



Neighborhood Renaissance

Community Land Trust

“An Alternative to the High Cost of Housing”

What is our Mission?

- Neighborhood Renaissance's mission is to build and support strong economies and diverse communities in Palm Beach County.
- We are guided by a vision where everyone is self-reliant, empowered and lives in their community of choice.

History

- Incorporated in 1992 with an initial focus on breathing new life into the Northwood Village, a six block historic commercial district, (one mile north of downtown West Palm Beach) through small business development and job creation
- Broadened our focus in 1998 through our national award winning Model Block strategy to uplift the surrounding Northwood residential neighborhoods by creating homeownership opportunities and implementing comprehensive neighborhood improvements
- Expanded our mission county-wide in 2006 to include the underserved communities located in the central unincorporated part of Palm Beach County

Our Background

We have a long history of working in partnership with residents, local government, businesses and lending institutions to reclaim troubled properties and improve neighborhoods while helping families to become economically self-sufficient. Our efforts have:

- helped 80 low and moderate-income families to become first-time homeowners
- constructed or substantially rehabbed over 121 homes for low and moderate-income families
- invested over \$25 million for targeted neighborhood improvements

Policy Briefings

House Hunters South Florida: Where Will Our Workers Live?

Worker Housing Demand and Affordability in South Florida, July 2013

	Broward County	Miami-Dade County	Palm Beach County
Annual Median Wage	\$31,970	\$31,013	\$32,427
Annual Household Median Wage	\$63,939	\$62,026	\$64,854
Affordable Home Price*	\$191,818	\$186,077	\$194,563
Current Median Sale Price	\$240,800	\$238,100	\$269,200
Affordability Gap	\$48,982	\$52,023	\$74,637
Affordable Rent**	\$1,598	\$1,551	\$1,621
Current Median Rent List Price	\$1,850	\$2,100	\$1,700
Affordability Gap	\$252	\$549	\$79

Sources: Florida Department of Economic Opportunity, Occupational Employment Salaries & Wages, 2013; Zillow.com. Table and calculations prepared by the FIU Metropolitan Center.

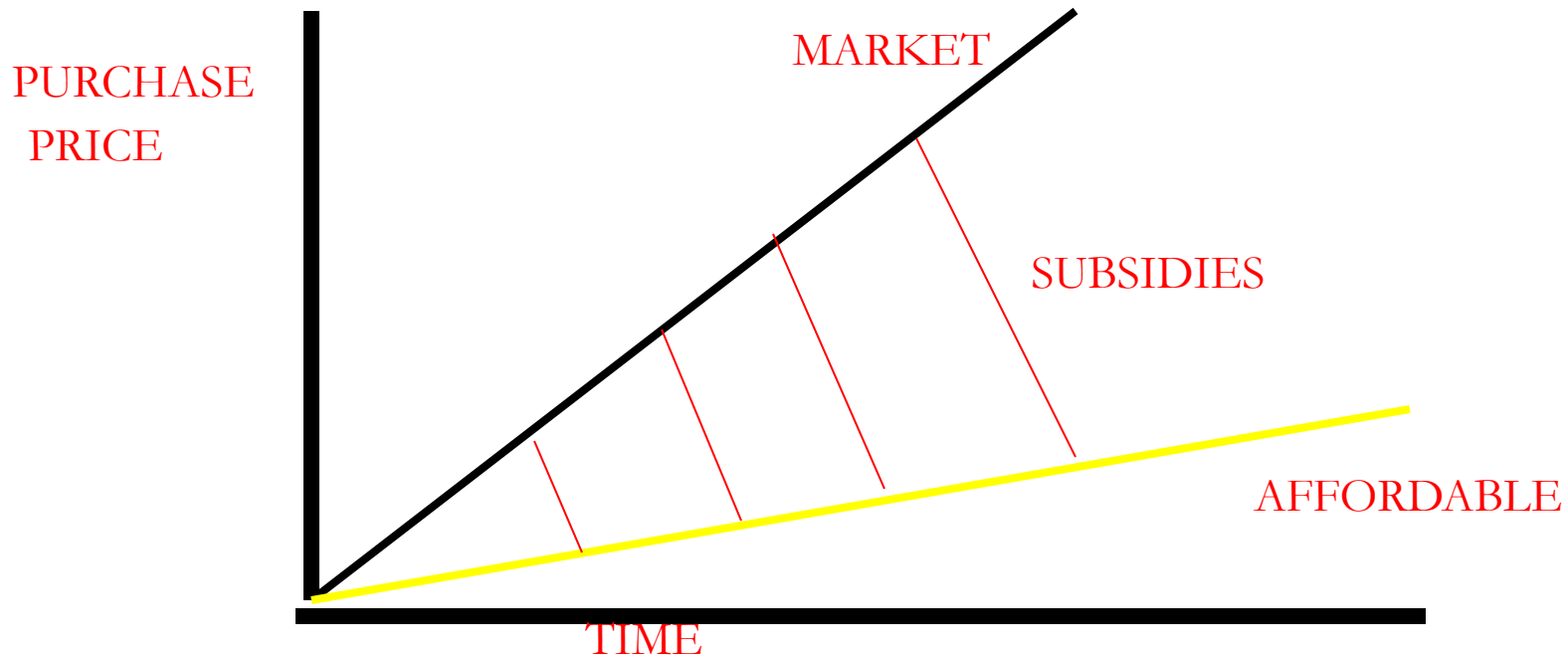
* Estimated affordability based on standard underwriting criteria.

