



DREAMKEY
PARTNERS

Building a Legacy
of Affordability



2021 ANNUAL REPORT

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LETTER FROM THE PRESIDENT AND BOARD CHAIR

Generational wealth refers to assets that families pass down to their children, whether in the form of cash, investments, or, most commonly, a home. Historically, homeownership has been the single largest contributor to building generational wealth. However, due to unequal access to purchasing a home, Black, Indigenous and People of Color (BIPOC) households have not had equal access to this vital form of wealth building.

The gap in homeownership rates between white and Black households is stark and has only widened over the last 50 years. Nationally, in 1970, 65% of white households owned a home compared to 42% of Black households. In 2020, 74% of white households owned a home compared to 44% of Black households. Hispanic households have fared only slightly better. In 1970, 46% of Hispanic households owned a home compared to 48.4% in 2020. Historically, discriminatory practices like mortgage redlining and deeds that restricted selling to a person of color certainly played a part in the wide gaps; however, even today a Black family is 80% more likely to be turned down for a mortgage compared to their white counterparts. These practices have led to a devastating disparity of wealth creation with the average white family having a net worth of \$171,000 compared to \$17,500 for Black families, a 10-fold difference.

Wealth creation isn't the only advantage of owning a home. Another is the stability of having a known monthly payment. Most mortgages are fixed rate and lock in a level payment for 30 years. In Charlotte and other cities, families who rent are experiencing dramatic rises in their lease payments and many have been priced out of their own neighborhoods or even out of their city entirely.

DreamKey Partners has always had homeownership as an important part of our

mission. We are increasingly concerned that the overheated housing market and economic stress caused by the pandemic could leave behind an entire generation of BIPOC homeowners. Therefore, we are increasing our commitment and working harder to build homeownership among the BIPOC population. This means DreamKey will be building more modestly priced single-family and attached homes for purchase by low- and moderate-income families. It means we will be working with financial institutions and mortgage companies to build homeownership in the minority community. And it means we will continue to provide housing counseling and down payment assistance.

At DreamKey, we are more committed than ever to helping families achieve their dreams. We would like to thank our committed donors who help us deliver on our mission and invite you to join us as we continue creating opportunities where everyone can afford a home.



Julie A. Porter
President

Jacqueline B. O'Garrow
Board Chair

2021 HIGHLIGHTS



January 2021: Crown Court move-ins

At the beginning of the year, residents began moving into Crown Court, a 103-unit senior-living apartment community located in Southwest Charlotte. The community features outdoor garden boxes, indoor recreation areas and is pet-friendly.

March 2021: Rebrand

After 30+ years as Charlotte-Mecklenburg Housing Partnership, in March 2021 we rebranded our name, visual identity and mission, and became DreamKey Partners. The change reflected a stronger focus on how our organization helps individuals and families achieve their dreams of a safe, affordable home.

OUR VALUES



June 2021: Bank of America Student Leaders® program

Starting in June, we hosted four local high school students for an eight-week internship as a part of Bank of America's Student Leaders® program. The students — Breana, Nicole, Maria and Tyler — worked across our organization and brought fresh ideas to help advance affordable housing initiatives.

December 2021: Programs & services

Throughout 2021, nearly 11,000 families received \$51 million in rental and mortgage assistance. And with our partners Mecklenburg County Government, Socialserve and City of Charlotte Government, we provided 520+ families with virtual homeownership education and counseling and 160 families with down payment assistance to purchase their first home.



2021: Aveline at Coulwood

We broke ground at our first Aveline community, Aveline at Coulwood, high-quality homes and townhomes for people from all walks of life. Nestled on the Northwest side of Charlotte, Aveline at Coulwood will bring much-needed affordable, single-family homes to the neighborhood.



AFFORDABLE HOMEOWNERSHIP

When a home is built, it has a ripple effect that may go on for decades. It goes beyond the home's first owners, impacting generations of a family. Whether it is passed down through the family or sold to create wealth, that is the legacy of homeownership.

