

## LAKE WORTH, FLORIDA

### **TITLE: RECOVERY FROM CRISIS: Stories & Strategies from the Neighborhood Stabilization Program**

*OPEN: Narrator: The US Department of Housing and Urban Development launched The Neighborhood Stabilization Program in 2008 to stabilize communities across the country hit hardest by the housing crises. We visited 4 of these communities in 2011 and now return in 2014 to learn about the successes, the challenges and the continued stabilization efforts.*

## LAKE WORTH, FL

### **Map of USA and Lake Worth**

Population (2010): 34,910  
Area: 5.9 sq miles  
Median Home Value: \$141,500  
Median Household Income: \$36,827  
Awarded \$23,237,500 in NSP funding

Source: United States Census Bureau State and County Quick Facts

Lake Worth is a Small, built out city with older housing stock, located in Palm Beach County, Florida. The county had over 30,000 new foreclosures filed in 2009.

### **JOAN OLIVA, Executive Director, Lake Worth Community Redevelopment**

**Agency:** Our property values had dipped almost 50% in the last several years. We needed some serious help for a very serious problem that affected almost every block in the city.

Joan Oliva: The Neighborhood Stabilization Program has had an incredible impact on Lake Worth. Our property values last year went up 12%. This year they went up 19%.

### IMAGE OF PROPERTY VALUES GRAPH

We've bought over 100 properties. We've produced over 165 units.

Joan Oliva: Although it was about buying foreclosed properties and it was about housing it was also about really rebuilding the neighborhoods from scratch that have deteriorated over the years because of neglect or because of foreclosure or from just people moving out of the area.

### 2011 CONSORTIUM MEETING

Joan Oliva: And we really wanted to provide a redevelopment strategy that would be really unique to this city.

Joan Oliva: There's so many musicians here. There's so many artists here. We are less than a mile from the beach. We have a large gay community here, and we also have a large Hispanic community here. So we made sure that everything we did really reached a broad range of people.

*IMAGERY OF THE CONSORTIUM MEETING IN 2011 PICKING PROPERTIES ON A MAP*

*Sound up in the 2011 consortium meeting: "Our goal is to get 130 properties..."*

Joan: We tried to get as many properties as we could in one area together to have a substantial impact.

ACQUIRED>100 PROPERTIES  
PRODUCED>165 UNITS

Joan Oliva: We had 19 partners that included some people who had expertise in housing like Adopt- A-Family.

*IMAGERY OF KIDS IN CLASSROOM AT ADOPT- A-FAMILY*

**Matt Constantine, Chief Executive Officer, Adopt-A-Family:** Adopt-A-Family is a nonprofit in Palm Beach County. We were founded in 1983. And we serve families who are either homeless or at risk of becoming homeless.

Matt Constantine: We originally started as sort of a social service heavy industry and backed into housing once we realized that you know, how vital of a role that played in our families' lives.

Matt Constantine: One of the challenges we have obviously here as a social service oriented nonprofit is trying to distinguish, you know, which properties we should go for, and this became especially an issue with, umm, single family homes and a tight budget defined by our, you know, grant.

CHALLENGE: Property Selection  
STRATEGY: Comprehensive inspection

Matt Constantine: And so, one of the things that we would do is we would go out and do significant inspections. They were comprehensive. You would see some amazing things in some of these houses: the floors falling in, uneven. Unfortunately a lot of the homes we saw would require tear down and new construction.

Matt Constantine: NSP2 has allowed us to provide 24 rentals to low-income households in Palm Beach county and over 90% of those are targeting households earning less than 50% of the area median income.

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6-PLEX \$550/month

Matt Constantine: The big piece of our rental portfolio is a six-plex. It was a rehab that we did; we're able to offer the units for \$550 a month, which is basically unheard of in Palm Beach County.

**Desiree Ramos, renter:** I was living in a trailer. No flooring. Plumbing issues. And I'm a single mom, so it was really tough. It's life changing. I just was so grateful every day for living here, 'cause where I was living before, I was so upset every day having to put my daughter through that, and living in such bad conditions.

Matt Constantine: We've also sold seventeen homes to folks that were earning less than 120% of area median income, and all of these homes, the majority of them were rehabs, that were sitting vacant, abandoned that the neighbors got tired of seeing.

**Joe Burcyski, homeowner:** Before I moved here I was living in an efficiency apartment with my two children. And found out about Adopt-A-Family, and didn't really think my credit was all there. And found out my credit was good, and I got accepted into the program. And, uh, I love it. Here I am.

Joe Burcyski: I'm about a couple of miles from work. The grocery stores are extremely close, the schools are extremely close. All of us have our own rooms. I couldn't have picked a better house to live in.

CHALLENGE: Disinterest from local realtors

Matt Constantine: One of the things that we all learned pretty quickly was that the local real estate agents, the realtors in our community were not necessarily knocking down the walls to sell \$60,000 houses to families that might be hard to get a mortgage for.

STRATEGY: Adopt-A-Family built capacity to fill realty role.

