

NeighborWorks® Blackstone River Valley
Strategic Plan 2010-2015

September 20, 2010

Introduction

This strategic plan serves as an update to the plan completed by NeighborWorks® Blackstone River Valley (NWBRV) in 2005 and is meant to complement the organization's annual operating plans by providing an overarching view of its mission, programs, and desired community impacts.

The process for creating this plan utilized the assistance of I Squared Community Development Consulting, Inc. and included the following steps:

- Analysis of recent market trends in NWBRV's target area of Woonsocket and the Blackstone River Valley communities in Northern Rhode Island.
- Interviews with program staff to discuss challenges and opportunities each program faces and potential future directions
- A series of board and staff meetings from June 2009 thru June 2010 to identify critical questions facing the organization, review market and program data, and set outcomes.
- Financial modeling to assess the financial sustainability of NWBRV's proposed strategic directions (ongoing)

The plan was formally approved by the NWBRV Board on September 20, 2010.

The contents of this plan include:

- Updated organizational mission and vision statements
- A summary of key future directions for NWBRV in the 2010-2015 period
- A summary of market trends
- A detailed review of the outcomes that NWBRV seeks and how it will measure them
- A detailed review of operational issues for each of NWBRV's business lines
- A "Core Strategy" chart (Appendix A) that shows each of the key outcomes NWBRV seeks to achieve, how it measures them, and what each business line is expected to contribute to the achievement of that outcome
- A series of "Dashboards" (Appendix B) showing the ongoing measures of business line effectiveness that NWBRV will use to guide its operations

Mission and Vision

Mission

NWBRV's mission remains as it established in its 2005 strategic plan:

NeighborWorks® Blackstone River Valley (NWBRV) works with communities and residents to open opportunities for everyone to live and work in exceptional homes and neighborhoods throughout the Blackstone Valley.

We believe that where we live matters. Our neighborhoods, and all they encompass, shape our lives and in many ways, determine our opportunities, especially our children's. We believe that good affordable housing, in a quality neighborhood can provide our first solid grip on the American Dream, making it possible to have a better life.

We build neighborhoods and communities of greater opportunity, justice and prosperity for everyone, especially for low and moderate-income families and individuals. We strive to collaborate and create places that inspire hope, promote creativity, learning and enterprise and encourage investment while eliminating barriers that perpetuate poverty.

We work with residents, communities and other stakeholders to overcome and remove the barriers that stand in the way of affordable housing development. We then build or renovate homes, apartments, learning and art centers that contribute to personal growth and transformation and enhance the larger community.

To further enrich community life, we spearhead special initiatives and projects that bring residents together to plan, create positive change, build prosperity, and make their neighborhoods exceptional places to live, work and leverage investment.

Vision Statement

Our vision for the Blackstone River Valley Region's neighborhoods is one of a bright future that holds great promise for the people who live and work here:

- Newcomers are warmly welcomed and the experience and knowledge of long time residents is treasured and utilized. Numerous stakeholder contributions have made the Valley's neighborhoods vital, engaging places that attract positive community attention and investment. There is a spirit of camaraderie throughout communities and neighbors feel safe, secure and proud of their neighborhood. Opportunity and choices abound for all.
- There are a variety of affordable homes available for rental or purchase. Houses are well kept and attractive on tree lined streets and avenues. The housing market is robust and active, but not beyond the financial reach of long time residents and the Region's average worker. Homelessness is a thing of the past.
- There is a surplus of jobs that pay a living wage, as well as apprenticeship and training programs for those looking to increase their earning power and move off government assistance. Entrepreneurs and existing businesses are successful and are a source of community pride, regional innovation, prosperity and wealth. There is a coordinated partnership of government, business and residents to maintain and expand communities' and the region's wealth and economic base.
- Neighborhood shopping areas provide attractive environments with a variety of retail, service and commercial establishments that are able to meet consumers' needs and attract tourists and out-of-towners to the area.
- Community parks and open spaces are beautiful and well maintained and offer a variety of activities and programs for all ages. They serve as gathering places to celebrate heritage and community, and build pride and community cohesiveness.

- Local government is responsive and concerned about the quality of life for all residents, including its least well off. It is committed to supporting resident leadership development and decision-making. The ranks of government employees, and membership on various municipal boards and commissions is diverse and representative of the community's ethnic, racial and gender makeup. Residents are proud of their elected officials and respect their leadership and concern for the public good. There is productive and serious debate about important community issues and concerns.
- Children are thriving—they are engaged and successful in their schoolwork, community service, arts and athletics. They are healthy and they are excited about beginning their personal journey of life-long learning. Their parents, teachers, neighbors and the community at large support them to the fullest. This support, in turn, compels them to have far reaching aspirations, and to achieve excellence in all their endeavors. Youth leaders have emerged and have been trained and nurtured to assume leadership roles in all aspects of organizational and community governance.
- Local institutions are supported by the community and well-connected to it. They are a positive reflection of their members. They further the community's deepest spiritual, creative, and community aspirations, and they are recognized for their
- Civility is a community value, and antisocial behavior is not tolerated. Residents are excited and proud to volunteer their time to organizations and projects that contribute to the betterment of their neighborhoods.
- Nonprofit and health and human services necessary to improve resident's quality of life are available for all who need them. Providers are recognized statewide for the quality of their work, their cultural competency, and the level of cooperation with which they deliver their service. Collaboration within a comprehensive service network in the Region is enabling low income, disabled and other at-risk groups to participate in and contribute to the community's growth and prosperity.

Summary of Strategic Directions

Key strategic directions for NWBRV over the next five years are:

- **Shift real estate production focus to multifamily projects.** With recent market shifts impacting the salability of for-sale units, NWBRV will focus its pipeline on rental properties for the next five years. NWBRV does have home ownership projects in its pipeline, but we are not aggressively moving these forward until the market rebounds or we identify a solid market niche that will guarantee units will sell. Since the real estate development business line generates the lion's share of our earned income and sustains NWBRV, we are keenly aware of the importance of developing a pipeline with a diversity of project types, and making sure that potential projects respond to solid market demand. Given that the economic crisis has impacted tax credit pricing and availability, we must also be careful to diversify funding for multifamily projects, at least over the next few years.
- **Increase internal predevelopment, acquisition and construction loan fund to move projects forward faster.** Currently NWBRV has a fund of \$1.5 million. This fund has allowed it to seize opportunities and move projects forward faster than would otherwise be possible. An expansion of these funds will allow for a concomitant expansion of our pipeline and further increase the speed with which we can act, it would also serve as a venture fund to launch new initiatives.
- **Increase programmatic focus on comprehensive improvements in quality of life of targeted neighborhoods in Woonsocket.** NWBRV is embarking upon a broad-reaching initiative to improve the quality of life in the Constitution Hill / Fairmount / Main St. neighborhoods of Woonsocket. This initiative, entitled 'Our Neighborhoods', is sponsored by the Local Initiatives Support Corporation and will involve numerous partners including neighborhood residents, state and local government, businesses and nonprofits serving the area, and advocacy groups. NWBRV serves as the convening and facilitating agency to develop relationships between all the partners and ensure the implementation of a comprehensive revitalization approach that is accountable to community residents.

The first step in the 'Our Neighborhoods' initiative was a resident-driven planning process modeled after a similar initiative conducted in Chicago. Hundreds of residents, government officials, business owners, and community organizations were involved in discussing the challenges and opportunities of the neighborhoods, identifying strategies, and committing to work with one another to implement these strategies. The major themes and broad goals of the resulting "community contract" include:

- **Civic engagement:** generations of residents are engaged with their neighbors, community institutions and elected officials and are committed and prepared to take the leadership necessary to make their neighborhoods the best they can be. Residents have decision-making positions throughout the community and its institutions, and they diligently build the relationships, collaborations and social capital necessary to safeguard their quality of life.
- **Economy:** more widespread wealth is generated as neighborhoods are positioned as competitive locations to do business. New and existing businesses grow in the neighborhoods as they thrive in a challenging regional and global economy. At the same

time, families and residents improve their ability to compete for jobs in the labor market and increase their employment and earnings.

