

**National Council of State Housing Agencies
2009 Awards for Program Excellence**

Category: Homeownership – Home Improvement and Rehabilitation
Nominator: New Jersey Housing and Mortgage Finance Agency
Nominee: Camden Home Improvement Program



**CAMDEN HOME
IMPROVEMENT PROGRAM**
Improving Lives, Improving Lives

Brief Description of Program

The Camden Home Improvement Program (CHIP) is a citywide home rehabilitation program that has had a tremendous impact on the quality of life of program participants in the City of Camden. 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. Under the current funding allocation, the program will benefit approximately 300 homeowners throughout the City.

CHIP is funded with \$5 million from the Economic Recovery Board for Camden (ERB) which is a subsidiary of the NJ Economic Development Authority (EDA), \$2.5 million from the NJ Department of Community Affairs Neighborhood Preservation Balanced Housing Program (DCA), and an additional funding commitment of \$350,000 from the City of Camden.

CHIP loans are forgiven so long as the homeowner continues to own and live in the home during the term of the deed restriction. Loans for Phases I and II are forgiven over five (5) years at a rate of 20% a year, whereas loans for Phase III are forgiven over 10 years at a rate of 10% per year, as each funding source has unique requirements.

The highest priority improvements under the program include life safety repairs such as fire exits, electrical repairs, gas and plumbing. Others may include improvements to building systems required for occupancy, such as water, sewer and heating, as well as weatherization repairs and exterior aesthetics.

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. Funding for CHIP was committed in 2005 and the pilot phase of the program began in 2006. However, until CHIP was created, most 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 addresses the quality of life needs of the local community.

What CHIP Has Accomplished

Due to the size of the geographic area covered by the program and the number of homeowners being served, the program is being administered in three (3) phases. All three phases are currently underway. The first Phase is nearly complete and the third phase has just recently begun. To-date, out of the approximate 300 units that will be rehabilitated, nearly half have completed construction, with many more in various stages of construction, inspection and application processes.

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 in this program, 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. Second, these improvements are spurring others to improve their properties as well. Most importantly, CHIP is renewing homeowners' pride in their homes, knowing that a worthwhile investment has been made and that their home is healthier and safer as a result.

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 developed to ensure that the needs of the homeowner are a high priority. CHIP is a publicly funded program that 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. The CHIP program was designed with this in mind, with an understanding of the frustrations of the typical homeowner in need and was developed to address those specific needs. In order to accomplish the goal of providing premier customer service, the agencies supporting the program agreed to the concept of hiring a program administrator to run the day-to-day operations of the program. The creative solution of hiring a program administrator dedicated to the daily operations of this program has enabled CHIP to move forward and to be implemented successfully.

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 an important state housing need;

Demonstrate measurable benefits to HFA targeted customers

CHIP improves homes of low- and moderate-income individuals, helping them to stay in their homes. The program provides the resources necessary for life safety and major systems improvements. Although this program does not specifically add to the community's affordable housing stock, it does ensure that persons of low- or moderate-income means are able to maintain their homes by providing much needed rehabilitation, which is also an economic benefit to the community.

Have a proven track record of success in the marketplace

The program is being 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, a concerted effort is underway to identify additional resources to enable the program to continue once the current funding stream is exhausted.

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.

Toward 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 lien amount is solely for the approved services agreed to in a homeowner's scope of work. To-date, the average home repair cost is at approximately \$19,000, which demonstrates that the program is being implemented properly and that it is fulfilling its core mission.

In terms of program administration, participants receive the benefit of working with a very knowledgeable and competent administrator which provides a significant level of service to each and every 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 (CCOP) and the Camden Community Development Association (CCDA) that successfully advocated for the State to allocate resources to implement such a program.

In addition, this program is made possible by the cooperation, coordination and commitment of the program's partners. Thanks to the financial support of the Camden Economic Recovery Board, the NJ Department of Community Affairs and the City of Camden, CHIP is able to offer forgivable loans of up to \$20,000 to eligible Camden homeowners to fund essential repair and rehabilitation costs. Thanks to the management team at Cooper's Ferry Development Association, (CFDA) and Scungio Borst & Associates (SBA) overseen by New Jersey Housing and Mortgage Finance Agency (NJHMFA), the program participants have an open line of communication with the administrator of the program. Finally, thanks to the community's push for such a program led by Camden Churches Organized for People (CCOP) and Camden Community Development Association (CCDA), CHIP today is an integral part of the revitalization of Camden's neighborhoods.

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.