



Fiscal Year 2025 Proposed Budget



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1.0 INTRODUCTION

TRANSMITTAL LETTER

November 2024

To the Chairperson and the Board of Commissioners:

I am pleased to present INLIVIAN's Fiscal Year (FY) 2025 Budget. This budget is the financial plan for the upcoming year and incorporates the initiatives and actions towards our five-year strategic plan, "The Blueprint". INLIVIAN is preparing its next five-year strategic plan to continue aligning 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 FY2025 Budget proposes to use \$295.0 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

INLIVIAN continues to operate with a back-to-basics mindset and an intentional focus on smart growth. As such, services were evaluated to better streamline operations and enhance the delivery of its services.

With the transition of First Ward Place from third-party management to Blue Horizon in 2024, Blue Horizon increased its staffing by seven (7) full-time employees to provide property management services for the newly transitioned site. Blue Horizon also added six (6) more positions to its administration to handle the increasing complexities of its operations due to their expanding portfolio. As part of its evaluation for operating efficiencies, Blue Horizon eliminated three positions in its safety and security program in exchange for third-party monitoring services which will be able to provide more visibility at the sites.

In response to diminishing funds, CORE realigned its operations and eliminated five positions, of which three were associated with expiring grants. Additionally, the Asset Management Division and Information Technology Division re-organized under the Finance Department to streamline business operations.

INLIVIAN continues to invest in our employees and is dedicated to advancing our workforce and creating initiatives to give employees more comprehensive access to the tools and resources needed for them to thrive. The FY2025 Budget includes a merit increase of up to 4% for eligible full-time employees and a 3% increase on bonuses, both of which are based on performance.

INLIVIAN maintains its mission to expand quality affordable housing opportunities through real estate development initiatives. Development and revitalization projects in the FY2025 Budget include funding for future developments involving public-private partnerships. The capital investments in the FY2025 Budget reaffirms INLIVIAN's commitment to maintain the supply of diverse price-point housing. A Physical Needs Assessment was commissioned on all properties in 2023, and the needs identified in the study for 2025 will be addressed as a part of this budget.

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 2025.

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:

Board Chair
Fatina Allen



Vice Chair
Antoine Q. Dennard



Commissioner
Linda Ashendorf



Commissioner
Maurice Robinson



Commissioner
Angela Ambroise



Commissioner
Esezele Payne



Commissioner
Michael W. Kennerly

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

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, Chief Financial Officer. Ms. Franklin joined the agency in September 2001. She oversees all financial and audit functions of INLIVIAN, which includes accounting, budgeting, procurement, asset management and compliance, as well as the Information Technology department. Ms. Franklin is a hands-on, results-driven, team focused professional, which is integral to her high success record of accomplishments at INLIVIAN. 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.



Eric Scott, Esq., Chief Operating Officer. Mr. Scott joined the agency in March 2023. Prior to joining INLIVIAN, Mr. Scott served in various roles such as managing partner of a law firm that advised clients in the area of real estate and contract law, a Deputy Director of Operations to the Office of Deputy Mayor for Planning and Economic Development, and a consultant that provided advisory services in the areas of government outreach, project management and workforce development. He earned a Bachelor of Arts degree in Economics, from the University of North Carolina at Charlotte, a Juris Doctorate degree from North Carolina Central University's school of Law, and a Leadership & Management certificate from Duke Fuqua School of Business. He also holds active law licenses in both North Carolina and the District of Columbia.



Temeka Couch, EVP, Housing Choice Voucher Program. Ms. Couch joined the agency in March 2023. Prior to joining INLIVIAN, Ms. Couch served in various capacities at multiple affordable housing agencies over the past 16 years. She has earned several professional housing certifications to enhance her knowledge in the area of affordable housing and further develop her leadership skills. Ms. Couch has a Bachelor's Degree in Politics and Government from Illinois State University & a Master of Public Administration & Policy Analysis Degree from Southern Illinois University. Ms. Couch is certified in Project Based Management, HCV Homeownership, HCV Specialist, Public Housing Manager and Public Housing Rent Calculations, Developing and Managing Project Based Vouchers, RAD Project Based Voucher, Procurement and Section 3, HCV Housing Quality Standards, Family Self Sufficiency, HCV Program Management, Fair Housing and Reasonable Accommodation and Housing Credit Certified Professional.



Kenya Lewis, Chief People Officer. 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 People & Culture 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.



Allan Rivera, EVP, Information Technology. Mr. Rivera joined the agency in March 2023. Prior to joining INLIVIAN, Mr. Rivera served as the Director of Information Technology for the National Blood Testing Cooperative in Atlanta, Georgia and the Housing Authority of New Orleans. Mr. Rivera brings 22 years of experience in knowledge base management information systems, data management, cyber security, disaster recovery, cloud computing and systems configuration. He holds an Associate Degree in Electronics Engineering Technology/Networking from Remington College, an Associate Degree in Computer Information Technology from Delgado Community College and is working towards his Bachelor of Science degree in Information Technology from Tulane University. Mr. Rivera is also certified in Microsoft Azure Cloud Administration, Azure Cloud Fundamentals, IT Project Management and Cyber Security. He has also earned a Public Housing Management certification from Nan McKay University.



Cheron Porter, EVP of Corporate Communications. Ms. Porter joined the agency in August of 2015 as Senior Vice President of Public Relations. She is an award-winning communications and public relations executive with over 25 years of experience. Cheron's expertise and wisdom are grounded in connecting with people and translating complex information into digestible details that clarify purpose. Ms. Porter holds a Bachelor of Arts degree from James Madison University, a Master of Arts degree from American University, a Graduate certificate from the University of Maryland college Park, as well as the Accreditation in Public Relations (ARP) distinction. In addition to her work with INLIVIAN, Cheron has been a mentor for over 20 years and currently serves as the Diversity and Inclusion Chair for the Public Relations Society of America (PRSA) Charlotte and a coach for Girls on the Run.



Allen Gong, Chief Development Officer. Horizon Development Properties, Inc. (Horizon Development). Mr. Gong has a proven track record of transformative leadership and an in-depth understanding of the Real Estate Development, and Construction Management sectors. His adept navigation of the ever-changing regulatory landscape facilitates the development of mixed-income housing, bolstering the operational effectiveness of both Horizon Development and INLIVIAN. Mr. Gong offers valuable guidance and leadership, playing a pivotal role in the continuous success of Horizon Development and propelling the agency to new heights. A graduate of Dalian University of Technology in China, Mr. Gong holds a Bachelor of Science in Construction Management and Real Estate Development. Further solidifying his expertise, he is an alum of the Massachusetts Institute of Technology (MIT), where he earned his Master of Science in Real Estate Development. Mr. Gong's leadership prowess, coupled with his extension knowledge and experience, empowers the Horizon Development team to make positive impact on the Queen City.



Kimberlie Smith, EVP, Real Estate Management. Blue Horizon. Ms. Smith is an experienced Executive skilled at maintaining the integrity of the asset while maximizing financial returns. Offering more than 20 years of industry and property management expertise, Ms. Smith brings a wealth of information and resources to the BHMC table. She arrived at BHMC following a 15-year stint as a Senior Regional Manager of a successful property management and brokerage company. Ms. Smith honed her considerable skill-set through a variety of portfolio manager, property manager and controller roles she's held throughout the years, placing a special emphasis on budgeting, financial forecasting and creating and implementing business development plans. She also has substantial experience managing and supervising staff members and handling associated personnel matters and is well-versed in asset acquisition and disposition, tenant relations, tenant improvement projects and lease administration and negotiations, among related areas. Her oversight expertise is in LIHTC, HUD and market rate communities. She is a hands-on 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 a dual degree in Business Management and Accounting as well as her South Carolina Property Manager License.

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.

STRATEGIC BUSINESS AREAS

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.

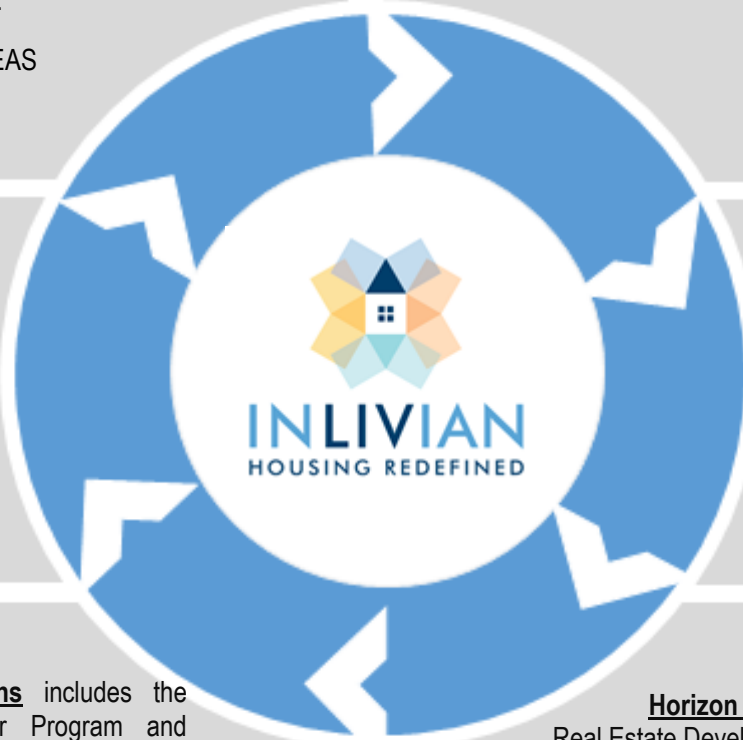
Corporate Services

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

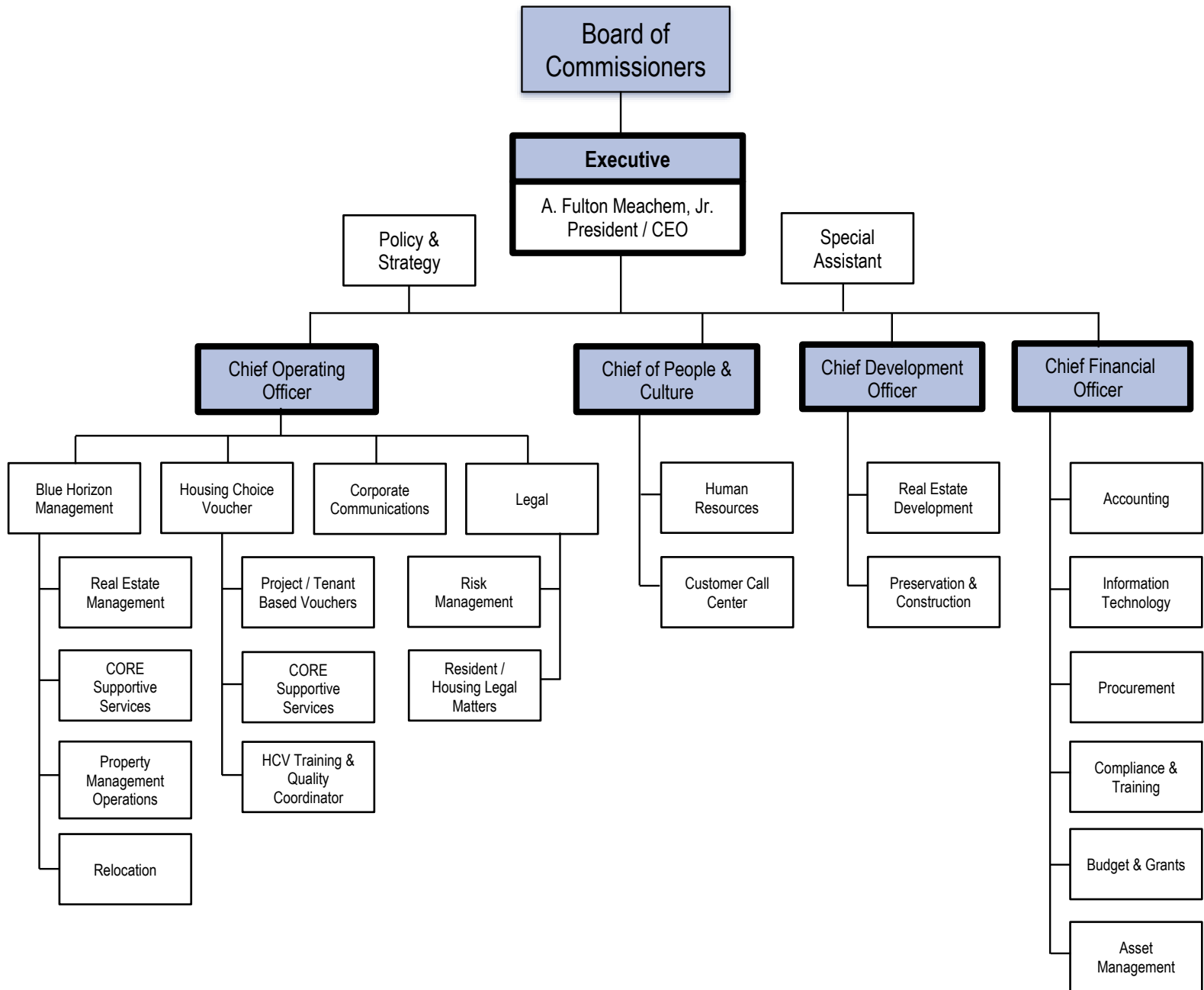
CORE provides client services to INLIVIAN residents, including youth development, Destination Home Ownership, case management and other services for our residents.

Administrative Operations includes 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 and development of new affordable housing units, partnering with the development community to leverage existing resources.