- **Health:** residents are healthy and well connected to a strong, responsive, sustainable healthcare system. Good health is supported by a network of culturally-sensitive providers and other partners who collaborate and innovate to facilitate healthy lifestyle choices and provide access to affordable health care for everyone.
- **Lifelong Learning:** the community strongly supports a broad, well-connected and high achieving system of learning. Community resources and assets are mobilized in new ways to provide a wide assortment of educational, athletic and cultural opportunities. Teachers and families work together to support and inspire students to achieve at their highest levels.
- **Physical Fabric:** neighborhoods are inviting, well-designed and well maintained places, that support strong housing, job and business markets. Residents take pride in their neighborhoods and they recommend them as great places to live.
- **Safety:** strong relationships, partnerships and mutual respect among neighbors, police and government prevent and deter crime and nuisance activity and enhance neighborhood quality of life.

A detailed action plan has been published and “launched” in the community; the plan furthermore is expected to be incorporated as a formal part of the City of Woonsocket’s Comprehensive Plan. NWBRV’s specific roles in the implementation process are to convene people through the planning process, help to develop resident leadership, broker resources, ensure that stakeholders follow through on their commitments, and of course to play an implementation role in areas where its expertise is needed (e.g. housing development, youth programming, and commercial development). The plan continues to evolve as new opportunities emerge; for example, partners are now leading the effort to develop a Promise and Choice Neighborhood planning grant applications.

- **Increase focus on impact evaluation while maintaining production-based performance metrics.** NWBRV recognizes the importance of evaluating whether its programmatic efforts are indeed improving the lives of its customers and the communities in which they live. Such an evaluation requires looking beyond simple turnstile measures of units produced or homebuyers counseled, although those measures do provide important indicators of program performance. NWBRV’s impact evaluation plans are described in further detail later in this document, but broadly fall into three categories:
 - Measures of community revitalization impact in the key Woonsocket neighborhoods of Constitution Hill, Fairmount, and Main Street
 - Measures of affordable housing availability in NWBRV’s Northern Rhode Island market area
 - Measures of benefits to NWBRV’s direct customers
- **Seek to maintain unit quality in our rental portfolio while cutting or holding costs steady.** NWBRV will be focusing attention on its existing portfolio of rental housing to assure that they are competitive in the local market. “Greening” our portfolio will be a

key initiative. We will be investing in energy and water conservation improvements (such as water-conserving fixtures, LED lighting, and efficient heating systems) to keep these operating costs stabilized, and also provide relief to our residents. We are very cognizant of the importance of improving several key asset management indicators to keep our rental portfolio financially sustainable.

- **Augment homeowner services to help people plan for and hold on to homeownership in a climate of economic instability.** There are both post- and pre-purchase dimensions to this future direction:
 - Our Homeownership Center is dealing with growing demands for foreclosure prevention assistance. Staff is obtaining certification in HECM counseling for potential use as a foreclosure prevention tool, and are also working on the Foreclosure Scam Alert initiative and the National Foreclosure Mitigation Counseling partnership. We are also reaching further into our suburban and rural service area to assure that families needing assistance with foreclosure prevention know they have a place to turn to.
 - First-time buyers are also seizing opportunities to purchase their first home through a foreclosure sale. The market downturn has brought prices back into the range of affordability for many first-time buyers. On the other hand, restrictive credit and underwriting standards are complicating and lengthening the closing process, and the uncertain economic climate also poses risks to homebuyers. As a result, NWBRV is moving to deepen its pre-purchase counseling efforts and build in budgeting “stress tests” for homebuyers to better understand their needed future income to sustain homeownership in an environment of significant financial turmoil and change.
 - NWBRV is also converting from NStep to CounselorMax, in order to improve its ability to track customers.
- **Seek to diversify funding sources for homeownership and community building programs.** NWBRV’s homeownership and community building programs represent a funding challenge, particularly in an environment where the charitable funding is likely to decline and the lending industry is in a period of retrenchment. NWBRV must therefore engage in a search for new and creative partnerships and sponsorships to help defray the costs of these important programs. The need in this area also points to a broader organizational imperative to develop a new, formalized resource development and communications structure to achieve this goal.
- **Work with residents to organize around important community issues.** The Our Neighborhoods organizing process over the past year has highlighted the importance of mobilizing residents to take collection action around important community issues. Several efforts have been very successful, including, contacting HUD to stop the Woonsocket Housing Authority’s application to demolish almost two hundred units of family housing, and, organizing regular neighborhood ‘walks’ with City decision-makers to address blighting conditions.

- **Work with partners to shape economic development policy and elevate the City's and Region's economic development efforts and impacts, especially in NWBRV's target areas.** The Our Neighborhoods process exposed the great need for a meaningful and impactful economic development policy, one that truly makes a difference in the lives of residents, and supports target area businesses. NWBRV has been providing significant support to the Main Street Riverfront Initiative by providing VISTA volunteers to organize several successful events, conducting research, surveying business owners, and securing resources to engage consultants to help stakeholders refocus strategy and efforts.
- **Conduct a deep exploration of NWBRV's desired roles in affordable housing and community development work throughout the broader region and in revitalization work in Woonsocket.** NWBRV has been presented with significant opportunities suggesting that it enhance its presence both in the region and in Woonsocket. On the one hand, communities in the Massachusetts part of the Blackstone River Valley have asked NWBRV to increase its activities there, and serve as a partner for various Sustainable Communities planning grants for the whole Blackstone River Valley. On the other hand, NWBRV is deeply engaged in the Our Neighborhoods initiative in Woonsocket and also enjoying a greatly improved partnership with the City of Woonsocket. NWBRV staff and board are launching an in-depth discussion around the roles that NWBRV should play in the region and in Woonsocket, alignment of business lines around a common vision, alternative partnership and staffing models to operationalize our complex mission, and how to sustain the organization in light of the increasing demands placed upon it. This process will also be complemented by market research to analyze the Massachusetts markets into which we are being invited.

Market Context

NWBRV will continue to serve its principal market area of Woonsocket and 8 other towns in Northern Rhode Island: Lincoln, Cumberland, Burrillville, Scituate, Smithfield, North Smithfield, Foster, and Glocester. As of the writing of this document, the NWBRV market is in considerable flux, and may continue to change rapidly over the next five years. Below, we describe the most salient of the recent trends. However, NWBRV realizes that it must continue to monitor future market changes closely and adjust the strategies laid out here as needed to respond to them. The discussion is broken into two sections: revitalization needs in Woonsocket, and housing and market trends in the larger region.

Revitalization needs in Woonsocket

Meanwhile, in Woonsocket, while affordable housing is also an important need, NWBRV's principal challenge has been to continue the revitalization gains that NWBRV has accomplished over the life of the organization, notably the revitalization of the Constitution Hill neighborhood and the adjoining Fairmount and Main Street areas. Through a neighborhood planning process facilitated by NWBRV in 2009, key neighborhood-level trends, assets and challenges were identified and are summarized below.

Neighborhood assets

Our neighborhoods offer many strengths that make them a desirable place to live, work and play.

Interviews with neighborhood residents, business owners, and other stakeholders revealed the following commonly mentioned strengths or assets of the neighborhood:

- A diverse community, including a base of residents with deep roots in the neighborhood
- A beautiful community with quality housing stock, convenient location, and historic character
- "Green infrastructure" including parks and, notably, the Blackstone River and accompanying greenway
- A strong system of community organizations, agencies and churches that serve the neighborhood
- Neighborhood events and neighbors who care for the neighborhood and look out for one another
- Vital businesses that remain on Main Street, as well as key anchors such as the Stadium Theater and Museum of Work and Culture

Demographics

Our neighborhoods are diverse, growing, and young.

