



Philadelphia Neighborhood Home Preservation Loan Program



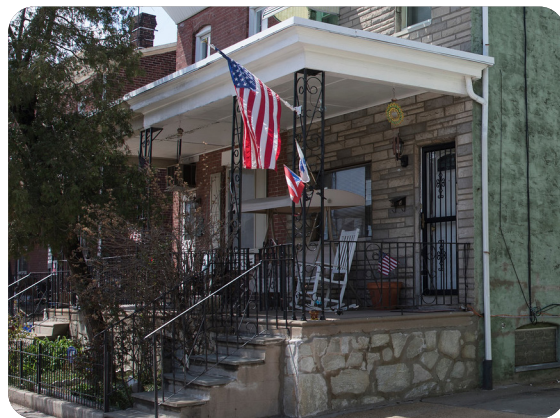
2019
Annual Report
2020



Executive Summary

It has been one year since the launch of Restore, Repair, Renew, the Philadelphia Neighborhood Home Preservation Loan Program. We partnered with private lenders and nonprofits experienced in financial counseling to embark on this ambitious initiative—to build a new approach for helping Philadelphians access the financial resources they need to repair their homes.

Philadelphia's homeownership rate is higher than many other large cities. About 53% of Philadelphians own their homes. In neighborhoods across the City, these homes provide quality and affordable housing for many residents, including working families and seniors.



Individuals and families thrive when they have quality housing. Studies show that safe and healthy housing improves physical and mental health, educational attainment, household income, stable employment, and positively influences the social fabric of communities.

Alarming, however, a recent study showed that banks are denying home repair loans to almost 75% of low- and moderate-income Philadelphians! We created Restore, Repair, Renew to close this lending gap and help get home repair loans into the hands of those who need it.

After one year, the results are encouraging:

- The program resulted in \$1.7 million in loans to 91 borrowers, with 446 more in the pipeline.
- Our average borrower has a household income of about 60% AMI, and a credit score of about 711.
- We have a 0% default rate, delinquency payment rates of 0% for 60 days past due and 3% for 30 days past due.
- Homeowners are using this money to fix leaky roofs, remediate mold that can cause asthma, install handrails to improve mobility, and an array of other essential improvements.

We are clearly getting money into the hands of those who need it! Together with private lenders we can help Philadelphians invest in their homes, leading to healthier families, stronger blocks and thriving neighborhoods. This is the recipe for long-term prosperity. We hope that more private lenders will take notice and join us to address our city's critical challenges. Our data shows that Restore, Repair, Renew's borrowers are a safe bet!

We would like to thank our staff and partners across Philadelphia's government, our lending partners Univest and FINANTA, and nonprofit partners Clarifi, PCCA, and PHMC for all of their hard work that has made this first year a success. I would also like to give special thanks to Council President Darrell Clarke and Councilmember Cherelle Parker who have been champions for this program from day one.

We are thrilled to celebrate the successes of year one and look forward to expanding this important program and helping more Philadelphians in the years to come.

