

Rhode Island Portfolio Management and Sustainability Initiative NeighborWorks Collaborative Grant Application

Executive Summary

Rhode Island's current affordable housing property management oversight process is a vestigial holdover from a time when HUD exercised rigid control over all aspects of affordable housing and the landscape was populated with for-profit developers. The process is overly bureaucratic, ineffective and frustrating in its failure to achieve greater efficiencies, provide relevant decision-making information, build capacity and generate income for its stakeholders.

Thankfully, there is a growing national realization that the status quo must be overcome. In Rhode Island, we believe that it is time to transform our current haphazard process into an outcome-driven asset management system that benefits all stakeholders by strengthening the state's overall affordable housing production and preservation capacity. In addition, we believe that this new asset management system can be designed and implemented as part of a broad collaborative effort that will have positive implications in other arenas moving forward.

The genesis of this Initiative grew out of conversations between SWAP, a non-NWA CDC, and NeighborWorks Blackstone River Valley. In order to expand the Initiative's reach, the NeighborWorks affiliates in Rhode Island [CommunityWorks Rhode Island, NeighborWorks Blackstone River Valley and West Elmwood Housing Development Corporation] agreed to do further planning through the statewide CDC association, The Housing Network of RI. Six months ago, the Housing Network initiated a statewide planning effort to begin a collaborative transformation process. Since this early planning phase, all of Rhode Island's relevant asset management stakeholders have been engaged to participate in the operational phase of this far-reaching initiative.

RI's NeighborWorks affiliates, in partnership with eleven other CDCs, the Housing Network [the RI CDC association], Rhode Island Housing [the State Housing Finance Agency], the State of Rhode Island Housing Resources Commission, Local Initiative Support Corporation, and Roger Williams University, are poised to implement the Rhode Island Portfolio Management and Sustainability Initiative [RIPMSI]. Its design and implementation will have national importance and impact, since a primary goal of the effort is to gain regulatory approval of the first 'above the line' asset management fee in the nation.

We are requesting a \$200,000 NeighborWorks Collaboration Grant to move the Initiative into operational implementation.

The core activities of this Initiative involve the convening of two 'Best Practice Work Groups' to work on parallel tracks to create 'culture change' at both the organizational and regulatory levels to implement a statewide asset management system. One track will develop and improve the RI CDC industry's collective capacity for sound asset management practices that financially strengthen their organizations and affordable housing portfolios. The second will focus on re-engineering Rhode Island's affordable housing regulatory and oversight process to provide useful, relevant, real-time information to enhance decision-making, build system capacity, cover CDC asset management costs and generate sustainable earned income for the system's stakeholders.

Goals and program design of the RI Portfolio Management and Sustainability Initiative.

The RIPMSI Collaboration is designed to work on two parallel tracks. A “Best Practices Working Group” made up of partner CDCs will ramp-up the asset management skills and capacity of CDC participants through research, education and training. The second track will incorporate the working group’s findings and our sponsor experiences in order to re-engineer the state’s housing management regulatory and oversight process into a comprehensive asset management system. Please see Chart for an overview of the Program Design.

Operational Steps and Timeline					
Track	Steps	Timeline			
		Months 0-3	Months 4-6	Months 7-9	Months 10-12
Track 1: CDC Capacity Building (efforts led by Working Group)	Convene working group sessions				
	Conduct Literature & Research Review				
	Conduct Review of other national examples				
	Review RIPMSI survey results and produce a list of RI organizations "best practices"				
	Asset Management Boot Camp (NWA- 1 day training)				
	CDC portfolio data collection & analysis				
	Create goals tied to Lit Review and Survey results				
	Establish priorities for asset management related training				
	Host Lunch & Learn sessions based on set priorities				
	Engage Roger Williams University in incorporating Asset Management into existing Community Development Curriculum				
	Multi-Day Asset Management training (engaging board and senior administrators)				
		Months 0-3	Months 4-6	Months 7-9	Months 10-12
Track 2: Comprehensive Asset Management System Reform	Convene a meeting of all Sponsors and Partners to discuss early findings of review process				
	NW-sponsored training directed toward sponsoring organizations				
	Working Group creates goals based on policy analysis and research from Track 1				
	Continue crafting policy changes & legal docs				
	New processes and policies adopted				
	Implement new policies and reporting regulations				