"There will always be a need for rental housing, and we'll always do that," said Fred Dodson, chief operating officer and executive vice president of real estate. "But homeownership is one of the most impactful things we do because we're creating generational wealth for families."

Over the past five years, home values in Charlotte have increased by more than 86 percent. In the past year alone, home values have surged 25 percent, and the median list price of a single-family home is around \$375,000. These unprecedented increases are due to growing demand, lack of housing inventory and increased costs for building materials caused by supply chain issues.

Homeownership may seem impossible for many, but DreamKey is committed to helping families see what's possible through affordable housing, including buying their first home.



"Affordable housing is integral to the mission of JCB Urban, and that makes our partnership with DreamKey Partners a perfect fit. Affordability allows people to have an opportunity to start building wealth, and buying a house is truly the main avenue for many people to build wealth over time."

Diane Long
JCB Urban



DreamKey Partners began developing single-family homes under Aveline. Aveline at Coulwood is a 52-unit single-family home community in Charlotte.

“Adopting the Aveline brand has allowed us to put a stamp on formally building single-family homes,” said Fred. “This is what we do and what we’ll continue to do – it’s part of our legacy. In the past, we relied on the market to provide affordable housing, but that’s not the case anymore, so we’ll do it ourselves.”

Aveline at Coulwood will serve buyers at various income levels and start in the high-\$200s. The vision for Aveline neighborhoods is mixed-income – or healthy communities as Sammy Jackson, real estate development manager, refers to them – and targeted for the low- and moderate-income homebuyer.

“The homes in this community are high-quality, efficient in design and energy, and cost-effective,” Sammy shared. “We’ve worked to create a home buying experience future homeowners dream for.”

The realization of Aveline at Coulwood was made possible by a host of partners who worked in lockstep with DreamKey. Homebuilder JCB Urban, civil engineer LandDesign, site development contractor J.O. Flowe Grading and realtor Matt Stone Real Estate came together early in the development process to create a high-quality housing product that would be affordable and beautiful.

Matt Stone with Matt Stone Real Estate said, “Aveline at Coulwood is unique; it’s not like other track builders and products in the market. The homes have more customized features, higher upgrades, and a smaller footprint.” From the beginning, the team had to be



nimble and willing to pivot when kinks in the supply chain arose to keep the timeline on schedule while preserving the integrity of the product.

The team came together to create design elements that would appeal to the market and stand out from the rest. Diane Long with JCB Urban said, “We developed a color palette that set us apart from the surrounding communities and incorporated cottage and craftsman features you wouldn’t necessarily find at this price point. It is about creating a beautiful home, whether for the market rate or affordable price points.”

In the second quarter of 2021, the first phase of Aveline at Coulwood homes hit the market, and within the first four hours, Matt Stone and his real estate team fielded around 80 calls from eager homebuyers. “The demand for

“Aveline at Coulwood is unique; it’s not like other track builders and products in the market. The homes have more customized features, higher upgrades, and a smaller footprint.”

Matt Stone
Matt Stone Real Estate

Through the power of partnerships, we remain resilient and steadfast in building affordable options for families. From left to right: Trey Witte, VP of construction; Jarrod Jones, real estate development associate; Fred Dodson, COO and EVP of real estate; and Matt Stone of Matt Stone Real Estate.

the affordable single-family home product in Charlotte is unlimited,” said Matt. Each home receives between 15 to 30 offers. “We get a lot of buyers – like teachers, firefighters and healthcare workers – seeking an affordable, high-quality home like those in Aveline.”

As of May 2022, 12 homes in Aveline at Coulwood are fully constructed, with 18 homes either sold or under contract.

Additionally, DreamKey has developed a dozen scattered-site single-family homes in Druid Hills. The real estate team continues to look for land

opportunities for more scattered site and Aveline homes in the Southeast. The Aveline housing product is just one-way DreamKey is working to close the homeownership gap between white and BIPOC communities.

