



2022 Vermont Housing Finance Agency Annual Report



LETTER FROM THE EXECUTIVE DIRECTOR

Throughout this year of COVID-19 pandemic recovery, I've been struck by the relentless dedication of VHFA and its partners to providing ways to safely house the most vulnerable Vermonters. In January 2022, VHFA launched the \$50 million Vermont Homeowner Assistance Program to help homeowners with pandemic hardship pay overdue housing-related bills. In a matter of months, VHFA collected input from the public and worked with community organizations to design, advertise and launch a program unlike any other in Vermont's history. As I write this a year after the program started, VHFA has received applications from more than 6,000 households, with a hundred more submitted every week.

The pandemic also brought new challenges in the form of home construction constraints, rising interest rates, home prices and rents alongside swelling ranks of Vermonters experiencing homelessness. In the face of this adversity, state leaders and housing practitioners developed and invested in new tools and strategies to help low and moderate income Vermonters obtain the housing they need to stay safe and thrive.

We know we can not rest until every Vermonter has a decent, affordable home. I look forward to a new year of renewing this commitment and pursuing new strategies to keep Vermonters safely housed.



Maura Collins, Executive Director



2022

VHFA's mission is to finance and promote affordable, safe, and decent housing opportunities for low- and moderate-income Vermonters.

FY22 AGENCY HIGHLIGHTS



Vermont Homeowner Assistance Program

In January, VHFA launched the Vermont Homeowner Assistance Program (VHAP) to help Vermonters facing pandemic hardships. Funded by \$50 million from the federal American Rescue Plan Act, VHAP provides grants of up to \$30,000 per household towards overdue mortgage payments, utility bills, property taxes, and property association charges. VHFA partnered with 10 community groups to offer application assistance, housing counseling, and legal assistance. As of the end of FY22, the program had already assisted 1,682 Vermont households.

VHFA wins Capital Magnet Fund award

In June, VHFA received a \$4 million award from the U.S. Treasury. The Capital Magnet Fund (CMF) is intended to create and preserve affordable housing for low-income families and revitalize distressed communities. The CMF application process is highly competitive, and VHFA was one of only 59 organizations nationwide to receive an award this cycle. The grant will be combined with private capital in VHFA's Vermont Housing Investment Fund to support the development of over 300 affordable apartments across Vermont over a three-year period.



Planning new programs

With funding directed by state leaders for three new programs, VHFA solicited public input, collaborated with new and existing partners and created program materials. The programs will better meet the housing needs of Vermonters through support for first-generation home buyers, weatherization and missing-middle home building. In alignment with agency strategic planning and equity goals, designing these programs used new strategies for more effectively reaching and engaging with historically underserved communities and underrepresented voices.

- The **First-Generation Homebuyer program** received \$1 million in funding and a charge to ensure that program outreach include organizations representing Vermonters who have been historically underrepresented among Vermont's home buyers. VHFA staff met with 50 organizations in 2022 to help design a culturally aware program and build the networks needed to reach first-generation home buyers across the state. The program will provide up to \$15,000 to eligible borrowers.
- To complete design of the **Weatherization Repayment Assistance Program**, VHFA worked closely with key energy and utility partners and held customer focus groups. The program was funded in 2021 by a \$9 million state appropriation.
- When the **Missing-Middle Homeownership Development Program** received \$15 million from Vermont's American Rescue Plan Act (ARPA) funds in 2022, VHFA dove into to collecting public feedback and creating program materials for providing assistance to home builders constructing or rehabilitating modest homes affordable to lower- and middle-income Vermont homebuyers.

AFFORDABLE RENTAL HOUSING OPENED IN FY22

VHFA awards of housing tax credits and financing helped support the development and preservation of 165 apartments in 5 communities that opened in FY22.



Parc Terrace

This mixed-income building in Winooski's convenient Gateway corridor includes 45 apartments with four for tenants who had formerly experienced homelessness



Dover Place

In South Burlington's City Center, these 43 newly constructed apartments are in a variety of sizes, including studios, one-, two- and three-bedroom homes.



Lincoln Place

These 19 studio and 1-bedroom apartments in the city of Rutland offer on-site supportive services and are located in a newly renovated building that was formerly the Immaculate Heart of Mary School. Ten apartments are for tenants who had experienced homelessness.



New Avenue Apartments

In downtown St. Johnsbury, this prominent and historic former hotel is now a mixed-use building with 40 apartments, including ten for tenants who had experienced homelessness.



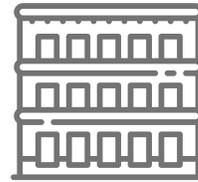
Red Clover Commons II

These 18 mixed-income apartments in Brattleboro neighbors a recently completed 55-unit building in the development. The two buildings for seniors complete plans to replace the former Melrose Terrace apartment complex that was destroyed by Tropical Storm Irene in 2011.

