



Vermont Housing Finance Agency

2006 ANNUAL REPORT ● 2007 WALL CALENDAR

Message from Governor James H. Douglas



**GOVERNOR
JAMES H. DOUGLAS**

***Vermont Housing
Finance Agency***
*Promoting and
financing affordable,
safe and decent
housing opportunities
for low- and moderate-
income Vermonters
since 1974*

IT WAS 30 YEARS AGO that my wife Dorothy and I realized our dream of homeownership, thanks, in part, to the Vermont Housing Finance Agency. We still live in that home, and it has been a source of comfort, pleasure and security ever since.

Dorothy and I are among the thousands of Vermonters who have been able to find safe, decent and affordable housing thanks to the many efforts of the people at VHFA. I think I can speak for us all when I say, “thank you.”

My association with VHFA has included serving on the Agency’s Board of Commissioners, and now, as Governor, I’m pleased to continue working with VHFA as partners in the effort to promote affordable housing development in the Green Mountain State.

In addition to offering individual mortgages as well as a variety of loans and housing tax credits to support new development, VHFA is also a key player in creating state housing policy, an effective advocate for Vermonters who need affordable housing, and a leader in public education on housing issues. I considered VHFA a valuable ally this year in the effort to move a package of housing proposals forward in the Legislature, and our effort met with some success. I am sure that VHFA will again be active during the 2007 Legislative session.

After a decade of rapid growth, Vermont’s housing market will continue to present us with challenges to our leadership and creativity in the coming year. We will have to work harder than ever to address our state’s persistent housing shortage and its subsequent economic effects. This will require the engagement of Vermonters from across the state and from every sector of our economy. I have been pleased to see that level of engagement becoming increasingly evident in the past few years, and VHFA deserves a great deal of credit for helping all of us better understand Vermont’s housing needs, and the potential economic and social benefits that come from affordable housing development.

So, once again, thanks to everyone at VHFA for your efforts to make Vermont a better place to live, work, and raise a family. I’m looking forward to continuing our work to bring the dream of homeownership within reach of more Vermonters.

A handwritten signature in green ink, appearing to read 'Jim Douglas', written over a light blue circular background.

James H. Douglas
Governor

Message from the Chairperson and Executive Director



LISA MITIGUY RANDALL

VERMONT HOUSING FINANCE AGENCY closed the books on a banner year in 2006.

When our fiscal year ended on June 30th, VHFA had purchased \$99.9 million mortgages, our highest total ever. Those mortgages helped customers purchase 780 homes, and many of those purchases were first-time homebuyers, Vermonters who are now building financial security as they enjoy a safe, decent and affordable home.

At the same time, VHFA made a combination of predevelopment loans and construction loans and permanent financing that totaled \$22.8 million that supported the development of 30 multifamily projects. The Agency also allocated \$2.9 million in housing tax credits, which leveraged \$25.5 million in equity.

Good as they are, though, the numbers only tell part of the story.

VHFA continued to play a major role in the development of state housing policy as well. In late 2005, Gov. Jim Douglas announced his “Homes For Vermonters” initiative, which included many ideas the Agency supported, including increasing the state housing tax credit from \$150,000 annually to \$300,000 in FY2007 and then to \$400,000 in FY2008. This was a significant victory for affordable housing, as the tax credit has proven remarkably efficient in leveraging equity for rental housing development.

In response to the “Homes for Vermonters” initiative VHFA announced the availability of \$10 million in 4.75% mortgages to provide an incentive for the development of new homeownership units in approved smart growth developments.

The Agency continued its promotion of employer-assisted housing this past year by supporting tax credit legislation that would benefit businesses offering employee housing; and completing a survey of employers’ attitudes toward housing costs in Vermont.

The Agency also launched a planned series of issue papers to help educate Vermonters on housing. The first detailed the economic benefits of housing development, and the second described housing’s impact on school enrollments. Also in the works is a report on homeless children in Vermont.

All in all, a most satisfying year, and we expect more challenges and opportunities in a changing housing market in 2007. One thing will remain unchanged — VHFA’s commitment to leadership in affordable housing.



Lisa Mitiguy Randall
Chairperson



Sarah Carpenter
Executive Director

Agency accomplishments • FY2006

HOMELESS PLANNING EFFORTS

VHFA is playing a larger role in statewide homeless planning efforts. To support the local service and homeless housing providers better communicate and organize, VHFA created a new Web site: www.helpingtohouse.org (right). The site is filled with meeting details, event information, publications and links, as well as legislative priorities.

EFFECTS OF HOUSING ON VERMONT ECONOMY

In January, VHFA released an issue paper highlighting the important effect housing development has on the state's economy. Building 25 modest single-family homes would mean \$6.3 million in additional income for Vermont businesses and 61 Vermont jobs, paying just more than \$2 million in wages.

NEW VHFA WEB SITE

The Agency's Web site was completely re-designed this year to be more customer-friendly. Now folks can read the top 20 questions about homebuying and renting in Vermont, which includes links to financial tools to help make housing more affordable. A searchable listing of the Low Income Housing Tax Credit allocations and reservations is available, as well as the same useful information as



before: archives of VHFA's newsletter, Housing Matters; information on new Agency initiatives; and homeownership purchase price and income limits.

FAIR HOUSING ACTIVITIES

Last winter VHFA participated in the state's Analysis of Impediments to Fair Housing, conducted in partnership with the Vermont Human Rights Commission and the Department of Housing and Community Affairs. The study held several focus groups as well as examined data on mortgage lending and renting in the state, and identified nine impediments to fair housing the state's working to overcome.

COMMISSION WRAPS UP

A mobile home and manufactured housing commission created by the Governor, which included VHFA,

wrapped up its work in December 2005 with a series of recommendations. The group addressed manufactured housing and its importance as a source of affordable homes for Vermonters. One of the first recommendations contained in the report from this commission has been signed into law, making it easier for mobile home park residents to form ownership cooperatives.

HOMEOWNERSHIP CONSTRUCTION ACTIVITY INCREASES

VHFA is working to increase the stock of homes for low- and moderate-income Vermonters to purchase and has increased the number of pre-development and construction loans to developers of homeownership units. This fiscal year the agency supported 176 units, which is 100 units more than last year.

UNDER THE STATEHOUSE DOME

Housing received some major attention in the 2006 legislative session, and VHFA chalked up some significant successes, including passage of S.127, a housekeeping bill that also expands the Agency's income targeting to match federal tax-exempt housing bond rules, and an increase in the Vermont Low Income Housing Tax Credit, from \$150,000 to \$300,000 in FY07 and \$400,000 in FY08.

Homeownership programs grow in FY2006

IN AN ALWAYS-COMPETITIVE HOUSING FINANCE MARKET, VHFA continued working to provide more homeownership opportunities for eligible borrowers and better value for its customers in the past year.

