Webinar

ULI Philadelphia: Forum on Black and Brown Homeownership (Day 1)

Date: February 16, 2022

00:00:05 --> 00:00:08: Good morning and thank you everyone for joining us today
00:00:08 --> 00:00:12: for the UI Philadelphia and the Development Workshops Forum on
00:00:12 --> 00:00:13: Black and Brown homeownership.
00:00:13 --> 00:00:16: Before we get started, I just wanted to take a
00:00:16 --> 00:00:20: second to go through some quick housekeeping items on today's
00:00:20 --> 00:00:23: call will ask everyone in attendance to leave themselves on
00:00:24 --> 00:00:27: mute to ensure that our panelists remain front and center
00:00:27 --> 00:00:31: and the audio quality remains strong so everyone can can
00:00:31 --> 00:00:33: hear it correctly and properly.
00:00:33 --> 00:00:37: Will also ask everyone to submit their questions through the
00:00:37 --> 00:00:38: chat function of of zoom,
00:00:38 --> 00:00:43: so feel free to submit your questions throughout today's program
00:00:43 --> 00:00:43: and will.
00:00:43 --> 00:00:48: We'll have some time for moderated Q&A at the end.
00:00:48 --> 00:00:51: And we'll try to get to as many questions as
00:00:51 --> 00:00:52: we possibly can.
00:00:52 --> 00:00:53: For anyone on the call who I don't know,
00:00:53 --> 00:00:54: my name is Kevin Moran.
00:00:54 --> 00:00:58: I'm a director here at ULI Philadelphia and it's my
00:00:58 --> 00:01:03: pleasure to to welcome everyone today to today's conversation.
00:01:03 --> 00:01:05: Just as some quick background about you all,
00:01:05 --> 00:01:07: I Philadelphia the mission of your life.
00:01:07 --> 00:01:10: Philadelphia is the shape, the future of the built environment
00:01:10 --> 00:01:13: for transformative impact in communities worldwide.
00:01:13 --> 00:01:16: We really do this through a few different mission commitment
00:01:16 --> 00:01:16: areas,
00:01:16 --> 00:01:20: including connecting diverse sets of practitioners,
00:01:20 --> 00:01:24: inspiring best practices in the industries of real estate and

00:01:24 --> 00:01:24: land use,
00:01:24 --> 00:01:28: and really taking a leading role in helping to solve
00:01:28 --> 00:01:29: real estate.
00:01:29 --> 00:01:32: Land use challenges in communities.
00:01:32 --> 00:01:35: Uli is a global organization of interdisciplinary real estate.
00:01:35 --> 00:01:39: Land use practitioners really ranging in professions from architects to
00:01:39 --> 00:01:40: designers,
00:01:40 --> 00:01:44: developers, lenders, both from the private sector and public sector
00:01:44 --> 00:01:47: is really anyone who touches the land use process has
00:01:47 --> 00:01:48: has a place.
00:01:48 --> 00:01:52: But then you'll, I globally we're about 45 thousand members
00:01:52 --> 00:01:56: worldwide and we have about 900 members in the Philadelphia
00:01:56 --> 00:01:57: region,
00:01:57 --> 00:01:59: which includes the Greater Philadelphia Metro,
00:01:59 --> 00:02:02: Central Pennsylvania, Delaware at the Lehigh Valley.
00:02:02 --> 00:02:05: That's not gonna be jersey as an organization.
00:02:05 --> 00:02:07: We're really a member driven organization.
00:02:07 --> 00:02:11: We have over 20 different committees and councils that really
00:02:11 --> 00:02:14: drive all of the programming and conversations that we have
00:02:15 --> 00:02:16: as an organization.
00:02:16 --> 00:02:19: In fact, today's conversation is a really great example of
00:02:19 --> 00:02:22: that where we have Members from our small scale and
00:02:22 --> 00:02:25: impact Development Council or Housing Council,
00:02:25 --> 00:02:27: our community and Economic Development Council,
00:02:27 --> 00:02:29: as well as I as well as our diversity,
00:02:29 --> 00:02:34: equity and Inclusion Advisory advisory group all sort of helping
00:02:34 --> 00:02:34: to.
00:02:34 --> 00:02:39: Frame today's conversation and and put together the content for
00:02:39 --> 00:02:41: for today's for today's discussion.
00:02:43 --> 00:02:46: So before we jump into the program formally,
00:02:46 --> 00:02:48: I do want to take a moment just to recognize
00:02:48 --> 00:02:49: you alive.
00:02:49 --> 00:02:53: Philadelphia's annual sponsors. Without their support.
00:02:53 --> 00:02:55: None of these conversations would really be possible,
00:02:55 --> 00:02:57: so I want to take a moment to thank our
00:02:57 --> 00:02:58: urban visionary sponsors.
00:03:00 --> 00:03:03: Our diamond leadership circle and platinum sponsors.

00:03:06 --> 00:03:10: As well as our silver and friends sponsors.

00:03:10 --> 00:03:13: And then I also want to take a moment to

00:03:13 --> 00:03:18: thank specifically our event sponsors for today's conversation.

00:03:18 --> 00:03:22: For really making today's conversation possible and also to be

00:03:22 --> 00:03:27: able to make the recording of today's conversation available for

00:03:27 --> 00:03:27: free,

00:03:27 --> 00:03:31: following usually in about 2 weeks after today's program so

00:03:31 --> 00:03:32: that we can.

00:03:32 --> 00:03:34: We can really reach a wider audience.

00:03:34 --> 00:03:38: So to that end, I want to thank Shift Capital

00:03:38 --> 00:03:40: and Councilmember Alan Dow.

00:03:40 --> 00:03:43: With that I'm happy to pass things over to our

00:03:43 --> 00:03:45: Co host for today's discussion.

00:03:45 --> 00:03:48: David Feldman, who's the executive director of the Development Workshop.

00:03:50 --> 00:03:53: Thank you as well. We're going to thank Laura Slutsky

00:03:53 --> 00:03:55: Annualy for so enthusiastically.

00:03:55 --> 00:03:59: Joining with the Development Workshop to quickly come together to

00:03:59 --> 00:04:00: plan this event.

00:04:00 --> 00:04:03: Looking at solutions to the serious decline in black and

00:04:03 --> 00:04:08: brown homeownership since the especially since the financial crisis from

00:04:08 --> 00:04:12: levels that were already deeply below that of white homeownership

00:04:12 --> 00:04:16: around Thanksgiving. Charles Lomax, a member of the development workshop,

00:04:16 --> 00:04:19: Laura Slutsky, and I, we're at a forum on housing

00:04:19 --> 00:04:20: affordability in general.

00:04:20 --> 00:04:25: And discussed having a separate event specifically addressing black homeownership,

00:04:25 --> 00:04:28: Laura reached out to local councils at ULI.

00:04:28 --> 00:04:32: And as Kevin mentioned, four separate UI councils quickly came

00:04:32 --> 00:04:35: on board along with the development workshops,

00:04:35 --> 00:04:38: diversity, equity and Inclusion Committee to plan the event that

00:04:38 --> 00:04:39: we're attending today.

00:04:39 --> 00:04:43: And on Friday. We're very thankful for our panelists who

00:04:43 --> 00:04:43: joined us.

00:04:43 --> 00:04:46: Also on short notice to share the work that they

00:04:46 --> 00:04:49: are doing in this space to an acknowledgement of the
00:04:49 --> 00:04:51: importance of home ownership.
00:04:51 --> 00:04:55: To build and to maintain generational wealth across black and
00:04:55 --> 00:04:58: brown families on behalf of the development workshop.
00:04:58 --> 00:05:01: I'm glad that a broader audience will also understand the
00:05:01 --> 00:05:03: role of the workshop as a think tank and a
00:05:03 --> 00:05:07: policy organization comprised of a broad spectrum of participants in
00:05:07 --> 00:05:10: the overall development space in Philadelphia.
00:05:10 --> 00:05:12: Our membership includes developers, many more,
00:05:12 --> 00:05:16: including planners, architects, finance and title companies.
00:05:16 --> 00:05:20: Title companies like the other David Feldman.
00:05:20 --> 00:05:24: Law firms, economists and anchor institutions including healthcare systems and
00:05:24 --> 00:05:25: universities.
00:05:25 --> 00:05:29: We examine the intersection of the city and its residents,
00:05:29 --> 00:05:33: economic health, and the health of the development environment which
00:05:33 --> 00:05:35: includes concern for increasing jobs,
00:05:35 --> 00:05:39: expanding diversity and equity, and improving education.
00:05:39 --> 00:05:42: The workshop is proud that its membership arguably represents the
00:05:42 --> 00:05:45: most diverse membership of any organization in the real estate
00:05:46 --> 00:05:47: and development space in the region.
00:05:47 --> 00:05:50: Most of all, I want to thank and acknowledge Octavia
00:05:50 --> 00:05:52: how of the Pew Charitable Trust,
00:05:52 --> 00:05:55: Philadelphia Policy and Research Institute initiative.
00:05:55 --> 00:05:59: Sorry for stepping up to moderate both sessions this week.
00:05:59 --> 00:06:03: Pews, Philadelphia policy and research initiative has been incredibly important.
00:06:03 --> 00:06:07: Examining a range of housing issues to provide the information
00:06:07 --> 00:06:10: necessary to actually address disparities and inequities,
00:06:10 --> 00:06:14: they pointed out that the client in homeownership described who
00:06:14 --> 00:06:18: Philadelphia landlords are and what profile of landlords serve which
00:06:18 --> 00:06:19: profile of tenants.
00:06:19 --> 00:06:23: Quantified the extent of the tangled title issue and already
00:06:23 --> 00:06:27: analyzed responses to how the pandemic has impacted housing stresses
00:06:27 --> 00:06:28: in Philadelphia.

00:06:28 --> 00:06:31: We're thrilled to have Octavia how with us today and
00:06:31 --> 00:06:35: Friday to moderate and engage our experience panels to address
00:06:35 --> 00:06:37: solutions to the issues in this forum.
00:06:37 --> 00:06:42: Octavia manages the housing research portfolio for pews research and
00:06:42 --> 00:06:43: policy initiative,
00:06:43 --> 00:06:46: and in this role, she develops research products that explore
00:06:46 --> 00:06:49: the impact of poverty and local economic trends on the
00:06:50 --> 00:06:50: availability,
00:06:50 --> 00:06:54: affordability and quality of housing in the city.
00:06:54 --> 00:06:57: Before joining view, Octavia Hill worked for the Philadelphia City
00:06:57 --> 00:06:58: Planning Commission,
00:06:58 --> 00:07:02: where she facilitated the development of citywide and neighborhood comprehensive
00:07:02 --> 00:07:06: plans and examined local land use and housing conditions using
00:07:06 --> 00:07:07: geospatial analysis.
00:07:07 --> 00:07:08: So thank you again Octavia,
00:07:08 --> 00:07:11: for agreeing to serve as a moderator for these two
00:07:11 --> 00:07:12: discussions this week.
00:07:14 --> 00:07:17: Thanks and thanks to Kevin to both of you for
00:07:17 --> 00:07:18: for inviting me.
00:07:18 --> 00:07:22: It's really. Really a pleasure to be able to participate
00:07:22 --> 00:07:26: in this conversation and really to be engaging with the
00:07:26 --> 00:07:28: panels that you have here.
00:07:28 --> 00:07:30: I'm looking really looking forward to the conversation and the
00:07:30 --> 00:07:33: conversation that we're going to have on Friday.
00:07:33 --> 00:07:35: Let's go ahead and hop in.
00:07:35 --> 00:07:36: So what's the challenge here?
00:07:36 --> 00:07:38: What do we? What are we trying to to discuss
00:07:39 --> 00:07:40: and really solve for?
00:07:40 --> 00:07:43: And in Philadelphia and in this conversation?
00:07:43 --> 00:07:46: So doing part to the cities low housing costs.
00:07:46 --> 00:07:50: Homeownership has been attainable for black households in the city.
00:07:50 --> 00:07:53: As a result, the city Philadelphia has the highest rate
00:07:53 --> 00:07:56: of black homeownership among the 50 largest cities in the
00:07:56 --> 00:07:56: country.
00:07:56 --> 00:07:59: That rate was 48% in 2019.
00:07:59 --> 00:08:02: So when it comes to the gap in homeownership between
00:08:02 --> 00:08:04: black and white households in this in Philadelphia,

00:08:04 --> 00:08:07: the city is faring a bit better than other parts
00:08:07 --> 00:08:08: of the country.
00:08:08 --> 00:08:10: But this is a fragile state.
00:08:10 --> 00:08:13: Recent research from the Federal Philadelphia Federal Reserve Bank.
00:08:13 --> 00:08:16: Indicate that there's been very little change in that gap
00:08:16 --> 00:08:17: over several decades.
00:08:17 --> 00:08:19: Instead, as home prices rise,
00:08:19 --> 00:08:23: homeownership is increasingly out of reach for Philadelphia households,
00:08:23 --> 00:08:25: but particularly for its black residents,
00:08:25 --> 00:08:28: giving that the median household income for Black Philadelphians was
00:08:28 --> 00:08:29: 52%
00:08:29 --> 00:08:32: of that for white Philadelphians.
00:08:32 --> 00:08:36: Beyond this, many existing homeowners face challenges that threaten their
00:08:36 --> 00:08:38: continued home ownership.
00:08:38 --> 00:08:40: Let's talk a bit about more about about the front
00:08:41 --> 00:08:42: end of this challenge.
00:08:42 --> 00:08:44: Getting into a home, as most of you at this
00:08:44 --> 00:08:45: event are aware,
00:08:45 --> 00:08:48: Philadelphia seen a pretty big shift in its housing market
00:08:48 --> 00:08:51: over the past decade or two in the past ten
00:08:51 --> 00:08:51: years,
00:08:51 --> 00:08:54: the median household price doubled,
00:08:54 --> 00:08:57: or home home price doubled to nearly two to more
00:08:57 --> 00:08:59: than $204,000 in 2020.
00:08:59 --> 00:09:02: Going back a little bit further to 2000,
00:09:02 --> 00:09:04: before the city began to grow again,
00:09:04 --> 00:09:06: the median home price was $80,000.
00:09:07 --> 00:09:10: At the same time, it's been increasingly difficult across the
00:09:10 --> 00:09:10: country,
00:09:10 --> 00:09:14: not just in Philadelphia for to obtain small mortgages for
00:09:15 --> 00:09:18: the low cost homes that do remain high fixed costs,
00:09:18 --> 00:09:22: and a system that ties lenders compensation to loan size,
00:09:22 --> 00:09:25: have made smaller mortgages less profitable than larger ones.
00:09:25 --> 00:09:29: For banks, credit unions, and other traditional mortgage mortgage lenders
00:09:29 --> 00:09:30: as a result.
00:09:30 --> 00:09:32: Homeownership is out of reach for many households,
00:09:32 --> 00:09:35: while others seek risky alternative pathways to

homeownership.
00:09:35 --> 00:09:39: For example, rent to own agreements.
00:09:39 --> 00:09:43: In the meantime, those who can afford to pay cash
00:09:43 --> 00:09:46: make up an increasing share of low cost homebuyers in
00:09:46 --> 00:09:47: the city.
00:09:47 --> 00:09:51: But for now, Philadelphia remains more affordable than most other
00:09:51 --> 00:09:51: cities.
00:09:51 --> 00:09:55: At $1243 a month, the median cost of mortgage properties
00:09:55 --> 00:10:00: in Philadelphia is the lowest among the nation's most populous
00:10:00 --> 00:10:03: cities and below average for the for the nations large,
00:10:03 --> 00:10:09: high poverty cities reflecting the city's longstanding reputation for affordability.
00:10:09 --> 00:10:12: And home ownership in the city remains one of the
00:10:12 --> 00:10:15: best ways to avoid cost burden in the city.
00:10:15 --> 00:10:18: 28% of homeowners in Philadelphia were spending 30%
00:10:18 --> 00:10:21: of their more more of their incomes on housing much
00:10:21 --> 00:10:22: lower than the 54%
00:10:22 --> 00:10:25: rent that renters pay. 50 excuse me.
00:10:25 --> 00:10:29: 54% of renters that are struggling to make ends meet
00:10:29 --> 00:10:31: in terms of housing costs.
00:10:31 --> 00:10:36: Not surprisingly, being cost burden is least common among Philadelphia
00:10:36 --> 00:10:38: households that not only own their homes,
00:10:38 --> 00:10:40: but own their homes free and clear,
00:10:40 --> 00:10:43: meaning they don't have a mortgage to pay.
00:10:43 --> 00:10:47: But the number of low and moderate income homeowners who
00:10:47 --> 00:10:51: are mortgage free has declined in the past decade.
00:10:51 --> 00:10:55: 40% of owners in the city are about 130,000 homeowners
00:10:55 --> 00:10:59: in the city own their properties outright in that status.
00:10:59 --> 00:11:04: From 2018, the median household expense for those units with
00:11:05 --> 00:11:07: with no mortgage is $448.00.
00:11:07 --> 00:11:11: The largest share of you know mortgage free households are
00:11:11 --> 00:11:14: spending 250 to $500 a month.
00:11:14 --> 00:11:16: But some are really struggling with home repair and this
00:11:16 --> 00:11:18: applies not just to those who have who own their
00:11:18 --> 00:11:19: properties free and clear,
00:11:19 --> 00:11:22: but but many homeowners and those who have lower incomes
00:11:22 --> 00:11:26: are struggling to make sure that their properties remain habitable,

00:11:26 --> 00:11:28: that they're not that they're able to fix that leaky
00:11:28 --> 00:11:30: roof that they're able to take care of.
00:11:30 --> 00:11:34: You know, their their basic systems and and upgrade their
00:11:34 --> 00:11:36: properties so they can be livable,
00:11:36 --> 00:11:42: comfortable, and safe. Until those in reality,
00:11:42 --> 00:11:46: when hospitals are not able to make those repairs or
00:11:46 --> 00:11:49: gain funds to do to make those repairs in the
00:11:49 --> 00:11:50: worst cases,
00:11:50 --> 00:11:52: it can lead to the loss of a home.
00:11:52 --> 00:11:54: Many of the cities in low income neighborhoods,
00:11:54 --> 00:11:58: often primarily black neighborhoods. I'm free and clear homes are
00:11:58 --> 00:12:01: the primary mode of home ownership in North Philly.
00:12:01 --> 00:12:03: For example, we're home overall,
00:12:03 --> 00:12:07: homeownership is low mortgage, free homes represent 52%,
00:12:07 --> 00:12:10: so more than half of all owner occupied properties.
00:12:10 --> 00:12:13: A high higher share than in any other part of
00:12:13 --> 00:12:14: the city.
00:12:14 --> 00:12:16: And what's interesting, there is that one of in four
00:12:16 --> 00:12:19: of those of the city's free and clear homes are
00:12:19 --> 00:12:20: low cost homes.
00:12:20 --> 00:12:23: They're estimated by their owners to have a market value
00:12:23 --> 00:12:24: of $70,000 or less.
00:12:24 --> 00:12:29: So those units are an important source of affordable housing
00:12:29 --> 00:12:30: for Philadelphia,
00:12:30 --> 00:12:33: but the homes are of little value to households looking
00:12:33 --> 00:12:36: for a place to live unless they can acquire home
00:12:36 --> 00:12:40: through inheritance can purchase it without taking out a loan
00:12:40 --> 00:12:43: or able to find a small mortgage and compete with
00:12:43 --> 00:12:45: cash buyers in the market.
00:12:45 --> 00:12:48: Some of the homes are passed down informally without a
00:12:48 --> 00:12:49: recorded deed,
00:12:49 --> 00:12:52: meaning there the end up with a tangled title in
00:12:52 --> 00:12:55: this practice creates lots of problems on its own,
00:12:55 --> 00:12:56: kind of doubling back to that.
00:12:56 --> 00:12:58: That issue of home repair.
00:12:58 --> 00:13:00: Do you have a tangled title you're not able to
00:13:00 --> 00:13:02: take out a loan you may not even be eligible
00:13:02 --> 00:13:03: for programs.
00:13:03 --> 00:13:07: Some programs that exist to to do home repairs.
00:13:07 --> 00:13:11: Pew estimates that more than 10,000 homes,
00:13:11 --> 00:13:15: 10,400 homes in the city have tangled titles representing.

