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Fiscal Year 2023

Adopted Budget



INLIVIAN
HOUSING REDEFINED



INLIVIAN
HOUSING REDEFINED



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INLIVIAN
HOUSING REDEFINED



1.0 INTRODUCTION

TRANSMITTAL LETTER

November 2022

To the Chairperson and the Board of Commissioners:

I am pleased to present INLIVIAN's Fiscal Year (FY) 2023 Budget. This budget is the financial plan for the upcoming year and incorporates the fifth and final 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 FY2023 Budget proposes to use \$252.5 Million for operating expenses, property improvements and development projects. The fiscal year budgets are presented as eight funds:

- Business Activities
- Component Units
- 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.

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

Budget Highlights

The FY2023 Budget reinforces our commitment to operational efficiency, strategic investments and effective change management. INLIVIAN continues to persevere through these challenging times by being flexible and transforming our business model as needed to deliver high-quality services to our residents while actively seeking innovative and sustainable measures for improvement.

We recognize the importance of investing in our greatest asset, our employees. To address growing concerns with pay plan competitiveness in the local market, a study was conducted to benchmark pay plans. Based on the study, INLIVIAN increased its minimum wage to \$18.50/hour and increased the pay ranges in certain job categories. Additionally, the FY2023 Budget includes a merit increase of 4% that is eligible for all full-time employees based on performance. These investments in our employees align with INLIVIAN's continued efforts to recognize the value of our people. As such, the Talent Operations department is now rebranded as "People and Culture" with a focus on our employees as a diverse, high-performing workforce.

A key aspect of retaining highly-skilled employees is to ensure they have the resources they need to deliver services at the most effective and efficient levels. To assist with this objective, INLIVIAN contracted for Six Sigma services, which is a method that provides organizations tools to improve the capability of their business processes. This increase in performance and decrease in process variation helps lead to improvements in operation efficiency, employee morale, and the quality of services delivered. Through the Six Sigma process, we expect some level of organization realignment and/or refinement, specifically in our Housing Choice Voucher Program.

Along with transforming business processes, Blue Horizon folded into their portfolio two new properties last year, taking over the management of Mill Pond, McAden Park and Little Rock from third-party property management companies. The FY2023 budget includes the full-year operations of both properties under Blue Horizon's management.

Over the long term, responding to INLIVIAN's aging buildings will continue to emerge as a significant challenge. In the FY2023 Budget, a considerable portion of MTW funds are dedicated to substantial renovations at several properties including Fairmarket Square, McAlpine Terrace, Sunridge and Vistas at 707.

INLIVIAN maintains its mission to expand quality affordable housing opportunities through real estate development initiatives. Development and revitalization projects in the FY2023 Budget include funding for future developments involving public-private partnerships. The capital investments in the FY2023 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 2023.

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:



Ray McKinnon,
Chair



Leigh Ann Merchant
Vice Chair



Linda Ashendorf



Fatina Lorick



Antoine Dennard



Michael Kennerly



Maurice Robinson

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.

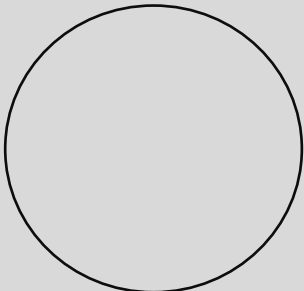


A. Fulton Meachem, Jr., President/CEO. Mr. Meachem joined the agency in October 2012. He has worked in public housing for more than 20 years and has extensive experience in developing and executing workforce housing, resident services, and housing operations. As President and CEO of INLIVIAN, Mr. Meachem 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.

Vacant, EVP, Housing Choice Voucher Program.





Kenya Lewis, EVP, People and Culture. Ms. Lewis joined the agency in July 2011. Ms. Lewis earned a Bachelor's Degree in Sociology/Social Welfare from Winston Salem State University and a Master's in Strategic Leadership with a concentration in Human Resources from Pfeiffer University. Ms. Lewis has served in several positions at INLIVIAN. She joined the agency working as a case manager in CORE programs, providing supportive services to our families. She has also served as both the Special Assistant and Project Manager to INLIVIAN's Executive Office. Ms. Lewis has more than 18 years of experience working in the human services field. Prior to joining INLIVIAN, Ms. Lewis worked at two public housing agencies serving in the Resident Services departments. In her current role, she leads the Talent Operations division. Ms. Lewis works collaboratively to provide guidance in the areas of training and development, performance management, talent acquisition, benefits and compensation, employee engagement and customer service.



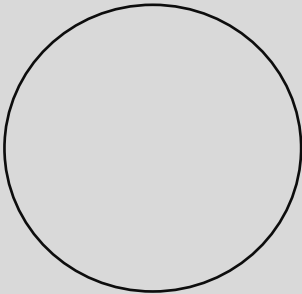
Ken Wood, EVP, Information Technology. Mr. Wood joined INLIVIAN in August 2015 to manage the Information Technology department. He oversees all technological areas from software systems, software development, networks, servers, desktops and communication equipment. Mr. Wood has over 30 years of experience 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 Claflin 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



HORIZON
DEVELOPMENT PROPERTIES

Vacant, EVP, Real Estate Development. Horizon Development Properties, Inc. (Horizon Development).



Kimberlie Smith, EVP, Real Estate Management. Blue Horizon. Ms. Smith joined the agency in July 2022. Kim is a hands-on Executive skilled at maintaining the integrity of the asset while maximizing financial returns. Kim has over 15 years' experience in the property management industry overseeing a large portfolio of LIHTC, HUD and market rate communities in NC, SC, GA and VA. Kim began in the conventional market but soon found her passion within the affordable housing arena where larger impact could be made offering safe and affordable housing to all who qualify. Kim is an interactive leader for her team as well as colleagues, investors, agencies and owners. Kim is a firm believer in being the example you want others to follow. In addition to Property Management, Kim brings a diverse background to the company with experience in accounting, marketing, software development and business management. Kim holds degrees in Business Management and Accounting from York Technical College.

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, People and Culture, Information Technology, Call Center, and Public Relations. They enable employees and other divisions to achieve the mission of INLIVIAN.

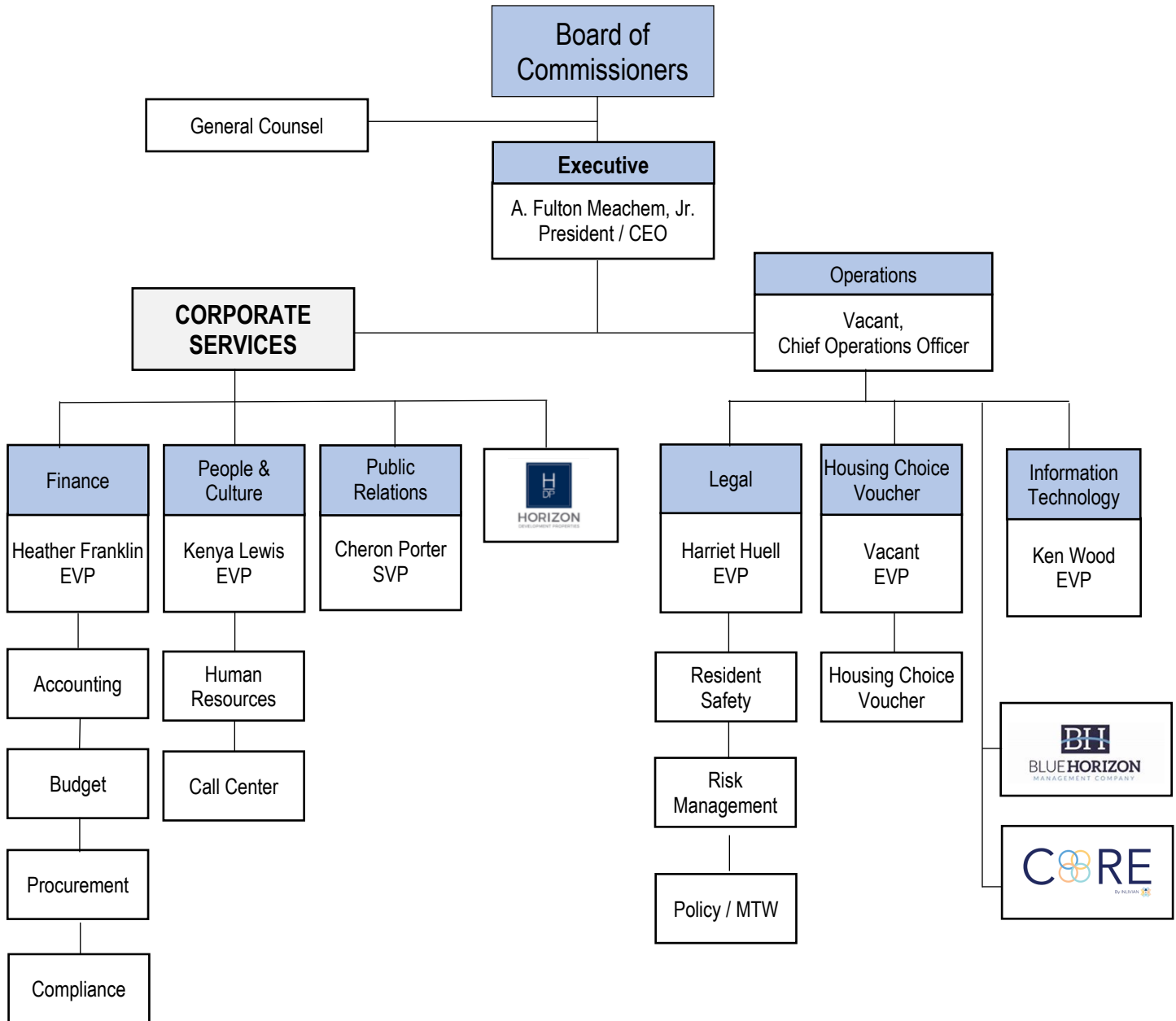
CORE provides client services to INLIVIAN residents, including youth development, Destination Home Ownership, case management and other services for our residents.

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

Real Estate Management



Property
Management

Real Estate Development



Real Estate
Development

Asset
Management

Construction
Management

Client Services



Family
Services

Senior/Disabled
Services

Youth
Services

Home-
ownership



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**INLIVIAN
North Carolina**

For the Fiscal Year Beginning

January 01, 2022

Christopher P. Morrell

Executive Director

Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to INLIVIAN, for its Annual Budget for the fiscal year beginning January 1, 2022. 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 has increased the supply of diverse price-point housing and improved the quality of life for our customers. Key elements of this strategy is 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. INLIVIAN knows it takes collaboration to meet this critical need for housing, so we have pursued partnerships that are alike in mission and bring a high return on investment to INLIVIAN and its residents.

Our strategic plan represents “The Blueprint”. This budget represents the final year of the strategic plan. We continue to refine as the needs of our community change, which will play a key role in the development of the next strategic plan.



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 the thirty-nine (39) original 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. A demolition application has been submitted to HUD for these final remaining units.



3.0 BUDGET SUMMARY

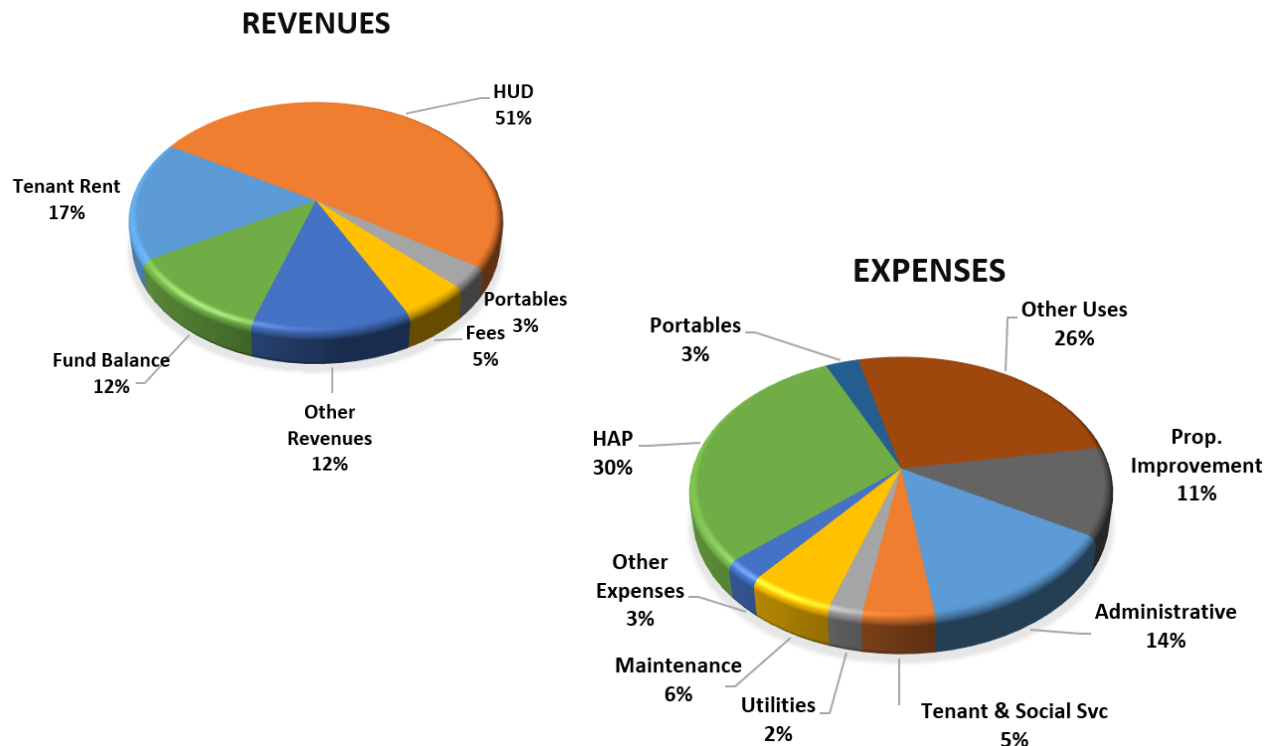
3.1 BUDGET OVERVIEW

The fiscal year budgets are presented as eight funds: Business Activities, Component Units, 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:

	FY2021	FY2022	FY2023	FY2023 vs FY2022	
	Budget	Budget	Budget	\$ Variance	% Variance
Revenues	\$ 213,588,260	\$ 240,362,059	\$ 253,169,323	\$ 12,807,264	5.3%
Expenses	211,776,157	239,148,701	251,727,808	12,579,107	5.3%
Transfers In (Out)	-	-	-	-	0.0%
Net Income	\$ 1,812,103	\$ 1,213,358	\$ 1,441,515	\$ 228,157	18.8%



Budget Highlights

Revenues:

As in prior years, most of INLIVIAN's operating revenues come from federal financial assistance, which will fund \$120.9 million of the FY2023 Budget. Portable and Portable Administrative Fees are estimated at \$7.9 million. Operating Revenues from Tenant Rental Revenue and Fee Revenues are projected at \$43.2 million and \$13.1 million respectively. Also included in the FY2023 Budget is \$29.8 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 FY2023 Budget are as follow:

	Business Activities	COCC	CORE	Horizon Development	MTW	TOTALS
Fairmarket Sq Renovations	\$ 1,128,906					\$ 1,128,906
Sunridge Renovations	45,787					45,787
Vistas at 707				273,549		273,549
8th and Tryon	16,500,000			5,000,000	5,839,992	27,339,992
400 East Site Improvements		30,000				30,000
Grant Re-appropriations			940,000			940,000
TOTALS	\$ 17,674,693	\$ 30,000	\$ 940,000	\$ 5,273,549	\$ 5,839,992	\$ 29,758,234

Public Housing Operating Subsidies decreased by 66% 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. These buildings have been demolished and the new development is currently under construction. The remaining 100 units (Phase II) are mostly vacated and will be disposed of through the Section 18 process.

HCV Operating Subsidies increased by 9% due to anticipated receipt of additional unspent HCV Operating Subsidies to support major Property Improvements (See Section 5.1) and Development Projects (See Section 5.2). 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 Uses category in the MTW Fund by the same amount.

Expenses:

With economic uncertainties caused by the COVID-19 pandemic, the FY2023 Budget reflects a conservative spend plan in the controllable expense categories.

The increase in the Administrative Category and Protective Services Category are both due to the agency-wide merit increase for all employees.

The 68% increase in Tenant & Social Services is a result of reclassifying MTW Funds in support of CORE. In prior years, these funds were classified as "Other Uses". Starting in FY2023, MTW Funds support to CORE will now be classified as Tenant & Social Services.

The Ordinary Maintenance Category decreased slightly by 1% due to a combination of substantial renovations at several properties and to the Dillehay redevelopment project. As 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 FY2023, thereby eliminating maintenance needs until the site is redeveloped.

The General Expense Category increased by 6% to ensure adequate coverage of insurance policies into FY2023.

The FY2023 Budget includes \$75.4 million in Housing Assistance Payments (HAP) to Section 8 Housing Choice Voucher (HCV) landlords and \$7.4 million in Portables (voucher porting into the City and not absorbed). Over the last year and half, INLIVIAN absorbed almost 400 existing portable vouchers, which reduced the estimate for Portables. Moreover, the FY2023 Budget includes the unexpended balance of Emergency Housing Vouchers issued by HUD last year and 49 new vouchers.

The FY2023 Budget includes an aggressive \$27.8 million plan for Property Improvements at various sites. To limit Reserve Draw balances at some properties, and to ensure spending of HUD funding, MTW funds will be used for properties in need of substantial renovations including Fairmarket Square, McAlpine Terrace and Sunridge. Additionally, \$43.1 million of MTW funds, \$5.0M of HDP Funds and \$16.5 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 consists 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)		
FY2021 Year-End Fund Equity Balance	\$	396.7
FY2022 Budgeted Revenues		240.4
FY2022 Budgeted Expenses		239.1
FY2022 Budgeted Transfers In (Out)		-
FY2022 Budgeted Net Income		1.2
FY2022 Budgeted Year-End Fund Equity Balance		397.9
FY2023 Proposed Revenues		253.2
FY2023 Proposed Expenses		251.7
FY2023 Proposed Transfers In (Out)		-
FY2023 Proposed Net Income		1.4
FY2023 Proposed Year-End Fund Equity Balance		399.3
FY2023 Proposed Fund Equity Changes	\$	1.4
Percent Change in Fund Equity FY2023 vs FY2022		0.4%

3.2 CONSOLIDATED BUDGET

	FY2021 Budget	FY2022 Budget	FY2023 Budget	FY2023 vs FY2022	
				\$ Variance	% Variance
REVENUES					
Tenant Rental Revenues	\$ 42,140,004	\$ 43,132,702	\$ 43,182,165	\$ 49,463	0%
Public Housing Operating Subsidies	2,094,488	611,583	210,032	(401,551)	-66%
HCV Operating Subsidies	88,832,465	110,538,028	120,911,420	10,373,392	9%
HCV Administrative Fees	4,467,490	4,617,340	4,896,886	279,546	6%
Capital Fund	3,121,960	2,871,162	2,648,824	(222,338)	-8%
Portable HAP Revenue	11,390,844	7,669,447	7,413,798	(255,649)	-3%
Portable HAP Administrative Fees	499,951	460,167	444,828	(15,339)	-3%
Fee Revenue	12,059,949	12,519,693	13,142,065	622,372	5%
Other Revenues	27,985,052	33,461,723	30,551,071	(2,910,652)	-9%
Fund Balance Appropriated	20,986,056	24,470,214	29,758,234	5,288,020	22%
Other Sources	10,000	10,000	10,000	-	0%
REVENUE TOTAL	213,588,260	240,362,059	253,169,323	12,807,264	5%
EXPENSES					
Administrative	32,461,219	34,904,247	36,349,698	1,445,451	4%
Tenant & Social Services	6,817,814	7,364,036	12,349,636	4,985,600	68%
Utilities	6,213,330	6,093,186	5,878,177	(215,009)	-4%
Ordinary Maintenance & Operations	14,713,139	14,946,161	14,838,236	(107,925)	-1%
Protective Services	1,048,572	430,849	449,224	18,375	4%
General Expenses	2,608,702	3,434,058	3,650,823	216,765	6%
Reserve Deposits	1,939,891	2,012,868	1,982,159	(30,709)	-2%
Reserve Draws	(3,992,939)	(2,984,693)	(5,459,596)	(2,474,903)	83%
Debt Service	5,593,514	5,209,825	5,049,915	(159,910)	-3%
Housing Assistance Payments (HAP)	62,388,545	70,121,471	75,397,633	5,276,162	8%
HAP Expense - Portables	11,390,844	7,669,447	7,413,798	(255,649)	-3%
Other Uses	45,545,510	65,117,079	66,007,643	890,564	1%
Future Year's Appropriations	1,513,225	2,353,075	837,712	(1,515,363)	-64%
Property Improvements	23,534,790	22,477,092	26,982,751	4,505,659	20%
EXPENSE TOTAL	211,776,157	239,148,701	251,727,808	12,579,107	5%
OPERATING TRANSFERS					
Operating Transfers In	61,707,510	71,093,207	75,071,587	3,978,380	6%
Operating Transfers Out	61,707,510	71,093,207	75,071,587	3,978,380	6%
TRANSFERS IN (OUT) TOTAL	-	-	-	-	0%
NET INCOME	\$ 1,812,103	\$ 1,213,358	\$ 1,441,515	\$ 228,157	19%

3.3 BUDGET BY FUND

	Business Activities	Business Activities (CU)	Blue Horizon	COCC	CORE	Horizon Acquisition	Horizon Development	MTW	TOTAL
REVENUES									
Tenant Rental Revenues	\$ -	\$ 2,938,554	\$ -	\$ -	\$ -	\$ 5,466,180	\$ 34,777,431	\$ -	\$ 43,182,165
Public Housing Operating Subsidies	-	-	-	-	-	-	-	210,032	210,032
HCV Operating Subsidies	-	-	-	-	-	-	-	120,911,420	120,911,420
HCV Administrative Fees	-	-	-	-	-	-	-	4,896,886	4,896,886
Capital Fund	-	-	-	-	-	-	-	2,648,824	2,648,824
Portable HAP Revenue	-	-	-	-	-	-	-	7,413,798	7,413,798
Portable HAP Administrative Fees	-	-	-	-	-	-	-	444,828	444,828
Fee Revenue	-	-	2,170,316	4,953,632	1,409,167	110,000	4,498,950	-	13,142,065
Other Revenues	897,593	552,250	-	2,335,109	4,883,894	125,002	21,537,560	219,663	30,551,071
Fund Balance Appropriated	17,674,693	-	-	30,000	940,000	-	5,273,549	5,839,992	29,758,234
Other Sources	-	-	-	10,000	-	-	-	-	10,000
REVENUE TOTAL	18,572,286	3,490,804	2,170,316	7,328,741	7,233,061	5,701,182	66,087,490	142,585,443	253,169,323
EXPENSES									
Administrative	81,806	933,519	2,090,250	6,440,295	1,731,315	1,493,061	12,524,562	11,054,889	36,349,698
Tenant & Social Services	238,726	-	-	2,549	5,403,866	226,275	976,761	5,501,459	12,349,636
Utilities	-	376,392	-	99,600	-	595,068	4,807,117	-	5,878,177
Ordinary Maintenance & Operations	-	745,472	30,920	445,289	83,380	1,888,953	11,514,959	129,263	14,838,236
Protective Services	-	-	-	241,012	-	21,324	186,888	-	449,224
General Expenses	-	228,029	11,945	49,076	14,500	610,280	2,707,993	29,000	3,650,823
Reserve Deposits	-	44,688	-	-	-	231,908	1,705,563	-	1,982,159
Reserve Draws	-	(56,300)	-	-	-	(356,258)	(5,047,038)	-	(5,459,596)
Debt Service	-	376,600	-	-	-	607,269	4,066,046	-	5,049,915
Housing Assistance Payments (HAP)	-	-	-	-	-	-	-	75,397,633	75,397,633
HAP Expense - Portables	-	-	-	-	-	-	-	7,413,798	7,413,798
Other Uses	17,674,693	-	-	-	-	-	5,273,549	43,059,401	66,007,643
Future Year's Appropriations	577,061	-	-	20,920	-	-	239,731	-	837,712
Property Improvements	-	308,258	-	30,000	-	356,258	26,288,235	-	26,982,751
EXPENSE TOTAL	18,572,286	2,956,658	2,133,115	7,328,741	7,233,061	5,674,138	65,244,366	142,585,443	251,727,808
OPERATING TRANSFERS									
Operating Transfers In	119,848	-	-	-	-	-	-	74,951,739	75,071,587
Operating Transfers Out	119,848	-	-	-	-	-	-	74,951,739	75,071,587
TRANSFERS IN (OUT) TOTAL	-	-	-	-	-	-	-	-	-
NET INCOME	\$ -	\$ 534,146	\$ 37,201	\$ -	\$ -	\$ 27,044	\$ 843,124	\$ -	\$ 1,441,515

3.4 BUDGET CATEGORIES

The categories included in the budget align with the categories reported annually as a part of INLIVIAN's Annual Comprehensive 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 eight funds: Business Activities, Component Units, 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 and HUD, 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.

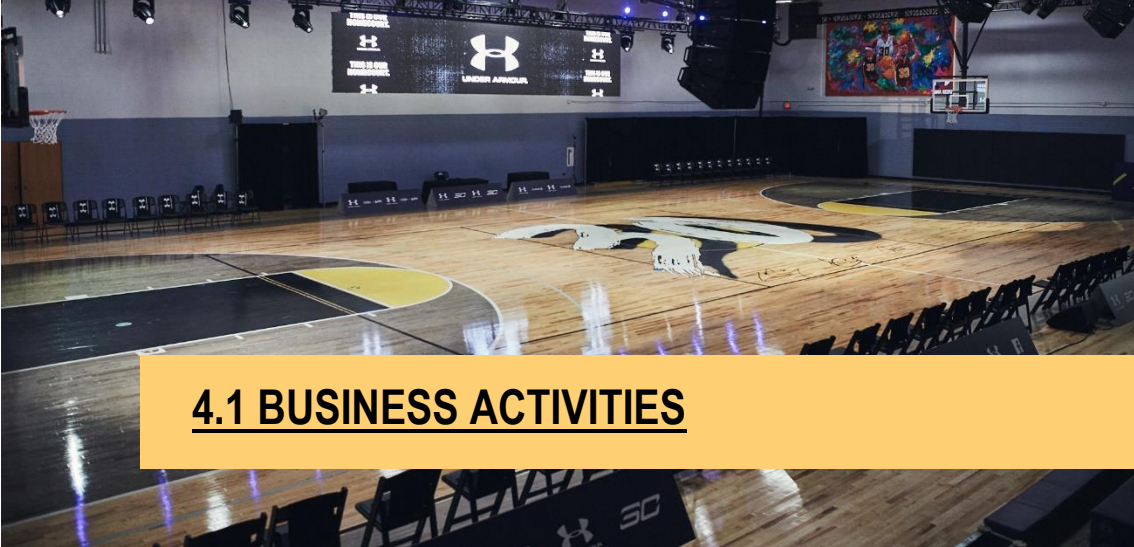
Fund Matrix

CORPORATE SERVICES

Business Activities	Component Units	Central Office Cost Center (COCC)	Moving to Work (MTW)
Program Income	Hoefener Center	Executive	Housing Choice Voucher (HCV)
	First Ward Place	Legal & Resident Safety	Policy / MTW Planning
	McAden Park	Finance, Procurement & Section 3	Public Housing
		Information Technology	Compliance
		People and Culture	
		Call Center	

SUBSIDIARIES

CORE	Blue Horizon	Horizon Acquisition	Horizon Development
Client Services	Blue Horizon Executive	Strawn Parktowne Little Rock	Horizon Development-owned Properties
Destination Homeownership	Property Management Services		Real Estate Development
Case Management			Asset Management
Youth Development			Construction Management



4.1 BUSINESS ACTIVITIES

Fund Overview

Business Activities consists of First Ward Case Management, the Scholars Program, and program income.

