

2010 NCSHA ANNUAL AWARDS FOR PROGRAM EXCELLENCE

Category and Subcategory:
Homeownership – Home Improvement and Rehabilitation

DESCRIPTION OF PROGRAM

The Camden Home Improvement Program (CHIP), introduced in 2006, is an innovative and award winning home rehabilitation program that has had a tremendous impact on the quality of life of program participants in the City of Camden, New Jersey.

CHIP provides up to \$20,000 in forgivable loans to low- and moderate-income homeowners, those earning below 80% of the area median income, to make essential life safety home improvements. The highest priority improvements under the program include life safety repairs such as fire exits, electrical repairs, gas and plumbing. Other repairs may include improvements to building systems required for occupancy, such as water, sewer and heating, as well as weatherization repairs and exterior aesthetics

CHIP loans are forgiven provided the homeowner continues to own and live in the home during the term of the deed restriction. Deed restrictions vary by funding source and are either forgiven over five (5) years at a rate of 20% a year or over 10 years at a rate of 10% per year.

CHIP has received much local support and was made possible through the advocacy of local community and faith-based organizations and the strategic partnerships of state and local agencies. In addition, CHIP was recognized in 2009 by the Council of State Community Development Agencies with the Sterling Achievement Award for Housing Assistance. Based on the success of the program, a new phase of the program is about to be launched and will assist another 150 homeowners throughout the City in addition to the approximately 310 homeowners being assisted under prior phases of the program.

CHIP is funded with \$8.5 million from the Economic Recovery Board for Camden, a subsidiary of the NJ Economic Development Authority, \$2.5 million from the NJ Department of Community Affairs, a funding commitment of \$930,000 by the City of Camden, and an additional funding commitment of \$50,000 from the Camden Empowerment Zone Corporation, for a total investment of \$11.98 million.

WHEN/WHY IT WAS UNDERTAKEN

Poverty is a chronic problem in the City of Camden. According to CamConnect, a City-based research firm, as of 2006, more than 30% of the population in the City of Camden earned an income below the federal poverty line. Due to financial constraints, many homes fall into disrepair.

CHIP is part of a comprehensive investment by the State in the economic revitalization of the City of Camden, a City that is nationally recognized as one of the poorest in America. Until CHIP was created, much of the State's investment in Camden was geared toward commercial redevelopment and attracting outside investment. CHIP focuses on the improvement of Camden's residential neighborhoods and addressing the quality of life needs of the local community by assisting existing homeowners, many of whom are aging in place on limited means.

WHAT CHIP HAS ACCOMPLISHED

To date, funding has been committed to rehabilitate 310 units. Construction has been completed on 258 homes.

Based on its success, HMFA has been able to secure additional funding to continue the program. A new phase of CHIP will be launched in the Fall of 2010 and will assist an additional 150 homeowners.

The rehabilitation of homes throughout the City is having a positive impact in program participants' lives in a number of ways. First and foremost, through participation, CHIP participants receive necessary life safety home improvements that they otherwise would not be able to afford. These improvements, such as replacing hot water heaters or weatherizing homes, help homeowners to stay in their homes and keep more of their limited resources available for necessities such as food and bills. In addition, CHIP is creating a renewed sense of pride of homeownership in neighborhoods across the City. We are seeing more and more neighbors of residents that have received CHIP take on home improvements, spurred by investments made by the program. Most importantly, CHIP is contributing the revitalization efforts of the City of Camden. With healthier homes and renewed pride in homeownership, little by little, we are turning the corner to a brighter future for Camden City.

HOW CHIP MEETS NCSHA AWARD CRITERIA

Innovative

The program is unique, not because it is a home rehabilitation program, but because of the way the program has been delivered to ensure that the needs of the homeowner are a high priority. CHIP provides top-tier customer service, making the whole experience a rewarding one for the homeowner. Many home rehabilitation programs suffer or even fail, not because they do not provide exceptional resources, but because they do not provide exceptional service.

In order to accomplish the goal of providing premier customer service, a program administrator was retained to run the day-to-day operations of the program. The role of the Program Administrator includes: 1.) overseeing the outreach, intake, and screening of eligible applicants, 2.) managing site inspections, developing scopes of work, 3.) screening eligible contractors and overseeing the completion of construction, 4.) paying contractors and subcontractors and accounting for all program expenses, and 5.) ensuring proper legal and financial documentation are completed and filed.

Replicable

The CHIP program can be adapted anywhere. Necessary components include coordination of local and state agencies, funding sources, active community-based organizations and a strong program administrator. As a reference, we have created a Policy and Procedure Program Manual for both the homeowner and the program administrator that can be replicated as well.

Respond to important state housing need; Demonstrate measurable benefits to targeted customers

The State of New Jersey seeks to ensure that all residents have access to safe and affordable housing. The CHIP program responds directly to this need by providing forgivable loans to eligible homeowners to cover the cost of necessary life safety improvements. Clearly, a forgivable loan for an income-eligible homeowner to make necessary home repairs is a measurable benefit for HFA targeted customers.

Have a proven track record of success in the marketplace

The program is hailed as a success in the City and across the State. It continues to gain in popularity. Waiting lists in some neighborhoods are 100 people long. As a result, additional program funding has been secured, and we are preparing to launch a new phase of the program shortly.

Demonstrate effective use of resources and Provide benefits that outweigh costs

There are two components to the program: hard costs (construction) and soft costs (program administration) which have been implemented in a cost effective manner.

Construction Costs: The program caps home repairs for each home at \$20,000, although it can go up to \$25,000 to address unanticipated circumstances. The forgivable lien placed on the home is for the cost of repairs a homeowner receives. The average home repair cost is approximately \$19,000, which demonstrates that the program is being implemented properly and fulfilling its core mission.

Program Administration: Participants receive the benefit of working with a knowledgeable and competent administrator that provides a significant level of service for each applicant, including counseling, explaining legal obligations, as well as managing the construction end of the process. The CHIP administrator receives a fee which was determined as a result of the public bid process and final negotiation.

Without CHIP, hundreds of homeowners throughout the City would not have the benefit of rehabilitating essential systems in their homes. CHIP can be credited with not just stabilizing homes, but also stabilizing lives, by reducing the financial burden on low-income homeowners. Clearly, the positive results are well worth the cost of and closely tied to the administration of the program.

Effectively employ partnerships

There are many important pieces that contribute to the success of CHIP. The concept of this program would not be possible if it were not for the persistence of the City's community and faith-based organizations, including Camden Churches Organized for People and the Camden Community Development Association that successfully advocated for the State to allocate resources to implement such a program.

In addition, this program is made possible by the cooperation and commitment of the program's partners. Thanks to the financial support of the Economic Recovery Board for Camden, the NJ Department of Community Affairs and the City of Camden, CHIP is able to offer forgivable loans to fund essential repair and rehabilitation costs. The management team of Cooper's Ferry Development Association and Scungio Borst and Associates, overseen by the New Jersey Housing and Mortgage Finance Agency, have done an excellent job of interfacing with residents and making participation an enjoyable experience for both program participants and contractors.

Achieve strategic objectives

The program goes above and beyond the traditional model of local home improvement programs. House by house, this program is making a visible difference locally in revitalizing a community and empowering homeowners with the resources to improve their quality of life. As the program continues, we are seeing a renewed sense of pride in the neighborhoods. Not only is the program helping homeowners, but it is also creating much needed employment opportunities for local contractors and businesses at a time when neighborhoods across America are struggling to keep jobs and keep their communities alive. Without a doubt, the program has exceeded expectations in terms of fulfilling programmatic objectives and benefiting the residents and neighborhoods of Camden.