00:13:15 --> 00:13:19: $1.1 billion I'd like to pause there 'cause the big
00:13:19 --> 00:13:19: number,
00:13:19 --> 00:13:24: but $1.1 billion in wealth is inaccessible to heirs.
00:13:24 --> 00:13:27: This issue is a particular concern for the city's black
00:13:27 --> 00:13:28: residents.
00:13:28 --> 00:13:31: The tracks with the highest rates of tangled titles are
00:13:31 --> 00:13:35: those in which black residents constitute the largest percentage of
00:13:35 --> 00:13:35: population.
00:13:35 --> 00:13:38: On Friday, we'll focus on Tangled titles and some of
00:13:38 --> 00:13:42: the other factors that are threatening homeowners ability to stay
00:13:42 --> 00:13:44: in the homes that they have acquired.
00:13:44 --> 00:13:47: But today we're going to focus on getting folks into
00:13:47 --> 00:13:50: homes in the 1st place and talk about solutions that
00:13:50 --> 00:13:54: these organizations have have been working with and that ideas
00:13:54 --> 00:13:57: on how we can. Tackle this problem head on.
00:13:57 --> 00:14:00: So to do that we have a panel that is
00:14:00 --> 00:14:04: that really is stems from different spaces in the in
00:14:05 --> 00:14:05: the home.
00:14:05 --> 00:14:07: The process of of home ownership.
00:14:07 --> 00:14:12: So we have Lisa blow from Chi Baltimore Rob Heironimus
00:14:12 --> 00:14:13: from Bolton Bake.
00:14:13 --> 00:14:17: Dave Thomas from pH DC and Sharisa win from Compass
00:14:17 --> 00:14:18: Real estate.
00:14:22 --> 00:14:24: So go ahead and get us started in the conversation.
00:14:24 --> 00:14:26: I just want to have you guys kind of go
00:14:26 --> 00:14:30: through and tell us what is your organization's role in
00:14:30 --> 00:14:32: the purchase home purchase process.
00:14:32 --> 00:14:35: Are you seeing a racial gap in in your home
00:14:35 --> 00:14:38: ownership gap in your work?
00:14:38 --> 00:14:41: I think we can. I think I'd like to start
00:14:41 --> 00:14:43: with Lisa if that's alright.
00:14:43 --> 00:14:43: Sure,
00:14:43 --> 00:14:45: thank you so much. Thanks for having me.
00:14:45 --> 00:14:47: As Octavia mentioned, I'm Lisa,
00:14:47 --> 00:14:51: Bud low. I am the CEO of high in Baltimore.
00:14:51 --> 00:14:55: Chi stands for a comprehensive Housing Assistance Inc.
00:14:55 --> 00:14:59: We are a community based organization and agency of the
00:14:59 --> 00:15:04: the Jewish community in Baltimore and we focus on housing
00:15:04 --> 00:15:10: and community development in Northwest Baltimore City and County.

00:15:10 --> 00:15:13: So primarily I I want to address our role in
00:15:13 --> 00:15:19: housing counseling so as community based organization really neighborhood focus.
00:15:19 --> 00:15:22: We we sort of hit this issue from multiple fronts,
00:15:22 --> 00:15:26: but I think the most relevant here is our housing
00:15:26 --> 00:15:30: counseling work so so we work in pre purchase with
00:15:30 --> 00:15:36: prospective homebuyers through sort of a two step process homebuyer
00:15:36 --> 00:15:40: education which you know we run a monthly two day.
00:15:40 --> 00:15:43: Homebuyer Ed workshop. You know,
00:15:44 --> 00:15:47: day one kind of focuses on the role of the
00:15:47 --> 00:15:48: lender.
00:15:48 --> 00:15:53: Runs through, you know, really important information like minimum credit
00:15:53 --> 00:15:57: scores and sort of what goes into a credit score
00:15:57 --> 00:15:58: to kind of,
00:15:58 --> 00:16:01: you know, breakdown that that you know topic that people
00:16:01 --> 00:16:03: talk about a lot but may not have like a
00:16:04 --> 00:16:06: full understanding of kind of how they get to that
00:16:06 --> 00:16:08: number that is associated with themselves.
00:16:08 --> 00:16:11: We talk about debt, income ratio,
00:16:11 --> 00:16:14: you know that both the housing debt and also just
00:16:14 --> 00:16:17: kind of like the the global debt and and you
00:16:17 --> 00:16:18: know what kind of.
00:16:18 --> 00:16:23: Is affordable. We also talk about the various products that
00:16:23 --> 00:16:27: lenders may have and incentives that that that they may
00:16:27 --> 00:16:30: have so that prospective homebuyers are,
00:16:30 --> 00:16:34: are, you know, really kind of gaining some knowledge about
00:16:34 --> 00:16:36: what to look for in a lender.
00:16:36 --> 00:16:39: Day two goes through kind of really in detail.
00:16:39 --> 00:16:40: The home buying process, you know,
00:16:40 --> 00:16:43: talking about, looking for a realtor.
00:16:43 --> 00:16:45: You know what's I look for in a neighborhood?
00:16:45 --> 00:16:49: What the contract process is like,
00:16:49 --> 00:16:50: you know, sort of, you know,
00:16:50 --> 00:16:52: getting an appraisal, having it inspected,
00:16:52 --> 00:16:53: settlement all of that kind of stuff.
00:16:53 --> 00:16:56: I mean, new, break it down into all this topics
00:16:56 --> 00:16:59: you realize how very complex the home buying process is
00:16:59 --> 00:17:01: so you know the effort here is to kind of
00:17:01 --> 00:17:06: give. Get some education out there and and really help
00:17:06 --> 00:17:07: people understand.
00:17:07 --> 00:17:09: You know from a big picture perspective,

00:17:09 --> 00:17:12: what what they might be embarking upon,
00:17:12 --> 00:17:14: and then the next step.
00:17:14 --> 00:17:17: People who who you know I've heard that and aren't
00:17:17 --> 00:17:17: scared away,
00:17:17 --> 00:17:21: come in for one on one counseling with our HUD,
00:17:21 --> 00:17:24: certified housing counselors. And there,
00:17:24 --> 00:17:27: you know, all of that same kind of those same
00:17:27 --> 00:17:31: topics are addressed but but very specifically in a deep
00:17:31 --> 00:17:35: dive relating to the person's situation themselves and really kind
00:17:35 --> 00:17:37: of work through household budget and.
00:17:37 --> 00:17:41: You know what? What is affordable to that particular perspective,
00:17:41 --> 00:17:45: homebuyer and kind of really help breakdown and navigate the
00:17:45 --> 00:17:46: you know,
00:17:46 --> 00:17:47: the home buying process.
00:17:50 --> 00:17:52: I I kind of want to ask you follow up
00:17:52 --> 00:17:52: questions,
00:17:52 --> 00:17:55: but I want to make sure everybody gets a chance
00:17:55 --> 00:17:57: to to introduce before we get carried away.
00:17:57 --> 00:18:00: How about I'm seeing your face next in my screen,
00:18:00 --> 00:18:03: Cherise, if you want to talk about your role in
00:18:03 --> 00:18:06: the in the purchase process and and if you're seeing
00:18:06 --> 00:18:06: the gap,
00:18:06 --> 00:18:09: the racial homeownership gap in in your work.
00:18:09 --> 00:18:12: Absolutely so. Hi everyone, my name is Cherise.
00:18:12 --> 00:18:15: Win with the Win Group and a real estate agent
00:18:15 --> 00:18:15: with Compass.
00:18:15 --> 00:18:19: So yes, I've been doing this for the last 10
00:18:19 --> 00:18:21: years full time.
00:18:21 --> 00:18:22: And we're boots on the ground,
00:18:22 --> 00:18:25: so we help people buy and sell real estate all
00:18:25 --> 00:18:25: the time.
00:18:25 --> 00:18:27: And I definitely see a gap.
00:18:27 --> 00:18:30: It actually starts pretty early where you see,
00:18:30 --> 00:18:35: you know, you know. White parents buying properties for their
00:18:35 --> 00:18:37: children while they're in college,
00:18:37 --> 00:18:39: so it starts very early,
00:18:39 --> 00:18:42: so being able to do that.
00:18:42 --> 00:18:45: Through their parents or through some type of a sense
00:18:45 --> 00:18:48: assistance with either inheriting a property or having that

down

00:18:48 --> 00:18:50: payment from the parents.

00:18:50 --> 00:18:53: Being able to buy in their early 20s versus US,

00:18:53 --> 00:18:57: potentially buying and maybe like late 30s to like early

00:18:57 --> 00:18:57: 40s.

00:18:57 --> 00:19:01: Our first home they'll be working on their second home

00:19:01 --> 00:19:02: and.

00:19:02 --> 00:19:05: And what's the word? I'm looking for reaping the appreciation

00:19:05 --> 00:19:06: of that first home,

00:19:06 --> 00:19:09: that appreciation. Being able to take that money and buy

00:19:09 --> 00:19:10: that second property.

00:19:10 --> 00:19:12: So definitely saying that, and in the work that we

00:19:12 --> 00:19:13: do with boots on the ground.

00:19:17 --> 00:19:19: Wow, I mean, I just.

00:19:19 --> 00:19:21: I think that when I think about this conversation,

00:19:21 --> 00:19:24: you're often thinking about that first home and like what's

00:19:24 --> 00:19:26: what's passing next.

00:19:26 --> 00:19:29: But I think even not necessarily receiving the inheritance from

00:19:29 --> 00:19:30: your parents,

00:19:30 --> 00:19:33: but having that help in the process of buying a

00:19:33 --> 00:19:33: home.

00:19:33 --> 00:19:36: I think it's a really interesting perspective to think about

00:19:36 --> 00:19:38: the ways of disparities exist.

00:19:38 --> 00:19:40: Dave. Can you tell us a little bit about your

00:19:41 --> 00:19:43: work and and how you're seeing disparities show up in

00:19:43 --> 00:19:44: your work?

00:19:50 --> 00:19:56: You're on mute. My apologies,

00:19:56 --> 00:19:57: no worries.

00:19:58 --> 00:20:02: Dave Thomas, President, CEO PHDC.

00:20:02 --> 00:20:05: And let me just say in Charisse what she said

00:20:05 --> 00:20:07: is so important.

00:20:07 --> 00:20:09: As was Lisa, you know,

00:20:09 --> 00:20:13: PC troll in Philadelphia as a full service housing and

00:20:14 --> 00:20:17: community development organization is multi pronged.

00:20:17 --> 00:20:21: You know we are responsible for developing new affordable units

00:20:21 --> 00:20:24: as well as trying to help people get into what

00:20:24 --> 00:20:27: we refer to as naturally occurring affordable housing that is

00:20:27 --> 00:20:29: on the market for sale.

00:20:29 --> 00:20:32: So we've had programs such as the Philly First Home

00:20:32 --> 00:20:32: program which.

00:20:32 --> 00:20:37: I'm very successful thanks to my legislative colleagues for

their
00:20:37 --> 00:20:40: forward thinking making that money available.
00:20:40 --> 00:20:43: Can't imagine what would have happened without it,
00:20:43 --> 00:20:46: because that certainly took fire and what we saw with
00:20:47 --> 00:20:50: that only confirmed what Cherise was saying and what Lisa
00:20:50 --> 00:20:51: saying.
00:20:51 --> 00:20:54: So for instance what we saw with Philly first home
00:20:54 --> 00:20:57: is that the majority of people who purchased homes and
00:20:57 --> 00:21:00: let me just explain fully personal real quick Philly first
00:21:01 --> 00:21:04: home provided a $10,000 down payment assistance grant.
00:21:04 --> 00:21:08: That was very instrumental in a lot of folks being
00:21:08 --> 00:21:09: able to.
00:21:09 --> 00:21:14: So I'll just say. Reach that dream of owning a
00:21:14 --> 00:21:14: home,
00:21:14 --> 00:21:17: so to speak, and what we saw in the numbers
00:21:17 --> 00:21:18: statistics.
00:21:18 --> 00:21:21: You know it's it's pretty much backs what we're saying
00:21:21 --> 00:21:21: today.
00:21:21 --> 00:21:26: Most of the folks that participated in totally first home.
00:21:26 --> 00:21:29: They they were black and brown.
00:21:29 --> 00:21:33: And I will also tell you that in many respects
00:21:33 --> 00:21:38: that the average price was around $200,000 or less.
00:21:38 --> 00:21:43: And what we're seeing today is that that market is
00:21:43 --> 00:21:44: drying up.
00:21:44 --> 00:21:48: There's not much out there for that.
00:21:48 --> 00:21:52: Product at 200,000. Even though we're about to reopen fully
00:21:52 --> 00:21:52: first home,
00:21:52 --> 00:21:57: we still have concerns that we don't have enough supply
00:21:57 --> 00:21:59: to meet the demand.
00:21:59 --> 00:22:02: And one of the things that we're trying to address
00:22:02 --> 00:22:04: now is is building new portable units.
00:22:04 --> 00:22:08: Can also making those units affordable to that same market,
00:22:08 --> 00:22:09: which is going to be a challenge.
00:22:09 --> 00:22:12: But I think there's something that we're certainly up for,
00:22:12 --> 00:22:15: but the other piece that Cherise made a point to,
00:22:15 --> 00:22:17: I think, is something that we need to address too.
00:22:17 --> 00:22:19: And I've been working with some of our Council colleagues
00:22:19 --> 00:22:20: on this as well,
00:22:20 --> 00:22:23: and that is the the lack of appreciation and black
00:22:23 --> 00:22:25: and brown neighborhoods.
00:22:25 --> 00:22:28: I mean when you're talking about using that value and
00:22:28 --> 00:22:30: how St described the.

00:22:30 --> 00:22:33: Parents using, I mean being able to purchase for their

00:22:34 --> 00:22:34: children.

00:22:34 --> 00:22:39: Much of that purchase capital came from the appreciation of

00:22:39 --> 00:22:44: the property that they own that they use that appreciates.

00:22:44 --> 00:22:46: And since it you know they spread that well,

00:22:46 --> 00:22:49: sort of speak. Unfortunately, in black and brown neighborhoods,

00:22:49 --> 00:22:51: that property does not appreciate.

00:22:51 --> 00:22:53: You know if you just looked at those Philadelphia versus

00:22:54 --> 00:22:54: South.

00:22:54 --> 00:22:56: Do the same house size is pretty much similar.

00:22:56 --> 00:23:00: Let's just use 1200 square feet and in the.

00:23:00 --> 00:23:05: Values are dramatically different, and unfortunately that is a huge

00:23:05 --> 00:23:08: problem because you're not able to to build off that

00:23:09 --> 00:23:09: well.

00:23:09 --> 00:23:12: So for instance, that family that you just said is

00:23:12 --> 00:23:14: living in a house at $75,000,

00:23:14 --> 00:23:17: well and in another neighborhood in Philadelphia,

00:23:17 --> 00:23:20: that property is worth $100,000.

00:23:20 --> 00:23:24: And what you can do with that appreciated value allows

00:23:24 --> 00:23:26: you to move up.

00:23:26 --> 00:23:28: So another neighborhood, if you will,

00:23:28 --> 00:23:31: but also opens up that property for the next group

00:23:31 --> 00:23:33: of folks who need that that lift up for this

00:23:33 --> 00:23:34: thing.

00:23:34 --> 00:23:36: So I mean, we have some challenges,

00:23:36 --> 00:23:38: but I I think that.

00:23:38 --> 00:23:40: My partners and City Council.

00:23:40 --> 00:23:43: I again I think I'm blessed to be sitting here

00:23:43 --> 00:23:46: and working with those folks because they certainly have them

00:23:46 --> 00:23:50: forward thinking and and I'm hoping that that collectively we

00:23:50 --> 00:23:52: can figure out the challenges that face froze up.

