back to organization and reduce risk.</p>	<p>Continue to manage properties in a highly efficient manner such that:</p> <ul style="list-style-type: none"> • Reports and budgets are timely to investors. • Maximize cash to DreamKey Partners through waterfalls, refinancing and other means. • Effectively manage watch-list properties. • Above average rating is retained from HPEX. • Lease-up of the Mezzanine meets or exceeds investor expectations. • Occupancy, on average, is greater than 92% and turnover below 30%.
	<p>2. Reduce financial risk through proper oversight of 3rd party managers and through strictly following fair-housing practices at all properties.</p>	<ul style="list-style-type: none"> • Annual training for DreamKey Partners staff and 3rd party managers in fair housing. • Annual review of 3rd party manager.



	<p>3. Reduce financial risk by strict managing any relocation of residents per Federal Relocation Guidelines</p>	<ul style="list-style-type: none"> • Manage 3rd party consultants, ensuring and needed relocations of residents of businesses are managed per required regulations.
	<p>4. Reduce financial risk by carrying proper insurance on properties.</p>	<ul style="list-style-type: none"> • Review insurance with HPIeX to ensure proper coverages for properties and governance.
<p>Homeownership Center:</p>		
	<p>1. Pursue fee-for-service or pay-as-you-go contracts in Charlotte and other municipalities for program services.</p>	<ul style="list-style-type: none"> • Renew annual contracts with the City of Charlotte for both HouseCharlotte and housing counseling at current levels. • Pursue one additional North Carolina municipality for a pay-as-you-go contract. • Produce a balanced budget for 2022 including salary, benefits and overhead.
<p>Resident Engagement and Community Development:</p>		
	<p>1. Grow funding, grants and contracts from government, private foundations, corporate partners and individuals that support community development and resident engagement activities.</p>	<ul style="list-style-type: none"> • Research grants for holistic work in neighborhoods and apply for one, if available.
<p>Fund Development:</p>		
	<p>1. Grow private giving through-one-on-one cultivation of high net worth donors and Foundation partners.</p>	<ul style="list-style-type: none"> • Year-over-year increases in fund development from individuals, foundations and private companies and financial institutions with a minimum of \$250,000 in 2022.
	<p>2. Maximize grants from NeighborWorks® America by: a) being a high-performing organization and b) retaining our exemplary designation.</p>	<ul style="list-style-type: none"> • Grant awards for capital, programs and unrestricted in excess of \$500,000. • Annual production which garners NeighborWorks® America largest grants. • Retain exemplary rating in annual review.



	<p>3. Maintain a strong grant application pipeline and aggressively pursue new opportunities for government funding for programs and projects.</p>	<ul style="list-style-type: none"> Continually research grant application opportunities and apply on time within funder parameters. Report timely on grant outcomes as requested by donors. Be awarded unrestricted grants from government sources of at least \$250,000. Be awarded an annual CDBG and/or HOME funding from the City of Charlotte of at least \$1,300,000.
Finance and Operations:		
	<p>1. Accurately project cash-flow and growth in revenue and expenses reflective of the strategic plan to ensure continued financial strength.</p>	<ul style="list-style-type: none"> Produce annual budget for approval at the December Board meeting. Produce monthly financial statements and useful management reports including a quarterly dashboard. Provide partner agencies with ongoing timely and accurate financial reports. Produce a 5-year cash flow plan.
	<p>2. Optimize the financial performance of the company, including its reporting, liquidity, net income, and net worth.</p>	<ul style="list-style-type: none"> Produce property and corporate audits with no material findings by April 15. Manage financial condition and cash flow with 90 days unrestricted cash on hand at any time. End 2022 with an unrestricted cash balance of approximately \$4.0 million. Achieve annual increase in net worth of approximately \$1,000,000.
	<p>3. Actively manage risk through monitoring compliance with government rules and regulations.</p>	<ul style="list-style-type: none"> Stay within financial covenants. Meet or exceed MBE/SBE participation requirements. No material HUD findings in routine audits.