** Estimated affordability based on 30 percent housing cost standard.

Dr. Ned Murray, AICP
Associate Director, FIU Metropolitan Center

Traditional Solution to the Affordability Gap

- Public subsidy is provided to an income-qualified homebuyer to bridge the affordability gap
- Over time, the widening affordability gap makes the traditional subsidy approach cost prohibitive



An Alternative Approach: The Community Land Trust (CLT) Model

- A non-profit organization maintains ownership of the land, which is typically purchased through public grants and sells the improvements (house structure) exclusive of the land costs to a qualified homebuyer.
- With the land cost excluded from the purchase price the home becomes much more affordable.
- CLT's keep homes affordable FOREVER and maintain public subsidies for future generations!



Typical CLT home
in Northwood

HOUSE



LAND

CLT:

- separates ownership of the home from ownership of the land
- retains ownership of the land
- enters into a recorded 99 - year renewable ground lease with the homebuyer

Homebuyer:

- owns the structure and all improvements to the land
- pays a small land lease fee (usually \$25) to the non-profit each month
- has all the legal rights of homeownership and possession of the underlying land

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Example

- Acquires land through donation and purchase
- Removes land cost from the buyer's purchase price
- Maintains affordability for future home owners

Original home price	\$194,000
Price of the land	-\$45,000
CLT home price	\$149,000

Key Principles of a Community Land Trust (CLT)

- Driven by a community based 501 (c)(3) non-profit
- Governed by a volunteer board comprised of members of the community, including CLT homeowners
- Places long-term control of land with the members of the community
- Ensures housing affordability for generations to come
- Creates dual ownership (CLT + homeowner)
- Uses a recorded 99 – year renewable ground lease to guarantee the legal rights of the homeowner to the land
- Shared equity with the CLT when the homebuyer wants to sell. Homeowners receive a reasonable return on their original investment

Benefits of a CLT

- Individuals and families realize all the benefits of homeownership with lower monthly housing expenses
- Provides a community support network that empowers the homeowner to succeed in the long-term and helps guard against foreclosure
- The community (rather than the marketplace) determines future land use and development in our neighborhoods
- Members are able to purchase a home closer to their workplace, school and family with lower housing costs that leaves more money for other living expenses, like child care, retirement, and education
- Stronger more stable neighborhoods result in an improved quality of life
- Public funds used to develop the homes are preserved for years to come

The South Florida CLT Network

- CLT model is a good strategy to preserve affordability in high land costs areas such as South Florida
- South Florida CLT Network is a collaborative of seven nonprofit CLTs working to bring this model to economic scale:
 - Neighborhood Renaissance
 - CLT of Palm Beach County
 - South FL CLT
 - Delray Beach CLT
 - Adopt A Family
 - Habitat for Humanity
 - Housing Partnership
- Current goal is to secure a CLT mortgage product. Recently held a Lender's Forum. Other goals include: Capacity building training, shared marketing ...