



Neighborhood
Housing Services
of South Florida

Empowering Individuals

Creating Affordable Housing Opportunities

Revitalizing Neighborhoods in South Florida

Since 1978

A photograph showing the silhouettes of a family of five walking along a beach at sunset. The sun is low on the horizon, creating a bright glow behind the figures. The family consists of a man, a woman, and three children.

Annual Report - FY 2020

(July 1, 2019 – June 30, 2020)

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I. Message from the Board Chair



This year will be etched in our collective memories for a long time. The global pandemic has had a profound impact on our health, sense of safety and security, and our economy. It also highlighted that some communities – particularly communities of color and essential workers – endure more than their fair share of these challenges. Our challenge, then, is not only to support our neighbors through this difficult time but to help our community emerge from the immediate crisis better than it was before.

As the COVID-19 virus initially reached South Florida and authorities established social distancing measures, NHSSF was one of the first organizations of its kind to move its services to a virtual format, we developed new financial training and counseling programs and, in partnership with local foundations and government, we administered financial assistance for renters and homeowners. Our efforts contributed to housing stability for hundreds of families and demonstrated that resilience and innovation in adverse circumstances are essential qualities of the organization.

However, while our immediate response was meaningful, it will not be enough to meet the challenges we will face in the future. NHSSF will meet future needs by bringing the expertise, tools, and resources to help policy makers and families rebuild and recover. To that end, I want to highlight the key accomplishments from the last year that position our organization to be part of an equitable and inclusive recovery:

In FY2020, we revitalized our residential lending arm which has continued to generate new homeowners and facilitate refinancing to help families realize reduced costs of owning their homes. The housing market is experiencing remarkable growth even during COVID-19, and we believe this growth will be essential to overall economic recovery in South Florida. To this effort, NHSSF brings the resources of its Community Development Financial Institution. The CDFI is a creative tool that policy makers and local government can use to help in recovery.

Second, the development and maintenance of affordable housing is essential to meet the challenges of the affordable housing crisis in South Florida. We must create more affordable rental and ownership units. In FY20 we partnered with Broward County to complete the construction of four new homes. We can and will do more in the upcoming year.

Finally, we continue to grow meaningful partnerships to create homes that are safe, resilient to climate change, and accessible to families at all income levels. I am extremely proud of our agreement with Historically Black Colleges and Universities Community Development Action Coalition to install more solar energy solutions in low- and moderate-income communities in the neighborhoods around HBCUs.

As we collectively process what this pandemic means to NHSSF and to the larger community, NHSSF will remain steadfast in its commitment to supporting families through times both good and challenging. Together, we can build a more resilient and inclusive South Florida.

Ofonedu-Ime Goodwyn
NHSSF Board Chair

II. Committed to Our Legacy

Celebrating 40 years of existence in 2018 gave us some perspective on what we have achieved. Still, most importantly, it has allowed us to envision what we want to do in the 40 years to come. We are grateful for, and we acknowledge NHSSF's history. However, our focus is now on preparing ourselves in the best way possible to move forward into the future, with a steady yet resilient pace, ready to face the challenges and changes that are already here, knocking at our door, demanding from us innovative and collaborative solutions.

The evidence of an evolving housing affordable inequality in South Florida is not a concern we can keep sweeping under the rug. When 60% of the working population in the urban area of Miami is housing cost-burdened; when the affordable housing stock available will fall well below 50% in the coming years; when climate change and sea-level rise increases the pressure over many of Miami's historic neighborhoods (already threatened by gentrification and the displacement generated by the high-cost building market). When all of this is happening right now and seems irreversible, determined actions from all stakeholders involved are more crucial than ever.

To exacerbate a dramatic situation per se, the crisis unleashed by the COVID-19 pandemic has added a greater strain on the housing sector, threatening to turn the lives of thousands of families upside down by setting them on the edge of homelessness and financial insecurity in the months to come. Over 1.5 million Floridians filed for unemployment assistance since the beginning of the pandemic. Now, many of them will face housing insecurity and possible foreclosure when the CARES Act moratoriums on evictions and foreclosures expire by the end of the year.

