



DREAMKEY
PARTNERS

HOMEOWNERSHIP. POSSIBLE.

2022 ANNUAL REPORT




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LETTER FROM THE PRESIDENT AND BOARD CHAIR



 **AS OUR COUNTRY BEGAN TO RECOVER FROM** the pandemic, DreamKey Partners' mission took on new meaning for our board, staff and community as a whole. We know that having stable housing is the difference between a life of financial struggle and one of building wealth. What became crystal clear is just how fragile stable housing can be for many households. For low-income working individuals and families, there are increasingly large gaps between their take-home pay and the everyday cost of living. Not only is their housing at risk, but they are struggling to provide for their basic needs in terms of food, medicine, transportation and childcare. Our focus is squarely on our mission to improve people's lives through affordable housing; however, we know we need to find new ways to accomplish our work that bring more partners and funding to the table to address complex needs.

One way DreamKey is helping shape the increasingly difficult landscape of affordable housing is by building a new small-site rental townhome product. The first 14-unit project, Hawks Pointe is now fully occupied and geared toward families making 60% of Area Median Income and under. This project is an important demonstration as it uses no government funding. DreamKey

owned the land, our partners True Homes built the townhomes for a reduced price and Faison provided an extraordinary grant of \$384,000 to bridge the construction cost gap. As we think about the future of affordable housing, industry innovation and commitment from private sector investors will be key components.

Government will always play a critical role in addressing the needs of families living in poverty. It is fortunate we have both City and County governments who recognize the new economic hardships facing families. Mecklenburg County has taken the lead to expand free access to high-quality early childhood education and has invested in many grassroots groups and non-profit organizations who provide for critical needs.

Through a pilot program (administered by DreamKey), the City of Charlotte continues to fund House Charlotte down payment assistance for low-income individuals and families buying a first home in Charlotte. Both the City and the County supported families displaced by rising rents and have provided funding for affordable housing developments stalled by increasing construction costs. We thank them for these extraordinary efforts and are confident that together we can make a positive difference in people's lives.

We would also like to thank our committed donors who help us deliver on our increasingly challenging mission and hope you will join us on our journey to find new ways to address the needs in our community. ✨

Julie A. Porter
President

Jessica Hindman
Board Chair

COMMUNITY IMPACT IN 2022

While the housing market continues to be challenging for low- and moderate-income individuals and families, we had an impactful year in which we counseled nearly **3,000 individuals** and created **114 new homebuyers**.

Real Estate Development

We are a full-service real estate development organization focused on affordable housing that oversees land and acquisition, design and entitlement, capital sources, construction and management.

2022 Investments:

\$23,200,000

Overall Investments:

\$392,000,000

Programs

We increased affordable homeownership opportunities with financial empowerment education, counseling and down payment assistance programs.

230 🎓 Homebuyer Education Classes

1,422 🏠 Orientation & Financial Fitness Classes

1,153 🏠 Pre-Purchase Courses

34 🏠 Foreclosure Prevention Courses

2,805 🗣️ People Counseled

\$2.3M 💰 Down Payment Assistance

114 🏠 New Homebuyers

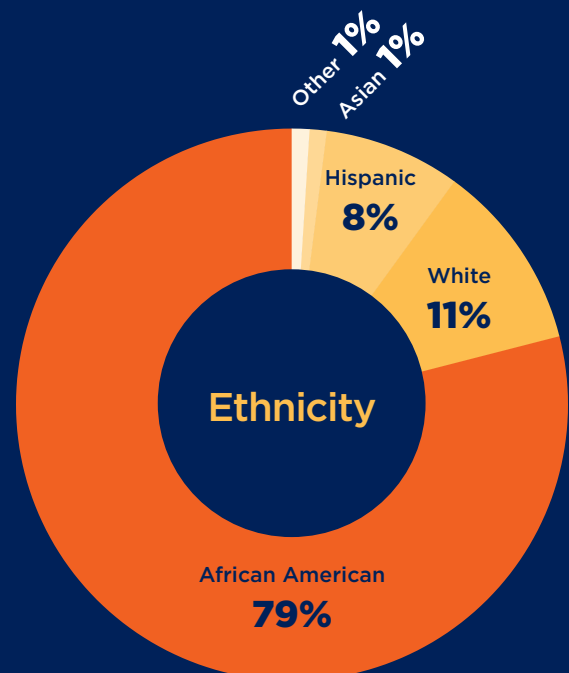
Who We Served

Workforce:

- | | |
|------------------------|------------------------------------|
| 👩 Teachers | 💇 Beauticians |
| 👨 Medical Technicians | 🏛 Local City Government Employees |
| 👷 Construction Workers | 💰 Financial Services Professionals |
| 🚌 Bus Drivers | 🏠 Small Business Owners |
| 🚒 First Responders | |
| 🍴 Food Services | |

Average Annual Income:

\$51,407



THE STATE OF AFFORDABLE HOUSING



NORTH CAROLINA HAS FACED AN AFFORDABLE housing crisis for years, which was exacerbated by the COVID-19 pandemic and a rocky post-pandemic economy. Unfortunately, this situation isn't unique to NC. No state has an adequate supply of affordable housing for extremely low-income households. Even when affordable housing does exist, it's not necessarily available. Higher-income households often choose less expensive housing options, making an already limited market more competitive and ultimately displacing low-income households from the homes they can afford. For every 100 extremely low-income households in NC, only 44 affordable homes are available. At DreamKey Partners, we see affordability and availability as interwoven problems in need of multifaceted solutions.

When households and families are extremely cost-burdened, even a small increase in rent and housing prices can create significant financial strain. Although housing price increases have slowed since the height of the pandemic, house price appreciation in Charlotte has still gone up 7% since 2021, compared to the national average of 6%. Since 2012, Charlotte homes have appreciated by 140%, 20% greater than the national average. Entry-level homes have seen an even greater appreciation of 152% since 2012, making it harder for first-time buyers, low-income households and historically disenfranchised groups to purchase a home.

In NC, 25% of renter households are classified as extremely low-income, making a maximum annual income of \$26,500 for a four-person household. Unsurprisingly, 86% of North Carolina's extremely low-income renter households are cost-burdened by their housing situation, with 72% being extremely cost-burdened by having to spend more than 50% of their income on rent and utilities.

Both locally and nationally, members of marginalized communities and young adults under 35 are statistically less likely to own a home, revealing significant gaps in attainable homeownership. According to U. S. Census Bureau data from 2022, 74.6% of White households owned their homes, compared with 45.3% of Black households, and only 38.5% of all homeowners nationally are under the age of 35.

The reality of affordable housing shows we need different avenues for homeownership, which is why DreamKey is helping individuals and families pave their own paths. DreamKey has provided over 34,000 people with homebuyer education and financial counseling as the first steps in their homeownership journeys. We offer down payment assistance programs: House Charlotte, Community Partners Loan Pool (CPLP) and Doorway to Prosperity. As we make homeownership more affordable through these programs, we're also ensuring more homes are available across the Charlotte metropolitan area with real estate development that includes neighborhood revitalization and new construction homes with our Aveline for sale product, as well as mixed-income rental properties for those who aren't ready to purchase yet.

Although the affordable housing crisis persists, DreamKey is hard at work transforming lives, communities and what is possible.

"Offering more homeownership opportunities is the biggest way we can make a difference," explained Julie Porter, President of DreamKey Partners. "Owning a home is what brings families out of cost-burdened living situations and builds generational wealth. We remain committed to our mission of helping people from all walks of life achieve homeownership." ✂

Statistics and data were sourced from National Low Income Housing Coalition, U.S. Census Bureau, National Low Income Housing Coalition and The American Enterprise Institute.