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 and grant funding.

The Fund Balance Appropriated category represents re-appropriated funding for Trella and appropriation funds for development and capital 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 First Ward Case Manager Program and Scholars Program.

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

Business Activities – Budget by Category

	FY2021 Budget	FY2022 Budget	FY2023 Budget	FY2023 vs FY2022	
				\$ Variance	% Variance
REVENUES					
Tenant Rental Revenues	\$ -	\$ -	\$ -	\$ -	0%
Public Housing Operating Subsidies	-	-	-	-	0%
HCV Operating Subsidies	-	-	-	-	0%
HCV Administrative Fees	-	-	-	-	0%
Capital Fund	-	-	-	-	0%
Portable HAP Revenue	-	-	-	-	0%
Portable HAP Administrative Fees	-	-	-	-	0%
Fee Revenue	-	-	-	-	0%
Other Revenues	876,215	1,009,483	897,593	(111,890)	-11%
Fund Balance Appropriated	4,803,690	9,000,000	17,674,693	8,674,693	96%
Other Sources	-	-	-	-	0%
REVENUE TOTAL	5,679,905	10,009,483	18,572,286	8,562,803	86%
EXPENSES					
Administrative	40,978	86,059	81,806	(4,253)	-5%
Tenant & Social Services	217,354	258,222	238,726	(19,496)	-8%
Utilities	12,236	-	-	-	0%
Ordinary Maintenance & Operations	13,800	12,500	-	(12,500)	-100%
Protective Services	-	-	-	-	0%
General Expenses	-	-	-	-	0%
Reserve Deposits	-	-	-	-	0%
Reserve Draws	-	-	-	-	0%
Debt Service	-	-	-	-	0%
Housing Assistance Payments (HAP)	-	-	-	-	0%
HAP Expense - Portables	-	-	-	-	0%
Other Uses	4,803,690	9,047,455	17,674,693	8,627,238	95%
Future Year's Appropriations	591,847	605,247	577,061	(28,186)	-5%
Property Improvements	-	-	-	-	0%
EXPENSE TOTAL	5,679,905	10,009,483	18,572,286	8,562,803	86%
OPERATING TRANSFERS					
Operating Transfers In	201,949	270,532	119,848	(150,684)	-56%
Operating Transfers Out	201,949	270,532	119,848	(150,684)	-56%
TRANSFERS IN (OUT) TOTAL	-	-	-	-	0%
NET INCOME	\$ -	\$ -	\$ -	\$ -	0%



4.2 BUSINESS ACTIVITIES - COMPONENT UNITS

Fund Overview

Component Units consists of the Carole Hoefener Center, First Ward Place, and McAden Park. These are each properties owned directly by INLIVIAN.

Revenue in this fund is primarily from rents collections at the Carole Hoefener Center, First Ward Place and McAden Park.

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

Component Units – Budget by Category

	FY2021 Budget	FY2022 Budget	FY2023 Budget	FY2023 vs FY2022	
				\$ Variance	% Variance
REVENUES					
Tenant Rental Revenues	\$ 2,426,715	\$ 3,275,661	\$ 2,938,554	\$ (337,107)	-10%
Public Housing Operating Subsidies	-	-	-	-	0%
HCV Operating Subsidies	-	-	-	-	0%
HCV Administrative Fees	-	-	-	-	0%
Capital Fund	-	-	-	-	0%
Portable HAP Revenue	-	-	-	-	0%
Portable HAP Administrative Fees	-	-	-	-	0%
Fee Revenue	-	-	-	-	0%
Other Revenues	542,333	548,453	552,250	3,797	1%
Fund Balance Appropriated	-	-	-	-	0%
Other Sources	-	-	-	-	0%
REVENUE TOTAL	2,969,048	3,824,114	3,490,804	(333,310)	-9%
EXPENSES					
Administrative	986,618	1,016,442	933,519	(82,923)	-8%
Tenant & Social Services	-	-	-	-	0%
Utilities	299,086	371,395	376,392	4,997	1%
Ordinary Maintenance & Operations	711,209	865,255	745,472	(119,783)	-14%
Protective Services	-	-	-	-	0%
General Expenses	104,277	201,764	228,029	26,265	13%
Reserve Deposits	87,096	114,518	44,688	(69,830)	-61%
Reserve Draws	(70,000)	(33,500)	(56,300)	(22,800)	68%
Debt Service	583,374	408,729	376,600	(32,129)	-8%
Housing Assistance Payments (HAP)	-	-	-	-	0%
HAP Expense - Portables	-	-	-	-	0%
Other Uses	-	-	-	-	0%
Future Year's Appropriations	57,928	751,411	-	(751,411)	-100%
Property Improvements	209,460	128,100	308,258	180,158	141%
EXPENSE TOTAL	2,969,048	3,824,114	2,956,658	(867,456)	-23%
OPERATING TRANSFERS					
Operating Transfers In	-	-	-	-	0%
Operating Transfers Out	-	-	-	-	0%
TRANSFERS IN (OUT) TOTAL	-	-	-	-	0%
NET INCOME	\$ -	\$ -	\$ 534,146	\$ 534,146	0%

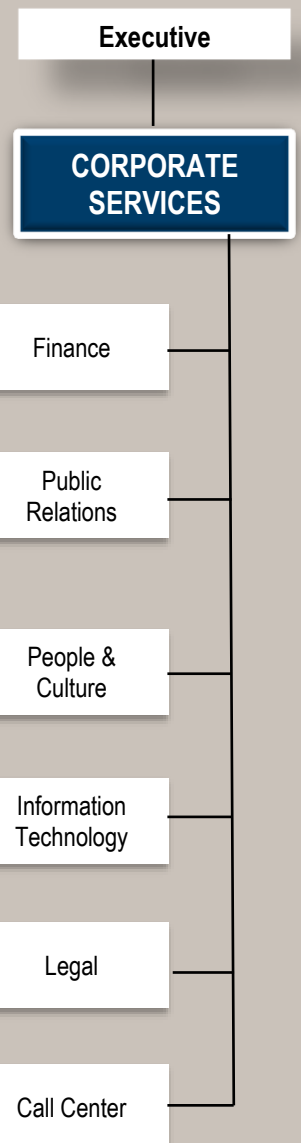
4.3 CENTRAL OFFICE COST CENTER

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.
- Public Relations is responsible for providing information that keeps the community informed about INLIVIAN services and programs in order to increase awareness and encourage individuals to engage with the agency.
- People & Culture (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

Continue uploading property data into Property Management Information system for centralized depository of all property-related information

1

Continue expansion of information technologies to allow for adapting remote environments

- Replace Network Storage Devices
- Optimize Current Business Intelligence System to bring systems up to date with current software applications and to optimize them for performance speed

1

Work with Blue Horizon Management Company and CORE to establish Neighborhood Watch at Charlottetown, Meadow Oaks and Sunridge property sites.

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

	FY2021 Budget	FY2022 Budget	FY2023 Budget	FY2023 vs FY2022	
				\$ Variance	% Variance
REVENUES					
Tenant Rental Revenues	\$ -	\$ -	\$ -	\$ -	0%
Public Housing Operating Subsidies	-	-	-	-	0%
HCV Operating Subsidies	-	-	-	-	0%
HCV Administrative Fees	-	-	-	-	0%
Capital Fund	-	-	-	-	0%
Portable HAP Revenue	-	-	-	-	0%
Portable HAP Administrative Fees	-	-	-	-	0%
Fee Revenue	4,013,573	4,517,447	4,953,632	436,185	10%
Other Revenues	2,152,011	2,221,143	2,335,109	113,966	5%
Fund Balance Appropriated	369,325	350,000	30,000	(320,000)	-91%
Other Sources	10,000	10,000	10,000	-	0%
REVENUE TOTAL	6,544,909	7,098,590	7,328,741	230,151	3%
EXPENSES					
Administrative	5,784,472	6,153,761	6,440,295	286,534	5%
Tenant & Social Services	216	158	2,549	2,391	1513%
Utilities	95,550	96,500	99,600	3,100	3%
Ordinary Maintenance & Operations	366,505	535,729	445,289	(90,440)	-17%
Protective Services	216,459	228,481	241,012	12,531	5%
General Expenses	42,707	49,414	49,076	(338)	-1%
Reserve Deposits	-	-	-	-	0%
Reserve Draws	-	-	-	-	0%
Debt Service	-	-	-	-	0%
Housing Assistance Payments (HAP)	-	-	-	-	0%
HAP Expense - Portables	-	-	-	-	0%
Other Uses	-	-	-	-	0%
Future Year's Appropriations	-	4,547	20,920	16,373	360%
Property Improvements	39,000	30,000	30,000	-	0%
EXPENSE TOTAL	6,544,909	7,098,590	7,328,741	230,151	3%
OPERATING TRANSFERS					
Operating Transfers In	-	-	-	-	0%
Operating Transfers Out	-	-	-	-	0%
TRANSFERS IN (OUT) TOTAL	-	-	-	-	0%
NET INCOME	\$ -	\$ -	\$ -	\$ -	0%





4.4 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 recorded from fraud recovery. Fund Balance Appropriated consists of funds for real estate development and capital projects.

The \$120.9 million in HCV Operating Subsidies is based on an estimated 3% inflation factor and 99% proration and also includes HUD-held reserves to be used towards various property improvements and development. The HCV Administrative Fee revenue is based on an estimated 83% proration factor to total \$4.9 million in FY2023.

The \$5.8 million Fund Balance appropriation will be used towards various HDP Development Projects (see Section 5.2). The offsetting expense is a restricted donation in the Other Uses expense category.

With redevelopment of Dillehay Courts underway, Tenant Rent Revenue and associated operating expenses for Dillehay Courts have been eliminated in the FY2023 Budget.

The considerable increase in Tenant & Social Services is a result of reclassifying MTW Funds in support of CORE. In prior years, these funds were classified as "Other Uses". Starting in FY2023, MTW Funds support to CORE will now be classified as Tenant & Social Services.

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

The FY2023 Budget includes \$75.4 million in Housing Assistance Payments (HAP) to HCV Housing Providers/landlords and \$7.4 million in Portable vouchers.). Over the last year and half, INLIVIAN absorbed almost 400 existing portable vouchers, which reduced the estimate for Portables. Moreover, the FY2023 Budget includes the unexpended balance of Emergency Housing Vouchers issued by HUD last year and 49 new vouchers.