RECAPTURE TAX REIMBURSEMENT

Any VHFA loan that closes after February 1, 2006 may be eligible for Federal Recapture Tax reimbursement under a new policy adopted by the Agency. Under this policy, VHFA borrowers can request reimbursement for Recapture Tax from the Agency if they meet certain conditions.

FIXED 35

In March, the Agency announced its “Fixed 35” program, which offers a fixed-rate, zero-point loan at 6.25% APR for a term of 35 years. Borrowers are qualified on the interest-only payment, which runs through the first five years of the loan.

VHFA’s interest-only product differs from other interest-only products in that it carries a fixed rate for the life of the loan, rather than an adjustable rate, so borrowers will know what their payments will be in years six through 35 when they close their loan.

Borrowers must also complete a homebuyers’ education course offered

through one of Vermont’s five NeighborWorks® HomeOwnership Centers.

NEW INSURANCE PROGRAMS

VHFA announced new mortgage insurance programs this year in partnership with the Mortgage Guaranty Insurance Corporation (MGIC).

VHFA and MGIC worked together to create a low-cost mortgage insurance program for qualified borrowers that carries a premium approximately 25 percent below conventional programs, saving borrowers up to \$100 per month.

**Changes to VHFA’s
homeownership
programs kept Outreach
Coordinator Erin Navin
(right) busy educating
lending partners in FY06**

The partners also created a Borrower-Paid Mortgage Insurance Option that gives eligible customers the opportunity to include their mortgage insurance premium with their mortgage. This could mean annual savings of up to \$1,000 for the borrower, which, in turn, translates into increased purchasing power.

MGIC also introduced a job-loss protection benefit at no cost to our borrowers. This benefit will pay up to \$2,000 per month for up to six months if a borrower experiences involuntary unemployment during the first two years of a loan.



CRAIG BAILEY

Homeownership activity • FY2006

- In FY2006, VHFA purchased more than **\$99.9 million** in home mortgage loans. This activity supported the purchase of **780 homes** in Vermont. This is a **10 percent** increase in volume over the previous fiscal year.

| VHFA's Average Borrower Profile | |
|---------------------------------|-----------|
| Income | \$46,761 |
| Mortgage amount | \$131,806 |
| Home price | \$147,973 |

| VHFA Borrower Incomes as a Percentage of the Area Median Incomes (AMI) | |
|--|-------------------------|
| Household income | Percentage of borrowers |
| More than 100% | 6% |
| 81% to 100% | 29% |
| 51% to 80% | 50% |
| At or below 50% | 15% |

| VHFA FY2006 Homeownership Program Activity | | |
|---|-----------|--------------|
| Program | Purchases | Loan volume |
| MOVE (Mortgages for Vermonters) | 731 | \$94,994,919 |
| VHFA/Rural Development Participation Loan | 9 | \$265,730 |
| HOUSE (Homeownership Opportunities Using Shared Equity) | 34 | \$4,318,849 |
| Limited Refinance | 6 | \$333,170 |

- VHFA budgeted **\$247,000** this fiscal year to fund operations of the five NeighborWorks® HomeOwnership Centers of Vermont and provided mortgage support to the Opportunities Credit Union.

- In FY2006, VHFA received **\$137,537** in IORTA funds and will continue to provide assistance to HomeOwnership Center buyers with downpayments and closing costs.

The **VHFA Homeownership Predevelopment Loan Program** is a revolving fund providing low-cost working capital to eligible developers for: architectural and engineering services, financial packaging, development consultants, legal services, appraisals and more.

In FY2006, VHFA closed four pre-development loans supporting the future development of **176 units**, listed in the table below.

| Homeownership Pre-Development Loan Activity | | |
|---|---------------|-------|
| Project name | Town | Units |
| Bellevue Carriage Hill | St. Albans | 120 |
| Cornell Building North Avenue | Burlington | 25 |
| Middlebury Village Cottages | Middlebury | 27 |
| Proctorsville Homeownership | Proctorsville | 4 |



JOHN FAIRBANKS

Homeownership units at Dorset Community Housing in Dorset

Multifamily activity • FY2006

- The Agency provided **\$22.8 million** in a combination of predevelopment, construction, and/or permanent financing to **30 projects**.
- Approximately **\$2.9 million** in allocated Housing Credits was awarded to **nine projects**, generating **\$25.5 million** in tax credit equity.
- Additional tax credit equity estimated at **\$6.4 million** was generated in conjunction with approximately **\$690,000** in private activity bond financing for **four projects**.
- VHFA also allocated **\$364,000** in State Affordable Housing Credits to **five projects** generating approximately **\$1.8 million** in equity investment.
- The Agency facilitated the creation or rehabilitation of **866 units** of affordable housing.
- Affordable housing not only helps tenants but the entire community benefits from the infusion of capital during the development process. The housing financed by VHFA this fiscal year will create approximately **\$136.5 million** in economic activity across the state.
- VHFA also provided a construction loan of **\$750,000** for the creation of two non-profit office spaces in the Farrell Street Housing building that will become new offices for United Way and HomeShare Vermont.

CRAIG BAILEY

Brattleboro's Wilder Block



| Multifamily Loan Program and Housing Credit Activity | | Units | Construction loan | Permanent loan | 0% loan | Predevelopment loans | Bond housing credits | Allocated housing credits | State housing credits |
|--|-----------------|-------|-------------------|----------------|---------|----------------------|----------------------|---------------------------|-----------------------|
| Project name | Town | | | | | | | | |
| Abenaki Acres | Swanton | 12 | | ● | + | | | | |
| Benson Heights (Elderly) | Benson | 15 | | ● | + | | | | |
| Birge Street Housing | Brattleboro | 30 | | | | + | | | |
| Black River Overlook | Ludlow | 25 | | + | ● | | | ● | |
| Bradford Scattered Site | Bradford | 33 | | | | + | | + | + |
| Callahan Housing | Burlington | 28 | | | | + | | + | |
| Conant Square | Brandon | 19 | | | | + | | | |
| Courtyard Apartments (Elderly) | Winooski | 101 | | + | + | | | | |
| Dorset Community Housing | Dorset | 20 | + | + | | ● | | + | |
| Enosburg Falls Downtown Redevelopment | Enosburg Falls | 32 | | | | + | | + | + |
| Farrell Street Housing (Elderly) | So. Burlington | 63 | + | | | ● | + | | + |
| Gardens II (Elderly) | Burlington | 21 | ● | + | | | ● | | |
| Glover Senior Housing (Elderly) | Glover | 12 | + | | | + | + | | |
| Green Mountain Apartments (Elderly) | Northfield | 30 | + | | | | + | | |
| Hardwick Fam Hsg/Bemis Block (Some elderly) | Hardwick | 22 | | | | + | | | |
| Main Street Mill | Richford | 12 | | | | + | | + | |
| Middlebury South Village — Rental | Middlebury | 30 | | | | + | | | |
| Parsons Hill | Castleton | 12 | | ● | + | | | | |
| Proctorsville Revitalization | Proctorsville | 10 | | | | + | | | |
| Prospect/Forest Homes | Randolph | 9 | | ● | + | | | | |
| River Station Apartments | Montpelier | 36 | | | | ● | | + | |
| Rutland Scattered Sites | Rutland | 13 | | | | + | | + | + |
| Saxtons River | Rockingham | 17 | | | + | | ● | | |
| Southview Apartments | Springfield | 69 | + | | | ● | | + | |
| St. Johnsbury Housing Partnership | St. Johnsbury | 32 | | + | | | | ● | |
| Vernon Senior Housing (Elderly) | Vernon | 24 | + | | | ● | + | | + |
| Walden Mountain | St. J, Danville | 18 | | ● | + | | | | |
| Waugh Opera House | St. Albans | 20 | | | | | | + | |
| West River Valley (Elderly) | Townshend | 52 | | | | + | | | |
| Weybridge Street Housing | Weybridge | 9 | | | | + | | | |
| Woodstock Village Housing | Woodstock | 40 | | | | + | | | |

