



Fiscal Year 2022

Adopted Budget



INLIVIAN
HOUSING REDEFINED



INLIVIAN
HOUSING REDEFINED



400 East Blvd, Charlotte, North Carolina

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INLIVIAN
HOUSING REDEFINED



1.0 INTRODUCTION

TRANSMITTAL LETTER

October 2021

To the Chairwoman and the Board of Commissioners:

I am pleased to present INLIVIAN's Fiscal Year (FY) 2022 Budget. This budget is the financial plan for the upcoming year and incorporates the fourth year of initiatives and actions towards our five-year strategic plan, "The Blueprint". Our five-year strategic plan serves as a guide to align our investments with our strategies to increase the supply of diverse price-point housing, maintain and increase the value of our assets, stabilize our target market, and improve the quality of life for our customers.

INLIVIAN and its subsidiaries continue to provide property management and support services to residents using a private market platform, with a strong focus to help our families achieve economic self-sufficiency through the Moving Forward program across all properties. Included in these services are case management services, childcare, job support, senior programs and youth development which are designed to improve the lives of our residents. INLIVIAN continues to find ways to create opportunities for those we serve in order to live, work and thrive in our communities.

Management and staff prepared the attached operating and development budgets based on: 1) the Blueprint, 2) the Moving Forward Annual Plan, and 3) the sustainability of INLIVIAN and its family of companies. The purpose of this document is to provide the Board, staff and other stakeholders with a comprehensive budget for the coming period.

The Budget

The FY2022 Budget proposes to use \$238 Million for operating expenses, property improvements and development projects. The fiscal year budgets are presented as seven funds:

- Business Activities
- Central Office Cost Center (COCC)
- Moving to Work (MTW)
- C.O.R.E. Programs Inc. (CORE)
- Blue Horizon Management Company (Blue Horizon)
- Horizon Acquisition Corp. (Horizon Acquisition)
- Horizon Development Properties, Inc. (Horizon Development).

The budgets are balanced in accordance with North Carolina General Statutes for the Business Activities, COCC, and MTW. The CORE budget is also balanced.

Blue Horizon, Horizon Acquisition and Horizon Development will show a budget with expected cash flow.

Budget Highlights

The COVID-19 pandemic and ensuing recession created uncertainties in how government and businesses will operate and what the economy will look like over the next year. Despite the challenges from this economic downturn, we continue to work hard to maintain our resilience and deliver exceptional services to our residents and community.

As in the prior year, the FY2022 Budget includes conservative revenue estimates and maintains steady spend projections. Some major changes affecting the budget include the transition of McAden Park to INLIVIAN, which has been incorporated into the FY2022 Budget and the ongoing redevelopment of Dillehay Courts. The budget for Dillehay Courts reflects only a partial year of operation to account for units being vacated and demolished in preparation of redevelopment.

We continue to transform our internal culture with a customer service focus. The Call Center has proven to be the critical communication channel to connect our customers with our employees during these challenging times. To enhance our customer services, information technology upgrades are included in the budget to ensure our organization continues to seamlessly operate in the virtual world. With the re-imagination of our operations in mind, some services such as safety and security took an innovative approach to meet the imminent and growing demands. A security surveillance control center is budgeted for in the upcoming year to provide centralized monitoring of security cameras installed throughout the various properties. While many of the administrative employees transitioned to remote work environments, INLIVIAN's front-line employees continued to remain in the community throughout the pandemic delivering essential services such as property management, maintenance, and supportive services.

Over the long term, responding to INLIVIAN's aging buildings will continue to emerge as a significant challenge. In the FY2022 Budget, a considerable portion of MTW funds are dedicated to substantial renovations at several properties including Fairmarket Square, Glen Cove, McAlpine Terrace and Sunridge. Additionally, Horizon Development plans to recapitalize tax credit properties such as Montgomery Gardens and Nia Point.

INLIVIAN maintains its mission to expand quality affordable housing opportunities through real estate development initiatives. Development and revitalization projects in the FY2022 Budget include funding for future developments involving public-private partnerships. The capital investments in the FY2022 Budget reaffirms INLIVIAN's commitment to increase the supply of diverse price-point housing.

The attached budgets represent fiscal restraint and sustainability within our framework to meet the affordable housing demand. The budgets are based on INLIVIAN's mission and priorities mandated by the Board of Commissioners and the strategic plans articulated by the senior staff.

INLIVIAN and its subsidiaries wish to thank all its partners who contribute to the success of its mission. We look forward to discussions about the submitted budget for 2022.

Respectfully submitted,

A. Fulton Meachem, Jr.
President/CEO

Board of Commissioners

INLIVIAN is a public body and a body corporate and politic of the State of North Carolina created pursuant to the Housing Authorities Law (Article 1 of Chapter 157 of the General Statutes of North Carolina), as amended by a resolution of the City Council of the City of Charlotte, North Carolina adopted on December 7, 1938. The Housing Authority of the City of Charlotte, now INLIVIAN, was incorporated in June 1939 and has been in continuous operation since that date. INLIVIAN's powers are vested in seven commissioners; two (2) appointed directly by the Mayor, and five (5) appointed by Charlotte City Council. At least one (1) member must be a resident of assisted housing. The current commissioners are as follows:



Shirley L. Fulton,
Chair



Leigh Ann Merchant
Vice Chair



Linda Ashendorf



Lucy Brown



Antione Dennard



Michael Kennerly



Ray McKinnon

Commissioners serve staggered three-year terms and, as the governing body, set policies governing the operations of INLIVIAN and charting the direction of current and future programs. Commissioners ensure that INLIVIAN operates within the North Carolina General Statutes and according to HUD regulation. Board action is affected by adoption of resolutions approving or authorizing the Chief Executive Officer, their designee, or other senior managers to implement policy and/or conduct business.

SENIOR MANAGEMENT & GENERAL COUNSEL

The Senior Management team of INLIVIAN consists of key executives who ensure that each of the agency's strategic business areas continue to focus on initiatives that center around the organization's strategic goals and management priorities.



A. Fulton Meachem, Jr., President/CEO. Mr. Meachem joined the agency in October 2012. He has worked in public housing for more than 20 years and has extensive experience in developing and executing workforce housing, resident services, and housing operations. As President and CEO of INLIVIAN, Mr. Meachem is responsible for the oversight and effective operation of one of the most progressive housing authorities in the nation. Due to an entrepreneurial nature, Mr. Meachem started two 501(c)(3) organizations to garner private dollars for public causes. He successfully led development efforts which resulted in the creation of over 1,600 mixed-income apartments using a myriad of sources such as HOPE VI funding, Low-Income Housing Tax Credits and Tax Exempt Bond Financing. Mr. Meachem serves on a number of boards and committees including the Charlotte Works Board of Directors, Charlotte 2040 Vision Steering Committee, Childress Klein Center Real Estate Advisory Board and All Income Counts Coalition. He is a member of the Council of Large Public Housing Authorities, National Association of Housing and Redevelopment Officials and the Public Housing Authorities Directors Association. Mr. Meachem is a graduate of North Carolina Central University, with a Bachelor's of Arts degree in Business Administration.



Heather R. Franklin, CPA, EVP, Finance. Ms. Franklin joined the agency in September 2001. She oversees all financial and audit functions of INLIVIAN, which includes accounting, budgeting, procurement, and compliance. Prior to joining INLIVIAN, Ms. Franklin worked for Virginia Tech Foundation, a 501(c)(3) organization, in its Accounting Department. She is a member of the North Carolina Association of Certified Public Accountants, and the American Institute of Certified Public Accountants. She has both a Bachelor's and Master's degree in Accounting, each from Virginia Polytechnic Institute and State University (Virginia Tech). Ms. Franklin has been a licensed CPA in the state of North Carolina since 2004.



Kimberley Cole, EVP, Administrative Operations. Ms. Cole joined the agency in January 2020 to lead the Housing Choice Voucher, Policy and Government Affairs, and Public Relations functions of the agency. Her career spans over 25 years, with 20 of those spent in the affordable housing industry. Prior to joining the agency, she was the Director of Policy and Strategic Initiatives at the District of Columbia Housing Authority as lead for the development and implementation of major agency strategic initiatives. Ms. Cole has held several positions in local government in the DC area and established the LewisCole Group LLC in 2005 to provide management support and technical assistance to public housing authorities. She has a Bachelor's degree in Political Science from Hampton University and a Master's degree in Public Management/Public Policy from the University of Maryland at College Park.



Sandra Pizarro, EVP, Talent Operations. Ms. Pizarro joined the agency in January 2018. For over 15 years, Ms. Pizarro has been dedicated to effectively leading all functions of human capital and ensuring organizational capacity to meet challenging business needs and maintain a leadership position in the community. She works collaboratively to provide guidance on infrastructure and revitalization, benefits and compensation, performance management and strategic workforce planning. Ms. Pizarro earned her B.S. Magna cum Laude in Business Administration at the City University of New York and her MBA at St. John's University, along with several professional certifications in the discipline of Human Resources.



Ken Wood, EVP, Information Technology. Mr. Wood joined INLIVIAN in August 2015 to manage the Information Technology department. He oversees all technological areas from software systems, software development, networks, servers, desktops and communication equipment. Mr. Wood has over 30 years of experience with majority of those in the public sector. Prior to joining INLIVIAN, Mr. Wood served as Chief Information Officer at the Philadelphia, Houston, New Orleans and the Southern Nevada Regional Housing Authorities. Mr. Wood has led the implementation of various Enterprise Resource Planning systems including PeopleSoft, J.D. Edwards, ECS Elite and Yardi Systems. Mr. Wood's expertise is building systems and processes that allow businesses to maximize the use of Technology and create business efficiencies.



Harriet L. Huell, Esq., EVP, Legal. Ms. Huell joined the agency in April 2014. Prior to joining INLIVIAN, she gained five years of experience working with a private boutique law firm in Durham, NC, that specializes in representing public housing authorities throughout the Carolinas. Licensed to practice law in North and South Carolina, she specializes in both employment and housing law and has extensive litigation experience. Ms. Huell holds an undergraduate degree in Mass Communications from Clafin University, a Master's Degree in Media Studies from The Pennsylvania State University, and a Juris Doctorate from the University of North Carolina at Chapel Hill. Ms. Huell is responsible for all of INLIVIAN's legal matters, risk management and resident safety, as well as manages outside counsel contracts for the entire agency.



Tomico P. Evans, EVP, CORE. Ms. Evans joined the agency in September 2007. Ms. Evans has a Bachelor's Degree in Psychology from Johnson C. Smith University and a Master's in Social Work from Clark Atlanta University in Atlanta, Georgia. She has more than 18 years of experience operating and directing human services programs within the non-profit and governmental sector. Prior to joining the agency, Ms. Evans worked for a local 501 (c)(3) organization as a Program Director overseeing programs for homeless individuals and families. In her current role, she leads INLIVIAN's Non-Profit organization CORE Programs, Inc. On an annual basis CORE delivers supportive services to approximately 3,000 households across the City of Charlotte. Ms. Evans also coordinates the agency's partnerships and relationships with community service providers, funders and donors working to leverage program, services, and funding designed to enhance and enrich the lives of our residents and assist them to achieve financial independence, social empowerment and academic success.



Connie Staudinger, EVP, Horizon Development Properties, Inc. (Horizon Development). Ms. Staudinger joined the agency in April 2018. Prior to joining INLIVIAN, she was the Chief Operating Officer of the affiliate development corporation, Virginia Housing Development, LLC of Alexandria Redevelopment & Housing Authority (ARHA). She was responsible for the acquisition, planning, design and implementation of all affordable housing development projects. Prior to her employment at ARHA, Ms. Staudinger worked for various architectural firms and private developers in positions related to preserving and building new affordable housing projects. Ms. Staudinger is certified by the National Council of Architectural Registration Boards. She earned an MBA and has completed all coursework for a doctoral degree in International Business with a Finance Specialty. She holds a Class A General Contractor's license and is certified as a Housing Finance Development Professional.



Cheryl Campbell, EVP, Blue Horizon. Ms. Campbell joined the agency in January 1992. She is responsible for management of the real estate portfolio. She has served the organization in many roles and has more than 30 years' experience in the affordable housing field, including past employment with developers and funding institutions. Her diverse background includes construction management, affordable property compliance, fiscal management and policy development. She has worked to ensure successful capital improvement projects, oversight of the operational division, successful lease-ups of new projects and coordination of FHA, HUD and conventional multifamily loans. Ms. Campbell is responsible for property management of the agency's assets including tax credit, project-based voucher and market rate apartments. She holds certifications in numerous affordable housing programs, leadership and management including the designation of CPM from the Institution of Real Estate Management and a C3P (Certified Credit Compliance Professional).

STRATEGIC BUSINESS AREAS

INLIVIAN has six strategic business areas: Executive, Corporate Services, Administrative Operations, Blue Horizon Management Company (Blue Horizon), C.O.R.E. Programs Inc. (CORE), and Horizon Development Properties, Inc. (Horizon Development).

The **Executive Division** provides leadership and oversight of the organization by working with the Board of Commissioners and senior management team to establish and implement long-term goals, strategic plans for program development and policies to support operations.

Blue Horizon operates as INLIVIAN's Real Estate Management Division. They are responsible for the daily management and maintenance of housing units owned by INLIVIAN and its subsidiaries.

Corporate Services

include Finance, Talent Operations, Information Technology, Call Center, Legal and Resident Safety. They enable employees and other divisions to achieve the mission of INLIVIAN.

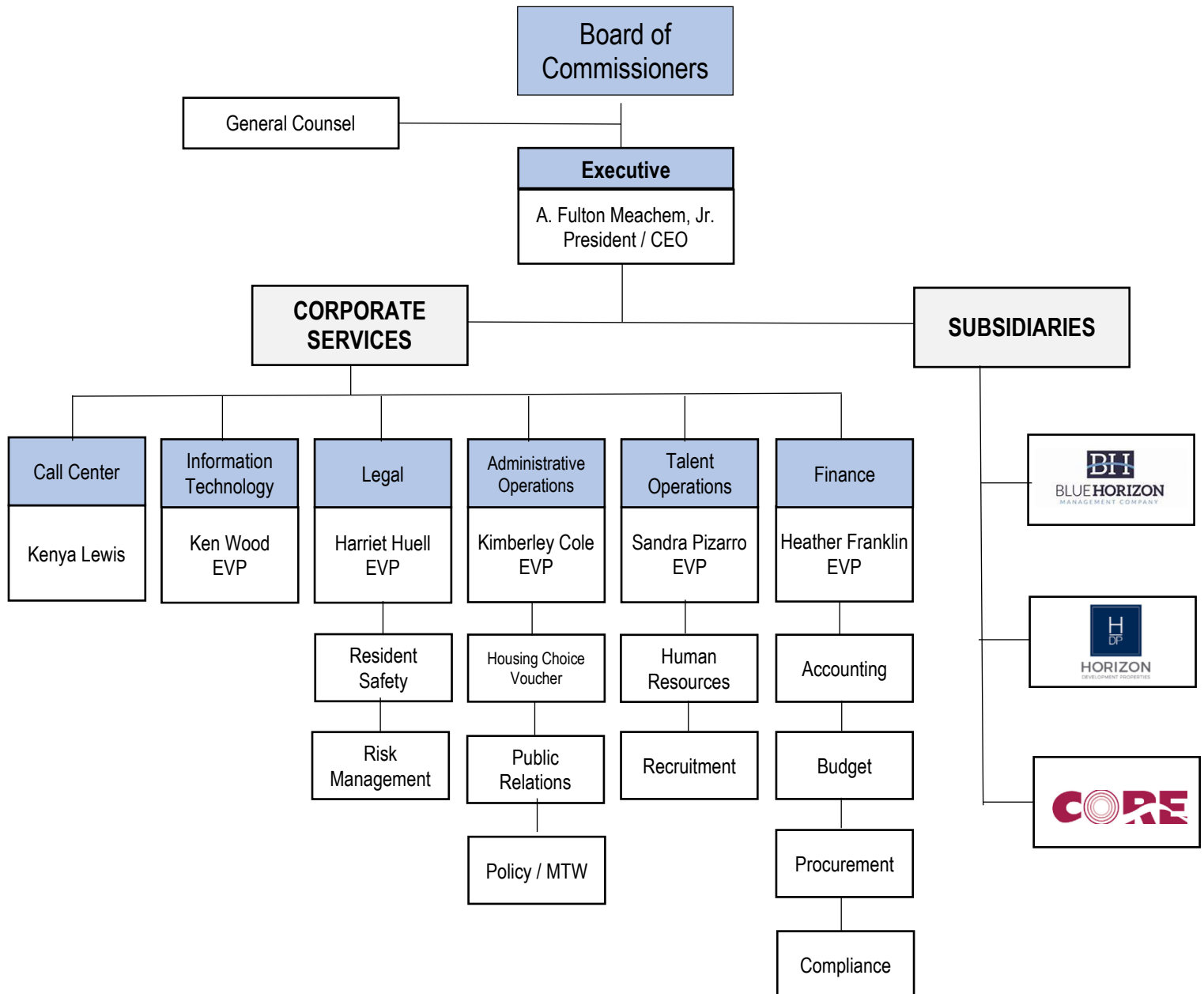
CORE provides client services to INLIVIAN residents, including youth development, Destination Home Ownership, case management and other services for our residents.

Administrative Operations includes Public Relations, the Housing Choice Voucher Program and administration of the Moving to Work program. Responsibilities include ensuring communication with stakeholders, and management of the Housing Choice Voucher program.

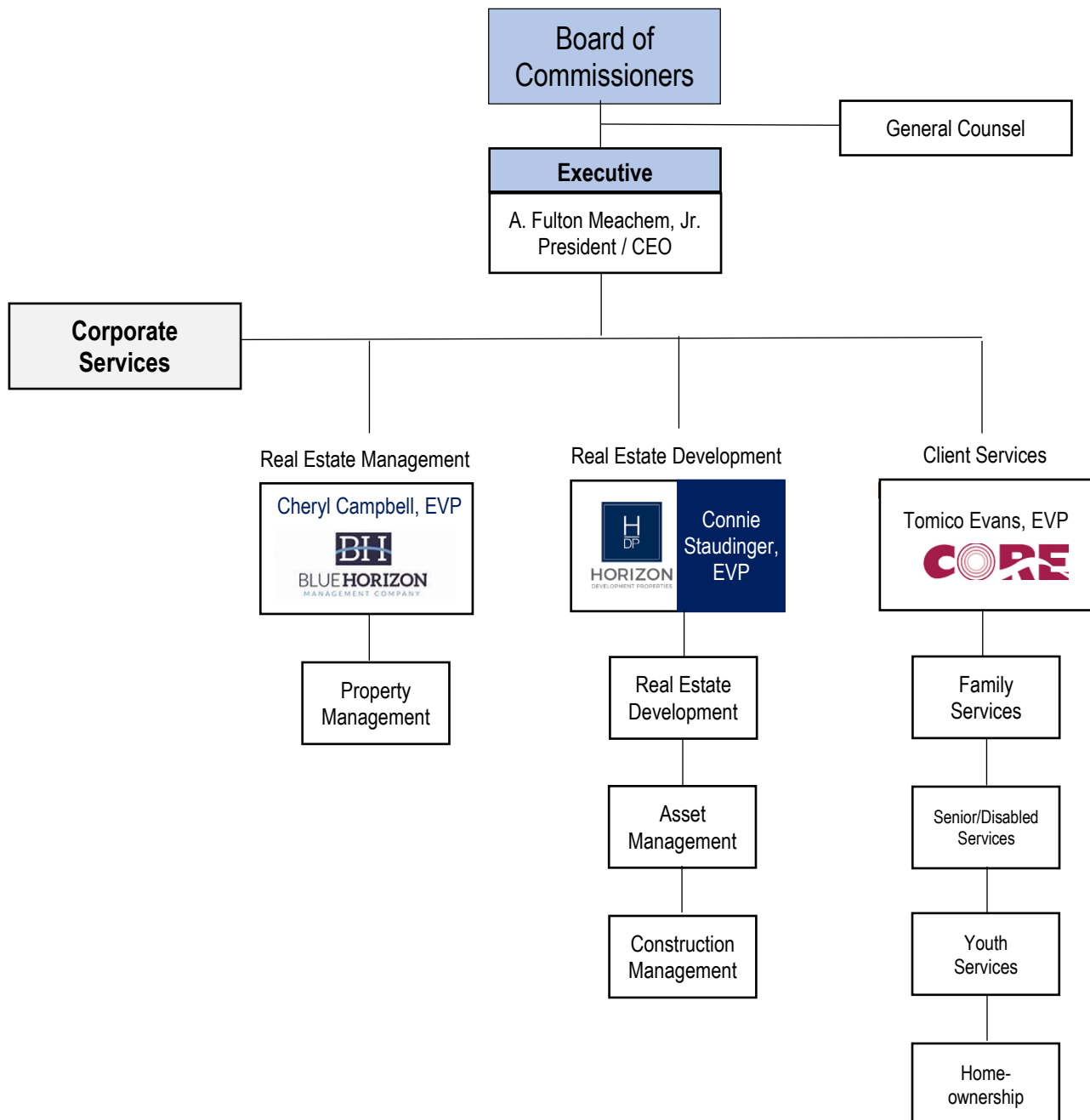
Horizon Development operates as the Real Estate Development Division of INLIVIAN and is responsible for providing construction management, asset management and development of new affordable housing units, partnering with the development community to leverage existing resources.



ORGANIZATION CHART



SUBSIDIARIES





GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Housing Authority of the City of Charlotte
North Carolina**

For the Fiscal Year Beginning

January 01, 2021

Christopher P. Morill

Executive Director

Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to Housing Authority of the City of Charlotte, North Carolina, for its Annual Budget for the fiscal year beginning January 1, 2021. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as a financial plan, as an operations guide, and as a communications device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

2.0 STRATEGIC DIRECTION

2.1 VISION AND MISSION

OUR VISION

**Creating Community,
Empowering Families, and Building Partnerships.**

OUR MISSION

To create innovative housing solutions in desirable communities for residents of diverse incomes and facilitate access to services to help them succeed.

OUR GOALS

Goal I:
Elevate the customer experience by providing a culture of service excellence.

Goal II:
Acquire, develop, and preserve diverse price point housing.

Goal III:
Create and enhance diverse income streams to support INLIVIAN's Mission.

Goal IV:
Develop and maintain mutually beneficial external partnerships that further INLIVIAN's mission.

Goal V:
Implement a communication strategy that educates the public on INLIVIAN's transformation and engages stakeholders in advocacy efforts that further INLIVIAN's Mission.

Goal VI:
Acquire, Retain and Develop Top Talent to ensure the successful execution of our strategic plan.

OUR CORE PRINCIPLES

Best In Class
Our commitment is to the highest standards of excellence and we strive to always exceed customer expectations and be the best in the industry

We Are Our Word
Honesty and Integrity are the foundation upon which we build all relationships.

We Encourage Creative Thinking
Scarce resources, great needs and change-driven environment challenges the status quo and demands an entrepreneurial spirit. We encourage creative thinking and are consistently searching for better ways to accomplish our goals.

Children Are Our Future
It's better to build strong boys and girls than to repair broken men and women.

Accountability Ties Commitment to Results
We are accountable to INLIVIAN, and to our customers, investors, partners, community and each other for the work we produce and actions we take. We take ownership of our ideas, our creation and our impact.

2.2 THE BLUEPRINT (5-Year Plan)

INLIVIAN is guided by its five-year strategic plan named “The Blueprint”. Spurred on by the uncertainty of federal funding and increasing demand for affordable housing, INLIVIAN devised a plan that would monetize its 20+ years of experience in Real Estate Development, Property Management, and Supportive Services to take action on the immortal words of Abraham Lincoln, “the best way to predict the future is to create it yourself.”

INLIVIAN has a fully functional “Family of Companies” that together can increase the supply of diverse price-point housing, maintain and increase the value of our assets, stabilize our target market and produce cash flow that we can reinvest back into our mission.

Horizon Development, Blue Horizon, and CORE have created 709 new apartments across four new residential properties, received 225 new voucher awards, and graduated 67% of our participants in the Family-Self-Sufficiency Program (national average is 39%).

Using this strategic plan as a guide, we believe INLIVIAN can increase the supply of diverse price-point housing and improve the quality of life for our customers. Key elements of this strategy will be the continued expansion of our “Family of Companies” and analyzing our entrepreneurial efforts to ensure the generation of new revenue that will supplement the loss of federal funds. Moving forward, INLIVIAN knows it will take collaboration to meet this critical need for housing, so we will pursue partnerships that are alike in mission and bring a high return on investment to INLIVIAN and its residents.

