



Vermont Housing Finance Agency

2008 ANNUAL REPORT ● 2009 WALL CALENDAR



Message from
Governor James H. Douglas



Gov. James H. Douglas

Over the last decade, Vermonters have faced a persistent challenge finding housing that is affordable. The median purchase price of a home more than doubled between 1996 and 2007, and despite falling markets in other parts of the country, home prices in Vermont have only leveled off. Rents, too, have risen, by nearly 50 percent in 10 years.

During the past 12 months, the housing situation has become even more intimidating as credit markets have tightened. Add to this mix the possibility that home heating oil prices may climb above \$4.50 a gallon this winter, and it's easy to see why Vermonters and their families are feeling especially pressed to make ends meet.

That's why the work of Vermont Housing Finance Agency has become increasingly important to our state and our people. VHFA continues to play an essential role in providing financing for affordable housing, but it is doing even more. VHFA played a key role in the last year helping to pass new state legislation that will get more housing for working Vermonters built, and get it built in a way that enhances our downtowns and preserves our landscape. I also called upon the Agency to be a partner in an economic stimulus proposal and an energy efficiency package. VHFA also worked hard with our Congressional delegation on important federal housing legislation.

This is typical of an Agency that has done so much for so many people in its 34 years. VHFA helped me and my wife purchase our first home, and I served for many years on the Agency's Board of Commissioners. That is

why I take a special pride in knowing VHFA made it possible for 865 Vermont families to purchase homes in the most recent fiscal year, many of them homeowners for the first time. VHFA financing and tax credit allocations also supported the creation or rehabilitation of 765 new affordable rental units across the state.

And we should not forget the economic impact of these investments. As you can see from the data contained in this year's annual report, VHFA's investment in affordable housing created approximately \$103 million worth of economic activity. That's money that circulates throughout our economy, creating jobs and opportunity. This has had a major positive impact on every area of the state, from Vernon to Richford, in communities large and small, and has helped Vermonters of all ages and from many walks of life find a place to call home.

So, thanks from all of us in the Green Mountain State to all of you at VHFA. Your energy, creativity, and diligence have done so much for so many, and your accomplishments have made Vermont a better place for us all to live. Congratulations! I am looking forward to working closely with you to create a prosperous and secure future for the Green Mountain State.



James H. Douglas
Governor

Message from the
Chairperson and Executive Director



Lisa Mitiguy Randall



Sarah Carpenter

Each year in our annual report, we celebrate Vermont Housing Finance Agency's successes and re-commit the Agency to doing everything it can to meet the affordable housing challenges of Vermont and Vermonters in the year ahead.

In the year just passed, those challenges were some of the most daunting we have ever had to face. While housing markets across the nation reeled as home prices fell, Vermonters saw very little effect as home prices leveled off, but did not tumble into the kind of free-fall we saw in other areas. At the same time, although Vermonters were spared some of the worst effects of the subprime mortgage market's collapse, we were not completely insulated from the ripple effects of the turmoil in the nation's credit markets. As the bond markets tightened, we faced new challenges raising capital to loan, and while interest rates stayed relatively low, credit requirements, particularly mortgage insurance, were tightened.

VHFA responded as we always have. We rolled up our sleeves and found ways to work harder and smarter on behalf of our customers.

As a result, fiscal year 2008 was one of our best years ever, despite the market conditions. VHFA purchased just over \$124 million in loans, helping 865 Vermont families — many of them first-time homebuyers — to realize their dreams of owning their own homes. We also made \$35 million in loans to finance new affordable housing. We made \$6.6 million in construction loans for new homeownership, and we made \$28 million in loans and allocated \$3.2 million in state and federal housing tax credits

to support the creation or rehabilitation of 765 affordable rental units.

VHFA was again active in housing policy. The Agency was a key player in the development of a comprehensive state housing bill that passed the Legislature on the last day of the session and was signed into law by Governor Douglas on June 5th. VHFA has also been active on the federal front, working with our Congressional delegation to support the passage of a sweeping federal housing bill that was signed by President Bush July 30th.

VHFA also continued to take a leadership role as a prime source of housing information with the publication of the 2008 edition of the "Between a Rock and a Hard Place: Housing and Wages in Vermont," and three issue papers, one on supportive housing, one on Vermont's aging population, and another on homeless families. The Agency has also taken an active role in task forces on energy prices and foreclosures.

Looking ahead, 2009 promises to be a demanding year. The economy has slowed and energy prices have skyrocketed, putting great pressure on consumers. Most economists predict it will be several months before stability returns to housing and credit markets. VHFA will be there, as we always have been, working on behalf of Vermonters to make sure everyone has a safe, decent and affordable place to call home.

A handwritten signature in black ink that reads "Lisa Mitiguy Randall".

Lisa Mitiguy Randall
Chairperson

A handwritten signature in black ink that reads "Sarah Carpenter".

Sarah Carpenter
Executive Director

Fiscal year 2008

Agency accomplishments

Multi Purpose bond resolution

In July 2007, after almost two years of planning and research, VHFA issued its first bond issue under its new Multi Purpose Bond Indenture. Unlike VHFA's other indentures, this one included single family and multifamily components. The first issuance under this new indenture also included a refunding of a 1995 issuance, which allowed VHFA to restructure the financing of several existing multifamily properties.

