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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
A. DreamKey Partners will provide a critical component of economic mobility, stable and affordable housing, at least doubling its current portfolio. (2019-2023)	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.	Close financing for units to meet goal of doubling overall portfolio by December 2023. In 2022: <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.



	2. Purchase NOAH and expiring use properties and expand internal knowledge/expertise in order to minimize risk.	Purchase units to meet goal of doubling overall portfolio by December 31, 2023. In 2022: <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.
	3. Develop affordable housing in nearby North Carolina communities and surrounding states either alone or in partnership with other developers.	Close project financing to meet goal of doubling overall portfolio by December 31, 2023. In 2022: <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.



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Pillar 1 – Growth	Strategies	Goal through 2022
B. DreamKey Partners will provide opportunities for a critical component of economic mobility, financial stability, through expanding homeownership and financial literacy programs.	1. Expand homebuyer education counseling, eviction prevention counseling and financial literacy coaching.	<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.
	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.	<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.
	3. Partner with nearby cities, municipalities and employers to provide down payment assistance to low-and moderate-income residents.	<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.



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	4. Partner with City, County and State government to deliver COVID-relief funding as is available.	<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.
	5. Target owned rental communities with special programs designed to promote economic mobility and access to homeownership.	<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.
	6. Grow the Community Development Financial Institution program with new sources of capital and lending.	<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
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.	1. Engage in holistic (economic, social & physical) revitalization of target neighborhoods and build resident engagement and leadership.	<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.
	2. Build single family homes in target neighborhoods for customers who are less than 80% of Area Median Income.	<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.
	3. Assist seniors in targeted communities to age in place through special programs such as tax abatement.	<ul style="list-style-type: none">• Research programs designed for senior financial stability.• Offer 2 senior specific financial workshops or tax abatement clinics.



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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.



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	3. Promote DreamKey Partners' brand (goodwill, engagement and impact).	<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.
	4. Utilize senior staff to expand reach of external relations so that housing and the role it plays in economic opportunity is broadly understood.	<ul style="list-style-type: none"> Senior staff will combine to participate in 12 local panels or presentations as experts on affordable housing.
Pillar 2 – LEADERSHIP	Strategies	Goal through 2022
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.	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.	<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.



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**PILLAR 3
RESILIENCE**

Pillar 3 – RESILIENCE		
Pillar 3 – RESILIENCE	Strategies	Goal through 2022
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.	Real Estate Development:	
	1. Develop projects that allow for a strong return on investment through a diverse mix of project type and range of AMIs and sell land or buildings that contribute to risk or have no strategic purpose.	<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.
	2. Raise equity capital through partnerships with Foundation For The Carolinas, faith-based institutions, intermediaries and social capital investors.	<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.
	3. Raise debt capital through multiple financial institutions and intermediaries such that production goals are met.	<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.



	4. Raise project-related grants to cover gaps in funding for projects.	<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:	
	1. Efficiently manage properties to maximize cash-flow back to organization and reduce risk.	<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%.
	2. Reduce financial risk through proper oversight of 3 rd party managers and through strictly following fair-housing practices at all properties.	<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.



	3. Reduce financial risk by strict managing any relocation of residents per Federal Relocation Guidelines	<ul style="list-style-type: none"> Manage 3rd party consultants, ensuring and needed relocations of residents of businesses are managed per required regulations.
	4. Reduce financial risk by carrying proper insurance on properties.	<ul style="list-style-type: none"> Review insurance with HPIeX to ensure proper coverages for properties and governance.
	Homeownership Center:	
	1. Pursue fee-for-service or pay-as-you-go contracts in Charlotte and other municipalities for program services.	<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.
	Resident Engagement and Community Development:	
	1. Grow funding, grants and contracts from government, private foundations, corporate partners and individuals that support community development and resident engagement activities.	<ul style="list-style-type: none"> Research grants for holistic work in neighborhoods and apply for one, if available.
	Fund Development:	
	1. Grow private giving through-one-on-one cultivation of high net worth donors and Foundation partners.	<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.
	2. Maximize grants from NeighborWorks® America by: a) being a high-performing organization and b) retaining our exemplary designation.	<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.



	3. Maintain a strong grant application pipeline and aggressively pursue new opportunities for government funding for programs and projects.	<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:	
	1. Accurately project cash-flow and growth in revenue and expenses reflective of the strategic plan to ensure continued financial strength.	<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.
	2. Optimize the financial performance of the company, including its reporting, liquidity, net income, and net worth.	<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.
	3. Actively manage risk through monitoring compliance with government rules and regulations.	<ul style="list-style-type: none">Stay within financial covenants.Meet or exceed MBE/SBE participation requirements.No material HUD findings in routine audits.



		<ul style="list-style-type: none"> Actively manage procurement and ensure bidding and contracts are awarded as required by funding source.
Pillar 3 – RESILIENCE	Strategies	Goal through 2022
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	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.	<ul style="list-style-type: none"> 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.
	2. Create internal communication routines with more opportunities for cross pollination across departments.	<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.
	3. Actively engage staff in Race, Equity, Diversity and Inclusion (REDI) initiatives through training opportunities and ongoing goal-oriented committees.	Utilizing a consultant: <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.



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	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 Directors• Board 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.