2015 Annual Report

Neighborhood Renaissance
Diverse Communities – Strong Economies

Helping Communities
Prosper
Since 2005 Palm Beach County’s income levels have remained flat while housing costs are on the rise. There has been almost no change in the area median income since 2005, and the percent of low-income households at or below 80% of the area median remains relatively constant (American Community Survey 2005 - 2014). Yet, according to the Florida Housing Coalition’s 2015 Home Matters report, home sale prices and monthly rents are at or above affordability limits, making Palm Beach County one of the most difficult places in the state to find a moderately priced home, even for households with incomes above the 2015 area median level of $64,900. Home prices that match the wages of our essential workforce (service workers, nurses, teachers, first responders, etc.) are needed for employers to retain and attract qualified employees, including many millennials who are being priced out of the South Florida housing market.

Although home prices and wages are mismatched, relatively affordable purchase opportunities still exist in broad sections of the county’s older urban neighborhoods. These prospects coupled with today’s low interest rates, make it less expensive to own a modest home than to rent. The challenge is to provide opportunity before a resurgence of these markets price low and moderate-income residents out of their neighborhoods.

In 2015 we addressed this challenge by focusing on the redevelopment of modestly priced homes for sale in select neighborhoods located in West Palm Beach and Lake Worth that will benefit from further stabilization and revitalization. Because we are committed to ensuring that existing residents prosper, we included as strategic goals financial literacy, home buyer training and purchase assistance. To help address the dearth of rental homes that equal worker wages, we committed to undertake the development of the Mango Cove Apartments, a community of thirty-six moderately priced two bedroom rentals to be located near jobs, schools and public transportation.

“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.”
Seeking to continue its rehabilitation and new construction efforts spurred by Lake Worth’s very successful $23M Neighborhood Stabilization program, the Community Redevelopment Agency (CRA) partnered with Neighborhood Renaissance in April 2015 to redevelop vacant land on a primary downtown corridor located at 10 North F St. into 8 live/work lofts for working artists. The three story town homes are designed with street level studios and living areas located on the second and third floors. The mixed-use development includes 2,000 sq. ft. of commercial space and will be built on land donated by the CRA with a $700,000 grant to make the homes affordable. The project development budget is $2.8 million with groundbreaking anticipated in 2016.

West Village takes the live/work concept, which has proven very popular in Lake Worth and adds to the inventory. Previously 12 affordable artist lofts were constructed on land adjacent to the West Village. Each home was sold to a qualified artist in a very short time frame due to the project’s popularity. Each of those owners is still living in their homes and work together as a community to promote art walks and other special events. There is still a significant need for affordable artist space and these lofts provide a unique opportunity to live and work in an urban area within close proximity to shopping, dining, transportation and services, in a vibrant and artistic community.

In 2015 we also initiated plans to build 3 quality single-family homes for low and moderate-income buyers on CRA donated lots at: 113 South D St., 128 South E St. and 127 South F St. located just south of the West Village Art Lofts.
West Palm Beach’s North End Neighborhoods – Opportunities for Prosperity

In support of West Palm Beach’s goal to breathe new life into the neighborhoods located north of downtown and east of Lake Mangonia, we remain committed to helping residents prosper by: improving housing conditions, increasing financial literacy, assisting first-time homebuyers and creating quality affordable homes. Comprised of 5 census tracts (12099001600, 12099001801, 12099001700, 12099002200, 12099002300), these neighborhoods stand out in terms of poverty, housing cost burden, and substandard housing that intersects with concentrations of minority populations.

With close proximity to the waterfront, downtown, employment, and with much of the area designated for redevelopment by the Northwood/Pleasant City CRA, the area is changing. Luxury residential construction is underway as well as private sector investor plans that will likely alter much of the economic, racial and ethnic composition of some of these census tracks. In partnership with the City, we are working to maximum opportunities for existing residents to prosper as the area redevelops. In 2015 we undertook:

- Stewardship of 9 affordable owner occupied homes through our Community Land Trust
- Acquisition and renovation of distressed single-family properties for resale to low and moderate-income homebuyers:
  - Sold: 2 homes
  - Rehabbed: 4 homes
  - Pipeline: 4 homes
- Resident training & homebuyer assistance:
  - Homebuyer education: 229 households
  - First-time buyer assistance: 13 households
  - Financial Literacy: 29 youths
- Partnership with the City of West Palm Beach to build 3 single-family homes on city donated lots located in Pleasant City, a historic African-American neighborhood. These will be the first newly built single-family homes in over a decade.

Our sustained efforts in Northwood resulted in construction or rehab of 51 homes, creation/retention of over 150 jobs through small business development, 46 new home owners, commercial redevelopment and comprehensive neighborhood improvements for an investment of over $10 million.

Poinciana Gardens Model Block

Working in partnership with Wells Fargo Urban Lift Program, which provided $229,000 in funding and the City of Boynton Beach Community Development Program that contributed $60,800, Neighborhood Renaissance completed Phase I improvements for the Poinciana Gardens Model Block including: new walkways, parking, street trees, entryway signs, bus shelter and landscaping improvements along MLK Boulevard and NW 11th Ave. This is part of a $3 million comprehensive plan, which includes the construction of 13 single-family homes.
Acquisition & Rehabilitation of Troubled Properties

Stabilizing Neighborhoods through First-Time Homebuyers

Neighborhood Renaissance acquires, renovates and resales troubled properties to low and moderate-income working families. This helps to preserve affordable homes and to strengthen neighborhoods through pride of ownership and new investment. We source properties through the National Community Stabilization Trust, MLS, and bank donations. As of the end of the fiscal year the following thirteen (13) properties were sold or were under construction for an investment of $1,674,000.