ORGANIZATION CHART



CERTIFICATE OF ACHIEVEMENT



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**INLIVIAN
North Carolina**

For the Fiscal Year Beginning

January 01, 2024

Christopher P. Morill

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, 2024. 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 1,626 new apartments across eight new residential properties, received 478 new voucher awards, and graduated 71% 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 planned 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 Security activities.
5. Construction of additional affordable units; and
6. Implementation of policies that simplify the administration of public housing and housing choice voucher programs.
7. Rehabilitation of existing affordable units.

3.0 BUDGET SUMMARY

3.1 BUDGET OVERVIEW

INLIVIAN arranges its functions into eight main funds, each with a specific function:

- 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).

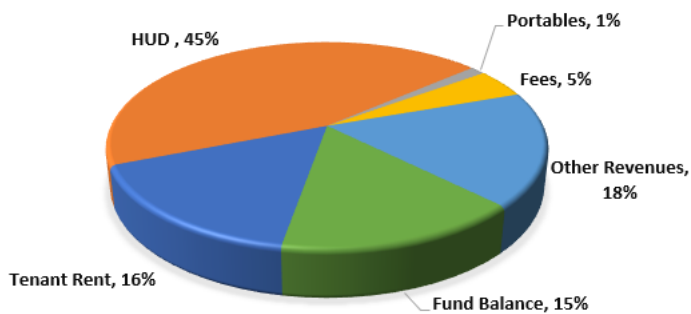
Further details for each fund budget are provided separately in Section 4.0 Fund Financial Summary.

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.

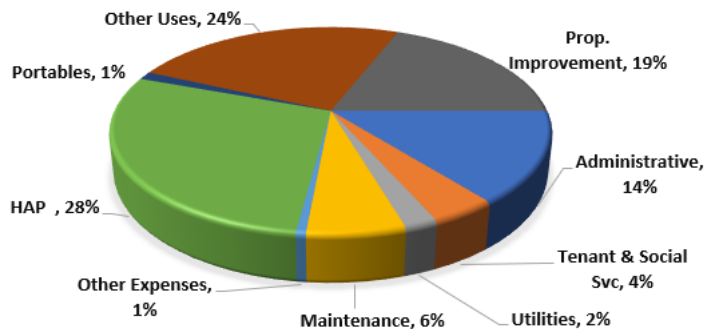
Below is a summary of the combined INLIVIAN budget:

	FY2023 Budget	FY2024 Budget	FY2025 Budget	FY2025 vs FY2024	
				\$ Variance	% Variance
Revenues	\$ 253,229,085	\$ 259,639,716	\$ 296,822,311	\$ 37,182,595	14%
Expenses	252,132,044	258,155,535	295,007,324	36,851,789	14%
Tranfers In (Out)	-	-	-	-	0%
Net Income	\$ 1,097,041	\$ 1,484,181	\$ 1,814,987	\$ 330,806	22%

REVENUES



EXPENSES



Budget Highlights

Revenues:

The vast majority of INLIVIAN's operating revenues come from federal financial assistance, which will fund \$132.6 million of the FY2025 Budget. Portable and Portable Administrative Fees are estimated at \$3.8 million. Operating Revenues from Tenant Rental Revenue and Fee Revenues are projected at \$48.1 million and \$13.6 million respectively. Also included in the FY2025 Budget is \$45.5 million in fund balance appropriations to support development projects and various one-time expenses intended to increase efficiencies in INLIVIAN's services and operations. Fund Balance appropriations included in the FY2025 Budget are as follow:

	Business	COCC	CORE	Horizon	MTW	TOTALS
Capital & Development Projects	4,017,124				39,159,120	43,176,244
400 East Site Improvements		109,404				109,404
Network Upgrades		99,000				99,000
Grant Re-appropriations			220,000			220,000
HDP Operating Reserves				1,874,942		1,874,942
TOTALS	4,017,124	208,404	220,000	1,874,942	39,159,120	45,479,590

Public Housing Operating Subsidies decreased by 28% due to demolition of Dillehay Courts. The approval to demolish the remaining 100 units makes the property eligible for an asset repositioning fee of \$407,727 during 2025.

HCV Operating Subsidies increased by 5% and includes unspent operating subsidies appropriated to support major Property Improvement Projects (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.

In addition to Property Improvement and Development Projects, HCV Operating Subsidies support other programs including Housing Assistance Payments (HAP) to housing providers, Section 8 program administration, supportive services and other MTW initiatives. The FY2025 funding is based on the projected calendar year 2025 Housing Assistance Payment Subsidy Eligibility with a five percent (5%) inflation factor and applying a national proration factor of 99%. The administrative fees earned are based on the MTW agreement and the baseline for MTW and the HUD published Administrative Fee rates by the national proration factor of 85 percent. The following table shows a history of proration and inflation affecting the assumptions in this year's budget estimate. INLIVIAN continues to budget its revenues conservatively.

	HAP		Admin Fee
Year	Proration	Inflation	Proration
2024	99.50%	11.27%	
2023	100.00%	12.92%	97.17%
2022	100.00%	2.74%	
2021	100.00%	8.88%	
2020	99.50%	2.85%	
2019	99.50%	3.90%	81.10%
2018	99.75%	3.70%	80.62%
2017	97.00%	3.30%	77.99%
2016	99.58%	0.00%	84.00%
2015	101.25%	0.00%	81.57%
2014	99.70%	0.00%	79.77%

Tenant Rental Revenue remains steady at \$48.1 million. Although a 3% rent increase was budgeted across the portfolio, several properties/units are scheduled to be out-of-service due to planned redevelopment. Specifically, redevelopment plans are underway for Grove Place, Oak Valley and Valley View. As tenants move out of these properties, the vacant units will not be re-leased, thereby resulting in revenue loss until the sites are redeveloped.

In regard to rent increases, housing contract rents are adjusted annually by HUD's Operating Cost Adjustment Factor (OCAF) at each anniversary of the Housing Assistance Payment (HAP) contract, subject to the availability of appropriations for each year of the HAP contract term and provided that the OCAF-adjusted rent potential does not exceed the maximum rent allowed. Maximum rent is equal to the greater of (i) 140% of the Fair Market Rent (FMR) potential based on the FMRs in effect at the time for the FMR area in which the property is located, less Utility Allowances; or (ii) the comparable market rent potential for the market area, as demonstrated by a rent comparison study prepared in accordance with HUD requirements. If the maximum rent exceeds the OCAF-adjusted rent potential, the contract rent is adjusted by the OCAF. If the OCAF-adjusted rent potential exceeds the maximum rent, the adjusted rent is limited by the maximum rent.

Portable HAP Revenue and Administrative Fees are based on the most recent number of portables in the agency. Portability in the HCV program refers to the process through which a family can transfer or "port" their rental subsidy when they move to a location outside the jurisdiction of the Public Housing Agency (PHA) that first gave them the voucher when they were selected for the program. The agency the family ports to can choose to either absorb the voucher into its portfolio (based on voucher availability), or to keep the voucher as a portable voucher. For INLIVIAN, most vouchers are processed as portables, and as a result, INLIVIAN bills the initial PHA for the portable family's housing assistance and also bills for ongoing administrative fees.

Fee Revenues consists of both external fees collected and inter-departmental fee transactions. External fees include developer fees collected as part of real estate development projects, asset management fees received from real estate projects/properties where INLIVIAN/HDP have an interest, and bond issuance/monitoring fees received from developers/partners for conduit bonds issued. These fees are dependent on existing projects/partnership agreements and may change year over year based on those terms. Inter-departmental fees include property management fees paid by HDP properties to Blue Horizon Management Company, administrative fees paid by subsidiaries to Central Office Cost Center, and social services fees paid by Horizon Development properties to CORE.

A major portion of the Other Revenues category includes disbursements from MTW Funds to HDP for Property Improvements and Development Projects. Other revenues included in this category are grant funds, non-dwelling rents, and interest income.

The Other Sources category reflects debt repayment from a loan issued to the Carol Hoefener Center for property improvements.

Expenses:

The FY2025 Budget includes \$84.0 million in Housing Assistance Payments (HAP) to Section 8 Housing Choice Voucher (HCV) housing providers and \$3.7 million in Portables. Although INLIVIAN absorbed almost 400 existing portable vouchers over the last year and half, Portables continue to remain at the same level. The 8% increase in HAP includes a 3% inflation factor and also accounts for additional Portables to be absorbed.

The FY2025 Budget includes an aggressive plan for Property Improvements at various sites (See Section 5.1). A Physical Needs Assessment was commissioned for all properties and property improvements in critical need are included in the FY2025 Budget. 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. To support Property Improvements

and Development Projects, the following funds are appropriated in the FY2025 Budget: \$67.2 million of MTW funds, \$5.4 million of HDP Funds and \$4.0 million of Business Activities Program Income/Land Sales Proceeds.

The Administrative Category increased by 5%, primarily due to a general inflation factor of 3-5% across line items. Additionally, the FY2025 Budget includes a merit increase of up to 4% for eligible full-time employees and a 3% increase on bonuses, both of which are based on performance.

The Tenant and Social Services Category decreased by 9% due to the elimination of five (5) positions, of which three (3) were associated with expired or expiring grants. Also, funds held in reserve for the Renaissance West Community Initiative has also decreased from \$846,000 in FY2024 to \$220,000 in FY2025 due to the use of funds over the last couple years. These funds are expected to be fully utilized by the end of FY2025.

Ordinary Maintenance and Operations increased by 10% to account for growing needs at the sites. Properties are seeing higher contract costs to turn vacant units and to maintain routine repairs.

Protective Services decreased by 42% due to the elimination of three (3) positions. With the budget savings, Blue Horizon Management Company plans to contract out security services (budgeted in Ordinary Maintenance and Operations) to provide more visible security services.

General Expenses increased 29% as a result of increasing insurance cost. Each year, insurances have escalated over 15-20% annually. Insurance control has been a major concern for INLIVIAN and we continue to seek ways to navigate the insurance market for more competitive rates.

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)		
FY2023 Year-End Fund Equity Balance	\$	497.1
FY2024 Budgeted Revenues		259.6
FY2024 Budgeted Expenses		258.2
FY2024 Budgeted Transfers In (Out)		-
FY2024 Budgeted Net Income		1.5
4 Budgeted Year-End Fund Equity Balance		498.5
FY2025 Proposed Revenues		296.8
FY2025 Proposed Expenses		295.0
FY2025 Proposed Transfers In (Out)		-
FY2025 Proposed Net Income		1.8
FY2025 Proposed Year-End Fund Equity Balance		500.4
FY2025 Proposed Fund Equity Changes	\$	1.8
Percent Change in Fund Equity FY2025 vs FY2024		0%

3.2 CONSOLIDATED BUDGET

	FY2023 Budget	FY2024 Budget	FY2025 Budget	FY2025 vs FY2024	
				\$ Variance	% Variance
REVENUES					
Tenant Rental Revenues	\$ 43,182,165	\$ 48,120,199	\$ 48,125,015	\$ 4,816	0%
Public Housing Operating Subsidies	210,032	562,946	407,727	(155,219)	-28%
HCV Operating Subsidies	120,911,421	119,471,859	124,901,076	5,429,217	5%
HCV Administrative Fees	4,896,886	5,174,533	5,653,858	479,325	9%
Capital Fund	2,648,824	2,434,373	1,607,820	(826,553)	-34%
Portable HAP Revenue	7,413,798	3,078,612	3,685,332	606,720	20%
Portable HAP Administrative Fees	444,828	188,640	188,640	-	0%
Fee Revenue	13,142,065	13,136,985	13,640,940	503,955	4%
Other Revenues	30,610,832	34,483,487	53,122,313	18,638,826	54%
Fund Balance Appropriated	29,758,234	32,938,082	45,479,590	12,541,508	38%
Other Sources	10,000	50,000	10,000	(40,000)	-80%
REVENUE TOTAL	253,229,085	259,639,716	296,822,311	37,182,595	14%
EXPENSES					
Administrative	36,778,506	40,237,750	42,154,875	1,917,125	5%
Tenant & Social Services	12,409,636	13,307,422	12,098,383	(1,209,039)	-9%
Utilities	5,954,369	5,942,368	6,090,920	148,552	2%
Ordinary Maintenance & Operations	14,677,463	16,095,389	17,751,019	1,655,630	10%
Protective Services	449,224	542,917	315,171	(227,746)	-42%
General Expenses	3,650,831	4,003,367	5,159,186	1,155,819	29%
Reserve Deposits	1,982,159	2,055,800	2,046,867	(8,933)	0%
Reserve Draws	(5,459,596)	(8,103,054)	(12,125,778)	(4,022,724)	50%
Debt Service	5,049,915	5,681,508	5,849,136	167,628	3%
Housing Assistance Payments (HAP)	75,397,633	77,658,965	84,015,376	6,356,411	8%
HAP Expense - Portables	7,413,798	3,577,992	3,685,332	107,340	3%
Other Uses	66,007,643	61,230,421	71,176,244	9,945,823	16%
Future Year's Appropriations	837,712	3,320,939	562,284	(2,758,655)	-83%
Property Improvements	26,982,751	32,603,751	56,228,309	23,624,558	72%
EXPENSE TOTAL	252,132,044	258,155,535	295,007,324	36,851,789	14%
OPERATING TRANSFERS					
Operating Transfers In	75,071,587	77,972,525	84,100,136	6,127,611	8%
Operating Transfers Out	75,071,587	77,972,525	84,100,136	6,127,611	8%
TRANSFERS IN (OUT) TOTAL	-	-	-	-	0%
NET INCOME	\$ 1,097,041	\$ 1,484,181	\$ 1,814,987	\$ 330,806	22%