As in the 2010 crisis, NHSSF is on the front lines today, reaffirming our mission to serve the communities and residents of South Florida. Not only did we transfer all of our services to a virtual format, right after initial state shelter-at-home regulations were put in place. Also, from the beginning, we began to track the economic and social impact that the COVID-19 pandemic was having on residents of Miami Dade and Broward counties through a survey designed for that purpose. The data obtained allowed us to assess the magnitude and characteristics of the damage. And with that understanding, we approached our counterparts requesting their support and financial resources to face this extremely complicated situation together.

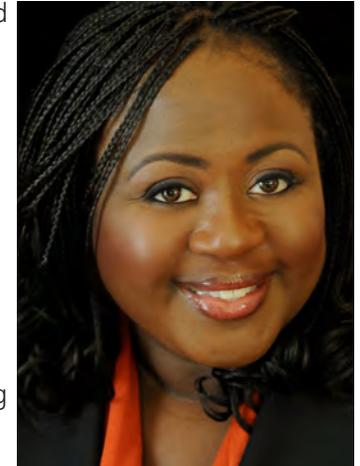
In the meantime, our Homeownership Center prepared and delivered a series of emergency workshops to educate people about how to financially navigate this crisis or guide them through the assistance programs for renters or mortgagors available. Adapting our services to offer consultations on eviction procedures, furloughs, and mortgage refinements (a task we successfully led in the real estate crisis a decade ago) was a natural movement in line with our mission. Finally, the collaborative approach with which we faced the current crisis allowed us to activate a C19 Emergency Relief Program, for vulnerable, distressed families in Broward County, together with the Community Foundation of Broward and the Jim Moran Foundation.

In any case, the annual report you will read is intended to confirm how NHSSF has continued to strive in our legacy of serving low- and middle-income residents while protecting the most vulnerable families. In times like this, our commitment to the most disadvantaged communities in Miami-Dade and Broward counties is higher than ever. We thank all the partners who, as allies, have given us a hand and share their knowledge and resources with us to carry out this enormous task. Without your support, we wouldn't be here.

I am convinced that, as in past crises, we will also succeed now. And I do not doubt that the next 40 years to come, NHSSF will still be bringing thousands of South Florida residents on the path towards prosperity.

Sincerely,

Kimberly T. Henderson
President and CEO



III. Background, Mission & Community Endeavor

Background

Founded in 1978, NHSSF is a community organization founded by committed local community members in 1978 as a response to disinvestment and redlining practices that were impacting a small neighborhood in north central Miami. Since then, we have evolved into a comprehensive community development organization providing homeownership support, financial literacy, and neighborhood stabilization to thousands of families in Miami-Dade and Broward Counties. Our key accomplishments in the last decade have included:

- Serving as one of two organizations accepting referrals for foreclosure prevention services in South Florida. By scaling up our operations quickly, we were able to prevent foreclosure for 822 residents in our community between 2008 and 2012.
- In 2010, we were the lead agency in a collaborative initiative to deploy \$89 million in Neighborhood Stabilization Funding from HUD to support Miami's recovery from the 2008 recession. This was the largest NSF grant distributed to a nonprofit organization in the country at the time. Through this project, we formed a consortium of community development organizations to purchase and rehabilitate 450 properties for rent and 290 properties for homeownership, as well as support the redevelopment of 425 vacant residential properties.
- In 2012 and again in 2018, NHSSF partnered with the Wells Fargo LIFT initiative to offer homebuyer education as well as down payment and closing cost assistance to hundreds of homebuyers in Miami (2012) and

Orlando (2018). This significant partnership was designed to stabilize communities hit hardest by the recession.

Today, our organization is once again pivoting to address the most urgent and important needs facing our communities. We know there are significant challenges facing families, hopeful homebuyers, businesses, and local government in the context of a pandemic and a nationwide reckoning with centuries of racial injustice. We also know that, by working together, we can all achieve greater prosperity.

Mission

South Florida encompasses some of our country's most diverse and vibrant communities –neighborhoods that are home to individuals and families from



all over the world. As a bustling center for international trade and tourism, our regional prosperity increased exponentially over the last decade. However, this prosperity resulted in rapidly rising housing and rental costs that have quickly outstripped wages for most local residents.



