



Housing- Phillystat Presentation

November 2008 Presentation

- **Basic Systems Repair Program**
- **Performance Tracking- Housing Counseling Contracts**
- **Identification of Sub-prime Loan Population**
- **Impact of Mayor's Budget Cuts**



Housing Preservation- Basic Systems Repair Program

Program Description

- The Basic Systems Repair Program provides free repairs to roofs and electrical, plumbing & heating systems, and limited structural repairs to owner occupied homes in Philadelphia.

Criteria

- Recipients must meet income requirements.
- Recipients must own and occupy the house requiring repairs.

Defined Performance Measures

- Number of Houses Preserved
 - Baseline of homes preserved in FY 2008 is 2,694 properties.
 - Goal for homes preserved in FY 2009 is 2,000 properties
 - YTD homes preserved is 635.



Basic Systems Repair Program

Issue:

The total number of clients awaiting repairs (backlog) needs to be reduced.

Options under Consideration for Reducing the Backlog of BSRP Cases

- Limit Intake into BSRP
- Create an Educational Component
- Increase Resources by Requiring a Lien on Homeowner Property



Basic Systems Repair Program

Reduce Demand By Limiting Intake

- Currently there are no restrictions on how often applicants can return to BSRP for major repair services. This policy supports BSRP's mission to preserve homes for low-income Philadelphians.
- A new recommendation places limitation on how often homeowners who receive new repairs through BSRP can return for more services.
 - Roof Repairs (15 yrs)
 - Electrical Work (Rewires - 20 yrs; Partial Rewires – 5 yrs)
 - Heater Replacement (15 yrs)
 - Plumbing Work (10 yrs)
 - Structural Work (10 yrs)



Basic Systems Repair Program

Concerns:

- **Data:** Information to support intended result (reduction in backlog) currently not available.
- **Backlash:** Citizens who have previously received service through BSRP may feel harmed by the change.
- **Resultant Costs:** Some homeowners may be unable to find resources to fix the repairs on their own and will be forced to wait out the time limitations. This could lead to increased risk of abandonment or increases in the cost of repairs later on.
- **Operational Costs:** Limiting the intake will require more in-depth review of applications to ensure compliance with new procedures.



Basic Systems Repair Program

Reduce Demand Through Education

- Create a homeowner maintenance manual with a focus on preserving properties through routine maintenance efforts, especially those that are low in cost and low in technical requirements.
- Offer applicants classes on homeowner maintenance and financial management during the application process.



Basic Systems Repair Program

Increase Funding through Applicant Contributions

- **Lien Option:** A lien, valued at the actual cost of the repair, will be placed on the property to be recovered by PHDC when the property is sold for grants over a certain cost level. Lien recovery will not be required when a property is transferred to someone in the immediate family or to someone who has lived in the house for five or more years. All recovered lien funds will be used by BSRP for additional repair services.



Counseling & Settlement Grants

Tracking Performance Output

- **Number of new homeowners measured by number of settlement grants**
 - **Baseline is 939 (final FY 2008 output).**
 - **YTD FY 2009 (as of 10/31/08) = 314 (34% of baseline)**

- **Number of foreclosures prevented measured by number of homes saved**
 - **Baseline is 872 (final FY 2008 output).**
 - **YTD FY 2009 (as of 10/31/08) = 657 (75% of baseline)**



Counseling Agency Programs

Contract Performance Measures

The following requirements have been added to the FY 2009 counseling agency contracts:

Pre-Purchase Counseling

- Counseling plans completed within one week of receipt of full application.
- Credit Worthiness (ability to purchase a property within OHCD lending standards) will be achieved for 55% of clients within 8 months of counseling session.

