



## DELRAY BEACH COMMUNITY LAND TRUST

### PROGRESS REPORT

#### As of January 31, 2019

This report is intended to provide a summary of DBCLT's approach to combating blight and displacement within the City limits of Delray Beach, primary focus area within the DBCRA target area. Our mission is **"To create healthy communities through the provision and preservation of affordable housing for very-low to moderate income households"**. We continue to embrace a comprehensive community development framework, in which we focus both on People and Place, to ensure that an adequate supply of quality housing is available in an array of types and price levels to meet the needs of the very-low to moderate income populations.

Our ongoing stewardship goals are to:

- **Deliver** affordable housing opportunities for very-low to moderate income households through ownership/lease purchase and rentals
- **Sustain** program services to ensure access to quality housing options by expanding and retaining existing housing pool, leveraging public/private subsidies and preventing displacement due to hardships or other economic events
- **Cultivate** affordable housing stability and Upward Mobility for the households we serve

#### **AFFORDABLE HOUSING:**

##### **Florida Trend reported on AFFORDABLE HOUSING in FLORIDA, 10/26/2018**

As home prices rose in the years before the Great Recession, complaints about a shortage of "workforce housing" became common in many communities throughout Florida. Those complaints are back again, with a vengeance. In most fast-growing areas of Florida — particularly in South Florida and Orlando — housing affordability for low- and moderate-income workers is a bigger issue than ever.

According to the Florida Policy Institute, 36% of Florida households are paying more than 30% of their incomes for housing, including mortgage or rent, utilities, taxes, insurance and neighborhood or condo association fees. Nearly 20% of Floridians are spending more than half of their incomes on housing.

**Demand from new residents has driven up median home values** at an even greater rate than rents, making it tougher for lower-wage workers to afford a home — and further increasing demand for affordable rental housing. Experts estimate that only 31 affordable rental units are available for every 100 renters who make less than 30% of the median income in their area. According to Cushman & Wakefield, the median home value in Miami-Dade is now more than \$330,000, meaning a renter who could afford a 10% down payment on a median-priced home in Miami-Dade would have a mortgage of about \$2,000 — well above the average cost of a Miami-Dade rental.

**Local land-use restrictions and impact fees raise construction costs**, preventing the development of smaller, lower-cost housing units, such as apartments, mobile homes and mother-in-law suites

**Last year, the state's Sadowski Affordable Housing Trust Fund** and other programs helped nearly 25,000 people buy their first home or stay in their home and financed the construction or renovation of about 9,400 affordable rental units. But the Legislature's diversion of money from the Sadowski Fund has limited its resources.

#### **Florida's Most-Expensive Areas**

Hourly wage needed to afford an average two-bedroom apartment:

**\$29.12** — Monroe County

**\$27.35** — West Palm Beach

**\$26.67** — Fort Lauderdale

**\$25.98** — Miami

**\$23.46** — Naple

Last year, 30,573 apartments were built in Florida, according to RENTCafe.com, a national apartment search website. The average unit was 996 square feet and rented for \$1,266 a month. RENTCafe projects 25,083 apartments will be built in Florida this year. New developments range from The Alexander in downtown West Palm Beach, where rents start at \$1,825 and go up to \$4,000 for units of between 648 square feet and 1,700 square feet, to City Vista in Pompano Beach, where rents are regulated at below-market levels — between \$408 and \$816 for a one-bedroom unit and \$489 to \$979 for a two-bedroom unit.