00:23:54 --> 00:23:57: Thanks Dave, I'm definitely gonna want to follow up with

00:23:57 --> 00:23:59: you about some of the things you said the the

00:23:59 --> 00:24:02: idea that there's this supply is drying up is is

00:24:02 --> 00:24:04: one that I really want to kind of hammer in

00:24:04 --> 00:24:07: on just to have the panel to talk about that

00:24:07 --> 00:24:10: and what was contributing to that.

00:24:10 --> 00:24:11: And then also going to want to talk a bit

00:24:11 --> 00:24:12: about just that program.

00:24:12 --> 00:24:15: I think it was. It was remarkable to hear what

00:24:15 --> 00:24:18: the numbers are in terms of the participation of black
00:24:18 --> 00:24:19: and brown households,
00:24:19 --> 00:24:20: so going to kind of come in quickly.
00:24:20 --> 00:24:21: Get back to you on that.
00:24:21 --> 00:24:23: But first I want to hear from Rob,
00:24:23 --> 00:24:25: you're kind of hiding. In in our screens here,
00:24:25 --> 00:24:28: but I want to hear about your role in the
00:24:28 --> 00:24:30: process because it's a really pivotal 1.
00:24:31 --> 00:24:33: Sure, no thank you and and good morning.
00:24:33 --> 00:24:37: And I, I apologize for hiding so not definitely not
00:24:37 --> 00:24:38: trying to.
00:24:38 --> 00:24:40: So first of all, I just want to echo the
00:24:40 --> 00:24:42: comments that everyone had made so far.
00:24:42 --> 00:24:45: They're spot on with everything they said and I see
00:24:46 --> 00:24:49: a lot of familiar names here in the participant list
00:24:49 --> 00:24:49: as well.
00:24:49 --> 00:24:53: My role with with Fulton Bank is to work with
00:24:53 --> 00:24:54: our loan officer,
00:24:54 --> 00:24:58: sales managers, regional managers across our five state footprint,
00:24:58 --> 00:25:00: which is Pennsylvania, New Jersey,
00:25:00 --> 00:25:03: Delaware, Virginia, Maryland and DC.
00:25:03 --> 00:25:06: And we have about 120 loan officers give or take
00:25:06 --> 00:25:07: and you know,
00:25:07 --> 00:25:10: we really support the affordable housing,
00:25:10 --> 00:25:14: affordable lending programs. And that's really my focus.
00:25:14 --> 00:25:17: CRA fair lending and you know,
00:25:17 --> 00:25:21: we we really try to understand each market.
00:25:21 --> 00:25:23: We need that local Intel.
00:25:23 --> 00:25:26: We need that local staffing to be a part of
00:25:26 --> 00:25:27: the community.
00:25:27 --> 00:25:30: And you know some of the challenges that we see,
00:25:30 --> 00:25:34: especially moving forward over the course of the next few
00:25:34 --> 00:25:35: years which.
00:25:35 --> 00:25:37: They have all been discussed already,
00:25:37 --> 00:25:39: but I'm sure we'll go into further detail.
00:25:39 --> 00:25:45: Is inventory we're seeing a massive reduction in overall inventory
00:25:45 --> 00:25:46: for everybody.
00:25:46 --> 00:25:51: There's actually more Realtors right now across the United States
00:25:51 --> 00:25:53: than there is home listings.
00:25:53 --> 00:25:57: You know, you have raising home values and prices,

00:25:57 --> 00:26:02: some of this being driven by a supply chain issues.
00:26:02 --> 00:26:06: New construction prices are going high.
00:26:06 --> 00:26:08: And some would even say oh,
00:26:08 --> 00:26:10: we approaching another bubble again.
00:26:10 --> 00:26:14: I think it's real. That's my my perception on it.
00:26:14 --> 00:26:18: You know you're seeing the average cost of construction going
00:26:18 --> 00:26:20: up between 30 to $50,000.
00:26:20 --> 00:26:23: You know that's pulling up some of the value on
00:26:23 --> 00:26:24: the other properties,
00:26:24 --> 00:26:30: which makes that affordability component somewhat out of reach for
00:26:30 --> 00:26:31: individuals you have.
00:26:31 --> 00:26:34: As mentioned before, cash buyers.
00:26:34 --> 00:26:38: You have situations, multiple offers.
00:26:38 --> 00:26:41: We have folks out there who you know they're putting
00:26:41 --> 00:26:44: in their 9th offer their their 10th off for on
00:26:44 --> 00:26:46: a home and they keep getting outbid,
00:26:46 --> 00:26:50: why? Well, they're using an FHA product that you know,
00:26:50 --> 00:26:56: requires a deeper inspections or they're relying on multiple grants,
00:26:56 --> 00:26:59: which perhaps in the eyes of some could be viewed
00:26:59 --> 00:27:02: as a negative if you're a seller agent,
00:27:02 --> 00:27:04: or if you're the seller,
00:27:04 --> 00:27:06: so you know multiple layers.
00:27:06 --> 00:27:09: So our role moving forward and and what it has
00:27:09 --> 00:27:10: always been,
00:27:10 --> 00:27:13: quite frankly, is to know our markets to try to
00:27:13 --> 00:27:17: have products that fit the needs of the Community to
00:27:17 --> 00:27:18: the best that we can.
00:27:18 --> 00:27:22: And we're always adjusting. I also am the voice of
00:27:22 --> 00:27:25: Fulton to Fannie Mae and Freddie Mac.
00:27:25 --> 00:27:28: I share my concerns about some of the things that
00:27:28 --> 00:27:32: I see and hopefully make some guideline changes in the
00:27:32 --> 00:27:32: future.
00:27:32 --> 00:27:35: One of the things that is being looked at right
00:27:35 --> 00:27:37: now is using rental history.
00:27:37 --> 00:27:40: As a part of a qualifying component.
00:27:40 --> 00:27:42: So I'll I'll kill battle,
00:27:42 --> 00:27:47: but we really try to take it as the housing
00:27:47 --> 00:27:49: financial literacy.
00:27:49 --> 00:27:51: But to be clear on that,
00:27:51 --> 00:27:55: you know from that housing process organizations like what

Lisa

00:27:55 --> 00:28:00: does mean just just critical to the success of homeownership

00:28:00 --> 00:28:01: utilizing grants,

00:28:01 --> 00:28:06: making customers feel comfortable and really just lining everything up

00:28:07 --> 00:28:10: so they can have that smooth transaction and.

00:28:10 --> 00:28:14: Move towards a settlement and potential close so I could

00:28:14 --> 00:28:14: go on.

00:28:14 --> 00:28:15: I have lots of things to say,

00:28:15 --> 00:28:18: but I'll pause from now and direct it as we

00:28:18 --> 00:28:19: we take some questions.

00:28:19 --> 00:28:20: So thank you.

00:28:22 --> 00:28:24: I want to kind of tie in something that you

00:28:24 --> 00:28:25: just said Rob about.

00:28:25 --> 00:28:28: Basically, these rules that people are allowed to kind of

00:28:28 --> 00:28:30: take into account things like your,

00:28:30 --> 00:28:32: your rent, payments and utility payments.

00:28:32 --> 00:28:36: Are you seeing that make a difference?

00:28:36 --> 00:28:38: I think for you and I think just for for

00:28:38 --> 00:28:38: Lisa,

00:28:38 --> 00:28:41: I'm wanting to see like is that something that you're

00:28:41 --> 00:28:43: able to advise your clients?

00:28:43 --> 00:28:45: Is there? Is it too early in the game to

00:28:45 --> 00:28:46: see that it's making a difference?

00:28:46 --> 00:28:49: Or just curious about how that's operating?

00:28:51 --> 00:28:53: Yeah, no, that's a great question.

00:28:53 --> 00:28:55: I'll go ahead Lisa, sorry go ahead,

00:28:55 --> 00:28:56: no go ahead, go ahead.

00:28:58 --> 00:29:02: Yeah, so I'll just make a quick comment on that

00:29:03 --> 00:29:07: is Fulton has a product that we've rolled out in

00:29:07 --> 00:29:14: 2014 that really used those nontraditional tradelines as a qualifier.

00:29:14 --> 00:29:16: So you have a lot of folks out there that

00:29:16 --> 00:29:18: are financially responsible,

00:29:18 --> 00:29:20: but they have good jobs.

00:29:20 --> 00:29:22: You know, they're they're good borrowers.

00:29:22 --> 00:29:27: But maybe their credit profiles then maybe they only have

00:29:27 --> 00:29:28: one active tradeline.

00:29:28 --> 00:29:30: Maybe they have no active tradelines,

00:29:30 --> 00:29:33: and when you're trying to put that through a normal

00:29:33 --> 00:29:36: loan qualification process through DU desktop underwriting,

00:29:36 --> 00:29:39: that's with Fannie Mae or LPA.

00:29:39 --> 00:29:42: Through Freddie Mac, you come back and get a term
00:29:42 --> 00:29:44: called refer with caution,
00:29:44 --> 00:29:46: which is a nice way of saying denied.
00:29:46 --> 00:29:49: So we've taken those components to say,
00:29:49 --> 00:29:53: hey, we can look at someone's profile,
00:29:53 --> 00:29:56: and if we can get a good history on rental
00:29:56 --> 00:29:56: payment,
00:29:56 --> 00:29:58: cable Bill, gas Bill Electric.
00:29:58 --> 00:30:02: So we can use those things as almost non traditional
00:30:02 --> 00:30:06: trade lines and we have an exclusive portfolio product,
00:30:06 --> 00:30:09: 97% financing with no MI and you know we put
00:30:09 --> 00:30:13: that out there as an option for individuals like that.
00:30:13 --> 00:30:16: So and I think some of those discussions again,
00:30:16 --> 00:30:18: small voice here you know with Fannie and Freddie when
00:30:18 --> 00:30:21: we've talked about the things that we've done and that
00:30:21 --> 00:30:22: it's been successful,
00:30:22 --> 00:30:24: because really, that's that's the end game in fair and
00:30:24 --> 00:30:25: responsible banking.
00:30:25 --> 00:30:28: We want to make sure that people can acquire financing
00:30:28 --> 00:30:30: and be successful and.
00:30:30 --> 00:30:33: To make their payments and be in a good financial
00:30:33 --> 00:30:33: space,
00:30:33 --> 00:30:37: you know it's starting to become more and more like
00:30:37 --> 00:30:37: OK.
00:30:37 --> 00:30:40: We need to start thinking a little bit more outside
00:30:40 --> 00:30:43: of the box here and understand the criteria of customers
00:30:43 --> 00:30:44: in this space.
00:30:48 --> 00:30:49: Lisa, do you want to add to that?
00:30:49 --> 00:30:50: Sure,
00:30:50 --> 00:30:53: I'll just chime in so you know just kind of
00:30:53 --> 00:30:54: like framing that we are,
00:30:54 --> 00:30:56: you know, again, the community based organization,
00:30:56 --> 00:30:59: right? So we're not making the the kind of like
00:30:59 --> 00:31:00: lending policy,
00:31:00 --> 00:31:03: right? We're just responding to it and and just to
00:31:03 --> 00:31:07: kind of reflect for a minute how complicated this conversation
00:31:07 --> 00:31:08: is,
00:31:08 --> 00:31:10: right? And? So if you've got someone who is a
00:31:10 --> 00:31:12: first time homebuyer,
00:31:12 --> 00:31:16: this even just beginning to think about this is daunting.
00:31:16 --> 00:31:18: And so that's why that's sort of where we come
00:31:18 --> 00:31:18: in,

00:31:18 --> 00:31:22: right? So we're that interface with the community where that
00:31:22 --> 00:31:26: kind of accessible source of information you know people don't
00:31:26 --> 00:31:29: need to know all of the complicated banking roles or
00:31:29 --> 00:31:33: or products that are out on the market but able
00:31:33 --> 00:31:34: to access,
00:31:34 --> 00:31:37: you know, an agency that's in the community that they're
00:31:37 --> 00:31:39: able to trust and and that you know,
00:31:39 --> 00:31:42: certified counselor will can can walk them through this kind
00:31:42 --> 00:31:43: of thing.
00:31:43 --> 00:31:46: So we we have begun to kind of.
00:31:46 --> 00:31:50: Here about these sort of non traditional credit models we
00:31:50 --> 00:31:54: but but I will say that we are not really
00:31:54 --> 00:31:58: using this very much yet and primarily because it's just
00:31:58 --> 00:32:01: kind of early days. You know that it really hasn't
00:32:01 --> 00:32:03: gotten to the point where a lot of lenders are
00:32:03 --> 00:32:06: are working in this space and so you know what
00:32:06 --> 00:32:09: we were really kind of more into looking at the
00:32:09 --> 00:32:12: credit scores looking at the history,
00:32:12 --> 00:32:17: the payment history and in that in that more traditional
00:32:17 --> 00:32:17: way.
00:32:17 --> 00:32:21: And I I just wanted to make one other comment
00:32:21 --> 00:32:21: to,
00:32:21 --> 00:32:26: you know, when Cherise was talking about the difference between
00:32:26 --> 00:32:29: sort of the readiness of of of homeowners in the
00:32:29 --> 00:32:31: black and brown community,
00:32:31 --> 00:32:34: and you know the assistance that that you know they
00:32:34 --> 00:32:37: may or may not be getting from their appearance.
00:32:37 --> 00:32:41: Or you know other kind of you know there there
00:32:41 --> 00:32:43: kind of trusted people that that.
00:32:43 --> 00:32:47: That is definitely something that we are seeing in terms
00:32:47 --> 00:32:47: of.
00:32:47 --> 00:32:50: You know, we we, our clients,
00:32:50 --> 00:32:54: our Housing Council clients are pretty much 5050 split between
00:32:54 --> 00:32:55: white and black.
00:32:55 --> 00:32:58: The the difference in the clients who are coming who
00:32:58 --> 00:33:01: are coming from black and brown communities or is somewhat
00:33:01 --> 00:33:01: in readiness.
00:33:01 --> 00:33:04: So you know their credit scores aren't quite there where
00:33:04 --> 00:33:07: they haven't saved for a down payment where somebody

else
00:33:07 --> 00:33:07: moved home,
00:33:07 --> 00:33:10: you know to to save for a down payment they
00:33:10 --> 00:33:14: haven't saved for a down payment and those other kind
00:33:14 --> 00:33:14: of,
00:33:14 --> 00:33:18: you know, even the financial savvy you know to to
00:33:18 --> 00:33:18: know.
00:33:18 --> 00:33:21: What are the questions to ask or how do you
00:33:21 --> 00:33:21: get prepared?
00:33:21 --> 00:33:24: Is is a little bit behind and so and that
00:33:24 --> 00:33:24: you know,
00:33:24 --> 00:33:27: kind of comes from maybe being the first person in
00:33:28 --> 00:33:28: their family.
00:33:28 --> 00:33:31: To, you know, attempt to be a homeowner and that
00:33:31 --> 00:33:31: kind of thing.
00:33:31 --> 00:33:33: And so that's really where we are.
00:33:33 --> 00:33:39: Are definitely noticing a gap and why it's critically important
00:33:39 --> 00:33:40: for you know,
00:33:40 --> 00:33:45: for for first time homebuyers especially black and brown communities
00:33:45 --> 00:33:48: to get to the this kind of financial guidance.
00:33:48 --> 00:33:51: So that they're able to put themselves in a position
00:33:51 --> 00:33:52: to be able to to buy that home.
00:33:54 --> 00:33:56: Teresa looked like you wanted to to chime in on
00:33:56 --> 00:33:56: that,
00:33:56 --> 00:33:58: but I just have one quick question for you,
00:33:58 --> 00:34:01: Lisa, are you? You describe 2 phases of your home
00:34:01 --> 00:34:02: counseling program.
00:34:02 --> 00:34:04: One, it seems like it's sort of general and then
00:34:04 --> 00:34:06: getting into the one on one counseling.
00:34:06 --> 00:34:10: He said. If so, if your your general client tail
00:34:10 --> 00:34:10: is 5050%
00:34:10 --> 00:34:13: black and white, do you see a shift in the
00:34:13 --> 00:34:16: the percentage of clients that are moving into that next
00:34:16 --> 00:34:18: phase because of the reasons you describe?
00:34:18 --> 00:34:20: Or does it really matter once they get to the
00:34:20 --> 00:34:23: part where they're actually buying a house?
00:34:23 --> 00:34:25: It it more so matters when you get to that
00:34:25 --> 00:34:26: second phase,
00:34:26 --> 00:34:28: because that's when they're taking it.
00:34:28 --> 00:34:31: That general information and applying it to their particular situation.
00:34:31 --> 00:34:35: And that's the point at which we started gathering documents

00:34:35 --> 00:34:37: and really taking that deep dive and.
00:34:37 --> 00:34:41: And you know, the only other comment that I'll make
00:34:41 --> 00:34:45: about that question is the you know incredible volume of
00:34:45 --> 00:34:46: of clients,
00:34:46 --> 00:34:49: and you know which is way more than what we're
00:34:49 --> 00:34:50: able to address.
00:34:50 --> 00:34:52: And you know, one thing that we have seen over
00:34:53 --> 00:34:53: time is,
00:34:53 --> 00:34:56: you know. Less kind of funding resources to support housing
00:34:56 --> 00:34:59: counseling and when you take a look at this kind
00:34:59 --> 00:35:02: of big picture issue and all the policy you know
00:35:02 --> 00:35:04: changes that we could advocate for,
00:35:04 --> 00:35:07: you know, support to housing counselors who are able to.
00:35:07 --> 00:35:11: Actually, you know, kind of distill all of this information
00:35:11 --> 00:35:13: and get into the hands of of you know the
00:35:14 --> 00:35:16: end user seems to be really critical space.
00:35:16 --> 00:35:18: That prism advocacy.
00:35:20 --> 00:35:24: Teresa housing
00:35:24 --> 00:35:26: counselors becoming a challenge in Philadelphia.
00:35:26 --> 00:35:27: As well. You know, with Philly.
00:35:27 --> 00:35:32: First, we partnered with a multitude of housing counseling agencies
00:35:32 --> 00:35:34: to get folks home purchase ready.
00:35:34 --> 00:35:38: But the problem that you're having with housing counseling agencies
00:35:38 --> 00:35:39: right now is that I believe it's that.
00:35:39 --> 00:35:41: I believe it's a certification by HUD,
00:35:41 --> 00:35:45: but there's. There's a requirement that folks meet a certification
00:35:45 --> 00:35:49: that I'll be honest has been very challenging in Philadelphia
00:35:49 --> 00:35:52: in order to get everyone certified to be able to
00:35:52 --> 00:35:55: continue. Counseling folks and to to that.
00:35:55 --> 00:35:58: To that end, if we don't have the people on
00:35:58 --> 00:35:59: that side,
00:35:59 --> 00:36:01: as Lisa just pointed out,
00:36:01 --> 00:36:02: we're not funding that side,
00:36:02 --> 00:36:04: and we're not taking care of that side.
00:36:04 --> 00:36:06: We're going to have a big challenge in terms of
00:36:06 --> 00:36:10: meeting people's needs and people's desires to purchase home because
00:36:10 --> 00:36:12: they're going to lack the knowledge in the in the
00:36:12 --> 00:36:16: information necessary to make sure that they're going to be
00:36:16 --> 00:36:19: not only just a homeowner but a viable homeowner.