✚ Activity in FY2006 ● Activity in prior FY



Dorset Community Housing, Dorset

This project started with an initiative from the Town of Dorset. Acting on the town's plan, which incorporates affordable housing goals, the Dorset Planning Commission contracted Housing Vermont to create 20 family rental units and four affordable homes for sale priced at \$137,500 each. VHFA made construction and permanent loans, and allocated federal Housing Tax Credits. Harvey and Jenny Iris, pictured with daughter Isabel, own a unit. "Owning a home has always been our dream," Jenny says, "and we couldn't have done it without VHFA!" (Photo: John Fairbanks)

| SUN | MON | TUE | WED | THU | FRI | SAT | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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|  | 1 New Year's Day (VHFA closed) • Kwanzaa ends | 2 | 3  Full Moon | 4 | 5 | 6 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 7 | 8 | 9 | 10 | 11  Last Quarter | 12 | 13 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 14 | 15 Martin Luther King Jr. Day (Observed) (VHFA closed) | 16 | 17 | 18  New Moon | 19 | 20 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 21 | 22 | 23 | 24 | 25  First Quarter | 26 | 27 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 28 | 29 | 30 | 31 | <div><div>December2006</div><table><tr><td>Su</td><td>Mo</td><td>Tu</td><td>We</td><td>Th</td><td>Fr</td><td>Sa</td></tr><tr><td></td><td></td><td></td><td></td><td></td><td>1</td><td>2</td></tr><tr><td>3</td><td>4</td><td>5</td><td>6</td><td>7</td><td>8</td><td>9</td></tr><tr><td>10</td><td>11</td><td>12</td><td>13</td><td>14</td><td>15</td><td>16</td></tr><tr><td>17</td><td>18</td><td>19</td><td>20</td><td>21</td><td>22</td><td>23</td></tr><tr><td>24</td><td>25</td><td>26</td><td>27</td><td>28</td><td>29</td><td>30</td></tr><tr><td>31</td><td></td><td></td><td></td><td></td><td></td><td></td></tr></table></div> <div><div>February2007</div><table><tr><td>Su</td><td>Mo</td><td>Tu</td><td>We</td><td>Th</td><td>Fr</td><td>Sa</td></tr><tr><td></td><td></td><td></td><td></td><td></td><td>1</td><td>2</td><td>3</td></tr><tr><td>4</td><td>5</td><td>6</td><td>7</td><td>8</td><td>9</td><td>10</td></tr><tr><td>11</td><td>12</td><td>13</td><td>14</td><td>15</td><td>16</td><td>17</td></tr><tr><td>18</td><td>19</td><td>20</td><td>21</td><td>22</td><td>23</td><td>24</td></tr><tr><td>25</td><td>26</td><td>27</td><td>28</td><td></td><td></td><td></td></tr></table></div> | | Su | Mo | Tu | We | Th | Fr | Sa | | | | | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | 27 | 28 | 29 | 30 | 31 | | | | | | | Su | Mo | Tu | We | Th | Fr | Sa | | | | | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | 27 | 28 | | | | |
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FEWER VERMONT HOUSEHOLDS HAVE CHILDREN: Only 28 percent of all homes in Vermont are occupied by families with children. This is down from 36 percent in 1990, which is partially attributed to aging Baby Boomers having fewer kids. Future market pressure is expected for smaller homes and condominiums when empty nested Boomers compete with new, younger households with lower incomes.

JAN07



Waugh Opera House, St. Albans

Built in downtown St. Albans in 1883, the Waugh Opera House has survived two major fires and suffered through years of neglect before it was purchased by Lake Champlain Housing Development Corp. and Housing Vermont. They converted the top three floors to 20 units of beautiful mixed-income housing sitting above Chow!Bella, one of the best restaurants in the area. Look for the Yale bulldog mascot on the front of the building, a tribute to an early owner's alma mater. VHFA provided predevelopment financing and allocated federal Housing Tax Credits. (Photos: Craig Bailey, John Fairbanks)

| SUN | MON | TUE | WED | THU | FRI | SAT |
|---|---|--|--|---|---------------------------------------|-----------------------|
| | | <i>January 2007</i> Su Mo Tu We Th Fr Sa 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 | <i>March 2007</i> Su Mo Tu We Th Fr Sa 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 | 1 | 2 ○ Full Moon Groundhog Day | 3 |
| 4 | 5 | 6 | 7 | 8 | 9 | 10 ● Last Quarter |
| 11 | 12 <i>Lincoln's Birthday</i> | 13 | 14 <i>Valentine's Day</i> | 15 <i>Flag Day (Canada)</i> | 16 | 17 ● New Moon |
| 18 <i>Chinese New Year (Year 4705)</i> | 19 <i>President's Day (Observed) (VHFA closed)</i> | 20 | 21 <i>Ash Wednesday</i> | 22 <i>Washington's Birthday</i> | 23 | 24 ● First Quarter |
| 25 | 26 | 27 | 28 |  | | |

EMPLOYERS SEE NEED FOR MORE HOUSING: VHFA surveyed 108 businesses about the connection between housing costs and a company's ability to succeed in Vermont. About half said housing costs had posed problems in their efforts to recruit employees, and 89 percent described the cost and availability of housing as an obstacle to economic development.