Pillar 3 – RESILIENCE	Strategies	Goal through 2022
<p>B. DreamKey Partners will build organizational capacity across departments, maintain an experienced, diverse leadership team and staff, build strong operating and financial systems, and create a culture of open communication and inclusion</p>	<p>1. Optimally structure along functional lines to support, develop and retain a strong, professional staff in anticipation of exponential growth across project and program lines.</p>	<ul style="list-style-type: none"> • Actively manage procurement and ensure bidding and contracts are awarded as required by funding source. • Build a diverse, high performing workforce that is welcoming, accepting, safe and supportive as measured by REDI goals and employee surveys. • Hire experienced staff and/or consultants as needed to reach goals per plan. • Support staff growth through NeighborWorks® America training as well as one-on-one. • Train key staff on presentations/communications. • Build the capacity of real estate development staff through at least one Novogradac online course and one national or state conference/training.
	<p>2. Create internal communication routines with more opportunities for cross pollination across departments.</p>	<ul style="list-style-type: none"> • Leverage employee engagement and REDI committee to lead internal engagement planning and recommendations. • Conduct employee survey to create baseline for identifying job satisfaction and opportunities for engagement.
	<p>3. Actively engage staff in Race, Equity, Diversity and Inclusion (REDI) initiatives through training opportunities and ongoing goal-oriented committees.</p>	<p>Utilizing a consultant:</p> <ul style="list-style-type: none"> • Assess the current attitudes, beliefs and norms internal to DreamKey surrounding REDI. • Hold focus groups within the organization to discuss issues of race, power and equity.



		<ul style="list-style-type: none"> Utilizing a consultant, combine employee and Board committees to set a basic language and understanding of the history of segregation and systemic racism that continues to affect neighborhoods and residents we serve. Deliver a Phase 1 REDI strategy and approach and align strategic plan and workplans going forward.
	4. Share the strategic plan with staff and create alignment between the plan and departmental goals, organizational structure and staff objectives.	<ul style="list-style-type: none"> Update staff on sections of strategic plan and workplan as part of quarterly all hands/Lunch and Learns. Hold multiple senior staff retreats.
	5. Measure the impact of our work and provide accountability to the Board, partners, and the community.	<ul style="list-style-type: none"> Measure our work through NeighborWorks® America approved methods. Collaborate with local partners to measure affordable housing's contribution to economic mobility.
Pillar 3 – RESILIENCE	Strategies	Goal through 2022
C. DreamKey Partners' Board of Directors is a mission driven, engaged, strategic, and best-practice board that will raise funds, recruit excellent new members and be supportive of staff and organizational goals.	1. Maintain a Board of Directors that is highly diverse, has clout, represents various skill sets, and includes a broad range of corporate, philanthropic, civic and community interests.	<ul style="list-style-type: none"> Recruit a highly diverse Board with a variety of skills and a range of corporate, philanthropic, civic and community interests. Maintain a succession plan, an active committee schedule and review its own performance
	2. The Board will elevate and support Race, Equity, Diversity and Inclusion (REDI) work through committee	<ul style="list-style-type: none"> Refine and execute board-level REDI strategy. Identify opportunities to influence housing equity and inclusion policies.



DREAMKEY
PARTNERS

	engagement and long-range REDI strategic plan.	<ul style="list-style-type: none">Promote awareness and engagement across internal and external audiences.
	3. The Board will recruit new members compliant with funding organizations requirements, whose focus is on the mission, innovation and sustainability.	<ul style="list-style-type: none">Annually review board membership requirements from funding and oversight organizations and ensure compliance.
	4. The Board will intentionally communicate the organization's mission and impact to imprint DreamKey Partners' brand within their individual circles of influence.	<ul style="list-style-type: none">Utilize board chair and other members to communicate formally and informally the impact of DreamKey Partners.
	5. Board members will individually support the organization and will assist with fund development.	<ul style="list-style-type: none">Achieve annual 100% contribution level from Board of DirectorsBoard members will assist in individual fund development as recommended by staff.
	6. The Board will provide proper oversight, direction, and accountability.	<ul style="list-style-type: none">Review strategic plan, budget, financial condition and workplan achievement and the performance of the President.