Looking towards the future,



David S. Thomas
President & CEO, PHDC

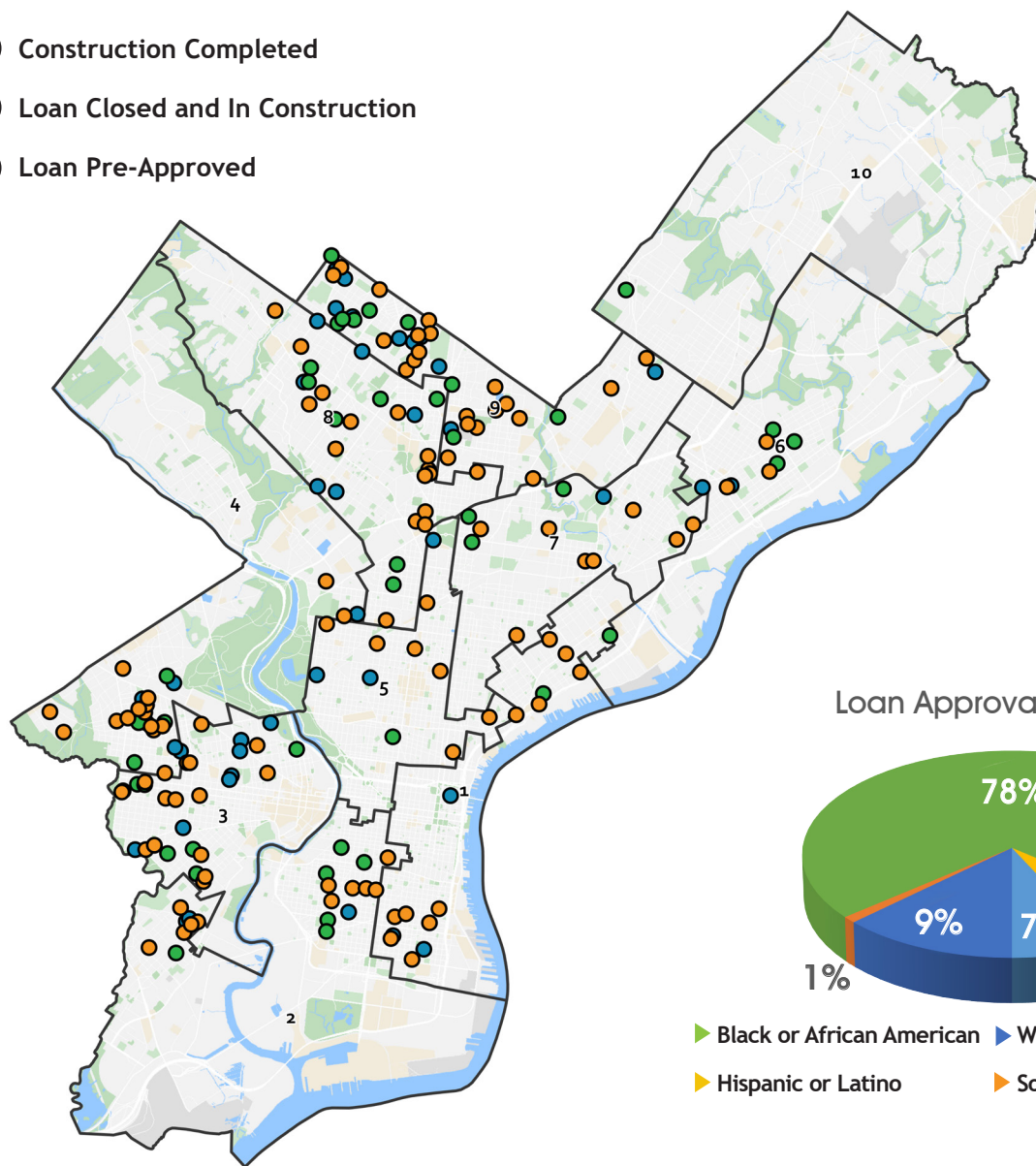


Gregory Heller
Senior Vice President of Community Investment, PHDC

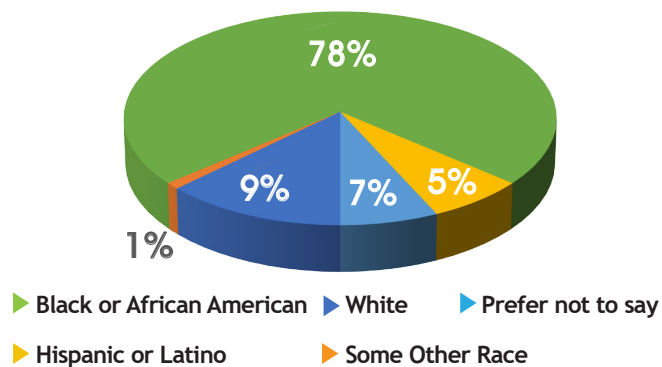


Home Repairs Citywide

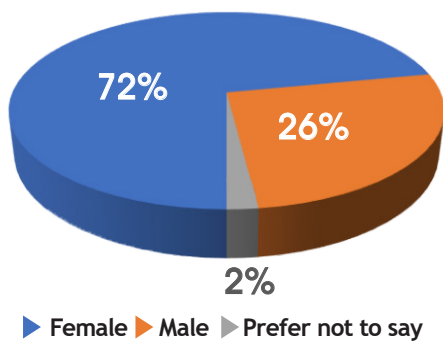
- Construction Completed
- Loan Closed and In Construction
- Loan Pre-Approved



