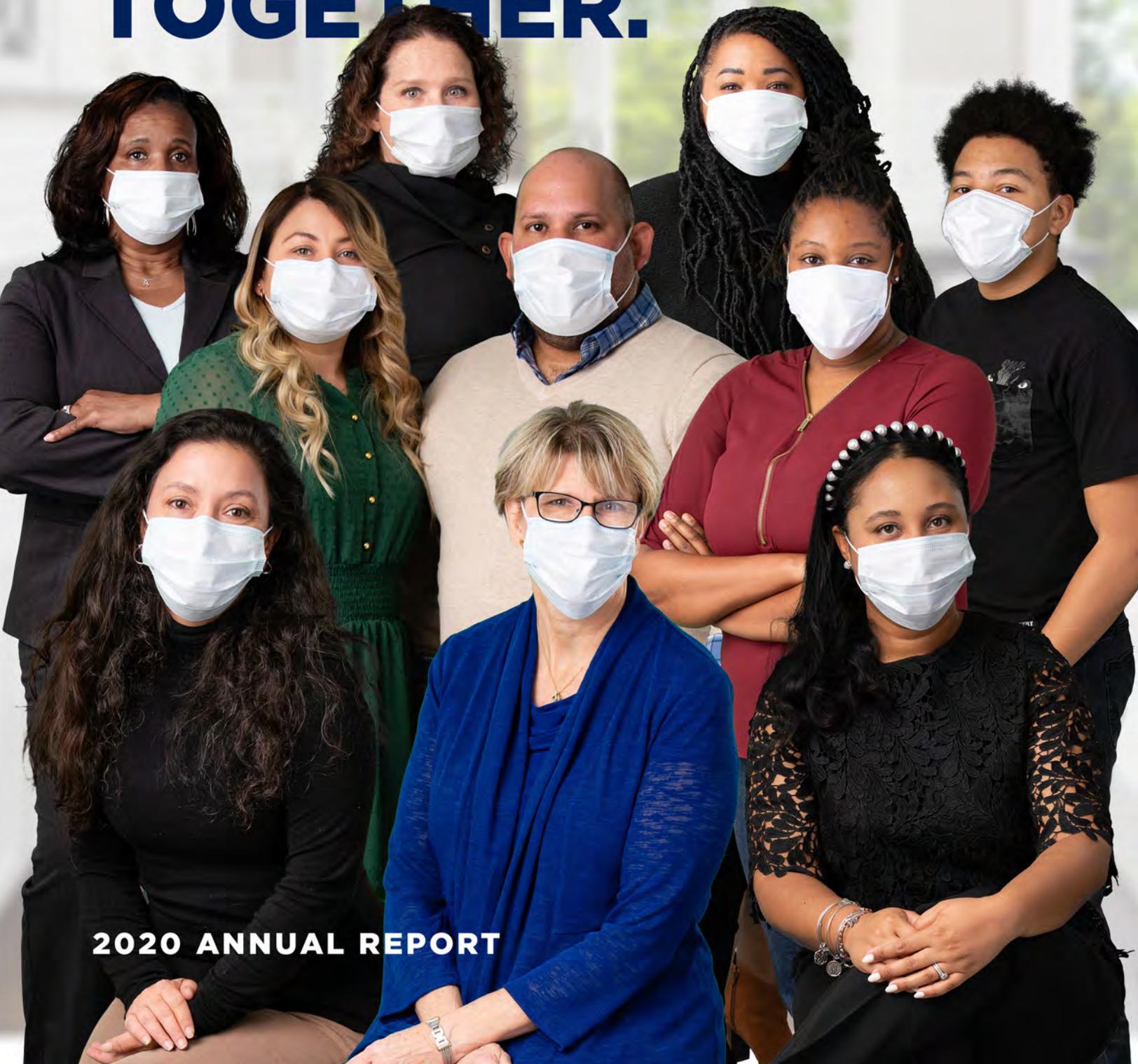




DREAMKEY
PARTNERS

RESILIENT. FORWARD. TOGETHER.



2020 ANNUAL REPORT

LETTER FROM BOARD CHAIR AND PRESIDENT

Our community faced unprecedented challenges in 2020. Yet, we find hope in the resilience of our residents and inspiration in the outpouring of support from our partners, corporations, philanthropies and government agencies. In a time of great need, we pulled together to help find a way through what will surely be the challenge of our lifetime. And, like so many, we changed how we worked, keeping the health of our employees and customers top of mind.