3.3 BUDGET BY FUND

	Business Activities	Business Activities (CU)	Blue Horizon	COCC	CORE	Horizon Acquisition	Horizon Development	MTW	TOTAL
REVENUES									
Tenant Rental Revenues	\$ -	\$ 2,357,643	\$ -	\$ -	\$ -	\$ 5,925,428	\$ 39,841,944	\$ -	\$ 48,125,015
Public Housing Operating Subsidies	-	-	-	-	-	-	-	407,727	407,727
HCV Operating Subsidies	-	-	-	-	-	-	-	124,901,076	124,901,076
HCV Administrative Fees	-	-	-	-	-	-	-	5,653,858	5,653,858
Capital Fund	-	-	-	-	-	-	-	1,607,820	1,607,820
Portable HAP Revenue	-	-	-	-	-	-	-	3,685,332	3,685,332
Portable HAP Administrative Fees	-	-	-	-	-	-	-	188,640	188,640
Fee Revenue	-	-	2,422,772	5,508,615	1,489,470	125,000	4,095,083	-	13,640,940
Other Revenues	893,184	11,359,488	38,628	2,591,167	4,337,642	124,020	33,547,538	230,646	53,122,313
Fund Balance Appropriated	4,017,124	-	-	208,404	220,000	-	1,874,942	39,159,120	45,479,590
Other Sources	-	-	-	10,000	-	-	-	-	10,000
REVENUE TOTAL	4,910,308	13,717,131	2,461,400	8,318,186	6,047,112	6,174,448	79,359,507	175,834,219	296,822,311
EXPENSES									
Administrative	61,942	884,760	2,310,949	7,488,856	1,521,593	1,798,168	15,759,236	12,329,371	42,154,875
Tenant & Social Services	285,599	800	-	1,200	4,468,527	240,335	1,253,363	5,848,559	12,098,383
Utilities	-	309,900	-	87,480	-	682,836	5,010,704	-	6,090,920
Ordinary Maintenance & Operations	-	893,857	85,228	409,044	51,304	1,807,627	11,712,115	2,791,844	17,751,019
Protective Services	-	1	-	-	-	24,696	205,841	84,633	315,171
General Expenses	-	507,888	16,608	116,821	5,688	498,064	3,993,333	20,784	5,159,186
Reserve Deposits	-	28,380	-	-	-	234,996	1,783,491	-	2,046,867
Reserve Draws	-	(358,004)	-	-	-	(827,496)	(10,940,278)	-	(12,125,778)
Debt Service	-	304,704	-	-	-	663,576	4,880,856	-	5,849,136
Housing Assistance Payments (HAP)	-	-	-	-	-	100,800	-	83,914,576	84,015,376
HAP Expense - Portables	-	-	-	-	-	-	-	3,685,332	3,685,332
Other Uses	4,017,124	-	-	-	-	-	-	67,159,120	71,176,244
Future Year's Appropriations	545,643	-	-	6,381	-	-	10,260	-	562,284
Property Improvements	-	11,058,004	-	208,404	-	827,496	44,134,405	-	56,228,309
EXPENSE TOTAL	4,910,308	13,630,290	2,412,785	8,318,186	6,047,112	6,051,098	77,803,326	175,834,219	295,007,324
OPERATING TRANSFERS									
Operating Transfers In	185,560	-	-	-	-	-	-	83,914,576	84,100,136
Operating Transfers Out	185,560	-	-	-	-	-	-	83,914,576	84,100,136
TRANSFERS IN (OUT) TOTAL	-	-	-	-	-	-	-	-	-
NET INCOME	\$ -	\$ 86,841	\$ 48,615	\$ -	\$ -	\$ 123,350	\$ 1,556,181	\$ -	\$ 1,814,987

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.

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 \$5,000 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, 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 former Dillehay Courts. 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 asset management fees earned from properties. 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	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
Destination Home Ownership	Blue Horizon Executive	Strawn Tower	Horizon Development-owned Properties
Destination Homeownership	Property Management Services	Parktowne Terrace	Real Estate Development
Case Management		Little Rock	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

	FY2023 Budget	FY2024 Budget	FY2025 Budget	FY2025 vs FY2024	
				\$ 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	897,593	890,835	893,184	2,349	0%
Fund Balance Appropriated	17,674,693	4,767,527	4,017,124	(750,403)	-16%
Other Sources	-	-	-	-	0%
REVENUE TOTAL	18,572,286	5,658,362	4,910,308	(748,054)	-13%
EXPENSES					
Administrative	81,806	60,443	61,942	1,499	2%
Tenant & Social Services	238,726	280,884	285,599	4,715	2%
Utilities	-	-	-	-	0%
Ordinary Maintenance & Operations	-	3,865	-	(3,865)	-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	17,674,693	4,767,527	4,017,124	(750,403)	-16%
Future Year's Appropriations	577,061	545,643	545,643	-	0%
Property Improvements	-	-	-	-	0%
EXPENSE TOTAL	18,572,286	5,658,362	4,910,308	(748,054)	-13%
OPERATING TRANSFERS					
Operating Transfers In	119,848	285,560	185,560	(100,000)	-35%
Operating Transfers Out	119,848	285,560	185,560	(100,000)	-35%
TRANSFERS IN (OUT) TOTAL	-	-	-	-	
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 rent 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

	FY2023 Budget	FY2024 Budget	FY2025 Budget	FY2025 vs FY2024	
				\$ Variance	% Variance
REVENUES					
Tenant Rental Revenues	\$ 408,165	\$ 2,738,591	\$ 2,357,643	\$ (380,948)	-14%
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	552,250	2,598,704	11,359,488	8,760,784	337%
Fund Balance Appropriated	-	-	-	-	0%
Other Sources	-	-	-	-	0%
REVENUE TOTAL	960,415	5,337,295	13,717,131	8,379,836	157%
EXPENSES					
Administrative	316,090	848,061	884,760	36,699	4%
Tenant & Social Services	-	9,942	800	(9,142)	-92%
Utilities	95,695	322,674	309,900	(12,774)	-4%
Ordinary Maintenance & Operations	297,846	724,270	893,857	169,587	23%
Protective Services	-	4,029	1	(4,028)	-100%
General Expenses	62,029	214,475	507,888	293,413	137%
Reserve Deposits	44,688	46,476	28,380	(18,096)	-39%
Reserve Draws	(56,300)	(88,050)	(358,004)	(269,954)	307%
Debt Service	56,126	344,700	304,704	(39,996)	-12%
Housing Assistance Payments (HAP)	-	-	-	-	0%
HAP Expense - Portables	-	-	-	-	0%
Other Uses	-	-	-	-	0%
Future Year's Appropriations	-	1,498,392	-	(1,498,392)	-100%
Property Improvements	56,300	1,220,830	11,058,004	9,837,174	806%
EXPENSE TOTAL	872,474	5,145,799	13,630,290	8,484,491	165%
OPERATING TRANSFERS					
Operating Transfers In	-	-	-	-	0%
Operating Transfers Out	-	-	-	-	0%
TRANSFERS IN (OUT) TOTAL	-	-	-	-	0%
NET INCOME	\$ 87,941	\$ 191,496	\$ 86,841	\$ (104,655)	-55%



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, Compliance and Asset Management 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 landlord/tenant legal services and risk management.
- 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** Implement automatic billing/payment through Yardi (financial system)
- 1** Continue expansion of information technologies to allow for adapting remote environments
- 1** Expand employee benefits to attract and retain high performing talent
- 1** Expand internal communications that will engage and activate employees to optimize performance and drive positive business results
- 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	FY23 Actual	FY24 Estimated
# of help desk tickets completed	4,899	5,500
# of payroll processed (bi-weekly)	26	26
# of call center completed calls	32,514	30,000
# of monthly newsletters produced	12	12

Agency Goal #	Effectiveness or Efficiency	FY23 Actual	FY24 Estimated	FY25 Goal
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 monthly newsletters produced and distributed on time	100%	100%	100%

Central Office Cost Center – Budget by Category

	FY2023 Budget	FY2024 Budget	FY2025 Budget	FY2025 vs FY2024	
				\$ 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	4,953,632	5,230,405	5,508,615	278,210	5%
Other Revenues	2,335,110	2,563,935	2,591,167	27,232	1%
Fund Balance Appropriated	30,000	135,000	208,404	73,404	54%
Other Sources	10,000	50,000	10,000	(40,000)	-80%
REVENUE TOTAL	7,328,742	7,979,340	8,318,186	338,846	4%
EXPENSES					
Administrative	6,449,907	6,963,809	7,488,856	525,047	8%
Tenant & Social Services	2,549	2,400	1,200	(1,200)	-50%
Utilities	99,600	102,156	87,480	(14,676)	-14%
Ordinary Maintenance & Operations	435,670	438,095	409,044	(29,051)	-7%
Protective Services	241,012	279,845	-	(279,845)	-100%
General Expenses	49,084	58,035	116,821	58,786	101%
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	20,920	-	6,381	6,381	0%
Property Improvements	30,000	135,000	208,404	73,404	54%
EXPENSE TOTAL	7,328,742	7,979,340	8,318,186	338,846	4%
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 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 \$408 thousand in Public Housing Operating Subsidies is based on an estimated amount of Asset Repositioning Fee for the holding costs of the property formerly known as Dillehay Courts.

The \$124.9 million in HCV Operating Subsidies is based on an estimated 5% 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 85% proration factor to total \$5.7 million in FY2025.

The HCV Operating Subsidy includes funds for various HDP Capital and Development Projects (see Section 5.1 and 5.2). The \$1.6 million in Capital Fund revenue is from prior year public housing capital fund grants not previously drawn from HUD, and is being also being used for these projects. The offsetting expense is a restricted donation in the Other Uses expense category.

The FY2025 Budget includes \$84.0 million in Housing Assistance Payments (HAP) to HCV Housing Providers/landlords and \$3.7 million in Portable vouchers. Over the last year and half, INLIVIAN absorbed almost 400 existing portable vouchers, but voucher-holders continue to move to Charlotte regularly. Moreover, the FY2025 Budget includes the unexpended balance of Emergency Housing Vouchers issued by HUD plus the 49 new vouchers issued last year.

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 a portion of its voucher assistance to specific housing units if the owner agrees to either rehabilitate or construct the units.. INLIVIAN determines the percentage of tenant-based assistance that it sets aside for PBV's.

The Rental Assistance Demonstration Program (RAD) is a central part of HUD's preservation strategy, which works to preserve the nation's stock of affordable rental housing, promote efficiency with and among HUD programs, and build strong, stable communities. RAD allows public housing properties to convert to 15-year long term HCV rental assistance contracts through PBV. Under this 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, 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 contract rent for housing providers

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	FY23 Actual	FY24 Estimated
# of MTW Base Vouchers Allocated	4,170	4,829
# of Special Program Vouchers Allocated	900	1,123
# of Recertifications Completed	2,626	2,500
# of Inspections Completed	3,557	3,500

Agency Goal #	Effectiveness or Efficiency	FY23 Actual	FY24 Estimated	FY25 Goal
1	% of MTW Base Vouchers Utilized	97.34%	93.40%	95%
1	% of Special Program Vouchers Utilized	86.11%	82.55%	80%
1	% of Recertifications Completed	98.87%	98.80%	95%

Moving to Work – Budget by Category

	FY2023 Budget	FY2024 Budget	FY2025 Budget	FY2025 vs FY2024	
				\$ Variance	% Variance
REVENUES					
Tenant Rental Revenues	\$ -	\$ -	\$ -	\$ -	0%
Public Housing Operating Subsidies	210,032	562,946	407,727	(155,219)	-28%
HCV Operating Subsidies	120,911,421	119,471,859	124,901,076	5,429,217	5%
HCV Administrative Fees	4,896,886	5,174,533	5,653,858	479,325	9%
Capital Fund	2,648,824	2,434,373	1,607,820	(826,553)	-34%
Portable HAP Revenue	7,413,798	3,078,612	3,685,332	606,720	20%
Portable HAP Administrative Fees	444,828	188,640	188,640	-	0%
Fee Revenue	-	-	-	-	0%
Other Revenues	219,663	219,663	230,646	10,983	5%
Fund Balance Appropriated	5,839,992	19,909,676	39,159,120	19,249,444	97%
Other Sources	-	-	-	-	0%
REVENUE TOTAL	142,585,444	151,040,302	175,834,219	24,793,917	16%
EXPENSES					
Administrative	11,080,906	12,093,531	12,329,371	235,840	2%
Tenant & Social Services	5,501,459	5,617,792	5,848,559	230,767	4%
Utilities	-	-	-	-	0%
Ordinary Maintenance & Operations	103,247	1,711,793	2,791,844	1,080,051	63%
Protective Services	-	-	84,633	84,633	0%
General Expenses	29,000	8,180	20,784	12,604	154%
Reserve Deposits	-	-	-	-	0%
Reserve Draws	-	-	-	-	0%
Debt Service	-	-	-	-	0%
Housing Assistance Payments (HAP)	75,397,633	77,586,965	83,914,576	6,327,611	8%
HAP Expense - Portables	7,413,798	3,577,992	3,685,332	107,340	3%
Other Uses	43,059,401	50,444,049	67,159,120	16,715,071	33%
Future Year's Appropriations	-	-	-	-	0%
Property Improvements	-	-	-	-	0%
EXPENSE TOTAL	142,585,444	151,040,302	175,834,219	24,793,917	16%
OPERATING TRANSFERS					
Operating Transfers In	74,951,739	77,686,965	83,914,576	6,227,611	8%
Operating Transfers Out	74,951,739	77,686,965	83,914,576	6,227,611	8%
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 FY2025 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 and also includes the RWCI endowment. Youth Initiative funding is 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

Enhance existing system or purchase new data management system

1

Implement HUD Certified Agency Plan

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	FY23 Actual	FY24 Estimated
# of participants – FSS Program	325	371
# of participants – HCV Moving Forward Program	343	314
# of participants – Moving Forward Program	207	26