Beyond the individual impact, the lack of affordable housing supply has a pervasive effect. “As Charlotte matures and people continue to move here to look for opportunities, if the affordable housing deficit continues, it will hamper the city’s growth and significantly impact local economies,” said Fred.

Fred and Sammy agree that the development process isn’t easy, but Fred noted that good things are often hard to do. “We will keep building, so everyone’s American dream is within reach for tomorrow and generations to come.”

DEVELOPING AFFORDABLE HOUSING

with Dan Cimaglia & Karen Batten-Balas

We pride ourselves on our unique structure with a development and construction team under one roof, and our commitment to community engagement. This is a critical component of our development and construction process, which includes listening sessions with neighborhood leaders and residents. We spoke with Dan Cimaglia, senior vice president of real estate development, and Karen Batten-Balas, senior vice president of construction, about the development and construction process, challenges that arise and what's next for DreamKey Partners.



Dan Cimaglia

SVP Real Estate Development



Karen Batten-Balas

SVP Construction

Can you tell us a little bit about the development and construction process at DreamKey Partners?

- DC We operate as a full-service real estate development company. Our team actively acquires land and researches properties for analysis and viability. We also engage community leaders and residents throughout the process with neighborhood meetings and other outreach.
- KBB Dan's team will find a potential property, then come to me and ask, "What do you think about it?" And I'll either decline it right away or say, "Okay, let's go chase it."
- DC Once we acquire land, we set up a schedule to close on the property – factoring in things like rezoning – and we determine what type of community design would best fit. We ask questions like, "Is it going to be for seniors or multifamily?" We're also looking at townhomes and single-family homes as options.
- KBB The construction team is included in these early design conversations with the development team, and we stay involved to make sure that the design consultants create something that's buildable, affordable and of high quality. Once the design is finalized, we choose a contractor and then we do construction management throughout the life cycle of the build-out.

Crown Court is a senior living community that opened its doors in January 2021 — can you talk about that development and construction process? What challenges did you work through?

- DC From start to finish, the Crown Court community took about three years to complete. The process of rezoning to senior living was complex because we had to comply with specific requirements for commercial properties.
- KBB The biggest challenge we had with Crown Court, though, was gaining full community support. The development team did a great job communicating the need for this senior-living complex. With community input we changed certain aspects of the design to gain their approval.

Beyond the challenges of getting projects approved, what are some challenges you faced this year during the construction process?

- KBB We observed that construction prices began to rise at the end of 2020, and in 2021 they continued to increase steadily. Due to supply chain issues, we were waiting eight or nine months for certain items like appliances and at times had to shift and get approval to purchase certain materials earlier in the process.
- DC Last year was the perfect storm of economic events, but we're problem solvers. When something came up, we worked as a team to figure it out. Because of those challenges, we continued to prove how great DreamKey is at adapting.

What does the future look like for development and construction at DreamKey Partners?

- DC We take on a lot of complicated projects, but we accept those as challenges. We have a strong, young development team that's learning through hands-on experience with these projects. And we have a healthy pipeline of projects coming through.
- KBB Our team is successfully expanding their knowledge base with the addition of townhomes and single-family development and construction. This expansion will bring more opportunities, so we'll be growing our team to execute all the work coming through the pipeline. And above all, we're working toward being the go-to affordable builder in the Southeast.



Teresa is a resident at Crown Court, a senior living community in southeast Charlotte that opened in January 2021. Before securing her apartment in April 2021, Teresa had been living with roommates – family members and friends from church – for years because she couldn't afford her own space. In Crown Court, Teresa found safety, community and, most importantly, her home.

"People say 'godsend,' and literally, God sent me here, I feel positive. When the young lady gave me the tour and said, 'This is going to be your apartment,' I started crying. I was so happy. I was overwhelmed. It's just perfect."

PROGRAMS TO GUIDE YOU HOME

Meeting You Where You Are on the Journey Home



Every customer is at different point in their journey to homeownership. Our programs — education, counseling and down payment assistance — are designed to meet each person where they are.