Matt Constantine: I think all of us were able to learn quite a bit about the entire real estate transaction. For me it was completely new just from the contract straight to the closing, virtually everything in between. There was a lot more of face time, a lot more contact, a lot more hand holding, the buyers benefited because I think the relationship that was formed was a lot stronger. So NSP2 has been a huge boost I think to our agency's capacity.

*TRANSITION TO THE ARTIST LOFTS/ JOAN ON VACANT LOT, FUTURE SITE OF URBAN ARTS LOFTS SITE WITH ARTIST IN 2011*

2011 SITE VISIT

Joan Oliva: This will be the front elevation. And we will have some kind of tower.

Joan Oliva: This is a community made up of creative people. So we thought well what could we build that would really entice artists to come here, and that's how the artist's lofts came about.

**Curtis Spoerlein, artist and homeowner:** I was driving by it for a year watching the construction happen.

## 2 BEDROOM/1 BATH

Curtis Spoerlein: It's a two-bedroom studio live/work space, and so we use it all. It's a dream home for us. The utilities are probably less than half of what we were paying before. And as far as affordability of the housing, I can't imagine that there was another deal like it. Not just in South Florida, but anywhere. It has made life a lot less anxious for us.

## *TRANSITION TO LA JOYA UNDER CONSTRUCTION*

### LA JOYA VILLAGES

Affordable rental housing

55 Units (2 & 3 Bedroom)

25% of units for 50% and below AMI

75% of units for 60% and below AMI

10% of the units must be rented to veterans

Joan Oliva: The site that La Joya is on has been a blighted property for all that time on a major road way and people are always saying when are you going to do something about it. So when we heard it was in foreclosure, we thought this is a perfect opportunity for multi-family housing.

Joan: Oliva: We were really fortunate to have The Community Land Trust of Palm Beach County respond to the RFP because they really understood Lake Worth and they were dedicated to providing affordable housing here, in perpetuity, on that particular piece of property.

**Cindee La Course-Blum, Executive Director, The Community Land Trust of Palm Beach County:** *On construction site:* Well, you're here at La Joya Villages, the affordable rental housing that was partly financed by NSP2 funding. And we're a little bit over 50% of construction. So, you can see that the roofs are going up over here. They are putting up the tresses. The site also has some really unique green features.

Cindee La Course-Blum: This is going to be our living wall, it's basically a vertical garden and we'll use some of the water that we use to water it to reclaim it and use it in the splash pad that's going to be going here. Behind the living wall we are going to have a sound barrier wall to keep some of the sound from the railroad tracks from affecting the residents.

*IMAGERY OF THE PLANS FOR LAJOYA*

Cindee La Course-Blum: We really wanted to build this sustainable. And also taking into mind what the utility expenses are to residents here trying to keep it as affordable as possible.

Cindee La Course-Blum: We do have a 10% set aside of the units at La Joya for veterans and we also have a preference for them overall, so we'll have an exclusive marketing period to veterans. At any time in Palm Beach County there's 300 veterans that are on Section 8 vouchers that are specifically for veterans. People are transitioning back, they don't have a place to live. We help them get back on their feet.

7 LAYERS OF FINANCING

\$4M: Tax credits (4%)

\$3.5 M: Bond financing

\$1.8 M: Neighborhood Stabilization Program

\$600 K: Federal HOME funding

\$500 K: Bank of Atlanta Affordable Housing Program

\$50 K: Housing Partnership

\$50 K Community Foundation of Palm Beach and Martin Counties

Cindee La Course-Blum: We already knew it was a tight deal because of the size. We didn't realize how much. So we had to go after additional sources of funding. But it wouldn't have worked without all those partners.

Joan Oliva: The program income comes into play because it allows us to continue to provide affordable housing, which we desperately need. It has helped us attract millions of dollars into the city and it's going to allow us to do some really cool future projects.

Future site of: ARMORY ARTS CENTER ANNEX

Future site of ADDITIONAL URBAN ARTS LOFTS

18 LANDBANKED PROPERTIES

Joan Oliva: The Neighborhood Stabilization program has given us this one time shot of adrenaline that has really propelled us into where we are now. We have a lot more people interested in Lake Worth. Not only investors, but also other government agencies that now see the needs in the area.

Leveraging public and private investment

FITNESS PARK: Trust from the Public Lands Grants

Relocation to Downtown: CULTURAL COUNCIL OF PALM BEACH COUNTY

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Joan Oliva: You have people here who have come up to me here and said you know you're doing a great job. I can see all these things I had really hoped would happen all along. Finally now we've gotten that shot to make stuff happen.

For more information about Lake Worth:

[lakeworth.org](http://lakeworth.org)  
[lakeworthcra.org](http://lakeworthcra.org)  
[adoptafamilypbc.org](http://adoptafamilypbc.org)  
[cltofpbc.org](http://cltofpbc.org)

For more information about neighborhood revitalization:

[neighborworks.com](http://neighborworks.com)  
[nhc.org](http://nhc.org)  
[enterprisecommunity.org](http://enterprisecommunity.org)  
[nlihc.org](http://nlihc.org)  
[habitat.org](http://habitat.org)

To learn about other NSP case studies:

[hudexchange.info/nsp](http://hudexchange.info/nsp)