Agency Goal #	Effectiveness or Efficiency	FY23 Actual	FY24 Estimated	FY25 Goal
1	% of Participants that are minimum renters – FSS Program	24.62%	19.68%	25%
1	% of Participants that are minimum renters – HCV Moving Forward Program	30.61%	32.8%	25%
1	% of Participants that are minimum renters – Moving Forward Program	22.71%	15.38%	25%
1	% of Participants that are working households – FSS Program	81.54%	86.52%	80%
1	% of Participants that are working households – HCV Moving Forward Program	86.59%	75.16%	80%
1	% of Participants that are working households – Moving Forward Program	79.20%	46.15%	80%

CORE – Budget by Category

	FY2023 Budget	FY2024 Budget	FY2025 Budget	FY2025 vs FY2024	
				\$ 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	1,409,167	1,465,397	1,489,470	24,073	2%
Other Revenues	4,943,654	5,464,941	4,337,642	(1,127,299)	-21%
Fund Balance Appropriated	940,000	846,000	220,000	(626,000)	-74%
Other Sources	-	-	-	-	0%
REVENUE TOTAL	7,292,821	7,776,338	6,047,112	(1,729,226)	-22%
EXPENSES					
Administrative	1,742,575	1,865,185	1,521,593	(343,592)	-18%
Tenant & Social Services	5,463,866	5,837,121	4,468,527	(1,368,594)	-23%
Utilities	-	-	-	-	0%
Ordinary Maintenance & Operations	71,880	68,401	51,304	(17,097)	-25%
Protective Services	-	-	-	-	0%
General Expenses	14,500	5,631	5,688	57	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	-	-	-	-	0%
Property Improvements	-	-	-	-	0%
EXPENSE TOTAL	7,292,821	7,776,338	6,047,112	(1,729,226)	-22%
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

5

Build the Blue Horizon Management Company brand through website updates, marketing and relationships with other organizations

2

Implement beautification and curb appeal at property sites

6

Provide ongoing education in property management and maintenance through partnerships with organizations and vendors

Performance Measurements

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

Output	FY23 Actual	FY24 Estimated
# of units managed	4040	4323
# of routine work orders completed	34,992	35,000
# of emergency work orders completed	9,439	9,000

of units managed decreased due to the demolition of Dillehay

Agency Goal #	Effectiveness or Efficiency	FY23 Actual	FY24 Estimated	FY25 Goal
1	% of Occupancy Rate	93.81%	94.01%	94%
1	% of Rent Collections	95.36%	94.25%	90%
1	Average # of days for unit turn around	143.87	78.54	90
1	Average # of days to complete routine work orders	3.01	2.82	3
1	% of emergency work orders completed within 24 hours	100%	100%	100%

Blue Horizon – Budget by Category

	FY2023 Budget	FY2024 Budget	FY2025 Budget	FY2025 vs FY2024	
				\$ 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	2,170,316	2,334,015	2,422,772	88,757	4%
Other Revenues	-	-	38,628	38,628	0%
Fund Balance Appropriated	-	-	-	-	0%
Other Sources	-	-	-	-	0%
REVENUE TOTAL	2,170,316	2,334,015	2,461,400	127,385	5%
EXPENSES					
Administrative	2,110,170	2,198,237	2,310,949	112,712	5%
Tenant & Social Services	-	219	-	(219)	-100%
Utilities	-	-	-	-	0%
Ordinary Maintenance & Operations	11,000	85,544	85,228	(316)	0%
Protective Services	-	-	-	-	0%
General Expenses	11,945	10,764	16,608	5,844	54%
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	2,133,115	2,294,764	2,412,785	118,021	5%
OPERATING TRANSFERS					
Operating Transfers In	-	-	-	-	0%
Operating Transfers Out	-	-	-	-	0%
TRANSFERS IN (OUT) TOTAL	-	-	-	-	0%
NET INCOME	\$ 37,201	\$ 39,251	\$ 48,615	\$ 9,364	24%



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

	FY2023 Budget	FY2024 Budget	FY2025 Budget	FY2025 vs FY2024	
				\$ Variance	% Variance
REVENUES					
Tenant Rental Revenues	\$ 5,466,180	\$ 5,737,609	\$ 5,925,428	\$ 187,819	3%
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	125,000	125,000	-	0%
Other Revenues	125,002	127,380	124,020	(3,360)	-3%
Fund Balance Appropriated	-	-	-	-	0%
Other Sources	-	-	-	-	0%
REVENUE TOTAL	5,701,182	5,989,989	6,174,448	184,459	3%
EXPENSES					
Administrative	1,509,319	1,604,901	1,798,168	193,267	12%
Tenant & Social Services	226,275	246,579	240,335	(6,244)	-3%
Utilities	595,068	636,636	682,836	46,200	7%
Ordinary Maintenance & Operations	1,872,695	1,801,627	1,807,627	6,000	0%
Protective Services	21,324	13,891	24,696	10,805	78%
General Expenses	610,280	548,162	498,064	(50,098)	-9%
Reserve Deposits	231,908	238,992	234,996	(3,996)	-2%
Reserve Draws	(356,258)	(567,654)	(827,496)	(259,842)	46%
Debt Service	607,269	615,300	663,576	48,276	8%
Housing Assistance Payments (HAP)	-	72,000	100,800	28,800	40%
HAP Expense - Portables	-	-	-	-	0%
Other Uses	-	-	-	-	0%
Future Year's Appropriations	-	68,627	-	(68,627)	-100%
Property Improvements	356,258	567,668	827,496	259,828	46%
EXPENSE TOTAL	5,674,138	5,846,729	6,051,098	204,369	3%
OPERATING TRANSFERS					
Operating Transfers In	-	-	-	-	0%
Operating Transfers Out	-	-	-	-	0%
TRANSFERS IN (OUT) TOTAL	-	-	-	-	0%
NET INCOME	\$ 27,044	\$ 143,260	\$ 123,350	\$ (19,910)	-14%



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 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 two sections: Real Estate Development and Construction Management.

Revenue for the RED division is from developer fees earned, bond issuance, and construction 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

Continue implementing HDP Development Pipeline Projects

Performance Measurements

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

Output	FY23 Actual	FY24 Estimated
Total dollar amount of bonds issued	\$215,000,000	\$215,000,000
Total # of units created/preserved by bonds (excluding HDP self-develop or P3 deals)	2005	2005

Agency Goal #	Effectiveness or Efficiency	FY23 Actual	FY24 Estimated	FY25 Goal
2	% of capital projects completed (budget vs actuals)	<50%	<50%	90%
2	% of capital projects with change orders less than 10% of original cost	<90%	<90%	90%

Horizon Development Property Listing

*Property Listing and Dwelling Unit Composition
As of December 31, 2023*

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

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	124	7	-	-	-	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
FIRST WARD RECAP PHASE I	EAST 7TH STREET	39	-	32	-	-	71
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
MICALPINE 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		1,694	210	2,052	791	3	4,750

Horizon Development – Budget by Category

	FY2023 Budget	FY2024 Budget	FY2025 Budget	FY2025 vs FY2024	
				\$ Variance	% Variance
REVENUES					
Tenant Rental Revenues	\$ 37,307,820	\$ 39,643,999	\$ 39,841,944	\$ 197,945	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	4,498,950	3,982,168	4,095,083	112,915	3%
Other Revenues	21,537,560	22,618,029	33,547,538	10,929,509	48%
Fund Balance Appropriated	5,273,549	7,279,879	1,874,942	(5,404,937)	-74%
Other Sources	-	-	-	-	0%
REVENUE TOTAL	68,617,879	73,524,075	79,359,507	5,835,432	8%
EXPENSES					
Administrative	13,487,734	14,603,580	15,759,236	1,155,656	8%
Tenant & Social Services	976,761	1,312,483	1,253,363	(59,120)	-5%
Utilities	5,164,006	4,880,902	5,010,704	129,802	3%
Ordinary Maintenance & Operations	11,885,125	11,261,795	11,712,115	450,320	4%
Protective Services	186,888	245,152	205,841	(39,311)	-16%
General Expenses	2,873,993	3,158,120	3,993,333	835,213	26%
Reserve Deposits	1,705,563	1,770,332	1,783,491	13,159	1%
Reserve Draws	(5,047,038)	(7,447,350)	(10,940,278)	(3,492,928)	47%
Debt Service	4,386,520	4,721,508	4,880,856	159,348	3%
Housing Assistance Payments (HAP)	-	-	-	-	0%
HAP Expense - Portables	-	-	-	-	0%
Other Uses	5,273,549	6,018,845	-	(6,018,845)	-100%
Future Year's Appropriations	239,731	1,208,277	10,260	(1,198,017)	-99%
Property Improvements	26,540,193	30,680,253	44,134,405	13,454,152	44%
EXPENSE TOTAL	67,673,025	72,413,897	77,803,326	5,389,429	7%
OPERATING TRANSFERS					
Operating Transfers In	-	-	-	-	0%
Operating Transfers Out	-	-	-	-	0%
TRANSFERS IN (OUT) TOTAL	-	-	-	-	0%
NET INCOME	\$ 944,854	\$ 1,110,178	\$ 1,556,181	\$ 446,003	40%

Real Estate Development – Budget by Category

	FY2023 Budget	FY2024 Budget	FY2025 Budget	FY2025 vs FY2024	
				\$ Variance	% Variance
REVENUES					
Fee Revenue					
Asset Management Fees	\$ 364,732	\$ 337,289	\$ 360,132	\$ 22,843	7%
Bond Application Fees	15,000	20,000	-	(20,000)	-100%
Bond Issuance Fees	1,156,250	1,201,250	999,996	(201,254)	-17%
Bond Monitoring Fees	549,510	767,393	631,932	(135,461)	-18%
Construction Management Fees	115,568	-	600,000	600,000	0%
Developer Fees	2,265,918	1,185,336	999,996	(185,340)	-16%
Fund Balance Appropriated	-	1,261,034	1,874,942	613,908	49%
REVENUE TOTAL	4,466,978	4,772,302	5,466,998	694,696	15%
EXPENSES					
Administrative	4,174,247	4,718,409	5,354,998	636,589	13%
Ordinary Maintenance & Operations	51,000	52,293	112,000	59,707	114%
General Expenses	2,000	1,600	-	(1,600)	-100%
Future Year's Appropriations	239,731	-	-	-	0%
EXPENSE TOTAL	4,466,978	4,772,302	5,466,998	694,696	15%
OPERATING TRANSFERS					
Operating Transfers In	-	-	-	-	0%
Operating Transfers Out	-	-	-	-	0%
TRANSFERS IN (OUT) TOTAL	-	-	-	-	0%
NET INCOME	-	-	-	-	0%

Real Estate Development – Expense Budget by Section

	FY2023 Budget	FY2024 Budget	FY2025 Budget	FY2025 vs FY2024	
				\$ Variance	% Variance
Asset Management	\$ 683,864	\$ 729,537	\$ 1,174,311	\$ 444,774	61%
Construction Management	754,517	903,241	1,287,189	383,948	43%
Real Estate Development	3,028,597	3,139,524	3,005,498	(134,026)	-4%
EXPENSE TOTALS	\$ 4,466,978	\$ 4,772,302	\$ 5,466,998	\$ 694,696	15%

Horizon Development – Budget by Properties

	400 East Admin					
REVENUES	Bldg	940 Brevard	Grove Place	Oak Valley	Valley View	Arbor Glen 50
Tenant Rental Revenues	\$ -	\$ 659,960	\$ 235,368	\$ 289,900	\$ 314,390	\$ 450,672
Fee Revenue	-	-	-	-	-	-
Other Revenues	693,144	8,448	-	-	1,254	552
Other Sources	-	-	-	-	-	-
Fund Balance Appropriated	109,404	-	-	-	-	-
REVENUE TOTAL	802,548	668,408	235,368	289,900	315,644	451,224
EXPENSES						
Administrative	114,372	224,629	75,446	81,632	98,184	129,041
Tenant & Social Services	1,200	1,201	3,600	-	540	2,352
Utilities	87,480	52,044	22,221	35,507	37,447	65,520
Ordinary Maintenance & Operations	403,260	236,462	87,628	100,693	117,984	154,811
Protective Services	-	1	1,809	1,608	2,480	3,717
General Expenses	86,832	110,308	33,262	52,511	46,164	61,338
Reserve Deposits	-	42,072	-	-	-	24,300
Reserve Draws	-	(166,000)	-	(9,200)	(7,200)	(106,008)
Debt Service	-	-	-	-	-	-
Housing Assistance Payments (HAP)	-	-	-	-	-	-
Future Year's Appropriations	-	-	-	-	-	-
Property Improvements	109,404	166,000	2,700	9,200	7,200	106,008
EXPENSE TOTAL	802,548	666,717	226,666	271,951	302,799	441,079
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-
TRANSFERS IN (OUT) TOTAL	-	-	-	-	-	-
NET INCOME	\$ -	\$ 1,691	\$ 8,702	\$ 17,949	\$ 12,845	\$ 10,145

	Charlottetown					
REVENUES	Arbor Glen I	Arbor Glen II	Arbor Glen III	Autumn Place	Cedar Knoll	Terrace
Tenant Rental Revenues	\$ 1,240,870	\$ 783,412	\$ 211,320	\$ 868,584	\$ 630,202	\$ 1,882,788
Fee Revenue	-	-	-	-	-	-
Other Revenues	3,200	1,680	300	3,876	52,476	15,396
Other Sources	-	-	-	-	-	-
Fund Balance Appropriated	-	-	-	-	-	-
REVENUE TOTAL	1,244,070	785,092	211,620	872,460	682,678	1,898,184
EXPENSES						
Administrative	372,512	240,310	64,567	244,935	160,015	448,030
Tenant & Social Services	53,900	38,400	6,950	52,908	31,548	34,995
Utilities	111,864	127,188	25,560	92,172	122,568	195,420
Ordinary Maintenance & Operations	399,515	240,946	56,923	335,098	205,021	516,572
Protective Services	10,682	6,760	1,698	5,040	3,624	1
General Expenses	120,315	90,684	22,348	96,126	56,604	208,086
Reserve Deposits	20,004	39,864	9,876	43,068	30,132	83,310
Reserve Draws	(118,004)	(132,000)	(60,000)	(86,004)	(261,000)	(284,592)
Debt Service	-	-	21,704	-	-	416,977
Housing Assistance Payments (HAP)	-	-	-	-	-	-
Future Year's Appropriations	-	-	-	-	-	-
Property Improvements	118,004	132,000	60,000	86,000	311,404	253,200
EXPENSE TOTAL	1,088,792	784,152	209,626	869,343	659,916	1,871,999
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-
TRANSFERS IN (OUT) TOTAL	-	-	-	-	-	-
NET INCOME	\$ 155,278	\$ 940	\$ 1,994	\$ 3,117	\$ 22,762	\$ 26,185