The pandemic hit people of color and low-income families the hardest in terms of both health and finances — they are twice as likely to contract and die from COVID-19 and report job loss and economic hardship. DreamKey Partners responded by administering \$26.2 million in local support and federal stimulus funding to provide rent, mortgage and utility assistance to help stabilize families that faced a COVID-related hardship.

We were steadfast on meeting our strategic goals. We completed \$31 million in real estate development, including the Mezzanine at Freedom, a 185-unit multi-family apartment community, and Crown Court, a 103-unit apartment community for seniors. People also purchased homes and we were there to serve, with 1,500 individuals completing our virtual homeownership education and counseling, and 365 homebuyers receiving down payment assistance.

Additionally, we guided our organization through a successful rebranding, with a new name and identity that reflect both our mission — transforming lives, communities and what is possible through affordable housing — and unwavering commitment to delivering affordable



and sustainable solutions for the people and communities we serve.

As we transition to a new normal and prepare for what comes next, we are committed to building a more equitable future for our customers, using our leadership and expertise to help end racial disparities. We will work together to build a future where everyone has affordable housing and equal opportunity to gain a living wage job, a quality education and a healthy lifestyle.

We are grateful for our dedicated employees and the many supporters who have made DreamKey Partners successful. Thank you to our friends, residents, partners, donors, and other advisors who have helped along the way. Especially thank you to our committed board of directors who expertly guided us through an extraordinary year.

Jacqueline B. O'Garro
Board Chair

Julie A. Porter
President

FRONT ROW

Indira Cosio
Socialserve

Julie Porter
DreamKey Partners

Jennifer Jones
DreamKey Partners

MIDDLE ROW

Roxana
RAMP CLT Recipient

Wilfredo
RAMP CLT Recipient

Lakoya
RAMP CLT Recipient

TOP ROW

Altra Wilson
DreamKey Partners

Tara Peele
Socialserve

Erin Barbee
DreamKey Partners

Corey
RAMP CLT Recipient



WHAT'S IN A NAME?

Our work began in 1989 with a seed of an idea and a selfless group of civic leaders who resolved to take action to expand affordable housing in Mecklenburg County. After three decades of serving as Charlotte-Mecklenburg Housing Partnership, we announced the change of our name to **DreamKey Partners** in March 2021.

The change reflects a stronger focus on how we help individuals and families achieve their dreams of a safe, affordable home. Our organization remains steadfast in our dedication to helping bring social and economic mobility to individuals and families through affordable housing — just as we have for the past 32 years.

The decision to change our name took much consideration and was made for several reasons:

- To signify a deep commitment and passion for our work and communicate the value of our work to the people and communities served.
- To help our neighbors achieve their affordable housing goals and offer them the “keys” to accomplish them.
- To signify our expanded services in Charlotte, Mecklenburg County and throughout the Southeast region.

- To create a name that was unique and better represents the people and communities served.

Representatives from our board, leadership team, staff and community partners worked with SPARK Strategic Ideas — a full-service, woman-owned strategic branding firm — to guide the name development process, including conducting research. In the end, we believe that DreamKey Partners best conveys our passion and commitment to bringing affordable housing solutions to the communities we serve.

Since our founding, we’ve invested more than \$322 million in multi- and single-family real estate development, provided \$23 million in mortgage loans and served 31,000 individuals with homeownership education and counseling. Beginning in 2020, we also administered more than \$31 million in rent, utilities

and mortgage assistance to those experiencing hardship due to the COVID-19 pandemic.

We’re proud of our history and what we’ve accomplished since 1989 and we’ve got big plans for the future — to reach more communities across the Southeast and continue expanding our services. We appreciate your support as we continue to transform lives, communities and what is possible through affordable housing.



Our new name and brand represent a major step in the organization’s evolution. We are redefining who we are, expanding our services and shaping the future of affordable housing. Our more than 30 years of success is cultivated by relationships, trust and a talented team delivering affordable and sustainable solutions. We are focused on continuing this critical work.”

-Julie Porter, President

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.