Finance Department Report June 30, 2022

DREAMKEY PARTNERS
Board of Directors Liquidity Summary
06/30/22
UNAUDITED - FOR INTERNAL USE ONLY

Liquidity - Working Capital

		06/30/22
Unallocated Cash Balance		\$ 7,933,424
Receivables:		
Other Accrued Interest	\$ 5,733	
First Ward Phase II- Inlivan Payoff	\$ 200,000	
CITY CDBG	\$ 991,721	
House Charlotte	\$ 115,500	<u>\$ 1,312,954</u>
Payables:		
DreamKey, and CMHP Dev A/P	<u>\$ (768,886)</u>	<u>\$ (768,886)</u>
		<u><u>\$ 8,477,492</u></u>



**DreamKey Partners, DreamKey Partners Mortgage, and CMHP Development
Statement of Cash Flow**

For the Five Months Ending Tuesday, May 31, 2022

UNAUDITED - FOR INTERNAL USE ONLY

	<u>May</u>	<u>Year to Date</u>
Net Earnings	\$247,147	(\$586,085)
Add Back Non-Cash Expenses:		
Cost of Sales	1,645,849	4,750,451
Depreciation & Amortization	6,629	29,291
Net Cash Flow from Operations	1,899,625	4,193,656
Sources (Uses) of Cash:		
Accounts Receivable	82,111	175,379
Funds Held for Others, Escrows & Reserves	(7,795)	(19,443)
Notes Receivable	1,743,147	680,583
Accrued Interest Receivable, net	46,792	52,493
Projects in Development	1,106,762	2,245,155
Other Assets	5,091	11,454
Intercompany Accounts	(1,882,841)	4,389,385
Accounts Payable	(535,001)	(295,305)
Accrued Expenses	75,594	(114,733)
Development Costs Payable	5,096	(31,604)
Accrued Interest Payable	(52,895)	(92,298)
Funds Held for Others	3,733	(9,975)
Deferred Revenue	5,453,281	(1,873,309)
Other Liabilities	(2,391,710)	(6,071,622)
Equity	(27,347)	3,585,324
Total Sources (Uses) of Cash	<u>3,624,017</u>	<u>2,631,485</u>
Net Cash Flow from Operating Activities	<u>5,523,642</u>	<u>6,825,141</u>
Investments	249,486	97,911
Fixed Asset Additions	(1,089)	(5,446)
Fixed Asset Disposals	(1,645,849)	(4,750,451)
Net Cash Flow From Investing Activities	<u>(1,397,452)</u>	<u>(4,657,986)</u>
Net Increase (Decrease) in Cash	4,126,190	2,167,155
Unrestricted Cash - Beginning of Period	<u>7,782,417</u>	<u>3,363,767</u>
Restricted Cash - Beginning of Period	<u>6,599,748</u>	<u>12,977,433</u>
Cash and Equivalents at Beginning of Period	14,382,165	16,341,199
Unrestricted Cash - End of Period	<u>6,290,987</u>	<u>6,290,987</u>
Restricted Cash - End of Period	<u>12,217,368</u>	<u>12,217,368</u>
Cash and Equivalents at End of Period	<u>\$18,508,354</u>	<u>\$18,508,354</u>



DreamKey Partners, DreamKey Partners Mortgage, and CMHP Development
Statement of Financial Position
For the Five Months Ending Tuesday, May 31, 2022
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	<u>Balance</u>
Cash - Unrestricted	\$6,290,987
Grants Receivable	1,107,221
Accounts Receivable - Other	152,456
Prepaid Expenses	53,391
Total Current Assets	7,604,055
Cash - Restricted	12,217,368
Funds Held for Others, Escrows & Reserves	554,244
Notes Receivable	27,906,737
Allowance for Loan Loss	<u>(13,568,635)</u>
Notes Receivable, net	14,338,102
Accrued Interest Receivable, net	1,308,068
Projects in Development	16,487,342
Corporate Furniture & Equipment	19,887
Rental Properties	1,355,592
Land Leasehold Interest	41,846
Investment in Subsidiaries	(5,910,040)
Investments - Other	59,650
Intercompany Accounts	<u>1,169,910</u>
Total Noncurrent Assets	41,641,969
Total Assets	49,246,024
Accounts Payable	185,456
Accrued Expenses	503,472
Development Costs Payable	242,960
Accrued Interest Payable	24,422
Current Portion of Long-term Debt	<u>5,788,233</u>
Total Current Liabilities	6,744,544
Funds Held for Others	284,092
Deferred Revenue	10,230,764
Due to Others	18,482
Notes Payable - Intercompany	4,000
Notes Payable - City of Charlotte	285,380
Notes Payable - Housing Partnership Network	2,000,000
Notes Payable - NeighborWorks Capital	2,170,185
Notes Payable - LIIS	604,298
LOC Community Housing Capital	5,772,782
Offset - current portion LTD	(5,788,233)
Deferred Loan Fees, net	<u>(293,695)</u>
Total Noncurrent Liabilities	15,288,053
Total Liabilities	22,032,597
Unrestricted Net Assets	24,176,355
Restricted Net Assets	3,037,073
Total Liabilities & Net Assets	49,246,024
Net Income / (Loss)	(586,085)