Software upgrade

In October 2007, VHFA upgraded its core software application to the latest version available through its chosen vendor, The Mitas Group. This new program is currently used by the entire Agency, and allows VHFA to track its loans, tax credit allocations, delinquencies and general accounting functions. This conversion came after months of researching, testing, and comparing several competing products. During this coming fiscal year VHFA will again upgrade the Mitas System for tracking loans and general accounting functions and the multifamily asset management and development departments will convert to a new vendor.

Joining the blogosphere

Housing Matters transitioned from a bi-monthly electronic newsletter to a daily blog in March 2008. Now individual news events are posted online as soon as they're written, keeping Agency partners and customers aware of VHFA's latest activities. Read Housing Matters and keep up-to-date by registering to receive email or RSS updates at www.vhfa.org/about/news/blog/.

10% supportive housing memorandum of understanding

In May 2008, VHFA and four other statewide agencies signed an agreement to work together to implement a future change in VHFA's Housing Credit program that would require 10 percent of Housing Credit units be targeted to people who are homeless and/or disabled and need supportive services. The agreement between the four agencies — VHFA, Vermont Housing & Conservation Board, Vermont Department of Housing and Community Affairs and the Vermont State Housing Authority — and the Vermont Agency of Human Services is one component of an increased priority to work collaboratively to solve the housing and service needs of Vermont's most vulnerable.

Clockwise, from top: Richard Williams, Executive Director, Vermont State Housing Authority; Sarah Carpenter, Executive Director, Vermont Housing Finance Agency; Gus Seelig, Executive Director, Vermont Housing & Conservation Board, and others sign the memorandum of understanding



Legislative wins

The Vermont State Legislature acted on several issues of importance to VHFA in 2008, among them: raising the amount of money exempted from the Property Transfer Tax for VHFA homebuyers to the first \$110,000 of a home's price; creating a \$100,000 homeownership Housing Credit similar to the state's existing rental Housing Credit; and launching the Vermont Neighborhoods program to encourage new development of moderately priced homes.

Late in the legislative session, as part of a 2008-2009 Economic Stimulus Bill, proposed by the Governor, it was affirmed that the state's pension funds could invest in VHFA's bonds for such programs as mobile home and down payment assistance programs, and the State treasury could lend VHFA up to \$50 million to assist with short-term borrowing needs.

The Legislature also increased its Moral Obligation guarantee for VHFA bonds by \$30 million.



Reports from VHFA

In addition to our annual "Between a Rock and a Hard Place" publication, VHFA published several research reports this year, educating the state on various populations in need of housing with some level of supportive services. In September 2007, VHFA released an issue paper titled "Housing and the Needs of Vermont's Aging Population." Another issue paper and a report, both addressing different aspects of homelessness, were published in Spring 2008. The first was based on cost savings calculated by housing individuals who are chronically homeless in permanent supportive housing as opposed to more expensive emergency services and shelters. The other was a close look at family homelessness in Vermont and its devastating impacts.

Automating VHFA

In an effort to automate the regular inspections VHFA conducts in the multifamily asset management department, staff members now have new software and hardware that allows on-site inspectors to enter their findings in a pen-based notebook computer, eliminating the

redundant step of re-entering all the findings into a specific format and then reporting to HUD or the IRS separately, saving a tremendous amount of time.

Going green

VHFA's new Green Building and Design Standards encourage developers who apply for VHFA financing and Housing Credits to embrace green building and management practices, materials and design in the planning and construction of their buildings. VHFA's standards, which incorporate Efficiency Vermont's energy standards, emphasize energy efficiency, good indoor air quality, and other features that reduce the negative environmental impact of development. The new standards will be implemented on a voluntary basis through October 2009, and incorporate the Agency's existing design standards.

Striving for efficiency

For existing homeowners VHFA and the State have created a subsidized home loan program to assist with weatherization and energy efficiency improvements. This program, the Energy Saver Loan Program, will be implemented through the State's Revolving Loan Funds. VHFA is also working with owners of assisted multifamily rental housing to deal with these same efficiency and fuel cost issues.



Fiscal year 2008

Homeownership activity

- In FY2008, VHFA purchased more than **\$124 million** in home mortgage loans. This activity supported the purchase of **865 homes** in Vermont.
- VHFA budgeted **\$346,500** this fiscal year to fund operations of the five NeighborWorks® HomeOwnership Centers of Vermont and provided mortgage support to the Opportunities Credit Union.
- In FY2008, VHFA received **\$98,369** in IORTA funds and will continue to provide assistance to HomeOwnership Center buyers with downpayments and closing costs.