00:36:19 --> 00:36:23: A person that can maintain their home after purchasing.
00:36:23 --> 00:36:26: That home, and that's that's a big piece that Philadelphia
00:36:26 --> 00:36:28: is really struggling with right now.
00:36:28 --> 00:36:31: With this certification model. I don't know how we get
00:36:31 --> 00:36:32: through it.
00:36:32 --> 00:36:34: I know my partners at the city,
00:36:34 --> 00:36:38: DHCD Department of Housing and Community Development and working with
00:36:38 --> 00:36:42: their counseling agencies to try to provide that additional funding
00:36:42 --> 00:36:43: to get these folks certified,
00:36:43 --> 00:36:46: but then look at where we are in this world
00:36:46 --> 00:36:49: right now and we're dealing with our housing counselors are
00:36:49 --> 00:36:53: so overwhelmed right now with rental assistance with housing counseling
00:36:53 --> 00:36:56: assistance. The diversion of mortgages,
00:36:56 --> 00:36:59: the diversion of eviction. I mean,
00:36:59 --> 00:37:01: they're overwhelmed. I I'll be real and I don't know
00:37:01 --> 00:37:03: how you get through all of this right now,
00:37:03 --> 00:37:06: so we have to give a ladder.
00:37:06 --> 00:37:08: Me, I have to give a lot of props to
00:37:08 --> 00:37:11: Lisa and her staff and the Council agents here in
00:37:11 --> 00:37:15: Philadelphia because I can't imagine the challenges that they're facing
00:37:15 --> 00:37:18: right now and and and it isn't one of those
00:37:18 --> 00:37:20: positions and I hate to say this is one of
00:37:20 --> 00:37:24: those areas where folks don't think about it until it's
00:37:24 --> 00:37:27: gone. Intel's last, or until we actually have a huge
00:37:27 --> 00:37:30: dilemma on our hands and by then it may be
00:37:30 --> 00:37:30: too late.
00:37:32 --> 00:37:35: That's a, that's a really great point.
00:37:35 --> 00:37:38: I I was something you said Dave made me.
00:37:38 --> 00:37:39: I'm going to put a pin in it.
00:37:39 --> 00:37:40: I'm going to say it.
00:37:40 --> 00:37:42: And then I went to take Cherise's comment,
00:37:42 --> 00:37:45: but in our prep calls we had talked about.
00:37:45 --> 00:37:49: You know this train. This training relating to who's actually
00:37:49 --> 00:37:50: in the field,
00:37:50 --> 00:37:52: supporting the process of home ownership,
00:37:52 --> 00:37:54: and you mention the training for,
00:37:54 --> 00:37:57: like appraisers who's able to like just thinking about what
00:37:57 --> 00:38:00: that impact is on the the homeownership pipeline.
00:38:00 --> 00:38:01: I'll dig into that question a little bit more,

00:38:01 --> 00:38:02: but when it's to put it out there or something,

00:38:02 --> 00:38:05: I want it to. Address before I go back to

00:38:05 --> 00:38:05: Cherise.

00:38:07 --> 00:38:07: Thank you

00:38:07 --> 00:38:11: so yeah, Lisa said something interesting in regards to even

00:38:11 --> 00:38:13: if in the black and brown community you are,

00:38:13 --> 00:38:17: you know, financially savvy, but you're the 1st in your

00:38:17 --> 00:38:18: family to buy a home,

00:38:18 --> 00:38:23: so you're set back like even financially savvy.

00:38:23 --> 00:38:25: And even if you make a decent income,

00:38:25 --> 00:38:29: unfortunately you're also in a position where you're now look

00:38:29 --> 00:38:32: to when things happen you have.

00:38:32 --> 00:38:34: They're they're reaching out to you to take care of

00:38:34 --> 00:38:34: it,

00:38:34 --> 00:38:37: therefore decreasing the amount of money that you have towards

00:38:37 --> 00:38:38: a down payment.

00:38:38 --> 00:38:41: So a lot of these loan programs which are great,

00:38:41 --> 00:38:45: they have income, income limit restrictions which don't help the

00:38:45 --> 00:38:47: people making six figures,

00:38:47 --> 00:38:51: unfortunately. Therefore they can't utilize those programs,

00:38:51 --> 00:38:53: but they still are are in need of that down

00:38:53 --> 00:38:55: payment assistance,

00:38:55 --> 00:38:58: because again, they're reaching back to help their family and

00:38:58 --> 00:39:01: taking care of situations that are not regarding homeownership,

00:39:01 --> 00:39:02: unfortunately.

00:39:03 --> 00:39:04: That's a really great point.

00:39:04 --> 00:39:06: I think that we often like those are kind of

00:39:06 --> 00:39:07: nuances that are.

00:39:07 --> 00:39:09: It's easy to miss and hard to document just what

00:39:09 --> 00:39:12: the impact is and pick kind of being in that

00:39:12 --> 00:39:13: middle space on both.

00:39:13 --> 00:39:16: You know financially but just also in your community.

00:39:16 --> 00:39:17: Meaning like you know your family,

00:39:17 --> 00:39:23: your friends, whatever. I think that's a really interesting.

00:39:23 --> 00:39:25: Interesting point, I think it kind of takes me back

00:39:25 --> 00:39:27: to the question I'm supposed to be asking you now,

00:39:27 --> 00:39:31: which is how are you seeing?

00:39:31 --> 00:39:34: Let me let me find the words that I was

00:39:34 --> 00:39:36: supposed to ask you nicely.

00:39:36 --> 00:39:40: I want you to talk about the interplay between historical

00:39:40 --> 00:39:42: discrimination and homebuyer readiness.
00:39:42 --> 00:39:45: And so I think we're kind of touching on it
00:39:45 --> 00:39:49: a lot already and just have it impacts current homeseekers.
00:39:49 --> 00:39:51: I'm going to actually toss a question right to you,
00:39:51 --> 00:39:53: Dave, 'cause I want to hear you talk about it
00:39:53 --> 00:39:56: because I think when we talk about historical discrimination,
00:39:56 --> 00:39:58: its impact on home values and what that means for
00:39:58 --> 00:39:59: appraisals.
00:39:59 --> 00:40:00: I just want to hear you dive in.
00:40:00 --> 00:40:03: And if you guys have other thoughts on that,
00:40:03 --> 00:40:06: you haven't already said about how historical discrimination.
00:40:06 --> 00:40:09: Kind of impacts what we're seeing in the market today.
00:40:09 --> 00:40:10: I'd love to hear that,
00:40:10 --> 00:40:13: but to you, Dave and and Rob if feel free
00:40:13 --> 00:40:15: to chime in and like I want to make sure
00:40:15 --> 00:40:17: that you're not left out of the conversation,
00:40:17 --> 00:40:18: but go ahead Dave,
00:40:19 --> 00:40:22: yeah. So when you talk about the historical discrimination and
00:40:22 --> 00:40:24: and what we talked about the other day,
00:40:24 --> 00:40:27: it really to me and and certainly like to hear
00:40:27 --> 00:40:29: from my colleagues on this call as well.
00:40:29 --> 00:40:32: But I'm I. I think it really begins with the
00:40:32 --> 00:40:35: valuation issue and and in all honesty,
00:40:35 --> 00:40:37: because when when you look at.
00:40:37 --> 00:40:39: And I'll go back to my history in in the
00:40:39 --> 00:40:41: city of Philadelphia,
00:40:41 --> 00:40:44: 'cause I'm gonna share my experiences and how I see.
00:40:44 --> 00:40:49: I mean just simple things such as land valuation and
00:40:49 --> 00:40:51: who values that land.
00:40:51 --> 00:40:54: And unfortunately the people who value that land are not
00:40:54 --> 00:40:57: the folks who live in Philadelphia and in many respects
00:40:57 --> 00:41:00: they come from other places because that's how the industry
00:41:00 --> 00:41:02: is set up or they don't even come to Philadelphia.
00:41:02 --> 00:41:06: They just pull certain data points that basically allow them
00:41:06 --> 00:41:08: to make certain determinations.
00:41:08 --> 00:41:11: But more importantly, how do you break that cycle?
00:41:11 --> 00:41:13: I mean, it's almost it's almost impossible.
00:41:13 --> 00:41:14: We're trying to figure that out today,
00:41:14 --> 00:41:16: because when you talk about appraisers,
00:41:16 --> 00:41:20: most of your appraisers are not black and brown.
00:41:20 --> 00:41:24: Your appraisers is an industry that's very unique whereby

you
00:41:24 --> 00:41:27: can go to school and get up and get certified
00:41:27 --> 00:41:28: as an appraiser.
00:41:28 --> 00:41:31: But you won't, or you can get the education.
00:41:31 --> 00:41:32: I should say as an appraiser,
00:41:32 --> 00:41:35: but you won't get the certification until you actually get
00:41:35 --> 00:41:36: fill time.
00:41:36 --> 00:41:37: And how do you get the field time in the
00:41:37 --> 00:41:38: area?
00:41:38 --> 00:41:42: Where you don't have connectivity to to an appraiser?
00:41:42 --> 00:41:43: I mean at the end of the day,
00:41:43 --> 00:41:45: it's almost and I don't want to talk about food,
00:41:45 --> 00:41:48: but it's almost like a lot of other industries you
00:41:48 --> 00:41:48: know.
00:41:48 --> 00:41:52: Then there's then there's school and building trades and things
00:41:52 --> 00:41:56: of that nature where you're connected by family and in
00:41:56 --> 00:41:57: folks like that.
00:41:57 --> 00:41:59: And that's the pathway for a lot of folks.
00:41:59 --> 00:42:02: But black and brown people don't have that connectivity.
00:42:02 --> 00:42:03: They don't have that pathway,
00:42:03 --> 00:42:06: unfortunately. So like I said when I looked at certain
00:42:06 --> 00:42:07: things in Philadelphia,
00:42:07 --> 00:42:11: I can take. 11,000 square foot home in Philadelphia and
00:42:11 --> 00:42:15: South Philadelphia and I can sell that for $350,000 tomorrow.
00:42:15 --> 00:42:18: I do that same thing in in North Philadelphia.
00:42:18 --> 00:42:22: I'll be lucky to get $140,000 half that value and
00:42:22 --> 00:42:24: it's just and I know it's location,
00:42:24 --> 00:42:27: location, location. But it's not all location,
00:42:27 --> 00:42:29: location, location, people. We we,
00:42:29 --> 00:42:31: we all need to do math and let's just do
00:42:31 --> 00:42:32: simple math.
00:42:32 --> 00:42:35: And we recognize that there's a discrepancy and we all
00:42:36 --> 00:42:38: read about the discrepancies when when folks.
00:42:38 --> 00:42:41: Sent bring out appraisers and they changed their house to
00:42:41 --> 00:42:44: look there's certain way because they want that value to
00:42:45 --> 00:42:47: be appreciated in order for them to to get what
00:42:47 --> 00:42:49: they're trying to get out of that property.
00:42:49 --> 00:42:52: Whether it be a college education for their child,
00:42:52 --> 00:42:54: a new home home for upgrade,
00:42:54 --> 00:42:57: whatever it is, or just making repairs to their house.
00:42:57 --> 00:42:58: But how do you change that?

00:42:58 --> 00:43:01: Is the problem and I'm not working with a few
00:43:01 --> 00:43:03: folks that I see on this forum right now.
00:43:04 --> 00:43:05: Like Rachael Meadows and and folks,
00:43:05 --> 00:43:09: they're trying to figure out how we deal with that.
00:43:09 --> 00:43:13: Situation, but that's a situation they probably have to take.
00:43:13 --> 00:43:16: That probably has to go way beyond the local level,
00:43:16 --> 00:43:18: but it probably has to get to the federal side.
00:43:18 --> 00:43:22: It it really has to change dramatically in order for
00:43:22 --> 00:43:25: us to see a change in how properties are valued
00:43:25 --> 00:43:26: equally.
00:43:29 --> 00:43:30: Just
00:43:30 --> 00:43:33: saying this is wrong, if I can just chime in
00:43:33 --> 00:43:35: and and and put a little bit of context around.
00:43:35 --> 00:43:39: I agree with everything you're saying and you know we
00:43:39 --> 00:43:42: see it all the time on the lender side and
00:43:42 --> 00:43:43: you know a few things.
00:43:43 --> 00:43:46: I always hear the term and appraisal is not a
00:43:46 --> 00:43:46: science,
00:43:46 --> 00:43:50: it's an art. You know some loan products and depending
00:43:50 --> 00:43:53: upon the transaction they call for multiple appraisals.
00:43:53 --> 00:43:58: We've seen appraisal swings, 40 thousand $50,000.
00:43:58 --> 00:44:02: Happen all the time and you know the the interesting
00:44:02 --> 00:44:05: thing is and this kind of sparked from the mid
00:44:05 --> 00:44:09: to late 2000s when you know we had to kind
00:44:09 --> 00:44:13: of the mortgage bubble burst and and everything went haywire.
00:44:13 --> 00:44:17: There was a regulatory component that was put into place
00:44:17 --> 00:44:22: where lenders banks are no longer allowed to communicate with
00:44:22 --> 00:44:23: appraisers.
00:44:23 --> 00:44:26: And we literally hit a button that says order appraised,
00:44:26 --> 00:44:28: we we collect the fee.
00:44:28 --> 00:44:32: We hit the button that order goes down to something
00:44:32 --> 00:44:35: called an A an appraisal management company and AMC.
00:44:35 --> 00:44:40: That appraisal management company then puts a bid out to
00:44:40 --> 00:44:41: the appraisers.
00:44:41 --> 00:44:44: And that appraisal funnels back through the AMC and then
00:44:44 --> 00:44:46: the AMC says here you go lender here.
00:44:46 --> 00:44:50: Here appraisal. Now we can dispute value,
00:44:50 --> 00:44:53: but we have to have comparable sales.
00:44:53 --> 00:44:56: We have to have the evidence and basically the AMC
00:44:56 --> 00:44:58: kind of acts like the go between.
00:44:58 --> 00:45:01: So we definitely see this and I can tell you

00:45:01 --> 00:45:04: that it is on the radar of Fannie Mae and
00:45:04 --> 00:45:04: Freddie Mac.
00:45:04 --> 00:45:09: They're actively looking into this to have some hard evidence
00:45:09 --> 00:45:10: and hard proof.
00:45:10 --> 00:45:12: I know there's a lot of.
00:45:12 --> 00:45:18: Talk about doing more automated and computer model determinations of
00:45:18 --> 00:45:19: value,
00:45:19 --> 00:45:22: and they're trying to remove any sort of.
00:45:22 --> 00:45:26: You know, the terminology, whitewashing of of home values.
00:45:26 --> 00:45:30: So I do think that there is some a red
00:45:30 --> 00:45:32: flag up on this.
00:45:32 --> 00:45:34: I'm just not sure really what the the end all
00:45:34 --> 00:45:35: solution will be,
00:45:35 --> 00:45:38: but I just wanted to kind of paint that picture
00:45:38 --> 00:45:40: of sometimes the spot that we're into as as lenders
00:45:40 --> 00:45:42: and it's it's a tough place.
00:45:42 --> 00:45:43: Beast, sometimes.
00:45:45 --> 00:45:47: Sharisa feels like we're kind of all in in your
00:45:47 --> 00:45:48: world as well.
00:45:48 --> 00:45:51: In terms of thinking about getting a property to appraise
00:45:51 --> 00:45:52: you,
00:45:52 --> 00:45:53: have any any thoughts on that?
00:45:53 --> 00:45:56: And also it it. It makes me hearken back into
00:45:56 --> 00:45:57: your past comment,
00:45:57 --> 00:45:59: because that determination of value,
00:45:59 --> 00:46:02: and that determination of comps is largely driven by who
00:46:02 --> 00:46:04: is who is viewing it right,
00:46:04 --> 00:46:07: you know? That go ahead.
00:46:08 --> 00:46:10: I I there were so many things I actually forgot
00:46:10 --> 00:46:11: to say,
00:46:11 --> 00:46:13: but I'm I'll touch on this.
00:46:13 --> 00:46:15: It's it's. It's definitely hard,
00:46:15 --> 00:46:19: especially as a black real estate agent and having black
00:46:19 --> 00:46:24: clients and and in neighborhoods where it is already gentrified.
00:46:24 --> 00:46:27: And having those conversations and and being able to have
00:46:27 --> 00:46:30: it freely when when you're also black,
00:46:30 --> 00:46:32: just coming in and like OK and they all already
00:46:32 --> 00:46:35: also know because they see the news and they understand
00:46:35 --> 00:46:38: that they might get a lower appraisal value just because
00:46:38 --> 00:46:40: they're black and it's like made up a term.