**Chief Operating
Officer**

Administrative
Operations

Moving to Work
Program

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	FY21 Actual	FY22 Estimated
# of MTW Base Vouchers Allocated	3,300	3,086
# of CBRA Vouchers Allocated	147	225
# of Homeownership Vouchers Allocated	25	25
# of Opportunity Housing Vouchers Allocated	37	59
# of Project-Based Vouchers Allocated	387	426

Agency Goal #	Effectiveness or Efficiency	FY21 Actual	FY22 Estimated	FY23 Goal
1	% of Allocated MTW Base Vouchers Utilized	99.67%	95%	95%
1	% of CBRA Vouchers Utilized	65.33%	95%	95%
1	% of Homeownership Vouchers Utilized	96.15%	92%	95%
1	% of Opportunity Housing Vouchers Utilized	84.09%	92%	95%
1	% of Project-Based Vouchers Utilized	94.85%	95%	95%

Moving to Work – Budget by Category

	FY2021 Budget	FY2022 Budget	FY2023 Budget	FY2023 vs FY2022	
				\$ Variance	% Variance
REVENUES					
Tenant Rental Revenues	\$ 269,199	\$ 140,896	\$ -	\$ (140,896)	-100%
Public Housing Operating Subsidies	2,094,488	611,583	210,032	(401,551)	-66%
HCV Operating Subsidies	88,832,465	110,538,028	120,911,420	10,373,392	9%
HCV Administrative Fees	4,467,490	4,617,340	4,896,886	279,546	6%
Capital Fund	3,121,960	2,871,162	2,648,824	(222,338)	-8%
Portable HAP Revenue	11,390,844	7,669,447	7,413,798	(255,649)	-3%
Portable HAP Administrative Fees	499,951	460,167	444,828	(15,339)	-3%
Fee Revenue	-	-	-	-	0%
Other Revenues	158,146	170,170	219,663	49,493	29%
Fund Balance Appropriated	13,696,297	14,066,570	5,839,992	(8,226,578)	-58%
Other Sources	-	-	-	-	0%
REVENUE TOTAL	124,530,840	141,145,363	142,585,443	1,440,080	1%
EXPENSES					
Administrative	10,005,091	10,682,084	11,054,889	372,805	3%
Tenant & Social Services	104,506	325,292	5,501,459	5,176,167	1591%
Utilities	389,568	88,594	-	(88,594)	-100%
Ordinary Maintenance & Operations	1,218,933	935,924	129,263	(806,661)	-86%
Protective Services	632,867	-	-	-	0%
General Expenses	135,216	52,927	29,000	(23,927)	-45%
Reserve Deposits	-	-	-	-	0%
Reserve Draws	-	-	-	-	0%
Debt Service	-	-	-	-	0%
Housing Assistance Payments (HAP)	62,388,545	70,121,471	75,397,633	5,276,162	8%
HAP Expense - Portables	11,390,844	7,669,447	7,413,798	(255,649)	-3%
Other Uses	37,741,820	51,269,624	43,059,401	(8,210,223)	-16%
Future Year's Appropriations	523,450	-	-	-	0%
Property Improvements	-	-	-	-	0%
EXPENSE TOTAL	124,530,840	141,145,363	142,585,443	1,440,080	1%
OPERATING TRANSFERS					
Operating Transfers In	61,505,561	70,822,675	74,951,739	4,129,064	6%
Operating Transfers Out	61,505,561	70,822,675	74,951,739	4,129,064	6%
TRANSFERS IN (OUT) TOTAL	-	-	-	-	0%
NET INCOME	\$ -	\$ -	\$ -	\$ -	0%





4.5 CORE

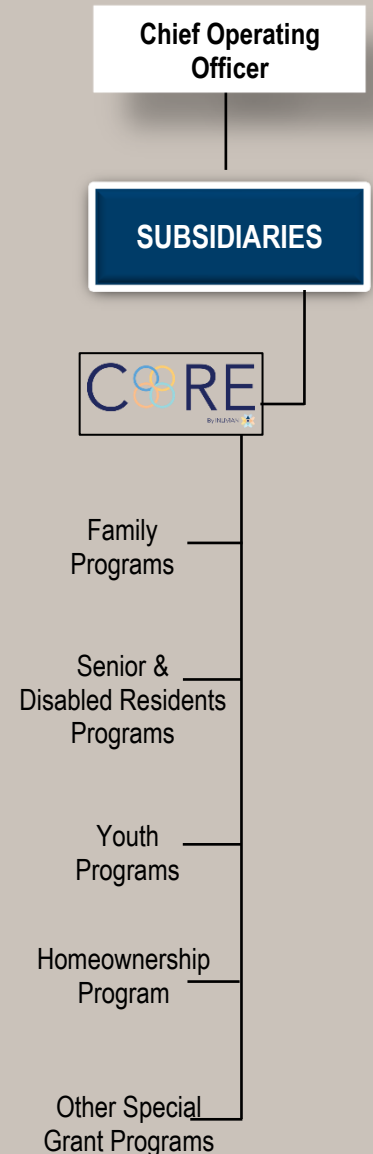
Fund Overview

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 FY2023 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

Continue to maintain grant funding levels from current third parties and actively seek new grants to sustain programs.

1

Expand Applicant Training Program to Project-Based Voucher Participants

1

Expand FSS Program portfolio

6

Develop a new 5-year Strategic Operating Plan for CORE.

Performance Measurements

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

Output	FY21 Actual	FY22 Estimated
# of participants – FSS Program	795	686
# of participants – HCV Moving Forward Program	311	311
# of participants – Moving Forward Program	313	371

Agency Goal #	Effectiveness or Efficiency	FY21 Actual	FY22 Estimated	FY23 Estimated
1	% of Participants that are minimum renters – FSS Program	26.16%	25%	25%
1	% of Participants that are minimum renters – HCV Moving Forward Program	44.05%	55%	55%
1	% of Participants that are minimum renters – Moving Forward Program	34.19%	35%	35%
1	% of Participants that are working households – FSS Program	71.45%	70%	70%
1	% of Participants that are working households – HCV Moving Forward Program	52.09%	50%	40%
1	% of Participants that are working households – Moving Forward Program	54.63%	55%	60%

CORE – Budget by Category

	FY2021 Budget	FY2022 Budget	FY2023 Budget	FY2023 vs FY2022	
				\$ Variance	% Variance
REVENUES					
Tenant Rental Revenues	\$ -	\$ -	\$ -	\$ -	0%
Public Housing Operating Subsidies	-	-	-	-	0%
HCV Operating Subsidies	-	-	-	-	0%
HCV Administrative Fees	-	-	-	-	0%
Capital Fund	-	-	-	-	0%
Portable HAP Revenue	-	-	-	-	0%
Portable HAP Administrative Fees	-	-	-	-	0%
Fee Revenue	1,339,824	1,290,902	1,409,167	118,265	9%
Other Revenues	4,275,064	4,909,555	4,883,894	(25,661)	-1%
Fund Balance Appropriated	930,000	958,644	940,000	(18,644)	-2%
Other Sources	-	-	-	-	0%
REVENUE TOTAL	6,544,888	7,159,101	7,233,061	73,960	1%
EXPENSES					
Administrative	1,477,269	1,615,438	1,731,315	115,877	7%
Tenant & Social Services	4,977,928	5,464,363	5,403,866	(60,497)	-1%
Utilities	-	-	-	-	0%
Ordinary Maintenance & Operations	75,691	64,800	83,380	18,580	29%
Protective Services	-	-	-	-	0%
General Expenses	14,000	14,500	14,500	-	0%
Reserve Deposits	-	-	-	-	0%
Reserve Draws	-	-	-	-	0%
Debt Service	-	-	-	-	0%
Housing Assistance Payments (HAP)	-	-	-	-	0%
HAP Expense - Portables	-	-	-	-	0%
Other Uses	-	-	-	-	0%
Future Year's Appropriations	-	-	-	-	0%
Property Improvements	-	-	-	-	0%
EXPENSE TOTAL	6,544,888	7,159,101	7,233,061	73,960	1%
OPERATING TRANSFERS					
Operating Transfers In	-	-	-	-	0%
Operating Transfers Out	-	-	-	-	0%
TRANSFERS IN (OUT) TOTAL	-	-	-	-	0%
NET INCOME	\$ -	\$ -	\$ -	\$ -	0%



4.6 BLUE HORIZON

Fund Overview

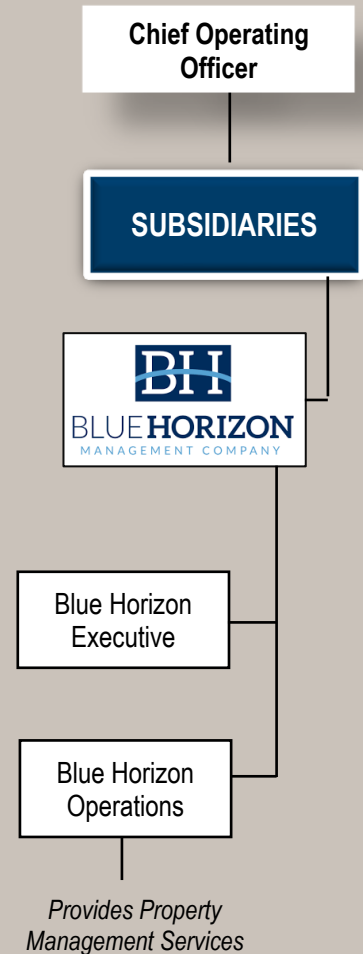
Blue Horizon was created to carry out property management activities for all INLIVIAN and Horizon Development-owned properties, as well as establish third-party property management opportunities. Blue Horizon is the “Doing Business As” name for Horizon Development’s property management division. The 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
- 6** Continue active employee engagement including staff retreat, quarterly lunches and collaborative information sharing
- 6** Continue with employee professional development including specific trainings to achieve certifications in the appropriate fields.

Performance Measurements

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

Output	FY21 Actual	FY22 Estimated
# of units managed	3,693	3,693
# of routine work orders completed	20,864	21,500
# of emergency work orders completed	7,071	7,500

of units managed decreased due to the demolition of Dillehay

Agency Goal #	Effectiveness or Efficiency	FY21 Actual	FY22 Estimated	FY23 Goal
1	% of Occupancy Rate	95.46%	95%	95%
1	% of Rent Collections	94.16%	90%	90%
1	Average # of days for unit turn around	107.1	90	90
1	Average # of days to complete routine work orders	1.75	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

	FY2021 Budget	FY2022 Budget	FY2023 Budget	FY2023 vs FY2022	
				\$ Variance	% Variance
REVENUES					
Tenant Rental Revenues	\$ -	\$ -	\$ -	\$ -	0%
Public Housing Operating Subsidies	-	-	-	-	0%
HCV Operating Subsidies	-	-	-	-	0%
HCV Administrative Fees	-	-	-	-	0%
Capital Fund	-	-	-	-	0%
Portable HAP Revenue	-	-	-	-	0%
Portable HAP Administrative Fees	-	-	-	-	0%
Fee Revenue	2,183,927	2,185,707	2,170,316	(15,391)	-1%
Other Revenues	-	-	-	-	0%
Fund Balance Appropriated	-	95,000	-	(95,000)	-100%
Other Sources	-	-	-	-	0%
REVENUE TOTAL	2,183,927	2,280,707	2,170,316	(110,391)	-5%
EXPENSES					
Administrative	2,057,689	2,180,244	2,090,250	(89,994)	-4%
Tenant & Social Services	-	-	-	-	0%
Utilities	-	-	-	-	0%
Ordinary Maintenance & Operations	23,826	24,250	30,920	6,670	28%
Protective Services	-	-	-	-	0%
General Expenses	11,522	11,390	11,945	555	5%
Reserve Deposits	-	-	-	-	0%
Reserve Draws	-	-	-	-	0%
Debt Service	-	-	-	-	0%
Housing Assistance Payments (HAP)	-	-	-	-	0%
HAP Expense - Portables	-	-	-	-	0%
Other Uses	-	-	-	-	0%
Future Year's Appropriations	-	-	-	-	0%
Property Improvements	-	-	-	-	0%
EXPENSE TOTAL	2,093,037	2,215,884	2,133,115	(82,769)	-4%
OPERATING TRANSFERS					
Operating Transfers In	-	-	-	-	0%
Operating Transfers Out	-	-	-	-	0%
TRANSFERS IN (OUT) TOTAL	-	-	-	-	0%
NET INCOME	\$ 90,890	\$ 64,823	\$ 37,201	\$ (27,622)	-43%





4.7 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 LR 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

	FY2021 Budget	FY2022 Budget	FY2023 Budget	FY2023 vs FY2022	
				\$ Variance	% Variance
REVENUES					
Tenant Rental Revenues	\$ 5,345,751	\$ 5,403,931	\$ 5,466,180	\$ 62,249	1%
Public Housing Operating Subsidies	-	-	-	-	0%
HCV Operating Subsidies	-	-	-	-	0%
HCV Administrative Fees	-	-	-	-	0%
Capital Fund	-	-	-	-	0%
Portable HAP Revenue	-	-	-	-	0%
Portable HAP Administrative Fees	-	-	-	-	0%
Fee Revenue	-	-	110,000	110,000	0%
Other Revenues	320,038	320,027	125,002	(195,025)	-61%
Fund Balance Appropriated	-	-	-	-	0%
Other Sources	-	-	-	-	0%
REVENUE TOTAL	5,665,789	5,723,958	5,701,182	(22,776)	0%
EXPENSES					
Administrative	1,558,074	1,522,251	1,493,061	(29,190)	-2%
Tenant & Social Services	226,760	229,760	226,275	(3,485)	-2%
Utilities	582,616	610,941	595,068	(15,873)	-3%
Ordinary Maintenance & Operations	1,624,790	1,709,016	1,888,953	179,937	11%
Protective Services	10,628	21,324	21,324	-	0%
General Expenses	474,860	503,987	610,280	106,293	21%
Reserve Deposits	211,253	225,327	231,908	6,581	3%
Reserve Draws	(88,779)	(52,663)	(356,258)	(303,595)	576%
Debt Service	601,516	604,378	607,269	2,891	0%
Housing Assistance Payments (HAP)	-	-	-	-	0%
HAP Expense - Portables	-	-	-	-	0%
Other Uses	-	-	-	-	0%
Future Year's Appropriations	25,000	-	-	-	0%
Property Improvements	88,779	185,483	356,258	170,775	92%
EXPENSE TOTAL	5,315,497	5,559,804	5,674,138	114,334	2%
OPERATING TRANSFERS					
Operating Transfers In	-	-	-	-	0%
Operating Transfers Out	-	-	-	-	0%
TRANSFERS IN (OUT) TOTAL	-	-	-	-	0%
NET INCOME	\$ 350,292	\$ 164,154	\$ 27,044	\$ (137,110)	-84%



4.8 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.