Rising prices and a competitive market made homeownership even harder to attain in 2021, prolonging a process that already takes years for many. These factors also deepened the pool of people in need last year.

Shifting to fully virtual program offerings, DreamKey Partners was able to meet individuals where they were, growing the organization's reach far beyond Charlotte. "This was a point of evolution for us because working virtual was something we were not accustomed to at all," said Altea Wilson, vice president of programs.

Altea, who has been with the organization for 25 years, notes that this evolution also brought along opportunities to engage in larger programs that helped expand the footprint. This included virtual programs like the Renter Advantage Program, which provides debt counseling for renters, and other national programs.

DreamKey also collaborated with Atrium Health on a pilot program in 2021 called Help Now. This initiative was spurred by an internal survey that proved to be eye-opening for the health system's leadership. The survey showed that Atrium

Health teammates were experiencing challenges with immediate social needs including housing. Nearly one-third of the 85 employees surveyed expressed concern about losing their housing and a small percentage had been unhoused in 2020.

"We looked at the results and thought, this is unacceptable," said Don Jonas, assistant vice president for social strategy and impact for Atrium Health. "We started looking at housing partners to discuss how we can provide relevant resources and DreamKey Partners was top of mind because they're the best at what they do."

Other key findings included that nearly 80 percent of the employees wanted to purchase a home, yet 90 percent had never had any imperative financial education, like how to create a budget.

DreamKey worked with Atrium to provide a three-class financial empowerment course for Atrium Health employees in Mecklenburg and surrounding counties. Counseling was also offered through the pilot program, which allowed employees to work one-on-one with DreamKey financial counselors.

"The Help Now offerings were a condensed version of our services, and while our customers can engage with our programs on their own terms, our education, counseling and down payment assistance are inextricably linked," said Jennifer Jones, vice president of economic opportunity. To qualify for down payment assistance, you must complete certain education courses; to have access to the counseling team, you must be enrolled in one of the education courses.

Erin Barbee, chief strategy officer, shared, "Oftentimes the pathway to homeownership is not straightforward and that is why we are committed to meeting our customers where they are, so we can best prepare them for the future based on where they stand now."

DreamKey's education, counseling and down payment assistance programs are designed to give customers the confidence to purchase a home that is affordable for their families. "We know that for our customers, buying a home is the biggest purchase of their life but it's going to provide equity that they can leverage in the future," said Jennifer.

Reflecting on another taxing year, DreamKey is proud of the progress made and hopeful for the future of affordable housing. "Our development team has a very aggressive goal of expanding our single-family home product and our programs department has even more opportunity to create a legacy of affordability as we are building that pipeline," closed Erin. "As an organization, we know that if we don't step up, who would?"

"Manuel really made sure that we understood everything, which I loved. He answered every question; no question was a dumb question. And I really liked that he made us comfortable in that class, it was like a family."

Tamara
Homeowner



Tamara Green began her homebuying journey with a recommendation from her realtor: enroll in the DreamKey Partners Financial Empowerment Education and Counseling program. The education courses shed light on the steps of the homebuying experience and factors that may influence it, like credit scores and down payments. After taking the course, Tamara brought her credit score up to 700 and was able to create a savings plan for her down payment with guidance from her financial counselor. By December 2021, Tamara was prepared to start looking for homes with her realtor, and as of April 2022, has closed on her first home.

HOME TEAM: JARROD JONES

Organizer. Dreamer. Champion.



Growing up on the southside of Greensboro, North Carolina, Jarrod Jones saw early on how the sale of a house can have a deep impact on a community. His father Cornelius Jones, who passed away in 2019, was a well-regarded real estate agent who sold countless families their first homes.

When out on the town, it was not unusual for neighbors to approach the Joneses to talk about the house his father had sold them. They graciously spoke of their home as the means for supporting their families, creating stability and peace and building a legacy for generations to come.

This deep-rooted impact is one of many reasons Jarrod said his father is his greatest inspiration. Following in his footsteps of helping people attain a home, Jarrod is a real estate development associate at DreamKey Partners, working to build new, affordable homes.