THE POWER OF PARTNERSHIPS



A Vibe Outside community event with DreamKey staff Carla Scott and Carmen Fowler

WITH COUNTLESS FACTORS AFFECTING the housing market, the journey toward homeownership is daunting for many in our community. To alleviate the stress and address the ongoing affordable housing crisis, we provide financial empowerment education, counseling and down payment assistance programs designed to prepare future homeowners for purchasing and maintaining their homes.

These programs are successful in part due to intentional partnerships with True Homes, A Vibe Called Fresh and Grier Heights Community Improvement Organization (GHCIO) that help create a path toward homeownership for those who thought it impossible. These collaborations and countless others are vital in our efforts to create affordable housing solutions and engage community members across Charlotte.



Frame signing ceremony at Hawks Pointe with DreamKey staff Jennifer Duru-Perry and Jarrod Jones

We're honored to make an impact in the lives of Charlotte residents alongside our partners. In 2022, more than 2,800 individuals participated in our education and counseling programs with many becoming first-time homeowners.

This work includes Doorway to Prosperity, a down payment assistance collaboration with True Homes, for eligible House Charlotte homebuyers. The Carolinas-based home builder committed to 26 affordable homes at Citiside on the Plaza — located in the Plaza Midwood neighborhood, and another 20 homes at Villages at Mallard Creek, located near the city center.

"We were enthusiastic about expanding our relationship with DreamKey Partners and also expanding our reach through these impact networks to help bring solutions at a large scale to our community," said True Homes Executive Partner Mark Boyce.

The partnership with True Homes expanded beyond homeownership to include Hawks Pointe, a 14-unit rental townhome development on land



Affordable single-family development in the Villages at Mallard Creek



owned by DreamKey. True Homes built this rental community at cost and special grant funding allowed for setting rental rates at 60% of area median income (AMI) for the life of the community.

As DreamKey board members, GHCIO President Dr. Stacey Price Brown and A Vibe Called Fresh Founder Mr. Winston Robinson join us on the front lines in the fight for more affordable housing. With their partnership and neighborhood leadership, we are better informed and connected to the needs of the communities we serve.

"It's important for organizations to share their interest in the community, but also to hear from the community and really listen to the many voices on what they would like to see," said Dr. Price Brown. "And not only listening to residents but making sure their voices are included in the entire process. DreamKey has been very intentional about that as part of their development planning process."

Deep community connections also afford insights into the struggles neighbors face to find and maintain affordable housing opportunities.

"Affordability is important because if you want to experience your own American dream, you must do it in a reasonable way that is sustainable," said

"When customers come through our programs, we aim to make their dream of owning a home a reality. We want to help them realize that they too can achieve homeownership no matter what stage of life they may be in."

- JENNIFER JONES

Senior Vice President of Programs

Mr. Robinson. "You don't want to bite off more than you can chew. While the name of the game is homeownership, you must be able to afford that home by sustaining the mortgage payments."

These collaborations and others help bridge the gaps we see in homeownership for marginalized communities compared to affluent households and are a vital part of our mission to transform lives, communities and what is possible through affordable housing.

"We can do good apart," said Mr. Robinson. "However, when we join forces, we can accomplish great things and institute immaculate change." 𐄂

AVELINE HOMES

A Pathway Toward the American Dream



DreamKey staff at Aveline Legacy Druid Hills site, in front of affordable single-family duet home under construction (L to R): Carla Scott, Jennifer Jones, Dan Cimaglia, Altea Wilson, Sammy Jackson and Jarrod Jones



Aveline provides opportunities for potential homebuyers to obtain quality, affordable housing. The flower in its logo represents growth while the slanted line is symbolic of a home's roof, reflecting the growth possible through homeownership.

IT HAS BEEN SAID THAT

homeownership is the American Dream. For some, this is still true. But, for low-and moderate-income (LMI) families, it is often just that, a dream that seems out of reach. With DreamKey Partners' portfolio of newly constructed and refurbished homes and the added benefit of homebuyer education and down payment assistance, many families are fulfilling their journey toward homeownership.