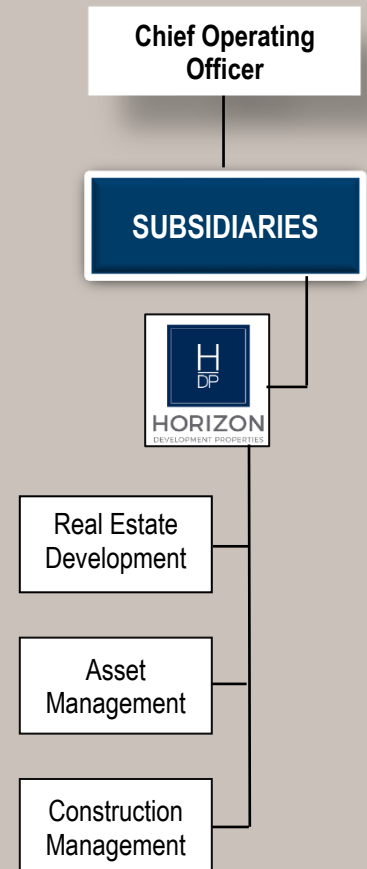
The Horizon Development fund includes the operations of the Horizon Development-owned properties as well as the budget for the Real Estate Development, Asset Management, and Construction Management departments.

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.

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

Implement HDP Development Pipeline Projects:

- Montgomery Gardens (Construction)
- Nia Point (Construction)
- Grove Place (Construction)
- Valley View (Planning)
- Oak Valley (Planning)
- Seneca Woods (Planning)

Performance Measurements

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

Output	FY21 Actual	FY22 Estimated
Total dollar amount of bonds issued	\$154,454,000	\$231,422,000
Total # of units created/preserved by bonds (excluding HDP self-develop or P3 deals)	587	855
Total dollar amount of HDP development deals	\$120,060,044	\$255,590,725
Total # of HDP units created/preserved	563	1,908

Agency Goal #	Effectiveness or Efficiency	FY21 Actual	FY22 Estimated	FY23 Estimated
2	% of capital projects completed (budget vs actuals)	<50%	<50%	100%
2	% of capital projects with change orders less than 10% of original cost	100%	95%	100%
2	% of capital projects completed within 10% of original completion date	100%	100%	100%

Horizon Development Property Listing

Property Listing and Dwelling Unit Composition As of December 31, 2021

Development	Address	Breakdown of Units					
		Tax Credits	PBV	RAD PBV	Affordable/Market Rate	Off-Line	Totals
940 BREVARD	BREVARD STREET	-	60	40	-	-	100
ABBINGTON ON MOUNT HOLLY *	MOUNT HOLLY ROAD	102	-	-	-	-	102
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
ARCHDALE FLATS FAMILY	ARCHDALE DRIVE	166	-	36	-	-	202
ARCHDALE FLATS SENIORS *	ARCHDALE DRIVE	131	-	-	-	-	131
ASHLEY FLATS *	ASHLEY ROAD	102	-	-	-	-	102
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
EVOKE LIVING AT ARROWOOD *	ARROWOOD DRIVE	168	-	-	-	-	168
EVOKE LIVING AT WESTERLY HILLS	WESTERLY HILLS DRIVE	156	-	-	-	-	156
FAIRMARKET SQUARE	FAIRMARKET PLACE	-	-	16	44	-	60
FREEDOM FLATS *	FREEDOM DRIVE	220	-	-	-	-	220
THE GASTON AT NORTH END *	NORTH TRYON STREET	144	-	-	-	-	144
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
THE LANDING AT PARK ROAD	MARSH AVENUE	-	92	-	-	-	92
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
THE OAKS AT CHERRY	LUTHER STREET	-	-	81	-	-	81
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
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		1,662	203	2,020	791	3	4,679

* Note - This property is currently under construction.

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

Horizon Development – Budget by Category

	FY2021 Budget	FY2022 Budget	FY2023 Budget	FY2023 vs FY2022	
				\$ Variance	% Variance
REVENUES					
Tenant Rental Revenues	\$ 34,098,339	\$ 34,312,214	\$ 34,777,431	\$ 465,217	1%
Public Housing Operating Subsidies	-	-	-	-	0%
HCV Operating Subsidies	-	-	-	-	0%
HCV Administrative Fees	-	-	-	-	0%
Capital Fund	-	-	-	-	0%
Portable HAP Revenue	-	-	-	-	0%
Portable HAP Administrative Fees	-	-	-	-	0%
Fee Revenue	4,522,625	4,525,637	4,498,950	(26,687)	-1%
Other Revenues	19,661,245	24,282,892	21,537,560	(2,745,332)	-11%
Fund Balance Appropriated	1,186,744	-	5,273,549	5,273,549	0%
Other Sources	-	-	-	-	0%
REVENUE TOTAL	59,468,953	63,120,743	66,087,490	2,966,747	5%
EXPENSES					
Administrative	10,551,028	11,647,968	12,524,562	876,594	8%
Tenant & Social Services	1,291,050	1,086,241	976,761	(109,480)	-10%
Utilities	4,834,274	4,925,756	4,807,117	(118,639)	-2%
Ordinary Maintenance & Operations	10,678,385	10,798,687	11,514,959	716,272	7%
Protective Services	188,618	181,044	186,888	5,844	3%
General Expenses	1,826,120	2,600,076	2,707,993	107,917	4%
Reserve Deposits	1,641,542	1,673,023	1,705,563	32,540	2%
Reserve Draws	(3,834,160)	(2,898,530)	(5,047,038)	(2,148,508)	74%
Debt Service	4,408,624	4,196,718	4,066,046	(130,672)	-3%
Housing Assistance Payments (HAP)	-	-	-	-	0%
HAP Expense - Portables	-	-	-	-	0%
Other Uses	3,000,000	4,800,000	5,273,549	473,549	10%
Future Year's Appropriations	315,000	991,870	239,731	(752,139)	-76%
Property Improvements	23,197,551	22,133,509	26,288,235	4,154,726	19%
EXPENSE TOTAL	58,098,032	62,136,362	65,244,366	3,108,004	5%
OPERATING TRANSFERS					
Operating Transfers In	-	-	-	-	0%
Operating Transfers Out	-	-	-	-	0%
TRANSFERS IN (OUT) TOTAL	-	-	-	-	0%
NET INCOME	\$ 1,370,921	\$ 984,381	\$ 843,124	\$ (141,257)	-14%

Real Estate Development – Budget by Category

	FY2021 Budget	FY2022 Budget	FY2023 Budget	FY2023 vs FY2022	
				\$ Variance	% Variance
REVENUES					
Fee Revenue					0%
Asset Management Fees	344,024	351,656	364,732	13,076	4%
Bond Application Fees	5,000	-	15,000	15,000	0%
Bond Issuance Fees	1,625,663	987,500	1,156,250	168,750	17%
Bond Monitoring Fees	393,556	461,072	549,510	88,438	19%
Construction Management Fees	281,627	333,862	115,568	(218,294)	-65%
Developer Fees	1,775,492	2,294,850	2,265,918	(28,932)	-1%
Other Fee Revenue	-	-	-	-	0%
Other Revenues	154,407	-	-	-	0%
Fund Balance Appropriated	1,186,744	-	-	-	0%
REVENUE TOTAL	5,766,513	4,428,940	4,466,978	38,038	1%
EXPENSES					
Administrative	2,700,331	3,394,989	4,169,433	774,444	23%
Tenant & Social Services	-	-	-	-	0%
Utilities	-	-	-	-	0%
Ordinary Maintenance & Operations	57,582	64,731	55,814	(8,917)	-14%
Protective Services	-	-	-	-	0%
General Expenses	8,600	13,290	2,000	(11,290)	-85%
Reserve Deposits	-	-	-	-	0%
Reserve Draws	-	-	-	-	0%
Debt Service	-	-	-	-	0%
Housing Assistance Payments (HAP)	-	-	-	-	0%
HAP Expense - Portables	-	-	-	-	0%
Other Uses	3,000,000	-	-	-	0%
Future Year's Appropriations	-	991,870	239,731	(752,139)	-76%
Property Improvements	-	-	-	-	0%
EXPENSE TOTAL	5,766,513	4,464,880	4,466,978	2,098	0%
OPERATING TRANSFERS					
Operating Transfers In	-	-	-	-	0%
Operating Transfers Out	-	-	-	-	0%
TRANSFERS IN (OUT) TOTAL	-	-	-	-	0%
NET INCOME	\$ -	\$ (35,940)	\$ -	\$ 35,940	-100%

Real Estate Development – Expense Budget by Section

	FY2021 Budget	FY2022 Budget	FY2023 Budget	FY2023 vs FY2022	
				\$ Variance	% Variance
Asset Management	\$ 455,403	\$ 683,885	\$ 683,863	\$ (22)	0.0%
Construction Management	186,279	500,055	754,517	254,462	50.9%
Real Estate Development	5,124,831	3,280,940	3,028,598	(252,342)	-7.7%
Relocation	-	-	-	-	0.0%
EXPENSE TOTALS	\$ 5,766,513	\$ 4,464,880	\$ 4,466,978	\$ 2,098	0.0%

Horizon Development – Budget by Properties

REVENUES	940 Brevard	Grove Place	Oak Valley	Valley View	Arbor Glen 50	Arbor Glen I
Tenant Rental Revenues	\$ 655,341	\$ 312,342	\$ 426,644	\$ 434,916	\$ 375,005	\$ 1,109,643
Fee Revenue	-	-	-	-	-	-
Other Revenues	6,000	-	-	-	-	-
Other Sources	-	-	-	-	-	-
Fund Balance Appropriated	-	-	-	-	-	-
REVENUE TOTAL	661,341	312,342	426,644	434,916	375,005	1,109,643
EXPENSES						
Administrative	225,744	90,285	103,908	106,989	105,143	314,040
Tenant & Social Services	22,950	1,500	750	1,500	2,550	51,601
Utilities	48,970	34,917	41,000	46,100	69,268	184,955
Ordinary Maintenance & Operations	225,509	152,485	215,316	214,143	136,898	424,855
Protective Services	3,604	2,574	3,574	3,574	3,202	9,221
General Expenses	72,465	30,073	41,296	38,335	33,787	79,985
Reserve Deposits	34,045	-	-	-	22,027	44,275
Reserve Draws	(101,000)	(31,000)	(31,800)	(41,000)	(28,300)	(129,000)
Debt Service	1,000	-	-	-	-	-
Future Year's Appropriations	-	-	-	-	-	-
Property Improvements	101,000	31,000	31,800	41,000	28,300	129,000
EXPENSE TOTAL	634,287	311,834	405,844	410,641	372,875	1,108,932
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-
TRANSFERS IN (OUT) TOTAL	-	-	-	-	-	-
NET INCOME	\$ 27,055	\$ 508	\$ 20,800	\$ 24,275	\$ 2,130	\$ 711

REVENUES	Arbor Glen II	Arbor Glen III	Autumn Place	Cedar Knoll	Charlottetown Terrace	Claremont
Tenant Rental Revenues	\$ 692,467	\$ 174,091	\$ 797,039	\$ 560,770	\$ 1,739,300	\$ 586,463
Fee Revenue	-	-	-	-	-	-
Other Revenues	-	-	-	200	7,200	-
Other Sources	-	-	-	-	-	-
Fund Balance Appropriated	-	-	-	-	-	-
REVENUE TOTAL	692,467	174,091	797,039	560,970	1,746,500	586,463
EXPENSES						
Administrative	195,125	50,993	209,575	131,009	377,945	123,845
Tenant & Social Services	39,275	630	52,044	27,440	36,420	29,806
Utilities	98,014	26,563	109,506	135,481	149,800	131,867
Ordinary Maintenance & Operations	258,972	43,956	304,695	194,612	543,393	220,031
Protective Services	5,828	1,644	4,355	3,295	10,310	3,300
General Expenses	55,570	14,970	60,671	39,743	136,137	43,982
Reserve Deposits	38,697	9,519	39,430	29,124	80,500	29,848
Reserve Draws	(46,400)	(9,519)	(32,200)	(41,000)	(125,614)	(109,000)
Debt Service	-	22,751	-	-	428,076	-
Future Year's Appropriations	-	-	-	-	-	-
Property Improvements	46,400	9,519	32,200	41,000	94,219	109,000
EXPENSE TOTAL	691,481	171,026	780,276	560,704	1,731,186	582,679
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-
TRANSFERS IN (OUT) TOTAL	-	-	-	-	-	-
NET INCOME	\$ 986	\$ 3,065	\$ 16,763	\$ 266	\$ 15,314	\$ 3,784

	Fairmarket					
REVENUES	Edwin Towers	Square	First Ward	Gladedale	Glen Cove	Hampton Creste
Tenant Rental Revenues	\$ 1,993,011	\$ 608,151	\$ 2,530,389	\$ 614,907	\$ 519,140	\$ 2,018,178
Fee Revenue	-	-	-	-	-	-
Other Revenues	6,200	3,831,600	-	-	-	-
Other Sources	-	-	-	-	-	-
Fund Balance Appropriated	-	-	-	-	-	-
REVENUE TOTAL	1,999,211	4,439,751	2,530,389	614,907	519,140	2,018,178
EXPENSES						
Administrative	407,912	142,846	617,430	124,156	136,306	491,489
Tenant & Social Services	39,220	23,242	-	33,565	18,170	4,500
Utilities	226,600	85,040	280,697	132,155	38,114	201,800
Ordinary Maintenance & Operations	576,538	164,912	447,626	244,100	189,258	821,300
Protective Services	11,271	3,600	-	3,138	3,202	13,640
General Expenses	152,652	48,757	166,000	44,521	41,329	135,904
Reserve Deposits	88,000	35,819	-	28,407	32,000	254,333
Reserve Draws	(368,319)	(61,000)	-	(36,900)	(175,145)	(344,147)
Debt Service	455,824	-	320,474	-	14,000	64,658
Future Year's Appropriations	-	-	-	-	-	-
Property Improvements	334,000	3,892,600	251,958	36,900	175,145	344,147
EXPENSE TOTAL	1,923,698	4,335,816	2,084,184	610,042	472,379	1,987,624
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-
TRANSFERS IN (OUT) TOTAL	-	-	-	-	-	-
NET INCOME	\$ 75,513	\$ 103,935	\$ 446,205	\$ 4,865	\$ 46,761	\$ 30,554

