

Rhode Island Housing
15-18-20 Strategic Plan

Final Report

April 17, 2014

Overview

The 15-18-20 Strategic Plan is a broad outline of what Rhode Island Housing will strive to achieve over the next 2 – 7 years. To turn this blueprint into reality will require work-plans for each goal. Some of these work-plans will be reasonably achievable within the next two years and others will take longer. However, we must always keep looking and reaching beyond the immediate tasks. Nothing in this plan is impossible, but some goals are subject to outside forces beyond our control. We must constantly look for ways to shape or circumvent these forces, but also make certain that we perform those tasks within our control to the best of our ability.

As we pursue our longer term goals, we must also focus on the immediate needs. Every day, Rhode Island citizens are suffering from the lack of a home, an unhealthy home or a home that is so costly that it deprives the family of the financial resources needed to be healthy and productive. There will always be competition between the allocation of resources, human and financial, between addressing immediate needs and achieving systemic change. Communication, within our organization and with our partners, is essential to maintaining the proper balance.

It must also be remembered that Rhode Island Housing is self-sustaining. While it receives some fees for administering programs, it primarily survives by giving outside investors the confidence that they can earn a safe and reasonable return on the funds they entrust to us.

This is what we must work to do every day:

- Meet immediate housing needs;
- Work for systemic improvement in homes for Rhode Island's individuals, families and communities; and
- Remain financially sound.

Activities within the 15-18-20 plan fall within three time periods – 2015, 2018 and 2020. These are the general timelines for completion of the activities. Some activities may begin right away and in fact some are currently underway. Even those activities with longer time horizons may have start dates in 2013 and 2014.

Context

Created in 1973, Rhode Island Housing's original mission was to issue tax exempt bonds to fund the construction of affordable apartments and home purchase loans at rates that were lower than generally available through conventional sources. From its beginning, Rhode Island Housing was also a vehicle for bringing federal housing programs including mortgage insurance and subsidies to Rhode Island. Over the next 34 years, Rhode Island Housing was gradually assigned additional tasks by the General Assembly and became the state's primary housing agency.

In 2007, Rhode Island and the world descended into the worst economic recession since the 1930's. This undermined the entire financial system and upended the traditional advantages of tax-exempt financing. As the federal government fought to rescue the country's finances, it used Rhode Island Housing and HFAs in other states as major tools in stabilizing the housing market.

In this post-recession era, tax-exempt bonds have not yet recovered their rate advantage. The federal government is seeking to reduce the deficits accumulated during the recession and has significantly reduced funding for housing programs. Fannie Mae and Freddie Mac remain in federal receivership and the future role of the federal government remains uncertain.

Rhode Island still has a housing shortage and has high housing costs, even as home values crashed during the recession. Foreclosures remain high and homes are being lost to abandonment. Homelessness has increased in spite of the efforts of many agencies. Rhode Island Housing's earnings have dropped and its expenses related to portfolio delinquencies and foreclosures have increased substantially. Rhode Island Housing has trimmed its staffing, programs and operating costs to adjust to the new environment.

Rhode Island is fortunate to have many agencies committed to improving housing conditions. These include businesses, non-profits and governments at the local, state and federal levels. As Rhode Island Housing has engaged in this strategic planning process, it has sought to refine its role within its statutory charge, the state's housing needs, the activities of its housing partners and the economic realities. As the 15-18-20 Plan indicates, we are looking forward to 2015 when it is anticipated that our state's recovery from the recession will be well underway, 2018 when the federal government has redefined a predictable role for itself in housing finance and 2020 when relative stability returns.

Rhode Island Housing and the Rhode Island Housing Resources Commission (HRC). The simple explanation regarding these two state housing agencies is that the HRC is the housing policy arm of the state and is a traditional state bureau and that Rhode Island Housing is the state's independently financed housing bank. However, the reality is much less clear. All state appropriations for housing go to the HRC and therefore require it to make financing decisions. However, the relatively small size of the HRC staff means that it must partner with Rhode Island Housing for additional technical and administrative support. Rhode Island Housing must make policies that work for its residents, investors and the federal regulations that govern the programs it administers. Furthermore the General Assembly has assigned administration of programs such as Madeline Walker and the Low and Moderate Income Housing Act to Rhode Island Housing and mandates that Rhode Island Housing provides funds to homeless shelters. Finally the sheer size of Rhode Island Housing's portfolio with its oversight of more than 20,000 apartments, thousands of rental subsidies, 10,000 or so home loans and billions of dollars of debt make it a not easily digested element of state government. Close coordination and cooperation between Rhode Island Housing and the HRC is essential.