As the housing market in Charlotte heated up, first-time LMI buyers were being left out. New homes were priced out-

of-reach and investors were purchasing the bulk of existing modestly priced homes. As a strategic response, DreamKey accelerated the construction of new houses and began a program to acquire and refurbish older rental homes, all while keeping the sales prices within an affordable range.

DreamKey recently purchased thirty single-family homes, most in gentrifying areas of Charlotte, from an investor. We call these homes Aveline Havens and they will be transitioned from rental to homeownership. We are increasing the supply of homes

for sale and also decreasing the number of investor-owned houses that can contribute to neighborhood decline. Buyers can also access a range of new for-sale homes including Aveline at Coulwood, Aveline Legacy Druid Hills and Aveline at Orange Street.

These single-family, duets and townhomes across the Charlotte Metro area are priced to be affordable for LMI individuals and families. Despite price tags attainable for first-time homebuyers, we never sacrifice quality. As Dan Cimaglia, our senior vice president of real



Aveline Legacy Druid Hills single-family duet home

“We consider a lot of things when designing these homes,” said Dan. “How’s the layout? Do we need to have garages? For example, we wouldn’t want to build an affordable home without a garage in a subdivision where every other home has a garage.”

estate development put it, “The way we set ourselves apart is that we build with quality in mind. We challenge our contractors to provide the best possible finishes, appliances and landscaping comparable to much higher-priced competitors. At every stage, DreamKey expects excellence and that’s how we set the Aveline standard.”

“Most of our buyers are first-time homebuyers and these homes

help provide them stability and equity down the line,” said Melissa Gaston, listing agent for Aveline Legacy Druid Hills. “For them to get a quality product at a good price is key to what sets these affordable homes apart from others. It’s exciting to see – I share their excitement watching them go through the home buying process.”

“They’re real people who need homes and were otherwise shut out of the market. So, it’s



Altea Wilson
Vice President
of Real Estate
Marketing and Sales



Dan Cimaglia
Senior Vice President Of
Real Estate Development

fulfilling to see them get the keys to their home,” said Izzy Burbank of Helen Adams Realty. “Aveline is unique because it’s mixed-income communities, so you have balanced, integrated neighborhoods that aren’t sectioning affordable housing.”

“I always say, Aveline Homes — building one dream at a time,” said Dan. “Because it links back to our mission as an organization: to make homeownership possible.” 🏡



DISCOVER AVELINE HAVENS

with **Fred Dodson & Jennifer Duru-Perry**



Fred Dodson
COO & EVP of Real Estate

FOR OVER 30 YEARS, DreamKey Partners has been addressing the need for affordable housing through development, education and down payment assistance programs. While we may be most known for our affordable for-rent developments, over the past few years we have returned to our roots and now offer for-sale homes under the Aveline brand. We spoke with Fred Dodson, COO & executive vice president of real estate, and Jennifer Duru Perry, special projects manager, about a new segment of Aveline introduced in 2022 called Aveline Havens.

To start, tell us what Aveline Havens is and how this line of the Aveline brand came about.

FRED: There is a lack of affordable housing inventory, so Aveline Havens is our line of single-family homes in the Charlotte metro area that DreamKey has purchased and committed to renovating to put back in the market. Our goal is to sell these homes at 80% of area median income and below. And that translates into a purchase price that our customers can afford.

JENNIFER: This is an idea we were able to execute because

an institutional investor realized the sophistication of DreamKey and its capability, approaching us to say, 'Hey, we have this portfolio that we'd like for you to purchase.' We think this will jumpstart a trend, from the conversations we're having with partners and others working in affordable housing.

What do you think of DreamKey's return to offering for-sale options?