VHFA also provided **\$6.6 million** in loans for the construction of **3 projects** containing **94 owner homes** in FY2008, listed in the table to the right:

VHFA borrower incomes as a percentage of the Area Median Income (AMI)	
Household income	Percentage of borrowers
More than 100%	11%
81% to 100%	31%
51% to 80%	46%
At or below 50%	12%

VHFA's average borrower profile	
Income	\$46,933
Mortgage amount	\$143,455
Home price	\$160,933

VHFA FY2008 homeownership program activity		
Program	Purchases	Loan volume
MOVE (Mortgages for Vermonters)	820	\$118,509,830
HOUSE (Homeownership Opportunities Using Shared Equity)	41	\$5,069,200
Limited Refinance	2	\$201,638
Fixed 35	2	\$308,100

Homeownership construction loan activity			
Project name	Town	Units	Short-term construction loans
Cameron's Run	Milton	4	\$599,000
Cascades	Winooski	70	\$3,000,000
East Branch Farms	Manchester	20	\$3,000,000

CRAIG BAILEY



A colorful banner welcomes visitors to the common building of Burlington Co-Housing, off East Avenue in Burlington. (See July.)

Fiscal year 2008 Multifamily activity

- The Agency provided **\$28.3 million** in a combination of pre-development, construction, and/or permanent financing to **26 projects**.
- Approximately **\$2.0 million** in allocated Housing Credits was awarded to **7 projects**, generating **\$15.3 million** in tax credit equity.
- Additional tax credit equity estimated at **\$7.5 million** was generated in conjunction with approximately **\$903,000** in bond credits issued for **7 projects**.
- VHFA also allocated **\$338,000** in State Affordable Housing Credits to **5 projects** generating approximately **\$1.4 million** in equity investment.
- The Agency facilitated the creation or rehabilitation of **765 units** of affordable rental housing.
- Affordable housing not only helps tenants but the entire community benefits from the infusion of capital during the development process. The multifamily and single-family housing financed by VHFA this fiscal year will create approximately **\$103 million** in economic activity across the state.

Two duplexes on School Street, part of Bennington's Downtown Crossing. See September for the project's new four-unit building, which is on South Street.



REGIONAL AFFORDABLE HOUSING CORP.

◆ Activity in FY2008 □ Activity in previous FY

Multifamily loan program & Housing Credit activity			Construction loan	Permanent loan	0% loan	Pre-development loan	Bond housing credits	Allocated housing credits	State housing credits
Project name	Town	Units							
Abbott Scattered Site	Brattleboro	28				◆		◆	◆
Bellows Falls Housing	Bellows Falls	28	◆			◆	◆	◆	◆
Brookside (Colchester Family Housing)	Colchester	42				◆		◆	
Covered Bridge Therapeutic Community	St. Johnsbury	6				◆			
Cummings Street Apartments	Montpelier	20	◆	◆	◆			◆	
Derby Line Gardens (Senior)	Derby	11		◆					
Downtown Crossing	Bennington	12	◆			□		◆	
Duggan Row House Apartments	Burlington	16			◆				
Essex Senior Housing (Senior)	Essex	48	◆			□	◆		◆
Forest Park	Rutland	87				◆			
Jeri-Hill Apartments (Senior)	Jericho	24		◆					
King Street Apartments	Burlington	7		◆					
Lake Champlain Apartments	Burlington	27		◆					
Meadowlane Apartments (Senior)	Milton	36	◆					◆	
NAMCO Block	Windsor	58	◆			□	◆	◆	◆
Newport City Senior Housing (Senior)	Newport	13	◆			□	◆		
North Branch/Barre Street Apartments	Montpelier	45				◆			
Parson's Hill	Castleton	12		◆					
Passumpsic (Partially senior)	St. Johnsbury	28	◆	◆		□	◆		
Pine Meadow Apartments	Middlebury	30	◆	◆	□	◆	◆		
Pleasant Street Apartments	Enosburg	24				◆			
Point School	Colchester	5		◆					
Prospect Forest	Randolph	9		◆					
Rail City Housing (Senior)	St. Albans	44	◆	◆			◆		
Rutland Scattered Site	Rutland	25				◆		◆	◆
Salmon Run Apartments	Burlington	80				◆			



West River Valley Senior Housing *Townshend*

West River Valley Senior Housing in Townshend is a 52-unit complex developed by Valley Cares and Housing Vermont, completed in October 2007. The project includes 24 apartments that offer independent living with supportive services for seniors, and 28 units of licensed assisted living, which offer 24-hour staffing, a full meal plan, nursing assessments, personal care and medication assistance. The national Affordable Housing Tax Credit Coalition named West River Valley the top new senior housing development in the country, bestowing the development its Charles L. Edson Tax Credit Excellence Award. VHFA provided financing and Housing Credits. (Photo: John Nopper/Valley Cares)

January

Grey is the new Vermonter: The percentage of Vermonters older than 65 will almost double between 2006 and 2030. Coupled with the state's goal of focusing on service-enriched, community-based housing rather than nursing homes, there's little doubt the state's housing shortage will be exacerbated in the future.