In engaging in the planning process, Rhode Island Housing examined its six mission areas and four operational spheres including finances and human resources. For each of these areas and spheres, the following questions were answered:

- What is Rhode Island Housing doing?
- What are others doing?
- What's working?
- What's not working?
- What could we do better?
- What could we do?
- What could we stop doing?
- What would be extraordinary?

Extensive investigation was conducted to answer these questions and each of the various committees issued and presented final reports.

Next Steps

The draft strategic plan presented here reflects the assimilation of those committee efforts. The draft plan has been reviewed with and reflects input from Board Members, senior staff, the 15-18-20 Steering Committee and various partner groups and individuals. Following approval by the Board, staff will develop implementation outlines for each initiative.

The draft plan organized initiatives by anticipated date of completion. In response to suggestions made during the public input process that 2020 may be too long to wait for some items, we have instead arranged them in three sub-groups. Group One reflects those items which are most important and are sufficiently under the control of Rhode Island Housing that they are reasonably achievable within 18 – 24 months. Group Two includes activities that may take a little longer to achieve given external events that have to happen or that may not happen as quickly as Group One because of resource constraints. Group Three includes some items that require major systemic change, state or federal legislative action or a major investment of resources that may not be immediately available

Timeline and Outline

Loans to Build (and Preserve) Homes

Group 1

Become a MAP and Ginnie Mae approved lender

Expand construction lending for builders and non-profit sponsors

Promote mixed income and inclusive housing development

Promote homes for chronic shelter clients

Group 2

Push for Ginnie Mae Risk-share

Push for more housing credits nationally

Promote sustainable homebuilding and rehabilitation statewide

Create an urban home rebuilding program

Work with EDC on mixed use development

Work with the Department of Health on a Homes and Community Centered Primary Care development model

Find alternatives to state bonds to fill housing gaps

Loans to Buy Homes

Group 1

Become one of Rhode Island's top conduits to Fannie Mae and Ginnie Mae for low and moderate income homebuyers

Make Rhode Island Housing loans the most advantageous lending option for low and moderate income homebuyers, homeowners and lenders

Earn a reputation as providing outstanding mortgage lending customer service

Implement Homebuyer Tax Credit (MCC) and other attractive niche programs such as Homes for Vets or
Bring Grads Home

Promote on-line homebuyer education with promotion of Rhode Island Housing mortgages

Group 2

Promote "things to know before you buy" and other homebuyer information

Adjust to new national housing finance system. Monitor tax exempt bond market

Create portfolio lending program

Promote urban homeownership and expand programs for non-profit developed homes

Group 3

Develop a strategy for helping potential homebuyers with significant student debt to achieve their homeownership dreams.

Housing Help for Owners

Group 1

Continue to explore refinance and home purchase products to help families recover from the mortgage crisis

Reconvene Madeline Walker coalition and re-evaluate program

Review clean water programs

Review home energy and healthy homes programs

Group 2

Create more attractive and financially sustainable emergency home repair, home improvement and utility retrofit programs

Promote homeownership education and financial literacy

Group 3

Create home modernization program for older housing stock

Housing Help for Renters

Group 1

Review and seek new funding for youth RAP

Work with PHAs on a statewide public housing strategy

Change Rhode Island Housing Section 8 hearing structure

Create good tenant programs with other PHAs

Work with public safety and health agencies and PHAs to create tenant quality of life programs - healthy homes and home safety

Group 2

Review Foundations of Senior Health program

Group 3

Create statewide tenants' resource center

Ending Homelessness

Group 1

Facilitate implementation of Opening Doors

In cooperation with members of the Rhode Island Coalition for the Homeless (RICH) and other partners, convene an annual 1 or 2 day work-session on what is working and what is not working and developing a solid work plan to address and eliminate homelessness

Target federal subsidies toward ending homelessness

Restructure housing assistance network with 211 and other agencies

Group 2

Emphasize creation of homes for chronic shelter clients. Provide support services at shelter locations.

Maintain current subsidies for RoadHome and NOP, but focus future resources on producing homes for people who experience chronic homelessness and providing emergency assistance to shelters and service agencies. **Group 3**

Better coordinate discharges of people without homes from hospitals and the ACI.