- The estimated combined population of the neighborhoods in 2009 was 10,448, living in 4,258 households, according to Claritas estimates. The estimated population equates to a 1% increase over the 2000 Census figures.¹

¹ 2009 Claritas estimates. All Claritas estimates cited in this report were provided via PolicyMap.com. Note that all estimates have a margin of error – they are not exact figures.

- Our neighborhoods are very diverse, with a mix of people from many different backgrounds. Moreover, the population is expected to continue becoming more and more diverse, with declines in the White population. Across all 3 Census Tracts, the White population went from 69% in 2000 to an estimated 59% in 2009.²

Percent of population in 2009	Tract 174	Tract 176	Tract 180	State
White (alone)	56%	52%	71%	82%
African American	11%	17%	7%	5%
Asian	8%	8%	6%	3%
American Indian, Native Pacific Islander	0.7%	0.5%	1%	0.6%
Some Other Race	19%	15%	11.00%	6%
Two or More	5%	7%	5%	3%
Hispanic ethnicity (reported separately)	32%	27%	21%	12%

- Some 514 households – 12% of all households in the Census Tracts comprising our neighborhoods – are linguistically isolated, meaning they do not have an English-speaking adult in the household.³
- We have many young neighbors, with relatively large populations of children under 5 and between 5 and 18. In the Main Street area there is also a concentration of seniors.

Percent of population in 2009	Tract 174	Tract 176	Tract 180	State
Under 5	10%	9%	7%	6%
Under 18	31%	32%	21%	22%
18-64	57%	62%	55%	64%
65+	11%	6%	24%	14%

Land Use

Our neighborhoods form a highly interwoven fabric of diverse land uses, rich in history and character.

Our neighborhoods have a broad mix of land uses that include parks and natural areas along the riverfront, industrial and commercial buildings in and around the downtown area, and both homeownership and rental housing. This mix of uses enhances the historic and largely walkable character of the area.

Economy

Our neighborhoods play an important role in Woonsocket's economy, but for our residents unemployment is high and incomes are low.

² 2000 data from US Census; 2009 estimates from Claritas

³ 2000 Census data via Providence Plan

- Employment growth has been stagnant in Woonsocket, according to the Bureau of Labor Statistics. Total employment was 20,050 in Woonsocket in 2000, and 20,106 in 2008. ZIP code business patterns statistics, compiled by the Census Bureau, do show some growth in the number of business establishments – from 861 businesses in 2005 to 900 in 2007.
- Our neighborhoods are estimated to provide employment for 4,685 workers (some of whom are neighborhood residents, some of whom are not) as of 2006.⁴ The largest concentrations of employment in our neighborhoods are in education (37% of jobs), health care (22%), manufacturing (8%), and retail trade (6%). About 42% of these jobs are held by people who live in Woonsocket. However, only a small fraction of these workers (a little over 7%) actually live in the neighborhood.
- Similarly, the three largest sectors that employ neighborhood residents (whether the workplace is in the neighborhood or not) are health care (17% of employed residents), manufacturing (15%) and retail trade (14%), according to Local Employment Dynamics data. Accommodations and food, as well as education, are also significant sectors employing neighborhood residents.
- Unemployment rates in our neighborhoods are very high. Average unemployment rates for the period of July 2008 – June 2009 were estimated at 14.5% in Tract 174 (Fairmount), 18.2% in Tract 176 (Constitution Hill), and 19.6% in Tract 180 (Main Street). These figures compare to an estimate of 9.8% for all of Woonsocket.⁵
- Incomes are generally low in our neighborhoods, compared to state averages, according to Claritas estimates (see table below).

	Tract 174	Tract 176	Tract 180	State
Median household income in 2009	\$26,917	\$38,904	\$30,523	\$53,901
Percent of households earning under \$25,000 in 2009	48%	32%	61%	24%

Housing

We are primarily a neighborhood of renters. Subprime lending trends, foreclosures, and home price declines all point to a need to boost positive investments in our housing stock.

- The housing stock in the area is predominantly multifamily units, although a range of housing options is available. Some single-family options are available in Fairmount (20% of the stock) and in Constitution Hill (14%). Fairmount and Constitution Hill also offer a number of duplex units (14% and 23% of their stock, respectively). In the Main Street area (Tract 180), 86% of housing units are estimated to be in large or small apartment buildings (3 units or more).⁶

⁴ Local Employment Dynamics Data, US Census.

⁵ Estimates from Environmental Systems Research Institute (ESRI).

⁶ Claritas 2009 estimates.

- Generally, homeownership rates are very low in our neighborhoods compared to the state as a whole.⁷ This data reflects, in part, the composition of the housing stock.

Area	Tract 174	Tract 176	Tract 180	Rhode Island
Homeownership rate	28.7%	23.3%	7.3%	62.7%

- US Postal Service data shows a fairly high percentage of vacant addresses as of the second quarter of 2009.

Area	Tract 174	Tract 176	Tract 180	Providence County
Number of vacant units	84	102	348	10,586
Percent vacant	4.5%	7.8%	13.4%	3.6%

- The City of Woonsocket has seen substantial home price declines, with the median home price dropping from \$240,000 in 2006 to \$165,000 in 2008. The number of sales also declined dramatically, from 3,534 sales in 2006 to only 287 sales in 2008.⁸ According to data from the Warren Group, the median home price in Woonsocket fell 46% from the first quarter of 2007 to the first quarter of 2009.
- While recent data on rents is not available at the neighborhood level, in Woonsocket, rents have been increasing in recent years. In 2008, the average asking rent for a 2-bedroom apartment in Woonsocket was \$976, up from \$956 a year earlier.⁹
- Foreclosures have become an issue in the City of Woonsocket and in our neighborhoods. An analysis by the Boston Federal Reserve Bank ranks ZIP codes by the degree to which they require stabilization work to recover from foreclosures. It places the Woonsocket ZIP code (02895) as the 7th neediest ZIP code in the state, with 40 foreclosed ("Real Estate Owned" or REO) properties as of March 2009. An analysis of individual real estate transactions reported in the Providence Journal for January through May, 2009, turned up 13 transactions in our neighborhoods that appear to be foreclosures or deeds-in-lieu of foreclosure.¹⁰ Over the same time period, however, 17 bank-owned properties were purchased by private individuals or investors.

⁷ Source: Q2 2009 Claritas estimates for Tract level. US Census Bureau Q2 2009 data for Rhode Island.

⁸ Data from Boxwood Means, Inc., provided via PolicyMap.com

⁹ Rhode Island Housing rent survey data.

¹⁰ Warren Group data reported in the Providence Journal. Transactions were flagged as a possible foreclosure when a bank or lender was listed as the purchaser of a privately owned property.

- A large number of subprime loans were made in our neighborhoods during the real estate boom years, especially during 2005 and 2006.¹¹ Both overall lending, and the percentage of it that is subprime, has dropped dramatically. Access to credit has become the major issue in regards to home lending, as opposed to the terms on which the credit is offered. Subprime loans – as well as job losses – are expected to continue creating issues with foreclosures over the next several years.

	Tract 174	Tract 176	Tract 180	Rhode Island
Loans made in area, 2005	142	91	40	34,119
Loans made in area, 2007	64	31	45	17,578
Percent subprime loans, 2005	47.0%	45.1%	52.5%	27.6%

Health, safety and education

We can do more to make our neighborhoods places where people can learn, grow, and stay safe and healthy.