DreamKey Partners, DreamKey Partners Mortgage, and CMHP Development
Statement of Activities-Actual vs. Budget with Variances
For the Five Months Ending Tuesday, May 31, 2022
UNAUDITED - FOR INTERNAL USE ONLY

	Current Month			Year-to-Date			Annual Budget	
	Actual	Budget	Fav (Unfav) Variance	Actual	Budget	Fav (Unfav) Variance	Budget	Remaining
Revenue and Support								
Grant Revenue	\$490,400	\$480,000	\$10,400	\$634,547	\$480,000	\$154,547	\$2,293,200	\$1,813,200
COVID Relief Funds	5,550,363	681,500	4,868,863	35,510,441	30,325,700	5,184,741	34,980,600	4,654,900
Contributions	234	0	234	52,011	1,500	50,511	87,500	86,000
Rental Income	40,002	46,196	(6,195)	225,965	225,380	585	555,432	330,053
Development Fee Income	0	0	0	154,000	155,000	(1,000)	4,401,000	4,246,000
Counseling Fees	4,765	7,315	(2,550)	9,635	26,975	(17,340)	437,680	410,705
Loan Fees	2,160	1,600	560	11,425	8,000	3,425	19,200	11,200
Other Income	3,396	4,917	(1,521)	557,255	374,583	182,671	858,000	483,417
Total Revenue and Support	6,091,319	1,221,528	4,869,791	37,155,278	31,597,138	5,558,140	43,632,612	12,035,474
Expenses and Losses								
Payroll Expenses - office	405,933	416,971	11,038	2,045,724	2,084,855	39,131	5,420,590	3,335,735
Rent Expense	20,956	20,540	(416)	107,488	112,450	4,962	256,230	143,780
Professional Fees	55,742	61,550	5,808	131,762	123,750	(8,012)	446,000	322,250
Insurance	0	40	40	9,248	9,500	252	54,980	45,480
Technology	1,657	7,350	5,693	30,059	36,750	6,691	88,200	51,450
Travel & Education	3,515	10,617	7,101	17,413	53,083	35,670	127,400	74,317
Marketing	19,580	35,258	15,678	106,342	148,317	41,974	408,200	259,883
Other Administrative Expenses	31,291	42,873	11,581	176,122	217,963	41,841	520,470	302,508
Program Expenses	15,992	1,300	(14,692)	186,492	6,500	(179,992)	225,600	219,100
COVID Relief Expenses	5,759,010	903,250	(4,855,760)	35,696,380	30,606,750	(5,089,630)	34,723,200	4,116,450
Property Operating Expenses	18,880	19,661	781	128,666	168,736	40,070	346,834	178,098
Total Operating Expenses	6,332,556	1,519,409	(4,813,147)	38,635,694	33,568,653	(5,067,041)	42,617,704	9,049,051
Net Operating Income (loss)	(241,238)	(297,881)	56,644	(1,480,417)	(1,971,515)	491,098	1,014,908	2,986,423
Sales, net	505,651	0	505,651	999,803	0	999,803	0	0
Interest Expense - Corp	(10,637)	(15,000)	4,363	(76,181)	(75,000)	(1,181)	(180,000)	(105,000)
Depreciation Expense	(6,251)	(6,275)	24	(27,401)	(31,375)	3,974	(75,300)	(43,925)
Amortization Expense	(378)	(400)	22	(1,890)	(2,000)	110	(4,800)	(2,800)
Investment in Subsidiaries Gain/ (Loss)	0	0	0	0	0	0	600,000	600,000
Other Income (expense)	488,385	(21,675)	510,060	894,331	(108,375)	1,002,706	339,900	448,275
Net Earnings	247,147	(319,556)	566,703	(586,085)	(2,079,890)	1,493,804	1,354,808	3,434,698



