Message from Governor Peter Shumlin

I have been concerned about the growing gap between housing costs and wages in our state for many years. I have always believed that expanding access to affordable housing and ending homelessness are crucial for the success of our state. While I have always championed affordable housing programs like VHFA’s, the housing stock in our state was tested like never before when we faced Tropical Storm Irene in 2011.

Immediately and without discrimination, too many Vermonters saw first-hand how quickly a central piece of their identity—their home—could be destroyed. For many in the state, they watched the storm develop from the comfort of their home, and relied on that simple structure to not only protect them from the elements, but also serve as a refuge from the realities of the storm’s aftermath. For too many communities, that protection and refuge was lost in the storm, or the days that followed.

As a result of Tropical Storm Irene, approximately 3,500 homes were damaged. More than 680 of those had damages exceeding $10,000. More than 500 mobile homes were damaged or destroyed, and 1,400 households were displaced either temporarily or permanently. Disaster case managers and the state’s network of Homeownership Centers are working with approximately 700 cases statewide. These are households with some remaining housing need, ranging from a few thousand dollars for final repairs to living temporarily with family without enough resources to find permanent housing.

As sobering as those statistics are, I’m proud of the role that VHFA has played since that devastation, in partnership with many others. VHFA’s staff quickly took stock of the properties they’ve invested in, and immediately offered assistance to impacted borrowers. The agency allowed impacted homeowners to miss some regular mortgage payments and also worked closely with the loan servicers to make sure borrowers were being well served, including staying on top of insurance claims and smoothing the process.

VHFA helped identify vacant available units in the state’s stock of affordable rental housing and relay information throughout the state. The agency was a valued partner in the Irene Housing Task Force and I know is still working to create funding opportunities especially for mobile home owners through its state Housing Tax Credit program.

I especially appreciate the significant impact VHFA has played in this past year and I know that it will continue to be a partner as we remain focused on our shared goal of ensuring that all Vermonters have a safe, affordable home that can be a refuge during a storm.
Message from the Chairperson and Executive Director

As we look back on the past year and forward to the future, it’s easy to theme Fiscal Year 2012 as one where VHFA “weathered the storm.” That said, we are confident with each challenge the Agency faces, it will emerge stronger and continue to prove itself resilient to the sometimes harsh realities of the housing and financial markets.

Consider just a month after the start of the Fiscal Year, the State’s housing stock was pummeled from the effects of Tropical Storm Irene. Despite the devastation, as the Governor highlighted in his letter, VHFA worked diligently with State and local partners to help property owners recover and remain “Vermont Strong.”

Prior to Irene, the financial market chaos of the past several years continued to present challenges. Capital markets for long term borrowing continued to be difficult, which severely impacted the Agency’s ability to fund its programs. Fortunately, the Federal government responded with a program designed for housing finance agencies such as VHFA, the New Issue Bond Program (NIBP). The NIBP allowed VHFA to offer its lowest mortgage rates ever. By relying on the nation’s network of state housing finance agencies, the Federal government yet again signaled VHFA and its sister agencies are a successful model for delivering loans to lower income borrowers.

Vermont continues to face a sensitive and challenging housing market. While prices have rebounded for the most part, availability of affordable housing remains inadequate. The uncertainty surrounding the Federal government’s continuing role in housing finance and the implementation of financial reform legislation add to turbulent market conditions. We stand willing to work with our Federal partners as the nation’s housing policy is debated.

Despite these challenges, we are confident VHFA will remain an important mortgage lender. The Agency is proud of its innovation and long term success in providing high quality loans to lower income Vermonters and developers of affordable rental housing. While we are looking at additional sources of capital for our loans, the Agency is still offering amazingly low interest rates. We are excited by the faith the Legislature has put in VHFA to increase the state Housing Tax Credit program and allow its use by mobile home owners.

We are looking forward to the future and have been made stronger by our past.

FORWARD-LOOKING STATEMENTS This publication contains statements about future results that may constitute “forward-looking statements” within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Readers are cautioned that these statements are not guarantees of future performance. There are a variety of factors, many of which are beyond VHFA’s control, which affect the operations, performance, business, strategy and results and could cause its actual results to differ materially from the expectations and objectives expressed in any forward-looking statements. Accordingly, readers are cautioned not to place undue reliance on forward-looking statements which speak only as of the date they are made. VHFA does not undertake to update forward-looking statements to reflect the impact of circumstances or events that arise after the date the forward-looking statements are made.
### Percentage of Vermont’s population by age