Creating KeepSpace Communities

Group 1

Decide on a plan to move forward or toward close-out with the 4 initial KeepSpace communities and designate at least two new ones

Find ways to assure the future of CDC's

Consider co-branding and/or building stronger partnerships with DEM, Grow Smart and Sustainable Communities programs

Prepare KeepSpace concept plan for new governor and large city mayors

Create a coalition to promote a Grow Rhode Island consensus that believes that if we are to avoid an "old and stagnant" future as predicted by Statewide Planning, our communities must adopt sustainable growth strategies

Group 2

Establish a strong Rhode Island CDFI

Work to develop an implementation strategy for Rhode Map RI

Seek supplemental or matching funds to those provided by Rhode Island Housing

Group 3

Engage colleges and universities and programs like Future by Design, Park(in) Bicycle

Discussion

Loans to Build (and Preserve) Homes

Group 1

Become a MAP and Ginnie Mae approved lender. These additional multi-family lending platforms will expand Rhode Island Housing's financing options for new construction and preservation beyond the issuance of tax exempt bonds. They will provide lower costs to developers, encouraging preservation of affordable homes and reducing funding gaps in producing new homes.

Expand construction lending for builders and non-profit sponsors. Rhode Island Housing is participating in an initiative with NAHB and NCSHA to increase construction lending. Rhode Island Housing can also explore a pool or partnership with local lenders. Rhode Island builders need predictable access to building loans.

Promote mixed income and inclusive housing development. Rhode Island has a general shortage of good quality homes for its workforce. The creation of any housing in Rhode Island is difficult and expensive. Spreading costs over larger scale development achieves economies of scale and allows communities to meet a broad range of housing affordability. Mixed income and mixed use development also promotes economic and environmental sustainability.

Promote homes for chronic shelter clients. (See ending Homelessness)

Group 2

Push for Ginnie Mae Risk-share. This will be another tool to lower the cost of multi-family development but will require an Act of Congress.

Push for more housing credits nationally. With the cut-backs to HOME and the end of capital funds for homes for elderly and disabled populations and extreme cuts to Public Housing Authority capital funds, increasing the housing credit seems to be the most viable strategy for creating and preserving affordable homes.

Promote sustainable homebuilding and rehabilitation statewide. The development of affordable homes faces unique challenges but is also part of a strong reluctance on the part of cities and towns to permit residential development. Part of this is wariness of change, environmental concerns and the cost of educating children. However, Rhode Island has a shortage of good homes, high housing costs and a lot of housing that needs rehabilitation. Without good homes that are affordable to our workers, Rhode Island cannot grow and may shrink further.

Create an urban home rebuilding program. Our urban areas have a patchwork of vacant properties that need redevelopment and some older buildings need to be reconditioned or adapted to 21st century lifestyles. In urban areas, it is almost impossible to assemble large parcels of land for development so each property requires a customized approach.

Work with EDC on mixed use development. Our urban neighborhoods have commercial spaces that need revitalization that could increase employment and commerce as well as improve livability. This could also be a model for suburban and village growth. Mixed use is a traditional village and urban model for sustainable living.

Work with the Department of Health on a Homes and Community Centered Primary Care development model. Locally delivered health care services can support neighborhood revitalization and improve individual health.

Find alternatives to state bonds to fill housing gaps. The state has provided \$75 million in housing bonds since 2006. Homes are capital resources with long useful lives, so are appropriate for bond financing. However, periodic bond issuance should ideally be replaced by annual capital appropriations.

Loans to Buy Homes

In all of our homeownership efforts, Rhode Island Housing recognizes the importance of its participating lenders while also understanding that some homebuyer needs can best be met through its own Loan Center.

Group 1

Become one of Rhode Island's top conduits to Fannie Mae and Ginnie Mae for low and moderate income homebuyers. While the future of housing finance is hard to predict, HFAs still have and likely will continue to have some key advantages that will lower rates and provide greater security to borrowers, stimulate homebuying and increase profitability in the real estate sector.

Make Rhode Island Housing loans the most advantageous lending option for low and moderate income home buyers, homeowners and lenders. Even if HFAs currently cannot offer the highly discounted rates that tax-exempt financing previously provided, they can still add value to Rhode Island homebuyers with caring service and extra assistance. As the national economy continues to rebound, tax-exempt funding is likely to regain its traditional advantages. Rhode Island Housing must retain the agility to help borrowers through whatever platform serves them best.

Earn a reputation as providing outstanding mortgage lending customer service. As a public agency charged with serving borrowers with the most financial challenges, we must offer the best possible service to customers and partners. As an HFA, Rhode Island Housing must pursue every avenue that better serves Rhode Islanders.