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Charlotte-Concord-Gastonia, NC-SC HUD Metro FMR Area

2022 HUD* Median Income Guidelines

Annual Income / Family Size

	120%	115%	110%	100%	80%	60%	50%	40%	35%	30%*
1	\$79,200	\$75,900	\$72,600	\$66,000	\$52,750	\$39,600	\$33,000	\$26,400	\$23,100	\$19,800
2	\$90,480	\$86,710	\$82,940	\$75,400	\$60,300	\$45,240	\$37,700	\$30,160	\$26,390	\$22,600
3	\$101,760	\$97,520	\$93,280	\$84,800	\$67,850	\$50,880	\$42,400	\$33,920	\$29,680	\$25,450
4	\$115,560	\$110,745	\$105,930	\$96,300	\$75,350	\$57,780	\$47,100	\$38,520	\$33,705	\$28,250
5	\$122,160	\$117,070	\$111,980	\$101,800	\$81,400	\$61,080	\$50,900	\$40,720	\$35,630	\$32,470
6	\$131,160	\$125,695	\$120,230	\$109,300	\$87,450	\$65,580	\$54,650	\$43,720	\$38,255	\$37,190
7	\$140,280	\$134,435	\$128,590	\$116,900	\$93,450	\$70,140	\$58,450	\$46,760	\$40,915	\$41,910
8	\$149,280	\$143,060	\$136,840	\$124,400	\$99,500	\$74,640	\$62,200	\$49,760	\$43,540	\$46,630

30%, 50%, 80% and median totals are provided by HUD.

Monthly Income / Family Size

	120%	115%	110%	100%	80%	60%	50%	40%	35%	30%*
1	\$6,600	\$6,325	\$6,050	\$5,500	\$4,396	\$3,300	\$2,750	\$2,200	\$1,925	\$1,650
2	\$7,540	\$7,226	\$6,912	\$6,283	\$5,025	\$3,770	\$3,142	\$2,513	\$2,199	\$1,883
3	\$8,480	\$8,127	\$7,773	\$7,067	\$5,654	\$4,240	\$3,533	\$2,827	\$2,473	\$2,121
4	\$9,630	\$9,229	\$8,828	\$8,025	\$6,279	\$4,815	\$3,925	\$3,210	\$2,809	\$2,354
5	\$10,180	\$9,756	\$9,332	\$8,483	\$6,783	\$5,090	\$4,242	\$3,393	\$2,969	\$2,706
6	\$10,930	\$10,475	\$10,019	\$9,108	\$7,288	\$5,465	\$4,554	\$3,643	\$3,188	\$3,099
7	\$11,690	\$11,203	\$10,716	\$9,742	\$7,788	\$5,845	\$4,871	\$3,897	\$3,410	\$3,493
8	\$12,440	\$11,922	\$11,403	\$10,367	\$8,292	\$6,220	\$5,183	\$4,147	\$3,628	\$3,886

Effective date April 18, 2022

<https://www.huduser.gov/portal/datasets/il/il2022/2022summary.odn>

Charlotte-Gastonia-Concord, NC-SC HUD Metro FMR Area contains the following areas: Cabarrus, Gaston, Mecklenburg, & Union Counties, NC and York County, SC.

*The FY 2014 Consolidated Appropriations Act changed the definition of extremely low-income to be the greater of 30/50ths (60 percent) of the Section 8 very low-income limit or the DHHS poverty guidelines, provided that this amount is not greater than the Section 8 50% very low-income limit. Consequently, the extremely low-income limits may equal the very low (50%) income limits.

+Not intended for use when determining income limits for LIHTC projects. LIHTC calculates income as a factor proportionate to 100% AMI; not the lesser of formula used by HUD.