Our strategic plan represents “The Blueprint” for the coming years that we will continue to refine as the needs of our community change.



2.3 ANNUAL OBJECTIVES

The agency’s fiscal year is from January 1 through December 31. Annual objectives are developed by strategic business areas, which are linked to goals established in The Blueprint. These annual objectives are identified in Section 4.0 Fund Financial Summary.

The annual budget process is designed to support INLIVIAN's long-range vision and 5-year goals of The Blueprint. INLIVIAN's senior management meets to review goals achieved and set objectives for the upcoming year. Decisions on initiatives or realignment of priorities are identified and are set forth as the foundation upon which INLIVIAN establishes its annual objectives. Staff plans the milestones and required resources as part of the budget development process to meet those objectives. Additional information about the budget process is provided in Section 7.0 Supplemental Information.

Six Goals of The Blueprint

1

Elevate the customer experience by providing a culture of service excellence.



2

Acquire, develop, and preserve diverse price point housing.



3

Create and enhance diverse income streams to support INLIVIAN's Mission.



4

Develop and maintain mutually beneficial external partnerships that further INLIVIAN's mission.



5

Implement a communication strategy that educates the public on INLIVIAN's transformation and engages stakeholders in advocacy efforts that further INLIVIAN's Mission.



6

Acquire, Retain and Develop Top Talent to ensure the successful execution of our strategic plan.



2.4 INLIVIAN IS MOVING FORWARD

INLIVIAN is one of thirty-nine (39) agencies participating in the federal Moving to Work (MTW) Demonstration program. MTW has transformed the way housing authorities provide housing and services to low-income families. Using MTW flexibilities, INLIVIAN has created alternative methods to:

- Reduce cost and achieve greater cost effectiveness in federal expenditures;
- Give incentives to families with children where the head of household is working, is seeking work, or is preparing for work by participating in job training, educational programs, or programs that assist people to obtain employment and become economically self-sufficient; and
- Increase housing choices for low-income families.

The authorization to waive certain statutes and HUD regulations and combine federal funds has enabled INLIVIAN to develop and implement activities that improve the communities we serve in Charlotte.

MTW has been recognized as a vital tool in INLIVIAN's toolbox for providing affordable housing, and is locally branded as Moving Forward. It allows INLIVIAN to implement activities that positively impact the following:

- Employment rate for able-bodied heads of households and other family members;
- Number of family members in training and/or education programs;
- Average and median income of families (all sources and earned income) (excluding seniors and disabled families);
- Amount of funds leveraged in the community for production of affordable housing and the provision of supportive services;
- Number of children who enter post-secondary education;
- Percent increase in the number of INLIVIAN students that enter the INLIVIAN Scholarship Fund;
- Number of housing units in mixed-income environments; and
- Distribution of housing units and housing opportunities for Section 9 and project-based Section 8.

Key MTW activities implemented:

1. Rent Reform (modified rent calculation with escrow and biennial reexaminations);
2. Case Management and enhanced services;
3. Supportive Housing Partnerships (partnering with supportive housing providers to provide gap financing and housing subsidies): Supportive Housing Communities, YWCA Families Together, The Salvation Army, Urban Ministry Center, Charlotte Family Housing, HUD Veteran Affairs Supportive Housing (VASH) Vouchers, HUD Family Unification Program (FUP) Vouchers, Everett House, and A Child's Place;
4. Resident Safety activities;
5. Construction of additional affordable units; and
6. Implementation of policies that simplify the administration of public housing and housing choice voucher programs.

2.5 RENTAL ASSISTANCE DEMONSTRATION PROGRAM (RAD)

RAD is a central part of the United States Department of Housing and Urban Development (HUD) rental housing preservation strategy, which works to preserve the nation's stock of affordable rental housing, promote efficiency within and among HUD programs, and build strong, stable communities. RAD allows public housing properties to convert to 15-year long-term Housing Choice Voucher (HCV) rental assistance contracts through Project Based Vouchers (PBV).

RAD HISTORY

In December 2013, the Board adopted a resolution allowing INLIVIAN to submit a RAD application. A strategy of grouping the properties into phases was developed to submit multiple portfolios to convert public housing units to a single platform within the HCV Program. A strategy was also developed to dismantle the Capital Fund Financing Program Bond transaction, through defeasance, to further redevelop the portfolio. Due to declining capital funds and the dual bond covenant tests, INLIVIAN was limited on the number of units that could be removed from inventory, thus affecting the redevelopment of projects such as Strawn, Hall House, and Dillehay Courts. This made defeasance necessary for RAD to be successful.

A Board retreat was held in June 2016 to outline the RAD conversion plan and Board approval was later given to the CEO to execute the necessary items and agreements to allow INLIVIAN to implement the RAD program. The financing plans were submitted for converting projects on June 30, 2016.

Closing for all converting properties began in September 2016 and continued through 2020. The RAD approach is directly tied to the goals of the adopted previous five-year strategic plan ("the 2013 Plan") and promotes organizational sustainability due in part to more stable financing. The financial goals for RAD are as follows:

- Long-term financially stable properties;
- Ensure long-term viability of client services and community safety programs through optimization of costs paid by the properties; and
- Provide a commitment of annual funding within the MTW program for future growth through development projects.

Resident meetings were held to educate, answer questions and receive feedback and comments concerning RAD and INLIVIAN's potential conversion. There are no major impacts to our residents related to INLIVIAN's conversion to RAD.

POST RAD CONVERSION

Whether residents live in traditional or non-traditional housing, listed below are some regulations that are the same for each housing segment in the RAD environment.

- If you had an apartment; then you can stay in your apartment.
- Rent/utility is no more than 30% of your adjusted gross income.
- Possible Mobility Voucher wait list opportunity in 1-2 years.
- 10-day lease termination for non-payment of rent.
- Work requirement with supportive services in place in some locations (excluding seniors and disabled) expanding to all locations and HCV.

To date, all but one property has converted to RAD. The remaining property is Dillehay Courts. Phase I (36 units) was completed in 2021, with phase two (100 units) remaining.



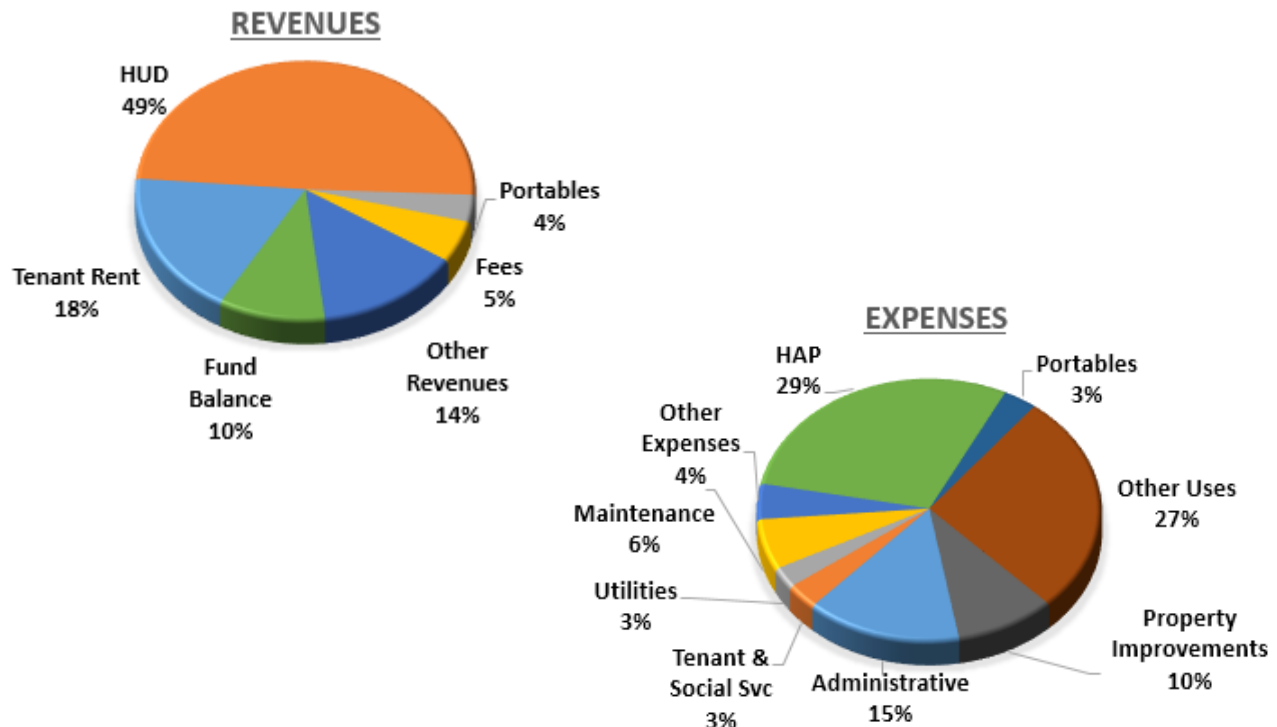
3.0 BUDGET SUMMARY

3.1 BUDGET OVERVIEW

The fiscal year budgets are presented as seven funds: Business Activities, COCC, MTW, CORE, Blue Horizon, Horizon Acquisition, and Horizon Development. Further details for each fund budget are provided separately in Section 4.0 Fund Financial Summary. All budgets are combined in this Budget Summary presentation to show a comprehensive view of INLIVIAN for the upcoming year. The annual operating budget reflects the day-to-day operations, while the capital budget represents capital investments.

Below is a summary of the combined INLIVIAN budget:

	FY2020	FY2021	FY2022	FY2022 vs FY2021	
	Budget	Budget	Budget	\$ Variance	% Variance
Revenues	\$ 156,022,840	\$ 213,588,260	\$ 240,362,059	\$ 26,773,799	12.5%
Expenses	154,459,719	211,776,157	239,148,701	27,372,544	12.9%
Tranfers In (Out)	-	-	-	-	0.0%
Net Income	\$ 1,563,121	\$ 1,812,103	\$ 1,213,358	\$ (598,745)	-33.0%



Budget Highlights

Revenues:

As in prior years, most of INLIVIAN's operating revenues come from federal financial assistance, which will fund \$118.6 million of the FY2022 Budget. Portable and Portable Administrative Fees are estimated at \$8.1 million. Operating Revenues from Tenant Rental Revenue and Fee Revenues are projected at \$43.1 million and \$12.5 million respectively. Also included in the FY2022 Budget is \$24.5 million in fund balance appropriations to support development projects and various one-time expenses intended to increase efficiencies in INLIVIAN's services and operations. Fund Balance appropriations included in the FY2022 Budget are as follow:

	Business Activities	Blue Horizon	COCC	CORE	MTW	TOTALS
Development Projects	\$ 8,100,000	\$ -	\$ -	\$ -	\$ 14,066,570	\$ 22,166,570
Tall Oaks Phase 2	500,000					500,000
Fairmarket Square Renovations	400,000					400,000
400 East Site Improvements			180,000			180,000
Disparity Study			170,000			170,000
Business Plan Development		25,000				25,000
Process Documentation		70,000				70,000
Grant Re-appropriations				958,644		958,644
TOTALS	\$ 9,000,000	\$ 95,000	\$ 350,000	\$ 958,644	\$ 14,066,570	\$ 24,470,214

Public Housing Operating Subsidies decreased by 70% due to the transition of Dillehay Courts. Dillehay Courts consisted of 136 total dwelling units and is the last remaining traditional public housing community that has not completely converted through the RAD process. Phase I (36 units) was converted in 2021. The buildings have been demolished and the new development is currently under construction. The remaining 100 units are being vacated and will be disposed of through the Section 18 process.

HCV Operating Subsidies increased by 24.4% due to an anticipated \$29.9 million receipt of additional earned HCV Operating Subsidies to support major Property Improvements (See Section 5.1) and Development Projects (See Section 5.2) in FY2022. This funding is received in the MTW Fund then disbursed to the HDP Fund as expensed, thereby increasing the Other Revenues category for the HDP Fund and the Other Expenses category in the MTW Fund by the same amount.

In addition to the HCV Operating Subsidies, the Fund Balance Appropriated category increased by \$3.5 million to support Development Projects (See Section 5.2).

Expenses:

With economic uncertainties caused by the COVID-19 pandemic, the FY2022 Budget reflects a conservative spend plan in the controllable expense categories. Generally, expense categories increased over prior year due to the newly added McAden Park property.

The increase in the Administrative Category is due primarily to the following: 1) a total of eight (8) new administrative positions and 2) increased administrative fees to support the COCC.

The Ordinary Maintenance Category increased slightly by 1.6% due to a combination of increased security services at certain sites and several anticipated substantial renovations scheduled for next year including Fairmarket Square, Glen Cove, McAlpine Terrace and Sunridge. As the substantial renovations are in progress, units will be taken offline reducing the need for routine maintenance in the interim. Additionally, Dillehay Courts is expected to continue its demolition and redevelopment plans into FY2022, thereby reducing maintenance needs until the site is redeveloped.

The decrease in the Protective Services Category is a result of diminishing temporary funds received through the CARES Act to assist with providing security and safety measures during the COVID-19 pandemic. As this special funding expires, this category is also expected to decrease from prior year.

The General Expense Category increased by 31.6% due to a change in insurance carrier. In FY2021, INLIVIAN's long standing insurance carrier exited the multifamily market and did not renew the existing policies, which were issued at below market prices. This necessitated acquiring new policies with different carriers at market price. After an extensive process, the final policies were acquired at a much higher premium, primarily in property insurance coverage. These higher premiums now serve as the baseline moving forward in this expense category.

The FY2022 Budget includes \$77.8 million in Housing Assistance Payments (HAP) to Section 8 Housing Choice Voucher (HCV) landlords, of which \$7.7 million are Portables (voucher porting into the City and not absorbed). Last year, INLIVIAN absorbed almost 400 existing portable vouchers, which reduced the estimate for Portables for FY2022. Moreover, the addition of several new vouchers increased the HAP including 178 Emergency Housing Vouchers issued by HUD, 17 Mainstream Vouchers, and new 43 RAD vouchers resulting from the conversion of Dillehay Phase 1 and Strawn Cottages.

The FY2022 Budget includes an aggressive \$22.5 million plan for Property Improvements at various sites. Since Reserve Draw balances are limited, MTW funds will be used for properties in need of substantial renovations including Fairmarket Square, Glen Cove, McAlpine Terrace and Sunridge. Additionally, \$28.0 million of MTW funds and \$8.5 million of Business Activities Program Income are appropriated to support Development Projects.

The Other Uses expense category primarily represents the transfer of funds from the MTW fund and the Business Activities fund to the Horizon Development fund to support the Property Improvements and Development Projects.

Fund Equity (or Net Position)

The INLIVIAN budget consists exclusively of enterprise funds and presents its activities as a single enterprise proprietary fund. The budgets are prepared on the modified accrual basis of accounting. Fund Equity (or Net Position) represents the difference between the assets and liabilities. Net Position for INLIVIAN's programs consist mainly of fixed assets.

The budgets are balanced in accordance with North Carolina General Statutes for the MTW, COCC, and Business Activities. CORE also has a balanced budget. Therefore, Fund Equity is not expected to change for these funds. Horizon Development, Blue Horizon, and Horizon Acquisition will show a budget with cash flow, which will increase the Net Position.

FUND EQUITY CHANGES (dollars in millions)	
FY2020 Year-End Fund Equity Balance	371.1
FY2021 Budgeted Revenues	213.6
FY2021 Budgeted Expenses	211.8
FY2021 Budgeted Transfers In (Out)	-
FY2021 Budgeted Net Income	1.8
FY2021 Budgeted Year-End Fund Equity Balance	372.87
FY2022 Proposed Revenues	240.4
FY2022 Proposed Expenses	239.1
FY2022 Proposed Transfers In (Out)	-
FY2022 Proposed Net Income	1.21
FY2022 Proposed Year-End Fund Equity Balance	374.08
FY2022 Proposed Fund Equity Changes	1.21
Percent Change in Fund Equity FY2022 vs FY2021	0.3%

3.2 CONSOLIDATED BUDGET

	FY2020	FY2021	FY2022	FY2022 vs FY2021	
	Budget	Budget	Budget	\$ Variance	% Variance
REVENUES					
Tenant Rental Revenues	\$ 39,394,686	\$ 42,140,004	\$ 43,132,702	\$ 992,698	2.4%
Public Housing Operating Subsidies	1,262,492	2,094,488	611,583	(1,482,905)	-70.8%
HCV Operating Subsidies	68,297,476	88,832,465	110,538,028	21,705,563	24.4%
HCV Administrative Fees	4,259,019	4,467,490	4,617,340	149,850	3.4%
Capital Fund	4,621,960	3,121,960	2,871,162	(250,798)	-8.0%
Portable HAP Revenue	10,048,379	11,390,844	7,669,447	(3,721,397)	-32.7%
Portable HAP Administrative Fees	495,030	499,951	460,167	(39,784)	-8.0%
Fee Revenue	8,921,920	12,059,949	12,519,693	459,744	3.8%
Other Revenues	4,293,556	27,985,052	33,461,723	5,476,671	19.6%
Fund Balance Appropriated	13,632,838	20,986,056	24,470,214	3,484,158	16.6%
Other Sources	795,484	10,000	10,000	-	0.0%
REVENUE TOTAL	156,022,840	213,588,260	240,362,059	26,773,799	12.5%
EXPENSES					
Administrative	28,984,986	32,461,219	34,904,247	2,443,028	7.5%
Tenant & Social Services	6,624,873	6,817,814	7,364,036	546,222	8.0%
Utilities	6,014,261	6,213,330	6,093,186	(120,144)	-1.9%
Ordinary Maintenance & Operations	13,826,727	14,713,139	14,946,161	233,022	1.6%
Protective Services	551,217	1,048,572	430,849	(617,723)	-58.9%
General Expenses	2,358,510	2,608,702	3,434,058	825,356	31.6%
Reserve Deposits	1,836,296	1,939,891	2,012,868	72,977	3.8%
Reserve Draws	(13,823,141)	(3,992,939)	(2,984,693)	1,008,246	-25.3%
Debt Service	5,056,888	5,593,514	5,209,825	(383,689)	-6.9%
Housing Assistance Payments (HAP)	60,425,744	62,388,545	70,121,471	7,732,926	12.4%
HAP Expense - Portables	10,048,379	11,390,844	7,669,447	(3,721,397)	-32.7%
Other Uses	15,325,518	45,545,510	65,117,079	19,571,569	43.0%
Future Year's Appropriations	1,111,461	1,513,225	2,353,075	839,850	55.5%
Property Improvements	16,118,000	23,534,790	22,477,092	(1,057,698)	-4.5%
EXPENSE TOTAL	154,459,719	211,776,157	239,148,701	27,372,544	12.9%
OPERATING TRANSFERS					
Operating Transfers In	67,360,099	61,707,510	71,093,207	9,385,697	15.2%
Operating Transfers Out	67,360,099	61,707,510	71,093,207	9,385,697	15.2%
TRANSFERS IN (OUT) TOTAL	-	-	-	-	0.0%
NET INCOME	\$ 1,563,121	\$ 1,812,103	\$ 1,213,358	\$ (598,745)	-33.0%

3.3 BUDGET BY FUND

	Business Activities	Blue Horizon	COCC	CORE	Horizon Acquisition	Horizon Development	MTW	TOTAL
REVENUES								
Tenant Rental Revenues	\$ 3,275,661	\$ -	\$ -	\$ -	\$ 5,403,931	\$ 34,312,214	\$ 140,896	\$ 43,132,702
Public Housing Operating Subsidies	-	-	-	-	-	-	611,583	611,583
HCV Operating Subsidies	-	-	-	-	-	-	110,538,028	110,538,028
HCV Administrative Fees	-	-	-	-	-	-	4,617,340	4,617,340
Capital Fund	-	-	-	-	-	-	2,871,162	2,871,162
Portable HAP Revenue	-	-	-	-	-	-	7,669,447	7,669,447
Portable HAP Administrative Fees	-	-	-	-	-	-	460,167	460,167
Fee Revenue	-	2,185,707	4,517,447	1,290,902	-	4,525,637	-	12,519,693
Other Revenues	1,557,936	-	2,221,143	4,909,555	320,027	24,282,892	170,170	33,461,723
Fund Balance Appropriated	9,000,000	95,000	350,000	958,644	-	-	14,066,570	24,470,214
Other Sources	-	-	10,000	-	-	-	-	10,000
REVENUE TOTAL	13,833,597	2,280,707	7,098,590	7,159,101	5,723,958	63,120,743	141,145,363	240,362,059
EXPENSES								
Administrative	1,102,501	2,180,244	6,153,761	1,615,438	1,522,251	11,647,968	10,682,084	34,904,247
Tenant & Social Services	258,222	-	158	5,464,363	229,760	1,086,241	325,292	7,364,036
Utilities	371,395	-	96,500	-	610,941	4,925,756	88,594	6,093,186
Ordinary Maintenance & Operations	877,755	24,250	535,729	64,800	1,709,016	10,798,687	935,924	14,946,161
Protective Services	-	-	228,481	-	21,324	181,044	-	430,849
General Expenses	201,764	11,390	49,414	14,500	503,987	2,600,076	52,927	3,434,058
Reserve Deposits	114,518	-	-	-	225,327	1,673,023	-	2,012,868
Reserve Draws	(33,500)	-	-	-	(52,663)	(2,898,530)	-	(2,984,693)
Debt Service	408,729	-	-	-	604,378	4,196,718	-	5,209,825
Housing Assistance Payments (HAP)	-	-	-	-	-	-	70,121,471	70,121,471
HAP Expense - Portables	-	-	-	-	-	-	7,669,447	7,669,447
Other Uses	9,047,455	-	-	-	-	4,800,000	51,269,624	65,117,079
Future Year's Appropriations	1,356,658	-	4,547	-	-	991,870	-	2,353,075
Property Improvements	128,100	-	30,000	-	185,483	22,133,509	-	22,477,092
EXPENSE TOTAL	13,833,597	2,215,884	7,098,590	7,159,101	5,559,804	62,136,362	141,145,363	239,148,701
OPERATING TRANSFERS								
Operating Transfers In	270,532	-	-	-	-	-	70,822,675	71,093,207
Operating Transfers Out	270,532	-	-	-	-	-	70,822,675	71,093,207
TRANSFERS IN (OUT) TOTAL	-	-	-	-	-	-	-	-
NET INCOME	\$ -	\$ 64,823	\$ -	\$ 0	\$ 164,154	\$ 984,381	\$ -	\$ 1,213,358

3.4 BUDGET CATEGORIES

The categories included in the budget align with the categories reported annually as a part of INLIVIAN's Comprehensive Annual Financial Report. In order to provide additional information regarding the types of expenses within each category, we have included definitions below.

Administrative

This category represents those costs that are administrative in nature. These include salaries/benefits for the central office, property managers and HCV staff, professional and administrative services, and other sundry expenses such as office supplies, telephones, travel/training and computer maintenance. Also included are property management, asset management, and bookkeeping fees.

Tenant and Social Services

This category represents those costs that are related to client services. These include salaries/benefits and other related expenses for in-house case management staff and contract managers, contracted case management services, resident participation funding, youth services, initiatives for tenant education, dependent care and client services fees.

Ordinary Maintenance and Operation

This category represents all maintenance costs for the properties. These include salaries/benefits for the maintenance personnel, all maintenance materials (e.g. appliances, electrical materials, paint materials, etc.) and all contract costs (e.g. pest control, landscaping contracts, vacancy preparation costs, etc.).

Protective Services

This category represents those costs related to protection of the residents. These include salaries/benefits and related costs for the resident safety staff, as well as funding for security contracts.

Utilities

This category represents all utility costs related to the properties. These include electricity, gas, water, storm water and sewer.

General Expenses

This category represents other general expenses. These include costs for insurance – auto, property and workers compensation.

Reserve Deposits

This category represents deposit of funds to reserves.

Reserve Draws

This category represents withdrawal of funds from reserves set aside for a specific purpose. An example is funds set aside in replacement reserve accounts for capital projects at the sites or funds set aside in an escrow account for client service fees.

Debt Service

This category represents debt service expenses including principal payments and interest expense.