	Claremont	Edwin Towers	Fairmarket Square	First Ward 1	First Ward 2	First Ward Recap
REVENUES						
Tenant Rental Revenues	\$ 665,944	\$ 2,152,492	\$ 546,058	\$ 1,549,719	\$ 375,472	\$ 719,788
Fee Revenue	-	-	-	-	-	-
Other Revenues	1,800	251,640	2,252,016	10,700,000	-	-
Other Sources	-	-	-	-	-	-
Fund Balance Appropriated	-	-	-	-	-	-
REVENUE TOTAL	667,744	2,404,132	2,798,074	12,249,719	375,472	719,788
EXPENSES						
Administrative	150,110	483,584	160,233	352,171	88,527	165,439
Tenant & Social Services	31,477	37,716	22,892	-	-	-
Utilities	135,300	236,700	70,380	168,600	56,004	93,996
Ordinary Maintenance & Operations	239,673	635,156	187,851	474,007	105,148	164,835
Protective Services	3,804	12,744	4,344	-	-	-
General Expenses	62,942	231,833	61,373	365,124	62,208	75,300
Reserve Deposits	30,744	90,252	36,900	-	-	31,956
Reserve Draws	(163,000)	(291,519)	(600,000)	(152,004)	(51,000)	-
Debt Service	-	436,400	-	178,308	61,668	67,000
Housing Assistance Payments (HAP)	-	-	-	-	-	-
Future Year's Appropriations	-	-	-	-	-	-
Property Improvements	163,000	486,640	2,851,116	10,852,004	51,000	24,600
EXPENSE TOTAL	654,050	2,359,506	2,795,089	12,238,210	373,555	623,126
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-
TRANSFERS IN (OUT) TOTAL	-	-	-	-	-	-
NET INCOME	\$ 13,694	\$ 44,626	\$ 2,985	\$ 11,509	\$ 1,917	\$ 96,662

	The Gaston	Gladedale	Glen Cove	Hampton Creste	Carole Hoefener Center	Leafcrest
REVENUES						
Tenant Rental Revenues	\$ 1,827,108	\$ 659,580	\$ 557,394	\$ 2,418,288	\$ 22,632	\$ 593,246
Fee Revenue	-	-	-	-	-	-
Other Revenues	-	852	1,404	4,564,824	657,892	-
Other Sources	-	-	-	-	-	-
Fund Balance Appropriated	-	-	-	-	-	-
REVENUE TOTAL	1,827,108	660,432	558,798	6,983,112	680,524	593,246
EXPENSES						
Administrative	322,984	158,810	159,730	614,191	337,291	137,967
Tenant & Social Services	-	3,061	18,636	5,100	-	13,008
Utilities	106,800	179,988	34,435	266,664	38,496	128,532
Ordinary Maintenance & Operations	218,345	225,990	217,138	914,309	186,191	222,033
Protective Services	-	1	3,720	14,976	-	3,576
General Expenses	72,000	55,211	63,336	223,461	38,748	54,316
Reserve Deposits	37,080	31,041	34,224	261,960	-	30,132
Reserve Draws	-	(140,000)	(569,000)	(3,292,176)	(65,000)	(97,600)
Debt Service	732,916	-	13,354	68,076	9,996	-
Housing Assistance Payments (HAP)	-	-	-	-	-	-
Future Year's Appropriations	-	-	-	10,260	-	-
Property Improvements	-	140,000	569,004	7,852,176	65,000	97,600
EXPENSE TOTAL	1,490,125	654,102	544,577	6,938,997	610,722	589,564
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-
TRANSFERS IN (OUT) TOTAL	-	-	-	-	-	-
NET INCOME	\$ 336,983	\$ 6,330	\$ 14,221	\$ 44,115	\$ 69,802	\$ 3,682

	Little Rock			McAden Park		McMullen
REVENUES	Apartments	The Landings	Mallard Ridge	Apartments	McAlpine	Wood
Tenant Rental Revenues	\$ 2,621,128	\$ 966,684	\$ 496,950	\$ 409,820	\$ 1,002,751	\$ 465,312
Fee Revenue	-	-	-	-	-	-
Other Revenues	396	13,296	300	1,596	6,560,344	852
Other Sources	-	-	-	-	-	-
Fund Balance Appropriated	-	-	-	-	-	-
REVENUE TOTAL	2,621,524	979,980	497,250	411,416	7,563,095	466,164
EXPENSES						
Administrative	661,130	291,915	141,048	106,771	320,560	156,071
Tenant & Social Services	2,000	32,616	601	800	89,762	1,861
Utilities	325,716	42,804	94,812	46,800	148,296	47,004
Ordinary Maintenance & Operations	667,953	374,030	186,447	128,511	284,354	173,306
Protective Services	-	6,816	2,604	1	8,376	1
General Expenses	137,892	123,791	46,294	41,808	90,432	43,680
Reserve Deposits	60,504	29,100	21,516	28,380	55,596	34,836
Reserve Draws	(346,000)	(59,988)	(135,996)	(90,000)	(1,098,500)	(91,050)
Debt Service	663,576	63,336	-	54,732	7,804	9,180
Housing Assistance Payments (HAP)	100,800	-	-	-	-	-
Future Year's Appropriations	-	-	-	-	-	-
Property Improvements	346,000	59,988	135,996	90,000	7,652,740	91,050
EXPENSE TOTAL	2,619,571	964,408	493,322	407,803	7,559,420	465,939
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-
TRANSFERS IN (OUT) TOTAL	-	-	-	-	-	-
NET INCOME	\$ 1,953	\$ 15,572	\$ 3,928	\$ 3,613	\$ 3,675	\$ 225

	Montgomery					
REVENUES	Meadow Oaks	Mill Pond	Gardens	Nia Point	Oaks at Cherry	Parktowne
Tenant Rental Revenues	\$ 398,700	\$ 2,231,262	\$ 646,856	\$ 670,060	\$ 862,960	\$ 1,596,084
Fee Revenue	-	-	-	-	-	-
Other Revenues	720	4,704	3,396	3,360	1,800	8,028
Other Sources	-	-	-	-	-	-
Fund Balance Appropriated	-	-	-	-	-	-
REVENUE TOTAL	399,420	2,235,966	650,252	673,420	864,760	1,604,112
EXPENSES						
Administrative	107,785	554,921	187,163	189,349	225,513	451,867
Tenant & Social Services	21,218	70,104	1,701	1,201	48,756	116,295
Utilities	66,912	125,604	90,324	92,604	89,304	172,020
Ordinary Maintenance & Operations	125,871	618,862	183,287	176,851	263,100	575,734
Protective Services	2,376	12,468	1	-	6,000	12,084
General Expenses	40,708	164,735	59,538	72,795	120,970	181,644
Reserve Deposits	29,544	50,400	31,404	33,456	36,888	87,264
Reserve Draws	(62,004)	(379,992)	(90,600)	(72,396)	(81,000)	(318,996)
Debt Service	-	449,520	96,300	102,054	64,125	-
Housing Assistance Payments (HAP)	-	-	-	-	-	-
Future Year's Appropriations	-	-	-	-	-	-
Property Improvements	62,004	379,992	90,600	72,396	81,000	318,996
EXPENSE TOTAL	394,414	2,046,614	649,718	668,310	854,656	1,596,908
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-
TRANSFERS IN (OUT) TOTAL	-	-	-	-	-	-
NET INCOME	\$ 5,006	\$ 189,352	\$ 534	\$ 5,110	\$ 10,104	\$ 7,204

	Park at Oaklawn	Robinsdale	Savanna Woods	Seneca Woods	Southside	Springfield Gardens
REVENUES						
Tenant Rental Revenues	\$ 1,601,244	\$ 400,156	\$ 691,944	\$ 526,848	\$ 5,003,468	\$ 816,356
Fee Revenue	-	-	-	-	-	-
Other Revenues	7,396	-	840	5,500,840	4,320	4,740
Other Sources	-	-	-	-	-	-
Fund Balance Appropriated	-	-	-	-	-	-
REVENUE TOTAL	1,608,640	400,156	692,784	6,027,688	5,007,788	821,096
EXPENSES						
Administrative	447,631	96,100	180,756	171,240	964,590	236,922
Tenant & Social Services	24,972	18,588	30,460	28,426	188,304	40,190
Utilities	225,372	85,920	139,140	44,088	732,000	83,568
Ordinary Maintenance & Operations	605,675	118,618	219,114	172,792	1,091,347	215,541
Protective Services	13,200	2,225	3,629	3,717	36,000	6,380
General Expenses	149,769	36,665	60,106	58,733	435,417	89,678
Reserve Deposits	54,432	19,008	30,132	30,132	195,996	40,272
Reserve Draws	(208,000)	(47,804)	(118,896)	(635,904)	(672,660)	(90,000)
Debt Service	66,078	-	-	7,500	1,191,528	84,492
Housing Assistance Payments (HAP)	-	-	-	-	-	-
Future Year's Appropriations	-	-	-	-	-	-
Property Improvements	208,000	47,804	118,900	6,135,904	672,663	90,000
EXPENSE TOTAL	1,587,129	377,124	663,341	6,016,628	4,835,185	797,043
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-
TRANSFERS IN (OUT) TOTAL	-	-	-	-	-	-
NET INCOME	\$ 21,511	\$ 23,032	\$ 29,443	\$ 11,060	\$ 172,603	\$ 24,053

	Strawn	Sunridge	Tarleton Hills	Victoria Square	Vistas at 707	Wallace Woods
REVENUES						
Tenant Rental Revenues	\$ 1,708,216	\$ 489,752	\$ 658,212	\$ 500,304	\$ 1,876,921	\$ 592,008
Fee Revenue	-	-	-	-	503,027	-
Other Revenues	4,596	1,680	804	900	7,078,289	632,400
Other Sources	-	-	-	-	-	-
Fund Balance Appropriated	-	-	-	-	-	-
REVENUE TOTAL	1,712,812	491,432	659,016	501,204	9,458,237	1,224,408
EXPENSES						
Administrative	449,171	130,702	165,795	133,901	667,994	177,634
Tenant & Social Services	122,040	28,004	31,604	20,714	-	29,882
Utilities	185,100	86,184	161,088	101,592	149,878	101,700
Ordinary Maintenance & Operations	563,940	161,427	195,040	177,403	195,070	186,836
Protective Services	12,612	3,276	3,276	3,612	-	3,571
General Expenses	178,528	42,924	40,384	40,407	275,840	54,554
Reserve Deposits	87,228	21,648	30,744	19,680	50,160	29,544
Reserve Draws	(162,500)	(93,000)	(334,996)	(46,500)	(46,733)	(62,004)
Debt Service	-	-	-	-	967,512	-
Housing Assistance Payments (HAP)	-	-	-	-	-	-
Future Year's Appropriations	-	-	-	-	-	-
Property Improvements	162,500	93,000	334,996	46,500	7,125,022	692,004
EXPENSE TOTAL	1,598,619	474,165	627,931	497,309	9,384,743	1,213,721
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-
TRANSFERS IN (OUT) TOTAL	-	-	-	-	-	-
NET INCOME	\$ 114,193	\$ 17,267	\$ 31,085	\$ 3,895	\$ 73,494	\$ 10,687

	Woodlawn House
REVENUES	
Tenant Rental Revenues	\$ 1,235,832
Fee Revenue	-
Other Revenues	5,604
Other Sources	-
Fund Balance Appropriated	-
REVENUE TOTAL	1,241,436
EXPENSES	
Administrative	282,299
Tenant & Social Services	85,920
Utilities	162,204
Ordinary Maintenance & Operations	398,161
Protective Services	7,728
General Expenses	148,395
Reserve Deposits	62,088
Reserve Draws	(128,952)
Debt Service	15,000
Housing Assistance Payments (HAP)	-
Future Year's Appropriations	-
Property Improvements	128,954
EXPENSE TOTAL	1,161,797
Operating Transfers In	-
Operating Transfers Out	-
TRANSFERS IN (OUT) TOTAL	-
NET INCOME	\$ 79,639

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 FY2025 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. In 2023, an updated PNA was commissioned to get a more current look at the properties and their respective needs. Any needs identified in the updated study for 2025 are included in this budget to ensure the continued success of the property.

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, both property replacement reserves and MTW funds are being utilized in the FY2025 Budget to fund the anticipated property improvements.