Implement Homebuyer Tax Credit (MCC) and other attractive niche programs such as “Homes for Vets” or “Bringing Grads Home”. With a primary mission of serving homebuyers with special challenges, Rhode Island Housing must develop innovative solutions.

Promote on-line homebuyer education with promotion of Rhode Island Housing mortgages. This is a tool to increase homeownership education and stimulate homebuying.

Group 2

Promote “things to know before you buy” and other homebuyer information. These efforts expand our goal of creating knowledgeable homeowners, promoting financial literacy and establishing Rhode Island Housing as the trustworthy lending source.

Adjust to new national housing finance system. Monitor tax exempt bond market. We know that Congress is debating the future of the national housing finance system and economists expect that the traditional spread between taxable and tax-exempt debt will return. Rhode Island Housing must be prepared to adapt to whatever system may be imposed or evolve.

Create portfolio lending program. As the mortgage industry becomes more commoditized and the Rhode Island market maintains its idiosyncrasies, we need to develop a way to fund mortgages that meet our state’s unique needs.

Promote urban homeownership and expand programs for non-profit developed homes. Urban appraisals are often insufficient to support the cost to restore or redevelop urban properties. Converting our common 2 – 4 family dwellings into homes that new urban buyers want will require innovative approaches. Our community development organizations are best able to implement these activities

Group 3

Develop a strategy for helping potential homebuyers with significant student debt to achieve their homeownership dreams. Student loan debt is delaying or preventing many young households from buying homes. There needs to be a mortgage option that recognizes this new reality.

Housing Help for Owners

In all of our homeownership efforts, Rhode Island Housing recognizes the importance of its participating lenders while also understanding that some homebuyer needs can best be met through its own Loan Center.

Group 1

Continue to explore refinance and home purchase products to help families recover from the mortgage crisis. With homeowners experiencing a loss of equity, it may be difficult for them to refinance at lower interest rates or to buy a home that better meets their family’s needs. Refinancing at a lower interest rate may mean more disposable income for the household. It could also provide funds for home improvement. Buying a new home could mean upsizing or downsizing.

Reconvene Madeline Walker coalition and re-evaluate program. After 5 years of experience, it is important to suggest modifications to the program and determine if additional resources are needed.

Review clean water programs. Rhode Island Housing has had a long partnership with the Clean Water Financing Authority. We need to examine how well it is working for all parties.

Review home energy and healthy homes programs. Reducing energy expenditures can provide additional disposable income to households. Combining these improvements with a holistic approach to home improvement can lead to healthier lives and a more sustainable future for our state.

Group 2

Create more attractive and financially sustainable emergency home repair, home improvement and utility retrofit programs. Rhode Island has some of the oldest housing stock in the country. Households may need or want to invest in their homes but may lack equity to obtain financing. Folding the cost of such enhancements into a complete refinancing may be advantageous. Developing a workable emergency repair program, especially for heating systems, is very important

Promote homeownership education and financial literacy. Homeowners have many competing financial needs. Creating and sustaining a household budget is key to family financial success. The housing boom and bust of the 21st century's first decade re-emphasizes the importance of financial literacy and housing finance. There are many potential partners in this effort but it can reinforce Rhode Island Housing's brand as a safe, knowledgeable source of financial information and loans.

Group 3

Create a home modernization program for older housing stock. The state needs a comprehensive strategy for adapting its older housing into desirable properties for 21st century residents.

Housing Help for Renters

Group 1

Review and seek new funding for youth RAP. Rhode Island Housing considers a home to be more than four walls and a roof. A safe and affordable home may not be sufficient to give our young people the best chance to succeed. Productive activities for the young people who reside in the homes we finance also contribute to the community as a whole.

Work with PHAs on statewide public housing strategy. With affordable housing availability at risk of being reduced because of federal funding cuts, all housing agencies in Rhode Island must work together to maintain as many apartments as possible and assure that those in greatest need have priority access.

Change Rhode Island Housing Section 8 hearing structure. Explore alternative hearing structures to assure fair hearings and use Rhode Island Housing resources effectively.

Create good tenant programs with other PHAs. Knowledgeable tenants can reduce costs and improve apartment, building and neighborhood conditions.

Work with public safety and health agencies and PHAs to create tenant quality of life programs - healthy homes, home safety. The community outside of a home's doors can be as important to the family's health and well-being as the home itself. Every home, especially those in close proximity to others, impacts the viability of the entire community. Housing agencies, owners and managers need to work with other community partners in a holistic approach to home, family and community.

