



Testimony of Beth McConnell
Policy Director, Philadelphia Association of Community Development Corporations (PACDC)
On Bill No. 170878
Before the Committee on Finance, Philadelphia City Council
October 31

Good morning Chairwoman Blackwell and other members of the committee. My name is Beth McConnell, and I'm the Policy Director for the Philadelphia Association of Community Development Corporations (PACDC). PACDC supports the passage of Bill No. 170878.

This bill would authorize a service agreement between the City and the Redevelopment Authority to execute a \$40 million bond to fund a home repair loan program. Philadelphia has an overwhelming need for more resources to repair our existing housing stock. Grant programs such as the Basic Systems Repair Program can only serve a limited number of homeowners; there simply aren't enough public subsidies to help every struggling homeowner. A loan product targeted to consumers that have trouble getting approved for loans through traditional lending institutions holds promise for safer, healthier homes.

As the Redevelopment Authority moves forward by issuing a Request for Proposals for a third party to run the loan program, and oversees that third party, we hope they will be aggressive in ensuring that:

- Lower credit score homeowners who demonstrate an ability to repay can access the loan program;
- Interest rates will be as low as possible, and repayment terms will be consumer-friendly;
- Small-property landlords who access the loan make a return commitment to preserving affordability while they improve their properties;
- Marketing and outreach will be adequate to publicize the availability of the loan, particularly in neighborhoods where there are significant needs for property improvements;
- The list of recommended contractors improves opportunity for entrepreneurship among historically disadvantaged firms.

PACDC was honored to participate in working groups convened by Council to make recommendations on how to structure the loan program. We are grateful for the leadership of Council President Clarke and Councilwoman Parker in championing this program, and hope PACDC and our members can contribute to the future program's success.

Thank you for the opportunity to testify.

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