**Sample Rents** (For a modest two-bedroom apartment):

**\$1,351** — Fair market rent in Miami

**\$1,387** — Fair market rent in Fort Lauderdale

**\$1,422** — Fair market rent in West Palm Beach

### **CURRENT HOLDINGS AND TRANSACTIONS:**

The DBCLT property portfolio consists of ninety-three (93) properties:

- **Seventy-three (73) Units** - owner occupied units
- **One (1) unit** — resale 103 SW 14<sup>th</sup> Ave (under contract for purchase)
- **Five (5) New units**-under construction
- **Five (5)** single family home rentals
- **One (1) duplex** — two (2) rental units
- **Eight (8)** — vacant lots dedicated for the development of single family units, Southridge/Zeder lots not buildable due to needed infrastructure

### **HOMEBUYERS INTAKE PIPELINE:**

There are currently **twenty six (26)** homebuyer applicants in our pipeline who desire to achieve the “American Dream” of homeownership. Of the twenty six (26) applicants:

- **Seventeen (17)** mortgage ready applicants:
  - With five (5) Purchase & Sales Contracts executed
  - With three (3) Purchase & Sales Contracts pending

### **HOUSING DEVELOPMENT PROGRAM UPDATE:**

**Executed Purchase & Sales Contracts:**

- **237 NW 5<sup>th</sup> Ave** — approved by Valley Bank, moderate income household
- **309 SW 5<sup>th</sup> Ave** — approved by Choice Mortgage Bank, low income household
- **23 SW 14<sup>th</sup> Ave** - approved by Valley Bank, high moderate income household
- **27 SW 14<sup>th</sup> Ave** — approved by Florida Community Bank, moderate income household
- **103 SW 14<sup>th</sup> Ave** - resale, approved by Florida Community Bank, low income household

**New Construction and Future Sales:**

- **129 NW 4<sup>th</sup> Ave** — pending Historic Preservation Board Approval for Development, King IV Single Family Unit, 1920 sq. ft., A/C living area 1537 sq. ft., mortgage ready applicant
- **237 NW 5<sup>th</sup> Ave** — new construction in progress , King IV Model Single Family Unit, 1920 sq. ft., A/C living area 1537 sq. ft.,
- **309 SW 5<sup>th</sup> Ave**-new construction in progress, The Martin Two-Story Single Family Unit, 1917 sq. ft., A/C living area 1537 sq. ft.,

- **23 SW 14<sup>th</sup> Ave**, King III Model Single Family Unit, 1920 sq. ft., A/C living area 1384 sq. ft., new construction complete and Certificate of Occupancy to be received
- **27 SW 13<sup>th</sup> Ave**, King IV Model Single Family Unit, 1800 sq. ft., A/C living area 1450 sq. ft., new construction complete and Certificate of Occupancy to be received
- **106 SW 14<sup>th</sup> Ave, Atlantic Park Square Project addition-25<sup>th</sup> home**, Bellflower Model Single Family Unit, 1582 sq. ft., A/C living area 1143 sq. ft.

**Additional Properties and Pending Acquisitions:**

- **NW 8<sup>th</sup> Ave** – vacant lot
- **229-231 SW 14<sup>th</sup> Ave** – vacant lot
- **233 SW 14<sup>th</sup> Ave** – vacant lot
- **108 NW 12<sup>th</sup> Ave, Eagles Nest III** – new single family unit pending acquisition from the City of Delray Beach
- **21 SW 13<sup>th</sup> Ave** – vacant lot pending acquisition from the DBCRA
- **246 NW 8<sup>th</sup> Ave** – vacant lot pending acquisition from the DBCRA
- **Zeder, lot 24 and 25 (not buildable due to no infrastructure)**
- **Southridge Rd., Zeder (not buildable due to no infrastructure)**

**PROPERTY MANAGEMENT PROGRAM SERVICES:**

The DBCLT affordable housing program services includes the management of 37 non-owned rental units located on SW 9<sup>th</sup> and SW 12<sup>th</sup> Ave. All maintenance and repair issues are addressed.