FEB07



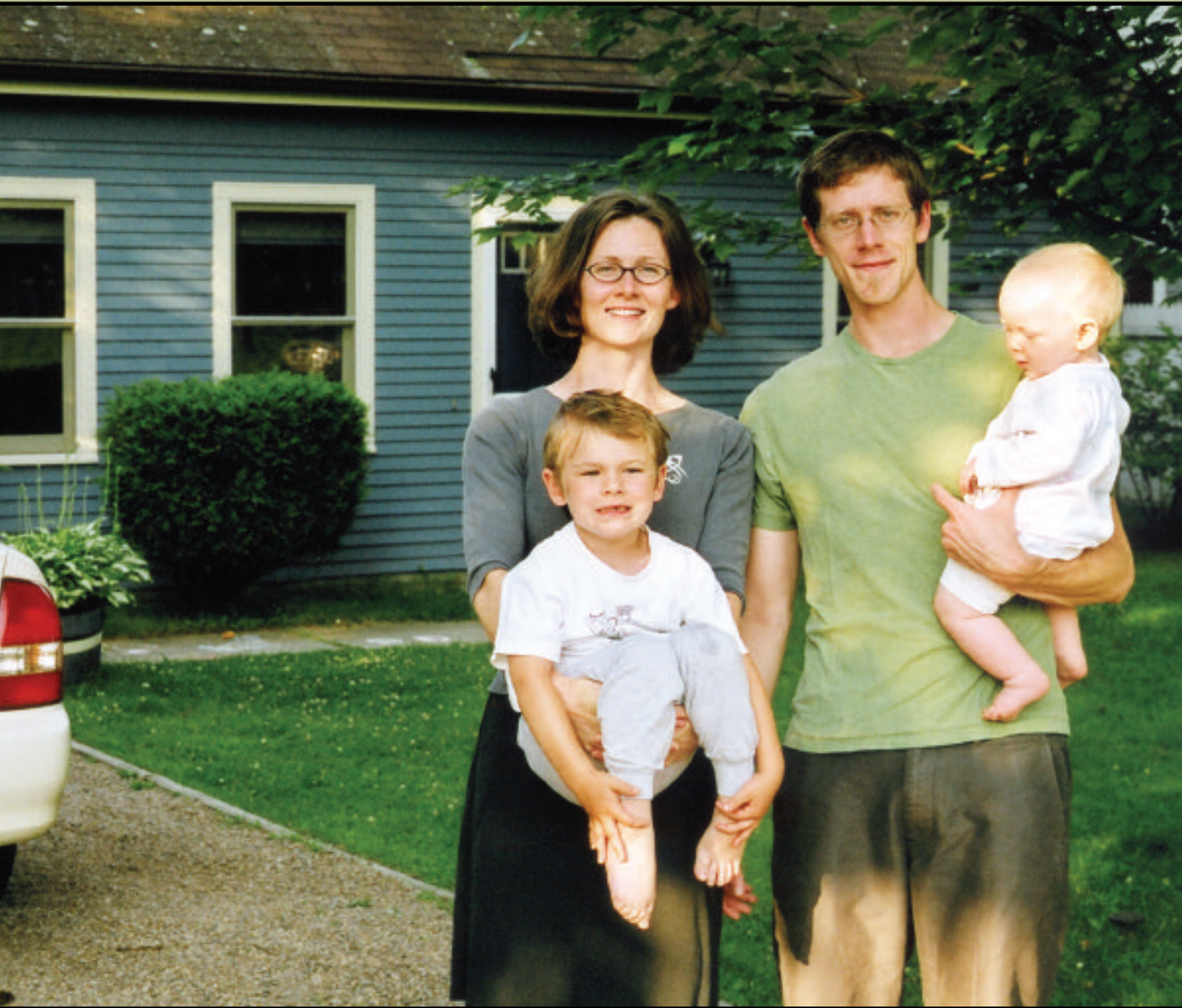
The Simonettas, St. Johnsbury

In June 2005, after time spent renting in Lyndonville, Daniel and Cecilia Simonetta moved into their own home on Russell Avenue, a quiet street minutes from downtown St. Johnsbury. “We love it,” Daniel says, adding the location affords him a quick five-minute commute to the office and a peaceful, safe space for daughters Amanda (left) and Alison. “Best of all, we’re building equity as we go,” Daniel says, “not putting the money in somebody else’s pocket.” (Photo: Craig Bailey)

| SUN | MON | TUE | WED | THU | FRI | SAT |
|---|---|--|---|-----|-----|------------------------------------|
| |  | <i>February 2007</i> Su Mo Tu We Th Fr Sa 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 | <i>April 2007</i> Su Mo Tu We Th Fr Sa 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 | 1 | 2 | 3 ○ Full Moon |
| 4 | | 6 <i>Town Meeting Day</i> | 7 | 8 | 9 | 10 |
| 11 ☾ Last Quarter <i>Daylight Savings Time Begins</i> | | 13 | 14 | 15 | 16 | 17 <i>St. Patrick's Day</i> |
| 18 ● New Moon | | 20 <i>Vernal Equinox (7:07 pm EST)</i> | 21 | 22 | 23 | 24 |
| 25 ☾ First Quarter | | 27 | 28 | 29 | 30 | 31 |

SHRINKING DOWN PAYMENTS: In the first six months of 2005, 38.1 percent of home buyers who financed their homes did so with a down payment of five percent or less of the purchase price, up from 30.6 percent in 2000.

MAR07



The Tharps, Williston

While they're quick to point out they love their new home, the neighborhood was also a major selling point for Gabe and Rebecca Tharp. Previous owners of properties on their Williston street return from out-of-town to attend the neighborhood's annual Independence Day party — a testament to the close relationships that form in the quiet neighborhood. The couple, along with their boys, Wilder and Kieran, moved into their home in August 2005. "We wanted to settle down a little more than renting allowed," Rebecca explains. (Photo: Craig Bailey)

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SECOND MORTGAGES ON THE RISE: It's increasingly popular to have two loans: a regular mortgage and a home equity loan or home equity line of credit, which pays for the rest. These structures now account for 48.2 percent of all home purchase mortgage dollars, a stunning rise from 19.9 percent in 2001.

APR 07



Building toward success

VHFA supports innovative programs like the modular home construction project, part of the Vermont Women's Mentoring Program created by Vermont Works for Women and Mercy Connections, and sponsored by the Vermont Department of Corrections. Women incarcerated in Vermont prisons learn skills that pay living wages by constructing modular homes to be installed as affordable housing units. Each 1,000-square-foot home sells for approximately \$87,000. (Photo: Vermont Works for Women)