00:46:40 --> 00:46:41: How do we D black?
00:46:41 --> 00:46:44: If I your house and it's unfortunate.
00:46:44 --> 00:46:47: Right? Like? Why is that even a conversation and you
00:46:47 --> 00:46:48: like you?
00:46:48 --> 00:46:50: There's this tension that we live in like one of
00:46:50 --> 00:46:53: my clients live in South Philly and they have like
00:46:53 --> 00:46:56: this huge black painting of a little girl with her
00:46:56 --> 00:46:58: big ol Afro puffs. And it's the centerpiece of the
00:46:58 --> 00:47:00: house and it makes the house.
00:47:00 --> 00:47:03: I'm like we can't take this down but it's it's
00:47:03 --> 00:47:04: a question.
00:47:04 --> 00:47:06: It's a question that we have if we don't take
00:47:06 --> 00:47:07: this down.
00:47:07 --> 00:47:09: Is it a possibility? And the answer is yes,
00:47:09 --> 00:47:12: unfortunately is a possibility. So which way do you go?
00:47:12 --> 00:47:14: I'm not sure because I'm.
00:47:14 --> 00:47:15: You know I'm the expert,
00:47:15 --> 00:47:17: I'm I'm trying to get you to get the highest
00:47:17 --> 00:47:18: value for your home,
00:47:18 --> 00:47:23: but also recognizing that this could be an obstacle in
00:47:23 --> 00:47:23: our way so.
00:47:24 --> 00:47:29: The A solution. I'm not sure I mean to to
00:47:29 --> 00:47:31: David's point,
00:47:31 --> 00:47:34: there's not enough black and brown appraisers.
00:47:34 --> 00:47:37: There's not enough black and brown real estate agents,
00:47:37 --> 00:47:40: so one of the things in regards to partnerships and
00:47:40 --> 00:47:41: things of that nature.
00:47:41 --> 00:47:43: I was one of the founders of an affinity group
00:47:43 --> 00:47:46: with it within my brokerage at Compass called Compass and
00:47:47 --> 00:47:47: Color,
00:47:47 --> 00:47:51: and we're there to build community within the Black and
00:47:51 --> 00:47:52: brown real estate.
00:47:52 --> 00:47:55: You know, agents and staff because there's not enough of
00:47:55 --> 00:47:56: us there,
00:47:56 --> 00:47:59: especially full time. To be able to build inwardly to
00:47:59 --> 00:48:00: them,
00:48:00 --> 00:48:02: breathe it, be able to project outwardly,
00:48:02 --> 00:48:04: so we build it here because there's a lot of
00:48:04 --> 00:48:06: money to be made and wealthy.
00:48:06 --> 00:48:09: Whether you're an agent or you know you're investing in
00:48:09 --> 00:48:12: real estate as a whole so we can do it
00:48:12 --> 00:48:13: inwardly.

00:48:13 --> 00:48:14: We can project it outwardly,
00:48:14 --> 00:48:15: and then if we can do that,
00:48:15 --> 00:48:20: we can help people understand and also get into the
00:48:20 --> 00:48:21: real estate game.
00:48:21 --> 00:48:23: Hopefully a little bit earlier,
00:48:23 --> 00:48:26: but helping them budget by getting their credit readiness by
00:48:26 --> 00:48:28: having those conversations.
00:48:28 --> 00:48:31: Early enough it starts with the kids.
00:48:31 --> 00:48:32: I mean starts with the kids and of course we
00:48:33 --> 00:48:35: can't leave all the adults because we needed to change
00:48:35 --> 00:48:35: now.
00:48:35 --> 00:48:37: But if we can educate early,
00:48:37 --> 00:48:38: we'll have a better chance.
00:48:38 --> 00:48:42: So yes, the the discrimination of not being able to
00:48:42 --> 00:48:46: buy and just being plain out decline for mortgage.
00:48:46 --> 00:48:49: The predatory lending, the redlining,
00:48:49 --> 00:48:54: all of that. Perpetuate it or discourage homeownership and therefore
00:48:54 --> 00:48:56: lacking importance of home ownership.
00:48:56 --> 00:49:00: So now you have people who live in neighborhoods that
00:49:00 --> 00:49:02: they don't really want to currently buy it.
00:49:02 --> 00:49:05: So if you don't want to buy there when gentrification
00:49:05 --> 00:49:06: starts to happen,
00:49:06 --> 00:49:09: you see prices increase and you're like,
00:49:09 --> 00:49:11: oh, that completely renovated house.
00:49:11 --> 00:49:13: Let's just say it was over five years ago in
00:49:13 --> 00:49:14: Point Breeze.
00:49:14 --> 00:49:17: It's 180,000. Why would you want to pay that much
00:49:17 --> 00:49:20: to live here and then you have somebody else come
00:49:20 --> 00:49:20: in?
00:49:20 --> 00:49:23: They pay 180. $1000 for their house.
00:49:23 --> 00:49:26: Five years later they sell it for $320,000.
00:49:26 --> 00:49:28: That is what we're missing in our communities.
00:49:28 --> 00:49:30: We won't. We don't want to buy there 'cause we
00:49:30 --> 00:49:31: don't want to send our kids to school there.
00:49:31 --> 00:49:33: We don't want to. You know,
00:49:33 --> 00:49:35: it's bad, there's trash. There's all types of things that
00:49:35 --> 00:49:38: interfere with why we don't want to purchase in our
00:49:38 --> 00:49:39: specific neighborhoods.
00:49:39 --> 00:49:41: And then we miss out on appreciation in that building
00:49:41 --> 00:49:42: that financial wealth.
00:49:44 --> 00:49:47: Really interesting like I feel like I could like have

00:49:47 --> 00:49:48: a whole side of our conversation with you,
00:49:48 --> 00:49:51: which we can't do on this call.
00:49:51 --> 00:49:53: Just because like thinking about the school piece and we're
00:49:53 --> 00:49:54: not going to,
00:49:54 --> 00:49:55: we're not going to dive here.
00:49:55 --> 00:49:57: There's I don't want to to send my kids to
00:49:57 --> 00:49:58: the local schools,
00:49:58 --> 00:50:01: but also can I afford to pay this mortgage and,
00:50:01 --> 00:50:03: you know, send my kid to a private school if
00:50:03 --> 00:50:05: that's the only option.
00:50:05 --> 00:50:07: You know, while the neighborhood is working itself out?
00:50:07 --> 00:50:09: But that's a sidebar. My thoughts,
00:50:09 --> 00:50:11: not what we're supposed to do here in this conversation
00:50:11 --> 00:50:12: is going to bring it back.
00:50:12 --> 00:50:15: I'm just thinking about. Is some of the things that
00:50:15 --> 00:50:18: we're saying there there's two sides of this story,
00:50:18 --> 00:50:20: right? So there is the home seeker.
00:50:20 --> 00:50:22: And then there's a home buyer,
00:50:22 --> 00:50:23: and they both really. You know,
00:50:23 --> 00:50:26: it's like this circle because the value you're able to
00:50:26 --> 00:50:26: attain,
00:50:26 --> 00:50:28: you're able to kind of put into the next house
00:50:29 --> 00:50:30: and be able to as they describe kind of.
00:50:30 --> 00:50:34: Move up the ladder, but it'll be interesting to kinda
00:50:34 --> 00:50:38: hear you guys talk about what it is to kind
00:50:38 --> 00:50:42: of thread the line about affordability in place in like
00:50:42 --> 00:50:44: seeking to get fair values.
00:50:44 --> 00:50:46: But also wanting to think about affordability,
00:50:46 --> 00:50:49: wanting to see your home property values increase,
00:50:49 --> 00:50:53: but being concerned about what your tax bill looks like.
00:50:53 --> 00:50:55: So if you guys have any thoughts that you want
00:50:55 --> 00:50:56: to share on,
00:50:56 --> 00:50:59: you know. Basically the rising home prices in the city
00:50:59 --> 00:51:01: and you know what that means for for a home
00:51:01 --> 00:51:03: buyers and also homeowners in the city.
00:51:05 --> 00:51:08: Maybe I could just just chime in 'cause I,
00:51:08 --> 00:51:09: I know this isn't the topic,
00:51:09 --> 00:51:11: but I do just want to hit on what just
00:51:11 --> 00:51:15: kind of pick up on Cherise is thread because from
00:51:15 --> 00:51:16: our perspective,
00:51:16 --> 00:51:19: as I said at the top we're housing agency and
00:51:19 --> 00:51:22: community development agency and this is the spot where

the
00:51:22 --> 00:51:25: two really come together and so you know to really
00:51:25 --> 00:51:28: look at we we actually do work with schools as
00:51:28 --> 00:51:30: part of strengthening neighborhood.
00:51:30 --> 00:51:34: So it is part of that holistic strategy.
00:51:34 --> 00:51:37: You know, kind of looking at a neighborhood you know
00:51:37 --> 00:51:37: we we say,
00:51:37 --> 00:51:40: like from the sidewalk level like what's it like to
00:51:40 --> 00:51:42: live here and what can we do to you?
00:51:42 --> 00:51:45: Know, to really kind of strengthen from from all these
00:51:46 --> 00:51:48: multiple points and then the other thing is just,
00:51:48 --> 00:51:50: you know this is it.
00:51:50 --> 00:51:52: It sort of layers into this.
00:51:52 --> 00:51:56: The conversation that we've been having is this outlook called
00:51:56 --> 00:52:00: Asset based Community development and so you know that is
00:52:00 --> 00:52:03: not only a way of just kind of framing,
00:52:03 --> 00:52:06: you know the what. You know what's in a neighborhood
00:52:06 --> 00:52:09: and and from from a strength based perspective you know
00:52:09 --> 00:52:11: what are those assets,
00:52:11 --> 00:52:13: so it's not only a way of framing the neighborhood.
00:52:13 --> 00:52:16: For for people who are living there currently,
00:52:16 --> 00:52:20: but also a way of building strategy.
00:52:20 --> 00:52:23: And so you know that it it really is critical
00:52:24 --> 00:52:26: to take that holistic look and say,
00:52:26 --> 00:52:29: you know, we're we're going to try to get people
00:52:29 --> 00:52:30: into homeownership.
00:52:30 --> 00:52:32: We're going to try to to build,
00:52:32 --> 00:52:35: you know, homeownership opportunity and.
00:52:35 --> 00:52:38: Also, really invest in the neighborhood in ways that that
00:52:39 --> 00:52:41: make a difference in terms of you know,
00:52:41 --> 00:52:44: kind of like the holistic health of the neighborhood.
00:52:44 --> 00:52:46: So I, I just I did just want to sort
00:52:46 --> 00:52:48: of add that point in even though it was a
00:52:48 --> 00:52:50: little bit of a tangent,
00:52:50 --> 00:52:52: I think it it just kind of pulls us in
00:52:52 --> 00:52:53: here to talk about.
00:52:53 --> 00:52:55: You know what that? That kind of real value is
00:52:55 --> 00:52:57: of the house that we're trying to get people into.
00:52:58 --> 00:52:59: And I don't think it's a tangent.
00:52:59 --> 00:53:02: Actually I think that as we think about these issues,
00:53:02 --> 00:53:03: you know it's it's a.

00:53:03 --> 00:53:05: It's an insight that's important to think about.
00:53:05 --> 00:53:08: Now it is holistic in order to if we want
00:53:08 --> 00:53:11: to think about black and Brown home ownership in a
00:53:11 --> 00:53:11: place,
00:53:11 --> 00:53:14: then the police matters and and and what that place
00:53:14 --> 00:53:15: looks like matters.
00:53:16 --> 00:53:18: And I will just say to your actual question.
00:53:18 --> 00:53:20: The one thing that I just want to chime in
00:53:20 --> 00:53:21: from our sort of,
00:53:21 --> 00:53:25: you know, anecdotal experience, is that that what we are
00:53:25 --> 00:53:25: seeing is,
00:53:25 --> 00:53:28: you know, home prices really varying and of the clients
00:53:28 --> 00:53:31: that that we see come in that you know the
00:53:31 --> 00:53:33: income sort of very as well and so we feel
00:53:33 --> 00:53:36: like, you know, we take sort of a targeted approach
00:53:36 --> 00:53:36: to helping.
00:53:36 --> 00:53:39: A prospective home buyer get into a home that that
00:53:39 --> 00:53:40: works for them,
00:53:40 --> 00:53:43: and we've seen people make sort of different.
00:53:43 --> 00:53:45: You know, mathematical formulas work,
00:53:45 --> 00:53:48: you know, sort of, just depending on what their their
00:53:48 --> 00:53:49: real,
00:53:49 --> 00:53:51: you know life situation is.
00:53:51 --> 00:53:53: And so you know. I would just say it's it
00:53:54 --> 00:53:54: for us.
00:53:54 --> 00:53:56: It's more of a, you know,
00:53:56 --> 00:53:58: targeted approach to say. Let's look at look at your
00:53:58 --> 00:54:00: situation and you know what kind of debt you have
00:54:00 --> 00:54:03: and what kind of history you have and what your
00:54:03 --> 00:54:04: habits are and things like that.
00:54:04 --> 00:54:07: And then you know, see you know what?
00:54:07 --> 00:54:09: Some kind of range of home that we can get
00:54:09 --> 00:54:09: you into,
00:54:09 --> 00:54:10: so just
00:54:10 --> 00:54:11: a very targeted approach.
00:54:14 --> 00:54:16: Thanks, one thing that we haven't really talked about,
00:54:16 --> 00:54:19: just kind of going back to one of your first
00:54:19 --> 00:54:22: comments Dave in in the conversation was just about the
00:54:22 --> 00:54:23: shrinking supply.
00:54:23 --> 00:54:26: Lots of lots of reasons that the supply is and
00:54:26 --> 00:54:27: could be shrinking,
00:54:27 --> 00:54:30: but one that comes to mind just in relation to

00:54:30 --> 00:54:33: your work is you know the state of repair of
00:54:33 --> 00:54:35: housing and I'd love for you to kind of talk
00:54:35 --> 00:54:39: about the crosswalk between how properties are maintained and and
00:54:39 --> 00:54:42: then who gets to who's who's at next buyer in
00:54:42 --> 00:54:42: the cycle.
00:54:42 --> 00:54:45: And also, if you could also chime in a little
00:54:45 --> 00:54:45: bit.
00:54:45 --> 00:54:49: Rob, you mentioned in your your comments about you know
00:54:49 --> 00:54:52: what it means to be buying a home with FHA
00:54:52 --> 00:54:56: and needing to get those additional inspection requirements.
00:54:56 --> 00:54:59: So just kind of if there's a way to kind
00:54:59 --> 00:55:02: of tie in how home repair ties in with people
00:55:02 --> 00:55:04: being able to access the market.
00:55:06 --> 00:55:07: Yeah, I didn't.
00:55:08 --> 00:55:10: I haven't thought about it correlating that way,
00:55:10 --> 00:55:14: but let me let me talk a couple things.
00:55:14 --> 00:55:16: So when I talk about the the the supply being
00:55:16 --> 00:55:19: low and this is based on conversations that I've had
00:55:19 --> 00:55:23: with Realtors throughout Philadelphia in terms of conversations where you
00:55:23 --> 00:55:26: have a lot of high end product and you have
00:55:26 --> 00:55:29: a you have low end product you don't have middle,
00:55:29 --> 00:55:32: you don't have the middle ground where 200.
00:55:32 --> 00:55:35: To three objects taking as high as three,
00:55:35 --> 00:55:38: maybe they can probably stretch it a little bit,
00:55:38 --> 00:55:40: but you don't have it on the market very much
00:55:40 --> 00:55:42: and you just don't have it.
00:55:42 --> 00:55:45: And unfortunately, Philadelphia, you know at the end of the
00:55:45 --> 00:55:45: day,
00:55:45 --> 00:55:48: we. We have a lot of aging housing stock.
00:55:48 --> 00:55:52: Let's keep it real where where we have housing that's
00:55:52 --> 00:55:56: older than certainly older than me and probably 100 years
00:55:56 --> 00:55:59: in many cases 100 years plus and many in many
00:55:59 --> 00:56:04: neighborhoods, and unfortunately, deferred maintenance is a real thing and
00:56:04 --> 00:56:09: that also hinders a person's ability to sell their property
00:56:09 --> 00:56:10: just as much as it.
00:56:10 --> 00:56:13: Creates challenges and maintaining your home.
00:56:13 --> 00:56:16: So for instance, a lot of folks who have these
00:56:16 --> 00:56:16: homes.
00:56:16 --> 00:56:18: Even if they wanted to sell.
00:56:18 --> 00:56:22: They're they're getting. I would just say fine sitting on

00:56:22 --> 00:56:25: getting 5 cent on the dollar so to speak.
00:56:25 --> 00:56:27: In other words, they they they're not putting that roof
00:56:27 --> 00:56:29: on because they don't have the resources to do that.
00:56:29 --> 00:56:32: They're not upgrading that heating system because they don't have
00:56:32 --> 00:56:33: the resources to do that,
00:56:33 --> 00:56:37: and they have other things that home inspections will reveal
00:56:37 --> 00:56:40: or or Realtors will show that need to be done
00:56:40 --> 00:56:42: to make your value appreciated.
00:56:42 --> 00:56:45: Or or make that property worth the sale.
00:56:45 --> 00:56:49: But the cost of maintaining 100 year old house.
00:56:49 --> 00:56:52: Let me just say based on my experiences on the.
00:56:52 --> 00:56:57: Repair side astronomical. You have a lot of lead type
00:56:57 --> 00:56:59: on lead plumbing.
00:56:59 --> 00:57:03: We all know the debt Croods eventually that will all
00:57:03 --> 00:57:05: need to be replaced.
00:57:05 --> 00:57:08: A lot of homeowners do not have the resources to
00:57:08 --> 00:57:09: do that.
00:57:09 --> 00:57:10: 'cause we have the same challenge.
00:57:10 --> 00:57:12: With rules. I mean I don't know about you all,
00:57:12 --> 00:57:15: but I can probably and and I'll be real,
00:57:15 --> 00:57:19: honest. Most of the folks on this car probably don't
00:57:19 --> 00:57:23: do routine maintenance of roofs and and I'm guilty myself,
00:57:23 --> 00:57:25: even though I'm in this world,
00:57:25 --> 00:57:26: I I too am guilty.
00:57:26 --> 00:57:28: But you know, instead of getting it every five to
00:57:28 --> 00:57:29: 10 years,
00:57:29 --> 00:57:32: I might be one of those 15 to 20 kind
00:57:32 --> 00:57:33: of guys myself,
00:57:33 --> 00:57:38: but everyone can't. Live that way so so the challenge
00:57:38 --> 00:57:39: is just.
00:57:39 --> 00:57:42: You have 100 year old housing stock.
00:57:42 --> 00:57:45: You have a lot of vacancy land.
00:57:45 --> 00:57:48: And then you have very little supply in terms of
00:57:49 --> 00:57:49: middle market.
00:57:49 --> 00:57:53: Very little, and even though we're about to open up
00:57:53 --> 00:57:54: Philly first,
00:57:54 --> 00:57:58: if the conversations I'm having with Realtors are real and
00:57:58 --> 00:58:00: the stats that I have are are accurate.
00:58:00 --> 00:58:04: I'm really concerned about how how this program will move
00:58:04 --> 00:58:04: forward,
00:58:04 --> 00:58:08: because I think as I think it was robbed that

00:58:08 --> 00:58:13: pointed out sellers are not waiting for FHA lenders.