Impact on Operations

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

Schedule of Property Improvements

Property	FY2025 Total Budget
400 East Admin Bldg	109,404
940 Brevard	166,000
Grove Place	2,700
Oak Valley	9,200
Valley View	7,200
Arbor Glen 50	106,008
Arbor Glen I	118,004
Arbor Glen II	132,000
Arbor Glen III	60,000
Autumn Place	86,000
Cedar Knoll	311,404
Charlottetown Terrace	253,200
Claremont	163,000

Property	FY2025
	Total Budget
Edwin Towers	486,640
Fairmarket Square	2,851,116
First Ward 1	10,852,004
First Ward 2	51,000
First Ward Recap	24,600
Gladedale	140,000
Glen Cove	569,004
Hampton Creste	7,852,176
Carole Hoefener Center	65,000
Horizon General	6,379,040
Information Technology	99,000
Leafcrest	97,600
Little Rock Apartments	346,000
The Landings	59,988
Mallard Ridge	135,996
McAden Park Apartments	90,000
McAlpine	7,652,740
McMullen Wood	91,050
Meadow Oaks	62,004
Mill Pond	379,992
Montgomery Gardens	90,600
Nia Point	72,396
Oaks at Cherry	81,000
Parktowne	318,996
Park at Oaklawn	208,000
Robinsdale	47,804
Savanna Woods	118,900
Seneca Woods	6,135,904
Southside	672,663
Springfield Gardens	90,000
Strawn	162,500
Sunridge	93,000
Tarlton Hills	334,996
Victoria Square	46,500
Vistas at 707	7,125,022
Wallace Woods	692,004
Woodlawn House	128,954
Grand Total	56,228,309

Description of Property Improvements

Below are descriptions of some of the major property improvements included in the FY2025 Budget.

Fairmarket Square: Phase I & II of the unit renovations (20 units per phase) is expected to be completed by the end of the 2024. The last of the unit renovations (20 units phase III) is scheduled to start in January 2025. The interior renovations include new plumbing fixtures, showers/tubs, floor finishes, wall finishes, fire sprinkler modifications, appliances, cabinetry, etc.. New asphalt parking lot & landscaping is included in the renovation work. Project completion is anticipated in June 2025.

McAlpine Terrace: The renovation project has been underway since mid-August 2024 & will continue into 2025 with an anticipated completion date of Nov. 2025. Interior renovations of all units to include new wall & floor finishes, replace/refinish kitchen and bathroom cabinets, new plumbing fixtures, appliances, and lighting. Exterior patching and repainting of existing EIFS system. Replace existing HVAC units with new PTAC units in all residential units. Replace exterior windows throughout the building (resident units only). Renovations to multi purpose & meeting rooms.

First Ward Place Apartments: HDP plans to continue the building renovations at First Ward Place in 2025. This phase of renovations will consist of exterior & interior building renovations at 4 of the oldest buildings on the property. 2 story buildings with 5 units each building. Renovations to include new windows & doors, HVAC systems, plumbing fixtures, wall & flooring finishes, cabinetry & appliances. In addition exterior building repairs at 2 – 22 unit buildings & clubhouse are part of planned work scope.

Seneca Woods: Renovations to approx. 21 units (3 bldgs.). Total number of existing units 49. Interior renovations will include new windows & doors. HVAC systems, plumbing fixtures, cabinetry, appliances, wall & floor finishes. Exterior work to include buildings painting, soffit/gutter rework, replacement of select site retaining walls, and site drainage issues.

Hampton Creste: Since the property is a future candidate for redevelopment HDP will mainly focus on exterior building repairs/improvements at the oldest buildings (red brick). Bldg. & site drainage issues to be addressed. In addition, renovation work at select townhouses is planned. Renovation work to consist of new HVAC systems, plumbing fixtures, wall & floor finishes, casework, siding & fence replacement, rework storage rooms, etc. Renovations to occur at areas presumed to be in later phases of any future site redevelopment.

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	Carryover Budget Balance	FY2025 New Appropriations	Revised Total Project Budget	Moving to Work	Business Activities	FY2025 Sources of Funding
Strawn Master Plan	3,513,887	468,214	500,000	4,013,887	968,214	-	968,214
Tall Oaks	22,536,996	-	-	22,536,996	-	-	-
Renaissance	200,000	200,000	-	200,000	200,000	-	200,000
JT Crawford Community Center	1,377,165	1,377,165	-	1,377,165	1,377,165	-	1,377,165
Dillehay Phase II	3,500,000	2,424,706	750,000	4,250,000	3,174,706	-	3,174,706
Trella (8th and Tryon)	45,800,000	2,682,652	-	45,800,000	-	2,682,652	2,682,652
Grove Place	1,285,000	1,275,242	1,279,200	2,564,200	2,554,442	-	2,554,442
Oak Valley	5,073,000	5,021,815	5,088,772	10,161,772	10,110,587	-	10,110,587
Valleyview	2,091,000	2,079,538	271,300	2,362,300	2,350,838	-	2,350,838
Baxter/Morehead Land Swap	500,000	485,327	-	500,000	485,327	-	485,327
Prosperity Creek Seniors	500,000	489,788	-	500,000	489,788	-	489,788
Ashley Square Buyout	-	-	300,000	300,000	300,000	-	300,000
Atrium Land Swap	-	-	500,000	500,000	500,000	-	500,000
Future Projects	-	50,000	2,000,000	2,000,000	2,050,000	-	2,050,000
	86,377,048	16,554,447	10,689,272	97,066,320	24,561,067	2,682,652	27,243,719

Carryover Budget Balances are estimated unspent amounts re-appropriated for use in FY2025 and do not change the Total Project Budget.

New appropriations are also included in the FY2025 Budget as shown in the table above and increases/decreases the Total Project Budget.

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 Cottages, now known as Centre South, is envisioned to be a \$330 million mixed-use, mixed-income development. It is expected to feature new apartments, office space, retail space, a hotel, townhomes, and a public park. The first phase was initially conceived to include the office building for financial reasons; however the market for office and hotel space has caused the developer to pivot to building the residential component first.

2. Trella (formerly known as Hall House): P3 with Urban Atlantic



Artist's Rendering of the College Street Façade

The plan of development for Trella Uptown (identified as 8th and Tryon) includes 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. The property closed in December 2022 and is currently under construction. HDP received commitments for \$6 million from the County and \$3.2 million from the City. The state housing finance agency approved bond volume cap and 4% Low Income Housing Tax Credits (LIHTC).

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. Evoke Living at Ballantyne: P3 with Crosland Southeast

Horizon Development is partnering with Crosland Southeast and is serving as the majority managing member in the owner entities. A LIHTC/bond Preliminary Application was submitted in February 2023; the financing closed July 29, 2024 and construction commenced thereafter.

The property is located at 15024 Ballancroft Parkway, Charlotte, NC 28277. Evoke Living at Ballantyne will provide 60 high-quality family rental housing units in Ballantyne's Very High Opportunity Area and include 105 parking spots. The City of Charlotte owns the Development site, and the Borrower has a lease option agreement with the City to lease the site for 60 years at \$1 per year. The site is excess land from building a new police station. The Development will consist of two (2) residential buildings with elevators. Amenities will include a community room, exercise room, computer center, covered picnic area and a laundry room. All units will be equipped with energy efficient appliances, washer and dryer connections, ceiling fans, and mini blinds. The Development will benefit from being close to Publix, Walgreens, Sprouts Grocery, Walmart Supercenter, Fifth Third Bank, Atrium Health, places of worship, schools and employment opportunities. The residents' children will attend some of the best schools in Charlotte, such as Ballantyne Elementary School and Ardrey Kell High School.

The Development is being financed with 4% LIHTC and approximately \$11.5 million of tax-exempt bonds. Other funding sources include a 1st Mortgage, CHOIF Loan in the amount of \$3 million, and \$3.9 million in Housing Trust Funds. Truist Bank is the investor.

5. Alleghany Crossing: P3 with Elmington Capital Group

Horizon Development is partnering with Elmington Capital Group (ECG) and is serving as the majority managing member in the owner entities. A LIHTC/bond Preliminary Application was submitted in January 2023; the financing closed October 7, 2020 and with construction completed in 2023.

The property is located at 1587 Alleghany Street, Charlotte, NC 28208. Alleghany Crossing will provide 220 units, with 1-, 2-, 3- and 4-bedroom apartments, and has an excellent location that is centrally located in Charlotte, NC. The development is less than two miles from uptown Charlotte and less than a mile from both the Freedom Drive corridor and the Wilkinson Boulevard corridor. As a result, it enjoys close proximity to retail, services, education, healthcare, places of worship, parks, schools, and employment. Additionally, the development will benefit from being located in close proximity to two bus transit stops. These provide walkability and transportation options to the residents. The Development will consist of five garden-style residential buildings, one of which will include a leasing office, along with a community space and common area amenities including a fitness center and computer/business center. The entire development will be targeted toward families.

The Development is being financed by 4% LIHTC and approximately \$40 million of tax-exempt bonds. The investor is Truist Bank.

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 FY2025, there is a net increase of 8.00 FTE over the prior year, for a new total of **276.00** FTEs.

Strategic Business Area	FY2023			FY2024			FY2025			Change FY24 vs FY25
	Full Time	Part Time	Total FTE	Full Time	Part Time	Total FTE	Full Time	Part Time	Total FTE	
CORE / Client Services										
Client Services	42.00	1.00	43.00	42.00	1.00	43.00	38.00		38.00	(5.00)
Subtotal - CORE	42.00	1.00	43.00	42.00	1.00	43.00	38.00	-	38.00	(5.00)
HDP / Real Estate Development										
Asset Management	3.00		3.00	3.00		3.00	4.00		4.00	1.00
Administration / Development	6.00		6.00	5.00		5.00	7.00		7.00	2.00
Construction Management	6.00		6.00	6.00		6.00	4.00		4.00	(2.00)
Relocation	-		-	-		-	-		-	
Subtotal - HDP	15.00	-	15.00	14.00	-	14.00	15.00	-	15.00	1.00
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	11.00		11.00	14.00		14.00	3.00
Property Management - Sites	89.00		89.00	98.00		98.00	105.00		105.00	7.00
Subtotal - Blue Horizon	98.00	-	98.00	111.00	-	111.00	121.00	-	121.00	10.00
Housing Choice Voucher Program										
Administration	2.00		2.00	1.00		1.00	1.00		1.00	-
Housing Choice Voucher Program	49.00		49.00	48.00		48.00	48.00		48.00	-
Subtotal - Administrative Op	51.00	-	51.00	49.00	-	49.00	49.00	-	49.00	-
Corporate Services										
Executive	3.00		3.00	5.00		5.00	5.00		5.00	-
Finance	22.00		22.00	22.00		22.00	23.00		23.00	1.00
Information Technology	6.00		6.00	6.00		6.00	6.00		6.00	-
Legal	7.00		7.00	3.00		3.00	4.00		4.00	1.00
People & Culture	12.50		12.50	13.50	(0.50)	13.00	13.00		13.00	-
Public Relations	2.00		2.00	2.00		2.00	2.00		2.00	-
Subtotal - Corporate Services	52.50	-	52.50	51.50	(0.50)	51.00	53.00	-	53.00	2.00
GRAND TOTAL	258.50	1.00	259.50	267.50	0.50	268.00	276.00	-	276.00	8.00

Staffing Change Highlights

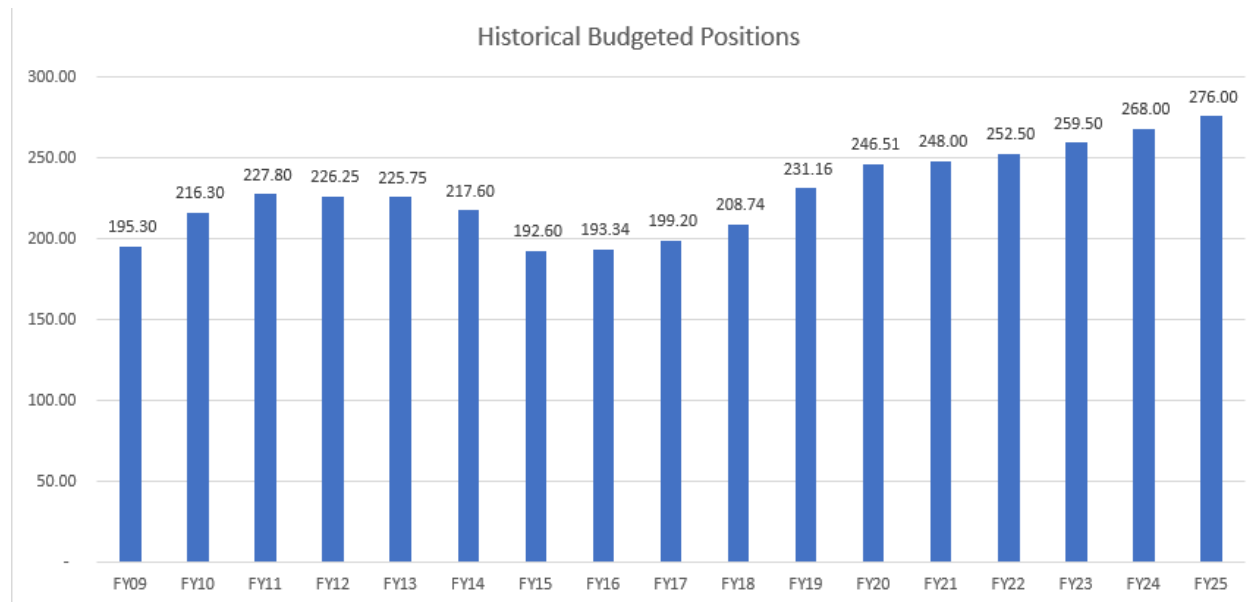
CORE decreased its staffing by eliminating five (5) positions: an Executive Vice President, an Office Manager, 2.00 ParentChild+ Specialist, a Homeownership Counselor. CORE's staffing for FY2025 is now 38.00 FTEs.

Asset Management added an FTE to assist with the expanding number of properties owned by Horizon Development Properties.

In 2024, First Ward Place transitioned from a third-party management company to Blue Horizon, which increased its staffing by 7.00 FTEs. With its portfolio expanding, Blue Horizon evaluated its administration and adjusted the following positions: eliminated 3.00 FTEs in Safety/Security and added a Senior Vice President of Operations, a Security Services Administrator, 2.00 Floating Property Managers and 2.00 Floating Maintenance Staff. Overall, BHMC's staffing increased by a net 10.00 FTEs for a new total of 121.00 FTEs for FY2025.