<table>
<thead>
<tr>
<th>Property Location</th>
<th>Description</th>
<th>Sale Date</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>502 Teak Dr., Lake Park</td>
<td>Single Fam. 3/2 2047 sq ft</td>
<td>10/31/14</td>
<td>$202,000</td>
</tr>
<tr>
<td>2515 NE 2nd Ct, #314 Boynton</td>
<td>Cond 2/2 1163 sq ft</td>
<td>11/14/14</td>
<td>$40,000</td>
</tr>
<tr>
<td>608 54th St., WPB</td>
<td>Single Fam. 3/2 1508 sq ft</td>
<td>11/26/14</td>
<td>$98,000</td>
</tr>
<tr>
<td>6149 Country Fair, Boynton Beach</td>
<td>Single Fam. 2/2 1378 sq ft</td>
<td>1/9/15</td>
<td>$170,000</td>
</tr>
<tr>
<td>4093 Maurice Dr., Delray</td>
<td>Single Family 2/2 1866 sq ft</td>
<td>1/20/15</td>
<td>$282,000</td>
</tr>
<tr>
<td>508 Glenwood Dr., WPB</td>
<td>Condo 3/2 950 sq ft</td>
<td>2/27/15</td>
<td>$64,000</td>
</tr>
<tr>
<td>2719 New York St., WPB</td>
<td>Single Family 3/2 1258 sq ft</td>
<td>4/21/15</td>
<td>$158,000</td>
</tr>
<tr>
<td>6080 Forest Hill</td>
<td>Condo 2/1 900 sq ft</td>
<td>rented</td>
<td>$30,000</td>
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</tbody>
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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 100 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 140 homes. In the past 4 years our programs targeted nearly $18 million of reinvestment into low-income communities.
Creating & Preserving Rental Homes

Mango Cove Apartments

With grant support from the Community Foundation of Palm Beach & Martin County and the Wells Fargo Priority Markets Program, Neighborhood Renaissance secured site control and applied for entitlements to build and operate 36 apartments, each with 2 bedrooms and 2 baths located on Florida Mango Road approximately 350 feet north of Forest Hill Boulevard, unincorporated Palm Beach County. The apartments will be rented to families earning 120% AMI or less depending upon the final mix of funding sources. NR proposes raising the equity to finance development through the sale of up to 20 moderate-income restricted NSP2 rental homes to first-time home buyers. Post 2015, we received county DRO site plan approval and closed on the acquisition of the land through financing provided by the Florida Community Loan Fund.

The benefits of our development includes:
- 20 rental homes become owner occupied with affordability restrictions for at least 30 years and will be added to Palm Beach County’s tax base (currently tax exempt)
- 36 new apartments will help to address the need for more below market rentals
- A difficult, blighted vacant property is redeveloped further stabilizing the Urban Redevelopment Area
- NR becomes a stronger nonprofit housing partner by gaining development experience of a larger scale property and by generating property management revenues

Jenny’s Story

Jenny came to us needing an apartment that she could afford on her $20,000 annual salary as a medical billing clerk. Most 2 bedroom apartments rented for over $800 a month, which was more than half her take home pay. Working Your Way Home was able to offer her a monthly rent of $437, which was 30% of her gross income when adjusted for utilities. Experts consider this affordable because it allows enough income for other basic necessities and an opportunity to save. Over the next 2 years, Lashea Brooks, NR housing manager coached Jenny on preparing for homeownership. When Jenny received a promotion and a significant salary increase, Ms. Brooks helped her to qualify for a purchase loan and to find a lender. Jenny recently purchased a 3 bedroom 2 bath townhome. In her words, “I am so proud to be a homeowner. Thank you Neighborhood Renaissance for your support.”
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STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2015

ASSETS

- Cash in bank - operating $576,310
- Cash in bank - security deposits 86,509
- Cash in bank - NSP2 repair reserves 465,490
- Accounts receivable 2,895
- Grants receivable 106,099
- Prepaid expenses 147,245
- Property and equipment– net 12,186,211
- Property under development 195,736
- Land 736,863
- Deposits 6,746
- TOTAL ASSETS $14,510,104

LIABILITIES AND NET ASSETS

LIABILITIES

- Accounts payable $85,025
- Deferred grant revenue 20,227
- Security deposits payable 86,509
- Accrued and other liabilities 9,417
- Notes and mortgages payable 1,279,524
- TOTAL LIABILITIES 1,480,702

NET ASSETS

- Unrestricted 13,029,402
- TOTAL LIABILITIES AND NET ASSETS $14,510,104

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2015

REVENUE AND OTHER SUPPORT

Public Support
- Grants $399,757
- Contributions 60,902

Revenues
- Rental income-commercial 59,874
- Rental income – residential 882,219
- Gain on sale of property 120,458
- Commission Income 16,385
- Interest income 3,165
- Program services and other revenues 214,362
- Total Public Support and Revenues 1,757,122

EXPENSES

Program services
- General administrative & fundraising expenses 102,675
- Economic development programs 445,329
- Housing and community development 1,254,671
- Subtotal 1,802,675
Our Supporters (10/1/14 – 9/30/15)

BB&T

Bank United

City of Boynton Beach CDBG Program

City of West Palm Beach CHDO/HOME Program

Lake Worth Community Redevelopment Agency

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

Wells Fargo Priority Markets Program

Wells Fargo Urban Lift Program