Group 2

Review Foundations of Senior Health program. As Rhode Island's population ages, we need to be certain that our residents' needs beyond simply shelter are being adequately addressed. In partnership with property managers and owners, PHAs, resident services coordinators, local agencies and the Departments of Health

and Elderly Affairs, it is time to re-examine the most effective way to allow our residents to safely age in place.

Group 3

Create statewide tenants' resource center. There is currently no centralized location in Rhode Island for tenant information including tenant's rights, rental information and application processes for subsidized housing. Tenants and landlords would benefit from such an agency.

Ending Homelessness

Rhode Island Housing is only one component in a complex and mostly decentralized system for responding to people who are at risk of becoming homeless or who are already homeless in Rhode Island. Rhode Island Housing's primary role is as a lender and administrator of housing programs. Housing policy for the state is within the purview of the Rhode Island Housing Resources Commission (HRC) and supportive services are primarily controlled by the Department of Behavioral Health, Developmental Disabilities and Hospitals. The Interagency Council on Homelessness (IACH) provides coordination among agencies. However, because Rhode Island Housing has the state's largest staff of housing professionals and controls the largest amount of housing resources, it has a major role in the state's response to homelessness. As it outlines and implements its strategic plan, Rhode Island Housing must work closely with every other agency in the network.

Group 1

Facilitate implementation of Opening Doors. This is the state's blueprint for ending homelessness as adopted by the HRC and ICH. Rhode Island Housing must target its programs to the state plan and use its expertise as well as its funding to achieve the Opening Doors goals. However, as a conduit for capital, Rhode Island Housing's resources are best used for the creation and financing of homes and shelters, rather than for rental subsidies or services. Rhode Island Housing can also play a major role in targeting and effectively using state and federal resources toward providing safe, affordable homes for all Rhode Islanders.

In cooperation with members of the Rhode Island Coalition for the Homeless (RICH) and other partners, convene an annual 1 or 2 day work-session on what is working and what is not working and developing a solid work plan to address and eliminate homelessness. At least once a year we need to bring all of the state's partners together to move the Opening Doors agenda forward. The ICH meetings are too dispersed to effect systemic change. Each year we should create definitive goals for the coming year and a work plan for implementation. This should be in addition to events that focus on the supportive service and advocacy elements of ending homelessness.

Target federal subsidies toward ending homelessness. While acknowledging that there are insufficient federal funds to serve all of the housing needs of Rhode Islanders, we can do a better job of assuring that those with the greatest needs get priority for the scarce resources. We can build stronger partnerships with local housing authorities and our own subsidized developments to assure that those with greatest needs get priority access and supportive services. Under the Affordable Care Act, Medicare and Medicaid funds may be available to provide services.

Restructure the housing assistance network with 211 and other agencies. Currently, most 211 calls for housing assistance along with many calls from CAP agencies and other agencies come to Rhode Island Housing where most people are informed about a variety of options but virtually all come with long waits for

assistance. We need to create a more direct and effective system for getting people matched with assistance and information in a state in which there is only sufficient funding to serve about 25% of Rhode Islander's housing needs.

Group 2

Emphasize creation of homes for chronic shelter clients. Provide support services at shelter locations. We need to reduce the need for shelters by providing affordable homes with easy access to services for people who have experienced chronic homelessness. We need better coordination of the overnight shelter population so that people can be housed and served in the most effective setting. Chronically homeless clients can be better served in a stable home setting. Communities are healthier and more attractive if everyone has a stable place to live and, in such settings, overall state social service spending is reduced. By providing permanent homes for people who previously experienced chronic homelessness, we will free up resources for true emergency situations. Some provision for emergency shelter will be necessary but smaller shelters with supportive services available on site or nearby will yield the best outcomes.

Maintain current subsidies for RoadHome and NOP, but focus future resources on producing homes for people who experience chronic homelessness and providing emergency assistance to shelters and service agencies. Rhode Island Housing has no taxing power and has limited access to the vast social service system. The federal government has level funded or sharply reduced the Section 8 project based and voucher programs. Rhode Island Housing's expertise is in the physical and financial aspects of housing rather than the social service sides. We need to partner with the social service and subsidizing agencies but function best as a conduit for capital since most of our activities must provide a return on investment to our private funders. Our funding sources are not sufficiently predictable to be able to provide the continuity required for expanding rental subsidies. It is critical that we use existing subsidy programs more effectively. Rhode Island Housing has projected that it can maintain current the numbers of apartments subsidized under the NOP, RoadHome and RAP programs for at least 10 more years. Rhode Island Housing, however, does have the flexibility to provide funds and implement programs on reasonably short notice.