In Corporate Services, an Executive Assistant was added in Finance to assist with growing administrative needs. In the Legal department, an Executive Vice President was eliminated, one Associate Attorney was added and one Paralegal was added. Overall, the Corporate Services new FTE total is now 53.00.

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 2023 Charlotte continued to be the headquarters to seventeen Fortune 1000 publicly traded companies. Charlotte is a strong financial hub, with the fastest growing employment rate of any sector. The Life Science and Health Care industry, spurred by two large hospital system, also enjoys as strong a presence as the finance sector. These industries, as well as others, are helping to propel the City's employment opportunities.

In 2023 the United States Census Bureau figures indicated that Charlotte was easily the most populous city in North Carolina, with population of exceeding 900,000 people as of July 2023, an increase of 1.7%. This is an increase of more than 15,000 residents for the second year in a row, maintaining Charlotte's ranking as #15 on the list of largest U.S. cities. 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 also continues to move up in the rankings in the U.S. News & World Report Best Places to Live ranking, jumping from #8 in May 2023 to #5 in May 2024. One of the categories of the ranking is housing affordability. When compared to similar cities, Charlotte's rent prices are within the national average. This has aided with the population growth, and the influx of jobs. However, housing prices has outpaced wages, making it extremely difficult for some to find affordable places to live.

A study by Axios indicates there is a shortage of over 23,000 affordable housing units. Though the City is making strides, it still isn't enough to meet the needs of its most vulnerable population. A big part of this effort is the City's 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 continue to be supportive in approving affordable housing bonds. To leverage the funds added to the Housing Trust Fund ("HTF"), the City has partnered with Local Initiatives Support Corporation ("LISC") who launched a campaign to increase the funds through philanthropic efforts, with over \$53 million raised to what has been termed the Charlotte Housing Opportunity Investment Fund ("CHOIF"). LISC is managing this private-sector fund. It is a federally certified community development financial institution that helps not only with housing, but also funds programs to support neighborhoods and businesses. While the programs are administered separately, LISC and city staff release annually an RFP for the HTF and CHOIF funds. INLIVIAN has contributed Project-Based Vouchers to this competitive process and the entire effort of leveraging funds to their maximum potential in the development of more affordable units to abate the affordable housing crisis.

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 85 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.

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 by notice via newspaper, 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.

FY2025 Budget Calendar

02/01/2024	Issue Budget Info sheet for development of the FY2025 Budget
02/16/2024	New Position Requests & Internal Fees due to Budget Office
02/16/2024	Complete Upload of Salaries/Benefits into Budget System
03/01/2024	Budget System Open to Users
03/15/2024- 03/31/2024	MANDATORY Budget Boot Camps for Blue Horizon and CORE Staff
06/28/2024	Budgets Due in Budget System; both Operating and Capital Budgets
07/01/2024- 09/15/2024	Budget Reviews
09/20/2024- 10/04/2024	INLIVIAN Management review of Draft Budget
11/07/2024-	Finance & Audit Committee Meeting
11/07/2024- 11/19/2024	Public Review Period
11/19/2024	Public Hearing on Budget
12/17/2024	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 Chief Financial Officer, 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.

On the basis of materiality, INLIVIAN will capitalize assets, including improvements, based on the preceding criteria in excess of \$5,000. 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 \$5,000 will be recorded on INLIVIAN's financial statements as capital fixed assets and will be depreciated based on GAAP.

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 Fifth Third Bank P-card system. All purchases made with the Fifth Third Bank P-Card must be documented and approved in the Fifth Third Bank P-Card system. Cardholders, department heads and / or managers will be able to review all purchases online. 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. Tenant payments are paid mainly online. Checks and money orders are scanned and processed through remote deposit, with minimal checks needing to be hand processed by the bank.

ACCOUNTS PAYABLE

Payments to vendors are processed on a weekly basis, with majority paid through Electronic Funds Transfer (EFT). INLIVIAN payment terms are net 30 days.

EXPENDITURE/EXPENSE

The outflow of funds paid for an asset obtained or goods and services obtained.

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 ensure that the budget complies with the relevant financial policies.
4. To align INLIVIAN's long-term financial planning with short-term daily operations.
5. To maintain INLIVIAN's stable financial position.
6. To encourage an organizational culture that creates safe, healthy and risk-free work and operational environments.
7. 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 and development projects, which are multi-year projects. Expenditures may not exceed appropriations at the functional level for the annual budget or at the category 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	Capital Fund Program	HOPE VI Program	ROSS Grants	Misc Federal Grants	Total
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
12/31/2022	642,527	80,418,410	5,225,245	816,146	-	219,663	1,954,501	89,276,492
12/31/2023	180,286	87,768,323	6,746,701	874,993	-	219,663	1,974,401	97,764,367

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
3/31/2014	\$ 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%
43100	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%
12/31/2022	23,551,259	20%	11,827,992	10%	82,298,832	70%	117,678,083	100%
12/31/2023	30,446,818	23%	11,659,770	9%	92,118,977	68%	134,225,565	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

All mortgages are considered to be direct borrowings. Principal and interest payments due on all mortgages payable in each of the following years are as follows:

Year ending December 31,	Principal	Interest	Total
2024	\$ 13,353,715	\$ 6,514,970	\$ 19,868,685
2025	3,265,999	6,678,421	9,944,420
2026	8,765,840	6,450,384	15,216,224
2027	3,559,124	6,206,856	9,765,980
2028	7,716,105	6,072,337	13,788,442
2029-2033	24,199,334	28,017,027	52,216,361
2034-2038	61,658,708	22,858,785	84,517,493
2039-2043	82,130,268	9,716,415	91,846,683
2044-2048	19,497,627	5,385,494	24,883,121
2049-2053	44,047,222	2,983,426	47,030,648
2054-2058	3,018,990	1,134,553	4,153,543
2059-2063	4,068,648	319,616	4,388,264
Mortgages Payable	\$275,281,580	\$ 102,338,284	\$ 377,619,864

A \$959,124 mortgage note payable to the North Carolina Housing Finance Agency ("NCHFA") on 940 Brevard, collateralized by a deed of trust and security agreement. 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, 2023, is \$959,124.

A \$15,000,000 Multifamily Housing Revenue Mortgage-Backed Bonds, Series 2021 on Abbington 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, 2023, is \$11,775,000. Interest expense for the year ended December 31, 2023, was \$561,434.

A construction loan up to \$2,000,000 to the City of Charlotte ("City") on Abbington on Mount Holly, collateralized by the property, with an interest rate of 2%. The note requires interest only payments made from available cash flow beginning August 1, 2023. The note matures July 1, 2043. Outstanding principal balance at December 31, 2023 is \$2,000,000. Interest expense for the year ended December 31, 2023, was \$16,667.

A \$1,775,000 note payable to the Charlotte Housing Opportunity Investment Fund, LLC ("CHOIF") on Abbington on Mount Holly, collateralized by the property. The note bears interest at 3.25%. Quarterly interest only payments made from available cash flow. The note matures June 24, 2039. Outstanding principal balance at December 31, 2022 is \$1,775,000. Interest expense for the year ended December 31, 2023, was \$57,687.

A \$188,021 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, 2023 is \$188,021.

A \$230,000 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, 2023 is \$35,117, with accrued interest of \$59.

A \$121,380 mortgage note payable to KeyBank National Association ("KeyBank") on Arbor Glen III, collateralized by a deed of trust and security agreement, 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, 2023 is \$14,478, with accrued interest of \$25.

A \$31,794,107 construction loan payable to Fifth Third Bank on Archdale Flats-Family. The loan bears interest at the one-month LIBOR rate plus 2.5% per annum and is collateralized by the land, property, buildings and improvements, and tenant rents. Payments of interest only were due until conversion on June 30, 2023. The loan was paid off during the conversion to permanent financing. The total outstanding balance of the loan as of December 31, 2023 is \$0.

\$21,161,000 in 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 bond was paid off during the conversion to permanent financing. The outstanding principal balance at December 31, 2023 is \$0.

\$6,480,000 in Multifamily Housing Taxable Revenue Mortgage-Backed 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 bond was paid off during the conversion to permanent financing. The outstanding principal balance at December 31, 2023 is \$0.

A \$21,068,546 Permanent loan - series A agreement with Berkadia on Archdale Flats-Family, collateralized by all units of the project. The loan bears interest at 3.8%. Payments of principal and interest in the amount of \$85,835 are due monthly interest only through the maturity date of January 1, 2038. The outstanding principal balance at December 31, 2023 is \$20,959,639.

A \$6,454,635 Permanent loan - series B agreement with Berkadia on Archdale Flats-Family, collateralized by all units of the project. The loan bears interest at 4.22%. Payments of principal and interest in the amount of \$27,979 are due monthly interest only through the maturity date of January 1, 2038. The outstanding principal balance at December 31, 2023 is \$6,424,961.

A \$15,829,412 construction loan payable to Fifth Third on Archdale Flats-Seniors. The loan bears interest at the one-month LIBOR rate plus 2.5% per annum and is collateralized by the land, property, buildings and improvements, and tenant rents. Payments of interest only were due until conversion on June 30, 2023. The loan was paid off during the conversion to permanent financing. The total outstanding balance of the loan as of December 31, 2023 is \$0 and accrued interest \$0.

\$10,672,000 in 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 bond was paid off during the conversion to permanent financing. The outstanding principal balance at December 31, 2023 is \$0.

\$1,995,000 in Multifamily Housing Taxable Revenue Mortgage-Backed 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 bond was paid off during the conversion to permanent financing. The outstanding principal balance at December 31, 2023 is \$0.

A \$10,625,373 Permanent loan - series A agreement with Berkadia on Archdale Flats-Seniors, collateralized by all units of the project. The loan bears interest at 3.8%. Payments of principal and interest in the amount of \$43,289 are due monthly interest only through the maturity date of January 1, 2038. The outstanding principal balance at December 31, 2023 is \$10,570,449.

A \$1,987,191 Permanent loan - series B agreement with Berkadia on Archdale Flats-Family, collateralized by all units of the project. The loan bears interest at 4.22%. Payments of principal and interest in the amount of \$8,614 are due monthly interest only through the maturity date of January 1, 2038. The outstanding principal balance at December 31, 2023 is \$1,978,055.

A \$20,500,000 construction loan payable to Truist Bank on Ashley Flats. The loan bears interest at an adjustable SOFR rate, which was 5.38% at December 31, 2023. 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, 2023 is \$20,500,000 and accrued interest \$0. Interest expense for the year ended December 31, 2023 was \$666,062.

A \$4,313,931 taxable loan payable to Truist Bank on Ashley Flats. The loan bears interest at an adjustable SOFR rate, which was 5.38% at December 31, 2023, collateralized by a Construction Deed of Trust, Security Agreement and Assignment of Leases and Rents. Payments of interest only are due monthly through the maturity date of April 30, 2024. The total outstanding balance of the loan as of December 31, 2023 is \$4,313,931.

An \$18,000,000 mortgage note payable to Bellwether Enterprise Real Estate Capital, LLC, on Charlottetown Terrace and Edwin Towers, collateralized by a deed of trust and security agreement, with an interest rate of 3.34%, pursuant to the HUD 223(f) program. The maturity date is October 1, 2052. Monthly installments of principal and interest are due in the amount of \$72,733. The outstanding principal balance at December 31, 2023, is \$16,143,031, with accrued interest of \$44,931.

\$19,800,000 in Multifamily Housing Revenue Mortgage-Backed 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. The bond was paid off during the conversion to permanent financing in 2023. Payments of interest only are due monthly through the maturity date of April 1, 2039. The outstanding principal balance at December 31, 2023 is \$0.

A \$14,600,000 permanent financing loan with Grandbridge Real Estate Capital on Evoke Living at Arrowood, collateralized by a deed of trust and security agreement. The loan bears interest at 4.34% per annum. Payments of principal and interest in the amount of \$69,186 are due monthly through the maturity date of May 1, 2039. The outstanding principal balance at December 31, 2023 is \$14,600,000.

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, 2023 is \$2,000,000 and accrued interest was \$42,895

A \$2,850,000 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, 2023 is \$2,850,000. Interest expense for the year ended December 31, 2023 was \$12,429.

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, 2023 is \$1,338,527. Accrued interest at December 31, 2023 is \$12,568.

A \$14,200,000 mortgage note payable to Bearings Affordable Housing Mortgage Fund III LLC on Evoke Living at Westerly Hills, collateralized by the property, with an interest rate of 2.25%. Payments of principal and interest of \$48,882 are due monthly. The note matures May 1, 2039. The outstanding principal balance at December 31, 2023 is \$13,815,909. Interest expense for the year ended December 31, 2023, was \$340,094.

A \$2,923,371 note payable to the CHOIF on Evoke Living at Westerly Hills. The note bears interest at 2.00%. Monthly payments of principal and interest of \$16,916, are due until May 1, 2039, when all outstanding principal and accrued but unpaid interest are due. The outstanding principal balance of the loan at December 31, 2023 is \$2,715,875. Interest expense for the year ended December 31, 2022, was \$13,565.

A \$1,275,000 mortgage note payable to the City on Fairmarket Square, collateralized a deed of trust and security agreement. 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 outstanding principal balance of the loan as of December 31, 2023, is \$1,275,000.

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, 2023 was \$900,000.

A \$1,844,379 refinanced mortgage note payable to TowneBank on First Ward Place Phase I, collateralized by the property. 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, 2023 was \$1,840,991.

A \$798,756 refinanced mortgage note payable to TowneBank, on First Ward Place Phase II, collateralized by the property. 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, 2023 was \$278,465.