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	vhfa	<i>December 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	<i>February 2009</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	1 <i>New Year's Day/ Kwanzaa ends (VHFA closed)</i>	2	3
4  First quarter		6	7	8	9	10  Full moon
11	12	13	14	15	16	17  Last quarter
18	19 <i>Martin Luther King Jr. Day (Observed) (VHFA closed)</i>	20 <i>Inauguration Day</i>	21	22	23	24
25	26  New moon <i>Chinese New Year (Year of the Ox)</i>	27	28	29	30	31

Daly Shoe Building *Brattleboro*

Part of the historic Estey Organ Factory complex in Brattleboro, this historic warehouse building located on a former brownfield was transformed into 29 new apartments and office space for the project's sponsor, the Windham Housing Trust. Daly Shoe Building's spacious apartments range in size from studios to four-bedroom apartments — all boasting many historic features. VHFA provided financing and Housing Credits. (Photos: Hollis Burbank-Hammarlund & Betsy Hall/Windham Housing Trust)



February

Trading off heat and a home: As home utility costs have risen, many low-income Vermonters are facing the tradeoff between heat, housing, and other basic necessities. Research shows Vermont has the most unaffordable home energy bills for households at or below 50% of the federal poverty level.

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1	2 ☾ First quarter Groundhog Day	3	4	5	6	7
8	9 ○ Full moon	10	11	12 Lincoln's Birthday	13	14 Valentine's Day
15 Flag Day (Canada)	16 ☾ Last quarter President's Day (VHFA closed)	17	18	19	20	21
22 Washington's Birthday	23	24 ● New moon Mardi Gras	25 Ash Wednesday	26	27	28





Robin Lyndaker *Swanton*

Robin Lyndaker didn't have to search for a home that suited her needs. She helped design it herself. Taking part in VHFA's 4.75% rate for new construction allowed her to plan her dream home in Swanton: a 3-bedroom colonial with a large yard for her garden that she moved into the day after her closing in July 2007. "I wanted a place I could call home. I wanted to build equity in a house," she says. "And, you may laugh, but I wanted to be able to mow my own lawn and shovel snow from my own drive-way. Even after a year I'm still enjoying every minute of it!" (Photo: Craig Bailey)

March

Trying to keep up: In 2006, households with very low incomes had a homeownership rate 37 percentage points below high-income households. A recent University of New Hampshire study ranked Vermont second in the country with regard to income disparity growth over the past five years.

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1	2	3 <i>Town Meeting Day</i>	4  <i>First quarter</i>	5	6	7																																																																														
8 <i>Daylight Savings Time begins</i>	9 <i>Commonwealth Day (Canada)</i>	10  <i>Full moon</i>	11	12	13	14																																																																														
15	16	17 <i>St. Patrick's Day</i>	18  <i>Last quarter</i>	19	20 <i>Spring Equinox (7:44 am EDT)</i>	21																																																																														
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Sarah London *Montpelier*

Sarah London bought her first home in Spring 2008 in Montpelier, a convenient walk to her job with the state. “I knew I wanted to live in Montpelier as soon as I first worked here, during my first year of law school,” the Brattleboro native says. “I wouldn’t want to live anywhere else.” Her turn-of-the-century home “is a perfect combination of old and updated. It’s endearingly crooked all over, a lot like the house I grew up in.” Sarah credits VHFA for providing a financial boost that helped her become a homeowner. “Every little bit is a great help to folks just starting to make a life here,” she says, “which is increasingly hard to do.” (Photo: Craig Bailey)

April

Lower income families spend more on commutes: Even before fuel costs began to soar, in 2003 the working poor spent 6% of their income on commuting compared to 4% for all workers. Those who owned cars spent 8% on commuting, compared to 5% for all workers.

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12 <i>Easter</i>	13 <i>Easter Monday (Canada)</i>	14	15	16	17 ☾ <i>Last quarter</i>	18																																																																																											
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Main Street Mill *Richford*

The Main Street Mill in Richford is a four-story building that had been vacant for years. Richford Renaissance Corp. and Housing Vermont cleaned up the brownfield it occupied and converted the third floor of the building, dubbed “Eastern Townships,” into a dozen like-new apartments that all benefit from a rich historic flavor. The rest of the building was also transformed and is now home to a supermarket, a community health center, and a pharmacy. Main Street Mill is yet another success in the town’s overall revitalization plan. VHFA provided Housing Credits. (Photo: Craig Bailey)

May

No room at the inn: In January 2007, 2,507 people were counted as homeless in Vermont, relatively unchanged from the year prior. Twenty-six percent were under 18 years old. Of the adults, 24% were employed.

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10 Mother's Day	11		13	14	15	16
17 ● Last quarter	18 Victoria Day (Canada)	19	20	21	22	23
24 ● New moon 31	25 Memorial Day (VHFA closed)	26	27	28	29	30 ● First quarter



Kresky Family Hardwick

Representatives from VHFA, USDA/Rural Development, Universal Mortgage, Stephen Bousquet Real Estate and Barbour Real Estate Inc. joined Dan and Adelle Kresky for a flower planting/housewarming at their home on June 20, 2008. The event, held during National Homeownership Month, was a celebration of the Kresky's purchase and renovation of their Hardwick home, and the hard work and dedication of all who helped them along the way. "Everybody dug in and had fun," says Rural Development Business Programs Specialist Cheryl Ducharme. "Even the rain held off for us." (Photos: Erin Perrin)

June

Levels of debt rising: The percentage of lower income households in debt increased by 10%, but the amount they owed increased by 308%. Homeownership-related debt now accounts for \$7 out of every \$10 owed by lower-income families and is the fastest growing type of debt for these households.