2020 HIGHLIGHTS

FEBRUARY



COMMUNITY HEROES HOMEOWNERSHIP

Expanded the Charlotte Community Heroes Homeownership Program to include other first responders, healthcare and essential workers.

JULY



AVELINE LAUNCH

Launched single-family real estate development brand, Aveline.

DECEMBER



MEZZANINE COMPLETION

Completed construction at The Mezzanine at Freedom.



CROWN COURT COMPLETION

Completed construction at Crown Court Apartments, a 103-unit senior community in southeast Charlotte.

SEPTEMBER



GROUNDS FOR CHANGE

Announced Grounds for Change at YWCA Central Carolinas affordable housing development, adding 104 affordable multi-family and townhome rental units off of Park Road.



GRIER HEIGHTS

Awarded land by Flagship Healthcare Properties to build 18 for-sale townhomes in Grier Heights.

APRIL



MEZZANINE MOVE-INS

Started move-ins at The Mezzanine at Freedom, a 185-unit multi-family apartment community near downtown Charlotte.



AVELINE SITE WORK

Started onsite work at Aveline at Coulwood, a 52 single-family homes in northwest Charlotte.

RESILIENT. FORWARD. TOGETHER.

Navigating a global crisis with partnerships and expertise.

If the COVID-19 pandemic was a catastrophic earthquake, then its effects on housing stability were the resulting tsunami — threatening devastation to already vulnerable tenants and property owners across our region.

Both DreamKey Partners and Socialserve recognized the impending problems early on and sought to intercede before lives were ruined. A powerful partnership emerged that delivered on its promise, and then some.

Socialserve is a nonprofit call center and second chance employer that provides housing location and listing services across the United States, serving both residents and property owners. “We immediately became concerned not only that people couldn’t pay their rent, but also landlords were at risk of going out of business,” said Tara Peele, chief executive officer of Socialserve. Most property owners sought direct financial assistance to cover rent, which would meet their business needs and protect tenants at the same time.

Socialserve and DreamKey Partners separately pursued funding from the

Covid-19 Response Fund set up by United Way of the Central Carolinas and the Foundation for the Carolinas. The resulting partnership grew to include administration of federal Coronavirus Aid, Relief, and Economic Security (CARES) Act administered by the City of Charlotte and Mecklenburg County. Government officials instructed the two agencies to collaborate on a unified, holistic effort to dramatically expand the existing Rental and Mortgage Assistance Program (RAMP CLT) for those at risk of losing their homes because of upheavals caused by the pandemic.

“Although I knew about and had admired DreamKey Partners for a long time, we had never worked together,” Tara said. A joint proposal came together over a weekend — DreamKey Partners handling intake, applications, counseling and mortgage payments and Socialserve interacting with landlords to deliver rent and utility payments.



Tara Peele
Chief Executive Officer
Socialserve

Erin Barbee
SVP of Programs & Fund Development
DreamKey Partners

“Our imperative was keeping people from getting evicted,”

said Erin Barbee, senior vice president of programs and fund development. Funding was approved on March 27 and an application was available online within 10 days.

“We had to stop everything and focus on this because it felt emergent,” Erin said. The challenges were amplified given both agencies were themselves adapting to all the changes brought on by the pandemic.

To handle the added administrative load, DreamKey Partners hired 50 temporary workers. Almost overnight, Socialserve grew from an agency with a \$2 million annual budget to handling millions of dollars in outgoing grants weekly. (The accounting staff at the Children and Family Services Center provided valuable assistance.)

In 2020, RAMP CLT distributed over \$26.2 million in rental, mortgage and utility assistance to over 6,000 families. The highest number of applications came from residents of color in lower

income neighborhoods — the same demographic groups experiencing disproportionately high rates of COVID-19 infections and the correlating disruptions to childcare, jobs, wages and other aspects of daily life.

Socialserve worked with landlords to help 150 families transition from homelessness to stable housing through its HousingCLT program. RAMP CLT also aided families struggling to pay utility bills.