A \$27,831,000 loan payable to Citibank on Freedom Flats. The loan bears interest at the at an adjustable rate determined by the Lendor, not to exceed 12% and is collateralized by a deed of trust, assignment of rents, security agreement and fixture filing. Payments of interest only are due until maturity on November 1, 2053. The total outstanding balance of the loan as of December 31, 2023, is \$27,831,000.

A \$6,150,000 construction loan payable to Citibank on Freedom Flats. The loan bears interest at the at an adjustable rate determined by the Lendor, not to exceed 12% and is collateralized by a deed of trust, assignment of rents, security agreement and fixture filing. Payments of interest only are due until conversion on October 1, 2024. The total outstanding balance of the loan as of December 31, 2023, is \$5,975,778. Interest expense for the year ended December 31, 2023, was \$483,344.

A \$2,000,000 construction loan to the City for FWP Recap Phase I. The loan bears interest at 1.00% annually and is non-compounding. Payments of accrued interest shall be made from available cash flow. Annual payments shall begin 12 months following the issuance of the certificate of occupancy, but no later than November 1, 2025. The outstanding principal balance at December 31, 2023 is \$1,800,000. Interest expense for the year ended December 31, 2023 was \$16,240 which remains payable.

A \$7,131,868 construction loan to Truist Bank on FWP Recap Phase I, collateralized by the security instrument. The loan bears interest at a rate equal to the Daily Simple SOFR plus 2.6%. The interest rate at December 31, 2023 was 7.98%. The loan matures on the earlier of (1) July 20, 2041, (2) the seventeenth anniversary of the stabilization date, or (3) the date on which the principal amount of the loan has been declared of automatically has become due and payable. The outstanding principal balance at December 31, 2023 is \$5,081,030.

A \$1,400,000 construction loan to Truist Bank on FWP Recap Phase I, collateralized by the property. Prior to stabilization, the loan does not bear interest. After stabilization, interest is 1.00%. The loan matures on the earlier if (1) July 20, 2042, (2) the market rate construction loan, or (3) the date on which the principal amount of the loan has been declared of automatically has become due and payable. The outstanding principal balance at December 31, 2023 is \$1,058,384.

A \$17,500,000 loan payable to Fifth Third Bank on The Gaston at North End. The loan bears interest equal to the Term SOFR rate. During the year, the interest rate ranged from 2.5% per annum to 5.25875% per annum. The loan is collateralized by the land, property, buildings and improvements, and tenant rents. No payments are due until conversion, which anticipated to occur in 2024. The total outstanding balance of the loan as of December 31, 2023 is \$15,068,471. Interest expense for the year ended December 31, 2023 was \$1,215,641.

A \$2,000,000 loan payable to the City of Charlotte on The Gaston at North End. The loan bears interest at 2% per annum. The loan is collateralized by a deed of trust and security agreement. Payments commence annually beginning 30 days following the issuance of the first certificate of occupancy for the Property, based on available cash flow. The total outstanding balance of the loan as of December 31, 2023 is \$1,800,000.

A \$1,335,375 mortgage note payable to the City on Glen Cove, collateralized by a deed of trust and security agreement 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, 2023 is \$1,309,831.

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, 2023 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, 2023 is \$1,300,000.

A \$893,381 promissory note payable to the Community Investment Corporation of the Carolinas ("CICCAR") on The Landing at Park Road, collateralized by a deed of trust and security agreement. The loan bears interest at an interest rate of 5.86% and matures on June 1, 2036. Payments of principal and interest are due monthly. The total outstanding principal balance of the loan as of December 31, 2023 is \$822,379, with accrued interest of \$4,015.

A \$1,380,000 mortgage note payable to the City on The Landing at Park Road, collateralized by a deed of trust and security agreement, 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, 2023 is \$1,380,000, with accrued interest of \$13,800.

A \$380,593 mortgage note payable to the NCHFA on The Landing at Park Road, collateralized by a deed of trust and security agreement. 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, 2023 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 outstanding principal balance of the loan as of December 31, 2023 is \$5,571,848, with accrued interest of \$24,372. The unamortized premium on these bonds at December 31, 2023 is \$143,980.

A \$3,181,101 component unit mortgage note payable to the City on McAden Park, 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, 2023 is \$ 3,181,101. As of December 31, 2023, accrued interest related to this loan was \$0.

A \$720,081 second mortgage note payable to the City on McAlpine Terrace, collateralized by a deed of trust and security agreement 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, 2023 is \$712,468.

A \$1,836,000 mortgage note payable to the City on McMullen Wood, collateralized by a deed of trust and security agreement, with a .5% interest rate. Interest only payments are required monthly. The maturity date is December 31, 2030. The outstanding balance of the loan as of December 31, 2023 is \$1,836,000 with accrued interest of \$765.

A \$250,000 mortgage note payable to the NCHFA on McMullen Wood, collateralized a deed of trust and security agreement. 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 outstanding balance of the loan as of December 31, 2023 is \$239,342.

A \$9,127,500 mortgage note payable to Berkadia Commercial Mortgage on Mill Pond, collateralized by a deed of trust and security agreement with an interest rate of 3.45%. The maturity date is April 30, 2053. The mortgage is subject to a prepayment penalty of 10 percent of the outstanding principal balance if prepaid before April 30, 2020 and is phased out if paid after May 1, 2028. Monthly payments of principal and interest in the amount of \$37,459 are required. The outstanding balance of the loan as of December 31, 2023 is \$8,286,365, with accrued interest of \$23,823.

A \$642,183 mortgage note payable to the NCHFA on Montgomery Gardens, collateralized by a deed of trust, by the assignment of rents and leases, and security agreement. The note is interest free. No principal payments are required until maturity. The maturity date is August 1, 2036. The outstanding balance of the loan as of December 31, 2023 is \$642,183.

A \$1,140,000 mortgage note payable to the City on Montgomery Gardens, collateralized by a deed of trust and security agreement, 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 outstanding principal balance of the loan as of December 31, 2023 is \$201,057, with accrued interest of \$335.

A \$342,000 mortgage note payable to Bank of America on Montgomery Gardens, collateralized by a deed of trust and security agreement, 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, 2023 is \$116,492, with accrued interest of \$502.

A \$1,215,000 mortgage note to the City on Nia Point, collateralized by a deed of trust and security agreement, 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, 2023 is \$214,293, with accrued interest of \$358

A \$728,855 mortgage note payable to the NCHFA on Nia Point, collateralized by a deed of trust and security agreement. 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, 2023 is \$728,855.

A \$204,252 mortgage note payable to the NCHFA on Nia Point, collateralized by a deed of trust and security agreement. 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, 2023 is \$31,443.

A \$405,000 mortgage note payable to KeyBank National Association on Nia Point, collateralized by a deed of trust and security agreement with an interest rate of 2%, through the AHP. The loan requires 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, 2023 is \$108,625 with accrued interest of \$187.

A \$1,215,000 mortgage note payable to the City on The Oaks at Cherry, collateralized by a deed of trust and security agreement 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, 2023 is \$1,215,000.

A \$640,000 second mortgage note payable to the City on Seneca Woods, collateralized by a deed of trust and security agreement, 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, 2023 is \$640,000. Total deferred interest as of December 31, 2023 is \$455,205.

A \$300,000 third mortgage note payable to the NCHFA on Seneca Woods, collateralized by a deed of trust and security agreement. 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, 2023 is \$300,000.

A \$750,000 fourth mortgage note payable to the City on Seneca Woods, collateralized by a deed of trust and security agreement 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, 2023 is \$750,000.

A \$24,126,600 mortgage note payable to Bellwether Enterprise Real Estate Capital, LLC, on Southside Homes, collateralized by a deed of trust and security agreement 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, 2023 is \$21,547,159, with accrued interest of \$62,307.

A \$1,290,000 mortgage note payable to Bank of America on Springfield Gardens, collateralized by a deed of trust and security agreement, 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, 2023 is \$346,423 with accrued interest of \$597.

A \$135,000 mortgage note payable to the City on Springfield Gardens, collateralized by a deed of trust and security agreement, 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, 2023, is \$74,449 with accrued interest of \$18,904.

A \$746,962 mortgage payable to the NCHFA on Springfield Gardens, collateralized by a deed of trust and security agreement. 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, 2023 is \$746,962.

A \$22,809,700 mortgage note payable to Berkadia Commercial Mortgage on The Vistas at 707, collateralized by a deed of trust and security agreement, 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, 2023 is \$19,855,587.

A \$1,500,000 mortgage note payable to the City on Woodlawn House Apartments, collateralized by a deed of trust and security agreement 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, 2023 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 5% 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 2.5% 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 3.0% 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 5.0% for utilities, based on historical cost.
- An annual increase of 3.0% 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.

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)

		FY2025 Budget	FY2026 Budget	FY2027 Budget	FY2028 Budget	FY2029 Budget
Multiplier	REVENUES					
1.050	Tenant Rental Revenues	\$ 48,125,015	\$ 50,531,266	\$ 53,057,829	\$ 55,710,720	\$ 58,496,257
1.025	Public Housing Operating Subsidies	407,727	417,920	428,368	439,077	450,054
1.025	HCV Operating Subsidies	124,901,076	128,023,603	131,224,193	134,504,798	137,867,418
1.025	HCV Administrative Fees	5,653,858	5,795,204	5,940,085	6,088,587	6,240,801
1.025	Capital Fund	1,607,820	1,648,016	1,689,216	1,731,446	1,774,732
1.000	Portable HAP Revenue	3,685,332	3,685,332	3,685,332	3,685,332	3,685,332
1.000	Portable HAP Administrative Fees	188,640	188,640	188,640	188,640	188,640
1.030	Fee Revenue	13,640,940	14,050,168	14,471,673	14,905,823	15,352,998
1.030	Other Revenues	53,122,313	54,715,982	56,357,462	58,048,186	59,789,631
	Fund Balance Appropriated	45,479,590				
	Other Sources	10,000				
	REVENUE TOTAL	296,822,311	259,056,131	267,042,798	275,302,610	283,845,864
	EXPENSES					
1.030	Administrative	42,154,875	43,419,521	44,722,107	46,063,770	47,445,683
1.030	Tenant & Social Services	12,098,383	12,461,334	12,835,175	13,220,230	13,616,837
1.050	Utilities	6,090,920	6,395,466	6,715,239	7,051,001	7,403,551
1.050	Ordinary Maintenance & Operations	17,751,019	18,638,570	19,570,498	20,549,023	21,576,475
1.030	Protective Services	315,171	324,626	334,365	344,396	354,728
1.030	General Expenses	5,159,186	5,313,962	5,473,380	5,637,582	5,806,709
1.030	Reserve Deposits	2,046,867	2,108,273	2,171,521	2,236,667	2,303,767
	Reserve Draws	(12,125,778)	-	-	-	-
1.000	Debt Service	5,849,136	5,849,136	5,849,136	5,849,136	5,849,136
1.025	Housing Assistance Payments (HAP)	84,015,376	86,115,760	88,268,654	90,475,371	92,737,255
1.000	HAP Expense - Portables	3,685,332	3,685,332	3,685,332	3,685,332	3,685,332
1.030	Other Uses	71,176,244	73,311,531	75,510,877	77,776,204	80,109,490
	Future Year's Appropriations	562,284	-	-	-	-
-	Property Improvements	56,228,309	-	-	-	-
	EXPENSE TOTAL	295,007,324	257,623,512	265,136,285	272,888,711	280,888,962
	OPERATING TRANSFERS					
	Operating Transfers In	84,100,136				
	Operating Transfers Out	84,100,136				
	TRANSFERS IN (OUT) TOTAL	-	-	-	-	-
	NET INCOME	\$ 1,814,987	\$ 1,432,619	\$ 1,906,512	\$ 2,413,898	\$ 2,956,901

7.9 DEMOGRAPHIC AND ECONOMIC TABLES

Year	Population	Total Personal Income	Per Capita Income	Median Age	School Enrollment	Unemployment Rate
2014	1,011,315	\$ 51,980,697	\$ 51,399	34.3	142,612	6.2%
2015	1,034,442	55,925,668	54,064	34.5	145,363	5.7
2016	1,057,237	58,469,183	55,304	34.7	146,140	4.9
2017	1,076,837	61,775,890	57,368	34.9	147,157	4.3
2018	1,093,901	66,805,797	61,080	35.0	147,359	4.0
2019	1,115,571	69,830,164	62,890	35.1	147,352	4.1
2020	1,131,342	73,657,194	65,244	35.2	146,688	8.5
2021	1,138,138	80,619,972	71,836	35.4	140,073	4.9
2022	1,154,783	N/A	N/A	N/A	140,406	4.1
2023	1,179,832	N/A	N/A	N/A	141,000	3.4

Source: Mecklenburg County Annual Comprehensive Financial Report, FY 06/30/23

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

Employer	2023			2014		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Atrium (formerly Carolinas HealthCare)	37,000	1	5.68 %	32,500	1	6.97 %
Wells Fargo	30,291	2	4.65	22,000	2	4.72
Charlotte-Mecklenburg Schools	18,495	3	2.84	18,143	3	3.89
Bank of America Corporation	15,000	4	2.3	15,000	5	3.22
Novant Health	11,698	5	1.8	11,000	7	2.36
American Airlines	11,000	6	1.69	10,600	8	2.27
Harris Teeter	8,239	7	1.26	8,239	9	2
Duke Energy	7,900	8	1.21	7,800	10	1.67
Lowe's Companies, Inc.	7,801	9	1.2	12,960	6	2.78
City of Charlotte	6,800	10	1.04	-	-	-
Wal-Mart Stores, Inc.	-	-	-	16,100	4	3.45

Source: Mecklenburg County Annual Comprehensive Financial Report, FY 06/30/23

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 – Formerly known as 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
OCAF	Operating Cost Adjustment Factor
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