Housing Assistance Payments (HAP)

This category represents the HAP to landlords in the Housing Choice Voucher program. This includes HAP payments for all of the INLIVIAN tenant choice and Project-Based Voucher programs, as well as the HAP payments for the Portable vouchers administered by INLIVIAN.

Other Uses

This category represents other expenses not categorized above, including restricted donations and public housing subsidy transfers.

Future Appropriations

This category represents costs that are not currently allocated to another line item. Revenues are anticipated to be higher than current anticipated expenses. Until the revenues are confirmed and the expenses are needed, the amounts in this category remains unallocated.

Property Improvements

This category represents the following two items: 1) costs for capitalized items (fixed assets) that have an individual value of \$3,000 or greater, and 2) cost for non-operating property improvements and rehabilitation of the properties.

Operating Transfer In/Out

This category includes the transfer in or out between funds.

4.0 FUND FINANCIAL SUMMARY

The fiscal year budgets are presented as seven funds: Business Activities, Central Office Cost Center (COCC), MTW, CORE, Blue Horizon, Horizon Acquisition, and Horizon Development.

FLOW OF FUNDS

INLIVIAN receives HAP and Administrative funding from HUD for the HCV Program. INLIVIAN also receives Public Housing Operating Subsidy and Capital Funds for the property that has not yet converted through the RAD program. These funds collectively are received into the MTW Fund.

Through INLIVIAN's MTW Agreement, HUD subsidies received are treated as a single fund and spent based on approved, eligible purposes through the annual MTW plan. Expenses include:

- Funds transferred to the HCV program for voucher payments and MTW program costs. Voucher payments include payments to individual landlords for both tenant based vouchers and project based landlords (including Horizon Development).
- Fees paid to the COCC Fund for administration of the HCV Program.
- Expense reimbursement paid to CORE to support client service programs.
- Expense reimbursement through a restricted donation or loan to Horizon Development to support real estate development and capital projects.

The COCC receives an administrative fee from each of the major funds to cover the cost for corporate services provided to the entire agency.

Horizon Development receives HAP contract payments from MTW, rental revenue from tenants, and fees earned from development deals. A fee is paid to the COCC, and operating expenses are paid to maintain the apartment communities.

Horizon Acquisition receives HAP contract payments from MTW, rental revenue from tenants, and fees earned from development deals. A fee is paid to the COCC, and operating expenses are paid to maintain the apartment communities.

CORE receives expense reimbursements from MTW, grant funds, and fees from Horizon Development-owned properties for case management services provided.

Blue Horizon collects fees from Business Activities (Hoefener), Horizon Acquisition and Horizon Development for services rendered; then shares a portion of the fee with the COCC for its services.

Fund Matrix

CORPORATE SERVICES			SUBSIDIARIES			
Business Activities	Central Office Cost Center (COCC)	Moving to Work (MTW)	CORE	Blue Horizon	Horizon Acquisition	Horizon Development
Hoefener Center	Executive	Housing Choice Voucher (HCV)	Client Services	Blue Horizon Executive	Strawn Parktowne Little Rock	Horizon Development-owned Properties
Program Income	Legal & Resident Safety	Policy / MTW Planning	Destination Homeownership	Property Management Services		Real Estate Development
First Ward Place	Finance, Procurement & Section 3	Public Housing	Case Management			Asset Management
McAden Park	Information Technology	Compliance	Youth Development			Construction Management
	Talent Operations					
	Administrative Operations					
	Call Center					



4.1 BUSINESS ACTIVITIES

Fund Overview

Business Activities consists of First Ward Case Management, Carole Hoefener Center, the Scholars Program, program income, First Ward Place, and McAden Park, which was added to the fund in 2022.

The Scholars Program provides summer break and winter learning opportunities for students of the Charlotte Mecklenburg school system that live in the West Corridor community.

Revenue in this fund is primarily from payments from HOPE VI loans, grant funding and rents collections at the Carole Hoefener Center, First Ward Place and McAden Park.

The Fund Balance Appropriated category represents re-appropriated funding for Tall Oaks Phase and appropriation funds for development projects in Horizon Development. The offsetting expenses are represented as a restricted donation in the Other Uses expense category.

Expenses are composed mainly of the cost to run the Carole Hoefener Center, the cost of the First Ward Case Manager Program and the operating cost for First Ward Place and McAden Park.

Future Year's Appropriation represents unallocated expenditures from the HOPE VI program income received.

Business Activities – Budget by Category

	FY2020 Budget	FY2021 Budget	FY2022 Budget	FY2022 vs FY2021	
				\$ Variance	% Variance
REVENUES					
Tenant Rental Revenues	\$ -	\$ 2,426,715	\$ 3,275,661	848,946	35.0%
Fee Revenue	-	-	-	-	0.0%
Other Revenues	1,599,734	1,418,548	1,557,936	139,388	9.8%
Fund Balance Appropriated	1,942,973	4,803,690	9,000,000	4,196,310	87.4%
Other Sources	-	-	-	-	0.0%
REVENUE TOTAL	3,542,707	8,648,953	13,833,597	5,184,644	59.9%
EXPENSES					
Administrative	402,022	1,027,596	1,102,501	74,905	7.3%
Tenant & Social Services	193,892	217,354	258,222	40,868	18.8%
Utilities	40,098	311,322	371,395	60,073	19.3%
Ordinary Maintenance & Operations	286,343	725,009	877,755	152,746	21.1%
General Expenses	22,897	104,277	201,764	97,487	93.5%
Reserve Deposits	16,596	87,096	114,518	27,422	31.5%
Reserve Draws	-	(70,000)	(33,500)	36,500	-52.1%
Debt Service	10,000	583,374	408,729	(174,645)	-29.9%
Other Uses	1,500,000	4,803,690	9,047,455	4,243,765	88.3%
Future Year's Appropriations	486,461	649,775	1,356,658	706,883	108.8%
Property Improvements	600,000	209,460	128,100	(81,360)	-38.8%
EXPENSE TOTAL	3,558,309	8,648,953	13,833,597	5,184,644	59.9%
OPERATING TRANSFERS					
Operating Transfers In	494,489	201,949	270,532	68,583	34.0%
Operating Transfers Out	478,887	201,949	270,532	68,583	34.0%
TRANSFERS IN (OUT) TOTAL	15,602	-	-	-	0.0%
NET INCOME	-	-	-	-	0.0%

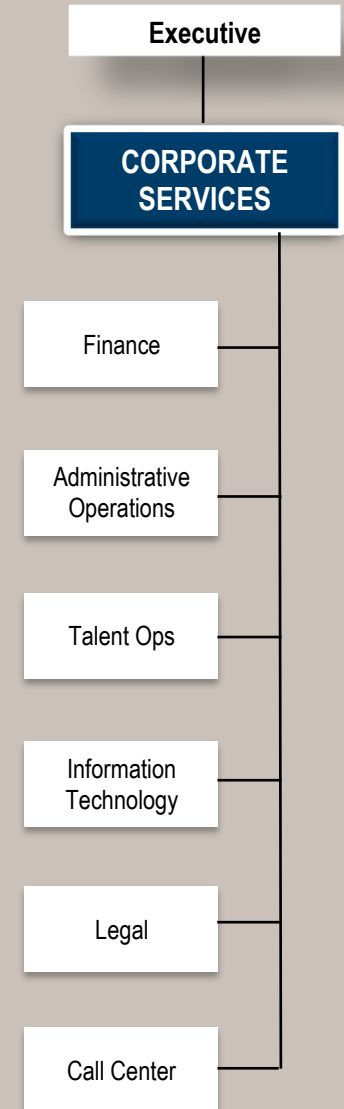
4.2 CENTRAL OFFICE COST CENTER

Fund Overview

The COCC is composed of the Corporate Services departments that have oversight of the organization. The following areas make up the COCC:

- Finance is responsible for transacting and recording all financial aspects of INLIVIAN, culminating in accurate and dependable timely information for INLIVIAN staff and the Board of Commissioners. Finance includes the oversight of the Accounting, Budget, Procurement, Section 3 and Compliance functions.
- Administrative Operations is responsible for oversight of the HCV Program, Public Relations, policy/advocacy and the MTW program.
- Talent Operations (Human Resources) is dedicated to working with all areas of the organization to maximize and develop the potential of our greatest asset—our human capital.
- Information Technology works to connect staff processes and data content through the effective use of reliable information, computing, telecommunications and technology consulting services.
- Legal provides all aspects of legal services, risk management, and Resident Safety.
- Executive Office is responsible for the overall management and direction of INLIVIAN and its subsidiaries.
- The Call Center was created during the pandemic to provide a way for residents, participants and stakeholders to be able to connect easier with staff, and to schedule any necessary appointments to maintain business continuity.

The COCC generates revenue by charging internal fees for management services per HUD regulations. The major revenue sources in the COCC consist of the sharing of Property Management, Bookkeeping/IT and Asset Management fees. The COCC also collects 30% of the projected cost of Horizon Development, First Ward Case Managers and CORE as a fee.



Annual Objectives

Annual Objectives are linked to one of the six Agency Goals (see Section 2.3)

Agency

Goal # Objective

1

Install kiosks at properties/sites for residents to use

1

Continue expansion of information technologies to allow for adapting remote environments

1

Implement a safety and security control room to monitor camera systems installed at properties

5

Continue communication strategy focused on rebranding and education of stakeholders and the Charlotte-Mecklenburg community about the work of the agency through INLIVIAN Impact (a bi-monthly video news release) and monthly digital newsletters

6

Continue agency-wide trainings on customer service, leadership, wellness, and business skills

Performance Measurements

Performance Measurements are linked to one of the six Agency Goals (see Section 2.3)

Output	FY20 Actual	FY21 Estimated
# of help desk tickets completed	4,691	4,800
# of payroll processed (bi-weekly)	26	26
# of call center completed calls	n/a	46,468
# of bi-monthly video news releases produced	6	6
# of monthly newsletters produced	12	12

Agency Goal #	Effectiveness or Efficiency	FY20 Actual	FY21 Estimated	FY22 Estimated
1	% of help desk tickets completed within 3 business days	100%	100%	100%
1	% of purchase orders completed within 5 business days of receipt by Purchasing	100%	100%	100%
1	% of payroll processed on time	100%	100%	100%
5	% of video news letters produced and distributed on time	100%	100%	100%
5	% of monthly newsletters produced and distributed on time	100%	100%	100%

Central Office Cost Center – Budget by Category

	FY2020 Budget	FY2021 Budget	FY2022 Budget	FY2022 vs FY2021	
				\$ Variance	% Variance
REVENUES					
Fee Revenue	\$ 3,068,747	\$ 4,013,573	\$ 4,517,447	\$ 503,874	12.6%
Other Revenues	1,628,088	2,152,011	2,221,143	69,132	3.2%
Fund Balance Appropriated	597,180	369,325	350,000	(19,325)	-5.2%
Other Sources	10,000	10,000	10,000	-	0.0%
REVENUE TOTAL	5,304,015	6,544,909	7,098,590	553,681	8.5%
EXPENSES					
Administrative	4,968,107	5,784,472	6,153,761	369,289	6.4%
Tenant & Social Services	-	216	158	(58)	-26.9%
Utilities	96,450	95,550	96,500	950	1.0%
Ordinary Maintenance & Operations	224,997	366,505	535,729	169,224	46.2%
Protective Services	300,112	216,459	228,481	12,022	5.6%
General Expenses	41,673	42,707	49,414	6,707	15.7%
Future Year's Appropriations	-	-	4,547	4,547	0.0%
Property Improvements	152,180	39,000	30,000	(9,000)	-23.1%
EXPENSE TOTAL	5,783,519	6,544,909	7,098,590	553,681	8.5%
OPERATING TRANSFERS					
Operating Transfers In	824,504	-	-	-	0.0%
Operating Transfers Out	345,000	-	-	-	0.0%
TRANSFERS IN (OUT) TOTAL	479,504	-	-	-	0.0%
NET INCOME	\$ -	\$ -	\$ -	\$ -	0.0%

	FY2020 Budget	FY2021 Budget	FY2022 Budget	FY2022 vs FY2021	
				\$ Variance	% Variance
400 East Boulevard Administration	\$ 315,329	\$ 267,075	\$ 252,431	\$ (14,644)	-5.5%
400 East Building Management	466,661	410,415	562,485	152,070	37.1%
Accounting	998,777	1,041,571	1,086,542	44,971	4.3%
Administration	100,096	102,354	103,670	1,316	1.3%
Call Center	-	514,109	563,130	49,021	9.5%
Executive	620,507	695,744	801,964	106,220	15.3%
Finance	458,112	547,468	592,361	44,893	8.2%
Talent Operations	625,839	620,490	661,151	40,661	6.6%
Information Technology	655,703	612,039	790,960	178,921	29.2%
Legal	711,367	722,585	757,661	35,076	4.9%
General Administration	-	-	30,000	30,000	100.0%
Procurement	365,663	636,163	485,759	(150,404)	-23.6%
Public Relations	233,137	146,741	157,257	10,516	7.2%
Resident Safety	232,328	228,155	253,219	25,064	11.0%
EXPENSE TOTALS	\$ 5,783,519	\$ 6,544,909	\$ 7,098,590	\$ 553,681	8.5%





4.3 MOVING TO WORK

Fund Overview

The MTW Fund Budget is comprised of one remaining public housing property, the HCV program, and the MTW program.

Major revenue sources for this fund are HCV Administrative and HAP subsidies, Public Housing Operating Subsidies, Capital Funds, and Portable Housing Assistance Payments (HAP) revenue. The Other Revenue Category represents revenues collected from fraud recovery. Fund Balance Appropriated consists of funds for real estate development and capital projects.

The \$110.2 million in HCV Operating Subsidies is based on an estimated 3% inflation factor and 99% proration and also includes \$29.9 million of HUD-held reserves to be used towards various property improvements and development. The HCV Administrative Fee revenue is based on an estimated 79% proration factor to total \$4.6 million in FY2022.

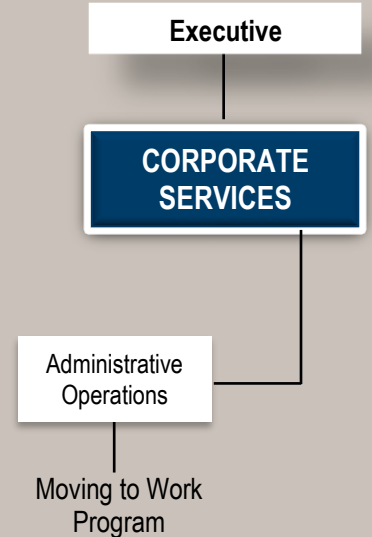
The \$14.1 million Fund Balance appropriation will be used towards the demolition of the remaining units at Dillehay Courts and HDP Development Projects (see Section 5.2). The offsetting expense is a restricted donation in the Other Uses expense category.

With redevelopment of the site underway, Tenant Rent Revenue and associated operating expenses for Dillehay Courts are budgeted for only a partial year. The FY2022 Budget reflects the redevelopment schedule, to include anticipated vacancies as this property is planned for demolition.

The 4.4% increase in the Administrative expense category represents funding for an additional five (5) full-time positions to support the HCV Program.

The decrease in the Utilities, Ordinary Maintenance and General Expense categories are associated with the demolition and redevelopment of Dillehay Courts.

The FY2022 Budget includes \$78.3 million in Housing Assistance Payments (HAP) to HCV Housing Providers/landlords, of which \$7.7 million are Portable vouchers. Last year, INLIVIAN absorbed almost 400 existing portable vouchers, which reduced the estimate for Portables for FY2022. Moreover, the addition of several new vouchers increased the HAP including 178 Emergency Housing Vouchers issued by HUD, 17 Mainstream Vouchers, and new 43 RAD vouchers resulting from the conversion of Dillehay Phase 1 and Strawn Cottages.



Housing Choice Voucher (HCV) Program

The HCV program is the federal government's major program for assisting extremely low and very low-income families, the elderly, and the disabled to afford decent and safe housing in the private rental market. Since housing assistance is provided on behalf of the participant, families may choose their own housing, including single-family homes, townhouses or apartments. The participant is free to occupy any housing that meets the requirements of the program.

INLIVIAN manages various types of vouchers:

Tenant-Based Vouchers

Tenant-Based Vouchers provide voucher holders the opportunity to go into the private rental market and select their own housing. This increases affordable housing choices for low / extremely low-income families and helps INLIVIAN decrease the concentration of poverty in the county.

With these vouchers, INLIVIAN administers contracts with independent Housing Providers/landlords who own residential property for rent by program participants. INLIVIAN subsidizes the voucher holder's rent through a HAP contract with the Housing Provider/landlord on behalf of the participant. The program is administered under an Annual Contributions Contract (ACC) with HUD. HUD provides annual contributions funding to enable INLIVIAN to administer the program and provide rental assistance to eligible families. The rental assistance allows the family to identify and select their own affordable housing options. Under this program, a family's tenant rent is equal to 30% and may go up to 40% of the households' annual adjusted gross income.

Special Purpose Vouchers (Tenant-Based Vouchers)

INLIVIAN has five types of Special Purpose Vouchers, where the voucher can only be issued to a specific sub-set of those needing affordable housing.

1. The Family Unification Program (FUP) receives referrals from the Mecklenburg County Department of Social Services, Youth and Family Services Division. Eligible families are those for whom the lack of adequate housing is a primary factor in the imminent placement of the family's child or children in out-of-home care (e.g. foster care) or the delay in the discharge of the child or children to the family from out-of-home care. Additionally, the program assists youths, who have exceeded the age requirement to remain in foster care, receive adequate housing for up to 18 months.
2. The Veterans Administration Supportive Housing (VASH) Program is a program which receives referrals from the local Veterans Administration Medical Center for eligible homeless veterans and their families to provide rental assistance subsidy in conjunction with case management services in order to obtain and sustain permanent housing.
3. The Non-Elderly Disabled (NED) program provides assistance to non-elderly persons with disabilities.
4. The Mainstream Voucher Program provides vouchers for low-income families that include a person(s) with disabilities between the ages of 18 and 61 years old.
5. The Emergency Housing Voucher (EHV) program was created and issued in 2021 in response to the COVID-19 pandemic. These vouchers assist families and individuals who are experiencing homelessness, at risk of experiencing homelessness, fleeing or attempting to flee domestic violence.

Portables (Tenant-Based Vouchers)

A participant can port (move) from one locality to another based on the rules and regulations established by HUD and the associated Public Housing Authority (PHA). Eligible participants use portability to relocate to other cities which may offer employment and educational opportunities to meet their specific needs. However, it is at the discretion of the receiving PHA to determine whether they will absorb or bill the initial PHA which they will determine based on their budget and/or voucher utilization.

Project-Based Vouchers (Traditional and RAD)

Project-Based Vouchers (PBV) are a component of INLIVIAN's HCV program where the voucher subsidy is designated for specific developments/units rather than with a person. A PHA can attach up to twenty percent (20%) of its voucher assistance to specific housing units if the owner agrees to either rehabilitate or construct the units. Where applicable, the 20% restriction can be waived if the PHA attaches services to a PBV project.

Under the RAD Program, INLIVIAN has converted its public housing units to RAD PBV's.

Community Based Rental Assistance Program (CBRA)

INLIVIAN's CBRA program encompasses traditional PBV units, special needs units (elderly, disabled, supportive housing, supportive service and homeless), and pilot local rental subsidy programs. INLIVIAN determines the percentage of tenant-based assistance that it sets aside under the CBRA program based on organizational strategic goals and/or City/County revitalization efforts. The CBRA Policy is also applicable to units converted to PBVs under the RAD program.

INLIVIAN's overall plan for the HCV Program is designed to achieve three major objectives:

1. Provide affordable housing opportunities to eligible participants in diverse communities who would otherwise not have the opportunity to reside in a de-concentrated or minority impacted community.
2. Provide improved living conditions for low-income families while maintaining their rent payments at an affordable level.
3. Encourage families to participate in the INLIVIAN Family Self-Sufficiency Program.

The HCV program is a major part of the MTW fund. This budget also includes costs for the administration and other services of the program. Those services include Compliance, Resident Safety, and Accounting.

MTW funds are utilized to pay for operating costs of the program since the administrative fees do not cover the full cost of the program. MTW Funds are also utilized for payments to landlords for Housing Providers/HAP contracts of all voucher types. MTW funds are identified as an Operating Transfer In.

Annual Objectives

Annual Objectives are linked to one of the six Agency Goals (see Section 2.3)

Agency

Goal #

Objective

2

Increase housing options in high and very high opportunity areas in order to encourage family mobility through Opportunity Housing program

4

Increase housing provider participation and retention of current providers:

- Housing Provider Awareness Campaign
- Increase use of program incentives
- Host annual housing provider symposium
- Conduct point of service surveys

4

Increase understanding of INLIVIAN mission/vision and influence with elected officials

Performance Measurements

Performance Measurements are linked to one of the six Agency Goals (see Section 2.3)

Output	FY20 Actual	FY21 Estimated
# of MTW Base Vouchers Allocated	3,086	3,086
# of CBRA Vouchers Allocated	225	225
# of Homeownership Vouchers Allocated	25	25
# of Opportunity Housing Vouchers Allocated	44	59
# of Project-Based Vouchers Allocated	426	426

Agency Goal #	Effectiveness or Efficiency	FY20 Actual	FY21 Estimated	FY22 Goal
1	% of MTW Base Vouchers Utilized	95%	95%	95%
1	% of CBRA Vouchers Utilized	70%	95%	95%
1	% of Homeownership Vouchers Utilized	100%	92%	95%
1	% of Opportunity Housing Vouchers Utilized	84%	92%	95%
1	% of Project-Based Vouchers Utilized	96%	95%	95%

Moving to Work – Budget by Category

	FY2020 Budget	FY2021 Budget	FY2022 Budget	FY2022 vs FY2021	
				\$ Variance	% Variance
REVENUES					
Tenant Rental Revenues	\$ 295,900	\$ 269,199	\$ 140,896	\$ (128,303)	-47.7%
Public Housing Operating Subsidies	1,262,492	2,094,488	611,583	(1,482,905)	-70.8%
HCV Operating Subsidies	68,297,476	88,832,465	110,538,028	21,705,563	24.4%
HCV Administrative Fees	4,259,019	4,467,490	4,617,340	149,850	3.4%
Capital Fund	4,621,960	3,121,960	2,871,162	(250,798)	-8.0%
Portable HAP Revenue	10,048,379	11,390,844	7,669,447	(3,721,397)	-32.7%
Portable HAP Administrative Fees	495,030	499,951	460,167	(39,784)	-8.0%
Fee Revenue	-	-	-	-	0.0%
Other Revenues	218,526	158,146	170,170	12,024	7.6%
Fund Balance Appropriated	9,803,558	13,696,297	14,066,570	370,273	2.7%
Other Sources	-	-	-	-	0.0%
REVENUE TOTAL	99,302,340	124,530,840	141,145,363	16,614,523	13.3%
EXPENSES					
Administrative	9,515,038	10,005,091	10,682,084	676,993	6.8%
Tenant & Social Services	118,526	104,506	325,292	220,786	211.3%
Utilities	429,988	389,568	88,594	(300,974)	-77.3%
Ordinary Maintenance & Operations	666,894	1,218,933	935,924	(283,009)	-23.2%
Protective Services	13,185	632,867	-	(632,867)	-100.0%
General Expenses	133,558	135,216	52,927	(82,289)	-60.9%
Housing Assistance Payments (HAP)	60,425,744	62,388,545	70,121,471	7,732,926	12.4%
HAP Expense - Portables	10,048,379	11,390,844	7,669,447	(3,721,397)	-32.7%
Other Uses	13,825,518	37,741,820	51,269,624	13,527,804	35.8%
Future Year's Appropriations	-	523,450	-	(523,450)	-100.0%
Property Improvements	600,000	-	-	-	0.0%
EXPENSE TOTAL	95,776,830	124,530,840	141,145,363	16,614,523	13.3%
OPERATING TRANSFERS					
Operating Transfers In	62,186,198	61,505,561	70,822,675	9,317,114	15.1%
Operating Transfers Out	65,711,708	61,505,561	70,822,675	9,317,114	15.1%
TRANSFERS IN (OUT) TOTAL	(3,525,510)	-	-	-	0.0%
NET INCOME	\$ -	\$ -	\$ -	\$ -	0.0%





4.4 CORE

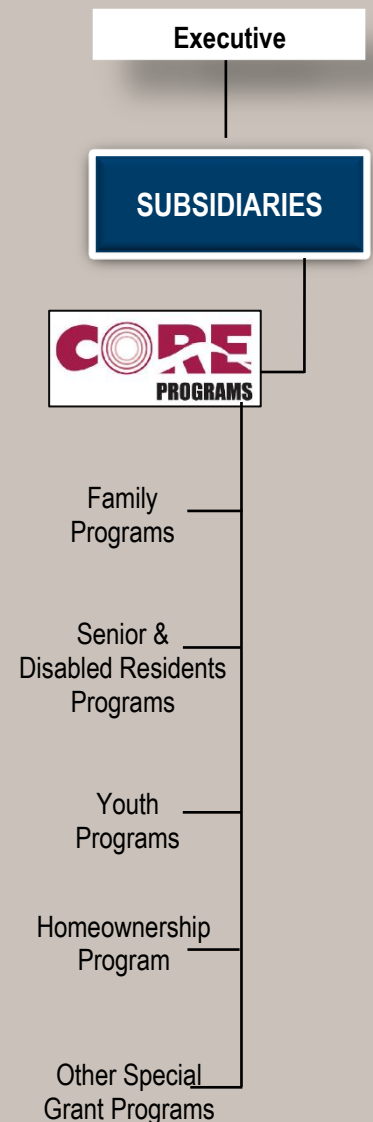
Fund Overview

CORE is a non-profit, tax exempt 501(c)(3) subsidiary and stands for *Creating Opportunity for Resident Empowerment*. The entity was formerly named Gateway Supportive Services, Inc. and was organized in December 2001. CORE is a wholly owned entity of INLIVIAN. It has no employees. All functions are provided by employees of INLIVIAN and then recorded in the appropriate entity. INLIVIAN's Board of Commissioners also serves as the Board for CORE.