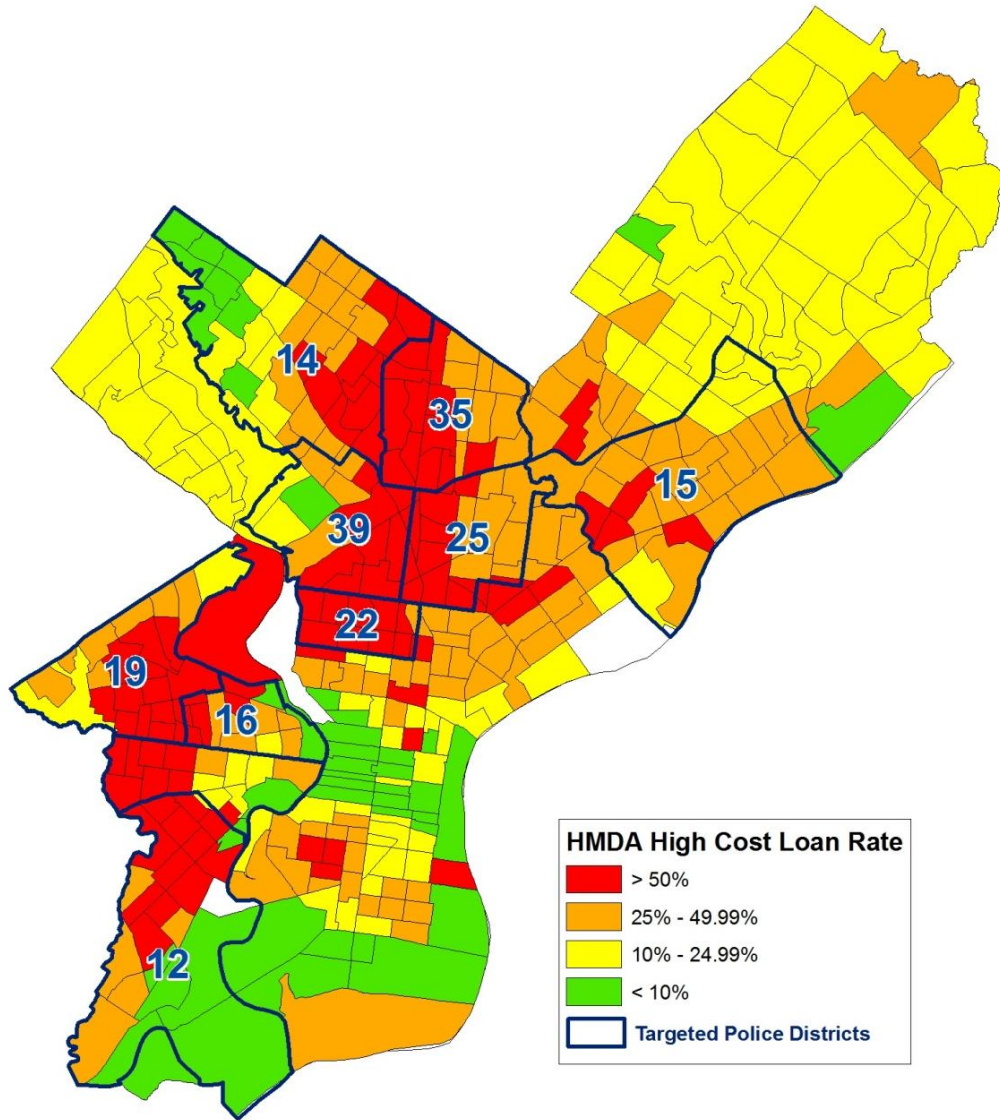
Mortgage Default & Delinquency Counseling

- For counseled clients, 60% of mortgages in default will be resolved within 6 months after intake.