FRED: We've always been involved in homeownership to some extent, but now we're really pushing it in a major way to grow the homeownership portion of what we do. And the Aveline brand puts a finer point on that as a product created by this organization that's different from the rental communities that we build. Over time we hope people will recognize Aveline just like the other prominent residential homebuilders in the market.

How will Aveline Havens help address the affordable housing crisis and contribute to the local economy?

JENNIFER: Because the homeownership inventory is quite small, the Aveline Havens homes create more supply in an



Jennifer Duru-Perry
Special Projects Manager

unbalanced housing market. On top of that, anytime we have a project, we are very intentional about making sure we have a diverse vendor pool to select from. We pride ourselves on working with local vendors and welcoming various perspectives and experiences to be a part of our ecosystem.

How does DreamKey engage the local community when introducing developments like Aveline Havens?

JENNIFER: What I like about this project is we gathered around the table to talk about the best ways to approach our customer groups. For some of the Aveline Havens homes that have current residents, our first step was to engage – we scheduled a meet-and-

greet gathering to introduce DreamKey Partners, meet residents and hear from them. These meetings helped us understand the community dynamic and better meet the community's needs. For potential customers, there are different facets of engagement, whether it's a personal, face-to-face setting of meeting up for coffee, hosting public events to tell community members about our services and capabilities, and even sharing on social media. Our community engagement is multi-faceted for every project we work on.

FRED: To add to that, I think community engagement goes back to the very founding of this organization. Homebuyer education has always been a part of DreamKey. It has been



Housing Inventory in Charlotte

In 2022, Mecklenburg County Commissioners were told that large investors own around **13,600** single-family homes in the county. These investors largely buy houses to rent them out.

a very important part of our mission, so reaching out to people who don't think that they can become homeowners is fundamental to what we do. It can change lives and we've created thousands of homebuyers through our education programs. ✨




DreamKey staff and broker at Aveline Havens home (L to R): Fred Dodson, Jr., Altea Wilson, Angela Pugh (Pugh Real Estate and Co.) and Jennifer Duru-Perry

HOME TEAM: MEI YANG

Calculator. Guru. Investigator.



Mei Yang
Corporate Staff Accountant
DreamKey Partners

 **EVEN THOUGH SHE'S MORE THAN A** thousand miles away from her birthplace of Fujian, China, Mei Yang has never felt more at home in Charlotte. Mei moved to the United States when she was a teenager, settling down in Florida, where she attended grade school and college.

A move in 2020 brought her to Charlotte for an accounting job at Spectrum and eventually to DreamKey Partners, where she took on the role of corporate staff accountant in 2021. In her position at DreamKey, Yang oversees grants that go toward funding our mission to provide affordable housing solutions for individuals and families.

Mei playfully asserts that day to day she lives the “language of business” – which marries both her loves of real estate and accounting fields.

“I hope our customers understand we have similar experiences when it comes to our individual journey to homeownership and that they know they aren’t alone. We are here every step of the way because we understand the work it takes to reach this goal.”

In her role, Mei records business transactions and streamlines accounting processes, vowing to work as efficiently as possible and always completing work on time.

“These grants help our neighbors achieve their dreams of owning a home, and uplift the entire Charlotte community,” said Mei. “When you get to see business activities – like grants, programs and assistance – through the numbers, it reinforces the great impact we have on so many lives. DreamKey is helping individuals and families achieve, and keep their homes, and it’s truly incredible to be a part of this mission and journey.”

Mei was also personally impacted by some of the programs the nonprofit provides.

“Buying a home for the first time can be exciting and overwhelming for new homeowners since there are many moving parts – I remember feeling this way when looking to buy a home in 2021,” reflects Mei. “DreamKey’s classes helped me understand the process and prepared me to buy my first home. I am beyond grateful for the knowledge and tools for my own journey to make the right decision.”