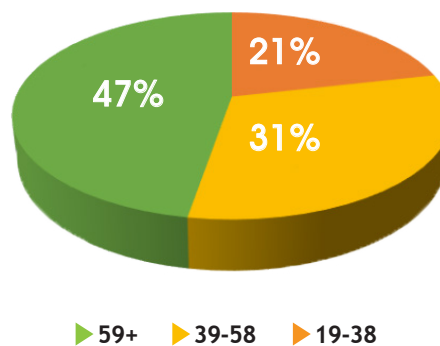
Loan Approval by Race



Loan Approval by Gender



Loan Approval by Age





Community Partners



"The RRR loan program has been an amazing public-private partnership. Clients have been able to repair their homes to increase their value, prevent displacement by gentrification, improve health and start to close the wealth gap by creating intergenerational wealth. This program is a big win for our clients, their neighborhoods and the City of Philadelphia."

Jill Roberts
Director, Healthy Rowhouse Project



"There is a direct relationship between having a safe, quality home and the overall physical and mental health of individuals, families, and entire communities. The City's RRR program has made strides in providing vital resources to assist local homeowners in a way that helps manage their physical and mental wellness, as well as financial health."

Richard J. Cohen
President and Chief Executive Officer



"PCCA is proud to be part of the RRR program with PHDC. This program adds to our continuum of housing services that develops and preserves homeownership through education and services. The RRR program expands the resources we offer to homeowners by providing a unique opportunity to improve their home, increasing equity and enhancing the community."

Aaron Williams
Housing Counselor



Since RRR launched March, 2019:

(Data through March 13, 2020)

- ▶ **53%** of applicants are approved for loans
- ▶ **140** homeowners have been prequalified for a total of **\$2,657,287** committed to support repairs
 - Of those,
 - ▶ **91** loans closed for a total investment of **\$1,672,411** in home improvements
 - ▶ Average credit score of borrower **711**
 - ▶ Average loan amount **\$19,555**
 - ▶ **0%** Loan Default Rate
 - 0%** delinquency on payments 60 days past due
 - 3%** delinquency on payments 30 days past due



Real Time Loan Pipeline

(Data as of March 13, 2020)

"We know that there are hard working families who need assistance in maintaining and preserving their homes. Some of these families were not able to qualify for a traditional home repair loan before Restore, Repair, Renew. After one year in operation, we see how this invaluable program is helping to preserve affordable housing citywide."

Mayor Jim Kenney
City of Philadelphia

"As I've always said, the most affordable home is the one you are already in. Restore, Repair, Renew has allowed Philly homeowners to invest in their most valuable asset without having to resort to expensive, high-interest options like credit cards. This program is a sound investment for the City because we can invest in preservation early and support a neighborhood, rather than trying to play catch-up with blight and disrepair."

Council President Darrell Clarke
City of Philadelphia

Loan Application

29

clients are working with the lenders to get prequalified

Work Scope

35

clients who have been pre-approved for
\$690,685
are developing a work scope and searching for a contractor

"I'm excited that, as a result of RRR, we have been able to help homeowners make key repairs to their home, thus preserving their most valuable asset. This program is a way to maintain affordable housing, reduce poverty, and build intergenerational wealth. I want to thank everyone involved with this program for working together to achieve these encouraging results and we look forward to assisting even more homeowners in the coming years."

Councilmember Cherelle Parker
District 9/Majority Leader

Intake

362

clients are being reviewed for program eligibility

Pre-approval

14

clients recently prequalified for
\$294,191
and are working on scheduling a home assessment

Loan Closing

41

clients approved for
\$754,814
in soon-to-be completed repairs

Repairs Completed

50
\$917,597

"Restore, Repair, Renew is showing that Philadelphia homeowners are a good bet for banks making home repair loans. RRR addresses an underserved portion of the market — credit-worthy low- and moderate-income homeowners in middle neighborhoods. Thanks to our lending partners for helping to meet this need!"

Anne Fadullon
Director, Department of Planning and Development
City of Philadelphia

Supportive Contractors

"Working with the RRR program has been a great experience for my team and me. Being able to help homeowners fix their homes so they can live comfortably and safely has been extremely rewarding. Thank you to the lenders and community partners for allowing me to be a part of the RRR program."