- Woonsocket has high levels of teen pregnancy. In 2005, the rate in Woonsocket was 35.4 births per 1,000 women aged 15 to 17, compared to 19.1 births per 1,000 in Rhode Island overall, according to the Kids Count datacenter. In our neighborhoods, the rate has fluctuated between 30 and 90 births per 1,000 between 2004 and 2007.
- Close to 16% of babies born in the Fairmount/Constitution Hill area were low birth weight in 2007, compared to about 5% in 2005. In the Main Street area, the trend is reversed, with about 6% in 2008 and over 20% in 2005. (Note that with small overall numbers of births, small changes can contribute to significant swings in percentages).¹² In 2005, about 8% of babies in Rhode Island as a whole had low birth weights, compared to 10% in Woonsocket, according to the Kids Count datacenter.
- Crime statistics have fluctuated from year to year in our neighborhoods. 2008 saw an uptick in violent crimes, with 77 total Part I Violent Crimes committed (compared to 53 in 2007 and 52 in 2005). Part I Property Crimes have remained relatively stable, with 398 in 2008 (compared to 400 in 2007 and 393 in 2005).¹³ Uniform Crime Reporting (UCR) data for Woonsocket shows that crime is generally declining citywide; Woonsocket averages about 1,500 incidents per year, according to the Police Department.

¹¹ HMDA data, accessed via PolicyMap.com. Loans are estimated to be subprime when a rate spread is reported. Note that some of the decline in lending activity in 2007 may be due to cessation of operations of some lenders in that year, even though they made some loans earlier in the year.

¹² RI Department of Health data, analyzed by the Providence Plan.

¹³ Data from Providence Plan for Census Tracts 174, 176, and 180. Part I Violent Crimes are murder, rape, assault, and robbery. Part I Property Crimes are Arson, Burglary, Larceny, and Motor Vehicle Theft.

- School performance, as reflected by test scores and dropout rates, lags behind state averages. As of 2008:
 - A majority of students at every grade level tested (Grades 3-11) across the Woonsocket School District fail to meet proficiency in Math, Reading, or Writing, as measured by NECAP test results. The only exception is for Grade 3 Reading, where 52 percent of students are proficient.
 - SAT scores for school district students taking the test are lower than the state average for Math, Verbal, and Writing; also, only 43 percent of seniors take the test, compared to 59 percent statewide.
 - Globe Park Elementary has a majority of students testing as proficient in math, reading, and writing at every grade level tested. None of the other individual elementary, middle or high schools serving our neighborhoods has a majority of students at any grade level who are proficient in math, reading, or writing, per NECAP test results.
 - Per the No Child Left Behind Act, Woonsocket Middle School and Woonsocket High School were both classified as “making insufficient progress.” Globe Park Elementary was classified as “high performing” and Coleman Elementary as “moderately performing” per the No Child Left Behind Act.

Broad economic and housing market trends

Affordable Housing Needs

The principal regional market challenge to which NWBRV has responded over the past several years is a lack of affordable housing. While Woonsocket has met the state goal of providing 10 percent of its housing stock as permanently affordable units for low- and moderate-income households, none of the other towns in the market area have met that goal. As of 2009 the market area had a shortfall of 1,941 units to meet this goal. This shortfall has improved since 2007, when it was 2,138 units. Progress has been uneven, however. While affordable units have been added in Burrillville, North Smithfield and Smithfield – in large part due to NWBRV’s development efforts – most other towns have seen very slight positive change.

Affordable housing by town in NWBRV’s Service Area, 2010

Town	Year-Round Housing Units	Affordable units	% affordable	Unit shortfall	Chg in affordable units since 2007
Burrillville	5,694	500	8.78%	69	27
Cumberland	12,536	746	5.95%	508	1
Foster	1,569	41	2.61%	116	2
Glocester	3,644	85	2.33%	279	5
Lincoln	8,472	595	7.02%	252	3
North Smithfield	4,058	381	9.39%	25	103
Scituate	3,882	39	1.00%	349	0

Smithfield	7,354	392	5.33%	343	56
Total	47,209	2,779	5.89%	1,941	197

Source: 2010 Housing Fact Book, HousingWorks RI

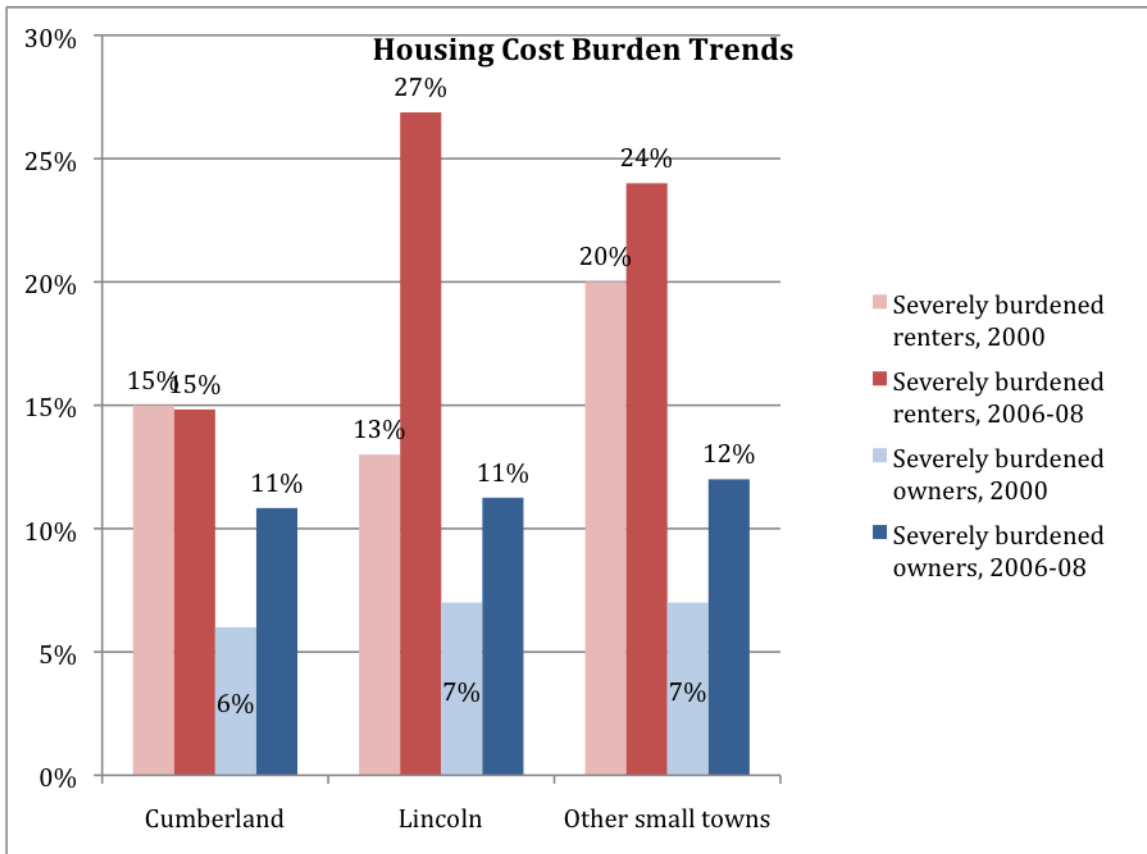
The lack of affordable housing, in addition to stagnant income growth in Rhode Island since 2000, has caused a growing number of households to face housing cost burdens. Data from 2006-2008 American Community Survey 3-year averages, below, show large numbers of renters and homeowners with housing cost burdens.

Cost Burdened Owners and Renters in NWBRV Service Area, 2006-2008

	Percent of renters paying 30 percent or more of income on gross rent	Percent of renters paying 50 percent or more of income on gross rent	Number of renters paying 30 percent or more of income on gross rent	Number of renters paying 50 percent or more of income on gross rent
2006-08 3-year ACS Averages				
Rest of NWBRV Service Area (includes Central Falls)	44%	23%	3,348	1,730
Cumberland	44%	15%	1,202	409
Lincoln	47%	27%	1,066	613
Smithfield	61%	33%	747	405
Woonsocket	47%	22%	4,634	2,184

	Percent of homeowners paying 35 percent or more of income on ownership	Percent of homeowners paying 50 percent or more of income on ownership	Number of homeowners paying 35 percent or more of income on ownership	Number of homeowners paying 50 percent or more of income on ownership
2006-08 3-year ACS Averages				
Rest of NWBRV Service Area (includes Central Falls)	26%	12%	4,260	2,001
Cumberland	26%	11%	2,489	1,036
Lincoln	24%	11%	1,453	680
Smithfield	27%	12%	1,591	688
Woonsocket	36%	16%	2,368	1,050

These housing cost burdens represent a significant increase since 2000, as shown in the graph below. The graph shows data on the towns in the NWBRV service area outside of Woonsocket.



