



2016

Annual Report



**Neighborhood
Renaissance**

Diverse Communities – Strong Economies

*Homes Within the
Financial Reach of
Working Families*

Palm Beach County's adjusted median and per capita household incomes have not kept pace with rising property values. Seventy-five percent of households (400,000) are unable to afford the \$327,000 median single-family home price in the County. The significant year-over-year average sales price increases for both condos and single-family homes made for a strong recovery market that contributed to the shortage of starter homes.

At the same time home ownership is decreasing, renter demand is increasing. The median gross rent of \$1,900 is unaffordable for eighty percent of renters (142,000 households). Fifty-six percent of renters (100,000 households) are cost-burdened and thirty percent (53,000 households) are severely cost burdened. As a rule of thumb, a household can manage a monthly housing cost that is within thirty percent of their monthly income. Any amount over thirty percent is considered to be a housing cost burden. An excessive housing cost burden is stressful causing many families to make hard choices between basic necessities such as health care, food, childcare or rent.

Home prices that match the wages of our essential workforce are needed for employers to retain and attract qualified employees, including millennials who are being priced out of the South Florida market. Wages for seven of the leading workforce occupations in Palm Beach County pay less than fifty percent of the area median income (ami) (\$24,950 for a single person); four of the leading occupations earn less than eighty percent ami (\$39,920); and only two of the leading occupations pay wages over one hundred and twenty percent of the ami (\$60,480). To afford the median priced single-family home of \$327,000, a household must earn at least \$70,000 a year; and to afford the median gross rent of \$1,900 without a cost burden, a household

needs to earn \$76,000 annually.

Finding solutions to the attainable housing problem is hard work and needs a long-term commitment from the public, private and nonprofit sectors. Neighborhood Renaissance is dedicated to increasing homes that are within the financial reach of Palm Beach County's low and moderate-income residents and is committed to partnerships that broaden the reach of attainable housing programs.



Carl A. Flick | Chair



Terri Murray | Executive Director

“Established in 1992, Neighborhood Renaissance, Inc. is a nonprofit community based organization dedicated to building and supporting strong economies and diverse communities in Palm Beach County by providing homes that are within the financial reach of working families.”

Building Strong Neighborhoods



Current site conditions at 1561 Florida Mango Road, West Palm Beach.



Left to right: Carl A. Flick, NR chair, Nicole Burrell-Birt, Wells Fargo SVP, Terri Murray NR executive director, Robin Rance-Hoffman, sr. admin asst. to PBC Commissioner Paulette Burdick, District 2, and Edward Lowery, director PBC Dept. of Economic Sustainability at project unveiling ceremony held on 10/12/16.



Left to right: NR real estate director Michael Pecar, NR committee member Cathleen Ward, Pablo J. Pino, TD BANK South FL market president, Terri Murray NR exec. dir., Debbie Rahamim, TD community relations manager, and NR board members: Carl A. Flick, Annette Whitehead, Joey Eichner and Tim Coppage at the 12/14/16 check presentation for the Housing for Everyone Grant TD Foundation grant award.

Mango Cove

Mango Cove will be a newly constructed thirty-six unit apartment community situated on eight acres located in the Urban Redevelopment Area at 1561 Florida Mango Road, West Palm Beach, FL 33406 in central Palm Beach County. Designed in the “Old Coastal Florida” style, the two apartment buildings are three-stories with central breezeways overlooking a private lake. Planned with family living in mind, the homes feature open concept kitchens, large great rooms, in-unit laundry, two bedrooms and two bathrooms in 925 square feet. On-site amenities will include expansive lake views with walking paths, a recreational area with a tot-lot, play court and picnic area, lush landscaping and ample parking for residents and guests. The energy efficient homes will be within the financial reach of low and moderate-income families with rents well below market rents and will be owned and operated by Neighborhood Renaissance. The homes will be income restricted for at least thirty years to households earning less than one hundred and twenty percent of the area median income by a land use restrictive agreement enforced by Palm Beach County.

During the fiscal year Neighborhood Renaissance received site plan approval and acquired the land. Southeast Architect Services, Inc. was retained to complete construction documents and the Engenuity Group was hired as the project’s civil engineer. Plans should be ready to submit for building permits in July with issuance in early October 2017 for a project completion in July 2018. Total project cost is estimated to be \$8.27 million.

In order to raise \$3.8 million for project equity Neighborhood Renaissance will sell up to twenty NSP 2 funded single-family rental homes to qualified first-time homebuyers. The average home sales price is expected to be \$225,000. Subsequent to the fiscal year ending we obtained a first mortgage commitment of \$3.8 million from the Florida Community Loan Fund, executed a loan agreement with the PBC, and received a \$100,000 Housing for Everyone Grant award from TD Charitable Foundation.