SUN	MON	TUE	WED	THU	FRI	SAT
	1	2	3	4	5	6
7 ○ Full moon	8	9	10	11	12	13
14 Flag Day	15 ● Last quarter	16	17	18	19 Juneteenth National Freedom Day	20
21 Father's Day/Summer Solstice (1:45 am EDT)	22 ● New moon	23	24 St. Jean Baptiste Day (Canada)	25	26	27
28	29 ● First quarter	30	May 2009 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	July 2009 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		



Burlington Co-Housing *Burlington*

“East Village” is a 32-unit co-housing community off East Avenue in Burlington that was completed in November 2007. While each home is individually owned, residents share ample community space including a living room, kitchen for preparing shared meals, dining room, car-free courtyard, and community gardens. Homes are energy-efficient and the sense of community abounds! Burlington CoHousing Development LLC developed the project, including relocating on-site and renovating one of the old farm’s original structures. Clara Bond and Peter Carlough moved to the property in November 2007. VHFA provided construction financing. (Photo: Craig Bailey)

July

Housing and transportation: Nationally, for every dollar a working family saves on housing, it spends 77-cents more on transportation. Housing and transportation are the two biggest components of living expenses for most Americans. Together, they account for 57% of an average household's expenditures.

SUN	MON	TUE	WED	THU	FRI	SAT
	<i>June 2009</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>August 2009</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>Canada Day (Canada)</i>	2	3 <i>(VHFA closed)</i>	4 <i>Independence Day</i>
5	6	7  <i>Full moon</i>	8	9	10	11
12	13	14	15  <i>Last quarter</i>	16	17	18
19	20	21  <i>New moon</i>	22	23	24	25
26 <i>Parents' Day</i>	27	28  <i>First quarter</i>	29	30	31	



Jess & Josh Langer *Burlington*

The first thing Jess and Josh Langer did when they moved into their Burlington home was to fence in the backyard, making an excellent spot for their dog, Riley, to play fetch. While the yard makes a great place for their Lab to chase tennis balls, they both agree the best part of homeownership is “not paying someone else’s mortgage!” The newlyweds, who had been renting in the area since graduating from the University of Vermont, were happy to find their 1950s ranch-style home in Burlington’s New North End. “It’s a nice neighborhood,” they say, “close to downtown, but not too close.” (Photo: Craig Bailey)

August

Most households are small: Most Vermont households — 65% in 2007 — include one or two people. Another 16% of households have three people and the remaining 19% have four or more. Only about 32% of Vermont households include children.

SUN	MON	TUE	WED	THU	FRI	SAT
				<i>July</i> 2009 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>September</i> 2009 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 <i>Civic Holiday (Canada)</i>	4		6	7	8
9	10	11	12	13 ☾ <i>Last quarter</i>	14	15
16	17 <i>Bennington Battle Day (Observed)</i>	18	19	20 ● <i>New moon</i>	21 <i>Ramadan (Begins at sundown)</i>	22 <i>Ramadan</i>
23 30	24 31	25	26	27 ☾ <i>First quarter</i>	28	29



Downtown Crossing *Bennington*

The Regional Affordable Housing Corp. (RAHC) cut the ribbon on Downtown Crossing in Bennington on July 31, 2008. The development consists of eight existing units — two adjacent duplexes on School Street, an existing four-unit building, which also houses the offices of RAHC — and a new four-unit building on South Street (pictured). Eleven of the 12 units are affordable. The new building includes money-saving energy efficient features, such as, solar panels for heating water, insulation, skylights and triple-glazed windows. VHFA provided financing and Housing Credits to the project. (Photo: Ed Bove)

September

Rental pressures mounting: Half of all renters are “cost burdened,” paying more than 30% of income for rent. Two-thirds of extremely low income renter households receive no federal housing assistance nationally. And, between 1993 and 2003, the affordable housing stock for the lowest income renters fell by 13% (1.2 million units).

SUN	MON	TUE	WED	THU	FRI	SAT																																																																																																		
		1	2	3	4 <div>○ Full moon</div>	5																																																																																																		
6	7 <div>Labor Day (VHFA closed)</div>	8	9	10	11 <div>◐ Last quarter</div>	12																																																																																																		
13 <div>Grandparents' Day</div>	14	15	16	17 <div>Constitution Day</div>	18 <div>● New moon</div> <div>Rosh Hashanah (Begins at sundown)</div>	19 <div>Rosh Hashanah</div>																																																																																																		
20 <div>Ramadan ends/ Rosh Hashanah ends</div>	21	22 <div>Autumnal Equinox (5:18 pm EDT)</div>	23	24	25	26 <div>◑ First quarter</div>																																																																																																		
27 <div>Yom Kippur (Begins at sundown)</div>	28 <div>Yom Kippur</div>	29	30	<div>August2009</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>31</td><td></td><td></td><td></td><td></td><td></td></tr></table> <div>October2009</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>		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	29	30	31							
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vhfa

voice of the jewish community



The Pattons

Danville

Chris and Autumn Patton's quest to become homeowners brought them all the way from North Carolina. "Not many people could relocate 900 miles," jokes Chris, a self-employed carpenter. After receiving a lot of questionable advice from lenders down south regarding sub-prime and adjustable rate mortgages, the couple looked to central Vermont, where Chris has family. They moved here in summer 2007 with daughters Fern (left) and Havah (center). Miriam was born soon after. Their 1970 Cape-style home has offered plenty of opportunities for renovation well suited to someone with Chris's skills. But the key to their success was an affordable VHFA mortgage. "We couldn't have bought a home without VHFA," Chris says. "We owe them everything." (Photo: Craig Bailey)

October

Trading spaces: Approximately 14% of the people living in Vermont moved during the past year. Most of these movers (57%) stayed in the same county. Another 17% crossed county lines but stayed in Vermont. The remaining movers (26%) came from other states and countries.