Housing and market trends

The strategic implications of recently observed housing and market trends for NWBRV are as follows:

- Continued issues with mortgage foreclosure will create ongoing needs for NWBRV post-purchase counseling and foreclosure prevention services, at least through 2012.
- A very weak home sales market has shown signs of rebounding, but great uncertainty given the loss of the federal homebuyer tax credit suggests that NWBRV would still face considerable risks if it engaged in for-sale real estate development.
- Prices that remain well below the market peak suggest that it may be a good time for NWBRV to assist first-time homebuyers to purchase homes, if it can help them to qualify for a mortgage in a tight credit market. Core homebuyer education and counseling services are clearly needed in such a market.
- The multifamily market has more indications of health, including healthy vacancy levels for properties with low rents. This trend is sensible given that many homeowners are now becoming renters, and since some rental supply has been lost in the foreclosure process. Continued rental development work, after carefully considering the market for each project, appears to be a viable strategic option for NWBRV. On the other hand, negative income shocks from the recession create the potential to lose tenants.
- Overall weak economic trends will create needs to help those at the low end of the economic spectrum, such as families who have become homeless, and low-income neighborhood residents who are trying to connect to the job market.

Rhode Island continues to suffer job loss and high unemployment. Total nonfarm employment in Rhode Island has been dropping steadily. Rhode Island lost another 4,700 jobs from July 2009 to July 2010, and is down approximately 41,400 jobs since 2007. Unemployment in July 2010 was 12.0%, up from 11.7% in July 2009, and well above the 2007 annualized unemployment rate of 5.2%.¹⁴ In fact, Rhode Island had the 4th highest unemployment rate in the country in July 2010, trailing only Nevada, Michigan, and California, according to US Bureau of Labor Statistics data. Unfortunately, unemployment rates in Woonsocket are still higher than for Rhode Island as a whole – Woonsocket’s 2009 annual average unemployment rate was 13.3%, compared to 11.2% for Rhode Island. With the exception of Burillville, the other towns in NWBRV’s service area have experienced unemployment rates lower than the state average.¹⁵

The recession is taking its deepest toll on the most vulnerable Rhode Islanders. Recently released data on poverty from the US Census Bureau show that the poverty rate in Rhode Island has edged upwards, to 13% in the 2008-2009 period from 10% in the 2006-07 period. Rhode Island has by far the highest poverty rate of any New England state.¹⁶ Data on homelessness reveal an increasing need for permanent supportive housing options for a growing homeless population. According to the most recent Homeless Management Information System (HMIS) data, in 2009, a monthly average of 1,107 people used Rhode Island’s emergency shelter and transitional housing system. Almost one third of these were children.¹⁷

Foreclosure activity is a significant concern in the NWBRV service area. Rhode Island continues to rank as the state with the highest rate of foreclosures in New England, according to Mortgage Banker’s Association National Delinquency Survey statistics for Q1 2010. Some 9.2% of loans in Rhode Island were seriously delinquent (90+ days delinquent or in the foreclosure process), compared to 7.9% of loans in New England. The worst problems are with subprime loans – 30.9% of subprime loans in Rhode Island are seriously delinquent – but prime loans have also been affected, with 6.6% of these in seriously delinquent status. FHA loans have also been hard hit (8.4% are seriously delinquent). Between 2009 and 2012, another 31,192 foreclosures are expected in Rhode Island.

Per a report on foreclosure activity by HousingWorks Rhode Island,¹⁸ while Providence is the epicenter of the crisis, Woonsocket is the fifth-hardest hit community in the state, comprising 5.1% of all foreclosures.¹⁹

Data from the Rhode Island Association of Realtors® shows one positive sign in NWBRV’s service area, namely that overall, distressed properties are comprising a smaller proportion of

¹⁴ Federal Reserve Bank of Boston, New England Economic Indicators.

¹⁵ Rhode Island Department of Labor and Training. “State of the State: A Statistical Profile of Rhode Island’s Cities and Towns.” On the web at: <http://www.dlt.ri.gov/lmi/pdf/stateofstate.pdf>

¹⁶ US Census Bureau, Current Population Survey, 2007 to 2010 Annual Social and Economic Supplements.

¹⁷ HousingWorks Rhode Island (2010). Special Report: Foreclosures in Rhode Island. Available on the internet at: www.housingworksri.org

¹⁸ HousingWorks Rhode Island (2010). Special Report: Foreclosures in Rhode Island. Available on the internet at: www.housingworksri.org

¹⁹ Data from Rhode Island Housing, April – October 2009.

home sales. However, they remain a significant issue, making up 29% of all home sales in the NWBRV service area in Q2 2010.

Town	Distressed properties as a % of all sales, Q2 2010	Distressed properties as a % of all sales, Q2 2009
Foster	50%	29%
Woonsocket	45%	53%
Smithfield	38%	24%
Burrillville	29%	35%
North Smithfield	27%	35%
Scituate	27%	45%
Cumberland	25%	24%
Glocester	21%	63%
Lincoln	10%	32%
Total	29%	36%

Home prices rebounded slightly in Q2 2010, but are well below the market peak. According to statistics from the Rhode Island Association of Realtors, home sales increased slightly in most of NWBRV's service area in the second quarter of 2010, compared with the second quarter of 2009. Property days on market decreased, and median sales prices in most towns increased. However, prices remain substantially below their 2006 market peak – most notably in Woonsocket, where prices have dropped 41% since 2006. Moreover, the expiration of the federal homebuyer tax credit may mean that home price statistics will drop again in the third quarter of 2010.

Number of single-family home sales in NWBRV Service Area, Q2 2009 vs. Q2 2010

Town	Sales Q2 2010	Sales Q2 2009	Change	% change
Lincoln	42	28	14	50.00%
Scituate	15	11	4	36.36%
North Smithfield	22	17	5	29.41%
Woonsocket	56	45	11	24.44%
Smithfield	42	34	8	23.53%
Cumberland	73	72	1	1.39%
Glocester	24	24	0	0.00%
Foster	6	7	-1	-14.29%
Burrillville	28	34	-6	-17.65%

Median single-family sales prices in NWBRV Service Area, Q2 2009 vs. Q2 2010

Town	Med. Price Q2 2010	Med. Price Q2 2009	Median % chg, 09-10	Med. Price 2006	Median % chg, 06-10
North Smithfield	\$250,000	\$209,000	19.62%	\$303,000	-17.49%
Scituate	\$244,000	\$205,000	19.02%	\$350,000	-30.29%
Lincoln	\$258,450	\$233,000	10.92%	\$330,000	-21.68%
Burrillville	\$194,500	\$177,000	9.89%	\$269,900	-27.94%
Cumberland	\$256,000	\$233,500	9.64%	\$305,000	-16.07%
Glocester	\$185,500	\$172,550	7.51%	\$298,000	-37.75%

Foster	\$258,000	\$240,000	7.50%	\$353,000	-26.91%
Woonsocket	\$136,500	\$137,900	-1.02%	\$239,950	-43.11%
Smithfield	\$217,500	\$255,000	-14.71%	\$335,000	-35.07%

Days on Market for single-family homes in NWBRV Service Area, Q2 2009 vs. Q2 2010

Town	Avg DOM Q2 2010	Avg DOM Q2 2009	DOM % chg
Lincoln	85	98	-13.27%
Cumberland	80	81	-1.23%
Woonsocket	55	95	-42.11%
North Smithfield	107	121	-11.57%
Smithfield	63	89	-29.21%
Burrillville	81	99	-18.18%
Glocester	59	77	-23.38%
Foster	69	174	-60.34%
Scituate	67	107	-37.38%

Mortgage lending has dropped precipitously. According to HMDA data accessed via PolicyMap.com, home lending volume dropped by 52% in Rhode Island and by 57% in Providence County from 2006 to 2008. The drop in Woonsocket has been even greater, at 60%. This trend is due not only to homebuyers staying out of the market, but also to the much stricter underwriting criteria that have taken hold since the housing crisis.