West Village Art Lofts in Lake Worth

The West Village Art Lofts is a mixed-use residential and commercial development that includes eight, three-story live/work artist townhomes and 2,000 sq. ft. of much needed "Class A" commercial space. Designed to attract arts related businesses and amenities, the new commercial building in addition to street level artist work space will add to the vibrancy of the West Village commercial area through small business development. Lake Worth's Art Lofts of West Village is the second phase of live/work residences specifically for low and moderate-income working artists earning less than 120% ami. The project was made possible through a NSP2 loan for \$700,000 from the Lake Worth Community Redevelopment Agency (CRA) and the donation of distressed land. West Village takes the live/work concept, which has proven very popular in Lake Worth and adds to the inventory of the 12 artist lofts previously built through the CRA's NSP2 program.

In 2016 we retained REG Architects, Inc. and procured Stuart and Shelby Development, Inc. as the general contractor through a competitive request for qualifications process. Total project cost is estimated at \$3.2 million. Subsequent to fiscal year ending we received building permits, secured a \$1.6 million construction commitment from the Florida Community Loan Fund and received a \$500,000 Project Reinvest grant award through a national competition administered by NeighborWorks of America. Neighborhood Renaissance was 1 of 55 grant recipients.



The Lake Worth CRA & elected officials participate with Neighborhood Renaissance at a groundbreaking ceremony held on 5/23/17.

New Single-Family Homes in Pleasant City

As a certified Community Housing Development Organization for the City of West Palm Beach, Neighborhood Renaissance received a \$328,000 federal HOME grant to build three single-family homes on vacant donated lots located on 18th Street. The lots were conveyed to the City by the West Palm Beach CRA. The three and four bedroom homes are being sold to low-income first-time homebuyers with prices starting at \$110,000. These are the first single-family owner occupied homes to be built in Pleasant City in over a decade. Construction commenced mid-November 2016 with completion in April 2017.



City of West Palm Beach Mayor Jeri Muoio speaks to the need for more affordable home ownership opportunities at the 10/27/16 Pleasant City groundbreaking event.

Lake Worth Single-Family Homes

Neighborhood Renaissance commenced construction of new single-family homes on two of three lots donated by the Lake Worth CRA. The homes will be sold to buyers earning up to one hundred and twenty percent ami. The Florida Community Loan Fund is providing construction financing.



Similar 3BR/2BA home currently under construction at 1285 E St., Lake Worth.

Acquisition & Rehabilitation of Troubled Properties

Stabilizing Neighborhoods through First-Time Homebuyers

We help to stabilize neighborhoods through the purchase, rehab and resale of troubled properties to low and moderate-income working families. This helps to preserve affordable homes and to strengthen neighborhoods. We source properties through the National Community Stabilization Trust, MLS and bank donations. As of the end of the fiscal year the following thirteen homes were sold or under construction for an investment of \$1,816,366.

Property Location	Description	Sale Date	Price
Completed and Sold Properties FYE 10/1/15 - 9/30/16:			
611 39th St., WPB 33407	Single Family 4/2.5 1717 sq ft	06/21/16	\$110,000
5912 Papaya Rd., WPB 33407	Single Family 2/1 1204 sq ft	05/02/16	\$128,000
931 35th Street WPB 33407	Single Family 3/1 1199 sq ft	08/29/16	\$130,000
815 W 9th St. , Riveria Beach	Single Family 3/2 1205 sq ft	12/17/15	\$119,000
701 48th St., WPB 33407	Single Family 3/2 1300 sq ft	10/06/15	\$105,000
1067 Raintree, Palm Beach Gardens 33410	Townhome 3/2.5 1380 sq ft	08/31/2016	\$240,000
TOTAL SALES: \$832,000			
Property Location	Description	Cost to Acquire	Anticipated Rehab.
Properties in Development FYE 10/1/15 - 9/30/16			
429 Waseca Dr., Lake Worth	Single Family 3/1 890 sq ft	\$72,000	\$46,000
619 47th St. WPB 33407	Single Family 3/2 1474 sq ft	\$25,000	\$55,000
515 52nd St., WPB 33407	Historic Single Family 2/2 1000 sq ft	\$53,445	\$71,000
5973 Ithaca, Lake Worth	Single Family 3/2 1418 sq ft	\$118,729	\$69,000
1243 Mc Dermott Lane, Royal Palm Beach	Single Family 3/2 1234 sq ft	\$134,200	\$54,000
351 W 22nd Ct. Riveria Beach	Single Family 5/2 2090 sq ft	\$135,000	\$25,000
1392 7th St. WPB 33401	Single Family 3/2 1300 sq ft	\$69,992	\$56,000
PROJECTED INVESTMENT		\$608,366	\$376,000
TOTAL INVESTMENT FYE 2016: \$1,816,366			



515 52nd St. in historic Northwood Harbor before renovation.



New homeowner Michelle Guthrie moved to America from Zimbabwe and became a citizen a few years ago. "I came to Northwood because one of my best friends lived here and I fell in love with the neighborhood on our walks. In the context of owning a home it's a dream that I honestly did not think would be in the realm of possibility at my age. Back home in zim you have to have 50% deposit and your interest rate will easily be around 50%."