00:58:13 --> 00:58:17: Sellers are taking prices well above appraised value,

00:58:17 --> 00:58:20: which obviously goes against FHA.

00:58:20 --> 00:58:24: Sellers are selling properties without doing repairs,

00:58:24 --> 00:58:27: as is no inspections. All those things are counted to

00:58:28 --> 00:58:30: what we're trying to teach folks as home first time

00:58:30 --> 00:58:31: home buyer,

00:58:31 --> 00:58:34: but we don't want you buying a house without being

00:58:34 --> 00:58:37: inspected because we don't want you going into some other

00:58:37 --> 00:58:41: persons problem because your first time homebuyer your income is

00:58:41 --> 00:58:45: probably limited. So obviously you don't want to walk into

00:58:45 --> 00:58:45: a problem.

00:58:45 --> 00:58:50: And in Philadelphia I know facts you can walk into

00:58:50 --> 00:58:51: a major problem.

00:58:51 --> 00:58:55: If you're not taking the proper steps to making sure

00:58:55 --> 00:58:58: that that House has been inspected and and making sure

00:58:58 --> 00:59:02: that you're not buying someone else's problem as you know

00:59:02 --> 00:59:05: caveat emptor, buyer beware, so to speak,

00:59:05 --> 00:59:06: and you know how that goes,

00:59:06 --> 00:59:11: unfortunately, and it's the it's the least educated buyer that's

00:59:11 --> 00:59:11: always left.

00:59:11 --> 00:59:13: If you will hold in the bag.

00:59:13 --> 00:59:15: I hate to say that but,

00:59:15 --> 00:59:18: and that's where we have to focus our attention and

00:59:18 --> 00:59:20: on on on the supply side I guess for us

00:59:20 --> 00:59:22: on the supply side in Philadelphia.

00:59:22 --> 00:59:24: As you can see, it's not a vacancy.

00:59:24 --> 00:59:27: We're trying to figure that out by building new housing

00:59:27 --> 00:59:28: in Philadelphia.

00:59:28 --> 00:59:33: But again, I think someone else pointed out the cost

00:59:33 --> 00:59:38: of construction so much higher even now after pandemic.

00:59:38 --> 00:59:40: So how do you bridge that gap?

00:59:40 --> 00:59:43: Meaning that if I'm going to build a house that's

00:59:44 --> 00:59:46: going to cost $250,000 to build.

00:59:48 --> 00:59:51: $280,000 bill. But we're saying that a person can only

00:59:51 --> 00:59:53: afford $170,000 on the mortgage.

00:59:53 --> 00:59:55: We have to close that gap.

00:59:55 --> 00:59:57: So how do you do that and how do you

00:59:57 --> 01:00:01: entice a developer to recognize the value of building for

01:00:01 --> 01:00:04: a little market when they can build?

01:00:04 --> 01:00:08: Unfortunately, and sell for 400,000.

01:00:08 --> 01:00:10: I mean, it's it's a hard game and it's a
01:00:10 --> 01:00:11: hard challenge,
01:00:11 --> 01:00:14: but I do believe that we have the opportunity to
01:00:15 --> 01:00:15: be very.
01:00:15 --> 01:00:19: I'll say transformative in Philadelphia because as I said earlier,
01:00:19 --> 01:00:22: our colleagues have provided us the resources to really think
01:00:22 --> 01:00:23: outside the box.
01:00:23 --> 01:00:24: We have the answers. We have the land,
01:00:24 --> 01:00:27: we have the resources. All we need is the will
01:00:27 --> 01:00:30: and the determination and I think will be very successful
01:00:30 --> 01:00:33: in meeting that challenge but but it is a very.
01:00:33 --> 01:00:36: It's a real challenge and we should not ignore it
01:00:36 --> 01:00:37: or or make light of it.
01:00:39 --> 01:00:42: Thanks Dave. I mean like so much there.
01:00:42 --> 01:00:43: I feel like this whole panel.
01:00:43 --> 01:00:46: We could probably talk to each of you for the
01:00:46 --> 01:00:49: amount of time that we allotted for this conversation,
01:00:49 --> 01:00:51: but we are at the time for or just about
01:00:51 --> 01:00:53: at time before we go into Q&A.
01:00:53 --> 01:00:56: I do want to ask you guys one final question.
01:00:56 --> 01:00:58: So if we could do it kind of lightning round,
01:00:58 --> 01:01:01: you know try to maybe a minute or two or
01:01:01 --> 01:01:02: a minute.
01:01:02 --> 01:01:04: To kind of answer this question,
01:01:04 --> 01:01:07: is there a single practice or policy change that you
01:01:07 --> 01:01:11: think would have the greatest impact on home home purchasing
01:01:11 --> 01:01:14: for black and brown residents in Philly,
01:01:14 --> 01:01:16: or places like it? What would it take to to
01:01:16 --> 01:01:19: move the needle that you think let that people need
01:01:19 --> 01:01:20: to know so just one minute?
01:01:20 --> 01:01:22: What do you think is the biggest thing that could
01:01:22 --> 01:01:22: be done?
01:01:23 --> 01:01:24: And I start, I don't.
01:01:24 --> 01:01:26: Yeah, I like maybe
01:01:26 --> 01:01:28: two or three and I'll try to make it quick.
01:01:28 --> 01:01:34: I think it could be again increasing that income limit,
01:01:34 --> 01:01:39: but also making it specifically for black individuals.
01:01:39 --> 01:01:43: Unfortunately, you know it it it has to be intentional.
01:01:43 --> 01:01:44: It can't just say it.
01:01:44 --> 01:01:46: Can't just be for low income,
01:01:46 --> 01:01:51: it has to be or black and brown individuals.

01:01:51 --> 01:01:54: By increasing that, but then also the programs that that
01:01:54 --> 01:01:56: are in place like right now.
01:01:56 --> 01:01:59: I know there's some programs as far as like 10,005
01:01:59 --> 01:02:00: thousand,
01:02:00 --> 01:02:01: so on and so forth,
01:02:01 --> 01:02:05: just continuing that education. Maybe the first course is 5000
01:02:05 --> 01:02:09: for participating in lowering the articles in order to receive
01:02:09 --> 01:02:10: that money.
01:02:10 --> 01:02:13: And then the second course you get 7500.
01:02:14 --> 01:02:16: So the 5000 goes towards down payment.
01:02:16 --> 01:02:18: The 7500 goes towards closing costs and then if you
01:02:18 --> 01:02:21: take another course maybe they pay the first two months.
01:02:21 --> 01:02:22: Of
01:02:22 --> 01:02:23: your mortgage or moving cost,
01:02:24 --> 01:02:26: because with that if you look at the numbers,
01:02:26 --> 01:02:29: I always tell my clients and it doesn't just start
01:02:29 --> 01:02:29: with.
01:02:29 --> 01:02:33: You know these agencies of of educating which we definitely
01:02:33 --> 01:02:33: need.
01:02:33 --> 01:02:36: Also starts with the agent being able to educate your
01:02:36 --> 01:02:36: client.
01:02:36 --> 01:02:38: Get them ready for for purchasing a home.
01:02:38 --> 01:02:40: So if you look at it all and we always
01:02:40 --> 01:02:42: say roughly about 10%
01:02:42 --> 01:02:44: whether using FHA or 3%
01:02:44 --> 01:02:45: down plus closing costs in Philly,
01:02:45 --> 01:02:47: roughly 10%. So how do we get there?
01:02:47 --> 01:02:51: Still not enough if you give them almost 13,000 and
01:02:51 --> 01:02:53: they buy a home for 150.
01:02:53 --> 01:02:56: Not sure exactly where they still need to come up
01:02:56 --> 01:02:58: with the difference then.
01:02:58 --> 01:03:01: It's also come into the school systems we need to
01:03:01 --> 01:03:05: put more money just like Penn Alexander done all that
01:03:05 --> 01:03:06: money in.
01:03:06 --> 01:03:07: What is it Drexel, Penn,
01:03:07 --> 01:03:10: Penn dumped all them into Penn Alexander,
01:03:10 --> 01:03:14: therefore creating a better community for schools,
01:03:14 --> 01:03:16: therefore creating a better atmosphere for people to want to
01:03:16 --> 01:03:20: live with all those things combined will create better communities
01:03:20 --> 01:03:21: for black and brown people.
01:03:22 --> 01:03:25: Awesome, thanks Jerry's who wants to go next.

01:03:28 --> 01:03:30: I'll go next. So I'm going to pick up on
01:03:31 --> 01:03:33: what reset and and what Dave said.
01:03:33 --> 01:03:35: Sorry, like Cherise, I might want to say one more
01:03:35 --> 01:03:36: than one thing,
01:03:36 --> 01:03:38: but I'll say it, but so I you know,
01:03:38 --> 01:03:42: I want to pick up one with Dave said about
01:03:42 --> 01:03:46: creating housing stock because I think this is really for
01:03:46 --> 01:03:47: me.
01:03:47 --> 01:03:49: Feels like this is the moment where we really can
01:03:49 --> 01:03:52: move the needle on on housing stock and also build
01:03:52 --> 01:03:56: our communities which you know something we talked about in
01:03:56 --> 01:03:58: Baltimore a lot. We throw out the number there's 15,000
01:03:59 --> 01:04:01: vacant properties like I don't think anybody really knows how
01:04:01 --> 01:04:03: many vacant properties there are.
01:04:03 --> 01:04:06: There are a lot of vacant properties and and if
01:04:06 --> 01:04:08: we can you know what it takes exactly what Dave
01:04:08 --> 01:04:09: said.
01:04:09 --> 01:04:11: You know acquiring those properties,
01:04:11 --> 01:04:14: but you know having the funds to to really renovate
01:04:14 --> 01:04:17: them properly and then sell them at affordable price on
01:04:17 --> 01:04:18: the market.
01:04:18 --> 01:04:20: And so there's gap funding there.
01:04:20 --> 01:04:22: And and what we need is you know what?
01:04:22 --> 01:04:22: How can we fix that?
01:04:22 --> 01:04:25: We need self funding to to to make that work
01:04:25 --> 01:04:27: and you know you know the reason why I think
01:04:27 --> 01:04:30: this is the moment for it is you know there's
01:04:30 --> 01:04:32: ARPA funding. There are, I know,
01:04:32 --> 01:04:33: in Maryland we have a state surplus.
01:04:33 --> 01:04:36: As a result of, you know funding that came from
01:04:36 --> 01:04:39: the federal government in pandemic response.
01:04:39 --> 01:04:41: You know it's not a typical situation,
01:04:41 --> 01:04:44: so there's a moment where there are sort of you
01:04:44 --> 01:04:48: know real blocks of funding that could be dedicated to
01:04:48 --> 01:04:50: doing exactly what we're talking about here.
01:04:50 --> 01:04:54: Buying up those vacants, renovating them and and putting them
01:04:54 --> 01:04:56: on sale on the market.
01:04:56 --> 01:04:59: This creates homeownership, opportunity, it builds communities,
01:04:59 --> 01:05:02: it builds value in the communities,
01:05:02 --> 01:05:04: and really can make a huge difference.

01:05:04 --> 01:05:06: For generations to come and the one other thing that
01:05:06 --> 01:05:07: I would say is,
01:05:07 --> 01:05:09: well, that is a big idea and and who knows
01:05:09 --> 01:05:12: if if you know there's lots of competing interests for
01:05:12 --> 01:05:13: that,
01:05:13 --> 01:05:16: all of that Arba and in cares funding.
01:05:16 --> 01:05:19: But, but I do think that the sort of small
01:05:20 --> 01:05:25: scale solutions are really accessible and and really our place
01:05:25 --> 01:05:26: to invest,
01:05:26 --> 01:05:29: so you know investing in in the housing,
01:05:29 --> 01:05:31: counseling and in the various,
01:05:31 --> 01:05:34: you know, kind of products that could be made available
01:05:34 --> 01:05:34: to.
01:05:34 --> 01:05:37: To make homeownership more accessible,
01:05:37 --> 01:05:38: they may seem small, but they are.
01:05:38 --> 01:05:41: They're accessible and they're doable and so and that that
01:05:41 --> 01:05:42: makes them you know,
01:05:42 --> 01:05:43: big impact ideas.
01:05:47 --> 01:05:48: Robert, OK, Dave.
01:05:52 --> 01:05:54: Again, I think there's a whole host of things I
01:05:55 --> 01:05:57: can probably talk to you for hours.
01:05:57 --> 01:05:59: I mean, one of the things that I think are
01:05:59 --> 01:06:01: critical is obviously what we talked about earlier.
01:06:01 --> 01:06:05: The appraisal side valuation of properties.
01:06:05 --> 01:06:08: I mean, if you think about what has been a
01:06:08 --> 01:06:12: pathway to generational wealth has been housing values in in
01:06:12 --> 01:06:15: the the ability to use your house to leverage other
01:06:15 --> 01:06:19: opportunities, whether it be the college education for your child
01:06:19 --> 01:06:22: or whether it be that that vacation home that you
01:06:22 --> 01:06:23: have down at the shore,
01:06:23 --> 01:06:25: or whether it be that down payment for your child
01:06:25 --> 01:06:27: home when they get married.
01:06:27 --> 01:06:29: Whatever it is, then then,
01:06:29 --> 01:06:32: then and house value has always been what's what what
01:06:32 --> 01:06:34: most people have used.
01:06:34 --> 01:06:36: Unfortunately for black and brown folks,
01:06:36 --> 01:06:38: that has not been the case,
01:06:38 --> 01:06:41: and again that has a lot to do with the
01:06:41 --> 01:06:44: system and the structure that we live in more so
01:06:44 --> 01:06:45: than anything.
01:06:45 --> 01:06:48: And and again, I don't know how you address that,

01:06:48 --> 01:06:51: but the other piece that we also have to address
01:06:51 --> 01:06:51: too,
01:06:51 --> 01:06:56: as as Lisa. Just pointing out and what I tried
01:06:56 --> 01:06:58: to point out earlier is.
01:06:58 --> 01:07:02: Increasing supply, I mean you have an opportunity but we
01:07:02 --> 01:07:05: have to be very intentional and thoughtful about how we
01:07:05 --> 01:07:06: use that.
01:07:06 --> 01:07:09: That land you don't want to be in a situation
01:07:09 --> 01:07:11: that I don't like to throw out other places,
01:07:11 --> 01:07:14: but you don't want to be like San Francisco,
01:07:14 --> 01:07:19: for instance, where unfortunately the market has taken control of
01:07:19 --> 01:07:23: everything and the valuation and the pricing has put people
01:07:23 --> 01:07:26: unfortunately out of the market.
01:07:26 --> 01:07:29: We don't want that in Philadelphia and I'm only speaking
01:07:29 --> 01:07:30: to Philadelphia right now,
01:07:30 --> 01:07:33: 'cause that's where my heart and my head is.
01:07:33 --> 01:07:34: So at the end of the day,
01:07:34 --> 01:07:37: we we have to think about what's in our best
01:07:37 --> 01:07:38: interest,
01:07:38 --> 01:07:39: but we have to be very thoughtful.
01:07:39 --> 01:07:43: And again, thanks Marissa, you don't want to build a
01:07:43 --> 01:07:46: community of of low income folks,
01:07:46 --> 01:07:49: you gotta have a neighborhood that that that looks like
01:07:49 --> 01:07:50: Philadelphia.
01:07:50 --> 01:07:52: I mean, we have to have a mix so you
01:07:52 --> 01:07:54: have to be able to put a mix of folks
01:07:54 --> 01:07:56: in the neighborhood to make it.
01:07:56 --> 01:07:59: Fry's, otherwise you're going to have a repeat cycle where
01:07:59 --> 01:08:03: you have nothing but deterioration and dilapidation and things of
01:08:03 --> 01:08:06: that nature because you're not getting giving people the right
01:08:06 --> 01:08:08: setup and and more importantly,
01:08:08 --> 01:08:12: when you put people in a community that.
01:08:12 --> 01:08:15: I'm sitting next to someone that is doing better,
01:08:15 --> 01:08:19: that is. It gives you inspiration to some degree to
01:08:19 --> 01:08:21: to aspire for more money,
01:08:21 --> 01:08:23: but when you when you are.
01:08:23 --> 01:08:26: Unfortunately, living as well written,
01:08:26 --> 01:08:29: maybe in some cases better than than what you see
01:08:29 --> 01:08:30: next to you.
01:08:30 --> 01:08:34: The aspiration and inspirations do more is somewhat

lessened because
01:08:34 --> 01:08:38: you think you've already done more than than what you're
01:08:38 --> 01:08:41: capable of doing something to some degree,
01:08:41 --> 01:08:44: so I mean, so I think those two things for
01:08:44 --> 01:08:46: me without speaking for another hour,
01:08:46 --> 01:08:49: or are critical. So valuation and supply are the two
01:08:49 --> 01:08:51: things that we need to really think about.
01:08:52 --> 01:08:55: Thank you. Hi rob.
01:08:57 --> 01:08:59: Yeah, thank you. So again,
01:08:59 --> 01:09:03: I think everyone at the point that they have made
01:09:03 --> 01:09:07: are spot on and I'm going to reel this back
01:09:07 --> 01:09:12: to helping individuals become prepared for their journey in home
01:09:12 --> 01:09:18: ownership and partnerships. Exactly what we talked about today I.
01:09:18 --> 01:09:22: I think that if people can come together,
01:09:22 --> 01:09:27: understand the the individual scenarios of the families.
01:09:27 --> 01:09:30: 'cause that's really what it comes down to is every
01:09:30 --> 01:09:32: transaction is like a puzzle.
01:09:32 --> 01:09:34: There's different components. There's different moving,
01:09:34 --> 01:09:38: moving parts, everything from their financial situation to the property
01:09:38 --> 01:09:39: type to,
01:09:39 --> 01:09:41: you know, 1000 different factors.
01:09:41 --> 01:09:44: So you really have to have that partnership in that
01:09:44 --> 01:09:49: open communication and have those exploratory conversations to try to
01:09:49 --> 01:09:51: uncover things that could help.
01:09:51 --> 01:09:54: And I would also say that as we recognize certain
01:09:54 --> 01:09:56: things or certain deficiencies,
01:09:56 --> 01:09:57: we need to bubble that up.
01:09:57 --> 01:10:00: To individuals that that can make the change.
01:10:00 --> 01:10:03: I know that's what I do with Fannie Mae,
01:10:03 --> 01:10:06: Freddie Mac, you know there was there was talk here
01:10:06 --> 01:10:10: about certain geographies and and areas you know,
01:10:10 --> 01:10:13: Fannie Mae, Freddie Mac. They had a guideline in place
01:10:13 --> 01:10:16: where I believe it was trees that had mentioned things
01:10:16 --> 01:10:17: about income limits.
01:10:17 --> 01:10:20: Well, you know they had a program before where there
01:10:20 --> 01:10:24: was no income limits in specific markets and then that
01:10:24 --> 01:10:24: was removed.
01:10:24 --> 01:10:27: I know why they they did it.
01:10:27 --> 01:10:29: You know, and even some of the grants that are