SUN	MON	TUE	WED	THU	FRI	SAT
		<i>September</i> 2009 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>November</i> 2009 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
4 ○ Full moon		6	7	8	9	10
11 ◐ Last quarter	12 Columbus Day (VHFA closed)/ Thanksgiving Day (Canada)	13	14	15	16	17
18 ● New moon	19	20	21	22	23	24
25 ◑ First quarter	26	27	28	29	30	31 Halloween



Ed & Julie Cyzewski *Arlington*

Ed and Julie Cyzewski moved into their Arlington home in April 2007. “We were ready to start investing in a place of our own,” Ed explains. The 1987 three-bedroom ranch-style house provides the couple with easy access to the best outdoor recreation the area offers. “We can walk, tube in the river, or hike in the mountains,” says Ed. But recreation was tempered with plenty of home improvement work for the couple in the beginning. “We’ve removed all of the carpets and just about every inch of paneling, installed new laminate and hard wood floors, and painted all of the walls,” Ed says. (Photo: John Fairbanks)

November

Inadequate wage growth: While transportation expenses grew by almost 10%, rental costs increased by almost 8%, and child care costs went up 6% between 2002 and 2007 in Vermont, wages increased by only 3.4%.

SUN	MON	TUE	WED	THU	FRI	SAT
1 <i>Daylight Savings Time ends</i>	2 ○ <i>Full moon</i>	3 <i>Election Day</i>	4	5	6	7
8	9 ◐ <i>Last quarter</i>	10	11 <i>Veterans Day/ Remembrance Day (Canada)</i>	12	13	14
15	16 ● <i>New moon</i>	17	18	19	20	21
22	23	24 ◑ <i>First quarter</i>	25	26 <i>Thanksgiving (VHFA closed)</i>	27 <i>(VHFA closed)</i>	28
29	30	<div><div><div>October2009</div><div><div>SuMoTuWeThFrSa</div><div>123</div><div>45678910</div><div>11121314151617</div><div>18192021222324</div><div>25262728293031</div></div></div><div><div>December2009</div><div><div>SuMoTuWeThFrSa</div><div>12345</div><div>6789101112</div><div>13141516171819</div><div>20212223242526</div><div>2728293031</div></div></div></div> <div><div>vhfa</div><div>Volunteer Home Front Association</div></div>				



Willard Mill Apartments *St. Albans*

The renovation of the Willard Mill in St. Albans City is a shining example of adaptive reuse of a historic building. A limited partnership created by Champlain Housing Trust and Housing Vermont cleaned up a brownfield site at a former location of the Leader Evaporator Co. to create 27 units of family housing, 24 of which are affordable. VHFA provided Ventures pre-development financing, and Housing Credits to the development. Ventures loans are designed to provide pre-development working capital at a low cost to eligible non-profit housing developers quickly and flexibly. (Photo: Laz Scangas/Arnold & Scangas Architects)

December

Supportive housing saves money: Research shows permanent supportive housing (PSH) saves public resources more than continued homelessness for the chronically homeless. PSH residents in Connecticut reduced Medicaid usage for inpatient services by 71%. Maine found an average savings of \$944 per resident of PSH.

SUN	MON	TUE	WED	THU	FRI	SAT
	vhfa	1	2 <div>○ Full moon</div>	3	4	5
6		7	8 <div>◐ Last quarter</div>	9	10	11 <div>Hanukkah (Begins at sundown)</div>
13	14	15	16 <div>● New moon</div>	17	18	19 <div>Hanukkah ends</div>
20	21 <div>Winter Solstice (12:47 pm EST)</div>	22	23	24 <div>◑ First quarter</div>	25 <div>Christmas (VHFA closed)</div>	26 <div>Kwanzaa begins/ Boxing Day (Canada)</div>
27	28	29	30	31 <div>○ Full moon</div> <div>New Year's Eve</div>	<div><div>November2009</div><div><div>Su</div><div>Mo</div><div>Tu</div><div>We</div><div>Th</div><div>Fr</div><div>Sa</div></div><div><div>1</div><div>2</div><div>3</div><div>4</div><div>5</div><div>6</div><div>7</div></div><div><div>8</div><div>9</div><div>10</div><div>11</div><div>12</div><div>13</div><div>14</div></div><div><div>15</div><div>16</div><div>17</div><div>18</div><div>19</div><div>20</div><div>21</div></div><div><div>22</div><div>23</div><div>24</div><div>25</div><div>26</div><div>27</div><div>28</div></div><div><div>29</div><div>30</div></div></div> <div><div>January2010</div><div><div>Su</div><div>Mo</div><div>Tu</div><div>We</div><div>Th</div><div>Fr</div><div>Sa</div></div><div><div></div><div></div><div></div><div></div><div></div><div>1</div><div>2</div></div><div><div>3</div><div>4</div><div>5</div><div>6</div><div>7</div><div>8</div><div>9</div></div><div><div>10</div><div>11</div><div>12</div><div>13</div><div>14</div><div>15</div><div>16</div></div><div><div>17</div><div>18</div><div>19</div><div>20</div><div>21</div><div>22</div><div>23</div></div><div><div>24</div><div>25</div><div>26</div><div>27</div><div>28</div><div>29</div><div>30</div></div><div><div>31</div></div></div>	

VHFA 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.