Residential construction activity has plummeted since the market peak. In the 9-town region served by NWBRV, construction activity dropped from 442 units and \$74.1 million in 2006, to 207 units and \$31.1 million in 2009, according to US Census Bureau building permits data. No new rental units have been developed.

Construction permits in NWBRV Service Area, 2006-2009

	Buildings	Units	Construction Cost
2006	439	442	\$74,103,971
2009	159	207	\$31,157,938
% change, 2006 -2009	-63.8%	-53.2%	-58.0%

While the overall rental market shows some softness, more affordable properties in the area show healthy vacancy levels. According to REIS data for the 2nd quarter of 2010 on the Providence metro area, asking rents are down 2.6% on an annualized basis. Vacancy rates are at 7.7% on a year to date average basis, compared to 5.0% for the Northeast region as a whole. However, vacancies are significantly lower for lower-rent class B/C properties. As of the second quarter of 2010, the vacancy rate for these properties had dropped to 5.8%, from 6.7% a year earlier. Fair Market rents have remained roughly stable from 2009 to 2010, with the FMR for a 2-bedroom units rising from \$956 to \$963 in the Woonsocket area.

Rhode Island Housing provides data on average rents in 5 of the 9 localities in NWBRV's service area. In Woonsocket, which has been hit hard by the recession and has a large rental stock, rents have been dropping. However, in outlying towns, they are actually higher than they were during the market peak of 2006.

	2009	2006	% chg 06-09
Burrillville	\$1,228	\$1,172	4.8%
Cumberland	\$1,170	\$1,056	10.8%
Lincoln	\$1,179	\$1,025	15.0%
Smithfield	\$1,179	\$1,111	6.1%
Woonsocket	\$948	\$1,040	-8.8%

Loss of affordable housing in the region continues to be a potential concern. In the NWBRV service area over the next five years, there are 241 LIHTC units that will reach the end of their tax credit compliance period. Another 463 Section 8 units will see their project-based assistance over 2011 and 2012.

Evaluating NWBRV's Impacts

NWBRV will focus impact measurement efforts in three areas:

- Measures of community revitalization impact in the key Woonsocket neighborhoods of Constitution Hill, Fairmount, and Main Street
- Measures of affordable housing availability in NWBRV's Northern Rhode Island market area
- Measures of benefits to low-and moderate-income residents served by NWBRV and its partners

Appendix A, the "Core Strategies" chart, shows in summary form how each of NWBRV's business lines is expected to contribute to the achievement of these outcomes and how the outcomes are to be measured.

Neighborhood Revitalization Impacts

Outcomes description

NWBRV's desired neighborhood revitalization outcome is that:

The Constitution Hill / Fairmount / Main St neighborhoods in Woonsocket will be a desirable place to live, with a good quality of life and increased economic and academic opportunity for their residents.

More specifically:

- Residents will have a high degree of satisfaction with their quality of life and outsiders will hold a positive image of the neighborhood.
- Neighborhood physical conditions will improve.
- Academic achievement of neighborhood students will improve.
- Economic opportunities and wealth will increase in the neighborhood.
- Residents, neighborhood stakeholders, and external stakeholders will form strong relationships that increase resources in the neighborhood and empower residents to address opportunities and challenges facing the neighborhood moving forwards.

NWBRV efforts that are expected to contribute to these outcomes are:

- Development of a "Sustainable Communities" initiative seeking to build community social capital, develop resident leadership and capacity to advocate for the neighborhood, and build partnerships to implement projects and programs prioritized by neighborhood residents.
- Real estate development efforts in the targeted communities including homeownership, rental, commercial, and community facilities. The current NWBRV pipeline in these areas

consists of approximately 40 residential units, 20,000 square feet of commercial space and 5,000 square feet of community space.

- Continued management of existing NWBRV properties in the area to a high standard of quality. NWBRV has 153 in the target area.
- Delivery of youth and after-school programming to NWBRV tenants and other community residents.
- Education and counseling assistance to homebuyers buying homes in the neighborhood. NWBRV anticipates a modest level of effort in this area with 5-10 new homebuyers assisted in the neighborhood per year. NWBRV also anticipates serving an additional 50 residents through expanded financial fitness and foreclosure intervention services.

A graphic version of a logic model explaining the expected relationship of NWBRV activities to revitalization outcomes is presented in the Appendix.

Measurement summary

NWBRV has identified a range of indicators and measurement tools that it will use to measure progress towards achieving these outcomes, summarized below. More detailed descriptions of indicators, measurement tools, and evaluation work plans are provided in a separate document.

Outcome	Indicators and measurement tools
Residents will have a high degree of satisfaction with their quality of life and outsiders will hold a positive image of the neighborhood.	<ul style="list-style-type: none"> • Survey of resident satisfaction (Success Measures tool C9) • One-on-one interviews with residents and other internal and external neighborhood stakeholders on neighborhood strengths and weaknesses (baseline information is in place and was used as a critical element informing the Our Neighborhoods plan). • Market indicators on home price trends, vacancy rates, changes in homeownership levels, and other measures of neighborhood quality (relative to comparison neighborhoods). This secondary data-driven analysis is being performed by evaluators from National LISC and the Providence Plan.
Neighborhood physical conditions will improve	<ul style="list-style-type: none"> • Observational checklists on housing and neighborhood physical conditions (Success Measures "Stabilization" tools S4 through S7).
Academic achievement of neighborhood students will improve.	<ul style="list-style-type: none"> • "Promise Neighborhood" measures could replace the items identified below. • Track student academic achievement and school performance data for Woonsocket District and key neighborhood schools • "Report Card" on Environment for Youth in Neighborhood tracking availability of and participation in enrichment programs
Economic opportunities and wealth will increase	<ul style="list-style-type: none"> • Number of businesses, employment and sales in Our Neighborhoods, as measured by InfoUSA business-level data

Residents, neighborhood stakeholders, and external stakeholders will form strong relationships that increase resources in the neighborhood and empower residents to address opportunities and challenges facing the neighborhood moving forwards.	<ul style="list-style-type: none"> • Inclusion of questions related to social cohesion and collective action (Success Measures tools C10 and C7) in survey of residents • E-Surveys (with follow-up Focus groups as appropriate) with neighborhood leaders on capacity for collective action (Success Measures tool C7) and NWBRV accountability to the community (Success Measures tool C5) • Interviews with resident leaders on individual sense of efficacy (Success Measures tool C15.1.b)
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Measuring impacts on affordable housing availability

Outcomes description

NWBRV's desired outcome for increasing affordable housing availability is that:

The Northern Rhode Island towns of Lincoln, Cumberland, Burrillville, Scituate, Smithfield, North Smithfield, Foster, and Glocester will increase their opportunities for low- and moderate-income households to live there and enjoy a high quality of life. Specifically, towns will provide additional, high quality housing that is affordable to low and moderate-income families and individuals.

NWBRV efforts that are expected to contribute to this outcome include:

- Continued work to develop relationships with outlying towns in Northern Rhode Island to help them plan for meeting state affordable housing mandates goal. This includes maintenance of NWBRV's a network of relationships through its Northern Rhode Island Affordable Homes Action campaign. NWBRV will also be taking town officials and other stakeholders on tours of affordable housing properties NWBRV has developed, to help develop a more positive image of affordable housing in the minds of these stakeholders.
- Active pursuit of development opportunities in these towns. The NWBRV pipeline currently includes 200 +/- rental and homeownership units of development in these communities over the next 5 years.
- Exploration and research of possible expansion in Massachusetts.