<table>
<thead>
<tr>
<th>Age Group</th>
<th>2011</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>65+ years</td>
<td>16.6%</td>
<td>14.7%</td>
</tr>
<tr>
<td>45–64 years</td>
<td>30.8%</td>
<td>30.2%</td>
</tr>
<tr>
<td>20–44 years</td>
<td>30.6%</td>
<td>29.9%</td>
</tr>
<tr>
<td>0–19 years</td>
<td>23.8%</td>
<td>23.3%</td>
</tr>
</tbody>
</table>

### Percentage of income spent on housing expenses

- **Homeowners**
  - Spending 50% of income or more: 13%
  - Spending 30–49% of income: 24.5%

- **Renters**
  - Spending 50% of income or more: 22%
  - Spending 30–49% of income: 25%

### Lower income renter households receiving housing assistance

- Households in housing with project-based assistance: 20%
- Households with tenant-based assistance in market-rate housing: 4%
- Households with tenant-based assistance in housing with project-based assistance: 6%
- Low income households with no housing assistance: 70%

Total lower income renter households: 55,186

### Subsidized rental units by tenant type

- Occupancy not restricted: 6,857
- Restricted to elderly or disabled households: 6,419

### Vermont’s Housing Today

- **A modest 2-bedroom apartment in Vermont now costs $976 a month, which is affordable at an hourly wage of $18.77 ($39,051 annually). 67% of Vermont’s workforce works in jobs where the median wage is below this threshold.**

- **Through 2011, there has been a 37% drop in the average number of home sales compared to the previous decade.**

- **Interest rates for homeownership have remained very low and helped affordability in many parts of the state. The problem for first time buyers remains the limited down payment assistance available.**

- **High credit requirements and adverse market fees remain in place, further squeezing many first time buyers. Closing costs in Vermont increased by 6% in 2011 from the year before.**
About 21% of people who are homeless are in emergency shelter, 24% live in transitional housing, 11% are staying in a hotel or motel, and 9% are unsheltered. 35% are precariously housed, meaning they’re temporarily sheltered by friends or acquaintances.

Unlike more urban states, a large proportion (almost half) of Vermont’s homeless is families and at last count 270 were children 17 or younger.
Residents enjoy the porch at Armory Lane Senior Housing in Vergennes. VHFA provided development financing through allocated Tax Credits and the Tax Credit Assistance Program for these 25 affordable apartments.
For a complete listing of the state’s affordable rental housing (including properties financed or awarded Tax Credits by VHFA), go to www.housingdata.org.
Renovation of buildings on Benmont Avenue in Bennington helped create and preserve 26 units of affordable rental housing in the Roaring Branch Apartments complex. VHFA provided allocated Tax Credits and state housing credits for the cost of renovation and construction.
Because of changes to methodology and definitions, this count will show fluctuations year to year.

For a complete listing of the state’s affordable rental housing (including properties financed or awarded Tax Credits by VHFA), go to www.housingdata.org.
Percentage of population by age

<table>
<thead>
<tr>
<th>Year</th>
<th>0–19 years</th>
<th>20–44 years</th>
<th>45–64 years</th>
<th>65+ years</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>15.5%</td>
<td>28.3%</td>
<td>31.1%</td>
<td>25.0%</td>
</tr>
<tr>
<td>2016</td>
<td>17.5%</td>
<td>27.6%</td>
<td>30.6%</td>
<td>24.0%</td>
</tr>
</tbody>
</table>

Lower income renter households receiving housing assistance

- 79% Households in housing with project-based assistance
- 15% Households with tenant-based assistance in market-rate housing
- 3% Households with tenant-based assistance in housing with project-based assistance
- 3% Low income households with no housing assistance

Total lower income renter households: 2,973

Percentage of income spent on housing expenses

- Homeowners:
  - Spending 50% or more: 13%
  - Spending 30–49% of income: 21%
- Renters:
  - Spending 50% or more: 22%
  - Spending 30–49% of income: 21%

Subsidized rental units by tenant type

- Occupancy not restricted: 265
- Restricted to elderly or disabled households: 285

This single-family owner home in St. Johnsbury was renovated and sold through Vermont's Housing Acquisition & Rehabilitation Program (HARP) administered by VHFA.
Because of changes to methodology and definitions, this count will show fluctuations year to year.

For a complete listing of the state’s affordable rental housing (including properties financed or awarded Tax Credits by VHFA), go to [www.housingdata.org](http://www.housingdata.org).
Tanuja, Nayana, and Joshua Scowcroft bought their Williston condo recently with the help of VHFA. “What we enjoy about living here is it has a small town feel but is still close to everything,” Tanuja says. “We are so happy VHFA was able to make this happen for our family,” she remarks.
Because of changes to methodology and definitions, this count will show fluctuations year to year.