LEFT TO RIGHT, BACK ROW: **Thomas J. Candon**, *Ex Officio*, Deputy Commissioner of Banking (Designee for the Commissioner of Banking, Insurance, Securities and Health Care Administration); **Kevin Dorn**, *Ex Officio*, Secretary, Agency of Commerce and Community Development; **Gustave Seelig**, *Ex Officio*, Vice Chairman (Executive Director, Vermont Housing & Conservation Board);

Thomas N. Pelletier, President and Chief Executive Officer, Northfield Savings Bank; and **Robert Alberts**, President, Eastview at Middlebury Inc.

LEFT TO RIGHT, FRONT ROW: **Lisa Mitiguy Randall**, Chairperson (Vice President of Lending, Vermont Federal Credit Union); **Beth Pearce**, *Ex Officio*, Deputy State Treasurer (Designee for the State Treasurer); **Sarah Carpenter**, Executive Director & Secretary; **Dagyne Canney**, Principal Broker, Vermont Real Estate Sales Co.; and **Bart Frisbie**, President/Owner, Sterling Construction.



VHFA staff

Administration

<i>Executive Director</i>	Sarah Carpenter
<i>Director of Administration</i>	Patricia Loller
<i>General Counsel</i>	Elizabeth Mullikin Drake
<i>Human Resources/Office Manager</i>	Martha Panton
<i>Executive Assistant</i>	Lori Gilding
<i>Legal Coordinator</i>	Renee Couture
<i>Administrative Assistant</i>	Sylvia White

Information Technology

<i>Manager</i>	Rick Jean
<i>Network Administrator/Systems Specialist</i>	Chris MacAskill
<i>Applications Specialist/Analyst</i>	Sherri Mullin

Public Affairs

<i>Manager</i>	John Fairbanks
<i>Communications Coordinator</i>	Craig Bailey

Finance

<i>Chief Financial Officer</i>	Tom Connors
<i>Controller</i>	Timothy Gutchell
<i>Investment Manager</i>	Scott Baker
<i>Senior Financial Analyst</i>	Lisa Clark
<i>Loan Portfolio Accountant</i>	Martha Fleming
<i>Lender Accounting Coordinator</i>	Susan Joachim
<i>Staff Accountant</i>	Ashley Lamell
<i>Financial Analyst</i>	Michelle Packard

Program Operations

<i>Chief of Program Operations</i>	David Adams
<i>Policy and Planning Manager</i>	Maura Collins
<i>Research Analyst</i>	Leslie Black-Plumeau

Development

<i>Director</i>	Joe Erdelyi
<i>Senior Development Underwriter</i>	Cynthia Reid
<i>Development Underwriter</i>	Joshua Slade

Homeownership

<i>Director</i>	Patricia Crady
<i>Assistant Director</i>	Jacklyn Santerre
<i>Production Administrative Assistant</i>	Kathy Cawley
<i>Homeownership Specialist</i>	Veronica DeVos
<i>Homeownership Specialist</i>	Pat LaFond
<i>Administrative Assistant</i>	Kristina McCormack
<i>Loan Servicing Specialist</i>	Carolynn Mossey
<i>Outreach Coordinator</i>	Erin Navin Perrin
<i>Loss Management Specialist</i>	Polly Thibault

Multifamily Management

<i>Director</i>	Sam Falzone
<i>Assistant Director</i>	Kimberly Roy
<i>Multifamily Management Officer</i>	Kathy Curley
<i>Multifamily Operations Specialist</i>	Nina McDonnell
<i>Multifamily Management Officer</i>	Erin Philbrick
<i>Multifamily Management Officer</i>	Ann-Marie Plank

Financial & legal

<i>Bond Counsel</i>	Kutak Rock LLP
<i>Underwriters</i>	Citigroup
	Merrill Lynch
<i>Trustees</i>	TD Bank, N.A.
	Bank of New York
	Wells Fargo Bank, N.A.
<i>Auditors</i>	KPMG LLP
<i>Financial Advisors</i>	Piper Jaffray & Co.