Group 3

Better coordinate discharges of people without homes from hospitals and the ACI. There is currently insufficient coordination to smooth the transition from medical crisis situations including child-birth or the ACI into the homeless services or affordable housing networks. The State Department of Behavioral Health, Developmental Disabilities and Hospitals already has some protocols in place but much more is needed. Health and criminal justice outcomes are far greater when individuals are discharged into a stable and supportive home environment.

Creating KeepSpace Communities

Group 1

Decide on a plan to move forward or toward close-out with the 4 initial KeepSpace communities and designate at least two new ones. Two of the communities, Pawtucket/Central Falls and Olneyville maintain active and broad-based community initiatives. Cranston and Westerly are winding down. Interest was high in the initial round and now there is a track record of success.

Find ways to assure the future of CDC's. With substantial reductions in federal funds for housing construction, CDC's which were heavily reliant on development fees to sustain their other community activities are at risk. These entities are actively involved in a high percentage of our affordable housing and are positive forces in the communities where it is located. We need to work with our partners to sustain the CDC model for at least as long as our housing investments in those communities. Moreover if we are faithful to our conviction that a home is more than the structure, the CDC model is essential for family and community health and success.

Consider co-branding and/or building stronger partnerships with DEM, Healthy Homes, Grow Smart and Sustainable communities programs. Rhode Island is fortunate to have several agencies committed to creating a sustainable future for our state. GrowSmart has built a well-respected advocacy base for sustainable growth and the Division of Planning has repeatedly demonstrated its commitment to promoting economic growth while preserving Rhode Island's special places, natural and manmade. Many state agencies have also embraced the KeepSpace philosophy of holistically working together while also furthering their respective missions. At this time, we should collectively examine whether our shared goals are best achieved with several brands and efforts or whether they should be completely or partially combined into an existing or new one.

Prepare KeepSpace concept plan for new governor and large city mayors. Recent political announcements portend major changes in the chief executives of the state and major cities. As an established force for enhancing our communities in Rhode Island, KeepSpace can be a tool for our new executives to achieve prompt and sustainable growth.

Create a coalition to promote a Grow Rhode Island consensus that believes that if we are to avoid an "old and stagnant" future as predicted by Statewide Planning, our communities must adopt sustainable growth strategies. The Rhode Map population projections predict a stagnant and older future for Rhode Island. Rhode Island cannot grow economically without healthy real estate and construction sectors. The industries, workers and businesses in these sectors need to work together to create a governmental environment that fosters these vital economic activities.

Group 2

Establish a strong Rhode Island CDFI. Some states, including Massachusetts and New Hampshire have had success attracting private investment in non-residential community development through active Community Development Financial Institutions. Rhode Island Housing could be a key financial and administrative partner in the establishment of a strong CDFI in Rhode Island.

Work to create an implementation strategy for Rhode Map RI. The Division of Planning is about mid-way through its 3 – year planning process for "Building a Better Future for Rhode Island". Once completed, Rhode Island Housing and its KeepSpace partners should coordinate the tools for carrying out the plan.

Seek supplemental or matching funds to those provided by Rhode Island Housing. For many years Rhode Island Housing has been the primary funder of KeepSpace. With its own funds reduced and the need for collaborative efforts among Rhode Island's state, federal, local, public, private and philanthropic agencies ever more important, alternative funding is needed to maintain and grow KeepSpace. The financial and community benefits of our KeepSpace approach have been proven. There is a demonstrated return on investment. Gaining supplemental funding will magnify the positive returns.

Group 3

Engage colleges and universities and non-profit programs like Future by Design, Park(in) Bicycle.

In addition to GrowSmart, the Division of Planning and the KeepSpace partners, Rhode Island is fortunate to have many academic and philanthropic resources that promote a vibrant future for our state. KeepSpace or another entity should serve as a coordinator and facilitator of all of these efforts.