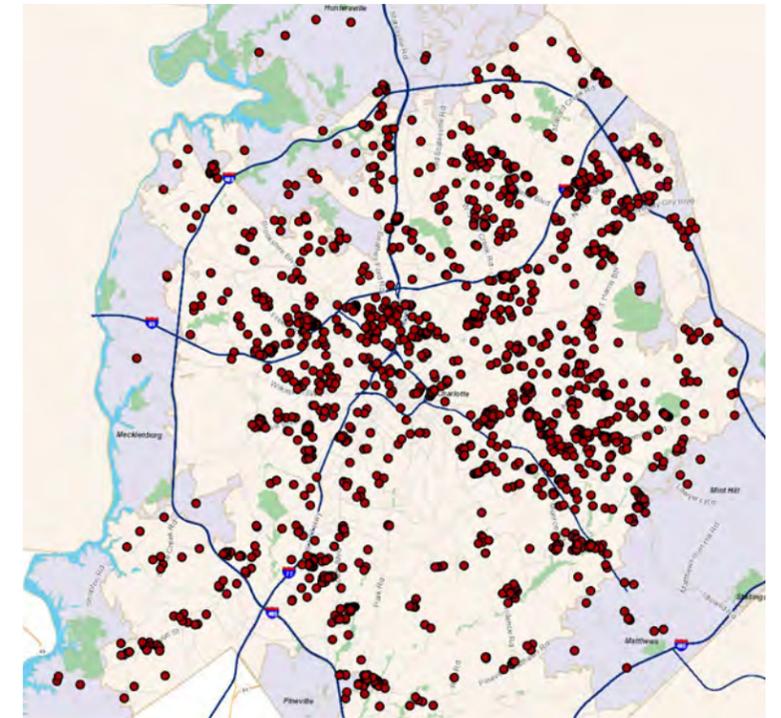
Erin was made aware of an interaction between a DreamKey Partners staff counselor and an applicant who was experiencing tremendous financial and emotional hardship. The approval notice for rental assistance arrived when the resident was considering suicide.

“In that situation, the program literally helped save a life,” Erin said. “But we know we’ve been saving lives all along because people are staying housed. That realization grounds and reminds us of why the work is so important.”

Federal stimulus funding from the American Rescue Act will support the ramped-up RAMP CLT until 2025. Tara and Erin hope to see it evolve to offer a broader scope of supportive services. “At the end of the day, rental assistance is a band-aid. People need holistic services to have

the economic mobility that this community wants to achieve.” Both value what they’ve learned and the strong bonds built between their organizations. “We found a way to make a collective impact, together,” Erin said. “I’d like to think our collaboration could be a model for other organizations,” Tara added.

In addition to the number of people helped, Erin was buoyed by demonstrating the value of both organizations coming together to address big challenges. “The experience opened my eyes to what is possible. There is no reason to rely on the status quo; we proved to ourselves that business as usual doesn’t have to exist for greatness to happen,” she said. “We’re bound to do great things as we continue to collaborate.”



Above: A map of customers who were provided rent, utility or mortgage assistance from RAMP CLT in 2020.

Below: The RAMP CLT program helped thousands of Charlotte residents, including siblings Corey and Lakoya, maintain housing during the pandemic.

“I want to thank the RAMP CLT team for assisting residents in need like myself to ensure we had somewhere to live and were safe during the pandemic.”

- Lakoya
RAMP CLT Recipient



MANAGING AFFORDABLE HOUSING

with **Rebekah Baker** & **Courtney Lundquist**

For more than 20 years, DreamKey Partners has had a strong partnership with real estate management company S.L. Nusbaum to help develop, manage and maintain the 29 apartment properties in its portfolio.

We had a conversation with Rebekah Baker, senior vice president of asset management at DreamKey Partners, and Courtney Lundquist, regional vice president at S.L. Nusbaum, about the partnership, how the pandemic impacted day-to-day operations and what the future may hold.

Q: Tell us about the partnership between DreamKey Partners and S.L. Nusbaum.

RB: I've been a member of the DreamKey Partners team for 19 years and S.L. Nusbaum has been a trusted partner since before I started. We've worked together to provide superior affordable housing. We pride ourselves that our properties look and operate like traditional market rate properties.

CL: S.L. Nusbaum Realty Company has been in business for 115 years of which, our partnership dates back at least 20 years. Both of our organizations' core values and commitment to creating the best possible experience for residents and communities lend to maintaining a fantastic partnership.

Q: How has the pandemic changed this partnership and the way you work together?