CORE consists of the Client Services Department, which is responsible for delivering supportive services to able-bodied residents, elderly residents and disabled residents that are intended to increase the resident's quality of life. Overall goals of CORE include addressing employment barriers for able-bodied residents, addressing academic achievement and providing educational opportunities to INLIVIAN youth and quality of life and aging in place for senior and disabled residents per the approved INLIVIAN strategic plan, and CORE business plan.

CORE's business strategy is ***to deliver supportive services to INLIVIAN residents that move along a continuum of steps to self-sufficiency and independence.***

The FY2022 Budget for CORE reflects Fund Balance reappropriation of the Renaissance West Community Initiative (RWCI) endowment and other ongoing grants. The offsetting expenses for these grants are primarily in the Tenant and Social Services category.



CORE Strategic Goals

1. **RESIDENTS:** Strengthen infrastructure to include tailored, longer-term services to residents.
Increase number of residents enrolled in Life Coaching and involved in resident programs.
2. **PARTNERSHIPS:** Design a new Community Partnership Initiative to offer on-site opportunities and referrals.
Develop new partnerships that bring expertise, resources and value.
3. **CULTURE:** Encourage residents to build healthy safe communities where residents value each other.
Increase the rates of resident satisfaction, pride, and volunteerism.
4. **RESOURCES:** Align resources to strategic priorities, invest in staff expertise, and demonstrate social impact.
Secure gifts/grants from philanthropic and other sources.

Revenues for CORE are funded from the MTW fund and fees collected from the properties. The Fund Balance Appropriated category include funds from unspent grants from Fifth Third Bank, Wells Fargo Bank and the RWCI endowment. Jobs Plus, and Youth Initiative funding are also from MTW funds.

The expenses for CORE are primarily in the Tenant and Social Services category. CORE will continue providing tenant transportation resources, childcare subsidy, funding for the With Every Heartbeat is Life program, Getting Ahead program training, employment programming, and program funds for the services provided to the elderly and disabled.

CORE provides case management services for minimum renters at the properties and in the HCV program. The goal is to offer services to this population that will support work activities and increase the number of participants who work.

All proposed initiatives by CORE are consistent with assisting INLIVIAN in meeting its strategic goals.

Destination HomeOwnership

The Destination Homeownership program provides HCV holders the opportunity to purchase a home. The HAP is paid to the lender in satisfaction of the mortgage payment on behalf of an assisted buyer. If a participant is able-bodied and in good standing with their property provider and the HCV program, they may qualify for 15 years of monthly financial assistance out of a 30-year fixed term mortgage. If they are a senior or disabled, they may qualify for 30 years of monthly assistance out of a 30-year fixed term mortgage. HUD authorizes tenant-based assistance to eligible families.

Annual Objectives

Annual Objectives are linked to one of the six Agency Goals (see Section 2.3)

Agency

Goal # Objective

- 3** Secure external funding by hosting 1st annual CORE fundraising event
- 1** Organizational re-alignment of the HCV supportive services team to streamline services
- 3** Expand on grant opportunities by acquiring a grant writer
- 1** Expand FSS Program portfolio
- 6** Obtain HUD-approved Counseling Agency certification

Performance Measurements

Performance Measurements are linked to one of the six Agency Goals (see Section 2.3)

Output	FY20 Actual	FY21 Estimated
# of participants – FSS Program	652	686
# of participants – HCV Moving Forward Program	302	311
# of participants – Moving Forward Program	338	371

Agency Goal #	Effectiveness or Efficiency	FY20 Actual	FY21 Estimated	FY22 Estimated
1	% of Participants that are minimum renters – FSS Program	30%	25%	25%
1	% of Participants that are minimum renters – HCV Moving Forward Program	64%	58%	55%
1	% of Participants that are minimum renters – Moving Forward Program	44%	35%	35%
1	% of Participants that are working households – FSS Program	75%	70%	70%
1	% of Participants that are working households – HCV Moving Forward Program	36%	40%	40%
1	% of Participants that are working households – Moving Forward Program	63%	55%	55%

CORE – Budget by Category

	FY2020 Budget	FY2021 Budget	FY2022 Budget	FY2022 vs FY2021	
				\$ Variance	% Variance
REVENUES					
Fee Revenue	\$ 1,304,595	\$ 1,339,824	\$ 1,290,902	\$ (48,922)	-3.7%
Other Revenues	220,000	4,275,064	4,909,555	634,491	14.8%
Fund Balance Appropriated	984,395	930,000	958,644	28,644	3.1%
Other Sources	-	-	-	-	0.0%
REVENUE TOTAL	2,508,990	6,544,888	7,159,101	614,213	9.4%
EXPENSES					
Administrative	1,139,133	1,477,269	1,615,438	138,169	9.4%
Tenant & Social Services	4,822,559	4,977,928	5,464,363	486,435	9.8%
Ordinary Maintenance & Operations	58,944	75,691	64,800	(10,891)	-14.4%
General Expenses	13,864	14,000	14,500	500	3.6%
EXPENSE TOTAL	6,034,500	6,544,888	7,159,101	614,213	9.4%
OPERATING TRANSFERS					
Operating Transfers In	3,525,510	-	-	-	0.0%
Operating Transfers Out	-	-	-	-	0.0%
TRANSFERS IN (OUT) TOTAL	3,525,510	-	-	-	0.0%
NET INCOME	\$ -	\$ -	\$ 0	\$ 0	0.0%



4.5 BLUE HORIZON

Fund Overview

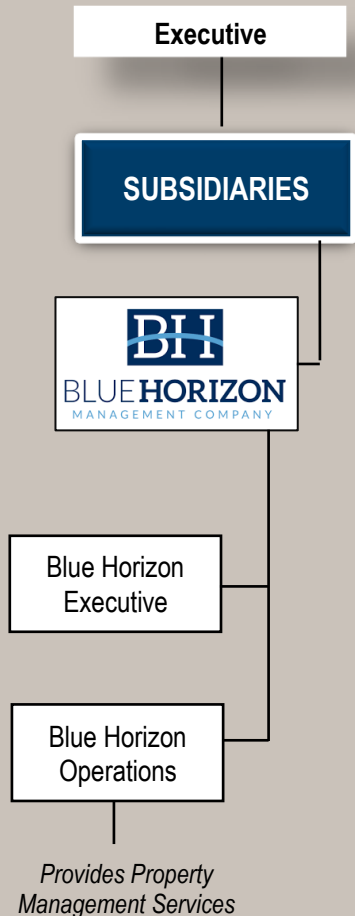
Blue Horizon was created to carry out property management activities for all INLIVIAN and Horizon Development-owned properties, as well as establish third-party property management opportunities. Blue Horizon is the “Doing Business As” name for Horizon Development’s property management division. The mission of the organization is to manage sustainable and economically diverse communities and promoting high quality standards for our residents and owners. Keeping property management in-house reduces expenses and increases revenue streams.

Under this structure, Blue Horizon will have the ability to reach other jurisdictions to provide consulting and property management services not available to INLIVIAN. Furthermore, Blue Horizon is anticipated to receive grant funding and other funding opportunities in the future that INLIVIAN would otherwise not be able to obtain.

Revenue for Blue Horizon is comprised of fees paid by the properties for management services. Blue Horizon shares these fees with the COCC for services rendered, which is represented as a fee expense in the Administrative Expense category.

Expenses reflect the operating costs for executive and administrative oversight for Blue Horizon.

Costs for site-specific property management and maintenance, including site staffing, are expensed at the property account level in the Horizon Acquisition and Horizon Development Funds.



Annual Objectives

Annual Objectives are linked to one of the six Agency Goals (see Section 2.3)

Agency

Goal # Objective

- 1 Develop targeted customer service training program based on site-specific survey results
- 1 Update property management and maintenance employee manuals
- 4 Complete the registration of remaining dwelling units with GCAA and utilize member benefits for training
- 6 Continue with completing employee IREM CAMT or equivalent training

Performance Measurements

Performance Measurements are linked to one of the six Agency Goals (see Section 2.3)

Output	FY20 Actual	FY21 Estimated
# of units managed	3,526	3,427
# of routine work orders completed	20,407	19,818
# of emergency work orders completed	6,349	7,400

of units managed decreased due to the demolition of Dillehay

Agency Goal #	Effectiveness or Efficiency	FY20 Actual	FY21 Estimated	FY22 Goal
1	% of Occupancy Rate	96%	95%	95%
1	% of Rent Collections	92%	89%	91%
1	Average # of days for unit turn around	114	115	45
1	Average # of days to complete routine work orders	2.75	3	3
1	% of emergency work orders completed within 24 hours	100%	100%	100%

Rent collection goal has been reduced to reflect the impact of the COVID pandemic. The goal is estimated to remain around the low 90% range for next year

Blue Horizon – Budget by Category

	FY2020 Budget	FY2021 Budget	FY2022 Budget	FY2022 vs FY2021	
				\$ Variance	% Variance
REVENUES					
Fee Revenue	\$ 2,591,618	\$ 2,183,927	\$ 2,185,707	\$ 1,780	0.1%
Other Revenues	-	-	-	-	0.0%
Fund Balance Appropriated	-	-	95,000	95,000	0.0%
Other Sources	-	-	-	-	0.0%
REVENUE TOTAL	2,591,618	2,183,927	2,280,707	96,780	4.4%
EXPENSES					
Administrative	1,650,809	2,057,689	2,180,244	122,555	6.0%
Ordinary Maintenance & Operations	15,900	23,826	24,250	424	1.8%
General Expenses	8,652	11,522	11,390	(132)	-1.1%
Other Uses	-	-	-	-	0.0%
Future Year's Appropriations	-	-	-	-	0.0%
EXPENSE TOTAL	1,675,361	2,093,037	2,215,884	122,847	5.9%
OPERATING TRANSFERS					
Operating Transfers In	-	-	-	-	0.0%
Operating Transfers Out	824,504	-	-	-	0.0%
TRANSFERS IN (OUT) TOTAL	(824,504)	-	-	-	0.0%
NET INCOME	\$ 91,753	\$ 90,890	\$ 64,823	\$ (26,067)	-28.7%





4.6 HORIZON ACQUISITION

Fund Overview

Horizon Acquisition is a for-profit corporation created to acquire, construct, develop, operate and/or hold title to affordable housing properties. Horizon Acquisition is a wholly owned entity of Horizon Development. It has no employees and all functions are provided by employees of INLIVIAN and then recorded in the appropriate entity. INLIVIAN's Board of Commissioners also serves as the Board for Horizon Acquisition.

Horizon Acquisition includes Strawn Parktowne, LLC and Little Rock Charlotte, LP.

Strawn Parktowne, LLC was formed in 2011 to provide for the complete rehabilitation of two aging towers. These towers provide desperately needed affordable housing for our seniors. The tax credit/bond deal not only allowed INLIVIAN to preserve 333 apartment homes for seniors at Strawn Towers and Parktowne Terrace, but it allowed INLIVIAN to modernize and upgrade these units at that time.

Little Rock Apartments is a 242-unit multi-family HUD-administered Section 8 development located adjacent to The Renaissance. Horizon Acquisition purchased a general partner interest in Little Rock in June 2011.

Horizon Acquisition – Budget by Category

	FY2020 Budget	FY2021 Budget	FY2022 Budget	FY2022 vs FY2021	
				\$ Variance	% Variance
REVENUES					
Tenant Rental Revenues	\$ 5,211,174	\$ 5,345,751	\$ 5,403,931	\$ 58,180	1.1%
Other Revenues	320,849	320,038	320,027	(11)	0.0%
Fund Balance Appropriated	-	-	-	-	0.0%
Other Sources	95,264	-	-	-	0.0%
REVENUE TOTAL	5,627,287	5,665,789	5,723,958	58,169	1.0%
EXPENSES					
Administrative	1,552,079	1,558,074	1,522,251	(35,823)	-2.3%
Tenant & Social Services	219,621	226,760	229,760	3,000	1.3%
Utilities	607,872	582,616	610,941	28,325	4.9%
Ordinary Maintenance & Operations	1,752,401	1,624,790	1,709,016	84,226	5.2%
Protective Services	30,760	10,628	21,324	10,696	100.6%
General Expenses	440,959	474,860	503,987	29,127	6.1%
Reserve Deposits	212,900	211,253	225,327	14,074	6.7%
Reserve Draws	(1,282,051)	(88,779)	(52,663)	36,116	-40.7%
Debt Service	599,034	601,516	604,378	2,862	0.5%
Other Uses	-	-	-	-	0.0%
Future Year's Appropriations	-	25,000	-	(25,000)	-100.0%
Property Improvements	1,387,315	88,779	185,483	96,704	108.9%
EXPENSE TOTAL	5,520,890	5,315,497	5,559,804	244,307	4.6%
OPERATING TRANSFERS					
Operating Transfers In	-	-	-	-	0.0%
Operating Transfers Out	-	-	-	-	0.0%
TRANSFERS IN (OUT) TOTAL	-	-	-	-	0.0%
NET INCOME	\$ 106,397	\$ 350,292	\$ 164,154	\$ (186,138)	-53.1%



4.7 HORIZON DEVELOPMENT

Fund Overview

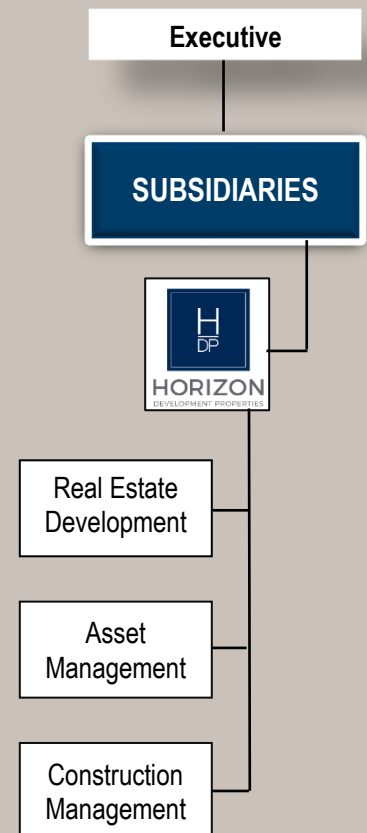
Horizon Development is a non-profit, tax exempt 501(c)(3) subsidiary organized in March 2001. Horizon Development was created to provide affordable housing to qualified individuals. Horizon Development is a wholly owned subsidiary of INLIVIAN. It has no employees and all functions are provided by employees of INLIVIAN and then recorded in the appropriate fund budget. INLIVIAN's Board of Commissioners also serves as the Board for Horizon Development.

With the conversion to RAD, public housing units were converted to Project-Based Vouchers. Ownership of these units was transferred from INLIVIAN to individual special purpose entities whose sole member is Horizon Development. This change of ownership also changed the regulations under which the properties are operated. Management moved from a public housing environment (HUD asset management regulations) to a private management platform.

The Horizon Development fund includes the operations of the Horizon Development-owned properties as well as the budget for the Real Estate Development, Asset Management, and Construction Management departments.

Property management services are provided by Blue Horizon. Although services are rendered and managed by Blue Horizon, the cost of labor, materials, maintenance and other operational needs are expensed in the Horizon Development Fund for each property.

All properties have established replacement reserve accounts to meet the needs of the property and accomplish their long-term capital needs.



The Real Estate Development (RED) Division budget is included in the overall Horizon Development budget. The RED Division has three sections: Real Estate Development, Asset Management, and Construction Management. For FY2022, RED plans to continue focusing on existing projects that are in various stages of development and start on projects that will carry over to the next fiscal year. Specifically, RED will:

- Continue Strawn redevelopment activities;
- Execute on a redevelopment strategy at Dillehay Court for Phase II;
- Begin redevelopment activities at Hall House, now known as Eighth and Tryon;
- Conduct major rehabilitation at Fairmarket Square, Glen Cove, Mcalpine Terrace and Sunridge;
- Preserve affordable housing by the buyout of the current limited investor member and recapitalization of Little Rock
- The resynidication of tax credits on Montgomery Gardens, Nia Point and Arbor Glen;
- Facilitate the issuance of Bonds for third party affordable housing developers; and
- Continue to pursue other opportunities that may exist.

Revenue for the RED division is from developer fees earned, bond issuance and compliance fees, and asset management fees. The Administrative expense section represents cost for salaries, benefits, pursuit cost and professional services.

Annual Objectives

Annual Objectives are linked to one of the six Agency Goals (see Section 2.3)

Agency

Goal # Objective

2

Begin construction of projects identified as “Substantial Renovations” using MTW funds

2

Begin recapitalization of expiring LIHTC Projects to include the Arbor Glens

1

Create HDP Development Pipeline to provide a communication tool of upcoming projects

Performance Measurements

Performance Measurements are linked to one of the six Agency Goals (see Section 2.3)

Output	FY20 Actual	FY21 Estimated
Total dollar amount of bonds issued	\$93,295,000	\$116,800
Total # of units created/preserved by bonds (excluding HDP self-develop or P3 deals)	922	855
Total dollar amount of HDP development deals	\$69,728,788	\$255,590,725
Total # of HDP units created/preserved	376	1,908
Total dollar amount of capital projects budgeted	\$5,395,238	\$9,410,235
Total # of units improved by capital projects	279	459

Agency Goal #	Effectiveness or Efficiency	FY20 Actual	FY21 Estimated	FY22 Estimated
2	% of capital projects completed (budget vs actuals)	96%	75%	100%
2	% of capital projects with change orders less than 10% of original cost	96%	96%	100%
2	% of capital projects completed within 10% of original completion date	89%	100%	100%

Horizon Development Property Listing

Property Listing and Dwelling Unit Composition As of December 31, 2020

Development	Address	Breakdown of Units					
		Tax Credits	PB Section 8	RAD PB Section 8	Affordable/Market Rate	Off-Line	Totals
940 BREVARD	BREVARD STREET	-	60	40	-	-	100
ARBOR GLEN 50	CLANTON ROAD	-	-	25	25	-	50
ARBOR GLEN I	SPRING FOREST DRIVE	84	-	60	-	-	144
ARBOR GLEN II	CLANTON DRIVE	51	-	40	-	-	91
ARBOR GLEN III	CARONIA STREET	11	-	12	-	-	23
AUTUMN PLACE	NORTH DAVIDSON STREET	-	-	68	-	-	68
CEDAR KNOLL	GREEN NEEDLES COURT	-	-	49	-	-	49
CHARLOTTETOWN TERRACE	BAXTER STREET	-	-	161	-	-	161
CLAREMONT	COLISEUM DRIVE	-	-	50	-	-	50
EDWIN TOWERS	WEST 10TH STREET	-	-	176	-	-	176
FAIRMARKET SQUARE	FAIRMARKET PLACE	-	-	16	44	-	60
GLADEDALE	OLDE PROVIDENCE ROAD	-	-	49	-	-	49
GLEN COVE	PINEBURR ROAD	-	-	10	40	-	50
GROVE PLACE	WT HARRIS BOULEVARD	-	-	-	36	-	36
HAMPTON CRESTE	NORTH WENDOVER ROAD	-	-	60	153	-	213
LEAFCREST	LEAFCREST LANE	-	-	48	-	-	48
MALLARD RIDGE	AXMINSTER COURT	-	-	35	-	-	35
MCALPINE TERRACE	PINEBURR ROAD	-	-	26	87	-	113
MCMULLEN WOOD	WALSH BLVD	34	-	21	-	-	55
MEADOW OAKS	FLORENCE AVENUE	-	-	32	-	-	32
MILL POND	LAUREL MILL ROAD	-	51	-	117	-	168
MONTGOMERY GARDENS	MONTGOMERY GARDENS DRIVE	56	-	20	-	-	76
NIA POINT	MAYFIELD TERRACE DRIVE	52	-	29	-	-	81
OAK VALLEY	McRAE STREET	-	-	-	50	-	50
PARK AT OAKLAWN	STROUD PARK COURT	89	-	89	-	-	178
ROBINSDALE	MARGIE ANN DRIVE	-	-	30	-	-	30
SAVANNA WOODS	LEASIDE LANE	-	-	49	-	-	49
SENECA WOODS	SENECA PLACE	32	-	17	-	1	50
SOUTHSIDE HOMES	GRIFFITH STREET	-	-	392	-	-	392
SPRINGFIELD GARDENS	SPRINGFIELD GARDEN DRIVE	64	-	22	-	-	86
SUNRIDGE	SUNRIDGE LANE	-	-	44	-	-	44
TARLTON HILLS	FRAZIER AVENUE	-	-	50	-	-	50
THE LANDING AT PARK ROAD	MARSH AVENUE	-	92	-	-	-	92
THE OAKS AT CHERRY	LUTHER STREET	-	-	81	-	-	81
VALLEY VIEW	HICKORY VALLEY COURT	-	-	-	49	1	50
VICTORIA SQUARE	CLARKSON STREET	-	-	31	-	1	32
VISTAS AT 707	SEIGLE AVENUE	-	-	-	190	-	190
WALLACE WOODS	WALLACE WOOD	-	-	48	-	-	48
WOODLAWN HOUSE	E WOODLAWN ROAD	-	-	104	-	-	104
Totals		473	203	1,984	791	3	3,454

The above list only includes properties owned by HDP. Other properties owned by INLIVIAN (such as public housing) are not listed.