01:10:29 --> 01:10:30: out there.
01:10:30 --> 01:10:31: They always cap it at 80%
01:10:31 --> 01:10:33: of the AM I, you know,
01:10:33 --> 01:10:36: should that be expanded? Can we expand that?
01:10:36 --> 01:10:39: Maybe instead of 80 we go to 100%?
01:10:39 --> 01:10:41: Maybe we go to 120%
01:10:41 --> 01:10:44: of those markets and you could do that,
01:10:44 --> 01:10:46: by the way, and in the eyes of of CRA
01:10:46 --> 01:10:47: and fair lending,
01:10:47 --> 01:10:52: you can target low to moderate income census tracts you
01:10:52 --> 01:10:58: can target low to moderate income individuals you can specifically.
01:10:58 --> 01:11:02: Target majority minority communities. However,
01:11:02 --> 01:11:05: the way that the rules are written today and you
01:11:06 --> 01:11:08: cannot specifically target minorities.
01:11:08 --> 01:11:11: So we we, there can't be a program and I'm
01:11:11 --> 01:11:14: talking speaking from the lender side here.
01:11:14 --> 01:11:17: There can't be a program for African Americans or Hispanics
01:11:17 --> 01:11:18: for Asians,
01:11:18 --> 01:11:21: which you can as a lender.
01:11:21 --> 01:11:26: Become a participating partner with organizations that support these initiatives.
01:11:26 --> 01:11:29: Support those people in the communities so I I think
01:11:29 --> 01:11:33: that as others hear these things and they gain these
01:11:33 --> 01:11:34: pieces of information,
01:11:34 --> 01:11:38: it's somewhat eye opening. And then as a team,
01:11:38 --> 01:11:39: we have to figure out.
01:11:39 --> 01:11:41: OK, these are the rules of the game.
01:11:41 --> 01:11:44: This is the game and I use that word specifically
01:11:44 --> 01:11:45: because that's what it is.
01:11:45 --> 01:11:48: Sometimes. You know how we're going to accomplish this?
01:11:48 --> 01:11:51: How are we going to get to where we need
01:11:51 --> 01:11:52: to be so?
01:11:52 --> 01:11:54: That's kind of my final comment,
01:11:54 --> 01:11:56: and I'll put that out there and again,
01:11:56 --> 01:11:58: open up to any questions.
01:11:58 --> 01:11:58: Thank you.
01:11:59 --> 01:12:03: Thanks Rob, I'm going to go ahead and actually invite
01:12:03 --> 01:12:06: David to kind of give us a question from the
01:12:06 --> 01:12:07: audience we have.
01:12:07 --> 01:12:09: Little bit 10 minutes or so to kind of go
01:12:09 --> 01:12:12: through we we we even see your Question Time a

01:12:12 --> 01:12:12: bit.
01:12:12 --> 01:12:14: I'm sorry guys, but what's the first one out there?
01:12:15 --> 01:12:17: Right, and I'm just like give you the question,
01:12:17 --> 01:12:20: I just want to encourage people to follow the chat.
01:12:20 --> 01:12:23: There's been a lot of good discussion and several people
01:12:23 --> 01:12:26: have put resources up there and links out encourage people
01:12:26 --> 01:12:29: to open the chat while we're still on the session
01:12:29 --> 01:12:31: and and look at that.
01:12:31 --> 01:12:35: There were several questions about.
01:12:35 --> 01:12:39: Both the combination of credit scores and traditional loan products
01:12:39 --> 01:12:40: you've touched on some of that.
01:12:40 --> 01:12:44: But maybe if the speakers could expand on some of
01:12:44 --> 01:12:49: the products that aren't necessarily being sold in the secondary
01:12:49 --> 01:12:50: market,
01:12:50 --> 01:12:53: portfolio loans and other types of things that could look
01:12:53 --> 01:12:54: in on traditional credit,
01:12:54 --> 01:12:57: what are some of the products that are out there
01:12:57 --> 01:13:00: and how do you connect first time homebuyers with those?
01:13:02 --> 01:13:03: It's a question for
01:13:03 --> 01:13:06: you. Yeah, I was from that.
01:13:06 --> 01:13:07: One is directed at me.
01:13:07 --> 01:13:10: No, it's it's a it's a fantastic question and one
01:13:10 --> 01:13:13: that we're up against every day.
01:13:13 --> 01:13:17: And you know, I, I think what is is happening
01:13:17 --> 01:13:21: is there's a lot of talk out there about hey,
01:13:21 --> 01:13:25: this mortgage program goes down to a 620 or this
01:13:25 --> 01:13:28: mortgage program goes down to a 580 and at the
01:13:29 --> 01:13:32: end of the day I could tell you that if
01:13:32 --> 01:13:35: all you're coming in with is a 620 score and
01:13:35 --> 01:13:37: no other compensating factors.
01:13:37 --> 01:13:40: That loan will not be approved and what do I
01:13:40 --> 01:13:42: mean by compensating factors?
01:13:42 --> 01:13:46: Because it's really the entire scenario of the customer.
01:13:46 --> 01:13:49: You know, if you have somebody with a 620 score,
01:13:49 --> 01:13:51: but maybe their credit is thin,
01:13:51 --> 01:13:54: right? They don't have a lot of straight lines on
01:13:54 --> 01:13:55: their credit report.
01:13:55 --> 01:13:59: You know that's where you start looking at other nontraditional
01:13:59 --> 01:14:00: tradelines.
01:14:00 --> 01:14:04: However, if there's 624 is because they have 8 collections

01:14:04 --> 01:14:05: tax liens,
01:14:05 --> 01:14:07: you know multiple late. Pays slow,
01:14:07 --> 01:14:11: pays things like that is it's a combination of just
01:14:12 --> 01:14:13: not a good history.
01:14:13 --> 01:14:16: That's when the referral is made over to,
01:14:16 --> 01:14:19: you know, a nonprofit to get some counseling to get
01:14:19 --> 01:14:22: things back on track and it's timing on that.
01:14:22 --> 01:14:24: We've seen some people at turn around in a few
01:14:24 --> 01:14:24: months.
01:14:24 --> 01:14:27: Some individuals, it's it's 12 months,
01:14:27 --> 01:14:29: 18 months and and as I had just had stated
01:14:29 --> 01:14:30: a lot of times,
01:14:30 --> 01:14:32: it's just playing the game right.
01:14:32 --> 01:14:36: Knowing what it takes to get that lender approval.
01:14:36 --> 01:14:38: On the flip side for individuals.
01:14:38 --> 01:14:40: That maybe have that thing credit.
01:14:40 --> 01:14:43: That's where we've designed our portfolio program,
01:14:43 --> 01:14:46: and we're not the only ones that have it.
01:14:46 --> 01:14:48: But you know where we can look at non personal
01:14:48 --> 01:14:50: tradelines and those things.
01:14:50 --> 01:14:53: We look for three with a 12 month history that
01:14:54 --> 01:14:55: we could put down.
01:14:55 --> 01:14:57: What is that payment? We build the case off of
01:14:57 --> 01:15:00: that so hopefully that that helps to answer the question.
01:15:01 --> 01:15:04: Did you ask a follow up question to that?
01:15:04 --> 01:15:06: And can you talk a little bit about when you
01:15:06 --> 01:15:07: have those?
01:15:07 --> 01:15:10: You know, products that are really specific to your bank?
01:15:10 --> 01:15:12: You know what does it mean in terms of being
01:15:12 --> 01:15:13: able to sell them in the secondary market?
01:15:13 --> 01:15:16: Or those products that you're keeping at your bank?
01:15:16 --> 01:15:20: And how does that impact your ability to to issue
01:15:20 --> 01:15:20: more loans?
01:15:22 --> 01:15:24: So so and I'll try not to go off on
01:15:24 --> 01:15:25: a tangent.
01:15:25 --> 01:15:26: I'll try to keep the comments short,
01:15:26 --> 01:15:30: so we've committed to this so it is our banks
01:15:30 --> 01:15:34: money and we hold them on the portfolio.
01:15:34 --> 01:15:39: Now. Our situation that product actually sparked interest with Fannie
01:15:39 --> 01:15:43: Mae and Freddie Mac because they're trying to acquire loans
01:15:43 --> 01:15:44: too,

01:15:44 --> 01:15:46: so they will come to us from time to time
01:15:46 --> 01:15:46: and they'll say,
01:15:46 --> 01:15:49: hey, give us the ones that are performing right and
01:15:49 --> 01:15:51: then they'll offer to buy them.
01:15:51 --> 01:15:53: But as of today we have not.
01:15:53 --> 01:15:57: Sold any of those those loans off.
01:15:57 --> 01:16:01: They are performing well. I could tell you just again.
01:16:01 --> 01:16:04: This is where I kind of hang my hat.
01:16:04 --> 01:16:07: We're a little bit of a tighter debt to income
01:16:07 --> 01:16:07: ratio,
01:16:07 --> 01:16:09: so we have a front end ratio test which is
01:16:09 --> 01:16:10: their principle interest.
01:16:10 --> 01:16:14: Taxes and insurance payment cannot exceed 36%
01:16:14 --> 01:16:17: of their income and on the back end it cannot
01:16:17 --> 01:16:18: exceed 43%
01:16:18 --> 01:16:21: of their income. So the debt to income ratio is
01:16:21 --> 01:16:22: a little bit tighter.
01:16:22 --> 01:16:24: But again, we view this.
01:16:24 --> 01:16:27: All, as in the eyes of Fair and responsible banking,
01:16:27 --> 01:16:28: and at the end of the day,
01:16:28 --> 01:16:31: Ken that homeowner afford their payment.
01:16:31 --> 01:16:33: Or are they overextending themselves?
01:16:33 --> 01:16:34: And if you remember earlier,
01:16:34 --> 01:16:36: I had mentioned about compensating factors.
01:16:36 --> 01:16:38: Some of the Fannie Mae and Freddie Mac products,
01:16:38 --> 01:16:41: they'll go. They'll go up 50%
01:16:42 --> 01:16:45: DTI. You know, and that's pretty tight,
01:16:45 --> 01:16:47: and that I think is once you get over in
01:16:47 --> 01:16:48: that space,
01:16:48 --> 01:16:50: that's where you start seeing default.
01:16:50 --> 01:16:53: You start seeing individuals that that are struggling to make
01:16:53 --> 01:16:56: their payment and that's just not a good place for
01:16:56 --> 01:16:57: anybody to be.
01:17:01 --> 01:17:02: You just mute it Dave.
01:17:05 --> 01:17:05: If
01:17:05 --> 01:17:09: Lisa and Dave just talk about other nontraditional products that
01:17:09 --> 01:17:13: they have found and been able to send their clients
01:17:13 --> 01:17:13: to,
01:17:13 --> 01:17:15: and Dave, possibly through your housing,
01:17:15 --> 01:17:16: count, a housing counseling in the city.
01:17:22 --> 01:17:22: Question

01:17:23 --> 01:17:27: I I could just make a super quick comment and
01:17:27 --> 01:17:30: and you know when Dave can kind of talk in
01:17:30 --> 01:17:31: more detail,
01:17:31 --> 01:17:33: but you know I I really.
01:17:35 --> 01:17:35: As I was listening
01:17:35 --> 01:17:39: to rob talk, kind of really A tag into that.
01:17:39 --> 01:17:42: The sort of later point that he was making in
01:17:43 --> 01:17:46: that it it all kind of hangs on the the
01:17:46 --> 01:17:51: real kind of affordability and sustainability of the home purchase.
01:17:51 --> 01:17:55: And actually the the debt to income ratios that we
01:17:55 --> 01:17:58: use are a little bit even more conservative and and
01:17:58 --> 01:18:02: actually the reason why we tend to go a little
01:18:02 --> 01:18:06: bit more conservative is because we see just in practice.
01:18:06 --> 01:18:08: That you know people will,
01:18:08 --> 01:18:11: often, you know, incur some more debt after the mortgage
01:18:12 --> 01:18:12: purchase.
01:18:12 --> 01:18:15: So we just kind of want to account for that,
01:18:15 --> 01:18:18: you know, kind of common scenario that we see and
01:18:18 --> 01:18:20: and the other thing is,
01:18:20 --> 01:18:22: is that we we talk a lot in the upfront
01:18:22 --> 01:18:25: counseling about what it takes to sustain a house so
01:18:25 --> 01:18:25: you know,
01:18:25 --> 01:18:28: kind of budgeting for home repairs and budgeting for you
01:18:28 --> 01:18:28: know,
01:18:28 --> 01:18:30: seasonal maintenance and things like that,
01:18:30 --> 01:18:32: because at the end of the day you know it's
01:18:32 --> 01:18:35: what's critical is getting someone into a house that they're
01:18:35 --> 01:18:37: going to be able to stay in.
01:18:37 --> 01:18:37: And maintain.
01:18:43 --> 01:18:48: There were a couple questions about the education piece and
01:18:48 --> 01:18:52: and that link and a sort of related segue is
01:18:52 --> 01:18:57: awareness of predatory loan products and how often black homeowners
01:18:57 --> 01:19:02: applicants are offered products that are not not traditional or
01:19:02 --> 01:19:03: not as advantageous,
01:19:03 --> 01:19:05: so that whole. How do you?
01:19:05 --> 01:19:09: How do you educate folks that first generation?
01:19:09 --> 01:19:12: Especially the analogy is maybe someone to 1st generation college
01:19:12 --> 01:19:15: students that first generation of homebuyers maybe haven't seen it

01:19:15 --> 01:19:16: in their family.
01:19:16 --> 01:19:19: They don't have that first hand experience of people in
01:19:19 --> 01:19:22: their family owning homes and buying homes and how you
01:19:22 --> 01:19:23: connect with them.
01:19:23 --> 01:19:25: How you reach out to find the folks who are
01:19:25 --> 01:19:29: might be ready and might not be aware they're ready.
01:19:34 --> 01:19:36: That to anyone person.
01:19:36 --> 01:19:40: Yeah, I wasn't sure. I'll
01:19:40 --> 01:19:43: let you start. I think probably Cherise,
01:19:43 --> 01:19:45: and you know, possibly Lisa upfront,
01:19:45 --> 01:19:49: but Dave more general and and maybe the follow up
01:19:49 --> 01:19:52: on Dave how the programs that the city has,
01:19:52 --> 01:19:55: how they connect with residents of the city to be
01:19:55 --> 01:19:57: aware that those programs exist I guess.
01:19:57 --> 01:19:59: So first recently and then Dave to stop by the
01:19:59 --> 01:20:01: city specifically does that.
01:20:02 --> 01:20:06: Sure, so I partner with Black and brown organizations and
01:20:06 --> 01:20:12: provide home buying workshops to those organisations which obviously provide
01:20:12 --> 01:20:13: education.
01:20:13 --> 01:20:18: Just like. Lisa's company does,
01:20:18 --> 01:20:20: but I guess just. I do it on the larger
01:20:20 --> 01:20:22: scale just as they do,
01:20:22 --> 01:20:25: and then obviously on the individual scale when it comes
01:20:25 --> 01:20:27: to obviously providing that one on one counseling,
01:20:27 --> 01:20:30: getting them ready for homeownership.
01:20:30 --> 01:20:32: And again it just ties to the piece of education
01:20:32 --> 01:20:35: and not being the agent that just shows up at
01:20:35 --> 01:20:37: a house saying do you want to buy this one?
01:20:37 --> 01:20:41: It's really helping your client like prepare like does this
01:20:41 --> 01:20:42: make sense?
01:20:42 --> 01:20:44: And just because the bank approves you for,
01:20:44 --> 01:20:48: let's just say 300 but your budget really is 200,000.
01:20:48 --> 01:20:50: Let's stick to the budget at hand.
01:20:50 --> 01:20:53: 'cause a lot of times you'll get pre-approved for way
01:20:53 --> 01:20:55: more than you're technically able to afford.
01:20:55 --> 01:20:58: If you actually sat down and wrote out a budget.
01:20:58 --> 01:21:00: So just educating them on that space and trying to
01:21:00 --> 01:21:01: bring them back down.
01:21:01 --> 01:21:04: Sometimes you know you want.
01:21:04 --> 01:21:07: You want all this, but you really couldn't afford this.
01:21:07 --> 01:21:10: And just making them realize like this is the the