RB: We've always worked very closely with S.L. Nusbaum as DreamKey Partners is a hands-on organization. We have a close-knit team that supports one another and we keep an open communication with one another. The pandemic challenged us to create new protocols and procedures to ensure the safety of residents and on-site staff with little to no interruption to business and customer service. COVID-19 certainly forced us to learn, grow and adapt on a dime which we were able to do seamlessly.

CL: We've always strived to work as a team - working closely together and communicating often. The pandemic accelerated our efforts, as typical property operations needed to be changed frequently. There was a joint effort to determine best practices to maintain operations under new state and local orders while also maintaining a high level of customer service. Fortunately, our management firm was able to create new policies and procedures and modify quickly during this time offering flexibility to our clients for input.

Q: What current trends or opportunities are you seeing in property management?

CL: Right now, there's an abundance of new construction in the area along with many sales transactions. We were able to move to more services being offered online, including apartment leasing by offering virtual tours. The pandemic has created opportunities to think outside of traditional processes and institute enhanced virtual and electronic experiences.

RB: We're being pushed to think outside-of-the-box to find new, innovative ways to operate. Right now, it's all about adaptability and flexibility.

Q: What challenges do you see today and what do you expect in the near future?

RB: We're certainly seeing the rising construction costs, which can result in an increase in rent. We strive for affordable rent and it becomes more challenging when prices increase on building materials. We also see that resident incomes are not rising as much as operating costs. It's never ideal to have a resident who is rent burdened and paying more than 30% of their income to rents.

CL: In addition to the inflation in costs and labor shortages, residents are in their homes now more than ever. School is all or partially virtual and so is working from home in a lot of cases. This has added another challenge for us on the operating and maintenance side as apartments are being truly lived in more hours per day and our residents are adapting to living together more hours per day.

Q: What is your approach for a new development and how do you ensure it will be welcomed into the community?

RB: We listen and care about what the communities we are building in are saying. Before we start a new community, we talk to residents and community leaders. Our goal is for the residents to live, work and play together and to create an intertwined community.

CL: DreamKey Partners does such a great job of building something everyone can be proud of that it's easy to continue joint efforts for years to come. It's important that affordable homes are part of an overall community.



Top: Rebekah Baker and Courtney Lundquist tour the leasing office of The Mezzanine at Freedom.

Bottom: Common space at The Mezzanine at Freedom, our newest affordable housing community in west Charlotte.



BUILDING AFFORDABLE HOUSING

Introducing Aveline at Coulwood

A house isn't finished until the first family photo is hung, the toys are unpacked, and a family sits down for their first meal, together, at home.



Above: Rendering of The Murphy model. Phase 1 construction for Aveline at Coulwood began in September 2020. Once the five-phase development is complete, the neighborhood will feature 52 single-family homes.

DreamKey Partners has the unique opportunity to connect individuals and families not just with four walls and a roof but with a true home for years, and even generations, to come. Somewhere kids will play catch, neighbors will grill in their backyards and friends will laugh in the living room for hours on end. Somewhere families and friends can gather, year after year, for holidays, milestones and special occasions.

In 2020, DreamKey Partners re-introduced its single-family development business as Aveline, a community brand that provides high-quality homes and townhomes for people from all walks of life. Prior to the COVID-19 pandemic, Charlotte and other cities across the nation were already fighting an ongoing epidemic of housing affordability, which has only been exacerbated by the current unsteady social and economic climate. Aveline homes aim to help close the gap on generational poverty and affordable options for qualifying homebuyers.

"Homeownership propels our mission," said Fred Dodson, chief operating officer and executive vice president of real estate. "We're always trying to create new homeowners and homebuyers, but in the current market, they're struggling to find affordable properties."

Surrounded by three ponds and ample green space, Aveline at Coulwood is the first single-family community under DreamKey Partners' Aveline brand. Currently, under construction, the community will consist of 52 homes in northwest Charlotte and will start in the mid-\$200s.

"Given the great location, we saw Aveline at Coulwood as an opportunity to bring affordable homes to the community. Our short-term goal is to create new inventory and provide opportunities for homebuyers, but our long-term goal is to get as much affordable inventory on the market as possible to create new homeowners and generational wealth," said Sammy Jackson, real estate development manager.

DreamKey Partners' Homebuyer Education Center aims to create at least 300 new homebuyers each year. In 2020 alone, the center has worked with more than 1,200 individuals who are interested in becoming homeowners.