Horizon Development – Budget by Category

	FY2020 Budget	FY2021 Budget	FY2022 Budget	FY2022 vs FY2021	
				\$ Variance	% Variance
REVENUES					
Tenant Rental Revenues	\$ 33,887,612	\$ 34,098,339	\$ 34,312,214	\$ 213,875	0.6%
Fee Revenue	1,956,960	4,522,625	4,525,637	3,012	0.1%
Other Revenues	306,359	19,661,245	24,282,892	4,621,647	23.5%
Fund Balance Appropriated	304,732	1,186,744	-	(1,186,744)	-100.0%
Other Sources	690,220	-	-	-	0.0%
REVENUE TOTAL	37,145,883	59,468,953	63,120,743	3,651,790	6.1%
EXPENSES					
Administrative	9,757,798	10,551,028	11,647,968	1,096,940	10.4%
Tenant & Social Services	1,270,275	1,291,050	1,086,241	(204,809)	-15.9%
Utilities	4,839,853	4,834,274	4,925,756	91,482	1.9%
Ordinary Maintenance & Operations	10,821,248	10,678,385	10,798,687	120,302	1.1%
Protective Services	207,160	188,618	181,044	(7,574)	-4.0%
General Expenses	1,696,907	1,826,120	2,600,076	773,956	42.4%
Reserve Deposits	1,606,800	1,641,542	1,673,023	31,481	1.9%
Reserve Draws	(12,541,090)	(3,834,160)	(2,898,530)	935,630	-24.4%
Debt Service	4,447,854	4,408,624	4,196,718	(211,906)	-4.8%
Other Uses	-	3,000,000	4,800,000	1,800,000	60.0%
Future Year's Appropriations	625,000	315,000	991,870	676,870	214.9%
Property Improvements	13,378,505	23,197,551	22,133,509	(1,064,042)	-4.6%
EXPENSE TOTAL	36,110,310	58,098,032	62,136,362	4,038,330	7.0%
OPERATING TRANSFERS					
Operating Transfers In	329,398	-	-	-	0.0%
Operating Transfers Out	-	-	-	-	0.0%
TRANSFERS IN (OUT) TOTAL	329,398	-	-	-	0.0%
NET INCOME	\$ 1,364,971	\$ 1,370,921	\$ 984,381	\$ (386,540)	-28.2%

Real Estate Development – Budget by Category

	FY2020 Budget	FY2021 Budget	FY2022 Budget	FY2022 vs FY2021	
				\$ Variance	% Variance
REVENUES					
Fee Revenue					
Asset Management Fees	\$ -	\$ 344,024	\$ 351,656	\$ 7,632	2.2%
Bond Application Fees	-	5,000	-	(5,000)	-100.0%
Bond Issuance Fees	412,500	1,625,663	987,500	(638,163)	-39.3%
Bond Monitoring Fees	-	393,556	461,072	67,516	17.2%
Construction Management Fees	237,080	281,627	333,862	52,235	18.5%
Developer Fees	1,160,205	1,775,492	2,294,850	519,358	29.3%
Other Fee Revenue	96,365	-	-	-	0.0%
Other Revenues	-	154,407	-	(154,407)	-100.0%
Fund Balance Appropriated	304,732	1,186,744	-	(1,186,744)	-100.0%
REVENUE TOTAL	2,210,882	5,766,513	4,428,940	(1,337,573)	-23.2%
EXPENSES					
Administrative	2,180,630	2,700,331	3,394,989	694,658	25.7%
Ordinary Maintenance & Operations	19,800	57,582	64,731	7,149	12.4%
General Expenses	10,452	8,600	13,290	4,690	54.5%
Other Uses	-	3,000,000	-	(3,000,000)	-100.0%
Future Year's Appropriations	-	-	991,870	991,870	0.0%
EXPENSE TOTAL	2,210,882	5,766,513	4,464,880	(1,301,633)	-22.6%
OPERATING TRANSFERS					
Operating Transfers In	-	-	-	-	0.0%
Operating Transfers Out	-	-	-	-	0.0%
TRANSFERS IN (OUT) TOTAL	-	-	-	-	0.0%
NET INCOME	\$ -	\$ -	\$ (35,940)	\$ (35,940)	0.0%

Real Estate Development – Expense Budget by Section

	FY2020 Budget	FY2021 Budget	FY2022 Budget	FY2022 vs FY2021	
				\$ Variance	% Variance
Asset Management	\$ -	\$ 455,403	\$ 683,885	\$ 228,482	50.2%
Construction Management	288,024	186,279	500,055	313,776	168.4%
Real Estate Development	1,711,578	5,124,831	3,280,940	(1,843,891)	-36.0%
Relocation	211,280	-	-	-	0.0%
EXPENSE TOTALS	\$ 2,210,882	\$ 5,766,513	\$ 4,464,880	\$ (1,301,633)	-22.6%

Horizon Development – Budget by Properties

REVENUES	940 Brevard	Grove Place	Oak Valley	Valley View	Arbor Glen 50	Arbor Glen I
Tenant Rental Revenues	\$ 599,230	\$ 315,001	\$ 420,764	\$ 428,386	\$ 368,383	\$ 1,069,904
Fee Revenue	-	-	-	-	-	-
Other Revenues	4,800	-	400,000	400,000	-	-
Other Sources	-	-	-	-	-	-
Fund Balance Appropriated	-	-	-	-	-	-
REVENUE TOTAL	604,030	315,001	820,764	828,386	368,383	1,069,904
EXPENSES						
Administrative	239,258	83,116	108,035	108,534	105,316	309,788
Tenant & Social Services	2,800	2,000	1,250	2,000	2,550	56,600
Utilities	43,730	33,294	48,185	40,850	61,510	192,552
Ordinary Maintenance & Operations	212,522	142,072	215,564	205,334	116,283	372,812
Protective Services	3,204	-	-	-	3,202	9,221
General Expenses	61,855	29,701	40,435	37,104	40,847	87,197
Reserve Deposits	39,661	-	-	-	20,763	41,734
Reserve Draws	(43,949)	-	-	-	(33,366)	(111,447)
Debt Service	1,000	-	-	-	-	-
Future Year's Appropriations	-	-	-	-	-	-
Property Improvements	43,949	-	400,000	400,000	33,366	111,447
EXPENSE TOTAL	604,030	290,183	813,470	793,823	350,471	1,069,904
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-
TRANSFERS IN (OUT) TOTAL	-	-	-	-	-	-
NET INCOME	\$ -	\$ 24,818	\$ 7,294	\$ 34,563	\$ 17,912	\$ 0

	Charlottetown					
REVENUES	Arbor Glen II	Arbor Glen III	Autumn Place	Cedar Knoll	Terrace	Claremont
Tenant Rental Revenues	\$ 671,598	\$ 166,236	\$ 782,201	\$ 548,175	\$ 1,729,728	\$ 575,294
Fee Revenue	-	-	-	-	-	-
Other Revenues	-	350	-	107	7,200	-
Other Sources	-	-	-	-	-	-
Fund Balance Appropriated	-	-	-	-	-	-
REVENUE TOTAL	671,598	166,586	782,201	548,282	1,736,928	575,294
EXPENSES						
Administrative	207,199	49,932	228,578	120,066	360,172	125,927
Tenant & Social Services	3,275	1,205	50,548	28,305	36,320	29,245
Utilities	121,682	28,955	107,706	129,030	205,024	125,587
Ordinary Maintenance & Operations	229,752	48,040	265,711	190,520	515,905	209,030
Protective Services	5,828	1,473	4,355	3,138	10,310	3,202
General Expenses	60,796	4,679	58,468	38,490	133,500	41,619
Reserve Deposits	35,413	8,711	39,415	28,402	80,500	28,977
Reserve Draws	(66,005)	(16,683)	-	(16,318)	(195,163)	(7,754)
Debt Service	-	21,324	-	-	417,976	-
Future Year's Appropriations	-	-	-	-	-	-
Property Improvements	66,005	16,682	-	16,318	163,768	7,754
EXPENSE TOTAL	663,945	164,318	754,781	537,951	1,728,312	563,587
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-
TRANSFERS IN (OUT) TOTAL	-	-	-	-	-	-
NET INCOME	\$ 7,653	\$ 2,268	\$ 27,420	\$ 10,331	\$ 8,616	\$ 11,707

	Fairmarket					
REVENUES	Edwin Towers	Square	Gladedale	Glen Cove	Hall House	Hampton Creste
Tenant Rental Revenues	\$ 1,941,485	\$ 503,178	\$ 605,420	\$ 469,857	\$ -	\$ 2,044,913
Fee Revenue	-	-	-	-	-	-
Other Revenues	6,200	3,842,500	-	5,000,000	47,455	40
Other Sources	-	-	-	-	-	-
Fund Balance Appropriated	-	-	-	-	-	-
REVENUE TOTAL	1,947,685	4,345,678	605,420	5,469,857	47,455	2,044,953
EXPENSES						
Administrative	392,661	140,816	118,579	128,983	262	471,736
Tenant & Social Services	39,219	20,996	30,255	14,450	-	5,000
Utilities	220,000	93,800	140,802	15,965	11,173	251,006
Ordinary Maintenance & Operations	589,552	163,680	217,728	183,805	19,434	794,141
Protective Services	11,271	3,843	3,138	3,202	-	13,640
General Expenses	148,196	47,765	43,080	40,274	16,586	131,830
Reserve Deposits	88,000	34,778	28,407	32,000	-	246,925
Reserve Draws	(265,396)	-	-	(39,375)	-	(82,032)
Debt Service	455,827	-	-	14,000	-	92,000
Future Year's Appropriations	-	-	-	-	-	-
Property Improvements	231,077	3,840,000	-	5,039,375	-	82,032
EXPENSE TOTAL	1,910,407	4,345,678	581,989	5,432,679	47,455	2,006,278
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-
TRANSFERS IN (OUT) TOTAL	-	-	-	-	-	-
NET INCOME	\$ 37,278	\$ -	\$ 23,431	\$ 37,178	\$ -	\$ 38,675

	McMullen					
REVENUES	Leafcrest	The Landings	Mallard Ridge	McAlpine	Wood	Meadow Oaks
Tenant Rental Revenues	\$ 546,596	\$ 887,970	\$ 427,162	\$ 869,141	\$ 446,373	\$ 373,250
Fee Revenue	-	-	-	-	-	-
Other Revenues	-	6,120	-	5,893,523	-	-
Other Sources	-	-	-	-	-	-
Fund Balance Appropriated	-	-	-	-	-	-
REVENUE TOTAL	546,596	894,090	427,162	6,762,664	446,373	373,250
EXPENSES						
Administrative	120,763	242,103	104,142	251,700	129,901	104,934
Tenant & Social Services	27,552	29,930	20,589	31,893	26,275	19,093
Utilities	117,369	43,920	79,850	132,000	39,192	64,530
Ordinary Maintenance & Operations	206,207	333,698	167,310	316,863	165,483	135,089
Protective Services	3,074	5,892	2,242	7,236	3,522	2,050
General Expenses	36,623	76,332	32,136	72,448	40,940	28,996
Reserve Deposits	27,822	27,985	20,893	52,400	31,880	18,558
Reserve Draws	(277,000)	-	(176,715)	-	-	(9,650)
Debt Service	-	77,136	-	7,201	9,180	-
Future Year's Appropriations	-	-	-	-	-	-
Property Improvements	277,000	-	176,715	5,890,923	-	9,650
EXPENSE TOTAL	539,410	836,996	427,162	6,762,664	446,373	373,250
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-
TRANSFERS IN (OUT) TOTAL	-	-	-	-	-	-
NET INCOME	\$ 7,186	\$ 57,094	\$ -	\$ 0	\$ (0)	\$ -

	Montgomery				Park at	
REVENUES	Mill Pond	Gardens	Nia Point	Oaks at Cherry	Oaklawn	Robinsdale
Tenant Rental Revenues	\$ 1,971,709	\$ 581,185	\$ 679,469	\$ 757,488	\$ 1,441,138	\$ 361,392
Fee Revenue	5,925	-	-	-	-	-
Other Revenues	63,902	3,800,000	1,000,000	-	12,000	-
Other Sources	-	-	-	-	-	-
Fund Balance Appropriated	-	-	-	-	-	-
REVENUE TOTAL	2,041,536	4,381,185	1,679,469	757,488	1,453,138	361,392
EXPENSES						
Administrative	370,970	182,737	191,463	220,176	413,198	91,724
Tenant & Social Services	-	1,025	2,225	46,680	4,825	17,462
Utilities	157,924	92,252	106,500	112,000	217,500	73,570
Ordinary Maintenance & Operations	318,497	131,624	184,816	193,560	557,801	118,489
Protective Services	-	4,867	-	5,187	11,400	1,922
General Expenses	80,158	43,650	53,192	73,443	97,102	26,544
Reserve Deposits	50,400	28,741	30,619	34,492	48,350	17,389
Reserve Draws	-	-	-	-	(341,600)	(1,530)
Debt Service	449,508	96,289	110,654	67,249	74,504	-
Future Year's Appropriations	-	-	-	-	-	-
Property Improvements	124,771	-	-	-	341,600	1,530
EXPENSE TOTAL	1,552,228	581,185	679,469	752,787	1,424,680	347,100
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-
TRANSFERS IN (OUT) TOTAL	-	-	-	-	-	-
NET INCOME	\$ 489,308	\$ 3,800,000	\$ 1,000,000	\$ 4,701	\$ 28,458	\$ 14,292

	Savanna			Springfield		
REVENUES	Woods	Seneca Woods	Southside	Gardens	Sunridge	Tarlton Hills
Tenant Rental Revenues	\$ 621,639	\$ 416,104	\$ 4,682,621	\$ 766,194	\$ 458,720	\$ 563,912
Fee Revenue	-	-	-	-	-	-
Other Revenues	-	-	-	1,000	3,165,000	-
Other Sources	-	-	-	-	-	-
Fund Balance Appropriated	-	-	-	-	-	-
REVENUE TOTAL	621,639	416,104	4,682,621	767,194	3,623,720	563,912
EXPENSES						
Administrative	142,187	117,582	832,452	199,554	112,933	121,632
Tenant & Social Services	29,450	32,155	157,914	24,620	25,458	28,970
Utilities	135,828	47,196	912,036	88,293	86,265	142,674
Ordinary Maintenance & Operations	236,975	140,985	1,076,890	251,524	152,041	195,215
Protective Services	3,138	3,138	25,102	5,507	2,818	3,202
General Expenses	39,493	39,146	290,697	58,082	28,506	38,752
Reserve Deposits	28,407	28,402	196,000	32,483	20,403	28,982
Reserve Draws	(179,174)	-	(298,941)	-	-	(73,531)
Debt Service	-	7,500	1,191,530	107,131	-	-
Future Year's Appropriations	-	-	-	-	-	-
Property Improvements	179,174	-	298,941	-	3,165,000	73,531
EXPENSE TOTAL	615,478	416,104	4,682,621	767,194	3,593,424	559,427
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-
TRANSFERS IN (OUT) TOTAL	-	-	-	-	-	-
NET INCOME	\$ 6,161	\$ -	\$ -	\$ -	\$ 30,296	\$ 4,485

	Victoria Square	Vistas at 707	Wallace Woods	Woodlawn House
REVENUES				
Tenant Rental Revenues	\$ 410,120	\$ 2,104,761	\$ 536,425	\$ 1,169,092
Fee Revenue	-	60,772	-	-
Other Revenues	-	-	480,000	2,500
Other Sources	-	-	-	-
Fund Balance Appropriated	-	-	-	-
REVENUE TOTAL	410,120	2,165,533	1,016,425	1,171,592
EXPENSES				
Administrative	109,272	439,334	146,276	219,988
Tenant & Social Services	18,128	-	28,840	86,944
Utilities	70,920	127,109	61,500	146,477
Ordinary Maintenance & Operations	161,944	286,297	201,688	509,074
Protective Services	1,986	-	3,074	6,660
General Expenses	28,775	177,430	37,308	88,611
Reserve Deposits	18,604	88,422	27,823	60,282
Reserve Draws	-	(46,387)	(70,450)	(458,564)
Debt Service	-	981,709	-	15,000
Future Year's Appropriations	-	-	-	-
Property Improvements	-	46,387	550,450	458,564
EXPENSE TOTAL	409,629	2,100,301	986,509	1,133,036
Operating Transfers In	-	-	-	-
Operating Transfers Out	-	-	-	-
TRANSFERS IN (OUT) TOTAL	-	-	-	-
NET INCOME	\$ 491	\$ 65,232	\$ 29,916	\$ 38,556

5.0 CAPITAL PROJECTS

5.1 PROPERTY IMPROVEMENTS

In order to keep assets in good operating condition and marketable, property improvements will be accomplished that contribute to the preservation of affordable housing units. Property Improvements include major repairs, renovations, replacements and general capital expenditures. The FY2022 Budget includes major work such as interior and exterior renovations, system replacements, and other major improvements to maintain the sustainability and viability of each asset.

Identifying Capital Needs

One of the requirements of the RAD program involved an independent third-party assessment of the physical needs required for the upkeep of each property over a twenty-year period. From this effort, a Physical Needs Assessment (PNA) was created and is used as a general planning tool for property improvements.

After careful site visits and reviews, it was recommended that certain properties needed major renovations. To achieve economies of scale, minimize disruption to residents, and minimize mobilization efforts, these projects will be completed in their entirety, versus stretching over multiple years. To accomplish this, MTW funds are being utilized in the FY2022 Budget to fund the majority of the anticipated property improvements.

Impact on Operations

Nonrecurring capital expenditures in this budget are anticipated to impact future operating budgets to include lower long-term maintenance cost. With innovative designs and more recent approaches, renovations at the various sites are estimated to reduce routine maintenance expenses in future operating budgets. Most projects identified under "Work performed by site staff" includes replacement of appliances, which will reduce repair and maintenance in the initial year and will increase efficiencies in utilities (electricity, water, gas) in the long run.

Schedule of Property Improvements

Property	Work Performed by		FY2022
	Site Staff	Construction Manager	Total Budget
400 East Boulevard Administration	30,000	0	30,000
400 East Building Management	0	0	0
940 Brevard	0	43,949	43,949
Grove Place	0	0	0
Oak Valley	0	400,000	400,000
Valley View	0	400,000	400,000
Arbor Glen 50	33,366	0	33,366
Arbor Glen I	111,447	0	111,447
Arbor Glen II	66,005	0	66,005
Arbor Glen III	16,682	0	16,682
Autumn Place	0	0	0

Continue from prior page

Property	Work Performed by		FY2022
	Site Staff	Construction Manager	Total Budget
Cedar Knoll	16,318	87,500	103,818
Charlottetown Terrace	163,768	0	163,768
Claremont	7,754	0	7,754
Edwin Towers	231,077	0	231,077
Fairmarket Square	0	3,840,000	3,840,000
First Ward	96,300	31,800	128,100
Gladedale	0	0	0
Glen Cove	39,375	5,000,000	5,039,375
Hampton Creste	82,032	0	82,032
Carole Hoefener Center	0	0	0
Leafcrest	19,000	258,000	277,000
Little Rock	94,420	38,400	132,820
The Landings	0	0	0
Mallard Ridge	0	176,715	176,715
McAlpine	0	5,890,923	5,890,923
McMullen Wood	0	0	0
Meadow Oaks	0	9,650	9,650
Mill Pond	124,771	0	124,771
Montgomery Gardens	0	0	0
Nia Point	0	0	0
Oaks at Cherry	0	0	0
Parktowne	10,000	0	10,000
Dillehay	0	0	0
Park at Oaklawn	341,600	0	341,600
Robinsdale	1,530	0	1,530
Savanna Woods	0	179,174	179,174
Seneca Woods	0	0	0
Southside	0	298,941	298,941
Springfield Gardens	0	0	0
Strawn	42,663	0	42,663
Sunridge	0	3,165,000	3,165,000
Tarleton Hills	11,031	62,500	73,531
Victoria Square	0	0	0
Vistas at 707	0	46,387	46,387
Wallace Woods	11,890	538,560	550,450
Woodlawn House	458,564	0	458,564
TOTAL	2,009,593	20,467,499	22,477,092

5.2 REAL ESTATE DEVELOPMENTS

Horizon Development is a real estate development firm aggressively seeking innovative ways to expand and preserve the supply of affordable housing in the City of Charlotte. Development projects are primarily composed of the following initiatives:

	USES		SOURCES		
	Total Project Budget	FY2022 Appropriations	MTW	BA	FY2022 Sources of Funding
Strawn Master Plan	\$ 2,763,887	\$ 810,099	\$ 810,099	\$ -	\$ 810,099
Renaissance	7,000,000	200,000	200,000	-	200,000
JT Crawford Community Center	2,000,000	1,337,731	1,337,731	-	1,337,731
Tall Oaks Redevelopment Phase 2	500,000	500,000	-	500,000	500,000
Montgomery Gardens	1,000,000	3,800,000	3,800,000	-	3,800,000
Nia Point	1,000,000	4,000,000	1,000,000	3,000,000	4,000,000
Seneca Woods	2,617,255	2,582,363	2,582,363	-	2,582,363
Dillehay Phase II Relocation, Demolition, Predevelopment	3,500,000	3,397,952	3,397,952	-	3,397,952
Oaks at Cherry	1,500,000	900,000	900,000	-	900,000
Future Projects (2021 pursuit)	11,250,000	3,000,000	3,000,000	-	3,000,000
Future Projects (2022 Pursuit)	11,000,000	16,000,000	11,000,000	5,000,000	16,000,000
	\$ 44,131,142	\$ 36,528,145	\$ 28,028,145	\$ 8,500,000	\$ 36,528,145

Development Projects

Document Legend

AMI	Area Median Income
CHOIF	Charlotte Housing Opportunity Investment Funds
HDP	Horizon Development Properties, Inc. a development affiliate wholly-owned by INLIVIAN
HTF	Housing Trust Funds awarded competitively by the City of Charlotte
LIHTC	Low Income Housing Tax Credits
NCHFA	North Carolina Housing Finance Agency
P3	Public Private Partnership
TOA	Transfer of Assistance
TPV	Tenant Protection Voucher
RAD	Rental Assistance Demonstration
ROFR	Right of First Refusal

1. Strawn Master Plan: P3 with The Fallon Company



Artist's Rendering of the New Office Building at Centre South

Strawn, now known as Centre South, is scheduled to break ground in 2021 with the construction of the 330,000 +/- mid-rise office building that fronts on South Boulevard. This office component of the planned development is designed and permitted but the commencement of construction is contingent on the developer's ability to execute a lease with an anchor tenant. The 2011 approved rezoning plan for the site reconnects the prior street grid by extending East Bland Street through the site by way of a boulevard entry in front of Strawn Tower. This prominent entry will cause the parking at the front of Strawn Tower to be relocated to the rear, including the handicap-accessible parking. The front entry of Strawn Tower is the only accessible entry into the building. We cannot relocate the parking, including the handicapped parking to the rear without providing an alternate accessible entry into the building adjacent to the new parking area. A 2nd lobby added at the rear lower level will provide an accessible entrance to the senior population that resides there. Design and construction work will be required to accommodate this modification. This work will be completed in 2021 in order to enable the construction of the office building. This project is behind schedule due to a market shift for office space related to COVID-19.

2. Hall House: P3 with Urban Atlantic



Artist's Rendering of the College Street Façade

The plan of development for Hall House (now known as Eighth & Tryon) contemplates the construct of a new multi-family rental project with approximately 353 total units. The unit mix will follow a concept of 70/30/30. Meaning, of the total units, 70% (247) will be market rate and 30% (106) will be affordable to households earning up to 80% AMI. Of the 30% affordable units, 30% will be available to households earning 30% of the AMI. The construction documents have been submitted for permits. The funding for the affordable units is on track. HDP has received commitments for \$6MM from the County and \$3.2MM from the City. The state housing finance agency has approved a bond application

and provided a letter for \$17MM in bond volume cap and 4% Low Income Housing Tax Credits (LIHTC) that are anticipated to raise \$11.3MM in equity. Solicitations have been published for the debt/equity for the market rate units. This project is targeting a yearend closing.

3. Tall Oaks Phase II

The rezoning that kicked off in 2015 continues to be deferred while we work to build on our current presence as a good neighbor in the Cherry community. We will work to strengthen our relationships with the community leaders and move forward at the appropriate time.

4. Dillehay Courts Redevelopment, Phase I



Artist's Rendering of the New Dillehay Courts

Dillehay Courts closed May 7, 2021 and is currently under construction. The existing 36 units have been demolished and the new improvements are being constructed.

Redevelopment will result in 144 residential units in one 4 -story elevator building with surface parking. The units will be available to households that earn 30% to 80% of the AMI. Horizon Development has converted the ACC for the prior 36 units to RAD and will close on

the conversion of the RAD subsidy to Archdale Flats Family in Q4 2021. There will be 36 regular PBV units as that will subsidize the operations of the 30% AMI units in the new Dillehay Courts project. This project was funded with tax-exempt bonds, 4% tax credits, a City Housing Trust Fund loan and an HDP loan. There are currently 30 occupied units on Phase II. Once these 30 units are vacated the Phase II improvements will be demolished. The concept for Phase II will be determined through a planning and re-zoning process after such time that we see the absorption rate on Phase I.

5. First Ward Place, Phase I

Horizon Development will recapitalize First Ward Place by submitting multiple 9% LIHTC Applications to the North Carolina Housing Finance Agency (NCHFA) for the financing, acquisition, and rehabilitation of the community. The project will require execution in multiple phases to capitalize the existing units and to increase the total number of units in the community to right-size the overall percentage of 30% AMI units. The parcels, bounded by North Caldwell Street, North Davidson Street, East 9th and East 10th Street, have a combined unit count of 283 apartments. Phase I of the Project recapitalizes 109 of the total 283 units.