**Palm Manor Apartments:**

Twenty-five units, 2BR-1Bath units monthly rent range \$800-\$875 water included, two laundry rooms on site

**The Courtyards at SW 12<sup>th</sup> Ave:**

Twelve (12) non-owned units, 2BR-1Bath units monthly rent range \$900-\$925 water included, with no other amenities

**DBCLT Rentals:**

Seven (7) units, five single family units 2,3 & 4BRs-1 & 2Baths, monthly rent range \$975-\$1400,  
One (1) duplex-two units 2 & 3BRs, 1Bath, monthly rent range \$975-\$1050

**Occupancy as of January 31<sup>st</sup>, 2018:**

- |  |                 |
|--|-----------------|
| ▪ Palm Manor Apartments (25 units)               | 96% occupancy   |
| ▪ SW 12 <sup>th</sup> Avenue Duplexes (12 units) | 100% occupancy  |
| ▪ DBCLT Single Family Home Rentals (5 units)     | 100% occupancy  |
| ▪ 36 NW 13 <sup>th</sup> Ave Duplex (2 units)    | 100 % occupancy |

**DBCLT FINANCIAL HEALTH:**

The **December 2018** financial summary ended with a year-to-date net of \$67,698.00.

Total construction cost incurred \$293,922.00.

Total Funds:

Operating - \$24,137                      Money Market - \$835,578                      Restricted - \$39,643

- Our 2017-2018 annual audit and 2018 Workers Comp audit are in process.
- We completed and submitted the Fannie Mae CLT Program Review in order to be determined eligible for mortgage loans. In addition the Florida Community Land Trust Institute will

determine if CLTs meet the requirements of the Fannie Mae Selling Guide and Fannie Mae's Duty to Serve Plan.

Upon successful completion of the review and determination that Delray Beach Community Land Trust meets Fannie Mae guidelines, the Florida Housing Coalition will post our organization's name on their website. Approved lenders may rely upon this review for submission and sale of loans to Fannie Mae, saving processing time and thereby increasing the attractiveness of community land trust loans to our local lending community. Ultimately, the program is expected to yield greater options for our homebuyers.

#### **MEETINGS ATTENDED:**

1. **December 4<sup>th</sup>** – City Commission Meeting - CEO
2. **December 6<sup>th</sup>** – Florida Community Land Trust Institute Monthly Call – CEO
3. **December 11<sup>th</sup>** – CRA Board Meeting – CEO
4. **December 13<sup>th</sup>** – Florida Housing CLT Steering Committee – CEO
5. **December 18<sup>th</sup>** – Met with DBCRA Asst. Director-CEO
6. **January 8<sup>th</sup>, 2019** – Chamber Nonprofit Council Membership Meeting-Housing Manager
7. **January 15<sup>th</sup>, 2019** – DBCRA Board Meeting-CEO
8. **January 17<sup>th</sup>, 2019** – CRASF (Community Reinvestment Alliance of South Florida) Summit Planning Meeting-CEO
9. **January 18<sup>th</sup>, 2019** – PNC Bank regarding line of credit increase to cover construction cost of new single family units-CEO
10. **January 24<sup>th</sup>, 2019** - Met with DBCRA Finance Director-CEO
11. **January 24<sup>th</sup>, 2019** – Palm Beach County Nonprofit Developer Forum Subcommittee Meeting Discussion centered on the County's WFH plans and SHIP dollars-CEO

#### **WEBINARS/TRAINING & OTHER ACTIVITIES:**

1. January 10<sup>th</sup>, 2019 – Nonprofits First Learning Lab: Excel attending by Housing Manager
2. January 14<sup>th</sup>-18<sup>th</sup>, 2019 – NeighborWorks Training Academy (HUD Housing Counselor Certification) scholarship award to Housing Manager
3. January 25<sup>th</sup>, 2019 – Sadowski Affiliates Webinar, Preparing for the 2019 Legislative Session-CEO

#### **FUTURE CONFERENCES/TRAINING/SUMMITS & OTHER EVENTS:**

**The Community Reinvestment Alliance of South Florida** will hold its Annual Summit at the Signature Grand in Davie, Florida on Thursday-February 28<sup>th</sup>, 2019, 8:00am to 4:30pm.

##### **Summit Sessions are:**

Housing and Health	CRA 101	Small Business Development
Community Land Trust and Shared Equity		Opportunity Zones
Anti-Gentrification Tools	CRA Reform	
Community Benefits Agreements with Banks		
Florida's Affordable Housing Trust Fund		
Responsible Community Development		

#### **QUOTE:**

*"A Leader is one who knows the way, goes the way and shows the way"*