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| | vhfa | 1 | 2 ○ Full Moon | 3 | 4 | 5 Cinco de Mayo | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 6 | | 8 | 9 | 10 ● Last Quarter | 11 | 12 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 13 Mother's Day | 14 | 15 | 16 ● New Moon | 17 | 18 | 19 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 20 | 21 Victoria Day (Canada) | 22 | 23 ● First Quarter | 24 | 25 | 26 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 27 | 28 Memorial Day (VHFA closed) | 29 | 30 | 31 ○ Full Moon | <div> <div>April2007</div> <table> <tr><th>Su</th><th>Mo</th><th>Tu</th><th>We</th><th>Th</th><th>Fr</th><th>Sa</th></tr> <tr><td>1</td><td>2</td><td>3</td><td>4</td><td>5</td><td>6</td><td>7</td></tr> <tr><td>8</td><td>9</td><td>10</td><td>11</td><td>12</td><td>13</td><td>14</td></tr> <tr><td>15</td><td>16</td><td>17</td><td>18</td><td>19</td><td>20</td><td>21</td></tr> <tr><td>22</td><td>23</td><td>24</td><td>25</td><td>26</td><td>27</td><td>28</td></tr> <tr><td>29</td><td>30</td><td></td><td></td><td></td><td></td><td></td></tr> </table> </div> <div> <div>June2007</div> <table> <tr><th>Su</th><th>Mo</th><th>Tu</th><th>We</th><th>Th</th><th>Fr</th><th>Sa</th></tr> <tr><td></td><td></td><td></td><td></td><td></td><td></td><td>1</td></tr> <tr><td>2</td><td>3</td><td>4</td><td>5</td><td>6</td><td>7</td><td>8</td></tr> <tr><td>9</td><td>10</td><td>11</td><td>12</td><td>13</td><td>14</td><td>15</td></tr> <tr><td>16</td><td>17</td><td>18</td><td>19</td><td>20</td><td>21</td><td>22</td></tr> <tr><td>23</td><td>24</td><td>25</td><td>26</td><td>27</td><td>28</td><td>29</td></tr> <tr><td>30</td><td></td><td></td><td></td><td></td><td></td><td></td></tr> </table> </div> | | Su | Mo | Tu | We | Th | Fr | Sa | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | 27 | 28 | 29 | 30 | | | | | | Su | Mo | Tu | We | Th | Fr | Sa | | | | | | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | 27 | 28 | 29 | 30 | | | | | | |
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HOUSING SUPPORTS STATE ECONOMY: Building 25 modest single-family homes would mean \$6.3 million in additional income for Vermont businesses and 61 Vermont jobs, paying just more than \$2 million in wages.

MAY07

Butterfield Commons, Dover

The generosity of one local resident who was committed to seeing intergenerational housing built in Dover helped create

Butterfield Commons. Making use of nearly seven acres of donated land near Mount Snow Resort and a wildlife area, Butterfield is a mixed-use development providing much-needed newly-constructed rental housing for area residents. The project consists of a 26-unit senior building, seven family apartments in several buildings, and seven townhouses in four structures for family ownership. Butterfield Commons was developed by Brattleboro Area Community Land Trust. VHFA provided

predevelopment and construction financing, and allocated federal and state Housing Tax Credits. (Photo: Craig Bailey)



| SUN | MON | TUE | WED | THU | FRI | SAT |
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| 3 | 4 | | 6 | 7 | 8 ☾ Last Quarter | 9 |
| 10 | 11 | | 13 | 14 ● New Moon Flag Day | 15 | 16 |
| 17 Father's Day | 18 | | 20 | 21 Summer Solstice (2:06 pm EDT) | 22 ☾ First Quarter | 23 |
| 24 St. Jean Baptiste Day (Quebec) | 25 | | 27 | 28 | 29 | 30 ○ Full Moon |

AFFORDABLE RENTALS OCCUPIED BY HIGHER INCOME HOUSEHOLDS:

Only about half of the apartments in the private market affordable at very low incomes are available to those households since many are occupied by tenants who could afford higher rents. Vermont is ranked the lowest in New England for the ratio of affordable and available units for very low-income households.

JUN07



Eileen Haddon, Randolph

“The house belongs to the cat,” Eileen Haddon jokes. “In fact, there are two more inside.” A native of Philadelphia, Eileen moved into her own home in December 2005 after completing workshops at the NeighborWorks® HomeOwnership Center in Barre. She had been renting in Randolph for 11 years. Eileen’s 1920s two-story home on Dudley Street was the first property she looked at after resolving to become a homeowner. “I knew it was my home the minute I walked in. I fell in love with it,” she says, “and I couldn’t have done it without VHFA!” (Photo: Craig Bailey)

| SUN | MON | TUE | WED | THU | FRI | SAT |
|------------------------------|-----|-----|---|-----|-----|-------------------------|
| 1 Canada Day (Canada) | 2 | 3 | 4 Independence Day (VHFA closed) | 5 | 6 | 7 ☾ Last Quarter |
| 8 | 9 | 10 | 11 | 12 | 13 | 14 ● New Moon |
| 15 | 16 | 17 | 18 | 19 | 20 | 21 |
| 22 ☾ First Quarter | 23 | 24 | 25 | 26 | 27 | 28 |
| 29 ○ Full Moon | 30 | 31 | <div><div>June2007</div><div><div>SuMoTuWeThFrSa</div><div><div>12</div><div>3456789</div><div>10111213141516</div><div>17181920212223</div><div>24252627282930</div></div></div></div> <div><div>August2007</div><div><div>SuMoTuWeThFrSa</div><div><div>1234</div><div>567891011</div><div>12131415161718</div><div>19202122232425</div><div>262728293031</div></div></div></div> | | | |

vhfa

PUTTING OFF THE AMERICAN DREAM: Adult Americans age 21 to 35 who graduated from college with heavy student loan debts to pay are putting off some major life decisions, including purchasing a home. Of the survey respondents who are still paying for the educations, 44 percent said they were delaying buying a home.

JUL07



Round Barn Senior Living Community, Grand Isle

The Round Barn Senior Living Community includes 16 units in a turn-of-the-century barn and eight units in a wing built in 1981. In 2003, the project's Section 8 contract was renewed for 20 years as part of the only HUD Mark-to-Market transaction in Vermont. Two years later, Lake Champlain Housing Development Corp. purchased the property and, working with Housing Vermont, converted the heating from electric to gas, replaced windows and re-sided the 1981 wing. VHFA provided financing and allocated Tax Credits for the rehabilitation. (Photo: Craig Bailey)

[illegible]

TIGHTEST MARKET IN THE COUNTRY: Vermont had the tightest housing market in the nation in 2005, with a 4.4 percent vacancy rate for rentals (compared to 9.8 percent nationally), and only 0.5 percent vacancy for owned homes (1.9 percent nationally). A “healthy market” is often considered a 5 percent vacancy rate for rental units and 3 percent for homeownership.