For a complete listing of the state’s affordable rental housing (including properties financed or awarded Tax Credits by VHFA), go to [www.housingdata.org](http://www.housingdata.org).
This single-family Lunenberg home was renovated and sold through Vermont’s Housing Acquisition & Rehabilitation Program (HARP) administered by VHFA.
Less than
10 miles (31%)
10 to 24 miles (34%)
25 to 50 miles (15%)
Greater than
50 miles (20%)

Total Jobs: 2,368

Income needed to afford a median priced home
Median household income

For a complete listing of the state’s affordable rental housing (including properties financed or awarded Tax Credits by VHFA), go to www.housingdata.org.
This historic St. Albans colonial was renovated through Vermont’s Housing Acquisition & Rehabilitation Program (HARP) administered by VHFA and purchased by Meghan and Joseph Swan for their family of five.
Because of changes to methodology and definitions, this count will show fluctuations year to year.

For a complete listing of the state’s affordable rental housing (including properties financed or awarded Tax Credits by VHFA), go to www.housingdata.org.
Grand Isle County

Island Housing in Grand Isle contains 15 units of affordable and market rate rental housing. VHFA provided Tax Credits to finance its construction costs.
Less than 10 miles (20%)
10 to 24 miles (52%)
25 to 50 miles (19%)
Greater than 50 miles (9%)

Grand Isle County homeless data included in Franklin County graph

Income needed to afford a median priced home
Median household income

Number of VHFA homeownership loans since 1974

For a complete listing of the state’s affordable rental housing (including properties financed or awarded Tax Credits by VHFA), go to www.housingdata.org.
Lower income renter households receiving housing assistance

- 80% Households in housing with project-based assistance
- 15% Households with tenant-based assistance in market-rate housing
- 3% Households with tenant-based assistance in housing with project-based assistance
- 3% Low income households with no housing assistance

Total lower income renter households: 2,232

Percentage of population by age

<table>
<thead>
<tr>
<th>Age Group</th>
<th>2011</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>0–19 years</td>
<td>25.4%</td>
<td>24.8%</td>
</tr>
<tr>
<td>20–44 years</td>
<td>31.7%</td>
<td>31.0%</td>
</tr>
<tr>
<td>45–64 years</td>
<td>29.5%</td>
<td>28.8%</td>
</tr>
<tr>
<td>65+ years</td>
<td>13.5%</td>
<td>15.4%</td>
</tr>
</tbody>
</table>

Percentage of income spent on housing expenses

- Homeowners
  - Spending 50% of income or more: 26%
  - Spending 30–49% of income: 19%
- Renters
  - Spending 50% of income or more: 15%
  - Spending 30–49% of income: 23%

Subsidized rental units by tenant type

- Occupancy not restricted: 172
- Restricted to elderly or disabled households: 217

Leslie Whitaker and her family on the porch of the home they purchased in Stowe’s Sylvan Woods neighborhood. VHFA provided tax credits to help make the 36 owner and rental homes in this neighborhood more affordable.
Because of changes to methodology and definitions, this count will show fluctuations year to year.
Randolph House's solar panels reduce this newly renovated 48-unit apartment building's annual operating costs. VHFA provided construction and permanent loans and a MacArthur Foundation loan during the building's development.
Because of changes to methodology and definitions, this count will show fluctuations year to year.

For a complete listing of the state’s affordable rental housing (including properties financed or awarded Tax Credits by VHFA), go to www.housingdata.org.
This single-family, owner home in the Barton-Orleans area was renovated through Vermont’s Housing Acquisition & Rehabilitation Program (HARP) administered by VHFA.
Because of changes to methodology and definitions, this count will show fluctuations year to year.

For a complete listing of the state’s affordable rental housing (including properties financed or awarded Tax Credits by VHFA), go to www.housingdata.org.
Rutland County

Percentage of population by age

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>0–19 years</td>
<td>22.3%</td>
<td>21.7%</td>
</tr>
<tr>
<td>20–44 years</td>
<td>28.4%</td>
<td>27.6%</td>
</tr>
<tr>
<td>45–64 years</td>
<td>32.4%</td>
<td>31.7%</td>
</tr>
<tr>
<td>65+ years</td>
<td>16.8%</td>
<td>19.0%</td>
</tr>
</tbody>
</table>

Lower income renter households receiving housing assistance

- Households in housing with project-based assistance: 17%
- Households with tenant-based assistance in market-rate housing: 3%
- Households with tenant-based assistance in housing with project-based assistance: 3%
- Low income households with no housing assistance: 76%

Total lower income renter households: 6,362

Percentage of income spent on housing expenses

<table>
<thead>
<tr>
<th></th>
<th>Homeowners</th>
<th>Renters</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spending 50% of income or more</td>
<td>23%</td>
<td>24%</td>
</tr>
<tr>
<td>Spending 30–49% of income</td>
<td>15%</td>
<td>19%</td>
</tr>
</tbody>
</table>

Subsidized rental units by tenant type

- Occupancy not restricted: 522
- Restricted to elderly or disabled households: 787

Renovations at BTS Thayer Housing in Brandon. VHFA provided allocated Tax Credits to convert this building in Park Village into 27 affordable apartments.
Because of changes to methodology and definitions, this count will show fluctuations year to year.