	Carole Hoefener		Little Rock		McAden Park	
REVENUES	Center	Leafcrest	Apartments	The Landings	Mallard Ridge	Apartments
Tenant Rental Revenues	\$ -	\$ 568,232	\$ 2,515,371	\$ 899,806	\$ 443,945	\$ 408,165
Fee Revenue	-	-	-	-	-	-
Other Revenues	552,250	-	84	6,360	-	-
Other Sources	-	-	-	-	-	-
Fund Balance Appropriated	-	-	-	-	-	-
REVENUE TOTAL	552,250	568,232	2,515,455	906,166	443,945	408,165
EXPENSES						
Administrative	216,431	125,426	482,249	256,008	106,538	99,659
Tenant & Social Services	-	32,654	-	30,811	21,363	-
Utilities	33,195	121,658	253,672	45,651	91,269	62,500
Ordinary Maintenance & Operations	168,205	214,378	711,384	304,810	170,316	129,641
Protective Services	-	3,166	-	5,892	1,500	-
General Expenses	21,912	37,815	375,270	79,211	31,921	40,117
Reserve Deposits	16,596	27,833	60,500	27,985	20,295	28,092
Reserve Draws	-	(134,900)	(242,008)	(390,000)	(193,715)	(56,300)
Debt Service	10,000	-	607,269	63,334	-	46,126
Future Year's Appropriations	-	-	-	-	-	-
Property Improvements	-	134,900	242,008	390,000	193,715	56,300
EXPENSE TOTAL	466,339	562,930	2,490,344	813,702	443,202	406,135
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-
TRANSFERS IN (OUT) TOTAL	-	-	-	-	-	-
NET INCOME	\$ 85,911	\$ 5,302	\$ 25,111	\$ 92,464	\$ 743	\$ 2,030

	Montgomery					
REVENUES	McAlpine	McMullen Wood	Meadow Oaks	Mill Pond	Gardens	Nia Point
Tenant Rental Revenues	\$ 919,695	\$ 405,175	\$ 376,308	\$ 2,008,636	\$ 577,702	\$ 615,614
Fee Revenue	-	-	-	-	-	-
Other Revenues	8,003,200	-	771,160	-	700	-
Other Sources	-	-	-	-	-	-
Fund Balance Appropriated	-	-	-	-	-	-
REVENUE TOTAL	8,922,895	405,175	1,147,468	2,008,636	578,402	615,614
EXPENSES						
Administrative	258,618	129,558	101,990	466,721	181,623	191,138
Tenant & Social Services	34,979	1,500	17,396	2,400	1,800	-
Utilities	135,924	35,807	67,757	119,935	97,031	93,525
Ordinary Maintenance & Operations	351,278	152,813	139,742	595,351	135,371	214,060
Protective Services	7,236	3,522	2,050	-	5,000	5,790
General Expenses	75,259	40,882	28,815	129,517	51,302	45,155
Reserve Deposits	52,400	31,880	18,558	50,400	29,603	31,538
Reserve Draws	(5,500)	(112,512)	(47,030)	(130,750)	(200,121)	(15,000)
Debt Service	7,201	9,180	-	448,510	75,409	33,415
Future Year's Appropriations	-	-	-	-	-	-
Property Improvements	8,005,500	112,512	818,190	130,750	200,121	15,000
EXPENSE TOTAL	8,922,895	405,142	1,147,468	1,812,834	577,139	614,621
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-
TRANSFERS IN (OUT) TOTAL	-	-	-	-	-	-
NET INCOME	\$ -	\$ 33	\$ -	\$ 195,802	\$ 1,263	\$ 993

	Oaks at Cherry	Parktowne	Park at Oaklawn	Robinsdale	Savanna Woods	Seneca Woods
REVENUES						
Tenant Rental Revenues	\$ 786,827	\$ 1,452,040	\$ 1,454,371	\$ 344,480	\$ 614,302	\$ 488,232
Fee Revenue	-	-	-	-	-	-
Other Revenues	-	6,118	6,000	-	50,000	-
Other Sources	-	-	-	-	-	-
Fund Balance Appropriated	-	-	-	-	-	-
REVENUE TOTAL	786,827	1,458,158	1,460,371	344,480	664,302	488,232
EXPENSES						
Administrative	202,644	396,134	408,996	83,838	158,717	127,759
Tenant & Social Services	47,080	103,187	4,475	8,054	25,810	33,515
Utilities	104,000	155,282	178,528	73,570	141,200	53,768
Ordinary Maintenance & Operations	249,728	586,747	587,425	131,832	214,884	178,106
Protective Services	5,187	10,438	11,400	2,000	3,300	3,150
General Expenses	76,288	120,533	101,006	27,275	40,799	40,587
Reserve Deposits	34,492	83,904	51,606	17,910	29,256	29,256
Reserve Draws	(30,000)	(10,000)	(776,204)	(25,000)	(90,569)	(85,000)
Debt Service	67,200	-	74,498	-	-	7,500
Future Year's Appropriations	-	-	-	-	-	-
Property Improvements	30,000	10,000	776,204	25,000	140,569	85,000
EXPENSE TOTAL	786,619	1,456,225	1,417,934	344,480	663,966	473,641
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-
TRANSFERS IN (OUT) TOTAL	-	-	-	-	-	-
NET INCOME	\$ 208	\$ 1,933	\$ 42,437	\$ 0	\$ 336	\$ 14,591

	Springfield					
REVENUES	Southside	Gardens	Strawn	Sunridge	Tarlton Hills	Victoria Square
Tenant Rental Revenues	\$ 4,699,371	\$ 754,345	\$ 1,498,769	\$ 480,619	\$ 568,412	\$ 431,253
Fee Revenue	-	-	-	-	-	-
Other Revenues	-	-	7,800	3,750,000	-	-
Other Sources	-	-	-	-	-	-
Fund Balance Appropriated	-	-	-	-	-	-
REVENUE TOTAL	4,699,371	754,345	1,506,569	4,230,619	568,412	431,253
EXPENSES						
Administrative	827,320	203,828	393,678	116,163	130,206	110,743
Tenant & Social Services	135,455	6,000	123,088	27,356	27,490	19,587
Utilities	911,125	85,215	186,114	90,579	148,864	76,266
Ordinary Maintenance & Operations	1,109,121	255,767	590,822	146,061	189,907	173,859
Protective Services	17,500	5,507	10,886	200	4,082	2,000
General Expenses	303,049	60,222	114,477	28,693	38,740	29,605
Reserve Deposits	201,880	33,457	87,504	25,513	29,123	19,164
Reserve Draws	(917,045)	(76,650)	(104,250)	(21,300)	(21,000)	(24,000)
Debt Service	1,192,433	104,349	-	-	-	-
Future Year's Appropriations	-	-	-	-	-	-
Property Improvements	917,045	76,650	104,250	3,771,300	21,000	24,000
EXPENSE TOTAL	4,697,883	754,345	1,506,569	4,184,565	568,412	431,224
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-
TRANSFERS IN (OUT) TOTAL	-	-	-	-	-	-
NET INCOME	\$ 1,488	\$ -	\$ -	\$ 46,054	\$ -	\$ 29

	Woodlawn		
REVENUES	Vistas at 707	Wallace Woods	House
Tenant Rental Revenues	\$ 1,978,049	\$ 517,070	\$ 1,227,579
Fee Revenue	31,972	-	-
Other Revenues	4,236,356	756,230	106,354
Other Sources	-	-	-
Fund Balance Appropriated	-	-	-
REVENUE TOTAL	6,246,377	1,273,300	1,333,933
EXPENSES			
Administrative	466,860	145,225	217,899
Tenant & Social Services	-	27,041	86,832
Utilities	120,216	72,530	182,549
Ordinary Maintenance & Operations	303,646	203,038	506,679
Protective Services	-	3,074	6,000
General Expenses	241,452	37,504	90,719
Reserve Deposits	88,428	28,658	60,304
Reserve Draws	-	(24,398)	(15,000)
Debt Service	981,708	-	15,000
Future Year's Appropriations	-	-	-
Property Improvements	4,044,067	780,628	118,854
EXPENSE TOTAL	6,246,377	1,273,300	1,269,836
Operating Transfers In	-	-	-
Operating Transfers Out	-	-	-
TRANSFERS IN (OUT) TOTAL	-	-	-
NET INCOME	\$ -	\$ -	\$ 64,097



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 FY2023 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 FY2023 Budget to fund the majority of the anticipated property improvements. Additionally, a new PNA will be commissioned in 2023 to create a more current look at the properties, and their respective needs.

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	FY2023
	Total Budget
400 East Blvd Admin Bldg	\$ 30,000
940 Brevard	\$ 101,000
Grove Place	\$ 31,000
Oak Valley	\$ 31,800
Valley View	\$ 41,000
Arbor Glen 50	\$ 28,300
Arbor Glen I	\$ 129,000
Arbor Glen II	\$ 46,400
Arbor Glen III	\$ 9,519

Continue from prior page

Property	FY2023
	Total Budget
Autumn Place	\$ 32,200
Cedar Knoll	\$ 41,000
Charlottetown Terrace	\$ 94,219
Claremont	\$ 109,000
Edwin Towers	\$ 334,000
Fairmarket Square	\$ 3,892,600
First Ward	\$ 251,958
Gladedale	\$ 36,900
Glen Cove	\$ 175,145
Hampton Creste	\$ 344,147
Leafcrest	\$ 134,900
Little Rock Apartments	\$ 242,008
The Landings	\$ 390,000
Mallard Ridge	\$ 193,715
McAden Park Apartments	\$ 56,300
McAlpine	\$ 8,005,500
McMullen Wood	\$ 112,512
Meadow Oaks	\$ 818,190
Mill Pond	\$ 130,750
Montgomery Gardens	\$ 200,121
Nia Point	\$ 15,000
Oaks at Cherry	\$ 30,000
Parktowne	\$ 10,000
Park at Oaklawn	\$ 776,204
Robinsdale	\$ 25,000
Savanna Woods	\$ 140,569
Seneca Woods	\$ 85,000
Southside	\$ 917,045
Springfield Gardens	\$ 76,650
Strawn	\$ 104,250
Sunridge	\$ 3,771,300
Tarlton Hills	\$ 21,000
Victoria Square	\$ 24,000
Vistas at 707	\$ 4,044,067
Wallace Woods	\$ 780,628
Woodlawn House	\$ 118,854
Grand Total:	\$ 26,982,751

Description of Property Improvements

Below are descriptions of some of the property improvements included in the FY2023 Budget.

Glen Cove: The capital project includes building a retaining wall near the parking lot to help fix the erosion issues under the concrete drainage trough. Regrading will also be completed to move water away from the buildings to prevent moisture intrusion.

Hampton Creste: Remove existing pool house and provide a basketball court on the existing slab. Remove or fill existing pool and demolish associated outbuilding. Replace exterior entry ceilings.

McAlpine Terrace: Interior renovations of all units to include new finishes, kitchen and bathroom cabinets, new sinks and appliances, and new lighting. Exterior patching and repainting of existing EIFS system. Replace existing HVAC units with new PTAC units in all residential units and run condensate lines appropriately to a central location. Replace exterior windows throughout the building (resident units only) and incorporate the PTAC units into the overall design. Add retaining wall to mitigate erosion, replace exterior lighting at front entry.

Meadow Oaks: Renovate interiors of all units over the course of next five years. FY2023 Budget includes Phase 1, which would include 8 units. Scope of work includes new finishes, kitchen and bathroom cabinets, new sinks and appliances, new lighting and bathtub replacement. Reroofing of buildings, replace gutters and add gutter guards. Remove old playground and clothesline areas; add seating and grill area. Replace existing unit exhaust fans and switch with lights. Replace damaged storage room doors.

McMullen Wood: Replace patio deck and railings at damaged locations, approximately 33 units. Rebuild the property signage with electrical.

Park at Oaklawn: Resurface parking lots and mitigate erosion at various locations. Exterior painting. Replace the damaged fence along the property line and replace damaged signage and trash enclosure. Replace key entry system at property management office and community laundry buildings. Replace common area washers and dryers. Replace cabinet doors in units as needed.

Southside Homes: Interior upfit of approximately 8 units to include finishes, kitchen renovations, bathroom renovations and updated lighting.

Savanna Woods: Reroof buildings. Replace site benches throughout property.

Wallace Woods: Replace wooden stairs and breezeways in buildings. Replace retaining wall near basketball court to mitigate erosion. Replace the roofs on buildings.