The Colburns, Springfield

Susannah Colburn enjoyed a special treat for her birthday in May 2006: She and her husband, Jason, bought their first home with the help of NeighborWorks® HomeOwnership Center in Springfield and VHFA. “It’s a beautiful, safe place to live. You don’t have to worry about earthquakes!” jokes Susannah, a West Coast native. Built in 1939, the first owner of the Colburn’s unique two-bedroom home was the architect who designed it. A detached garage of a similar design helps tie the cozy corner lot together. (Photo: Craig Bailey)

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| | | | | <div>August 2007</div> <table> <tr><td>Su</td><td>Mo</td><td>Tu</td><td>We</td><td>Th</td><td>Fr</td><td>Sa</td></tr> <tr><td></td><td></td><td></td><td>1</td><td>2</td><td>3</td><td>4</td></tr> <tr><td>5</td><td>6</td><td>7</td><td>8</td><td>9</td><td>10</td><td>11</td></tr> <tr><td>12</td><td>13</td><td>14</td><td>15</td><td>16</td><td>17</td><td>18</td></tr> <tr><td>19</td><td>20</td><td>21</td><td>22</td><td>23</td><td>24</td><td>25</td></tr> <tr><td>26</td><td>27</td><td>28</td><td>29</td><td>30</td><td>31</td><td></td></tr> </table> | Su | Mo | Tu | We | Th | Fr | Sa | | | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | 27 | 28 | 29 | 30 | 31 | | <div>October 2007</div> <table> <tr><td>Su</td><td>Mo</td><td>Tu</td><td>We</td><td>Th</td><td>Fr</td><td>Sa</td></tr> <tr><td></td><td>1</td><td>2</td><td>3</td><td>4</td><td>5</td><td>6</td></tr> <tr><td>7</td><td>8</td><td>9</td><td>10</td><td>11</td><td>12</td><td>13</td></tr> <tr><td>14</td><td>15</td><td>16</td><td>17</td><td>18</td><td>19</td><td>20</td></tr> <tr><td>21</td><td>22</td><td>23</td><td>24</td><td>25</td><td>26</td><td>27</td></tr> <tr><td>28</td><td>29</td><td>30</td><td>31</td><td></td><td></td><td></td></tr> </table> | Su | Mo | Tu | We | Th | Fr | Sa | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | 27 | 28 | 29 | 30 | 31 | | | | 1 |
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| 2 | 3  Last Quarter Labor Day (VHFA closed) | 4 | 5 | 6 | 7 | 8 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 9 Grandparent's Day | 10 | 11  New Moon | 12 Rosh Hashanah Begins at sundown | 13 Rosh Hashanah • Ramadan begins | 14 | 15 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 16 | 17 Constitution Day | 18 | 19  First Quarter | 20 | 21 Yom Kippur Begins at sundown | 22 Yom Kippur | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 23 Autumnal Equinox (5:51 am EDT) 30 | 24 | 25 | 26  Full Moon | 27 | 28 | 29 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

AFFORDABILITY WORSENER AS RATES FELL: Some economists suggest that falling interest rates pushed demand among the buyers “beyond equilibrium levels.” Unusually high demand typically causes price increases. In this way, the nation’s falling interest rates might actually have caused prices to increase so much that housing became less affordable.

SEP07



On the road

On Oct. 13, 2005, VHFA staff toured VHFA-financed properties in Chittenden and Franklin counties. Clockwise, from upper-left: Director of Administration Pat Loller welcomes Tax Credit Compliance Specialist Kathy Curley aboard; Meg Pond (left) of Lake Champlain Housing Development Corp. and Director of Homeownership Programs Pat Crady; Policy and Planning Coordinator Maura Collins and Information Systems Manager Rick Jean; and Colin Bloch of Burlington Community Land Trust at Elmwood Homes, five affordable single-family homes in St. Albans. (Photos: Craig Bailey, John Fairbanks and Ann-Marie Plank)

| SUN | MON | TUE | WED | THU | FRI | SAT | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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|  | 1 | 2 | 3  Last Quarter | 4 | 5 | 6 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 7 | 8 <div>Columbus Day (VHFA closed) • Thanksgiving Day (Canada)</div> | 9 | 10 | 11  New Moon | 12 | 13 <div>Ramadan ends</div> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 14 | 15 | 16 | 17 | 18 | 19  First Quarter | 20 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 21 | 22 | 23 | 24 | 25 | 26  Full Moon | 27 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 28 | 29 | 30 | 31 <div>Halloween</div> | <div>September2007</div> <table><tr><td>Su</td><td>Mo</td><td>Tu</td><td>We</td><td>Th</td><td>Fr</td><td>Sa</td></tr><tr><td></td><td></td><td></td><td></td><td></td><td></td><td>1</td></tr><tr><td>2</td><td>3</td><td>4</td><td>5</td><td>6</td><td>7</td><td>8</td></tr><tr><td>9</td><td>10</td><td>11</td><td>12</td><td>13</td><td>14</td><td>15</td></tr><tr><td>16</td><td>17</td><td>18</td><td>19</td><td>20</td><td>21</td><td>22</td></tr><tr><td>23</td><td>24</td><td>25</td><td>26</td><td>27</td><td>28</td><td>29</td></tr><tr><td>30</td><td></td><td></td><td></td><td></td><td></td><td></td></tr></table> | | Su | Mo | Tu | We | Th | Fr | Sa | | | | | | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | 27 | 28 | 29 | 30 | | | | | | | <div>November2007</div> <table><tr><td>Su</td><td>Mo</td><td>Tu</td><td>We</td><td>Th</td><td>Fr</td><td>Sa</td></tr><tr><td></td><td></td><td></td><td></td><td></td><td>1</td><td>2</td></tr><tr><td>3</td><td>4</td><td>5</td><td>6</td><td>7</td><td>8</td><td>9</td></tr><tr><td>10</td><td>11</td><td>12</td><td>13</td><td>14</td><td>15</td><td>16</td></tr><tr><td>17</td><td>18</td><td>19</td><td>20</td><td>21</td><td>22</td><td>23</td></tr><tr><td>24</td><td>25</td><td>26</td><td>27</td><td>28</td><td>29</td><td>30</td></tr></table> | Su | Mo | Tu | We | Th | Fr | Sa | | | | | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | 27 | 28 | 29 | 30 |
| Su | Mo | Tu | We | Th | Fr | Sa | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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| 9 | 10 | 11 | 12 | 13 | 14 | 15 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 16 | 17 | 18 | 19 | 20 | 21 | 22 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 23 | 24 | 25 | 26 | 27 | 28 | 29 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 30 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Su | Mo | Tu | We | Th | Fr | Sa | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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| 3 | 4 | 5 | 6 | 7 | 8 | 9 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 10 | 11 | 12 | 13 | 14 | 15 | 16 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 17 | 18 | 19 | 20 | 21 | 22 | 23 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 24 | 25 | 26 | 27 | 28 | 29 | 30 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

THE EVER-EXPANDING FLOOR PLAN: The average size of a newly-constructed home has increased dramatically over the past 30 years. According to Census data, in 1975, the average new home in the Northeast measured 1,575 square feet of living space. By 2005, that average new home had grown by 62 percent, to 2,556 square feet.