Operation Scans

In addition to scanning the 6 mission areas of Rhode Island Housing, staff also examined four operational areas: Customers, employees, finance and legislative/regulatory. They created a list of potential projects and evaluated each in terms of investment of time and money and the benefits of the investment. The complete lists are set out in Appendix A but the priority operational items are:

- Offer homebuyer education on –line
- Base pre-approval letters on Fannie criteria
- Collect all eligible multi-family legal fees
- Redesign employee evaluation program
- Enhance career development plans for employees
- Each division should hold regular staff meetings
- Establish cross-divisional working groups
- Establish agency working group on legislation
- Engage partners in legislative information process
- Fully implement TBA
- Create budget accountability in each division
- Fully evaluate cost and benefit of preserving every affordable home

Supplement to the Rhode Island Housing Strategic Plan

- 1. List of Stakeholders and Reasonable Expectations**
- 2. Performance Measures for 2015**

1. Stakeholders and Reasonable Expectations

Stakeholder	Reasonable Expectations
Home buyers	<ul style="list-style-type: none"> • Eligibility and benefits to obtaining a Rhode Island Housing mortgage Underwriting guidelines • Mortgage Credit Certificate (MCC) program information • More detailed representation of mortgage process
Lenders	<ul style="list-style-type: none"> • Details on how to access guidelines and regulations • Feedback when loans are identified with deficiencies • Loan Center activity and statistics
Renters	<ul style="list-style-type: none"> • More access to information during application process • Underwriting guidelines
Lawyers	<ul style="list-style-type: none"> • Information on how we handle expired Madeline Walker liens • Post schedule of legal Request for Proposals (RFP) and inform Bar Association • Information about Housing Choice Voucher Program (HCVP) and project admission hearings
Bond Investors	<ul style="list-style-type: none"> • Financial update after close of fiscal year • Financial settlements (6 months) through fiscal year-end • Disclosure tables
HCVP landlords	<ul style="list-style-type: none"> • Regulations - Housing and Urban Development's (HUD's) role • Rhode Island Housing's role • Landlord/tenant rights clarification • Education - Housing Quality Standards
Homeless advocates	<ul style="list-style-type: none"> • Clarification of available funding sources
Homeless Providers	<ul style="list-style-type: none"> • Federal regulation information • Opportunities for Federal money • Policy discussions

	<ul style="list-style-type: none"> • State of Rhode Island expectations • Understanding of advocacy limitations
HUD	<ul style="list-style-type: none"> • Understanding of Rhode Island Housing's mission and demands from the State • Programmatic challenges • Federal register comments
Mortgage Holders	<ul style="list-style-type: none"> • Loan level information - billing statements, Credit Counseling Network (CCN), Annual Escrow, Consumer Financial Protection Bureau (CFPB) required information • Other program - resources • Counseling, Community Action Program (CAP), Emergency Program information • Escrow explanations • Silent mortgage explanations • New homebuyer program updates
Management companies	<ul style="list-style-type: none"> • Reporting requirements • Legislative changes that may impact affordable housing (i.e., 8%) • Income limits/rent limits
Renters	<ul style="list-style-type: none"> • Information on housing availability • Tenant rights/responsibilities • Waiting list information • Vouchers • Rent levels • Program guidelines (Sec 8, HCVP) • Income limits (Methodology of calculating) • Selection criteria by program • Appeals process information

Apartment owners	<ul style="list-style-type: none"> • Program information - HCVP, CAP, Housing Credit, Home Investment Partnership Program (HOME) requirements • Policy changes (e.g., waiting list coordination, nutrition, smoking policy) • Rent levels • Income limits • Legislative changes that may impact affordable housing • Realty Endeavors for Affordable Community Housing (REACH)/HQS information
Tax Assessors/Collectors	<ul style="list-style-type: none"> • Information /education on 8% law and affordable housing • Madeline Walker guidelines • Deed restricted homeownership units
Multi-Family Borrowers	<ul style="list-style-type: none"> • Loan information • Regulatory reporting requirements • Legislation that would affect them or program proposals
Syndicators	<ul style="list-style-type: none"> • Qualified Allocation Plan (QAP) priorities • Applications for funding • Deal structuring challenges (Sec 8 overhang, deficit reserves) • Developments with financial challenges • Design criteria
Fundors	<ul style="list-style-type: none"> • Funding availabilityDevelopments in concept queueNotice of developments funded

<p>Developers/Project Sponsors</p>	<ul style="list-style-type: none"> • Information on funding programs • Rents/income/sales/prices/various incomes • Mixed income opportunities • Application feedback • KeepSpace opportunities • Funding opportunities • Application process • Selection process • Application results • Application feedback • Annual rent limits • Annual income limits • HQS results • Monitoring findings and solutions • Max resale pricing
<p>Consultants</p>	<ul style="list-style-type: none"> • Funding opportunities/investment opportunities for clients • Development opportunities • Rents/income/sales prices/various incomes • Application feedback
<p>Town Planners</p>	<ul style="list-style-type: none"> • Community Development Block Grant (CDBG) program design • Development opportunities for non-profit developers • Housing plan guidance • Housing plan feedback • Assistance under Low Moderate Income Act (connect with monitoring agents, letters of eligibility) • KeepSpace opportunities