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	FY2023 Appropriations	Moving to Work	Horizon Development	Business Activities	FY2023 Sources of Funding
Strawn Master Plan	\$ 2,763,887	\$ 469,500	\$ 469,500		\$ -	\$ 469,500
Renaissance	200,000	200,000	200,000			200,000
JT Crawford Community Center	2,000,000	1,337,731	1,337,731			1,337,731
Montgomery Gardens	1,000,000	891,187	891,187			891,187
Nia Point	1,000,000	893,771	893,771			893,771
Seneca Woods	2,617,255	2,238,895	2,238,895			2,238,895
Dillehay Phase II Relocation, Demolition, Predevelopment	3,500,000	3,312,566	3,312,566			3,312,566
8th and Tryon	37,800,000	27,800,000	6,300,000	5,000,000	16,500,000	27,800,000
Grove Place	500,000	500,000	500,000			500,000
Oaks at Cherry	1,500,000	815,751	815,751			815,751
Future Projects	26,100,000	26,100,000	26,100,000			26,100,000
	\$ 78,981,142	\$ 64,559,401	\$ 43,059,401	\$ 5,000,000	\$ 16,500,000	\$ 64,559,401

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, will include the construction of a 330,000 +/- mid-rise office building that will front 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.

2. Hall House: P3 with Urban Atlantic



Artist's Rendering of the College Street Façade

The plan of development for Hall House (identified as 8th and Tryon) contemplates the construction 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. There will be 69 PBV units in the property.. The construction documents have been submitted for permits. The funding for the affordable units is on track, and is expected to close in November 2022. 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. Abatement and demolition of the current building began in 2022.

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 transferred

the units to Archdale Flats Family. There will be 36 regular PBV units subsidizing the operations of the 30% AMI units in the new Dillehay Courts project. This project is being funded with tax-exempt bonds, 4% tax credits, a City Housing Trust Fund loan and an HDP loan.

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 is recapitalizing First Ward Place through 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 71 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 is the Architect of Record, Cleveland Construction is the general contractor. 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). Closing occurred in July 2021, with construction commencing shortly after. 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. There will be 26 PBV units subsidizing the operations of the 30% AMI units. Bedroom sizes will be available from one to three bedrooms.

7. Archdale Flats Family and Archdale Flats Seniors: 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 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 Elmington 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 with construction commencing shortly after. Archdale Flats Family began leasing units in late 2021, while Archdale Flats Seniors began leasing in 2022. INLIVIAN issued the bonds. The 36 Dillehay Courts RAD subsidies were transferred to support the operations of the 36 units that are serving 30% AMI households.

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 closed April 16, 2021, and is in the final stages of construction.

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, 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 Wilkson 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 and is in the final stages of construction.

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 65% complete. INLIVIAN 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, townhomes, 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, and is currently under construction.

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 FY2023, there is a net increase of 4.50 FTE over the prior year, for a new total of **259.50** FTEs.

Strategic Business Area	FY2021			FY2022			FY2023			Change FY22 vs FY23
	Full Time	Part Time	Total FTE	Full Time	Part Time	Total FTE	Full Time	Part Time	Total FTE	
CORE / Client Services										
Client Services	39.00	2.50	41.50	40.00	2.00	42.00	42.00	1.00	43.00	
Subtotal - CORE	39.00	2.50	41.50	40.00	2.00	42.00	42.00	1.00	43.00	1.00
HDP / Real Estate Development										
Asset Management	3.00	-	3.00	4.00	-	4.00	3.00	-	3.00	
Administration / Development	6.00	-	6.00	7.00	-	7.00	6.00	-	6.00	
Construction Management	1.00	-	1.00	1.00	-	1.00	6.00	-	6.00	
Relocation	-	-	-	-	-	-	-	-	-	
Subtotal - HDP	10.00	-	10.00	12.00	-	12.00	15.00	-	15.00	3.00
Blue Horizon / Real Estate Mgmt										
Executive	2.00	-	2.00	2.00	-	2.00	2.00	-	2.00	
Asset Management	-	-	-	-	-	-	-	-	-	
Property Management - Admin	7.00	-	7.00	7.00	-	7.00	7.00	-	7.00	
Property Management - Sites	88.00	-	88.00	84.00	-	84.00	89.00	-	89.00	
Subtotal - Blue Horizon	97.00	-	97.00	93.00	-	93.00	98.00	-	98.00	5.00
Housing Choice Voucher Program										
Administration	3.00	-	3.00	3.00	-	3.00	2.00	-	2.00	
Housing Choice Voucher Program	49.00	-	49.00	54.00	-	54.00	49.00	-	49.00	
Subtotal - Administrative Op	52.00	-	52.00	57.00	-	57.00	51.00	-	51.00	(6.00)
Corporate Services										
Executive	10.00	0.50	10.50	10.00	0.50	10.50	3.00	-	3.00	
Finance	20.00	-	20.00	20.00	-	20.00	22.00	-	22.00	
Information Technology	5.00	-	5.00	6.00	-	6.00	6.00	-	6.00	
Legal & Resident Safety	6.00	-	6.00	6.00	-	6.00	7.00	-	7.00	
People & Culture	4.00	-	4.00	4.00	-	4.00	12.50	-	12.50	
Public Relations	2.00	-	2.00	2.00	-	2.00	2.00	-	2.00	
Subtotal - Corporate Services	47.00	0.50	47.50	48.00	0.50	48.50	52.50	-	52.50	4.00
GRAND TOTAL	245.00	3.00	248.00	250.00	2.50	252.50	258.50	1.00	259.50	7.00

Staffing Change Highlights

CORE's FTE changed due to the addition of a grant-funded position for the ParentChild+ Program for a total increase of 1.00 FTE.

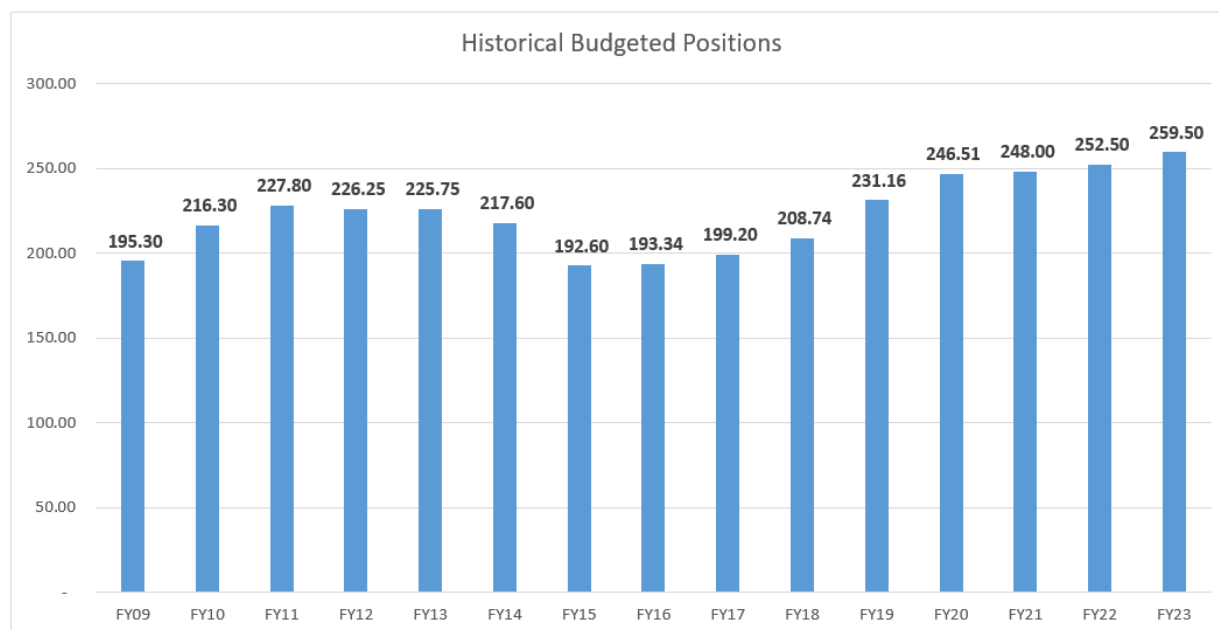
Horizon Development Properties (HDP) increased its staffing to provide more resources in managing its growing development and construction management needs. A new Relocation Coordinator, Capital Project Associate and Project Manager are added to HDP's staffing for a new total of 15.00 FTEs.

Blue Horizon will now be managing three new properties: Mill Pond, McAden Park and Little Rock. As a result, 5.00 new FTEs were added for the Mill Pond site and 1.00 new FTE was added for McAden Park. Also, as the Dillehay redevelopment project progresses, the property manager position was eliminated in this budget. Overall, Blue Horizon's staffing increased by a net 5.00 FTE for a new total of 98.00 FTEs for FY2023.

Housing Choice Voucher Program decreased its organization by 5.00 vacant FTE's as it awaits the Six Sigma process improvement to finalize before making implementing changes to reflect organization realignment. Also, 1.00 FTE was moved to the Legal Department. Housing Choice Voucher Program's new total FTE is 51.00.

In Corporate Services, Finance added a new Training and Compliance Manager and a new Accountant position to support the agency's need to train employees and to support the new properties that transitioned to Blue Horizon's management. Additionally, a new Chief Operating Officer position was added to oversee the operations departments, CORE and Blue Horizon. The new FTE total for Corporate Services is now 52.50.

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.

FY2023 Budget Calendar

02/11/2022	Issue Budget Infosheet for development of the FY2023 Budget
04/01/2022	New Position Requests & Internal Fees due to Budget Office
04/01/2022	Complete Upload of Salaries/Benefits into Budget System
04/15/2022	Budget System Open to Users
April/May	Leadership Budget Retreat
May/June	MANDATORY Budget Boot Camps for Blue Horizon and CORE Staff
07/08/2022	Budgets Due in Budget System; both Operating and Capital Budgets
07/09/2022- 09/06/2022	Budget Reviews
09/06/2022	INLIVIAN Management review of Draft Budget
11/03/2022	Finance & Audit Committee Meeting
11/04/2022- 11/15/2022	Public Review Period
11/15/2022	Public Hearing on Budget
12/13/2022	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	Capital Fund Program	HOPE VI Program	ROSS Grants	Misc Federal Grants	Total
3/31/2012	\$ 13,129,796	\$ 43,386,168	\$ 1,514,690	\$ 106,941	\$ 9,132,699	\$ 1,677,570	\$ 385,915	\$ -	\$ 69,333,779
3/31/2013	10,277,011	44,301,889	1,920,547	-	4,705,647	2,857,816	288,165	-	64,351,075
3/31/2014	10,046,259	46,853,002	1,818,065	-	1,897,931	5,080,438	290,533	-	65,986,228
3/31/2015	10,828,668	45,979,266	2,955,244	-	3,121,076	1,791,654	373,391	-	65,049,299
12/31/2016 (1)	19,002,491	79,175,447	5,265,467	-	13,002,644	8,446,947	444,326	1,774,617	127,111,939
12/31/2017	6,501,084	69,354,920	3,198,911	-	267,110	-	1,658	2,652,512	81,976,195
12/31/2018	1,280,914	67,028,858	3,237,533	-	66,375	-	-	2,379,890	73,993,570
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
12/31/2021	898,086	76,923,086	5,782,679	-	889,708	-	116,170	2,240,684	86,850,413

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
3/31/2012	\$ 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%
12/31/2021	20,001,199	18%	11,773,445	11%	79,007,797	71%	110,782,441	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
2022	\$ 40,830,737	\$ 3,318,527	\$ 44,149,264
2023	38,022,832	3,420,521	41,443,353
2024	2,073,402	3,672,376	5,745,778
2025	2,222,258	3,866,162	6,088,420
2026	8,212,795	3,717,650	11,930,445
2027-2031	21,575,631	17,341,425	38,917,056
2032-2036	16,483,501	13,144,179	29,627,680
2037-2041	64,775,436	8,972,675	73,748,111
2042-2046	17,828,805	6,787,094	24,615,899
2047-2051	18,899,109	4,665,439	23,564,548
2052-2056	6,563,219	1,729,133	8,292,352
2057-2061	1,770,897	715,792	2,486,689
Mortgages Payable	\$ 239,258,622	\$ 71,350,972	\$ 310,609,594

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, 2021 is \$959,124.

A \$15,000,000 in INLIVIAN Multifamily Housing Revenue Bonds, Series 2021 on Abington on Mount Holly, collateralized by the property. The bonds bear interest at 4.15% until the stabilization date, and 4.35% thereafter. The maturity date is December 1, 2060. Monthly principal and interest payments are required in the amount of \$51,806 beginning August 2026, with monthly interest only payments required until that time. The outstanding principal balance at December 31, 2021 is \$9,340,000, with accrued interest of \$32,301.

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, 2021 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, 2021 is \$61,091.

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, 2021 is \$29,062, with accrued interest of \$152.

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, 2021 is \$27,098,489 and accrued interest of \$0. Interest expense for the year ended December 31, 2021 was \$606,264.

\$21,161,000 in Housing Authority of the City of Charlotte, N.C. Multifamily Housing Tax-Exempt Mortgage-Backed Bonds, Series 2019A on Archdale Flats-Family, collateralized by the Cash Collateral Reserve and other escrows. The bonds bear interest at 2.6%. Payments are monthly interest only through the maturity date of January 1, 2038. The outstanding principal balance at December 31, 2021 is \$21,161,000.

\$6,480,000 in Housing Authority of the City of Charlotte, N.C. Multifamily Housing Taxable Revenue Bonds, Series 2019B on Archdale Flats-Family, collateralized by the property. The bonds bear interest at 3.02%. Payments are monthly interest only through the maturity date of January 1, 2038. The outstanding principal balance at December 31, 2021 is \$6,480,000.

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, 2021 is \$11,888,104 and accrued interest \$0. Interest expense for the year ended December 31, 2021 was \$342,412.