Today, the median home sale price is unaffordable to 90% of all workers in Miami-Dade County and 88% of Broward County households (Miami Affordable Housing Master Plan; Broward County Affordable Housing Needs Assessment). As the pandemic highlights the consequences of dwindling financial stability and homeownership in our region, it is clear that our neighbors need support to achieve both short- and long-term financial sustainability.

For more than 40 years, Neighborhood Housing Services of South Florida has filled a crucial gap in the housing market by working with families who need access to financial education and capital. We work in close partnership with private lenders and government agencies, providing specialized expertise in housing strategies and programs, the many different housing markets throughout South Florida, and different types of home loans that work best for low-wealth families.

Community Endeavor

Building on this expertise, we have a vision for working across sectors to achieve a better, more resilient version of our community, one in which a safe place to call home is available to all residents and our neighborhoods maintain the vibrant racial and cultural diversity that makes our region unlike anywhere else in the world. We are working to advance prosperity for all South Floridians through **Homebuyer Education & Counseling, Lending, Real Estate Development, and Community Transformation**, all of which are celebrating key successes in the last year.

IV. Vision of the Future

For the current FY Annual Report 2020 we believe in allowing those we serve to tell the story of our accomplishments. By serving over 1,000 South Floridians and assisting them to achieve homeownership, greater financial well-being; and to experience deeper connection and impact in their communities through leadership training.

When the fiscal year began, we had no idea the U.S. and Florida would face the challenges of the pandemic with its disproportionate impact on African American and Latinos and frontline workers---the very people we serve. Then came the racial reckoning championed by Black Lives Matter movement. I suspect that the multi-racial, multi-generational, and diverse socio-economic groups involved in BLM demonstrations is indicative the Country's yearning to live up to its ideals. And that is exactly why NHSSF exists.

Since I arrived in Miami in 2018, I have felt very welcomed and honored to join an organization with such deep roots in South Florida. I believe that the best way to acknowledge the 40-year history of NHSSF should be laying the foundations for another four decades of success.

Therefore, my goal is to position NHSSF as a leading nonprofit dedicated to housing and community development in South Florida by:

- Offering innovative community development programs and services to low- and moderate-income South Floridians
- Embodying NHSSF as a dominant source of affordable housing solutions and opportunities to low-wealth communities
- Serving as a trusted and reliable partner working in collaboration with other organizations and local governments to create ownership and rental housing that are a catalyst for safe, healthy and revitalized neighborhoods
- The NHSSF Team endeavors to work with all stakeholders to ensure equitable solutions, opportunities, and outcomes are enjoyed by income and racially diverse South Floridians
- And lastly, we want to be known as evangelistic in advocating low-wealth South Floridians are included in the economic growth and prosperity of South Florida

Covid-19 forced us to pivot in our service delivery and contemplate how this pandemic will change how we deliver services in future years. We are not slowed or broken but even more determined to make a difference in the communities we serve. THANK YOU FOR BEING A PARTNER IN THIS ENTERPRISE; WE NEED YOUR COLLABORATION AND SUPPORT MORE THAN EVER!



V. Center for Homebuyer Education, Financial Well-Being & Foreclosure Prevention

For many low- to moderate-income families, homebuyer education and counseling is a requisite first step to securing your first home loan. At NHSSF, we offer a comprehensive and proven curriculum and one-on-one counseling for up to 1,500 clients a year through the Center for Homeownership, Financial Wellbeing and Foreclosure Prevention.

Our model tackles the 3 “Cs” of financial capability and homeownership: access to housing financing **C**apital, **C**redit repair, and offering programs that build **C**onfidence to join the ownership society. Our multi-cultural staff reflect the communities we serve, which allows us to individualize services for each client depending on need and offer services in English, Spanish, and Haitian Creole.

PRODUCTION METRICS FYTD JULY 1, 2019 - JUNE 30, 2020

Education and Counseling figures reported as number of households

Homeownership Promotion	YTD Totals		
	FY Forecast	Actual	% of Forecast
New Homeowners	108	172	159%
Graduated 8-hour Homebuyer Education Class	360	703	195%
e-Home America Clients Homebuyer Education Class	72	91	126%
One-on-One Counseling Clients *	1500	1572	105%
Financial Fitness Class Graduates	96	133	139%

*622 = Home Purchase case service type
117 New Homebuyers with case service type Home Purchase
Estimated conversion rate = 18.8%

“I attended the NHSSF HBE Training in Miami-Dade and am very thankful I did. I learned many things that directly helped me with my subsequent home purchase.”