Measurement Summary

Outcome	Indicators and measurement tools
Greater availability of affordable housing in 8 Northern Rhode Island towns	<ul style="list-style-type: none"> • Percentage of low- and moderate-income housing (long-term affordable housing, as defined by Rhode Island state law) in Burrillville, Scituate, Smithfield, North Smithfield, Foster, and Glocester, as measured by official state statistics reported by HousingWorks RI. • Housing cost burdens in this region – percentage of renters paying more than 30% of income for rent, and of owners paying more than 35% of income on ownership costs, as provided by American Communities Survey data on an annual basis beginning with 2008 data

Measures of benefits to low-and moderate-income residents served by NWBRV and its partners

Outcomes description

NWBRV has set a series of outcomes related to helping its customers enjoy an improved quality of life:

- NWBRV tenants and homebuyers will enjoy a high level of satisfaction with the rental developments in which they live or the homes which they purchase from us.
- NWBRV homebuyer education customers will obtain financing on appropriate terms, avoid default and foreclosure, and maximize their chances of building assets through homeownership.
- Financial fitness customers will develop and implement a balanced household budget and reduce their debt to position themselves to acquire assets that will increase their long-term wealth.
- Youth served by NWBRV will be prepared to succeed in school.
- Participants in job training programs run by NWBRV partners will improve their earnings.
- NWBRV tenants will have a more stable/long term living situation than others in the community and they will pay an affordable rent

Measurement Summary

Outcome	Indicators and measurement tools
NWBRV tenants and homebuyers will enjoy a high level of satisfaction with the rental developments in which they live or the homes which they purchase from us.	<ul style="list-style-type: none">• Annual tenant and homebuyer satisfaction survey (already conducted by NWBRV)
NWBRV homebuyer education customers will obtain financing on appropriate terms, avoid default and foreclosure, and maximize their chances of building assets through homeownership.	<ul style="list-style-type: none">• Review of loan origination data for NWBRV customers• Long-term follow-up with sample of customers to track mortgage performance and wealth building
Youth served by NWBRV will be prepared to succeed.	<ul style="list-style-type: none">• Longitudinal surveys of youth participating in NWBRV programs
Financial fitness customers will develop and implement a balanced household budget and reduce their debt to position themselves to acquire assets that will increase their long-term wealth.	<ul style="list-style-type: none">• Longitudinal "Soft pull" credit score data on a sample of financial fitness customers
NWBRV tenants will have a more stable/long term living situation than others in the community and they will pay an affordable rent	<ul style="list-style-type: none">• Turnover rate in NWBRV rental developments• Distribution of rent as a percentage of household income for NWBRV tenants
Participants in job training programs run by NWBRV partners will improve their earnings.	<ul style="list-style-type: none">• Employment and earnings program data on job training participants tracked by NWBRV partners

Business Line Strategic Directions

Real Estate Development

Overview

NWBRV's Real Estate Development program has developed 285 units in Woonsocket and Northern Rhode Island since its inception. Over the last two years, it has developed 82 units, including 80 rental and 2 homeownership units, and brought in \$750,000 in developer fees. The program currently employs a staff of 3.5 FTEs including the Real Estate Development Manager, and a Senior Construction Supervisor, and time from the Executive Director, Executive Assistant, and Finance Director.

Recent Trends

- NWBRV has a strong pipeline in place, detailed later on in this chapter, of 200 residential units and 23,000 square feet of commercial and community space targeted for completion by 2015.
- Current market conditions make it easier than it has been to acquire property for the pipeline, but getting funding for projects is an issue. The funding and investment climate is challenging – tax credit pricing is unfavorable for developers right now and the overall “pie” of funding is shrinking.
- There is a lot of market risk to affordable single-family development, since there is a lot of reasonably-priced inventory already on the market. To get buyers to agree to long-term affordability restrictions, a high-quality unit needs to be provided at a cost well below market. For these reasons, NWBRV is not focusing on these projects at this time, with the notable exception of a deeply subsidized self-help homeownership development in Pascoag.
- While there is greater emphasis from funders and investors on building ‘greener’ and promoting ‘smart growth’ development principles, the financial resources to accomplish this goal do not always match the rhetoric.

Future directions and key action items

- Overall, the Real Estate Development department hopes that its work continues to position NWBRV as a leader among Rhode Island CDC's – meaning that a consistent level and high quality of production needs to be maintained.
- For future additions to the pipeline, department staff are interested in both elderly and family rental projects. Basic demographic trends suggest there should be continued need and demand for elderly projects. And many outlying towns still appear to have a shortage of affordable family rental units. The need for permanent supportive housing is also an increasing need.
- Staff are moving to make Microsoft Project the basic platform for project management, and to provide more uniform reporting to the Board on whether projects are staying on their timelines. Staff will also be upgrading project financial spreadsheets to do more sophisticated scenario planning.
- At or beyond the horizon of this strategic framework document, additional programmatic expansion is a possibility that requires careful study before proceeding. One possibility to explore is whether NWBRV could successfully operate an in-house construction company.

Another is whether to provide rehabilitation programs for existing property owners, particularly for targeted neighborhoods. Also, whether to expand real estate development services into Blackstone Valley communities in Massachusetts.

- Increase staff skills and expertise in Green Building, for example through the NeighborWorks® Training Institutes, RI Builders Association, etc.
- Several key short term action items for the accomplishment of NWBRV's pipeline are to:
 - Explore 'KeepSpace' designation for Main Street and Branch Village areas;
 - Complete Comprehensive Permitting process for Pascoag Village (in Burrillville) and Mechanic Street (in North Smithfield).
 - Monitor USDA Self-Help Housing funding cycle in order to resubmit application for program start-up.
 - Dissect historic project development costs to strategize cost controls and reductions of at least 12%-20% while maintaining unit quality and incorporating higher levels of 'green'. Advocate for funder policy changes as necessary.

Asset Management

Overview

NWBRV manages a portfolio of 280 rental units and 26,700 square feet of commercial and community space across properties. 153 units and 23,200 square feet are located in Woonsocket; the remainder [127 units & 3,500 sf] is in the outlying towns of Northern Rhode Island.

NWBRV's asset management department consists of a staff of 2.5 FTEs including the Director of Asset Management, Finance and Operations Director, and an Asset Management Construction Supervisor. NWBRV contracts property management services to private sector firms, currently Maloney Properties, Inc. and First Realty Management.

Recent Trends

- NWBRV is bouncing back from significant property management issues in 2006 and the resulting transition to a new property management firm. The new firm, Maloney, is better with unit maintenance, although somewhat slow with paperwork and financial information.
- Right now the NWBRV portfolio faces several challenges. The central challenge is to maintain unit quality while cutting or holding costs steady:
 - Aging, scattered-site properties with a big maintenance list and limited funding to address it.
 - Rising utility costs. Given stable tenant incomes, this is leading to unit turnover.
 - A number of large [3,4 & 5 bedroom] units with high make-ready costs, especially since there has been little unit turnover until recently.
 - Changes to the NOP rental subsidy [Neighborhood Opportunities] program, are creating financial challenges for properties with these units, especially Front Street/Heritage Place.
- Some NWBRV properties (especially Constitution Hill I and II) are now approaching the end of their 15-year tax credit period. Plans must be made for how to sustain them as high-quality, affordable rental housing into the future.
- Continue efforts to market and lease-up remainder of Front Street commercial space, while restructuring financial structure and reducing operating costs.

- Generally, because of these and other challenges, and to maintain portfolio quality, NWBRV has become much more active and “hands on” in the management of its portfolio than at any time in its history, creating an additional payroll burden on the properties in portfolio.