OCT07



Renaissance for the Town of Groton

VHFA played a key role in the recent redevelopment of Groton's town center — brightening the shine on this quaint Vermont burg. The project, developed by Gilman Housing Trust and Housing Vermont, included rehabilitating a general store, two small commercial incubator spaces, a library and converting a blighted restaurant into affordable rental units. VHFA allocated federal and state Housing Tax Credits and provided construction financing toward 18 family units. (Photo: John Gordon)

| SUN | MON | TUE | WED | THU | FRI | SAT |
|---|--|--|---|---|--------------------------------|---|
| | | <i>October 2007</i> Su Mo Tu We Th Fr Sa 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 | <i>December 2007</i> Su Mo Tu We Th Fr Sa 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 | 1  Last Quarter | 2 | 3 |
| 4 <i>Daylight Savings Time Ends</i> | 5  | 6 <i>Election Day</i> | 7 | 8  New Moon | 9 | 10 |
| 11 <i>Veteran's Day • Remembrance Day (Canada)</i> | 12 | 13 | 14 | 15 | 16 | 17  First Quarter |
| 18 | 19 | 20 | 21 | 22 <i>Thanksgiving (VHFA closed)</i> | 23 <i>(VHFA closed)</i> | 24  Full Moon |
| 25 | 26 | 27 | 28 | 29 | 30 | |

HOUSING STOCK GROWS SLOWLY: Vermont and New England states are ranked among the bottom 10 nationally in terms of the growth of the housing stock, which is keeping pressure on the units available.

NOV07



*David Davidson
& Emily Walter,
Burlington*

David Davidson and Emily Walter moved to Vermont from New Mexico a few years ago. "We wanted to get out of the desert," Emily jokes, daughter Elspeth on her knee. In April 2006, the couple moved into their Burlington home and set about brightening it with fresh coats of vibrant paint. David credits the Burlington Community Land Trust and the NeighborWorks® HomeOwnership Center for giving the couple the education they needed. "Their support was priceless," he says. "It made us feel confident we could become homeowners. And VHFA's rates were really incomparable."

(Photo: Craig Bailey)

| SUN | MON | TUE | WED | THU | FRI | SAT |
|---|--|---|--|--|--|---|
| | | |  | <i>November 2007</i> Su Mo Tu We Th Fr Sa 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 | <i>January 2008</i> Su Mo Tu We Th Fr Sa 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 | 1  <i>Last Quarter</i> |
| 2 | 3 | 4 <i>Hanukkah Begins at sundown</i> | 5 <i>Hanukkah</i> | 6 | 7 | 8 |
| 9  <i>New Moon</i> | 10 | 11 | 12 <i>Hanukkah ends</i> | 13 | 14 | 15 |
| 16 | 17  <i>First Quarter</i> | 18 | 19 | 20 | 21 | 22 <i>Winter Solstice (1:08 am EST)</i> |
| 23  <i>Full Moon</i> 30 | 24 31  <i>Last Quarter</i> <i>New Year's Eve</i> | 25 <i>Christmas (VHFA closed)</i>  | 26 <i>Boxing Day (Canada) • Kwanzaa begins</i> | 27 | 28 | 29 |

COSTS OF BUILDING A HOME RISING STEADILY: The costs of building a home in 2006 was about 53 percent higher than in 1996. Rising costs of raw materials (steel, copper, cement, and gypsum) and surging fuel prices contributed to higher price tags. However, increasing land prices and regulatory barriers to construction were also likely contributors.

DEC07

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.



CRAIG BAILEY

LEFT TO RIGHT, BACK ROW: Kevin Dorn, *Ex Officio*, Secretary, Agency of Commerce and Community Development; Dagne Canney, Principal Broker, Vermont Real Estate Sales Company; Gustave Seelig, *Ex Officio*, Vice-Chairman (Executive Director, Vermont Housing & Conservation Board); Lisa Mitiguy Randall, Chairperson (Vice President of Lending, Vermont Federal Credit Union); Bart Frisbie, President/ Owner, Sterling Construction; and Robert Alberts, President, Eastview at Middlebury Inc.

LEFT TO RIGHT, FRONT ROW: Thomas J. Candon, *Ex Officio*, Deputy Commissioner of Banking (Designee for the Commissioner of Banking, Insurance, Securities and Health Care Administration); Paul J. Beaulieu, Executive Vice President/Chief Operating Officer, Factory Point National Bank; Executive Director Sarah Carpenter, Secretary; and Beth Pearce, *Ex Officio*, Deputy State Treasurer (Designee for the State Treasurer).

VHFA Staff

Administration

Sarah Carpenter
Executive Director

Patricia M. Loller
Director of Administration

Elizabeth Mullikin Drake
General Counsel

Becky Greenough
Office Manager

Renee Couture
Executive Assistant

Sylvia White
Administrative Assistant

Information Systems

Rick Jean
Manager

Chris MacAskill
*Network Administrator/
Systems Specialist*

Sherri Mullin
Applications Specialist/Analyst

Public Affairs

John Fairbanks
Manager

Craig Bailey
Communications Coordinator

Finance

Tom Connors
Chief Financial Officer

Timothy Gutchell
Controller

Scott Baker
Investment Manager

Lisa Clark
Financial Analyst

Martha Fleming
Loan Portfolio Accountant

Susan B. Joachim
Lender Accounting Coordinator

Tina Franzen
Accounting Clerk

Development

Joe Erdelyi
Director

Nina McDonnell
Multifamily Operations Specialist

Erin Philbrick
Multifamily Operations Specialist

Cynthia Reid
Senior Development Underwriter

Liza Vedder Plantilla
Development Underwriter

Program Operations

David Adams
Chief of Program Operations

Maura Collins
Policy and Planning Coordinator

Leslie Black-Plumeau
Research Analyst

Homeownership

Patricia Crady
Director

Jacklyn Santerre
Assistant Director

Kathy Cawley
Administrative Assistant

Veronica DeVos
Homeownership Specialist

Pat LaFond
Homeownership Specialist

Kristina McCormack
Administrative Assistant

Carolynn Mossey
Loan Servicing Specialist

Erin Navin
Outreach Coordinator

Mary Sweeney
Administrative Assistant

Polly Thibault
Loss Management Specialist

Multifamily Management

Samuel Falzone
Director

John Burczy
Multifamily Management Officer

Kathy Curley
Tax Credit Compliance Specialist

Ann-Marie Plank
Multifamily Management Officer

Kim Roy
Multifamily Management Officer

Financial and Legal

Bond Counsel
Kutak Rock LLP

Underwriters
UBS Securities LLC
Citigroup
A.G. Edwards & Sons Inc.