Statement of Net Assets

Vermont Housing Finance Agency (VHFA)

June 30, 2008

	OPERATING FUND	SINGLE FAMILY PROGRAMS	MULTIPLE PURPOSE PROGRAM	MULTIFAMILY PROGRAMS	TOTAL
ASSETS					
Cash and cash equivalents	\$10,071,957	40,027,800	59,047,966	25,182,898	134,330,621
Investments	100,000	28,292,479	32,802,548	5,042,746	66,237,773
Mortgage and construction loans receivable	12,918,252	454,310,953	126,254,812	111,856,977	705,340,994
Accrued interest receivable — Mortgage and notes	1,171,731	2,036,288	409,760	354,931	3,972,710
Accrued interest receivable — Investments	12,460	484,048	647,910	289,450	1,433,868
Deferred costs of bond issuance	—	2,780,047	700,238	981,669	4,461,954
Deferred mortgage origination fees, net	—	1,640,634	201,303	—	1,841,937
Land	775,000	—	—	—	775,000
Building (Less accumulated depreciation)	663,054	—	—	—	663,054
Office furniture and fixtures (Less accumulated depreciation)	155,869	—	—	—	155,869
Other receivables and prepaid expenses	226,822	1,364,994	231,051	96,926	1,919,793
Interfund receivables (payables)	(2,962,307)	7,715,410	(91,645)	(249,453)	4,412,005
Other assets and REO	—	540,394	—	—	540,394
TOTAL ASSETS	\$23,132,838	539,193,047	220,203,943	143,556,144	926,085,972
LIABILITIES AND FUND BALANCES					
Deferred loan origination fees, net	533,233	—	—	—	533,233
Accounts payable	626,811	1,038,139	216,694	100,832	1,982,476
Arbitrage rebate payable	—	1,805,893	—	—	1,805,893
Escrowed cash deposits	2,405,948	—	—	—	2,405,948
Accrued interest payable	57,383	3,916,552	1,421,463	1,893,960	7,289,358
Notes and lines of credit payable	9,608,044	—	70,095,000	20,401,578	100,104,622
Bonds payable	554,179	488,340,000	132,100,000	107,874,810	728,868,989
Unamortized (discount) and premium on bonds	—	(376,667)	178,326	(963,748)	(1,162,089)
TOTAL LIABILITIES	\$13,785,598	494,723,917	204,011,483	129,307,432	841,828,430
NET ASSETS	\$9,347,240	44,469,130	16,192,460	14,248,712	84,257,542
TOTAL LIABILITIES AND NET ASSETS	\$23,132,838	539,193,047	220,203,943	143,556,144	926,085,972

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

Statement of Revenues, Expenses & Changes in Net Assets

Vermont Housing Finance Agency (VHFA)
Year ended June 30, 2008

OPERATING REVENUES

Interest income:

Mortgage and construction loans receivable	\$817,450	27,959,694	4,987,433	7,913,264	41,677,841
Investments	166,554	4,587,865	3,544,713	1,418,797	9,717,929

Fee income:

Multifamily mortgage programs	633,996	—	90,037	10,630	734,663
Single family mortgage programs	16,726	781	3,299	—	20,806
Gain on bond redemptions	—	187,468	—	—	187,468
Miscellaneous income	75,684	—	—	—	75,684

TOTAL OPERATING REVENUES

\$1,710,410	32,735,808	8,625,482	9,342,691	52,414,391
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OPERATING EXPENSES

Financing costs, including interest and amortization of
premium, discount and costs of issuance

	647,876	27,718,745	7,184,205	7,777,490	43,355,316
Mortgage service and contract administration fees	—	1,192,273	146,320	55,776	1,394,369
Salaries and benefits	3,301,633	—	—	—	3,301,633
Operating expenses	1,205,692	—	—	—	1,205,692
Professional fees	172,677	—	—	—	172,677
Trustee and assignee fees	220,925	—	—	—	220,925
Loss on bond redemptions	—	—	—	—	—
Property disposition and loan loss expenses (recoveries)	56,093	151,726	14,361	290,000	512,180

TOTAL OPERATING EXPENSES

\$5,631,896	29,062,744	7,344,886	8,123,266	50,162,792
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Operating income (Loss)

(3,921,486)	3,673,064	1,280,596	1,219,425	2,251,599
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NON-OPERATING REVENUES:

Net depreciation in fair value of investments

—	(92,930)	—	19,148	(73,782)
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Income (loss) before transfers	(3,921,486)	3,580,134	1,280,596	1,238,573	2,177,817
Net transfers to (from) operating fund	4,165,146	(2,811,019)	14,911,864	(16,265,991)	—
Increase (decrease) in net assets	243,660	769,115	16,192,460	(15,027,418)	2,177,817
Net assets at beginning of year	9,103,580	43,700,015	—	29,276,130	82,079,725

NET ASSETS AT END OF YEAR

\$9,347,240	44,469,130	16,192,460	14,248,712	84,257,542
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Written by Craig Bailey
Leslie Black-Plumeau
Maura Collins
John Fairbanks
Cynthia Reid

Designed by Craig Bailey

Contact Vermont Housing Finance Agency
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ON THE COVER

Jess and Josh Langer, Burlington

The first thing they did when they moved into their Burlington home was to fence in the backyard, making an excellent spot for their dog, Riley, to play fetch. While the yard makes a great place for their Lab to chase tennis balls, they both agree the best part of homeownership is “not paying someone else’s mortgage!” The newlyweds, who had been renting in the area since graduating from the University of Vermont, were happy to find their 1950s ranch-style home in Burlington’s New North End. “It’s a nice neighborhood,” they say, “close to downtown, but not too close.”

(Photo: Craig Bailey)



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