Future Directions

- NWBRV will need to begin planning for recapitalization of some projects that have expiring subsidies and potentially some significant repairs and replacement work. At the same time, NWBRV must establish a system and schedule for preventative maintenance throughout its portfolio.
- NWBRV and its property management subcontractors must remain committed to achieving excellence along basic asset management performance indicators such as occupancy and collections, unit turnover, unit turnarounds, cash flow, debt coverage, maintenance, preventive maintenance, financial management, compliance and reporting and tenant satisfaction.
- NWBRV is and will continue to be focusing hard on finding energy and water savings, including conducting energy audits of buildings in its portfolio
- A long-term question, likely beyond the horizon of this strategic framework document, requires careful evaluation of whether to take aspects of property management in-house. Challenges are that the NWBRV portfolio in and of itself is not big enough for self-management, so NWBRV would have to manage properties for other owners for this strategy to work. Start-up costs would be significant and there would be significant risks if there were glitches in the system in the early going. An alternative would be to take the maintenance functions in-house and hire a management firm just to handle occupancy, collections and compliance. NWBRV is already very involved in maintenance – it manages exterior maintenance work and common area maintenance work for all properties, in addition to evaluating long-term capital needs. It has been very hands on – for instance, reviewing the details of landscaping contracts, and reviewing exterior and common area lighting to identify potential energy savings.

Community Building

Overview

NWBRV's Community Building department has several areas of focus:

- Provision of resident services to tenants in NWBRV properties, both directly and through programmatic partnerships
- Facilitation of the NWBRV Sustainable Communities initiative, focusing on comprehensive community development and improving the quality of life in the Constitution Hill, Fairmount, and Main Street areas of Woonsocket
- Services, advocacy, and the development of partnerships to improve the quality of education offered Woonsocket youth
- Advocacy for more effective economic development policies and programs in NWBRV target areas
- Continued advocacy work with towns in our service region to promote the development of additional affordable housing and community development opportunities

NWBRV's Community Building department consists of 3.5 FTEs, including the Community Building and Organizing Director, the Education Programs Coordinator, a Sustainable Communities Manager, and a LISC AmeriCorps member.

Recent Trends

- Youth programming appears to be achieving significant positive impacts. For example, 100 percent of youth completing NWBRV's Sure Track college prep program were accepted into 4-year colleges.
- Streamlining reporting to make it more outcome-focused as opposed to just describing or counting the activities taking place.
- Trust levels with partner organizations and the school system are improving. NWBRV is now meeting with other community organizations in Woonsocket regularly to work together on after school program resource development, program development, and promoting best practices within the school system.
- There is a great need to facilitate better communication with teachers so that there can be greater alignment with school curriculum and NWBRV afterschool programming.
- Budget cuts have had a big impact on partner organizations' programs. The middle school was cut from 5 guidance counselors to 2, for 2,000 students.
- Resource development is a challenge and must be stepped-up significantly.
- The Community Building office has been relocated to 141 Olo Street in Woonsocket, which has helped the program achieve stronger connections with the community.

Future Directions

- At the Meadows, the Community Building department is working with partners to provide services and programming to help seniors remain healthy and age-in-place. During the past year, the Department secured funding from HUD for a part-time Resident Services Coordinator.
- Youth programming should achieve greater alignment with in-school curriculum to help build academic skills, raise achievement levels and access higher education.
- Strengthening relationships with partners is important, and formalizing them whenever possible to assure mutual accountability is critical to long-term success.
- Youth programs will move toward supplementing paid subcontractors with "In-Residence" teachers and experts once the Northeast Street mill is completed in 2011. This model holds great promise for initiating project-based learning activities in the community as an alternative to traditional classroom models.
- The Sustainable Communities program has made significant progress and achieved great impact. This program has deepened community engagement, empowered residents and been responsible for new and unique partnerships to achieve elements of the 'Our Neighborhoods Plan'.
- The Community Building department has developed expertise in mobilizing volunteers to staff programs and achieve elements of the 'Our Neighborhoods Plan'. Over the past two years, NeighborWorks America has placed twenty-two VISTA Volunteers with NWBRV. This has been a significant human capital resource in a time of shrinking budgets.
- Organizing and connecting residents, stakeholders, institutions and government and leveraging resources is an important part of the work of the Department, especially as it relates to implementing the 'Our Neighborhoods Plan'.

- Analyzing programmatic design and capacity and evaluating program outcomes is an important task over the next year.

Homeownership Center

Overview

NWBRV's Homeownership Center seeks to help renters successfully own their first home and/or strengthen their financial position to build other assets. It also work with existing owners to successfully maintain their ownership. Its ideal outcomes for customers are that:

- They build a solid household budget, monitor spending, increase savings, use credit wisely, resolve outstanding credit issues and rebuild their credit in order best position themselves to build assets
- They resolve credit issues and put themselves into a solid financial situation before buying a home, so that they are ready for the financial strains of ownership
- They succeed in getting a home without paying exorbitant fees or high interest rates associated with subprime lending, and succeed financially once they own a home
- The stability provided by homeownership benefits them as a family; these benefits include improved academic performance for schoolchildren
- Existing owners successfully maintain their ownership and continue building assets wisely
- The community benefits from homeownership, with people making greater investments to improve the physical conditions of their homes and their neighborhood.

Services currently provided include homebuyer counseling and homeownership education classes, foreclosure intervention and prevention services, financial fitness counseling and education classes, reverse mortgage counseling. The Homeownership Center has a staff of 3.0 FTEs including the Homeownership Services Director, the Homeownership Center Director, and a Homebuyer Counselor.

Recent Trends

- Despite being recognized as an effective and quality homeownership program, the NWBRV Homeownership Center is operating with minimal sponsorships from lenders or Realtors® to support HOC work.
- There is an ongoing high demand for foreclosure prevention and intervention services. NWBRV continues to partner with West Elmwood Housing Development Corporation on the National Foreclosure Mitigation Counseling grant.
- As of summer, 2010, NWBRV had 60 people in process to buy homes – most are buying short-sale or bank-owned properties. Two resulting issues are that properties often need significant rehabilitation work, and that timeframes for purchasing have been slower when the original homeowner's bank is involved. Other potential buyers have expressed concerns about buying into the market at this time.
- The increasing restrictiveness of mortgage underwriting is affecting NWBRV's ability to help people as easily as it once could. Education and counseling programs must adapt to this new reality which requires higher credit scores, and greater buyer equity and savings.

- NWBRV is seeing an increase in demand for its homebuyer services- banks really want to see clients who have completed our homebuyer education and 1 on 1 counseling.
- The number of customers seeking reverse mortgage [HECM] counseling has increased over time. It is critical that staff secure the required HUD certification in order to meet new HUD requirements and continue being able to offer this service. Once received, NWBRV will be the only certified HECM counselor in Northern Rhode Island.
- There is a growing recognition of the importance of basic financial fitness counseling and education. During the past year, NWBRV has developed a successful collaboration with Family Resources Community Action to offer financial fitness counseling and education services.

Future Directions

- NWBRV will be continuing its partnership with West Elmwood Housing Development Corporation around the National Foreclosure Mitigation Counseling grant.
- Exploring a downpayment and closing cost assistance loan program. NWBRV would counsel and qualify potential homebuyers, and work with a partner lender – who would do the actual origination and servicing of loans. Such a program would address the fact that most first mortgages will only go up to 97% LTV (or even less). Two potential issues to take into consideration are what the program niche would be compared to the RI Housing second mortgage program, and the fact that most first mortgages will not accept greater than 100% combined loan to value ratios.
- See discussion of potential rehab assistance / lending program in the RE development section of this document. There are frequent requests from customers for assistance with home rehabilitation needs, especially in this current short-sale environment. The program might be managed in partnership with a lender.
- Staff have been certified to present the “Ready to Rent” Program. The program offers a 10-hour training to people seeking to overcome personal or credit barriers that prevent them from finding affordable rental housing. While there is a significant need for the program, the financial resources necessary to offer it on an ongoing basis must be secured.
- An important goal of the HOC is to obtain enough sponsors to support itself financially.
- NWBRV will continue to ensure that staff maintain all relevant housing counseling and education certifications, as appropriate.