For a complete listing of the state’s affordable rental housing (including properties financed or awarded Tax Credits by VHFA), go to www.housingdata.org.
Solar panels atop the historic 58 Barre Street building that is now home to 14 elderly Montpelier households. Originally a school building, the recent renovations created affordable apartments as well as a senior community center. VHFA provided construction financing and bond Tax Credits.
Because of changes to methodology and definitions, this count will show fluctuations year to year.

For a complete listing of the state’s affordable rental housing (including properties financed or awarded Tax Credits by VHFA), go to www.housingdata.org.
The recently constructed Canal and Main building in Brattleboro combines commercial space for the Brattleboro Food Co-op on the lower two floors with 24 units of affordable and market rate rental housing above. VHFA helped finance the residential construction ("Upper Story Housing") through the Section 1602 Exchange and Tax Credit Assistance Program and through allocated Tax Credits.
Because of changes to methodology and definitions, this count will show fluctuations year to year.

For a complete listing of the state’s affordable rental housing (including properties financed or awarded Tax Credits by VHFA), go to [www.housingdata.org](http://www.housingdata.org).
In October 2011, VHFA staff assembled household items and gift cards into baskets for five families in Stockbridge whose homes were damaged by Tropical Storm Irene.
### Affordability of buying a home

<table>
<thead>
<tr>
<th>Income needed to afford a median priced home</th>
<th>Median household income</th>
</tr>
</thead>
<tbody>
<tr>
<td>$40,000</td>
<td>$50,000</td>
</tr>
<tr>
<td>$50,000</td>
<td>$60,000</td>
</tr>
<tr>
<td>$60,000</td>
<td>$70,000</td>
</tr>
<tr>
<td>$70,000</td>
<td>$80,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Distance to work</th>
</tr>
</thead>
<tbody>
<tr>
<td>Greater than 50 miles (14%)</td>
</tr>
<tr>
<td>Less than 10 miles (11%)</td>
</tr>
<tr>
<td>10 to 24 miles (27%)</td>
</tr>
<tr>
<td>25 to 50 miles (11%)</td>
</tr>
<tr>
<td>Total Jobs: 26,629</td>
</tr>
</tbody>
</table>

#### Number of people who are homeless counted one day in January

<table>
<thead>
<tr>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>201</td>
<td>253</td>
<td>216</td>
<td>254</td>
<td>246</td>
</tr>
</tbody>
</table>

Because of changes to methodology and definitions, this count will show fluctuations year to year.

#### Number of VHFA homeownership loans since 1974

For a complete listing of the state’s affordable rental housing (including properties financed or awarded Tax Credits by VHFA), go to www.housingdata.org.
**VHFA Homeownership Activity**

<table>
<thead>
<tr>
<th>Percentage of Area Median Income</th>
<th>Percentage of VHFA Borrowers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 50%</td>
<td>11%</td>
</tr>
<tr>
<td>50.1 to 80%</td>
<td>45%</td>
</tr>
<tr>
<td>80.1 to 100%</td>
<td>27%</td>
</tr>
<tr>
<td>More than 100%</td>
<td>17%</td>
</tr>
</tbody>
</table>

**VHFA’s average borrower profile**

- Income: $55,285
- Mortgage amount: $148,158
- Home price: $157,296

**Program**

<table>
<thead>
<tr>
<th>Program</th>
<th>Purchases</th>
<th>Loan Volume</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conventional</td>
<td>88</td>
<td>$12,234,076</td>
</tr>
<tr>
<td>Government Guaranteed</td>
<td>176</td>
<td>$26,742,678</td>
</tr>
<tr>
<td>Direct Home Loan</td>
<td>1</td>
<td>$150,200</td>
</tr>
<tr>
<td>Total</td>
<td>265</td>
<td>$39,126,954</td>
</tr>
</tbody>
</table>