Sammy shared, "We understand the value of homeownership and the generational impact it can have on a family. Homes are where families are raised, equity is built and pride is instilled. Aveline is where legacies are created, and families are forever changed for the better."

Fred values the great impact homeownership has on family generations, just as it has in his family. "I grew up without a lot of money, but we were very fortunate," shared Fred. "My parents worked

hard, persevered, and found a way to buy a home that is still in my family today, many decades later. It's been a place we can all call home, proving important to the past, present and the future of our family."

Throughout the pandemic, the cost of building supplies soared and the housing market continued to rise, adding strain as DreamKey Partners continues to provide much-needed affordable living solutions. But through the power of partnerships with like-minded civic leaders, investors, developers, nonprofits and a host of others, the organization remains resilient and steadfast in building affordable options for families.

"These homes will outlast their first buyers and leave a legacy with the families they touched," said Fred. "It changes the entire trajectory for generations to come and that is monumental for both families and communities."

Aveline at Coulwood is nestled on the Northwest side of Charlotte and will feature three-bedroom, three-bathroom homes with optional bonus rooms and one- or two-car garages. The two- and three-story homes will start in the mid \$200s preserving a level of affordability in submarket that is experiencing increasing prices points. Visit avelineatcoulwood.com to learn more.



Fred Dodson and Sammy Jackson on-site at Phase I of Aveline at Coulwood.

HOME TEAM Meet Susan Bowman

Though more than 500 miles away from her birthplace of Cleveland, Ohio, Susan Bowman has never felt more at home.

As DreamKey Partners' vice president of asset management, Susan oversees the organization's multi-family portfolio, analyzing property operations. She also works closely with the management team and engages with residents firsthand to hear their stories.

She recalls an opening day for one of DreamKey Partners' communities when an eager resident arrived, bags in hand, hours before check-in. Susan quickly grabbed his keys and led him to his new apartment where the U.S. Veteran, and new resident, told her through tears about his struggle with homelessness over the past two decades. For the first time in years, he had somewhere comfortable and safe to sleep. He was home.

Susan began working weekends in property management when she was a student at Ohio State University studying organizational psychology. Early in her career, she worked in high-end and market-rate property management but found her true calling when she was introduced to affordability in housing. "When you see the human side of it and how impactful affordable housing is to the way someone lives, the way their children live, it's truly incredible."

After a move to Charlotte in 2008, she joined property management firm S.L. Nusbaum, working closely with DreamKey Partners during her seven years there.

When asked who inspired Susan, her answer was simple but profound: the everyday people who become extraordinary in times of conflict. She continues to be motivated by her residents who exude positivity through their struggles.

"To be present when someone is experiencing a significant, life-changing milestone of moving into a home, it's truly humbling," said Susan. "The impact you can have on an individual and a family is overwhelming, and I was confident this is where I wanted to be."

Beyond the individual, Susan recognizes the holistic impact DreamKey Partners has on the communities it serves. In her three years working at the organization, she has enjoyed participating in the development of the properties - from the site selection to the community impact she learns something new every day about fulfilling the vital need for affordable housing.

When she's not in the office, you can find Susan hiking with her sons, combing through antique stores for records to add to her vinyl collection or relaxing on the waterfront on Lake Wylie.

This past year has provided a new set of challenges and obstacles in operating properties during COVID-19, but Susan continues to be optimistic about the present and future. DreamKey Partners has proven to be resilient thanks to its dedicated team members, partners and donors, and Susan is grateful she found a place as part of this home team.



The Asset Management Team



"I love hearing people's personal stories. Everyone has a struggle, but it's not what you're going through, it's how you move forward and react to your current situation."

-Susan Bowman



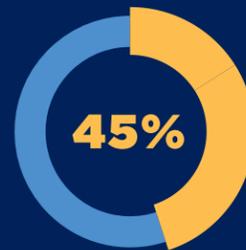
THE CASE FOR AFFORDABLE HOUSING

Housing Opportunity in Charlotte

Charlotte is one of the fastest-growing cities in the nation and with its continued development comes increased demand for housing and higher housing costs and rent. As of 2020, **Charlotte needed 32,000 additional units of affordable housing** an increase from 24,000 in 2019. Without intentional actions, this need and the disparity between low-income and high-income residents will grow at an accelerated rate.