\$10,672,000 in Housing Authority of the City of Charlotte, N.C. Multifamily Housing Tax-Exempt Mortgage- Backed Bonds, Series 2019A on Archdale Flats-Seniors, collateralized by the Cash Collateral Reserve and other escrows. The bonds bear interest at 2.6%. Payments of interest only are due monthly through the maturity date of January 1, 2038. The outstanding principal balance at December 31, 2021 is \$10,672,000.

\$1,995,000 in Housing Authority of the City of Charlotte, N.C. Multifamily Housing Taxable Revenue Bonds, Series 2019B on Archdale Flats-Seniors, collateralized by the property. The bonds bear interest at 3.02%. Payments are monthly interest only through the maturity date of January 1, 2038. The outstanding principal balance at December 31, 2021 is \$1,995,000.

A \$20,500,000 construction loan payable to Truist Bank on Ashley Flats. The loan bears interest at the higher of (i) the per annum rate which the lender publicly announces from time to time to be its prime lending rate, plus an amount per annum to approximate the most recent LIBOR Index Rate and Applicable Margin (but not less than 0%), or (ii) the Federal Funds Rate plus .50% per annum, collateralized by the property. Payments of interest only are due monthly through the maturity date of May 1, 2041. The total outstanding balance of the loan as of December 31, 2021 is \$5,385,855 and accrued interest \$0. Interest expense for the year ended December 31, 2021 was \$46,306.

An \$18,000,000 Horizon Development mortgage note payable to Bellwether Enterprise Real Estate Capital, LLC, on Charlotetown 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, 2021, is \$16,787,611, with accrued interest of \$46,726.

\$19,800,000 in INLIVIAN Multifamily Housing Revenue Bonds, Series 2021 on Evoke Living at Arrowood, collateralized by the property. The loan bears interest at the one-month LIBOR rate plus 2.5% per annum. Payments of interest only are due monthly through the maturity date of April 1, 2039. The outstanding principal balance at December 31, 2021 is \$1,904,314.

A \$2,000,000 mortgage note payable to the City, on Evoke Living at Arrowood, collateralized by the property, with an interest rate of 1%. The note requires annual interest payments from available cash flow, as defined, following the issuance of a certificate of occupancy or no later than December 1, 2023. The note matures 20 years from the date of issuance of a certificate of occupancy, but not later than November 1, 2043. The outstanding principal balance at December 31, 2021 is \$1,800,000.

A \$2,800,000 construction loan payable to Truist Bank on Evoke Living at Arrowood. The loan bears interest at 0% prior to stabilization and 1% after stabilization and is collateralized by the property. Payments of interest only are due monthly. The total outstanding balance of the loan as of December 31, 2021 is \$949,329. Interest expense for the year ended December 31, 2021 was \$23,447.

A \$2,000,000 mortgage note payable to the City, on Evoke Living at Westerly Hills, collateralized by the property, with an interest rate of 1%. The note requires annual interest payments from available cash flow, as defined, following the issuance of a certificate of occupancy or no later than May 31, 2022. The note matures on April 30, 2042. The outstanding principal balance at December 31, 2021 is \$1,800,000.

A \$18,100,000 construction loan payable to Pinnacle Bank on Evoke Living at Westerly Hills. The loan bears interest at the one-month LIBOR rate plus 2.25% per annum with a floor of 3.25% 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, 2021 is \$17,936,967 and accrued interest \$49,978. Interest expense for the year ended December 31, 2021 was \$261,771.

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, 2021 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, 2021 was \$1,844,379.

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, 2021 was \$798,756.

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, 2021 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, 2021 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, 2021 is \$16,122,166. Interest expense for the year ended December 31, 2021 was \$140,403.

A \$13,750,000 construction loan payable to Fifth Third Bank on The Gaston at North End. The loan bears interest at 2.5% per annum and is collateralized by the land, property, buildings and improvements, and tenant rents. Payments of interest only are due until conversion on November 1, 2023. The total outstanding balance of the loan as of December 31, 2021 is \$1,344,636. Interest expense for the year ended December 31, 2021 was \$46,075.

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, 2021 is \$1,309,831.

A \$4,097,849 mortgage note payable to United Community Bank on Hampton Creste, collateralized by a deed of trust and security agreement with an interest rate of LIBOR plus 1.49%. Payments of principal and interest were due monthly. The maturity date was January 28, 2022. During the year the loan was paid off. The outstanding principal balance of the loan as of December 31, 2021 is \$0.

A \$3,232,909 mortgage note payable to TowneBank on Hampton Creste, collateralized by a deed of trust and security agreement with an interest rate of 2%. Payments of interest only are due monthly. The maturity date is July 15, 2026. The outstanding principal balance of the loan as of December 31, 2021 is \$3,232,909, with accrued interest of \$5,568.

A \$1,300,000 mortgage note payable to the City on Hampton Creste, collateralized by a deed of trust and security agreement, pursuant to the City's Neighborhood Stabilization Program ("NSP") grant. The note is interest free. The maturity date is July 16, 2030. The outstanding principal balance of the loan as of December 31, 2021 is \$1,300,000.

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, 2021 is \$850,872, with accrued interest of \$4,155.

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, 2021 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, 2021 is \$380,593.

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, 2021 is \$6,165,449, with accrued interest of \$26,969.

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, 2021 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, 2021 is \$1,836,000, with accrued interest of \$765.

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, 2021 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, 2021 is \$8,602,152, with accrued interest of \$24,731.

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, 2021 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, 2021 is \$328,737. As of December 31, 2021, accrued interest related to this loan was \$548.

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, 2021 is \$156,882. As of December 31, 2021, accrued interest related to this loan was \$675.

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, 2021 is \$350,365. As of December 31, 2021, accrued interest related to this loan was \$585.

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, 2021 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, 2021 is \$47,934.

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, 2021 is \$152,521. As of December 31, 2021, accrued interest related to this loan was \$263.

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, 2021 is \$1,215,000. As of December 31, 2021, accrued interest related to this loan was \$4,364.

A \$3,181,101 component unit mortgage note payable to the City on Seigle 60, LLC, collateralized by the property, with an interest rate of 1.5%. The maturity date is February 1, 2037. All outstanding principal and accrued interest is due at maturity. The total outstanding principal balance of the loan as of December 31, 2021 is \$3,181,101. As of December 31, 2021, accrued interest related to this loan was \$0.

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, 2021 is \$640,000. The total deferred interest as of December 31, 2021 is \$429,605.

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, 2021 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, 2021 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, 2021 is \$22,403,546, with accrued interest of \$64,784.

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, 2021 is \$486,030, with accrued interest of \$837.

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, 2021 is \$74,449. As of December 31, 2021, accrued interest related to this note was \$17,031.

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, 2021 is \$746,962.

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, 2021 is \$20,623,537, with accrued interest of \$49,496.

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, 2021 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 are not reported as liabilities in INLIVIAN's financial statements.

7.8 LONG-RANGE FINANCIAL PLAN

Long-range financial planning (LRFP) provides a road map for where INLIVIAN wants to go financially and how it plans to get there by combining financial forecasting with financial strategizing. The LRFP includes the current proposed fiscal year budget along with forecast projections for the next five fiscal years. The LRFP shows total revenues summarized by major revenue sources; total expenditures summarized by major categories; the projected surplus or deficit for a given year as the net change in fund balances; and ending fund balance projections.

Revenue Assumptions:

The fiscal health of INLIVIAN is important because the agency relies on HUD to provide a significant portion of its operating budget, primarily to provide housing payments to landlords. The following revenue assumptions for the major categories are reflected in the LRFP:

- Tenant Rental Revenues are based on an annual 2% increase.
- HUD Revenues: HCV Operating Subsidies is based on an estimated inflation factor and proration while HCV Administrative Fee revenue is based on an estimated proration factor. Based on historical data, INLIVIAN estimates an annual inflation factor of 3% and proration of 98% for HCV Operating Subsidies. Administrative Fee revenue is based on 80%. With these, the estimated HUD revenues is projected to increase 2.5% overall.
- Fee Revenues are based on historical annual 3% increase.

Expense Assumptions:

Staffing costs are the main driver of INLIVIAN's operations. Staffing levels will be maintained to continue with the current level of service. The following expenditure assumptions for major categories are reflected in the LRFP:

- An annual increase of 5.0% for salary and benefits combined. INLIVIAN continues to be committed in provide competitive plans for its employees despite the rising costs for health benefits. Additionally, INLIVIAN intends to continue annual merit increases for its employees.
- An annual increase of 3.0% for services and supplies based on historical costs.
- An annual increase of 1.0% for utilities, based on historical cost.
- An annual increase of 5.0% for general expenses to reflect the increasing rate for general liability and property insurance.
- An annual increase of 2.5% for Housing Assistance Payments to reflect the estimated HUD Revenues expected to receive.

All other revenue and expense categories not identified above are held steady with no increase. Some of those categories may be one-time revenues with an offsetting expense and not expected to impact the overall annual net income of the agency.

Long Term Financial Plan (Five-Years)

		FY2023 Budget	FY2024 Plan	FY2025 Plan	FY2026 Plan	FY2026 Plan
Multiplier	REVENUES					
1.020	Tenant Rental Revenues	\$ 43,182,165	\$ 44,045,808	\$ 44,926,724	\$ 45,825,259	\$ 46,741,764
1.025	HUD Revenues	128,667,162	\$ 131,883,841	135,180,937	138,560,460	142,024,472
1.000	Portable HAP Administrative Fees	7,858,626	\$ 7,858,626	7,858,626	7,858,626	7,858,626
1.030	Fee Revenue	13,142,065	\$ 13,536,327	13,942,417	14,360,689	14,791,510
1.000	Other Revenues	31,351,071	\$ 31,351,071	31,351,071	31,351,071	31,351,071
1.000	Fund Balance Appropriated	29,758,234	\$ 29,758,234	29,758,234	29,758,234	29,758,234
1.000	Other Sources	10,000	\$ 10,000	10,000	10,000	10,000
	REVENUE TOTAL	253,969,323	258,443,907	263,028,009	267,724,339	272,535,677
	EXPENSES					
1.050	Salaries & Benefits	27,582,704	28,961,839	30,409,931	31,930,427	33,526,949
1.030	Administrative	17,114,721	17,628,162	18,157,007	18,701,717	19,262,769
1.030	Tenant & Social Services	9,113,874	9,387,290	9,668,909	9,958,976	10,257,745
1.010	Utilities	5,878,177	5,936,959	5,996,329	6,056,292	6,116,855
1.030	Ordinary Maintenance & Operations	9,950,908	10,249,435	10,556,918	10,873,626	11,199,835
1.030	Protective Services	224,587	231,325	238,264	245,412	252,775
1.050	General Expenses	3,650,823	3,833,364	4,025,032	4,226,284	4,437,598
1.000	Reserve Deposits	1,982,159	1,982,159	1,982,159	1,982,159	1,982,159
1.000	Reserve Draws	(5,459,596)	(5,459,596)	(5,459,596)	(5,459,596)	(5,459,596)
1.000	Debt Service	5,049,915	5,049,915	5,049,915	5,049,915	5,049,915
1.025	Housing Assistance Payments (HAP)	75,397,633	77,282,574	79,214,638	81,195,004	83,224,879
1.000	HAP Expense - Portables	7,413,798	7,413,798	7,413,798	7,413,798	7,413,798
1.000	Other Uses	66,007,643	66,007,643	66,007,643	66,007,643	66,007,643
1.000	Future Year's Appropriations	837,712	837,712	837,712	837,712	837,712
1.000	Property Improvements	27,782,751	27,782,751	27,782,751	27,782,751	27,782,751
	EXPENSE TOTAL	252,527,808	257,125,329	261,881,410	266,802,120	271,893,786
	OPERATING TRANSFERS					
-	Operating Transfers In	75,071,587	-	-	-	-
-	Operating Transfers Out	75,071,587	-	-	-	-
	TRANSFERS IN (OUT) TOTAL	-	-	-	-	-
	NET INCOME	\$ 1,441,515	\$ 1,318,578	\$ 1,146,599	\$ 922,219	\$ 641,891

7.9 DEMOGRAPHIC AND ECONOMIC TABLES

Year	Population	Total Personal Income	Per Capita Income	Unemployment Rate
2012	968,204	\$ 54,501,955	\$ 56,292	920.0%
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	66,805,797	61,080	4.0
2019	1,115,571	69,830,164	62,890	4.1
2020	1,131,342	N/A	N/A	8.5
2021	1,138,138	N/A	N/A	4.9

Source: Mecklenburg County Annual Comprehensive Financial Report, FY 06/30/21

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

Employer	2021			2012		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Atrium (formerly Carolinas HealthCare)	35,700	1	5.99 %	32,500	1	7.91 %
Wells Fargo	23,500	2	3.95	20,000	2	4.87
Charlotte-Mecklenburg Schools	18,495	3	3.11	18,120	3	4.41
Bank of America Corporation	15,000	4	2.52	15,000	4	3.65
Novant Health	11,698	5	1.96	10,573	6	2.57
American Airlines	11,000	6	1.85	7,060	10	1.72
Harris Teeter	8,239	7	1.38	-	-	-
Duke Energy	7,800	8	1.31	7,700	9	1.87
State of North Carolina	7,600	9	1.28	-	-	-
City of Charlotte	6,800	10	1.14	-	-	-
Wal-Mart Stores, Inc.	-	-	-	14,000	5	3.41
Food Lion, Inc. (Delhaize America)	-	-	-	8,700	7	2.12
Lowe's Companies, Inc.	-	-	-	8,500	8	2.07

Source: Mecklenburg County Annual Comprehensive Financial Report, FY 06/30/21

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