**Homeownership development loan and state tax credit activity**

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Town</th>
<th>Units</th>
<th>VHFA Short-term / Construction Loan</th>
<th>State Housing Credits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Village Glen</td>
<td>Middlebury</td>
<td>2</td>
<td>$300,000</td>
<td></td>
</tr>
<tr>
<td>Village Haven</td>
<td>Essex Junction</td>
<td>1</td>
<td>$20,000</td>
<td></td>
</tr>
</tbody>
</table>

*Dollar figures indicate activity in FY2012  ◆ Activity in a prior FY*

**The Interest on Real Estate Trust Account (IORTA)** program is funded with the interest earned on earnest money and real estate contract deposits. Real estate brokers are required to put most of these deposits into pooled interest-bearing trust or escrow accounts and the financial institutions are required to remit the interest made to Vermont Housing Finance Agency for use in its homeownership programs.

For 20 years, funds from the proceeds of IORTA have been dedicated to VHFA for homeownership mortgage downpayment or closing cost assistance. During that time, more than **1,007 loans** have been assisted with IORTA funds.

- Funds VHFA received in FY12 from IORTA accounts (i.e. deposits): **$37,080**. These funds will provide assistance to HomeOwnership Center buyers with downpayment or closing costs.
- Balance of IORTA funds in VHFA’s accounts as of June 30, 2011: **$123,553**.

**IORTA Funds County Volume**

<table>
<thead>
<tr>
<th>County</th>
<th>Volume</th>
</tr>
</thead>
<tbody>
<tr>
<td>Addison</td>
<td>$5,984,620</td>
</tr>
<tr>
<td>Bennington</td>
<td>$2,780,708</td>
</tr>
<tr>
<td>Caledonia</td>
<td>$12,278,405</td>
</tr>
<tr>
<td>Chittenden</td>
<td>$17,416,011</td>
</tr>
<tr>
<td>Essex</td>
<td>$1,635,350</td>
</tr>
<tr>
<td>Franklin</td>
<td>$6,864,428</td>
</tr>
<tr>
<td>Grand Isle</td>
<td>$982,785</td>
</tr>
<tr>
<td>Lamoille</td>
<td>$2,477,830</td>
</tr>
<tr>
<td>Orange</td>
<td>$1,981,906</td>
</tr>
<tr>
<td>Orleans</td>
<td>$9,292,540</td>
</tr>
<tr>
<td>Rutland</td>
<td>$9,863,794</td>
</tr>
<tr>
<td>Washington</td>
<td>$7,095,510</td>
</tr>
<tr>
<td>Windham</td>
<td>$4,455,766</td>
</tr>
<tr>
<td>Windsor</td>
<td>$7,718,799</td>
</tr>
<tr>
<td>Total</td>
<td><strong>$88,743,369</strong></td>
</tr>
</tbody>
</table>
Through funding for **10 projects** in the state, VHFA facilitated the creation or rehabilitation of 849 affordable rental housing units this year.

The Agency provided long term fixed rate financing totaling **$21 million** to eight projects.

The Agency provided **$13.7 million** in construction short term financing to five projects. Another **$100,000** was loaned to Northgate Apartments in Burlington through the MacArthur Foundation.

Allocated Housing Credits in the amount of **$3.6 million** were awarded to **eight projects**, generating **$31 million** in equity investments to help create these housing units.

Over **$200,000** in Bond Housing Credits were awarded to **three projects** which used tax exempt bond financing, generating **$1.7 million** in equity investment.

The multifamily housing financed by VHFA in FY12 created an estimated **$200.9 million in economic activity** across the state by creating and sustaining jobs and generating income for Vermont workers and businesses.