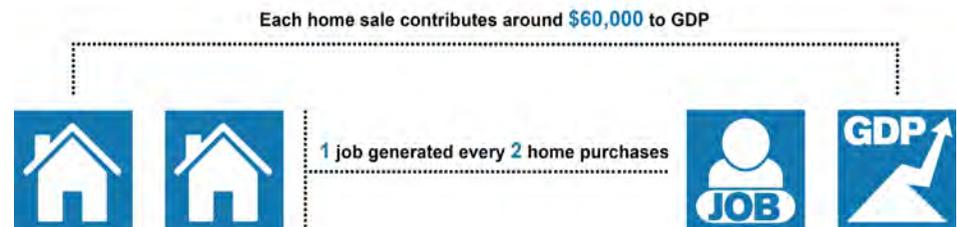
John, Miami-Dade

THE IMPACT OF HOMEOWNERSHIP

These new, knowledgeable, and confident **172 HOMEBUYERS** who, through our training programs and counseling sessions are statistically less likely to default on their mortgage loans, translates into **\$466,120** that the counties would collect on average on **property taxes** yearly, and a **potential economic impact** around **13 million dollars***. Plus, residential homeownership has a positive and multiplier effect on job creation (according to the National Association of Realtors® estimations, one job is generated for every two home sales), increase the economic activity—each home sale contributes about sixty thousand dollars to the economy or Gross Domestic Product (GDP)—, stabilizes neighborhoods and improves community well-being.

* According to the 2019 report from the National Realtor Association, the average economic impact of a home sale in Florida is \$77,219: <https://www.nar.realtor/sites/default/files/documents/2019-state-economic-impact-of-real-estate-activity-fl-04-14-2020.pdf>

THE MULTIPLIER EFFECT OF HOMEOWNERSHIP



VI. Lending

Once approved for a mortgage, most homebuyers must then decide how to combine government-sponsored down payment and closing cost assistance programs with private loans. As one of the only Community Development Finance Institutions (CDFIs) in South Florida offering residential mortgages NHSSF is uniquely positioned to connect low wealth families to capital, creating opportunity for individuals and serving a community that both government and private lenders find difficult to reach and serve effectively without our support. We offer a number of flexible lending tools and help customers navigate a broad range of state and local government sponsored down payment assistance programs.

In 2020, we dramatically grew our lending capacity to fill a significant community need highlighted by the community members we serve and our public/private partners. Our once small team now includes three Mortgage Lending Officers, One Underwriter/Processor and One Processor – specialized expertise and capacity that rivals that of most local private lending offices. With this increased staff support, we anticipate providing loans to 50 families in the next year.

PRODUCTION METRICS FYTD JULY 1, 2019 - JUNE 30, 2020

Lending	YTD Totals		
	FY Forecast	Actual	% of Forecast
1st Mortgages Closed ~	7	9	129%
Re-financed Loans Closed ~	0	0	100%
Down Payment Assistance Closed	0	2	200%



"Thanks to Neighborhood Housing Services I was able to secure a loan for the purchase of my new home. The folks at NHSSF were very friendly and helpful. They were professional and courteous and really knew what they were doing. I would recommend their lending services to anyone looking to buy a new home."

Teresa, Miami-Dade/DuPuis Point



Eddy and Marie Jean,
proud new homeowners
thanks to NHSSF

VII. Real Estate Development

Even when all of the other pieces fall into place, South Florida families must still be able to find housing at the right price point. Because local housing prices are so out of sync with local incomes, that housing can be hard to find. NHSSF specializes in developing single family homes at a price point affordable to families making less than \$50,000 per year. Additionally, we have developed an extensive network of partner realtors and developers who help connect the families we serve to affordable homes and refer prospective homebuyers to our homeowner counseling and lending programs.