Trustees/Paying Agents
TD Banknorth N.A.
US Bank

Auditors
KPMG LLP

Financial Advisors
U.S. Bancorp Piper Jaffray

Statement of Net Assets

Vermont Housing Finance Agency (VHFA)

June 30, 2006

ASSETS

| | Operating fund | Single family mortgage program fund | Multifamily mortgage program fund | Total |
|--|-------------------|---|---|-------------|
| Cash and cash equivalents | \$7,519,011 | 98,901,758 | 27,818,552 | 134,239,321 |
| Investments | 100,000 | 40,124,082 | 7,781,664 | 48,005,746 |
| Mortgage and construction loans receivable | 12,871,300 | 384,878,909 | 131,251,741 | 529,001,950 |
| Accrued interest receivable — Mortgage and notes | 1,199,763 | 1,517,287 | 524,478 | 3,241,528 |
| Accrued interest receivable — Investments | 21,379 | 1,170,745 | 519,849 | 1,711,973 |
| Deferred costs of bond issuance | — | 2,543,635 | 1,123,190 | 3,666,825 |
| Deferred mortgage origination fees, net | — | 1,942,863 | — | 1,774,935 |
| Land | 775,000 | — | — | 775,000 |
| Building | 1,000,834 | — | — | 1,000,834 |
| Office furniture and fixtures | 1,398,622 | — | — | 1,398,622 |
| Accumulated depreciation | (1,484,235) | — | — | (1,484,235) |
| Other receivables and prepaid expenses | 328,643 | 4,164,978 | 53,264 | 4,546,885 |
| Interfund receivables (payables) | (660,091) | 2,963,284 | (2,303,193) | — |
| Other assets and REO | — | 201,733 | — | 201,733 |

TOTAL ASSETS

\$23,070,226 538,409,274 166,769,545 728,081,117

LIABILITIES

| | | | | |
|---|-----------|-------------|-------------|-------------|
| Deferred mortgage origination fees, net | 514,756 | — | — | 346,828 |
| Accounts payable | 472,732 | 1,027,114 | 48,339 | 1,548,185 |
| Escrowed cash deposits | 2,556,333 | — | — | 2,556,333 |
| Notes payable | 9,951,701 | 45,000,000 | 11,073,582 | 66,025,283 |
| Accrued interest payable | 67,597 | 3,916,626 | 2,463,668 | 6,447,891 |
| Bonds payable | 571,402 | 447,205,000 | 127,008,778 | 574,785,180 |
| Unamortized discount on bonds | — | (641,493) | (1,569,679) | (2,211,172) |

TOTAL LIABILITIES

\$14,134,521 496,507,247 139,024,688 649,498,528

NET ASSETS

\$8,935,705 41,902,027 27,744,857 78,582,589

TOTAL LIABILITIES AND NET ASSETS

\$22,902,298 538,409,274 166,769,545 728,081,117

These condensed financial statements are based on audited financial statements. Complete audit reports are available at VHFA's Web site (www.vhfa.org) or upon request.

Statement of Revenues, Expenses and Changes in Net Assets

Vermont Housing Finance Agency (VHFA)

Year ended June 30, 2006

| | Operating fund | Single family mortgage program fund | Multifamily mortgage program fund | Total |
|--|--------------------|---|---|-------------------|
| OPERATING REVENUES | | | | |
| Interest income: | | | | |
| Mortgage and construction loans receivable | \$842,230 | 21,943,683 | 8,627,188 | 31,413,101 |
| Investments | 155,215 | 6,837,920 | 1,779,421 | 8,772,556 |
| Fee income: | | | | |
| Multifamily mortgage programs | 697,349 | — | 45,008 | 742,357 |
| Single family mortgage programs | 20,026 | 3,282 | — | 23,308 |
| Miscellaneous income | 61,823 | — | — | 61,823 |
| TOTAL OPERATING REVENUES | \$1,776,643 | 28,784,885 | 10,451,617 | 41,013,145 |
| OPERATING EXPENSES | | | | |
| Financing costs, including interest and amortization of premium, discount and costs of issuance | 762,336 | 24,065,554 | 7,641,737 | 32,469,627 |
| Mortgage service and contract administration fees | — | 973,310 | — | 973,310 |
| Salaries and benefits | 2,811,238 | — | — | 2,811,238 |
| Operating expenses | 1,070,899 | — | — | 1,070,899 |
| Professional fees | 120,987 | — | — | 120,987 |
| Trustee and assignee fees | 189,420 | — | — | 189,420 |
| Loss on bond redemptions | — | 169,833 | — | 169,833 |
| Property disposition and loan loss expenses (recoveries) | — | (101,943) | — | (101,943) |
| TOTAL OPERATING EXPENSES | \$4,954,880 | 25,106,754 | 7,641,737 | 37,703,371 |
| Operating income (Loss) | (3,178,237) | 3,678,131 | 2,809,880 | 3,309,774 |
| NON-OPERATING REVENUES: | | | | |
| Net depreciation in fair value of investments | — | (1,036,774) | (81,592) | (1,118,366) |
| Income (loss) before transfers | (3,178,237) | 2,641,357 | 2,728,288 | 2,191,408 |
| Net transfers to (from) operating fund | 3,890,838 | (3,107,588) | (783,250) | — |
| Increase (decrease) in net assets | 712,601 | (466,232) | 1,945,038 | 2,191,407 |
| Net assets at beginning of year | 8,223,104 | 42,368,258 | 25,799,819 | 76,391,181 |
| NET ASSETS AT END OF YEAR | \$8,935,705 | 41,902,027 | 27,744,857 | 78,582,589 |



ON THE COVER
*The Simonettas,
 St. Johnsbury*

IN JUNE 2005, after time spent renting in Lyndonville, Daniel and Cecilia Simonetta moved into their own home on Russell Avenue, a quiet street minutes from downtown St. Johnsbury. "We love it," Daniel says, adding the location affords him a quick five-minute commute to the office and a peaceful, safe space for daughters Amanda (left) and Alison. "Best of all, we're building equity as we go," Daniel says, "not putting the money in somebody else's pocket."
 (Photo: Craig Bailey)

Thank you to everyone who allowed VHFA into their homes to take photographs for this publication. Thanks also to:

Maggie Foley, Brattleboro Area Community Land Trust; Harry Sanderson and Shawn Hansen, Central Vermont Community Land Trust; Jess Wilson, Chittenden Community Television; Kathy Sarnes, Connecticut River Bank, NA; Debra Tinkham, Town of Groton Selectboard; Paul Walsh, Heritage Family Federal Credit Union; Kenn Sassorossi, Housing Vermont; Bruce Whitney, NeighborWorks® HomeOwnership Center of Vermont; Pat Willis, Skip Trahan and Stephen Shepard, Lake Champlain Housing Development Corp.; Debbie Wing and Mary Rajda, NeighborWorks of Western Vermont; Jeanne Boucher, New England Federal Credit Union; Cindy McCloud, Harry Chandler and Iris Gilbert, Northern Community Management Corp.; Nancy Crawford, Stewart Property Management; Amy Preuss, THM Property Management Services; Sue Laferriere, Union Bank; Kelly Deforge, Universal Mortgage Corp.; Kate Dodge and Tiffany Bluemle, Vermont Works for Women; and Tina Ladd.



Vermont Housing Finance Agency

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