Congressional Delegation	<ul style="list-style-type: none"> • No surprises - keep them updated • Updates on when federal law prevents Rhode Island Housing from doing our job • Legislative changes we need to be more effective • Reference lists so they know who to go to for help with constituents • Policy positions
General Assembly	<ul style="list-style-type: none"> • What Rhode Island Housing does • How to get help for their constituents • Financial updates • Programmatic changes • Share items we might think general public needs to know • Role in decision making (early in process)
Governor's Office	<ul style="list-style-type: none"> • General public needs to know • What Rhode Island Housing does • How to get help for constituents (reference listing) Financials • Programmatic changes • Updates on policies and how we apply them • Annual meetings with constituent staff (General Assembly, Towns, Governor's office)
Town Officials	<ul style="list-style-type: none"> • Keep them updated on happenings within their towns • Access to information on our programs and processes • Information on programs that directly impact them

2. Performance Measures for 2015

Development Division

1. Implement the new Treasury/Risk Share financing program and complete two additional affordable apartment financings under the new system.
2. Complete construction on 50 affordable homes for disabled and homeless households.
3. Finance and commence construction on three affordable rental home developments to create 150 new or substantially rehabilitated affordable homes.
4. Launch a new KeepSpace funding round.
5. Develop protocols and implement programmatic and compliance training for the Neighborhood Opportunities and HOME Programs.
6. Reconvene the Tax Credit Transparency Committee to review the process for allocating 2015 housing tax credits and update the Qualified Allocation Plan for 2016.

Homeownership and Customer Service Division

1. Increase loan volume by at least 10% over 2014.
2. Establish a system for lenders to electronically submit loans and lock rates
3. Complete all scheduled improvements to the homeownership financing program
4. Launch at least one new single family lending product such as a loan product that uses lender-paid private mortgage insurance
5. Achieve an average level of 32 appointments per month per counselor in the Help Center
6. Complete a homebuyer micro-site for Rhode Islanders who primarily speak Spanish.

Loan Servicing Division

1. Reduce the 90+ day single family delinquency by 20%.
2. Work with the Madeline Walker Advisory Board to adopt final program guidelines especially for liens held beyond 5 years.
3. Complete transition of REO function to the Loan Servicing Division including the implementation of an online REO tracking system and reduction in length of time that REO is held.
4. Implement the HUD Physical Inspection Alignment Program which will include REAC certification for Multifamily Compliance Specialists
5. Implement new multifamily real estate tax and insurance escrow guidelines.
6. Implement a revised First Look program for the sale of real estate owned properties to non-profit housing partners that will provide a transparent, automated process for the timely disposition of all corporate owned property.

Resident Services Division

1. Increase housing choice voucher utilization by 200 by June 2015.

2. Coordinate the opening of the general voucher waiting list with the Providence Housing Authority for April 2015.
3. Coordinate with HUD and Providence Housing to begin discussions with the Pawtucket and Central Falls housing authorities on a statewide a statewide wait list by Fall 2015.
4. Review, revise and seek additional funding for YouthRAP program with a working group consisting of internal and external partners
5. Partner with state agencies (DOH, DEA, AARP, Office of Lt. Gov.) to develop workshops on the impact of climate change on emergency preparedness in assisting our senior populations and people with disabilities.

Finance and Information Technology Division

1. Manage finances to achieve at least \$3.5 million in net income for FY 2015
2. Create an evaluation model for best execution of financing on multi-family transactions, comparing traditional bond financing, MAP execution and the Treasury/Risk Share program.
3. Create quarterly management report on key financial performance indicators for use by division directors as well as executive management.
4. Refund approximately \$170 million of single family housing bonds to reduce interest expense and achieve a present value savings of at least 6%.
5. Expand our electronic scanning and on-line document storage capabilities to at least two additional departments.

Priority Strategic Activities

1. Advance work to end homelessness in Rhode Island by developing a new paradigm for improving inter-agency coordination and continuing improvement in implementation of the state's Opening Doors plan.
2. Stimulate construction and residential real estate sectors of the economy by developing a single family construction lending revolving fund of at least \$20 million.
3. Advance work to end homelessness by launching a program to better use Housing Choice Vouchers for families and individuals currently receiving services.
4. Enhance community investment by working with external partners to launch or expand a Rhode Island based Community Development Financial Institution (CDFI).