### VHFA Multifamily Loan Program and Housing Credit Activity

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Town</th>
<th>Units</th>
<th>Short-term / Construction Loan</th>
<th>Permanent Loan</th>
<th>MacArthur Loan</th>
<th>Bond Housing Credits</th>
<th>Allocated Housing Credits</th>
<th>State Housing Credits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Abenaki Acres</td>
<td>Swanton</td>
<td>12</td>
<td>◆</td>
<td>◆</td>
<td>◆</td>
<td>◆</td>
<td>◆</td>
<td>◆</td>
</tr>
<tr>
<td>Allen Canal</td>
<td>Winooski</td>
<td>17</td>
<td>◆</td>
<td>◆</td>
<td>◆</td>
<td>◆</td>
<td>◆</td>
<td>◆</td>
</tr>
<tr>
<td>Arthur’s Main Street Housing</td>
<td>Morrisville</td>
<td>18</td>
<td>◆</td>
<td>◆</td>
<td>◆</td>
<td>◆</td>
<td>◆</td>
<td>◆</td>
</tr>
<tr>
<td>Black River Overlook</td>
<td>Ludlow</td>
<td>25</td>
<td>◆</td>
<td>◆</td>
<td>◆</td>
<td>◆</td>
<td>◆</td>
<td>◆</td>
</tr>
<tr>
<td>Bobbin Mill Apartments</td>
<td>Burlington</td>
<td>51</td>
<td>◆</td>
<td>◆</td>
<td>◆</td>
<td>◆</td>
<td>◆</td>
<td>◆</td>
</tr>
<tr>
<td>Cedars Edge Apartments</td>
<td>Essex Junction</td>
<td>30</td>
<td>◆</td>
<td>◆</td>
<td>◆</td>
<td>◆</td>
<td>◆</td>
<td>◆</td>
</tr>
<tr>
<td>Graystone Village (senior)</td>
<td>White River Junction</td>
<td>34</td>
<td>◆</td>
<td>◆</td>
<td>◆</td>
<td>◆</td>
<td>◆</td>
<td>◆</td>
</tr>
<tr>
<td>Harrington Village</td>
<td>Shelburne</td>
<td>42</td>
<td>◆</td>
<td>◆</td>
<td>◆</td>
<td>◆</td>
<td>◆</td>
<td>◆</td>
</tr>
<tr>
<td>Hickory Street Phase II</td>
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- **Activity in FY2012**
- **Activity in a prior FY**
In August 2011, VHFA launched a new resource for the state: Vermont Rental Housing Codes website at www.rentalcodes.org. This site provides guidance on the health and safety standards that existing rental housing in Vermont must meet. It outlines the legal rights and responsibilities of landlords and tenants throughout the rental process and explains the standards that municipalities and town health officers should enforce when inspecting rental housing. The site was developed as an outgrowth of a study committee established by the 2008 Legislature’s Act 176 establishing a safe rental housing study committee, which Sarah Carpenter, Executive Director, chaired.

Supportive service agencies who work with low income Vermonters asked if the various affordable housing properties would consider creating a single housing application for tenants, to relieve some time and energy spent filling out multiple applications, many of which request the same information. Because of the unique funding program governing each housing property, this was a lofty goal, but one confirmed by the Governor at a June 2011 Homelessness Summit as a tool for improving the accessibility of affordable housing. VHFA championed this effort and worked with the Vermont Housing Managers Association to create a single application that would work for hundreds of existing housing properties statewide. We launched this on our Directory of Affordable Rental Housing online (www.housingdata.org/doarh) and began requiring it of newly funded projects starting in 2012. We continue to advocate for more housing developments to embrace this tool.

Yet again VHFA won an award through the Worksite Wellness Program from the Vermont Governor’s Council on Physical Fitness and Sports. This fiscal year there were several initiatives the Agency sponsored to help promote wellness among staff, including the development of an Wellness Intranet site; discounted gym memberships and other wellness-based programs; promotion of health assessments; creation of wellness bulletin boards encouraging health life styles choices and exercise; complementary flu shot clinic and access to an employee assistance program; and implementation of a program geared toward improving staffs’ mental wellness.

Additionally, VHFA again won the President’s Award from the United Way of Chittenden County which recognizes campaigns where more than 80% of staff participate with gifts of at least $75 per person. VHFA has won this award annually since at least 2003, showing the long standing commitment staff has to the United Way.

In anticipation of the expiration of several HUD contracts for small properties located in a Burlington neighborhood, VHFA sought and gained HUD’s approval to combine them into two contracts. This will greatly improve the efficiency and cost involved in administering what were previously six separate HAP Contracts by owners, managers, HUD and VHFA. Working closely with the Burlington Housing Authority and HUD, VHFA’s request was approved and is now being implemented.

Homeownership staff has been reviewing internal procedures, evaluating reporting needs, performing a comprehensive data integrity review and working to improve materials provided to our servicers. This operations review will lead to better customer service with our servicers and lenders, as well as more effective program delivery.
Housing affordability studied

The agency continued its housing market analysis work this year by focusing on specific communities’ housing needs. The City of Burlington hired VHFA to write a downtown and waterfront market housing analyses as a part of its Plan BTV initiative. The report’s results are guiding the city’s review of its planning and zoning regulations. VHFA also completed a yearlong effort with the Chittenden County Regional Planning Commission, writing a county wide housing needs assessment. This report analyzed local demographic trends and housing markets. As a result of this work VHFA is now working with several communities in the county on specific affordable housing initiatives.

Tropical Storm Irene

Agency policy responses

The Internal Revenue Service approved Vermont’s waiver request to suspend income limits on available tax credit units in an effort to increase housing options for flood victims. VHFA’s staff also participated in the Irene Housing Task Force and met with FEMA officials to help create an appropriate Disaster Housing Plan in order to respond to the needs of Vermonters impacted by Irene.