Due to the current age and condition of the units, all interior finishes from the floor plane to the ceiling plane need to be replaced, including all furnishings, fixtures, and equipment. Exterior work will include replacement of windows, roofing (including gutters and downspouts), and siding. The rehabilitation work will also bring the buildings into compliance with current codes. FMK Architects will be the Architect of Record. Horizon Development intends to execute the work with a Construction Manager-at-Risk. The scope of work for this Phase I was developed along with FMK, as a result of an on-site inspection, and a market study to inform the amenities required by the upper limits of the rent scale (80% AMI).

The Phase I income mix must be consistent with what exists today: 48 RAD units, 21 LIHTC, and 37 market-rate but the current market rate rents are significantly lower than market. A 2021 9% LIHTC Application was funded and Phase I of this effort is targeting a yearend 2021 closing and commencement of construction in Q1 2022. The city is also supporting this project with a \$2MM Housing Trust Fund commitment.

6. Abbington On Mt. Holly: P3 with Rea Ventures Group (RVG)



Architect's Colored Elevation of one Building

In 2019, Horizon Development and Rea Ventures Group (RVG) entered into a Joint Venture Agreement (the "JV") to develop a site located at 3230 Mt. Holly Huntersville Rd. The JV agreement provided that Horizon Development purchase the parcel of land where 102 Low Income Housing Tax Credit rental units are to be built. Pursuant to the JV terms, this option to purchase was transferred to Horizon Development and according to the purchase and sale agreement, Horizon Development exercised the option to purchase the Property in 2019. There is a 4% LIHTC allocation application with bond volume cap that has been accepted by NCHFA and the project has been awarded HTF and CHOIF funds. HDP will act as co-developer (20%) and as the majority managing member. RVG is serving as the lead (80%) developer and is providing all guarantees with the exception of the lease-up and tax credit guarantees.

The property will be 3rd party managed. HDP will have the Right Of First Refusal (ROFR) to purchase the property as well as the interest of all of the members at the end of the initial (15-year) compliance period.

This Project is a new construction, family development on 8.57 acres, improved with garden-style walk-up, 3-story buildings with amenities in a stand-alone clubhouse. The setting is highly practical in that it will enjoy superb centrality for highways and shopping in the growing north side of Charlotte and be located directly off a major thoroughfare (Mt. Holly-Huntersville Road and Brookshire Boulevard) that leads directly to an interchange with Interstate 485 within a half mile. It is in walking distance to multiple shopping centers containing grocery stores, retail, pharmacies, banks, healthcare, and multiple restaurants and the site also provides sidewalk access to a bus stop and numerous commercial and health service providers along Mt. Holly- Huntersville Road, which also has paved sidewalks on both sides of the road.

The project is also located approximately 0.5 miles from the site selected by Corning Optical to construct its new \$38 million headquarters facility. This site is projected to create 650 jobs. While the project is already located in a thriving commercial corridor, the addition of this new employment center will create further demand for affordable housing in the area.

This project closed June 23, 2021 and is under construction. These new apartments would be available to households earning 30% to 70% of the AMI, income averaged to 60% AMI. Bedroom sizes will be available from one to three bedrooms.

7. Archdale Flats Family and Archdale Flats Seniors, Coming Summer of 2021: P3 with Elmington Capital Group

Artists Rendering of Archdale Flats Seniors



This development is the result of two separate LIHTC and bond applications. The 11.32-acre site is located at 330 Archdale Drive in Charlotte, North Carolina. The site was subdivided to create two separate projects. Each will be located on its own subdivided parcel with financing supported with separate collateral. These are two distinct communities. The first is Archdale Flats Senior which is a 131-unit project with 1-

bedroom units only, 100% of which will be age restricted to seniors (55 and older) and 100% of which will be subject to income and rent restrictions (the "Seniors Development"). The second is Archdale Flats Family; a 202-unit family project with a mix of 1BR, 2BR, and 3BR units, 100% of which will be designated for families and subject to income and rent restrictions (the "Family Development").

The site is located on Archdale Drive in the Montclair South neighborhood of Charlotte and abuts a High Opportunity Area. It is located in close proximity to South Blvd and is less than a quarter mile from I-77. The site will enjoy the benefit of two bus stops situated at the site and sits within a mile of the Lynx Blue Line Archdale Station, enabling residents to take the bus directly from the site to the Lynx Blue Line for access to much of the City. By virtue of the public transportation at the site, the site has access to an abundance of amenities. Residents will enjoy easy access to employment, as well as excellent options for grocers, dining, and retail.

Along with proximity to city-wide amenities, services, jobs, and transportation, the Family Development is less than a mile from the new Waddell Language Academy, which will serve students from kindergarten through eighth grade, and will offer Chinese, French, German, and Japanese language immersion. When complete, it will enroll about 1,300 students and serve the southern portion of Mecklenburg County. The new Waddell Language Academy is scheduled to be complete by 2021. The Senior Development will enjoy the same proximity to amenities, services, jobs, and transportation, and will also benefit from being 2.5 miles from the Tyvola Senior Center. Both Projects are in close proximity to medical services.

The Projects will consist of buildings sitting on concrete pads constructed using stick frames, and brick and James Hardie Board facades. Buildings will be 3 or 4 stories; the buildings in the Senior Development will have indoor corridors and elevators; the buildings in the Family Development will have breezeways. Amenities will include a Community/Leasing Building with a community room, computer room, laundry room, and fitness room that will be shared by the Developments. Additionally, the Family Development will include a playground, a tot-lot, covered picnic area, and abundant green space and trees. The Senior Development will include indoor and outdoor sitting areas, resident storage, and covered picnic and meeting areas. Unit amenities will include large square footages, granite counter tops, energy star appliances, W/D hookups, and patios/balconies.

With the strong employment opportunities, the close proximity to retail and services, and the convenience of two bus stops at the property and the LYNX Blue Line, both Projects will provide much needed affordable housing that will be quickly absorbed by the Charlotte market.

Horizon Development is partnering with Elmginton Capital Group (ECG) (HDP 25%/ECG 75%) and Horizon Development will serve as the majority managing member in both owner entities. Preliminary Applications for both were submitted in January 2019; the financing closed in December 2019 and both are under construction. INLIVIAN issued the bonds. The Family project has turned each building as it received a Certificate of Occupancy. Lease up began in the Summer of 2021 and 499 applications have been received; 111 applicants have been approved and have executed leases and 73 units are occupied. The 36 Dillehay Courts RAD subsidies were transferred to support the operations of the 36 units that are serving 30% AMI households.

The Seniors project is one contiguous building that is on schedule to complete and begin lease up in Q1- 2022.

8. Evoke Living at Arrowood: P3 with Crosland Southeast

Evoke Living at Arrowood will be a 168-unit multifamily housing located at 325 W. Arrowood Road. HDP is co-developing this Project in a P3 with Crosland Southeast. This is in furtherance, specifically of HDP's goal to develop and maintain mutually beneficial external partnerships. HDP will act as the majority managing member and will have the ROFR to purchase the units at the end of the compliance period. The financing for this project is closed April 16, 2021.

The development will consist of (8) 3-story walk-up garden style residential apartment buildings plus a separate clubhouse. The unit mix is comprised of (36) 1-bedroom units, (108) 2-bedroom units, and (24) 3-bedroom units. All units will be rent restricted for families making 30% to 80% of Area Median Income.

The project provides good transportation access with convenient access to I-77 and I-485 (approx. 1 mile West), the Arrowood light rail station (approx. 1.3-mile East), and downtown Charlotte (approx. 15 minutes by car). The Arrowood bus route has a covered bus stop just south of the property on W. Hebron street, and provides easy access to the Arrowood light rail station, the Whitehall Commons shopping center (Walmart, Publix, Lowes, etc.), and connection to other bus routes.

The development is convenient to shopping and other amenities as listed in the Amenities section below. In addition, the Harper Campus of Central Piedmont Community College (CPCC) is across Hebron Street from the site. CPCC will provide significant educational opportunities to the adult and teenage tenants through their many programs, including early college classes for high school students.

9. Evoke Living at Westerly Hills: P3 with Crosland Southeast

Evoke Living at Westerly Hills is a 156-unit multi-family housing community located at 2503 Westerly Hills Drive. Horizon Development is co-developing this project. Horizon Development will act as the majority managing member and will have the ROFR to purchase the units and the interest of all members at the end of the compliance period.

Westerly Hills will be comprised of 36 1-bedroom units, 96 2-bedroom units, and 24 3-bedroom units. All units will be rent restricted for families making 80% of Area Median Income or below. The project will consist of 7 3-story walk-up garden style residential buildings plus a separate clubhouse.



The location provides good transportation access. Wilkinson Boulevard, which is 1 block south of the property, is the primary connector between downtown Charlotte (approx. 3 miles to the east) and the airport (approx. 3 miles to the west). I-77 and I-85 are both easily accessible from the property. Residents will be able to get on the Airport bus route on Wilkinson Boulevard which provides easy access to downtown or the airport, including a stop at the main transportation center downtown where residents can transfer to other bus routes. Residents will also be able to get on the Jackson Park bus route on Wilkinson Boulevard which provides access to various locations and amenities in the local area (e.g., Central Piedmont Community College, shopping, etc.). Finally, the City of Charlotte has announced for the construction of a light rail line between downtown and the airport along Wilkinson Boulevard.

The west side of downtown Charlotte is rapidly gentrifying, resulting in higher real estate values and rents.

The project is convenient to shopping and other amenities, as it is right behind a retail center that includes a Walmart Superstore. Access to shopping and amenities is expected to increase as gentrification occurs in the area. See site score analysis below. This project closed May 22, 2020. Construction will be completed by Thanksgiving of 2021. Lease up began in the Summer of 2021 and 288 applications have been received; 114 applicants have been approved and have executed leases and 11 units are occupied.

10. Freedom Flats: P3 with Elmington Capital Group

Horizon Development is partnering with Elmington Capital Group (ECG) with Horizon Development serving as the majority managing member in the owner entities. A LIHTC/bond Preliminary Application was submitted in January 2020; the financing closed October 7, 2020 and construction is 37% complete. INLIVIAN will issued the bonds.

The subject property is located at 4925 Freedom Dr Charlotte, NC 28208. This development will be the first phase of a mixed income, mixed-use development that will include single family homes, town-homes, and retail development along with the affordable multifamily project being developed by special purpose entities. The ownership and involvement in the development will be strictly limited to the multifamily portion of the master development. The entire site is approximately 60 acres, of which 10 acres will be developed for the affordable housing piece. The site boasts an excellent location with high visibility on Freedom Dr. and a straight 4-mile drive down Freedom to Uptown Charlotte. The site offers easy access to retail, services, and employment. There is already a bus stop on site, and CATS is planning to implement “enhanced bus service” along Freedom. These features will connect the residents with even more access to service, shopping, and employment opportunities.



The site is less than two miles from a Food Lion and other shopping, parks, services and healthcare facilities. Furthermore, the site is walking distance from two elementary schools- Thomasboro Elementary School and Allenbrook Elementary School, which will greatly benefit the families with students at our development.

11. Ashley Flats: P3 with Elmington Capital Group

Horizon Development is partnering with Elmington Capital Group (ECG) with Horizon Development serving as the majority managing member in the owner entities. A LIHTC/bond Preliminary Application was submitted in September 2020; the financing closed in May 3, 2021.

This will be a 150-unit family project with a mix of 1BR, 2BR, and 3BR units, 100% of which will be designated for families and subject to income and rent restrictions. 95% of the units will be available to households earning up to 60% AMI and 5% will be available to households earning 30% AMI. The property will consist of 6 garden style residential buildings spanning about 5.8 acres. The entire development will be targeted towards families.

The subject property is located at 2104 Ashley Rd. Charlotte, NC 28208. It has an excellent location that is centrally located in Charlotte, NC, as it is less than 2 miles from uptown Charlotte, and it is less than a mile from both the Freedom Drive corridor and the Wilkinson Blvd corridor. As a result, it enjoys close proximity to retail, services, education, healthcare, places of worship, and employment. Additionally, the project will benefit from having two bus transit stops, one at each end of the property on Ashley Rd., via the Ashley Park/ Scaleybark Bus Route. The proximity to public transit along with the close proximity to employment, services, amenities, education, places of worship, etc., will provide walk-ability and transportation options to the tenants that reduces the need for automobile usage. Additionally, the city has plans to install a future LYNX Silver Line Transit Stop at Ashley Rd and Wilkinson Blvd, less than 1 mile from the development.

This site is located in an extremely lively area benefiting from a lot of private investment and private development. The site is located one mile from a Walmart Super center and less than one mile from other shopping, services, medical

facilities, parks, and schools. The site is also less than one mile from Harding University High, which would greatly benefit families living at this proposed development.



**Artist's
Rendering of
Ashley Flats**

6.0 STAFFING SUMMARY

Staffing is measured using Full-Time Equivalents (FTE). An FTE is the number of hours worked by an employee on a full-time basis, assuming 40-hours per week is full-time. This concept is used to convert the hours worked by part-time employees into the hours worked by full-time employees.

In FY2022, there is a net increase of 4.50 FTE over the prior year, for a new total of **252.50** FTEs.

Strategic Business Area	FY2020			FY2021			FY2022			Change FY21 vs FY22
	Full Time	Part Time	Total FTE	Full Time	Part Time	Total FTE	Full Time	Part Time	Total FTE	
CORE / Client Services										
Client Services	37.00	4.86	41.86	39.00	2.50	41.50	40.00	2.00	42.00	
Subtotal - CORE	37.00	4.86	41.86	39.00	2.50	41.50	40.00	2.00	42.00	0.50
HDP / Real Estate Development										
Asset Management				3.00	-	3.00	4.00	-	4.00	
Administration / Development	4.00		4.00	6.00	-	6.00	7.00	-	7.00	
Construction Management	1.00		1.00	1.00	-	1.00	1.00	-	1.00	
Relocation	3.00		3.00	-	-	-	-	-	-	
Subtotal - HDP	8.00	-	8.00	10.00	-	10.00	12.00	-	12.00	2.00
Blue Horizon / Real Estate Mgmt										
Executive	2.00		2.00	2.00	-	2.00	2.00	-	2.00	
Asset Management	4.00		4.00	-	-	-	-	-	-	
Property Management - Admin	5.00		5.00	7.00	-	7.00	7.00	-	7.00	
Property Management - Sites	90.00	0.65	90.65	88.00	-	88.00	84.00	-	84.00	
Subtotal - Blue Horizon	101.00	0.65	101.65	97.00	-	97.00	93.00	-	93.00	(4.00)
Administrative Operations										
Administration	2.00		2.00	3.00	-	3.00	3.00	-	3.00	
Housing Choice Voucher Program	51.00		51.00	49.00	-	49.00	54.00	-	54.00	
Public Relations	2.00		2.00	2.00	-	2.00	2.00	-	2.00	
Subtotal - Administrative Op	55.00	-	55.00	54.00	-	54.00	59.00	-	59.00	5.00
Corporate Services										
Executive	3.00		3.00	10.00	0.50	10.50	10.00	0.50	10.50	
Finance	21.00		21.00	20.00	-	20.00	20.00	-	20.00	
Information Technology	4.00	1.00	5.00	5.00	-	5.00	6.00	-	6.00	
Legal & Resident Safety	7.00		7.00	6.00	-	6.00	6.00	-	6.00	
Talent Operations	3.00	1.00	4.00	4.00	-	4.00	4.00	-	4.00	
Subtotal - Corporate Services	38.00	2.00	40.00	45.00	0.50	45.50	46.00	0.50	46.50	1.00
GRAND TOTAL	239.00	7.51	246.51	245.00	3.00	248.00	250.00	2.50	252.50	4.50

Staffing Change Highlights

CORE's FTE changed due to the elimination of a part-time receptionist position and the addition of a full-time Program Manager to oversee with the HCV Program, for a net total increase of 0.50 FTE.

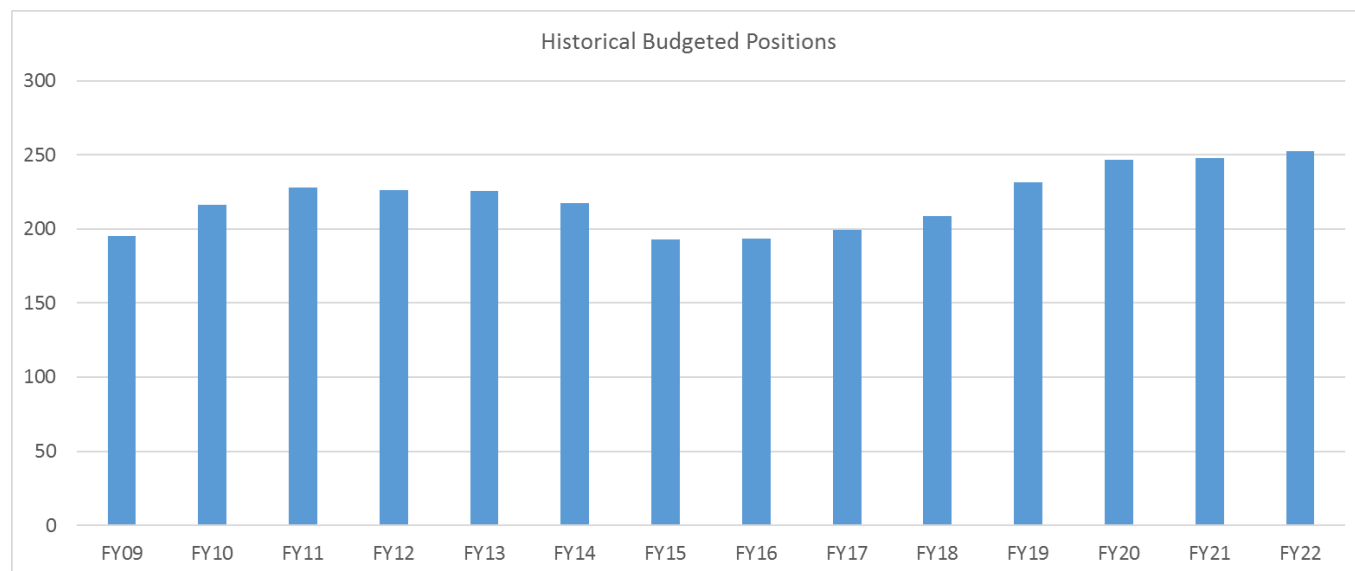
Horizon Development Properties (HDP) increased its staffing to provide more resources in managing its growing portfolio. An Asset Manager and an Administrative Assistant were added to HDP's staffing for a new total of 12.00 FTEs.

Blue Horizon decreased by 4.00 FTE. As the Dillehay redevelopment project progresses and units are demolished, the need for site staff has reduced. Two maintenance technicians and one maintenance supervisor were eliminated in this budget. At the Grove Place / Oak Valley / Valley View property cluster, the anticipated substantial renovation project has also reduced the need for a maintenance technician, eliminating this position for the upcoming year. Overall, Blue Horizon's staffing decreased by 4.00 FTE for a new total of 93.00 FTEs for FY2022.

Administrative Operations increased its organization by 5.00 FTE's in the Housing Choice Voucher Program to streamline its services to participants. Administrative Operation's new total FTE is 59.00.

Information Technology added a new Software Trainer position to support the agency's need of this expertise on staff. The new FTE total for Corporate Services is now 46.50.

Below is a chart illustrating historical budgeted positions.





7.0 SUPPLEMENTAL INFORMATION

7.1 OVERVIEW OF THE CHARLOTTE COMMUNITY

Located in the Piedmont region of North Carolina, Charlotte is two hours east of the Appalachian Mountains and three hours west of the Atlantic Ocean. Charlotte's strategic location makes the area only a two-hour plane ride from more than 50 percent of the U.S. population. The connectivity of the City through its international airport, interstate roadways, and railroads makes it appealing to both companies and residents.

During 2019 Charlotte was the headquarters to eighteen Fortune 1,000 publicly traded companies, employing around 45,000 workers. The Health Care industry continues to be the largest sector for employment, with over 142,000 health care and life science workers in Charlotte (the "City"). This is spurred by two nationally ranked hospitals located in the heart of the city, along with the necessary support functions.

The United States Census Bureau recently announced that Charlotte cracked the list of the 15 most populous cities as number 15, with a population of nearly 886,000 people as of July 2019. The City has slowly been moving up in the ranking on this list the last few years. The City was also ranked 8th (of cities with populations 50,000 or more) in the largest numeric increase between 2010 and 2019. The Charlotte-Mecklenburg area is consistently ranked among the top 10 moving destinations in the United States, and the population increase is a direct result of this.

Charlotte continues to be one of the nation's most affordable metros with a cost of living index of only 98.2 percent of the national average, making it the 13th least expensive city among the largest 40 metro areas. This has been another reason for the population increase in Charlotte and has resulted in a 45% increase in rents since 2010. Wages, on the other hand, have not increased by the same amount, thus making it difficult for many to find affordable housing and putting an added burden on the working class. New apartments continue to be built in the City, but the rent focus is more on the higher end of the rent spectrum, resulting in a widening need of affordable housing. This is being translated into an affordable housing crisis. The City and its partners, including INLIVIAN, are trying to assess the issue and come up with possible strategies to mitigate this growing crisis.

The City estimates a deficit of 34,000 affordable housing units. Compounding this issue is the reduction of naturally occurring affordable housing. To address this critical need, the City created the *Housing Charlotte* framework. Knowing that no one entity can address the affordable housing need, the framework was established to focus on community efforts. In addition to this, Charlotte voters approved a \$50 million affordable housing bond in November 2018. INLIVIAN is relying on its innovative roots to create new programs and initiatives which will assist in the efforts to improve this outcome.

7.2 INLIVIAN – OUR HISTORY

Established in December 1938 and incorporated in June 1939, INLIVIAN, formerly the Housing Authority of the City of Charlotte, is a non-profit real estate holding company with a public purpose. That public purpose is to provide decent, safe and affordable housing to low and moderate-income families while supporting their efforts to achieve self-sufficiency. INLIVIAN's mission is to create innovative housing solutions in desirable communities for residents of diverse incomes and facilitate access to services to help them succeed.

INLIVIAN provides housing subsidies to families in the City and Mecklenburg County. INLIVIAN's portfolio is comprised of public housing, HCV, PBV, tax credit, affordable and market rate units.

As one of North Carolina's leaders in affordable housing, INLIVIAN has a noble legacy of providing affordable housing for over 80 years to those most vulnerable in our community. The families we serve are at the heart of everything we do and as a result, INLIVIAN has propelled the development and services of our region's poor and working families. Guided by our mission, INLIVIAN seeks to help families become self-sufficient, ensure that seniors can age in place with dignity and enable the homeless in our community to find a safe harbor. While keeping this mission at the forefront, we are also a proud member of the Charlotte business community and play a significant role as an economic driver.

INLIVIAN continues to be an innovative industry leader in the national affordable housing arena. In an effort to sustain and preserve affordable housing in Charlotte, INLIVIAN entered the RAD Program. This program allowed INLIVIAN to convert public housing units into PBV units. The RAD conversion allows for a more stable stream of income, thus enabling us to preserve the long-term affordability of its units without increasing the rental cost to the residents.

As INLIVIAN continues to evolve, the need to be efficient is essential. INLIVIAN has adapted an entrepreneurial approach and created its own development and property management companies. The creation of these entities enables INLIVIAN to perform akin to the private market, thus creating cash flow for the preservation of affordable housing.

In order to carry out the mission, INLIVIAN created separate, locally incorporated entities, creating a fully functional "Family of Companies":

Horizon Development is a non-profit, tax exempt 501 (c)(3) subsidiary that was organized in March 2001, guided by a mission to develop, operate, and provide housing in sustainable communities of choice for residents of diverse incomes. Horizon Development's most recently developed communities include The Landing at Park Road and the redevelopment of Tall Oaks into The Oaks at Cherry.

Horizon Acquisition is a for-profit subsidiary that was organized in March 2001. Horizon Development has 100% stock ownership. The mission of this organization is to acquire, construct, develop, operation and/or hold title to affordable housing property, interests in property, and interests in entities that own and operate affordable housing property.

Blue Horizon was organized in August 2016 and is the "Doing Business As" name for Horizon Development's property management division. The mission of the organization is to manage sustainable and economically diverse communities, promoting high quality standards for our residents and owners. Keeping property management in-house reduces expenses and increases revenue streams.

C.O.R.E. Programs, Inc. (CORE) is a non-profit, tax exempt 501 (c)(3) subsidiary. The entity was formerly named Gateway Supportive Services, Inc. and was organized in December 2001. The mission of the organization is to assist affordable (low income) housing residents in achieving economic independence through educational and other support services.