Zaim Tahiraj
Contractor



"Our clients are getting the help they need working through the loan process. The fact that Pls are involved definitely frees up some of my time with clients. It is a great program!"

Terrence Savage
Savage Construction



"We like this program. Our clients are getting work done on their homes they normally would not be able to. Having a program like this that helps guide them through a complicated process is a plus! We have had nothing but a great experience with the program. Best of all, our clients have also had wonderful experiences! We would absolutely recommend RRR to more clients and other contractors."

Gregory & Collette Jackson
Jackson Services Co.

Lending Partners

finanta
YOUR ACCESS TO CAPITAL

"Restore, Repair, Renew has brought relief to a lot of Philadelphia homeowners. As a nonprofit FINANTA has been able to work with the residents of our community who have been in great need of a program like this. RRR has allowed residents to get repairs they need and be able to live in their homes comfortably."

FINANTA team



UNIVEST
BANKING | INSURANCE | INVESTMENTS

"Univest Bank and Trust Co. is excited to celebrate a year of serving as a partner for the RRR program. Univest continues to expand its presence in Philadelphia and a large part of those efforts is supporting programs and organizations that are making a difference in local communities across the city. Over the past year, the RRR program has proven to align with that mission and we are proud to help provide affordable financial options to Philadelphia home owners."

Dana Brown
Executive Vice President of Consumer Services, Univest



Satisfied Homeowners



Allien Davis celebrates the complete transformation of her basement, with a new closet and a new powder room, as well as the repair of her heater and her electrical system.

"Thank God for the Restore, Repair, Renew program! My roof had been leaking on and off for a couple of years. Then I was told that I needed a new HVAC system. I was extremely stressed and wondered how I would get these costly repairs done. I was concerned that I wouldn't qualify because my credit score wasn't the greatest. Then I read that I was exactly who the RRR program was designed to serve. I am very pleased with all the work that was done and would recommend the RRR program to anyone in need of home repairs. Now I am proud to entertain in my home!"

Denise

"I am happy about this program. I could not have financed the repair of my driveway without it."

Carolyn

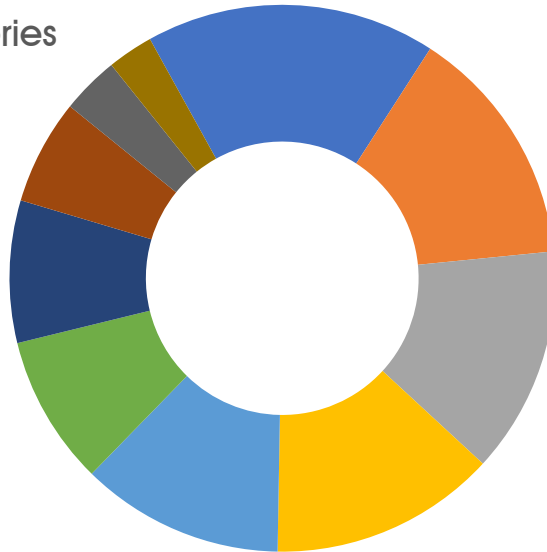
"This program motivated me to complete and start work I always intended to perform, but never had the motivation. I would recommend this to anyone who wants to get repairs performed on their home."

Leroy

Top Repair Categories

Clockwise from top

- ▶ Structure
- ▶ Bathroom
- ▶ Kitchen
- ▶ Other External
- ▶ Other Internal
- ▶ Weatherization
- ▶ Roof
- ▶ HVAC
- ▶ Plumbing
- ▶ Electric



"I want to thank Mr. Aaron Williams of PCCA for all his help. He is very knowledgeable about the programs that help Philadelphia residents. All of this work required a lot of coordination between different agencies and people and I appreciate everyone's effort. All the work was done professionally."

John



"I have been trying for a decade to do my home repairs. The electricity is updated and the house is no longer a fire hazard! The Clarifi team along with Julia have been so helpful, giving me reminders and direction on the estimates and overall projects. I recommend RRR to others who need repairs to their home. I hope the City continues to offer this wonderful program."

Lourdes





Department of
Planning and Development
CITY OF PHILADELPHIA