Staff helped connect storm victims in need of temporary housing with available apartments by creating a rental vacancy list portal on the Vermont Housing Data website to help residents quickly view on-line lists of apartments for rent across the state and worked with FEMA officials to make sure the families they worked with were aware of vacancies in Vermont’s stock of subsidized rental units.

Since over a dozen VHFA-financed homes were impacted by Irene, the agency allowed buyers to forebear their loan—or miss some payments—so that they could put those resources towards other more pressing needs. Homeownership staff also worked closely with our borrower’s loan servicers to ensure that insurance claims were processed efficiently.

VHFA spent considerable time during the Legislative Session advocating for dedicated resources to address the lost housing stock due to Tropical Storm Irene. In the end, we were successful in securing an additional $200,000 of State Housing Tax Credits for funding of homeownership activities. The equity funds raised through these credits will be directed towards mobile home owners, particularly those impacted by Irene, to create financing options and down payment assistance for new mobile homes or alternatives. VHFA continues to work with the Champlain Housing Trust and the state homeownership centers to implement a mobile home financing program.

Agency staff responds

In addition to the Agency’s policy responses that it enacted through the programs that it administers, staff also felt called to respond to the unprecedented need in our communities. A two-phased project evolved where staff donated items and gift cards for five families in Stockbridge. Over $1,300 was collected in gift cards, as well as several household items every home would need. Additionally, staff participated in two workdays this Fiscal Year, one in November and another in January.
This fiscal year VHFA completed its third year administering the Housing Acquisition and Rehabilitation Program. This program, which was originally created by the federal government as a part of the stimulus package (called Neighborhood Stabilization Program I, or NSP I) was launched in 2009 and was expanded with a new round of funding this fiscal year (NSP III).

As a part of this program, VHFA purchases foreclosed upon homes, rehabilitates them (including significant energy and weatherization upgrades to reduce the long term operating costs of the homes), then provides a substantial down payment subsidy when the home is re-sold to a qualified lower income Vermont household. The homes remain perpetually affordable, and VHFA takes any proceeds from the sale of the home and re-invests them into another purchase.

Through the HARP Program, VHFA has put hundreds of construction and trades people to work over the past three years, while at the same time, reinvigorated neighborhoods and communities where these homes might otherwise become blighted run-down structures.

Through the end of FY12, VHFA has purchased 58 homes, with another four under contract. Forty-one homes have been rehabilitated and sold to homebuyers, four more have been rehabilitated and are being marketed for sale, and 17 additional are undergoing rehabilitation now.

Household incomes for homebuyers assisted through NSP I ranged from approximately $18,000 to $66,000 with an average of $42,331. Well over 700 contractors have been directly or indirectly employed by these programs. This does not take into account sub-contractors who are hired by those who work as general contractors. The actual number of people working on these homes is therefore estimated to be closer to 900. This has been a key employment tool for this industry in the state. VHFA requests surveys from each contractor who is self-employed or are sole proprietors and we’ve found:

- 51% of the contractors responding report household income lower than the county median income where they live.
- 27% reported they had no other significant work in progress at the time they were awarded their respective contracts for the HARP homes they worked on.

Virtually every home that comes through the HARP program has undergone significant energy improvements, such as installation of high efficiency heat plants, energy star replacement windows, air sealing and insulation upgrades, hot water heaters, high efficiency kitchen appliances and light fixtures, or low flow toilets and showerheads.

Buyers benefit because HARP homes are priced to be affordable. Properties are sold for the lesser of the total acquisition/rehab cost or the appraised value upon completion. Grants of up to $75,000 provided by the HARP program combined with major improvements and energy savings result in a truly and perpetually affordable home. The grants stay with the home from one owner to the next so that the home remains affordable for subsequent buyers.

The HARP program is funded through $9.9 million in Housing and Economic Recovery Act funds from HUD. The funds are part of the larger Neighborhood Stabilization Program administered by Vermont’s Agency of Commerce and Community Development and HUD.
Staff

ADMINISTRATION
Sarah Carpenter Executive Director
Patricia Loller Director of Administration
Victoria Johnson Administrative Assistant
Brittany Riley Human Resources/Office Coordinator

INFORMATION SYSTEMS
Rick Jean Manager
Chris MacAskill Network Administrator
Tim Collins SQL Server Report Writer and Analyst

LEGAL
George Demas General Counsel
Brenda Howley Legal Coordinator

POLICY AND PLANNING
Maura Collins Manager
Leslie Black-Plumeau Research and Communications Coordinator