INLIVIAN's oversight is provided by a seven-member Board of Commissioners comprised of a resident from INLIVIAN's low-income portfolio, and persons from community organizations and business entities in the Charlotte-Mecklenburg community. The Commissioners are selected by the City's Mayor and Council. Commissioners may serve two terms, with each term lasting three years. The day to day operations are directed by the Chief Executive Officer, and carried out by staff.

7.3 BUDGET ADOPTION PROCESS

Creating the Budget

The budget process begins with the preparation of the budget calendar then followed by the issuance of the Budget Manual, which gives general instructions for the operating budget to be developed for the next budget year. The calendar lists due dates to ensure that the budget is approved by the end of the fiscal year. If the budget is not approved by the first business day of the new fiscal year, all INLIVIAN spending would be suspended on that day.

Each property manager/department is charged with the responsibility of preparing a budget for the upcoming budget year. Staff is invited to attend training and budget work sessions with the Budget staff. Based on the calendar, a date is set when all budget information must be entered into the Budget System. The Budget staff analyzes and prepares data for submission to the INLIVIAN senior leadership team for review and comments. The budget is also reviewed with the Chief Executive Officer (CEO) and prepared for adoption by the Board of Commissioners. The budget is ready for staff on the first day of the new fiscal year after approval by the Board.

Budgetary Control

The Budget Office is responsible for monitoring budgeted resources for INLIVIAN during the fiscal year, approving transfers between budget lines within a department or division, and monitoring budgets on an on-going basis to ensure that the departments are operating within budgeted levels. Budget changes can be done after the budget has been adopted by the Board of Commissioners, beginning the first day of the new fiscal year.

Board Amendments

The Budget Office is responsible for preparing budget amendments that affect all budgets in INLIVIAN. Generally, any movement of funds between budget categories over \$100,000 for grant and operating budgets (e.g. Administration to Property Improvements or an increase/decrease in one of the budgets mentioned above) constitutes the necessity of a budget amendment.

Preparing Reports

The Budget Office is responsible for preparing quarterly Budget-to-Actual reports (BAR) to the Board of Commissioners as well as monthly internal financial reports.

Budget Adoption Process

INLIVIAN maintains budgetary control over all funds, as required by the North Carolina General Statutes. An annual operating budget is produced by staff and then adopted by the Board of Commissioners. A public notice is issued in which interested parties can review the budget document and speak at the public hearing before the budget is adopted. A certification of the adoption of the budget is forwarded to the Greensboro, North Carolina HUD field office and the adopted budgets are included in the MTW Annual Plan. Expenses may not exceed appropriations at the category level for the annual budget. The management of INLIVIAN may not increase the amount of any annual budgets without the approval of the Board of Commissioners.

FY2022 Budget Calendar

02/12/2021	Issue Budget Infosheet for development of the FY2022 Budget
04/14/2021	Internal Fees due to Budget Office
04/14/2021	Complete Upload of Salaries/Benefits into Budget System
04/19/2021	Budget System Open to Users
05/2021	Leadership Budget Retreat
May/June	MANDATORY Budget Boot Camps for Blue Horizon and CORE Staff
07/09/2021	Budgets Due in Budget System; both Operating and Capital Budgets
07/10/2021- 09/13/2021	Budget Reviews
09/14/2021	INLIVIAN Management review of Draft Budget
10/07/2021	Finance & Audit Committee Meeting
10/08/2021- 10/19/2021	Public Review Period
10/19/2021	Public Hearing on Budget
11/16/2021	Board Adoption of Budget

7.4 FINANCIAL MANAGEMENT

The INLIVIAN accounts are organized based on funds, each of which are considered a separate accounting entity and has a separate set of self-balancing accounts comprised of its assets, liabilities, net assets, revenues and expenses. The financial statements of INLIVIAN are reported using the economic resources measurement focus and the accrual basis of accounting in conformity with Generally Accepted Accounting Principles (GAAP) as applied to government units. INLIVIAN's budgets are adopted on a modified accrual basis. Annual appropriated budgets are adopted and all annual appropriations lapse at INLIVIAN's year-end.

INLIVIAN has developed an internal control structure to ensure that INLIVIAN's assets are managed honestly and efficiently. Internal controls are subject to periodic evaluation by management and independent auditors. In addition to management, budgetary, debt, cash management and risk management controls are in place. INLIVIAN's automated systems provide allowances for purchase orders based on budgets and accounts. INLIVIAN has received the Government Finance Officers Association of the United States and Canada's Certificate of Achievement for Excellence in Financial Reporting for the Comprehensive Annual Financial Report for the last fourteen consecutive years. INLIVIAN has a debt policy in place which specifies that debt will not be used to finance current operations. INLIVIAN also manages cash through strict policies and risk through control standards.

INLIVIAN receives funding from the Housing Choice Voucher Program (housing assistance payments made to landlords on behalf of eligible low income residents), the Public Housing Operating Program and the Capital Fund Program. Each of these programs are administered by HUD.

In 1996, Congress passed legislation establishing the MTW program, under which HUD was authorized to select a small number of PHAs to participate in a demonstration that permits PHAs to combine certain HUD funds and to use those funds more flexibly by authorizing waivers of most provisions of the 1937 Act. INLIVIAN's participation in MTW was authorized in 1999, and INLIVIAN executed an interim agreement with HUD in December 2006, an original MTW Agreement in December 2007, and a Standard MTW Agreement with HUD in 2008, which extended INLIVIAN's participation in MTW until the end of its 2018 fiscal year (the "MTW Agreement"), which describes the terms under which INLIVIAN may exercise MTW authority. In 2016 the MTW agreement was extended to 2028. Among these is the authority to use certain HUD funds more flexibly and to operate annually under a MTW Plan. INLIVIAN is one of the original 39 housing authorities nationwide selected for participation in the MTW Demonstration Program. During INLIVIAN's MTW term, INLIVIAN is required to develop and submit to HUD an annual MTW Plan that articulates INLIVIAN's key policies, objectives and strategies for the administration of its federal housing programs to most effectively address local needs, in accordance with the terms of INLIVIAN's MTW Agreement.

INVESTMENT POLICY OVERVIEW

PURPOSE:

This procedure outlines the portfolio management program and is intended for use by staff, investment institutions that inquire about it and external auditors, as applicable.

The Executive Vice President of Finance, or their designee, shall maintain a daily analysis of INLIVIAN's cash balance to determine whether there are available funds on hand for investment. They shall also determine any cash need requiring any investment liquidation. It is the responsibility of the Finance Department to ensure INLIVIAN funds are invested at the highest rate of return possible within the guidelines established.

PHILOSOPHY:

The investment of idle INLIVIAN funds shall be made, keeping in mind that the investment security purchased by the Chief Financial Officer or their designee shall be made under the following guidelines:

1. The investment must be “safe”.
2. The preservation of principal is paramount.
3. The investment shall be liquid.
4. The rate of return shall be the highest possible, keeping in mind the preceding restrictions.
5. The amounts deposited or invested are restricted as follows:
 - a. Maximums in any one investment or any one institution plus current accrued interest shall be as follows:
 - i. Commercial bank account – unlimited if adequately collateralized.
 - ii. Commercial paper – no more than 25% of portfolio and no more than \$5 million in one issuer.
 - iii. Bankers Acceptances – no more than 25% of portfolio and no more than \$5 million in one issuer.
 - iv. North Carolina Capital Management Trust – no more than 50% of portfolio.
 - v. Agencies – unlimited on fixed security with no more than 20% of portfolio in a single agency (\$5 million if portfolio under \$25 million) – no more than 20% in non-fixed securities.
 - vi. Treasuries – unlimited with no more than 20% of portfolio in a single maturity issue (\$5 million if portfolio under \$25 million).
 - vii. No more than 50% of the portfolio may be in ii, iii, and iv at any one time combined.
 - b. Deposits must be collateralized as required by North Carolina General Statutes 159-31 and investments held at the highest level of custody attainable
 - c. No deposit or investment may have a maturity date of greater than seven (7) years.

SCOPE:

This policy shall apply to all funds invested by INLIVIAN.

REFERENCES:

North Carolina General Statutes 159-30 and 159-31.

CAPITALIZATION POLICY

INLIVIAN will record fixed assets at cost or, if cost is not practicably determined, at established cost. Donated fixed assets shall be recorded at their estimated fair value at the time received. In general, any expenditure which provides service potential with an estimated useful life of more than one (1) year shall be capitalized. Costs related to maintenance, cleaning, or minor repairs will be expensed in the current period and not capitalized.

Building costs to be capitalized will include cost of the structure plus the cost of all permanent equipment and fixtures necessary for the intended use of the structure. All cost necessary to obtain the building and get it into condition for its intended use shall be included in the total cost to be capitalized. Interest expense incurred during the construction period of a building shall be included as part of the cost of the asset.

On the basis of materiality, INLIVIAN will capitalize assets, including improvements, based on the preceding criteria in excess of \$3,000. This amount will apply to asset acquisitions in the following classifications:

- Land
- Buildings
- Building Improvements
- Dwelling furniture and fixtures
- Administrative furniture and fixtures
- Dwelling equipment
- Administrative and Maintenance equipment

Acquisitions of assets in excess of \$3,000 will be recorded on INLIVIAN's financial statements as capital fixed assets and will be depreciated based on GAAP. INLIVIAN will establish a custodial inventory system for items with a dollar value between \$50 and \$3,000 and for all appliances. The items in the custodial inventory system will be capitalized and fully depreciated in the year of purchase. The intent of the custodial inventory system is to track and monitor purchases.

DEPRECIATION POLICY

INLIVIAN will depreciate capital fixed assets over their estimated useful lives. Factors considered in estimated useful life will include normal wear and tear and potential usefulness to INLIVIAN, as well as economic factors such as obsolescence, inadequacy, and economic changes.

Depreciation will not apply to land or permanent land improvements as its usefulness does not diminish with time. Proposed useful lives to be applied are as follows:

- Buildings: 30 years
- Building Improvements: 10 years
- Building Furniture and Equipment: 5 years
- Maintenance/Administrative Equipment: 5 years
- Vehicles: 5 years

These periods may be adjusted in the future based on INLIVIAN's experience and realistic assessment of the expected life of the item.

PURCHASING CARD

Purchasing Cards (P-Card) are assigned to individual employees and cannot be transferred to, assigned to, or used by anyone other than the designated employee. The P-Card is not a personal expense account and the use for personal purchases is strictly prohibited. The P-Card cannot be used as payment for certain restricted items. Fraudulent use and/or misuse of the P-Card is grounds for revoking the card privileges and may lead to disciplinary action, up to and including termination of employment. Temporary employees are not eligible for P-Cards.

Purchases made on the P-Card will be managed via the Yardi Purchase Order system and Fifth Third Bank. All purchases made with the Fifth Third Bank P-Card must be documented and approved on a Yardi Purchase Order prior to any expense of funds. Cardholders, department heads and / or managers will be able to view charges on-line to review all purchases. The Fifth Third Bank card site will typically list all charges made on the P-Card within two to three days of the actual purchase.

ACCOUNTS RECEIVABLE

All payments received and processed during the day are deposited into the bank account the following morning per state regulations.

ACCOUNTS PAYABLE

Payments to vendors are processed on a weekly basis. INLIVIAN payment terms are net 30 days.

FISCAL YEAR

The fiscal year for INLIVIAN begins on January 1 of each year and ends on December 31 of that year.

BALANCED BUDGET POLICY

The INLIVIAN operating budget will be balanced with current revenues and fund balances available for the program. The Board of Commissioners, INLIVIAN's governing body, adopts the annual budget by Resolution. Horizon Development, Blue Horizon and Horizon Acquisition fund budgets will have cash flows.

AUDIT POLICY

INLIVIAN participates in an audit of its financial statements each fiscal year. This audit is conducted by an auditor independent of INLIVIAN. The independent auditor is chosen by the Board of Commissioners and reports to the Finance and Audit Committee, a committee of the Board of Commissioners.

WRITE OFF POLICY

According to GAAP, organizations must periodically review outstanding receivables. Any receivables found uncollectible must be written off. Quarterly, the tenant accounts receivable for residents who have vacated during the previous quarter are assessed and written off. Writing-off uncollectible tenant accounts receivable from INLIVIAN's accounting records does not affect the tenant's liability to INLIVIAN or INLIVIAN's efforts to collect the liability.

OPERATING RESERVE AND SPENDING POLICY

PURPOSE

To provide the foundation for fiscal management of INLIVIAN resources, guiding the Board of Commissioners and staff in making sound financial decisions and in maintaining the fiscal stability of INLIVIAN.

OBJECTIVE

1. To maintain good internal controls in the financial management of INLIVIAN.
2. To ensure that adopted policies are implemented in an efficient and cost-conscious manner, while continuing to ensure compliance with contractual, regulatory and statutory requirements.
3. To align INLIVIAN's long-term financial planning with short-term daily operations.
4. To maintain INLIVIAN's stable financial position.
5. To encourage an organizational culture that creates safe, healthy and risk-free work and operational environments.
6. To protect INLIVIAN from emergency fiscal crisis by ensuring the continuance of service even in the event of an unforeseen occurrence.

OPERATING RESERVE

INLIVIAN will maintain an uncommitted reserve (fund) balance in operating funds. These funds will be used to avoid cash-flow interruptions, generate interest income, eliminate the need for short-term borrowing, provide funding flexibility for unanticipated needs and opportunities and sustain operations during unanticipated emergencies and disasters. Properties maintain separate operating reserve accounts where allowed.

1. Any utilization of reserves must be approved by the Board.
2. Funds not appropriated for expenses in a fiscal year are part of the fund balance (reserves). Such funds will be invested in accordance with INLIVIAN's 'Investment Policy' adopted by the Board.
3. INLIVIAN will strive to maintain a minimum reserve level of four months of prior year expenditures in each operating fund.

SPENDING

INLIVIAN shall ensure that all funds are properly budgeted and accounted for. These funds shall be spent in accordance with the MTW Plan and/or the Strategic Plan.

INLIVIAN will establish and maintain its accounting systems to, at a minimum, satisfy such requirements as may be prescribed by federal and/or state laws, regulations, or guidelines.

1. INLIVIAN will maintain annual operating budgets, which will be prepared in accordance with federal regulations and guidelines, and North Carolina General Statutes.
2. INLIVIAN shall maximize the use of all monies in the best interest of INLIVIAN.
3. INLIVIAN will retain monies for investment for the longest appropriate period of time.

BASIS OF ACCOUNTING AND BASIS OF BUDGETING

INLIVIAN accounts are organized and operated on a fund basis. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts recording its assets deferred outflows of resources, liabilities, deferred inflows on resources, net position, revenues and expenses.

INLIVIAN reports as a special purpose government engaged only in business-type activities (enterprise funds). Enterprise funds are accounted for on the flow on economic resources measurement focus and the accrual basis of accounting. In this type of fund, revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred, regardless of when the related cash flow takes place.

All funds of INLIVIAN are maintained on the modified accrual basis during the year. The basis of budgeting is modified accrual. The financial statements for INLIVIAN are reported on the accrual basis. Under this basis, revenue is recorded when earned and expenses are recorded when incurred. In converting from the modified accrual basis to the full accrual basis, the changes required may include adjustments for unpaid interest, depreciation, prepaid tenant rents, payment of principal on outstanding debt and capital outlay.

BUDGETARY COMPLIANCE

INLIVIAN maintains budgetary controls over all funds, as required by North Carolina General Statutes and the terms of INLIVIAN's Annual Contributions Contract ("ACC") with HUD. An annual budget is adopted for all enterprise funds, except for capital projects, development projects, and the HOPE VI Grant, which are multi-year capital projects, and the Jobs Plus Pilot Grant, which is a multi-year grant. A multi-year budget is adopted separately for these funds. Expenditures may not exceed appropriations at the functional level for the annual budget or at the HUD Budget Line Item ("BLI") level for the capital projects, development projects and other grant funds. The management of INLIVIAN may transfer appropriations within a fund up to \$100,000 without Board approval.

7.5 FEDERAL FINANCIAL ASSISTANCE

Fiscal Year	Low Rent Housing Program	Housing Choice Vouchers	Housing Choice Voucher Cluster	Section 8 Housing Assistance Program Cluster	Comp / Capital Fund Program	HOPE VI Program	ROSS Grants	Misc Federal Grants	Total
3/31/2011	\$ 12,425,991	\$ 44,974,706	\$ 1,374,506	\$ 222,048	\$ 12,640,138	\$ 1,045,575	\$ 395,250	\$ -	\$ 74,798,075
3/31/2012	13,129,796	43,386,168	1,514,690	106,941	9,132,699	1,677,570	385,915	-	73,078,214
3/31/2013	10,277,011	44,301,889	1,920,547	-	4,705,647	2,857,816	288,165	-	69,333,779
3/31/2014	10,046,259	46,853,002	1,818,065	-	1,897,931	5,080,438	290,533	-	64,351,075
3/31/2015	10,828,668	45,979,266	2,955,244	-	3,121,076	1,791,654	373,391	-	65,986,228
12/31/2016 (1)	19,002,491	79,175,447	5,265,467	-	13,002,644	8,446,947	444,326	1,774,617	65,049,299
12/31/2017	6,501,084	69,354,920	3,198,911	-	267,110	-	1,658	2,652,512	127,111,939
12/31/2018	1,280,914	67,028,858	3,237,533	-	66,375	-	-	2,379,890	81,976,195
12/31/2019	1,264,615	66,303,306	3,750,949	-	2,183,461	-	-	2,362,032	75,864,363
12/31/2020	1,084,869	70,196,170	3,717,257	-	1,613,609	-	-	2,201,935	78,813,840

Source: INLIVIAN records.

(1) 12/31/2016 is a 21-month transition fiscal year

7.6 OPERATING REVENUES BY SOURCE

Fiscal Year	Tenant Revenue		Other Revenue		HUD Operating Grants and Subsidies		Total Operating Revenue	
	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total
3/31/2011	\$ 9,756,648	11%	\$ 6,360,979	8%	\$ 67,731,795	81%	\$ 83,849,422	100%
3/31/2012	9,255,449	11%	12,186,881	14%	63,490,575	75%	84,932,905	100%
3/31/2013	10,118,584	12%	13,560,515	15%	62,449,902	73%	86,129,001	100%
3/31/2014	11,777,047	14%	13,136,313	15%	62,214,353	71%	87,127,713	100%
3/31/2015	12,562,858	14%	14,719,825	15%	62,375,245	71%	89,658,928	100%
12/31/2016 (1)	20,860,529	13%	24,945,092	16%	113,973,292	71%	159,778,913	100%
12/31/2017	18,838,608	21%	13,574,960	13%	72,370,326	69%	104,783,894	100%
12/31/2018	15,397,915	17%	11,092,894	12%	66,486,060	71%	92,976,869	100%
12/31/2019	15,565,960	16%	12,066,726	13%	67,816,637	71%	95,449,323	100%
12/31/2020	19,900,612	19%	13,801,794	13%	69,780,025	68%	103,482,431	100%

Source: INLIVIAN records.

(1) 12/31/2016 is a 21-month transition fiscal year

7.7 DEBT SERVICES

Bond Issuance

INLIVIAN does not have any bond issuance for its housing programs, therefore this budget document does not include information typically related to bond issuance such as bond ratings.

Mortgages

INLIVIAN does not have any direct borrowings, only for the Horizon Development Fund and such principal and interest payments due on all mortgages payables are presented in the schedule below.

Year ending December 31,	Principal	Interest	Total
2021	\$ 4,233,129	\$ 2,886,700	\$ 7,119,829
2022	28,315,749	2,628,124	30,943,873
2023	8,755,553	2,649,601	11,405,154
2024	1,976,919	2,580,110	4,557,029
2025	2,046,842	2,507,743	4,554,585
2026-2030	19,782,504	11,306,026	31,088,530
2031-2035	12,230,553	8,965,305	21,195,858
2036-2040	16,953,254	6,726,861	23,680,115
2041-2045	12,626,529	4,811,541	17,438,070
2046-2050	16,935,089	2,963,502	19,898,591
2051-2055	7,986,907	368,894	8,355,801
Mortgages Payable	\$131,843,028	\$48,394,407	\$ 180,237,435

Note: All mortgages payable reside only in the Horizon Development Fund.

A \$959,124 Horizon Development mortgage note payable to the North Carolina Housing Finance Agency ("NCHFA") on 940 Brevard, collateralized by the property. The note is interest free. The maturity date is February 1, 2038. No principal or interest payments are required. The outstanding principal balance at December 31, 2020 is \$959,124.

A \$188,021 Horizon Development mortgage note payable to the NCHFA on Arbor Glen III, collateralized by the property. The note is interest free. The maturity date is January 1, 2035. No principal or interest payments are required. The outstanding principal balance at December 31, 2020 is \$188,021.

A \$230,000 Horizon Development mortgage note payable to the City on Arbor Glen III, collateralized by the property, with an interest rate of 2%. The note requires monthly principal and interest payments of \$1,163. The note matures 20 years after payments begin. The outstanding principal balance at December 31, 2020 is \$73,603.

A \$121,380 Horizon Development mortgage note payable to KeyBank National Association on Arbor Glen III, collateralized by the property, pursuant to the Federal Home Loan Bank ("FHLB") Affordable Housing Program ("AHP"). The note bears interest at 2% per annum and requires monthly payments of principal and interest. The loan matures 20 years from the loan opening date, as defined in the loan agreement. The outstanding principal balance at December 31, 2020 is \$36,005, with accrued interest of \$170.

A \$31,794,107 Horizon Development construction loan payable to Fifth Third Bank on Archdale Family. The loan bears interest at the one-month LIBOR rate plus 250 basis points per annum and is collateralized by the land, property, buildings and improvements, and tenant rents. Payments of interest only are due until conversion on June 30, 2022.

The total outstanding balance of the loan as of December 31, 2020 is \$17,642,229 and accrued interest \$0. Interest expense for the year ended December 31, 2020 was \$192,378 which was capitalized into construction in progress.

A \$15,829,412 Horizon Development construction loan payable to Fifth Third on Archdale Seniors. The loan bears interest at the one-month LIBOR rate plus 250 basis points per annum and is collateralized by the land, property, buildings and improvements, and tenant rents. Payments of interest only are due until conversion on June 30, 2022. The total outstanding balance of the loan as of December 31, 2020 is \$5,828,541 and accrued interest \$0. Interest expense for the year ended December 31, 2020 was \$74,908, which was capitalized into construction in progress.

An \$18,000,000 Horizon Development mortgage note payable to Bellwether Enterprise Real Estate Capital, LLC, on Charlottetown Terrace and Edwin Towers, collateralized by the properties, with an interest rate of 3.34%, pursuant to the HUD 223(f) program, which closed on September 15, 2017. The maturity date is October 1, 2052. The mortgage note payable is due in monthly installments of principal and interest in the amount of \$72,733. The outstanding principal balance at December 31, 2020, is \$17,094,132, with accrued interest of \$47,579.

A \$1,275,000 Horizon Development mortgage note payable to the City on Fairmarket Square, collateralized by the property. The note is interest free. No principal payments are required until maturity unless the project is sold or refinanced. The maturity date is August 18, 2028. The total outstanding principal balance of the loan as of December 31, 2020 is \$1,275,000.

A \$2,700,000 mortgage note payable to Bank of America, N.A. ("Bank of America") on First Ward Place Phase I, collateralized by the property. The note bears interest at 8.07% and matured on April 30, 2019. On April 30, 2019, a balloon payment equal to the outstanding principal and accrued interest was required. This payment was not made, and instead monthly payments of principal and interest were continued to be paid in the amount of \$20,155 as a negotiation of an extension or a refinance of the mortgage note was made. INLIVIAN refinanced this mortgage on May 26, 2021 with TowneBank in the amount of \$1,844,379. The note bears interest at 2.05% and matures on May 26, 2026. Interest only payments are due monthly. The outstanding principal balance at December 31, 2020 was \$1,626,404.

A \$1,000,000 mortgage note payable to Bank of America, on First Ward Place Phase II, collateralized by the property. The note bears interest at 8.16% and matured on September 30, 2019. On September 30, 2019, a balloon payment equal to the outstanding principal and accrued interest was required. This payment was not made, and instead monthly payments of principal and interest were continued to be paid in the amount of \$7,449 as a negotiation of an extension or a refinance of the mortgage note was made. INLIVIAN refinanced this mortgage on May 26, 2021 with TowneBank in the amount of \$798,756. The note bears interest at 2.05% and matures on May 26, 2026. Interest only payments are due monthly. The outstanding principal balance at December 31, 2020 was \$649,805.