About Us

Established in 1992, Neighborhood Renaissance, Inc. is a proven nonprofit community based organization dedicated to building and supporting strong economies and diverse communities in Palm Beach County. Our approach to rebuilding neighborhoods is inclusive and received national recognition. We have a long history of working in partnership with residents, local government, businesses and lending institutions to reclaim troubled properties, create affordable homes and improve neighborhoods while helping families to prosper through housing counseling, case management and increased financial literacy. Our efforts have helped over 135 low and moderate-income families to become first-time homeowners. We are experienced rental and for sale real estate developers of single and multi-family properties and have built or substantially rehabilitated over 158 homes. In the past 5 years our programs targeted nearly \$26 million of reinvestment into low-income communities.

Working Your Way Home

Rental Homes for Working Families

Neighborhood Renaissance owns and manages a scattered-site rental portfolio of seventy-six single and multi-family homes. Half of the homes are affordable to renters earning below fifty percent ami and the balance of the homes are income restricted for moderate-income families earning up to one hundred and twenty percent ami. The homes were acquired out of foreclosure, renovated and leased-up by Neighborhood Renaissance through PBC's NSP2 Residential Redevelopment Program. During the fiscal year we began implementing a resident relocation plan for the sale of up to twenty of the moderate-income restricted homes to qualified home buyers to help fund the construction of Mango Cove. Tenants receive relocation assistance in accordance with the federal Uniform Relocation Act to help pay for moving costs and the rent differential for a comparable home. As of June 2017 ten former residents found new comparable homes. As a result of Neighborhood Renaissance's Working Your Way Home program, which offers affordable rents, homebuyer education and budget counseling, seven former residents successfully transitioned to homeownership.



Neighborhood Renaissance helped the Moore family to become first-time homeowners through the Working Your Way Home program that offers budget counseling and an affordable rent. This enabled them to accumulate savings for a down payment. Our wholly owned real estate brokerage, Your Way Home Realty also helped them to find and purchase a home that met their family's needs and which was within their price range.

Community Contribution Tax Credit

Neighborhood Renaissance is an approved nonprofit sponsor for the Florida Community Contribution Tax Credit Program (CCTCP) with eligible projects in West Palm Beach and Lake Worth. CCTCP is a financial incentive to encourage Florida businesses to make donations to build homes for low-income persons; eligible businesses receive a fifty percent tax credit or up to a one hundred percent sales tax refund for the value of donations made to approved projects for a maximum credit of \$200,000 per year. Ways your business can contribute:

- Make a contribution of cash or other liquid assets
- Donate real property
- Convey property improvements
- Give building materials, goods or other inventory
- Commit company volunteer work hours



Prior to purchasing their new home at 611 39th St. in Northwood, Diego Perez and Nelva Lopez rented a tiny 2BR/1BA cottage that their family of five had outgrown. They now own a quality 4BR home built by Neighborhood Renaissance with monthly payments that are much less than what they were paying for rent. This monthly savings is helping to pay for their oldest daughter's college education.

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STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED SEPTEMBER 30, 2016

ASSETS		
Cash in bank - operating	\$	467,133
Cash in bank - security deposits		82,146
Cash in bank - NSP2 repair reserves		659,480
Accounts receivable		5,844
Prepaid expenses		130,396
Property and equipment— net		11,596,842
Property under development		2,332,512
Land		736,863
Deposits		8,173
TOTAL ASSETS	\$	16,019,389
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	\$	7,633
Security deposits payable		81,966
Accrued and other liabilities		76,517
Notes and mortgages payable		2,841,664
TOTAL LIABILITIES		3,007,780
NET ASSETS		
Unrestricted		13,011,609
TOTAL LIABILITIES AND NET ASSETS	\$	16,019,389

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED SEPTEMBER 30, 2016

REVENUE AND OTHER SUPPORT		
Public Support		
Grants	\$	217,183
Contributions		13,896
Revenues		
Rental income-commercial		55,870
Rental income – residential		918,716
Gain on sale of property		125,196
Interest income		3,333
Program services and other revenues		227,052
Total Public Support and Revenues		1,561,246
EXPENSES		
Program services		
General administrative & fundraising expenses		97,352
Economic development programs		381,247
Housing and community development		1,100,440
Subtotal		1,579,039
Total Expenses		1,579,039
Increase in Net Assets		-17,793
Net Assets - October 1, 2015		13,029,402
Net Assets - September 30, 2016	\$	13,011,609

Our Supporters (10/1/15 – 9/30/16)

BB& T



Bank United



Iberia Bank



Florida Community Bank



HSBC Bank USA, N.A.



**Lake Worth Community
Redevelopment Agency**



**City of West Palm Beach
CHDO/HOME Program**



**Community Foundation of
Palm Beach & Martin Counties**



JP Morgan Chase



M & T Bank Corporation



**Palm Beach County Dept. of
Economic Sustainability**



Third Federal Savings & Loan



TD Charitable Foundation



Wells Fargo Priority Markets Program



'Orange Blossom'
[Florida State Flower]



Neighborhood Renaissance

Diverse Communities – Strong Economies

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