Over a decade ago, a finance job at Wells Fargo brought Jarrod to Charlotte, but he eventually moved on to work as a community and family engagement coordinator for Project Lift. In this role, Jarrod supported schools and parent associations but realized “schools are only a microcosm of the community” and he wanted the chance to do more.

In 2018, Jarrod joined DreamKey as a community engagement associate, a position that helped prepare him for his current role in real estate development.

“I was blessed to start in community engagement because I got to understand the context of what people go through trying to buy a home and how housing affordability impacts multiple generations of families.”

In his role, Jarrod is doing the work he always dreamed of doing – building strong neighborhoods – yet his job is

not an easy one. The development process is long and demanding. With hundreds of steps to follow and due diligence to check all the boxes, patience is key when working toward the team’s end goal of developing quality affordable homes.

With challenge comes reward. Jarrod believes seeing the effects of his efforts in neighborhoods that haven’t seen investment in decades is the most gratifying part of his job.

“Being able to bring high-quality development, something that is built to last, into underserved neighborhoods helps to create its own sense of place for the champions of that community. It is very fulfilling to have a community celebrate that victory with us.”

Jarrod is a Charlotte “west-sider” and when not at work enjoys attending local comedy shows and live concerts with his wife, Kaylyn. You can also catch him at the McCrorey YMCA where he works out and serves as an active board member.



“Our customers see that we are diverse and that we have the same lived experiences as the communities that we serve. That genuineness is recognized at an early stage in our relationships with those we serve.”

Jarrod Jones

Real Estate Development Associate
DreamKey Partners

FINANCIALS

January 1, 2021 - December 31, 2021

Assets		
Unrestricted Cash	\$	6,437,477
Restricted Cash	\$	12,977,433
Accounts Receivable	\$	442,863
Grants Receivable	\$	1,283,238
Interest Receivable: Single-Family Loans	\$	867,497
Interest Receivable: Multi-Family Loans	\$	-
Reserves and Escrows	\$	12,143,800
Notes Receivable	\$	3,077,965
Projects in Development	\$	28,219,891
Rental Property	\$	177,300,069
Land Held for Sale	\$	3,767,923
Other Assets	\$	2,284,673
Total Assets	\$	248,802,829

Liabilities and Net Assets		
Accounts Payable & Accrued Expenses	\$	22,316,036
Notes Payable	\$	147,231,610
Non-controlling interest	\$	48,978,897
Net Assets	\$	30,276,286
Total Liabilities & Net Assets	\$	248,802,829

Revenue and Support		
Increase in Restricted Net Assets	\$	-
Grants & Contributions	\$	71,267,906
Rental Income	\$	21,999,419
Interest Income	\$	104,344
Home & Single-Family Lot Sales	\$	63,675
Other Income	\$	1,274,933
Total Revenue and Support	\$	94,710,277

Expenses		
Program Costs	\$	94,119,403
Support Services	\$	2,770,213
Interest Expense	\$	-
Total Expenses	\$	96,889,616

Change in Net Assets		
Temporarily Restricted Net Assets	\$	(1,336)
Permanently Restricted Net Assets	\$	(660,602)
Unrestricted Net Assets	\$	1,488,138
Total Change in Net Assets	\$	826,200

BOARD MEMBERS

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Chief Strategy Officer




Noelle Bell
SVP Marketing & Communications



Fred Dodson, Jr.
COO & EVP Real Estate Development



Julie Porter
President



Kevin Schrader
Chief Financial Officer

OUR CULTURE

Our Mission

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




Our Vision

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.



DOERS
We get things done.



SERVICE-MINDED EXPERTS
We have a heart for service and sharing our knowledge.



TRUSTED COLLABORATORS
We invest in long-term relationships.



DREAMKEY
PARTNERS

4601 Charlotte Park Drive, Suite 350
Charlotte, NC 28217
(704) 342-0933 | info@DKP.org
DreamKeyPartners.org



@DreamKeyOrg



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