A \$900,000 third mortgage payable to DreamKey Partners formerly known as Charlotte Mecklenburg Housing Partnership on First Ward Phase I, collateralized by the property. The note bears interest at 2% and matures on December 31, 2028. Interest payments of 2% shall be made monthly from cash flow, as available. The outstanding principal balance at December 31, 2020 was \$900,000.

A \$200,000 third mortgage payable to DreamKey Partners on First Ward Phase II, collateralized by the property. The note bears interest at 2% and matures on December 31, 2028. Interest payments of 2% shall be made monthly from cash flow, as available. The outstanding principal balance at December 31, 2020 was \$200,000.

A \$6,150,000 construction loan payable to Citibank on Freedom Flats. The loan bears interest at the one month LIBOR rate plus 275 basis points per annum and is collateralized by the land, property, buildings and improvements, and tenant rents. Payments of interest only are due until conversion on April 1, 2023. The total outstanding balance of the

loan as of December 31, 2020 is \$2,270,823 and accrued interest \$0. Interest expense for the year ended December 31, 2020 was \$3,279, which was capitalized into construction in progress.

A \$1,335,375 Horizon Development mortgage note payable to the City on Glen Cove Apartments, collateralized by the property with an interest rate of 1%, pursuant to the City's Housing Trust Fund ("HTF") program. An interest only payment of \$13,354 is due annually. The maturity date is February 28, 2028. Total outstanding balance of the loan and interest as of December 31, 2020 is \$1,309,831.

A \$4,097,849 Horizon Development mortgage note payable to United Community Bank on Hampton Creste Apartments, collateralized by the property with an interest rate of LIBOR plus 1.49%. Monthly payments of principal and interest payments are due monthly. The maturity date is January 28, 2022. The total outstanding principal balance of the loan as of December 31, 2020 is \$3,177,909, with accrued interest of \$9,195.

A \$1,300,000 Horizon Development mortgage note payable to the City on Hampton Creste Apartments, collateralized by the property, pursuant to the City's Neighborhood Stabilization Program ("NSP") grant. The note is interest free. The maturity date is July 16, 2030. The total outstanding principal balance of the loan as of December 31, 2020 is \$1,300,000.

A \$9,390,000 Horizon Acquisition mortgage loan agreement with the County of Mecklenburg, North Carolina (the Issuer) and First Citizens Bank & Trust (the Trustee) on Little Rock Apartments, which was funded through Multifamily Housing Revenue Bonds (Little Rock Apartments), Series 2003. The bonds consist of two ratably secured component portions: (1) a \$390,000 portion (the IRP Portion) and a \$9,000,000 portion (the NOI portion). With respect to the IRP Portion the interest rate was 3.700% per annum for the period from May 1, 2003 (the Accrual Date) to December 1, 2005 (the Conversion date), and increased to 4.40% per annum for the period from the Conversion Date to November 1, 2011 (the IRP End Date). With respect to the NOI Portion, the interest rate was 5.53% per annum for the period beginning on the Accrual Date to the Conversion Date and increased to 6.23% per annum for the period from the Conversion Date to the date on which the Mortgage is paid in full. With respect to the NOI portion, principal and interest is payable in consecutive monthly installments in the amount of \$41,475 through the Conversion Date and increased to \$55,297 until the Mortgage Note is paid in full, but no later than December 1, 2035. The total outstanding principal balance of the loan as of December 31, 2020 is \$6,435,706, with accrued interest of \$28,151.

A \$720,081 Horizon Development second mortgage note payable to the City on McAlpine Terrace, collateralized by the property with an interest rate of 1%, pursuant to the City's HTF program. An interest only payment of \$7,201 is due annually. The maturity date is February 28, 2028. Total outstanding balance of the loan and interest as of December 31, 2020 is \$712,468.

A \$1,836,000 Horizon Development mortgage note payable to the City on McMullen Wood Apartments, collateralized by the property, with a .5% interest rate. Interest only payments are required monthly. The maturity date is December 31, 2030. The total outstanding balance of the loan as of December 31, 2020 is \$1,836,000.

A \$250,000 Horizon Development mortgage note payable to the NCHFA on McMullen Wood Apartments, collateralized by the property. The note is interest free. No principal payments are required until maturity unless the project is sold or refinanced. The maturity date is February 1, 2030. The total outstanding balance of the loan as of December 31, 2020 is \$239,342.

A \$9,127,500 Horizon Development mortgage note payable to Berkadia Commercial Mortgage on Mill Pond, collateralized by the property. The mortgage bears interest at 3.45% and requires monthly payments of principal and interest of \$37,459. The total outstanding balance of the loan as of December 31, 2020 is \$8,752,071, with accrued interest of \$25,162.

A \$642,183 Horizon Development mortgage note payable to the NCHFA on Montgomery Gardens, collateralized by the property. The note is interest free. No principal payments are required until maturity. The maturity date is August 1, 2036. The note is secured by a deed of trust, assignment of rents and leases, and security agreement. The total outstanding balance of the loan as of December 31, 2020 is \$642,183.

A \$1,140,000 Horizon Development mortgage note payable to the City on Montgomery Gardens, collateralized by the property, with an interest rate of 2%, pursuant to the HUD HOME program. The maturity date is December 31, 2026. Monthly payments of principal and interest in the amount of \$5,767 are required. The total outstanding principal balance of the loan as of December 31, 2020 is \$390,692. As of December 31, 2020, accrued interest related to this loan was \$651.

A \$342,000 Horizon Development mortgage note payable to Bank of America on Montgomery Gardens, collateralized by the property, with an interest rate of 5%, through the AHP. The maturity date is August 1, 2028. Payments of principal and interest of \$2,257 are required. The outstanding principal balance at December 31, 2020 is \$173,721. As of December 31, 2020, accrued interest related to this loan was \$724.

A \$1,215,000 Horizon Development mortgage note to the City on Nia Point, collateralized by the property, with an interest rate of 2%, pursuant to the U.S. Department of Housing and Urban Development HOME program. The maturity date is December 1, 2026. Monthly payments of principal and interest in the amount of \$6,146 are required. The total outstanding principal balance of the loan as of December 31, 2020 is \$416,396. As of December 31, 2020, accrued interest related to this loan was \$695.

A \$728,855 Horizon Development mortgage note payable to the NCHFA on Nia Point, collateralized by the property. The note is interest free. The maturity date is July 1, 2036. The note is secured by a third lien deed of trust, assignment of leases, and security agreement. Pursuant to the loan agreement, the Project must comply with the affordability requirement of the North Carolina statutes, as defined. The total outstanding principal balance of the loan as of December 31, 2020 is \$728,855.

A \$204,252 Horizon Development mortgage note payable to the NCHFA on Nia Point, collateralized by the property. The loan is interest free. The maturity date is February 1, 2027. Monthly principal payments are required as outlined in the note agreement. The total outstanding principal balance of the loan as of December 31, 2020 is \$58,246.

A \$405,000 Horizon Development mortgage note payable to KeyBank National Association on Nia Point, collateralized by the property, with an interest rate of 2%, through the AHP. The loan monthly principal and interest payments to fully amortize the principal balance over 240 months. The note matures on May 1, 2027. The outstanding principal balance at December 31, 2020 is \$173,809. As of December 31, 2020, accrued interest related to this loan was \$299.

A \$640,000 Horizon Development second mortgage note payable to the City on Seneca Woods, collateralized by the property, with an interest rate of 2%, pursuant to the City's HTF program. No principal payments are required until maturity unless the project is sold or refinanced. The maturity date is February 24, 2049. The total outstanding balance of the loan as of December 31, 2020 is \$640,000. The total deferred interest as of December 31, 2020 is \$416,805.

A \$300,000 Horizon Development third mortgage note payable to the NCHFA on Seneca Woods, collateralized by the property. The note is interest free if compliance with loan and regulatory agreements is maintained. The maturity date is December 31, 2048. The total outstanding balance of the loan as of December 31, 2020 is \$300,000.

A \$750,000 Horizon Development fourth mortgage note payable to the City on Seneca Woods, collateralized by the property with an interest rate of 1%. An interest only payment of \$7,500 is due annually beginning January 2011. The maturity date is February 24, 2049. The total outstanding balance of the loan as of December 31, 2020 is \$750,000.

A \$24,126,600 Horizon Development mortgage note payable to Bellwether Enterprise Real Estate Capital, LLC, on Southside Homes, collateralized by the property with an interest rate of 3.47%, pursuant to the HUD 223(f) program, which closed on May 16, 2017. The maturity date is June 1, 2052. The mortgage note payable is due in monthly installments of principal and interest in the amount \$99,294. The loan is secured by a deed of trust. The total outstanding principal balance of the loan as of December 31, 2020 is \$22,809,992, with accrued interest of \$65,959.

A \$1,290,000 Horizon Development mortgage note payable to Bank of America on Springfield Gardens, collateralized by the property, with an interest rate of 2%. The maturity date is July 1, 2028. Payments of principal and interest in the amount of \$6,526 are required. The total outstanding principal balance of the loan as of December 31, 2020 is \$554,494, with accrued interest of \$918.

A \$135,000 Horizon Development mortgage note payable to the City on Springfield Gardens, collateralized by the property, with an interest rate of 5.5%. The maturity date is April 30, 2027. Simple interest only payments on the principal outstanding in an amount equal to the lesser of 1% interest on the outstanding principal balance or all surplus cash from the Project, shall be due and payable on April 30th of each year beginning in the year following the year 90% of the project units are leased. The total outstanding principal balance of the loan as of December 31, 2020 is \$74,449. As of December 31, 2020, accrued interest related to this note was \$18,381.

A \$746,962 Horizon Development mortgage payable to the NCHFA on Springfield Gardens, collateralized by the property. The note is interest free. The maturity date is September 1, 2037. No principal or interest payments are required. The total outstanding principal balance of the loan as of December 31, 2020 is \$746,962.

A \$893,381 Horizon Development promissory note payable to the Community Investment Corporation of the Carolinas (CICCAR) on The Landing at Park Road. The loan bears interest at an interest rate of 5.86% and matures on June 1, 2036. The total outstanding principal balance of the loan as of December 31, 2020 is \$863,917.

A \$1,380,000 Horizon Development mortgage note payable to the City on The Landing at Park Road, collateralized by the property, with an interest rate of 1%, pursuant to the City's HTF program. The maturity date is December 31, 2036. Payments are made from cash flow, as available. The total outstanding principal balance of the loan as of December 31, 2020 is \$1,380,000, with accrued interest of \$13,800.

A \$380,593 Horizon Development mortgage note payable to the NCHFA on The Landing at Park Road, collateralized by the property. The loan is interest free and matures on August 1, 2047. No payments of principal are made until the maturity date. The total outstanding principal balance of the loan as of December 31, 2020 is \$380,593.

A \$1,215,000 Horizon Development mortgage note payable to the City on The Oaks at Cherry, collateralized by the property with an interest rate of 1%, pursuant to the City's HTF program. The maturity date is December 31, 2037. Payments are made from cash flow, as available. The total outstanding principal balance of the loan as of December 31, 2020 is \$1,215,000. As of December 31, 2020, accrued interest related to this loan was \$4,430.

A \$22,809,700 Horizon Development mortgage note payable to Berkadia Commercial Mortgage on The Vistas at 707, collateralized by the property, with a 2.88% interest rate. Principal and interest payments of \$80,626 are due monthly. The maturity date is January 1, 2055. The total outstanding balance of the loan as of December 31, 2020 is \$20,961,085.

A \$18,100,000 Horizon Development construction loan payable to Pinnacle Bank on Westerly Hills. The loan bears interest at the one-month LIBOR rate plus 225 basis points per annum with a floor of 3.25 percent and is collateralized by the land, property, buildings and improvements, and tenant rents. Payments of interest only are due until conversion on May 22, 2023. The total outstanding balance of the loan as of December 31, 2020 is \$4,575,619 and accrued interest \$0. Interest expense for the year ended December 31, 2020 was \$62,575, which was capitalized into construction in progress.

A \$1,500,000 Horizon Development mortgage note payable to the City on Woodlawn House Apartments, collateralized by the property with a 1% interest rate, pursuant to the City's NSP grant. Interest only payments are required annually. The maturity date is May 12, 2030. The total outstanding balance of the loan as of December 31, 2020 is \$1,500,000.

CONDUIT DEBT ISSUANCE

INLIVIAN issues tax-exempted multifamily housing revenue bonds on behalf of various third-party properties for the assistance in acquisition, construction, and equipping of all units. These bonds are secured by a deed of trust, security agreement and assignment of revenues from the project. Neither INLIVIAN, the State nor any political subdivision thereof, is obligated in any manner for the repayment of these bonds. Accordingly, the outstanding bonds at December 31, 2020 are not reported as liabilities in INLIVIAN's financial statements.

7.8 DEMOGRAPHIC AND ECONOMIC TABLES

Year	Population	Total Personal Income	Per Capita Income	Unemployment Rate
2011	944,943	\$ 45,401,491	\$ 48,047	10.6%
2012	968,204	54,501,955	56,292	9.2
2013	991,619	48,823,565	49,236	8.1
2014	1,011,315	51,980,697	51,399	6.2
2015	1,034,442	55,925,668	54,064	5.7
2016	1,057,237	58,469,183	55,304	4.9
2017	1,076,837	61,775,890	57,368	4.3
2018	1,093,901	N/A	N/A	4.0
2019	1,115,571	N/A	N/A	4.1
2020	1,131,342	N/A	N/A	8.5

Source: Mecklenburg County Annual Report, FY 06/30/20

Note: N/A= Data not available per Annual Report

Principal Employers for Mecklenburg County, North Carolina Current Year and Nine Years Ago

Employer	2020			2011		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Atrium (formerly Carolinas HealthCare)	35,700	1	6.48 %	27,432	1	6.67 %
Wells Fargo	23,500	2	4.27	20,500	2	4.98
Charlotte-Mecklenburg Schools	18,495	3	3.36	18,858	3	4.58
Bank of America Corporation	15,000	4	2.72	15,000	4	3.65
Novant Health	11,698	5	2.12	9,000	6	2.19
American Airlines	11,000	6	2	6,637	10	1.61
Harris Teeter	8,239	7	1.5	-	-	-
Duke Energy	7,800	8	1.42	7,300	9	1.77
State of North Carolina	7,600	9	1.38	-	-	-
City of Charlotte	6,800	10	1.23	-	-	-
Wal-Mart Stores, Inc.	-	-	-	14,000	5	3.40
Delhaize American Inc/Food Lion	-	-	-	8,700	7	2.11
Lowe's Companies, Inc.	-	-	-	7,800	8	1.90

Source: Mecklenburg County Annual Report, FY 06/30/20



8.0 GLOSSARY OF TERMS AND ACRONYMS

8.1 GLOSSARY

Accrual Basis - The basis whereby transactions and events are recognized when they occur, regardless of when cash is received or paid.

Allocation - Distribution of expenses or revenues according to an approved formula.

Annual Contributions Contract - Agreement between a local housing authority and HUD, under the provisions of which the federal government guarantees permanent financing of public housing or certain Section 8 projects, as well as to make up the difference between project revenues and debt service on bonded indebtedness through an annual contribution of subsidy paid to the housing authority. The authority guarantees that it will maintain the low-rent character of the project.

Appropriation - An authorization made by INLIVIAN Board of Commissioners, which permits the INLIVIAN to incur obligations and to make expenditures of resources. An appropriation is a specified sum of money from a specified fund for a specific purpose.

Asset - Resources owned or held by an entity that has monetary value.

Balanced Budget – A budget in which revenues are equal to expenditures. Thus, neither a budget deficit nor a budget surplus exists.

Bond - A long-term IOU or promise to pay. It is a promise to repay a specific amount of money (the face value of the bond) on a particular future date (the maturity date). Bonds are generally used to finance capital projects.

Budget - A plan of financial operation embodying an estimate of proposed expenditures for a given period and the proposed means of funding/financing them.

Budget Calendar - The schedule of key dates or milestones, which INLIVIAN follows in the preparation, adoption, and administration of the budget. The calendar begins with the issuance of the Budget Manual and ends with adoption by Resolution of the Budget by the INLIVIAN Board of Commissioners.

Budget Document - The instrument used by INLIVIAN to present a comprehensive financial program.

Budgetary Control - The control or management of a governmental unit or enterprise in accordance with an approved budget for the purpose of keeping expenditures within the limitations of authorized appropriations and available revenues.

Capital Budget - A plan of proposed expenditures that result in the acquisition of or addition to fixed assets, and the means for financing these expenditures.

Capital Fund Program - The Federal program provided by HUD to provide funds for Capital Improvement, to the Low Rent Housing Program.

Capital Improvements Program - A plan for capital expenditures to provide long-lasting physical improvements to be incurred over a fixed period of several future years.

Capital Outlays (or “Capitalized Items” or “Capital Expenditures”) - Expenditures which result in the acquisition of or addition to fixed assets.

Capitalized - Term used to describe the process of accounting for an outflow of funds as a fixed asset rather than an expense. The item is expensed over a period of time as depreciation is recorded.

Charges for Services (or “Fees for Services”) - A term used by an internal service fund for the income they receive for providing services to other funds.

Debt Service - The cost of paying principal and interest on debt according to a predetermined payment schedule.

Department (or “Division” or “Strategic Business Area” or “Section”) - An administrative area of INLIVIAN which indicates overall management responsibility for a group of related operations within a functional area.

Depreciation - The process of allocating the total cost of fixed assets over each period of their usefulness to the entity.

Encumbrance - The legal commitment of appropriated funds to purchase an item or service. To encumber funds means to set aside or commit funds for a future expenditure.

Estimated Revenue - The amount of projected revenue to be collected during the fiscal year.

Expenditure/Expense - This term refers to the outflow of funds paid for an asset obtained or goods and services obtained.

Family Self Sufficiency - A HUD program that utilizes rental assistance and public housing funds with public and private resources to provide supportive services, allowing INLIVIAN residents to achieve economic independence and self-sufficiency.

Federal Financial Assistance - Money received from the federal government, primarily the Department of Housing and Urban Development, to fund program costs.

Fiduciary Responsibility - The legal duty of an agent to act in the best interests of the beneficiary.

Fiscal Year - The time period designated by INLIVIAN signifying the beginning and ending period for recording financial transactions. INLIVIAN have specified January 1 to December 31 as their fiscal year.

Fixed Assets - Assets of long-term character which are intended to continue to be held or used, such as land, buildings, machinery, furniture and other equipment.

Fund - A fiscal and accounting entity consisting of a balanced set of accounts in which cash and other assets, related liabilities, residual business, and changes therein are recorded and segregated.

Grant - A contribution by a government or other organization to support a particular function. Grants may be classified as either categorical or block depending upon the amount of discretion allowed the grantee.

Housing Choice Voucher (HCV)- Combines and replaces the Section 8 Certificate Program and the Section 8 Voucher Program.

INLIVIAN - Refers to the Housing Authority of the City of Charlotte, North Carolina.

INLIVIAN Board - Refers to the Board of Commissioners of INLIVIAN.

Internal Controls - A system of accounting procedures that establishes a method for initiating, recording and summarizing business transactions and provides for separation of duties and accountability for assets.

Investment Policy - A policy approved by the Board of Commissioners that states the investment goals and objectives of INLIVIAN and provides for maximizing interest income while maintaining the liquidity and safety of assets.

Line Item Budget - A budget that lists each category (Administrative, Utilities, etc.) separately, along with the dollar amount budgeted for each specified category.

Long Term Debt - Debt with a maturity of more than one year after the date of issuance.

Low Rent Housing Program - This program is the conventional public housing program whereby the Federal Government provides the funds to acquire or build housing for low-income people.

Management Fees - A fee paid to for managing their properties.

Mixed Income Development - Housing developments that are comprised of market rate and low-income units.

Modernization - For capital purposes it means to update the appearance or function of a building.

Net Income (or "Net Revenues/(Expenditures)") - The excess/ (deficiency) of revenues over the total of expenses.

Non-Dwelling Rent Income - Income generated from renting units or property for commercial use.

Non-Routine Expense (or "Non-recurring" Expense) - expense for repairs and services, which are not performed on a regular basis such as roof repair, tree removal and other unusual items. This category has the same character as 'extra-ordinary' maintenance.

Operating Budget - The portion of the budget that pertains to daily operations that provide basic governmental services. The operating budget contains appropriations for such expenditures as personnel, supplies, utilities, materials, travel and other routine and non-routine expenditures.

Operating Expenses - Fund expenses which are directly related to the fund's primary service activities.

Operating Revenue - Fund revenues which are directly related to the fund's primary service activities.

Operating Subsidy - Subsidy paid by the federal government to a local housing authority to compensate for the limitation on rent of 30 percent of a tenant's adjusted monthly income, as a result of funds the amount of the deficit between rents and expenses up to the difference between the annual contributions paid to the authority by the federal government.

Portables - A Housing Choice Voucher Program participant can port (move) to an area from another area based on the rules and regulations established by HUD and the associated Public Housing Authorities. Eligible participants use portability to relocate to other cities which may offer employment and educational opportunities to meet their specific needs. However, it is at the discretion of the receiving Public Housing Authority to determine whether they will absorb or bill the initial Public Housing Authority which they will determine based on their budget and/or voucher utilization

Protective Services (or “Resident Safety”) - Security services to ensure the safety and welfare of staff and residents.

Revenue - Funds that the government receives as income. It includes such items as fees from specific services, tenant rent, receipts from other governments, fines, forfeitures, grants, shared revenues and interest income.

Reserve - An account used to indicate that a portion of a fund's assets are restricted for a specific purpose and is, therefore, not available for general appropriation.

Risk Management - An organized attempt to protect a government's assets against accidental loss in the most economical method.

Section 3 - A section of the HUD Act of 1968 whereby Housing Authorities are required to provide training and employment opportunities to public housing residents and to make efforts to ensure that individuals or firms located in or owned in substantial part by persons residing in the area of a Housing Authority project are awarded contracts when possible.

Section 8 Housing Assistance Payment (HAP) Program -Originally known as Section 23 leased housing when it was established by the 1965 housing act. Section 8 was established by Section 201 of the Housing and Community Development Act of 1974, under Title II Assisted Housing. The program is essentially the same as Section 23; however, the 1974 act enables HUD to enter into contracts directly with owners of eligible housing and to perform certain functions otherwise assigned to a local housing authority in areas where a public housing agency is unable to implement the program. Eligible sponsors (or owners) of Section 8 housing include private builder-developers, cooperatives, and public agencies. Owners of Section 8 housing assume all ownership, management, tenant selection, and maintenance responsibilities which functions may be contracted to any entity (including a local housing authority) approved by HUD. Section 8 Housing Assistance Payment Contracts, also known as a “HAP payment”. This is a written contract between a public housing authority and an owner of Section 8 housing, to provide housing assistance payments on behalf of a family eligible to receive the HAP subsidy.

Section 8 Housing Vouchers - One of the types of assistance to low-income individuals provided in the Section 8 Program.

Section 8 Program - A housing program which INLIVIAN administers. The qualified low-income person/family rents a unit from a private landlord. INLIVIAN subsidizes the rent based on a Fair Market Rent (FMR) established by HUD. The client is obligated to pay rent to the landlord based on the client's income.

Source of Revenue - Revenues are classified according to their source or point of origin.

8.2 ACRONYMS

AMI	Area Median Income
BHMC	Blue Horizon Management Company
CARES	Coronavirus Aid, Relief, and Economic Security
CHA	Charlotte Housing Authority (former name of INLIVIAN)
CHOIF	Charlotte Housing Opportunity Investment Funds
COCC	Central Office Cost Center
CORE	C.O.R.E. Inc
CBRA	Community Based Rental Assistance Program
FUP	Family Unification Program
HAP	Housing Assistance Payment
HCV	Housing Choice Voucher
HDP	Horizon Development Properties, Inc.
HTF	Housing Trust Funds
HUD	The United States Department of Housing and Urban Development
LIHTC	Low Income Housing Tax Credits
M/WBE	Minority / Women-owned Business Enterprises
MTW	Moving To Work
NCHFA	North Carolina Housing Finance Agency
P3	Public Private Partnership
PBV	Project-Based Voucher
PHA	Public Housing Authority
RAD	Rental Assistance Demonstration Program
RED	Real Estate Department
TOA	Transfer of Assistance
TPV	Tenant Protection Voucher
VASH	Veterans Administration Supportive Housing