01:21:10 --> 01:21:13: first step and this is not your forever home.
01:21:13 --> 01:21:15: We're not. We're not staying at home like we used
01:21:15 --> 01:21:17: to like when my parents bought.
01:21:17 --> 01:21:18: They're still in the same house.
01:21:18 --> 01:21:20: I'm 41 years old and I'm not afraid to say
01:21:20 --> 01:21:20: yes,
01:21:20 --> 01:21:23: I'm 41. So yeah, they're still in the same house
01:21:23 --> 01:21:24: back in Elkins Park.
01:21:24 --> 01:21:26: And we're not doing that nowadays.
01:21:26 --> 01:21:30: I have clients moving after three years after five years,
01:21:30 --> 01:21:33: seven years, maybe the longest I've been seeing my clients
01:21:33 --> 01:21:34: stay in homes.
01:21:34 --> 01:21:35: Might be about 10 years,
01:21:35 --> 01:21:37: but a court. Of course I've only been in the
01:21:37 --> 01:21:38: business 10 years,
01:21:38 --> 01:21:41: so. Yeah, but people are are moving just they're not
01:21:41 --> 01:21:44: staying as long so just getting them ready to be
01:21:44 --> 01:21:46: able to prepare for the next home.
01:21:46 --> 01:21:48: This is not here forever will get you to your
01:21:48 --> 01:21:49: dream home,
01:21:49 --> 01:21:51: but let's try to at least get 80%
01:21:51 --> 01:21:52: of what you're looking for.
01:21:55 --> 01:21:57: And and I guess a couple of comments I would
01:21:57 --> 01:22:00: make is we we actually did just add rental housing
01:22:00 --> 01:22:03: counseling to our work over the pandemic because we saw
01:22:03 --> 01:22:06: a need. We had been just totally focused on on
01:22:06 --> 01:22:10: home ownership and that sort of gives it allows us
01:22:10 --> 01:22:13: to have that kind of broader perspective and we do
01:22:13 --> 01:22:16: talk to some of the rental housing clients about.
01:22:16 --> 01:22:19: Sort of, you know, comparing you know what what they
01:22:19 --> 01:22:21: pay in rent versus what a mortgage might be.
01:22:21 --> 01:22:24: So sort of to begin to have that conversation to
01:22:24 --> 01:22:25: your point about.
01:22:25 --> 01:22:28: You know people who who may not realize that that
01:22:28 --> 01:22:30: there could be ready for homeownership.
01:22:30 --> 01:22:33: And the other thing that we are this sort of
01:22:33 --> 01:22:34: new to us is,
01:22:34 --> 01:22:36: you know, we've just always been kind of out there.
01:22:36 --> 01:22:38: You know on websites people find us,
01:22:38 --> 01:22:41: you know, a HUD website and you know the state
01:22:41 --> 01:22:44: of Maryland and we really kind of from a mission
01:22:45 --> 01:22:46: based perspective.

01:22:46 --> 01:22:51: Want to target you? Know our our outreach to black
01:22:51 --> 01:22:53: and brown residents.
01:22:53 --> 01:22:56: And so we actually are are just kind of.
01:22:56 --> 01:22:59: Purchased a product that will allow us to do kind
01:22:59 --> 01:23:02: of targeted outreach so that we can,
01:23:02 --> 01:23:04: you know, just kind of get out there a little
01:23:04 --> 01:23:06: bit more to get the word out and begin these
01:23:06 --> 01:23:07: conversations.
01:23:11 --> 01:23:13: Yeah, and then I don't really want to step too
01:23:14 --> 01:23:17: far into housing counseling because I don't oversee that with
01:23:17 --> 01:23:18: the city,
01:23:18 --> 01:23:20: but I can speak a little bit to it.
01:23:20 --> 01:23:22: I mean, obviously with housing counseling we have.
01:23:22 --> 01:23:25: I think we have over 20 counseling agencies throughout the
01:23:25 --> 01:23:26: city of Philadelphia,
01:23:26 --> 01:23:32: so they're very. This located throughout Philadelphia,
01:23:32 --> 01:23:34: so how they do their outreach?
01:23:34 --> 01:23:35: I can't really speak to.
01:23:35 --> 01:23:38: I can tell you that the education component is very
01:23:38 --> 01:23:40: critical because as Lisa pointed out,
01:23:40 --> 01:23:44: you want to make sure that people understand what the
01:23:44 --> 01:23:47: value of a mortgage is versus the value of rent.
01:23:47 --> 01:23:51: But more importantly, before you make that jump into mortgage
01:23:51 --> 01:23:52: and two to homeownership,
01:23:52 --> 01:23:55: we'd like to make sure that we educate the consumer,
01:23:55 --> 01:23:59: because once you move into homeownership or not.
01:23:59 --> 01:24:01: Necessarily in the same position,
01:24:01 --> 01:24:03: even though the the cost may be less,
01:24:03 --> 01:24:05: you have expenses that you did not have as a
01:24:05 --> 01:24:08: renter and you will have expenses that you do not
01:24:08 --> 01:24:08: have.
01:24:08 --> 01:24:11: As a renter. I mean there's maintenance and a lot
01:24:11 --> 01:24:14: of utilities that come with rent don't come with home
01:24:15 --> 01:24:15: ownership,
01:24:15 --> 01:24:17: and there's taxes, so there are little things.
01:24:17 --> 01:24:20: But you also have a benefit in the value associated
01:24:20 --> 01:24:23: with ownership that people need to be educated on on.
01:24:23 --> 01:24:27: The biggest challenge that you see in in counseling is
01:24:28 --> 01:24:30: that debt to income ratio.
01:24:30 --> 01:24:32: Where and I think what we've just done in Philadelphia.
01:24:32 --> 01:24:34: I think I've got the income ratio.

01:24:34 --> 01:24:39: Uhm, was interestingly high if you asked me,
01:24:39 --> 01:24:44: so we were going front end of 38.
01:24:44 --> 01:24:47: Which is not on the hand and I back him
01:24:47 --> 01:24:48: up 45 at one time,
01:24:48 --> 01:24:52: but I think we reduced our backing down to 43
01:24:52 --> 01:24:56: just to make sure that we're not setting folks up
01:24:56 --> 01:24:56: for.
01:24:56 --> 01:25:01: One going to lending institutions and being rejected and two
01:25:01 --> 01:25:05: making sure that people are are a little bit more.
01:25:05 --> 01:25:08: State responsible when it comes to debt and and and
01:25:08 --> 01:25:12: and ensuring that folks recognize how that plays a role
01:25:12 --> 01:25:16: in getting that mortgage and getting that interest rate that
01:25:16 --> 01:25:19: is so critical to maintaining that property and staying in
01:25:19 --> 01:25:20: that home.
01:25:20 --> 01:25:23: So again, I don't know how the outreach has done.
01:25:23 --> 01:25:26: Dave, that's done with my partners at the city and
01:25:26 --> 01:25:29: and their relationships with those counseling agencies,
01:25:29 --> 01:25:32: but I do know that it's very critical to the
01:25:32 --> 01:25:35: homeownership component and what what we're trying to do matter
01:25:35 --> 01:25:36: of fact.
01:25:36 --> 01:25:37: I was very much a part of that 30 years
01:25:37 --> 01:25:39: ago when we started out with comfort.
01:25:43 --> 01:25:46: So I have one final question.
01:25:46 --> 01:25:49: And a few people have asked about NPI.
01:25:49 --> 01:25:53: The Neighborhood preservation initiative. We have a new block of
01:25:53 --> 01:25:53: funding,
01:25:53 --> 01:25:55: so be the first year in the city's budget,
01:25:55 --> 01:25:57: which is coming up soon.
01:25:57 --> 01:25:58: So if each of you,
01:25:58 --> 01:26:01: each of the four, if you had sort of three
01:26:01 --> 01:26:04: things you would like to see more funding dedicated to
01:26:04 --> 01:26:07: that at the city level could happen.
01:26:07 --> 01:26:10: And we have several members of Council and city departments
01:26:10 --> 01:26:11: here.
01:26:11 --> 01:26:14: What would be sort of three things you would either
01:26:14 --> 01:26:16: like to see funded that aren't.
01:26:16 --> 01:26:19: For additional funding concentrated too,
01:26:19 --> 01:26:23: and there's especially some requests about focusing on middle neighborhoods,
01:26:23 --> 01:26:26: which a few of you have mentioned today already.

01:26:28 --> 01:26:31: Hey you gonna put me on the spot and I
01:26:31 --> 01:26:35: don't answer your question because I think in all honesty
01:26:35 --> 01:26:38: MPI is covering a lot of buckets and and.
01:26:38 --> 01:26:40: And honestly I have to be real honest when I
01:26:40 --> 01:26:43: say this I I think that I'm going to very
01:26:43 --> 01:26:46: precarious situation and said that I want more in one
01:26:46 --> 01:26:48: area than the other. But I will say that at
01:26:48 --> 01:26:51: the end of the day I think 1 area that
01:26:51 --> 01:26:54: we probably need to think about and we aren't thinking
01:26:54 --> 01:27:00: about anyway is that. That rent burdened individuals.
01:27:00 --> 01:27:04: So for instance, we we recognize through the last few
01:27:04 --> 01:27:04: years,
01:27:04 --> 01:27:07: certainly with rental assistance, that there are a lot of
01:27:07 --> 01:27:10: folks who are burdened and there and it cost burden
01:27:10 --> 01:27:11: when it comes to renting.
01:27:11 --> 01:27:14: So we need to figure out how to maintain that,
01:27:14 --> 01:27:16: because at the end of the day,
01:27:16 --> 01:27:18: even before you become that homeowner,
01:27:18 --> 01:27:20: you got to be able to maintain some steadiness and
01:27:21 --> 01:27:22: stability as a richer so.
01:27:22 --> 01:27:24: And we see a big challenge right now.
01:27:24 --> 01:27:28: But not only directors, but the landlords who.
01:27:28 --> 01:27:31: Chords only are suffering with.
01:27:31 --> 01:27:35: Being incapable of paying their mortgage to maintain that affordable
01:27:35 --> 01:27:39: rental unit for that individual to continue to stay renting.
01:27:39 --> 01:27:41: So we had to fill some voids there that I
01:27:41 --> 01:27:41: don't know.
01:27:41 --> 01:27:44: That NP I was. When we put our NP out,
01:27:44 --> 01:27:47: we thought about the rental side as much as we
01:27:47 --> 01:27:49: thought about a lot of the other things.
01:27:49 --> 01:27:51: So I think we are going to be looking at
01:27:51 --> 01:27:53: how we address that.
01:27:53 --> 01:27:55: We probably at a higher level,
01:27:55 --> 01:27:58: but other than that I I don't really want to
01:27:58 --> 01:28:02: speak too much because I'm I'm very appreciative for what
01:28:02 --> 01:28:04: City Council has done for us and.
01:28:04 --> 01:28:05: If there's anything I wanna do,
01:28:05 --> 01:28:07: I wanna sit down with my Council colleagues and figure
01:28:07 --> 01:28:09: out collectively what we can do.
01:28:13 --> 01:28:13: No.
01:28:14 --> 01:28:16: Just to jump in really quickly.

01:28:16 --> 01:28:18: I know we are very close to time and so
01:28:18 --> 01:28:20: I'm sure we all would have like a a very
01:28:20 --> 01:28:22: long list of things that we would like to wish
01:28:22 --> 01:28:25: to see. Lisa and Cherise,
01:28:25 --> 01:28:28: maybe if you had sort of your magic wand and
01:28:28 --> 01:28:30: there is one thing you be able to do,
01:28:30 --> 01:28:33: well, we'll start to wrap up with with final comments
01:28:33 --> 01:28:35: so we can keep everyone on time,
01:28:35 --> 01:28:38: but we can obviously pick up this conversation on Friday
01:28:38 --> 01:28:38: as well.
01:28:38 --> 01:28:41: And unfortunately, I think Rob might have had to jump
01:28:41 --> 01:28:42: right at 10:30,
01:28:42 --> 01:28:45: so Lisa and Terry's I'll give you sort of the
01:28:45 --> 01:28:45: final word.
01:28:49 --> 01:28:50: I want Lisa. Do you wanna go first?
01:28:53 --> 01:28:55: Sure, I'll go. So you can have the real final
01:28:55 --> 01:28:56: word.
01:28:56 --> 01:28:58: I would say with my magic wand,
01:28:58 --> 01:29:03: I would absolutely fund housing counseling agencies so that somebody
01:29:03 --> 01:29:08: posted in the comment about retaining those all important counselors.
01:29:08 --> 01:29:13: Couldn't agree more with that and and I would allot
01:29:13 --> 01:29:15: funding too.
01:29:15 --> 01:29:19: To close the gap on redeveloping vacant properties.
01:29:21 --> 01:29:23: I don't know if I was prepared for this question.
01:29:23 --> 01:29:24: I'm like there's so many things you know,
01:29:24 --> 01:29:30: like magic wand. I guess if I wouldn't this is
01:29:31 --> 01:29:32: a magic wand,
01:29:32 --> 01:29:35: so it doesn't have to necessarily be real,
01:29:35 --> 01:29:40: right? Just dumping enough money back into the black and
01:29:40 --> 01:29:44: brown communities to be able to pull ourselves self up
01:29:44 --> 01:29:48: from our bootstraps by being able to purchase in the
01:29:48 --> 01:29:51: neighborhoods that we want to live in.
01:29:51 --> 01:29:54: And being able to do that will help catapult us
01:29:54 --> 01:29:56: be like David said,
01:29:56 --> 01:29:59: by being able to use the the equity that we
01:29:59 --> 01:30:02: take from our homes for education.
01:30:02 --> 01:30:04: For you know, maybe weddings,
01:30:04 --> 01:30:07: or for that next property that you're looking to invest
01:30:07 --> 01:30:07: in,
01:30:07 --> 01:30:09: there's a lot of times people will pull from that
01:30:09 --> 01:30:09: property,

01:30:09 --> 01:30:12: so just dumping in a tour to build that business,
01:30:12 --> 01:30:14: I think I saw that in the in the chat,
01:30:14 --> 01:30:18: just being able to have enough money to be able
01:30:18 --> 01:30:21: to circulate in our communities to provide.
01:30:21 --> 01:30:25: That that structure that we that we're missing.
01:30:25 --> 01:30:27: Just being able to circulate the dollar in our own
01:30:27 --> 01:30:30: communities to be able to build them and and not
01:30:30 --> 01:30:32: necessarily need as much support,
01:30:32 --> 01:30:34: but we're going to need help to get there.
01:30:34 --> 01:30:36: So if I can make wave a magic wand,
01:30:36 --> 01:30:39: let's dump some money into into our communities and I
01:30:39 --> 01:30:40: don't have one specific way,
01:30:40 --> 01:30:43: it's just it's. It's too many,
01:30:43 --> 01:30:44: too many things so.
01:30:50 --> 01:30:53: That's great, thank you so much and I I should
01:30:53 --> 01:30:55: actually offer sort of final final word to Octavia if
01:30:56 --> 01:30:58: you if you have anything to sort of,
01:30:58 --> 01:30:59: wrap us up with today.
01:30:59 --> 01:31:01: No, I mean, it's a great conversation.
01:31:01 --> 01:31:05: Thanks for giving me these last couple of words but
01:31:05 --> 01:31:06: wonderful engagement.
01:31:06 --> 01:31:09: I I see that the chat was really on fire
01:31:09 --> 01:31:12: and so I'm hopeful that you guys share out some
01:31:12 --> 01:31:13: of these notes.
01:31:13 --> 01:31:16: Thanks for your participation to the panel and I'm hopefully
01:31:16 --> 01:31:18: with a lot of things we discussed here.
01:31:18 --> 01:31:22: We can. We can continue our March forward to increase
01:31:22 --> 01:31:25: black and Brown home ownership in Philadelphia.
01:31:25 --> 01:31:25: That's
01:31:25 --> 01:31:28: great. Well thank you so much Octavia and thank you
01:31:28 --> 01:31:30: to all of our panelists for joining us today.
01:31:30 --> 01:31:34: Lisa, Rob, Dave and Teresa was really great to explore
01:31:35 --> 01:31:36: this really complicated,
01:31:36 --> 01:31:39: but such an important issue with you,
01:31:39 --> 01:31:41: and I know it feels like we might have only
01:31:41 --> 01:31:42: scratched the surface.
01:31:42 --> 01:31:46: And certainly we did, but I'm looking forward to picking
01:31:46 --> 01:31:49: up this conversation on Friday as well.
01:31:49 --> 01:31:51: And and I know this isn't the last of the
01:31:51 --> 01:31:53: conversation that's happening within the city either,
01:31:53 --> 01:31:56: and so I know some other organizations are having similar
01:31:56 --> 01:31:57: conversations,

01:31:57 --> 01:31:59: and we'll share some resources about that.

01:31:59 --> 01:32:02: I'm at the end of this program too.

01:32:02 --> 01:32:04: I also wanted to just take a quick second to

01:32:04 --> 01:32:04: again.

01:32:04 --> 01:32:09: Thank our sponsors for making today's conversation possible and and

01:32:09 --> 01:32:12: in particular shift capital and Councilmember Alan Dong.

01:32:12 --> 01:32:15: And then lastly, I wanted to thank our Co host

01:32:15 --> 01:32:18: the Development Workshop for for really helping us put this,

01:32:18 --> 01:32:20: put this conversation together.
