



Testimony of Michael R. Froehlich, Managing Attorney, Homeownership and Consumer Rights Unit, Community Legal Services to City Council's Committee on Finance regarding Bill No. 210681(Neighborhood Preservation Initiative Bond)

October 6, 2021

Good morning, members of the Committee. My name is Michael Froehlich. I am the Managing Attorney of the Homeownership and Consumer Rights Unit at Community Legal Services. I am pleased to testify in support of Bill No. 210681, the Neighborhood Preservation Initiative Program Statement and Budget.

As Council knows, Community Legal Services, Inc. was established by the Philadelphia Bar Association in 1966 to provide civil legal representation to low-income Philadelphians. As the city's largest provider of free legal services, CLS assists over 10,000 of Philadelphia's poorest residents with their legal problems each year.

There is a lot for Philadelphians, such as our low-income clients, to like about the NPI Bond. In many ways, it is our City's version of the federal Build Back Better plan for local housing and homeownership issues.



I wanted to highlight just a few of the programs that are supported by NPI in my testimony today.

Philly First Home. Before the funding was exhausted in 2020, the Philly First Home Program helped 3,000 Philadelphians become first time home buyers by providing grants or forgivable loans of up to \$10,000 to help with down payment assistance. Philadelphia is a city that prides itself on its high homeownership rate. But homeowner among low-income and working-class Philadelphians is under threat. In fact, last year, Pew reported that two-thirds of modestly priced homes (those under 50% of median sale price) were cash sales, presumably sold to investors without a mortgage instead of owner-occupants. Philly First Home keeps the American dream of homeownership alive for many low-income Philadelphians, such as our clients. And one under-discussed aspect of the program is that 80% of the homeowners who received assistance from Philly First Home were people of color, including 58% who identified as Black and 26% who identified as Hispanic or Latino. Philly First Home is one piece of our efforts to close the racial wealth gap. It is a valuable program, and we are pleased to see it funded in this proposal.

Basic Systems Repair Program and Adaptive Modifications Program. It is no secret that Philadelphia has an older housing stock that needs ongoing maintenance. Repairing homes, rather than demolishing and rebuilding them can be a lot more cost effective. The BSRP and AMP programs have a long track record of providing cost-effective repairs and modifications of



existing homes to keep low-income and working-class Philadelphians housed. And we now know that home repairs also help address our City's epidemic of violence. This summer, [a report out of the University of Pennsylvania](#) showed that BSRP can be an effective violence-prevention strategy. Neighborhood blocks that include at least one home that received assistance from BSRP were associated with a 22% reduction in total crime on that block compared to blocks where homeowners had applied for BSRP but remained on the waiting list.

Tangled Title Program. Over \$1.1 billion in family wealth is locked up in tangled titles here in Philadelphia where 11,000 homes remain deeded in the names of dead people. By untangled these titles, homeowners are able to qualify for BSRP, mortgage loans, and other important programs. Community Legal Services is proud to partner with the City's Division of Housing and Community Development (DHCD) to represent clients resolve their tangled titles. Since July 1, 2019, we have represented over 180 homeowners with tangled titles and conducted 95 community trainings and outreach programs on tangled titles and other homeownership issues. Tangled titles do not affect all areas of the City equally. According to a [recent Pew report](#), homes with tangled titles are disproportionately located in census tracts with higher Black and Brown populations. At CLS, 84% of our tangled title clients identify as Black and 15% identify as Hispanic or Latino. The intergenerational Philadelphia Family Home helps grow intergenerational wealth and close the racial wealth gap, and CLS is grateful for its partnership with DHCD on these issues as we steadily make progress eliminating tangled titles, and we are grateful to Council for this investment.



Eviction Diversion Program. Philadelphia's Eviction Diversion Program started just a year ago in response to the COVID-pandemic. The program has been exceedingly successful with over 2,300 landlord and tenant pairs engaging in mediation with over 90% reaching an agreement or other resolution. In addition, the program has supported over 7,000 tenants in accessing rental assistance leading Philadelphia to lead the nation in disbursing rental assistance to landlords and tenants. The Department of Justice has held the Eviction Diversion Program out as a national model. Eviction Diversion may have been created as an emergency response to the pandemic but its success in helping tenants and landlords stabilize in a mutually beneficial way, is a model that we hope to see last for years to come. Funding for this program and the housing counselors that are instrumental to its success needs to continue to be a priority for Philadelphia.

Philadelphia's Eviction Prevention Project. Philadelphia's Eviction Prevention Project, likewise, was instrumental in stabilizing Philadelphia renters before and during the pandemic. PEPP agencies continued to provide stabilizing legal services and information to renters faced with insurmountable odds during the pandemic and is providing a launching pad for implementation of Right to Counsel that will begin this winter in Philadelphia. City Council unanimously passed Right to Counsel in 2019 in recognition that renters are able to avoid disruptive displacement when they are supported by an attorney. City Council recognized the importance of this right by allocating \$3.5 million to support for PEPP and Right to Council this



fiscal year. PEPP agencies are planning for implementation and staffing up to support renters. We look forward to reporting back to you shortly on our progress and success.

Again, thank you for the opportunity to testify at today's hearing. This is a critical moment for homeownership and housing issues in our City, and on behalf of our clients, we are grateful to City Council and the Administration for rising to meet this moment.

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