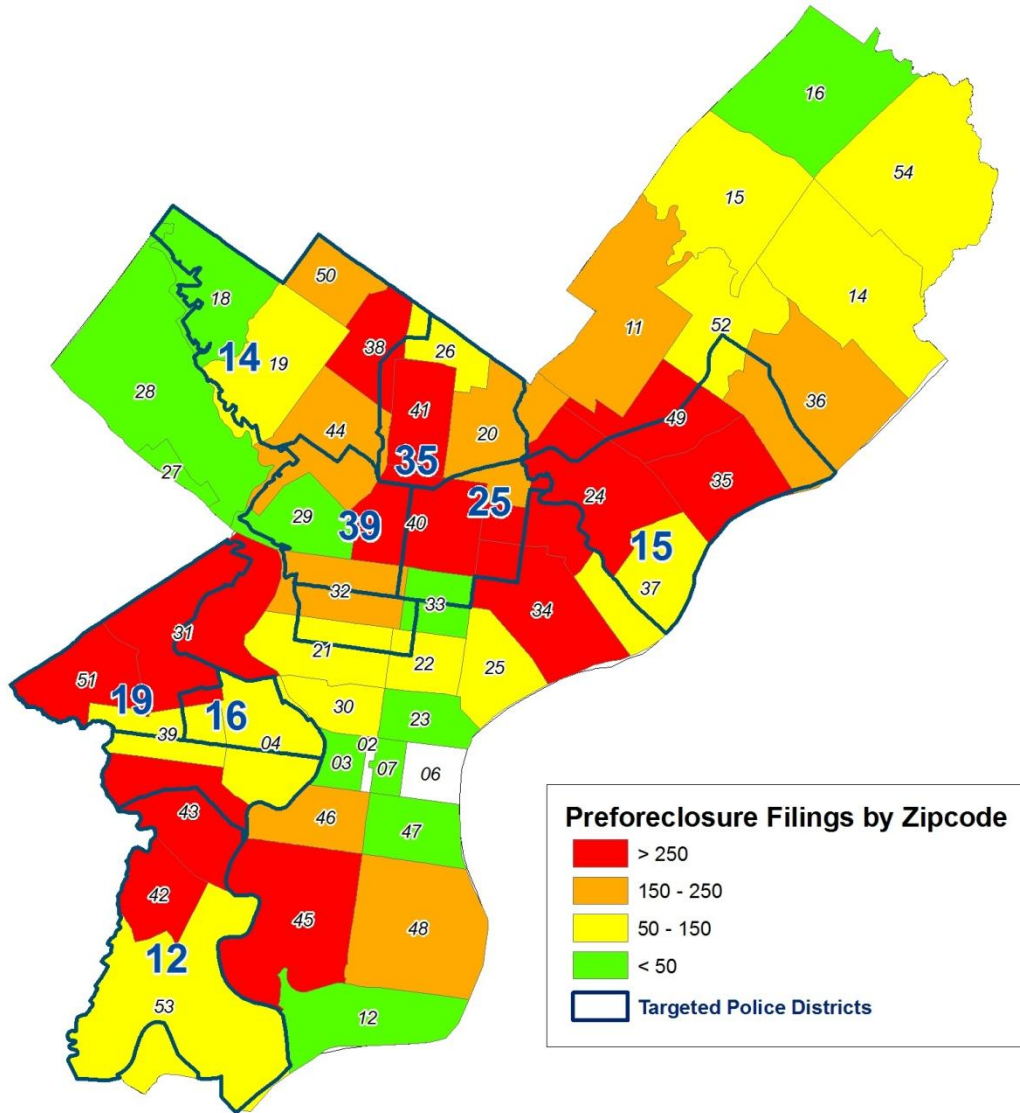
Location of Sub-Prime Loans

Data from HUD



Information provided by HUD, based on Home Mortgage Disclosure Act data, mortgages made in 2007 and through June 2008. “High Cost Loans” are loans at least 3% above the federal treasury rate for like maturity. This is the best measure available for sub-prime loans.

Preforeclosure Filings



Philadelphia Preforeclosure filings, 2007 and first nine months of 2008, by zip code. Areas at high risk for future foreclosure, based on this data and HMDA high cost mortgage data, are identical to areas already experiencing high foreclosure levels.



Impact of Mayor's Budget Cuts

\$ 3.5 Million Reduction in General Funds

Impact on Programs

- Includes reduction for "Management of Vacant Land" (Pennsylvania Horticultural Society) of \$2 million, which will have an impact on maintenance and greening services in the spring of 2009.
- Includes reduction of \$1.5 million in funds budgeted for Housing Trust Fund, which will impact the number of grants to homeowners and affordable housing renovations. The budget is being reviewed with the Housing Trust Fund oversight board.

Impact on Operations

- The reduction in General Funds for Housing Trust Fund activity will reduce available administrative dollars by \$250,000.