When she’s not in the office, Yang is exploring Charlotte, growing herbs in her quaint backyard, taking photography classes or scoping out her next cruise. 🌿

FINANCIALS

January 1, 2022 - December 31, 2022

Assets

Unrestricted Cash	\$18,773,842
Restricted Cash	\$6,967,161
Accounts Receivable	\$758,788
Grants Receivable	\$2,558,985
Interest Receivable - Single-Family Loans	\$457,481
Interest Receivable - Multi-Family Loans	\$-
Reserves and Escrows	\$14,667,251
Notes Receivable	\$2,167,630
Projects in Development	\$57,147,644
Rental Property	\$171,480,051
Land Held for Sale	\$-
Other Assets	\$4,482,893
Total Assets	\$279,461,726

Liabilities and Net Assets

Accounts Payable & Accrued Expenses	\$21,829,004
Notes Payable	\$176,730,803
Non-controlling interest	\$51,710,829
Net Assets	\$29,191,090
Total Liabilities and Net Assets	\$279,461,726

Revenue and Support

Increase in Restricted Net Assets	\$-
Grants & Contributions	\$61,196,575
Rental Income	\$24,199,748
Interest Income	\$62,552
Home & Single-Family Lot Sales	\$3,118,050
Other Income	\$1,593,486
Total Revenue and Support	\$90,170,411

Expenses

Program Costs	\$85,691,514
Support Services	\$3,061,130
Interest Expense	\$4,251,805
Total Expenses	\$93,004,449

Change in Net Assets

Temporarily Restricted Net Assets	\$(1,600)
Permanently Restricted Net Assets	\$-
Unrestricted Net Assets	\$1,410,461
Total Change in Net Assets	\$1,408,861

BOARD MEMBERS

Nicole Baldon

Senior Vice President

Bank of America Merrill Lynch

Stacey Brown, Ph.D.

President

Grier Heights Community Improvement Organization, Inc.

AJ Calhoun

Data and Evaluation

Leading on Opportunity

Astrid Chirinos

Community Engagement
Executive Director

YMCA of Greater Charlotte

Elyse Dashew

Chairperson

Charlotte Mecklenburg Schools Board of Education

Ticora Davis, Esq.

Attorney

The Creator's Law Firm

David R. Finnie, CPA

Community Advocate

(Retired)

Judge Linwood O. Foust

Community Advocate

(Retired)

Executive Committee

Kevin Granelli

Area President

DRB Group

Executive Committee Secretary

Rickey Hall

President

West Boulevard Neighborhood Coalition

Brenda Hayden

Broker

Keller Williams Realty

Jessica Hindman

Architect & Owner

Studio H

Executive Committee Chair

Chris Jackson

President & CEO

Goodwill Industries of Southern Piedmont

Dave Kautter

VP of Lending & Investments

Wells Fargo

Executive Committee

Elizabeth McMillan

VP of Development

Crescent Communities

Jacqueline O'Garrow

Community Advocate

(Retired)

Executive Committee

Winston Robinson

Executive Director

Applesauce Group

Joaquin Soria

Chief Financial Officer

Charlotte Regional Business Alliance

Steve Windell

Commercial Real Estate

US Bank

SENIOR LEADERSHIP



Rebekah Baker

SVP Asset Management



Erin Barbee

Chief Strategy Officer



Fred Dodson, Jr.

COO & EVP Real Estate Development



Julie Porter

President



Kevin Schrader

Chief Financial Officer

OUR MISSION:

Our mission is to transform lives, communities, and what is possible through affordable housing.

OUR VISION:

Our vision is thriving communities where everyone has an opportunity to succeed.

OUR VALUES:



CHAMPIONS OF THE COMMUNITY

We fight for what we believe in.



INNOVATIVE PIONEERS

We raise the bar for ourselves and others.



SERVICE-MINDED EXPERTS

We have a heart for service and sharing our knowledge.



TRUSTED COLLABORATORS

We invest in long-term relationships.



DOERS

We get things done.



DREAMKEY
PARTNERS

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Equal Employment Opportunity and Affirmative Action Agency.