Only 15% of homes available for sale are “affordable”¹



45% of renters are considered “cost-burdened”¹

Housing Solutions

By offering a wider range of housing choices, our residents will have more opportunities to find affordable housing. A mix of lot sizes and housing options can increase residential density and help create an even more vibrant community.

COVID-19 Assistance

In response to the COVID-19 pandemic, the RAMP CLT program was created to provide rental, utility and mortgage assistance to those directly impacted. The need for affordable housing prior to the pandemic was dire and has been exacerbated by the pandemic.

\$26,200,000

in rental, mortgage and utility assistance distributed to more than

6,000

families in 2020²



15%

of NC renters say their household is behind on rent²



¹. UNCC - The State of Housing in Charlotte ². Center on Budget and Policy Priorities - Tracking the COVID-19 Recession's Effects on Food, Housing, and Employment Hardships

FINANCIALS

January 1, 2020 - December 31, 2020

Assets

Unrestricted Cash	\$	7,329,267
Restricted Cash	\$	2,893,933
Accounts Receivable	\$	595,031
Grants Receivable	\$	1,115,105
Interest Receivable: Single-Family Loans	\$	846,001
Interest Receivable: Multi-Family Loans	\$	-
Reserves and Escrows	\$	11,568,199
Notes Receivable	\$	3,217,573
Projects in Development	\$	16,017,537
Rental Property	\$	182,423,597
Land Held for Sale	\$	1,000,000
Other Assets	\$	2,319,351
Total Assets	\$	229,325,594

Liabilities and Net Assets

Accounts Payable & Accrued Expenses	\$	14,937,793
Notes Payable	\$	145,977,190
Non-controlling interest	\$	39,217,963
Net Assets	\$	29,192,648
Total Liabilities & Net Assets	\$	229,325,594

Revenue and Support

Increase in Restricted Net Assets	\$	-
Grants & Contributions	\$	24,816,413
Rental Income	\$	18,988,533
Interest Income	\$	139,027
Home & Single-Family Lot Sales	\$	506,589
Other Income	\$	825,949
Total Revenue and Support	\$	45,276,511

Expenses

Program Costs	\$	44,878,703
Support Services	\$	2,877,277
Interest Expense	\$	-
Total Expenses	\$	47,755,980

Change in Net Assets

Temporarily Restricted Net Assets	\$	(1,600)
Permanently Restricted Net Assets	\$	(283,114)
Unrestricted Net Assets	\$	367,558
Total Change in Net Assets	\$	82,844

BOARD MEMBERS

Nicole Baldon

Senior Vice President
Bank of America Merrill Lynch

Gene Bodycott

Executive Committee
Secretary/Treasurer
(Retired)

Astrid Chirinos

Executive Director
Simmons YMCA

Elyse Dashew

Chairperson
Charlotte Mecklenburg Schools
Board of Education

Amanda DeWeese

VP of Public Relations
Chernoff Newman

David R. Finnie, CPA

Partner
Pesta, Finnie & Associates

Judge Linwood O. Foust

Superior Court Judge
(Retired)
Community Advocate

Kevin Granelli

Division President
Taylor Morrison

Rickey Hall

President
West Boulevard
Neighborhood Coalition

Jessica Hindman

Architect & Owner
Studio H

Chris Jackson

President & CEO
Goodwill Industries of
Southern Piedmont

Patsy Kinsey

Client Relations
LaBella Associates
Community Advocate

Dave Kautter

VP of Lending & Investments
Wells Fargo

Raymond (Raki) McGregor

VP of Consumer Operations
Novant Health

Jacqueline O'Garrow

Executive Board Chair
(Retired)

Winston Robinson

Executive Director
Applesauce Group

Ken Schorr

Executive Director
Charlotte Center for
Legal Advocacy

James R. Simpson

Executive Committee Vice-Chair
(Retired)

OUR MISSION

We transform lives,
communities and what
is possible through
affordable housing.

OUR VISION

Thriving communities
where everyone has an
opportunity to succeed.

SENIOR LEADERSHIP



Rebekah Baker

SVP Asset Management



Erin Barbee

SVP Programs &
Fund Development



Noelle Bell

SVP Marketing &
Communications



Fred Dodson, Jr.

COO & EVP Real Estate
Development



Julie Porter

President



Kevin Schrader

Chief Financial Officer



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