FINANCE
Tom Connors Chief Financial Officer
Michelle Packard Bond Financing and Investments Manager
Tom Kimball Controller
Lisa Clark Finance Operations Manager
Robert Purcell Financial Analyst
Brittany Garland Financial Analyst/Compliance Specialist
Patrick DiMambro Mortgage Loan Analyst

PROGRAM OPERATIONS
David Adams Chief of Program Operations
Lori Gilding HARP Coordinator

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Joe Erdelyi Director
Cynthia Reid Assistant Director
Joshua Slade Development Underwriter

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Kathy Cawley Administrative Assistant – Loan Servicing
Veronica DeVos Homeownership Specialist – Origination
Sara Maddocks Loan Servicing Assistant
Pat LaFond Loan Servicing Specialist
Carolynn Mossey Loan Servicing Specialist
Polly Thibault Loss Management Specialist
Bonnie Black Outreach Coordinator

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Kimberly Roy Assistant Director
Kathy Curley Multifamily Management Officer
Erin Philbrick Multifamily Management Officer
Ann-Marie Plank Multifamily Management Officer
Robin Howe Multifamily Operations Specialist

Finanacial/Legal Partners

BOND COUNSEL
Kutak Rock LLP

UNDERWRITERS
Bank of America Merrill Lynch
Citigroup
Raymond James Morgan Keegan

TRUSTEES
TD Bank NA
Bank of New York Mellon Trust Company, N.A.
Wells Fargo Bank NA

AUDITOR
The Reznick Group

FINANCIAL ADVISOR
Piper Jaffray & Co.

Board of Commissioners

VHFA is governed by a nine-member Board of Commissioners. The Board includes four ex officio members and five members appointed by the Governor of Vermont, representing private and public lending, real estate and housing development interests.

TOP ROW:
Lamont Barnett (Owner of The Rock and Hammer); Gustave Seelig, Ex Officio, Vice Chairman (Executive Director of the Vermont Housing & Conservation Board); Sarah Carpenter, Executive Director & Secretary;
Bart Frisbie (President/Owner of Sterling Construction); Thomas N. Pelletier, Chairman (President and Chief Executive Officer, Northfield Savings Bank); and Thomas J. Candon, Ex Officio (Deputy Commissioner of Banking, designee for the Commissioner of Financial Regulation)

BOTTOM ROW: Jennifer Hollar, Ex Officio (Deputy Commissioner of Department of Economic, Housing and Community Development, designee for the Secretary of Agency of Commerce and Community Development); Beth Pearce, Ex Officio, (State Treasurer); and Dagyne Canney (Principal Broker, Vermont Real Estate Sales Co.);

NOT PICTURED: Lisa Mitiguy Randall (Vice President of Lending, Vermont Federal Credit Union).
On the cover:
Armory Lane Senior Housing in Vergennes provides 25 units of affordable and market rate rental housing. VHFA provided development financing through the Tax Credit Assistance Program and allocated Tax Credits.

Cover Photo: Mary Claire Carroll
Writing: Maura Collins
Research and Analysis: Leslie Black-Plumeau
Design: Kehoe + Kehoe Design Associates

Sources of data

Percentage of population by age:
ESRI Community Analyst data.

Percentage of income spent on housing expenses:
U.S. Census Bureau, American Community Survey 2006-2010 table B25070 (renters) and table B25091 (homeowners with mortgages).

Lower income renter households receiving housing assistance:
U.S. Census Bureau, American Community Survey 2006-2010 table B25118; HUD’s Resident Characteristics Report; and the Vermont Directory of Affordable Rental Housing. "Lower income" refers to households with incomes less than $50,000.

Affordability of buying a home:
Income needed to buy a median priced home is calculated for the median home value according to VT Department of Taxes’ Property Transfer Tax database of home sales using a 30 percent standard and average taxes, mortgage insurance assuming 5 percent down payment, insurance costs and rate. Median income is according to the VT Department of Taxes.

Subsidized rental units by tenant type:
Vermont Directory of Affordable Rental Housing.

Distance to work:
U.S. Census Bureau, OnTheMap estimates of the number of residents and their commutes to work in 2010.

Number of people who are homeless counted one day in January:
Annual Point in Time count of Vermont Coalition to End Homelessness and Chittenden County Homeless Alliance. This includes people who HUD defines as homeless, as well as people with no stable housing who are doubled up or couch surfing. Because of the loose definition used in the past, the number of people counted can swing wildly one year to the next. Steps are being taken to remedy this for the future.

Number of VHFA homeownership loans since 1974:
Vermont Housing Finance Agency.