This year, NHSSF met its fiscal year goal by rehabbing or constructing 6 homes for low- and moderate-income families in Miami Dade and Broward counties. Next year, we anticipate building or rehabilitating 10 affordable homes and connecting 30 families to homes developed by our partners.

PRODUCTION METRICS FYTD JULY 1, 2019 - JUNE 30, 2020

Real Estate	YTD Totals		
	FY Forecast	Actual	% of Forecast
New Homes Built & CO Issued *	0	0	100%
Properties Sold (New or Rehabilitated)	5	6	120%
Acquisitions *	0	0	100%

* Forecast revised to COVID uncertainties in housing market, acquisitions and construction postponed



VIII. Community Building & Transformation

To achieve our vision of a more vibrant, inclusive future for South Florida, we know it is not enough to focus exclusively on opening the door to homeownership for individual families. So, we work in partnership with community members, other nonprofit organizations, business leaders, and government agencies to advance strategies and programs that will ensure prosperity for all South Florida residents. In this work, we see our role as magnifying the voices and perspectives of local residents to ensure that their needs and identities are front and center.

Together, we can work to: 1) combat segregation and discrimination in local housing policy; 2) reform outdated and ineffective government housing initiatives; and 3) generate community-wide buy in for new models of affordable housing that will keep housing prices reasonable for generations instead of just a few years.

Starting May 2020, we have served over 50 Broward residents with rental and mortgage aid through our NHSSF C19 Emergency Assistance Program



KEY ACCOMPLISHMENTS IN THE LAST FISCAL YEAR INCLUDE:

- Administered two emergency rental and mortgage assistance programs in the midst of the Covid-19 health and economic crisis. Together, these programs have put emergency financial resources in the hands of 75 South Florida households so far. We are grateful for the support of the City of Miami, the Community Foundation of Broward, and the Jim Moran Foundation, who provided funding for these rapid response initiatives
- Formalized partnership to expand the use of clean energy and solar technologies in neighborhoods around Historically Black Colleges and Universities
- Collaborated with the Live Healthy Little Havana collective impact initiative to identify how zoning policies impact health outcomes
- Redesigned our website to conform to ADA guidelines
- Grew the number and range of partners to strategically expand our impact

VIII. Audited Financials & Impact

Financial Summary

Every year, NHSSF undergoes a third-party financial audit by a public accounting firm. The external, independent auditor provides a full review of the corporation's financial statements in accordance with formal industry standards. It is in the best interest of the communities we serve as well as our fiscal responsibility to the many stakeholders we partner with, to make public the results of the NHSSF 2020 audit. You can request a full audit copy by writing an email to NHSSF COO, johnp@nhssf.org. Following is a summary of the inspection.

Balance Sheet	FY 2020	Revenues	FY 2020	% Revenue
Fixed Assets - Net	\$1,059,704	Grants & Contributions	\$546,599.00	63%
Current Assets	\$469,937	Interest Income	\$63,908.00	7%
Investment & Development	\$1,436,080	Program Services	\$243,490.00	29%
Liabilities	\$3,794,327	Other Income (Rental Income)	\$5,949.00	1%
Net Assets	\$869,546	TOTAL INCOME	\$859,946.00	100 %
TOTAL ASSETS	\$4,663,873			

VIII. Audited Financials & Impact (cont.)

NHSSF Donors

Thank you to all our
MAGIC MAKERS
 for your donations
 and support!

Top 5 NHSSF funders for the last 4 years

NeighborWorks America

JP Morgan Chase

Wells Fargo

Bank United

CDFI

Top 5 NHSSF donors in 2020

NeighborWorks America

Wells Fargo

CDFI

Capital One

Bank of America

Donors FY 2020

NeighborWorks America

Wells Fargo

CDFI

Capital One

Bank of America

HFSF Grants Management, Inc.

Community Foundation of Broward

Bank United

Iberia Bank

Regions Bank

TIAA Bank

Give Miami Day

City National Bank

Bank Leumi USA

Board Member Donation

Centennial Bank

New York Community Bancorp, Inc.

Citibank, N.A.

Just Give



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CHDO
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Development
Organization



Certified for
HUD Secondary
Financing



HUD Certified
Housing
Counseling
Agency



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