AFFORDABLE HOUSING FINANCED IN 2022

In 2022, VHFA awarded state and federal tax credits to affordable housing developers, which were sold to investors to raise an estimated \$35 million in equity for construction. Tax credits are the largest ongoing source of funding for affordable housing in Vermont.

\$46 million



in tax credit equity and long-term financing for affordable multifamily development projects

These tax credits will support the construction, rehabilitation or preservation of 384 affordable rental apartments in 8 communities across the state of Vermont.

VHFA also awarded over \$7 million in short term construction loans and \$10 million in long-term permanent loans in 2022 to these projects, with low interest rates that help make affordable development feasible.

VHFA's involvement in a project continues long after construction is completed. VHFA's Multifamily Management staff regularly monitors over 9,800 apartments for program compliance and health and safety.

Homeownership development



Pictured: Vermod high-efficiency manufactured home

VHFA also awards state credits and loans for development of owner occupied homes. Approximately \$1 million in equity from state tax credits awarded in 2022 will support 36 new affordable single family homes in Burlington, Milton, Shelburne and Woodstock.

Manufactured homes can be an important tool for low- and moderate-income Vermont households to become homeowners. In 2022, VHFA awarded state tax credits to Champlain Housing Trust for 46 new homes through its Manufactured Housing Down Payment Loan Program. The statewide program provides 0% interest second mortgages for new, highly efficient manufactured homes. In recognition of the success of the state housing tax credit program, the Legislature added over \$1 million to fund the Manufactured Housing Down Payment Loan Program for ongoing future use.

Vermont Housing Investment Fund



The VHIF was established by VHFA in 2020 to better leverage housing investments and fill critical project gaps. The fund has received \$9.1 million in grants and loans from New England Federal Credit Union, U.S. Treasury Capital Magnet Fund, The Vermont Community Foundation, the Federal Home Loan Bank of Boston and from VHFA. To date, VHIF funding is committed to supporting 354 apartments in 12 projects. A little over \$2.8 million in VHIF loans have supported total project development costs of \$110 million.

Pictured: The Old Ward 5 School in Barre will receive a VHIF investment for substantial rehabilitation and provide 8 new apartments.

HOMEBUYER PROGRAMS IN FY22

VHFA offers home mortgages to low- and moderate-income Vermonters through its network of participating lenders statewide. In FY22, VHFA made loans to buyers in all 14 Vermont counties.

184 

home loans made by VHFA

97% 

loans made to first-time buyers

77% 

received down payment assistance

\$57,360

Median VHFA borrower income

\$186,500

Median VHFA home purchase price

99.5%

received pre-purchase homebuyer education



Program	Loans	Loan Volume
Government	118	\$22,148,632
Conventional	66	\$11,263,028
Total	184	\$33,411,660



Mortgage Credit Certificate Program (MCC)	MCC Volume
Combined MCC with VHFA loan	8
Used MCC with loan from another source	3
Total	11



The Interest on Real Estate Trust Account (IORTA)

The IORTA program is funded with the interest earned on earnest money and real estate contract deposits. Real estate brokers are required to put most of these deposits into pooled interest-bearing trust or escrow accounts and financial institutions are required to remit the interest made to VHFA for use in its homeownership programs. For 29 years, funds from the proceeds of IORTA have been dedicated to VHFA for homeownership mortgage down payment or closing cost assistance. In FY 2021, VHFA received \$58,325 in IORTA funds, which were available to the five Vermont Homeownership Centers. They provided 1 Washington County homebuyer with \$1,000 in down payment assistance using the funds. The timing of IORTA fund distribution to borrowers depends on the timing of home purchases.

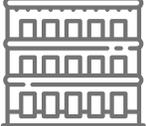
DOWN PAYMENT ASSISTANCE PROGRAM



Since the program began in 2015

1,597 

Vermonters assisted with down payments

235  

different towns across the state

\$7.8 million 

in down payment assistance loans

During the pandemic, Vermont has seen rapidly increasing home prices, making it even more difficult for low- and moderate-income families to achieve their dreams of homeownership. Down payment assistance is a critical tool for helping Vermonters purchase their first homes and reducing wealth inequity, particularly for Vermonters of color.

VHFA's Down Payment Assistance program (ASSIST) provides up to \$15,000 to each qualifying household in the form of a non-amortizing, 0% second mortgage. Only available in conjunction with a VHFA first mortgage, the DPA loan is repaid when the first mortgage is refinanced or the home is sold. This allows VHFA to recycle the funds to help new households.



SUMMARY OF FINANCIAL STATEMENTS

Statement of Net Position

June 30, 2022

(All amounts are in thousands of dollars)

ASSETS	
Cash and cash equivalents	52,068
Accrued interest receivable:	2,593
Other assets	599
Investments	21,031
Mortgage loans receivable, net	236,075
Mortgage-backed securities	150,690
Capital assets	555
TOTAL ASSETS	463,611
DEFERRED OUTFLOWS OF RESOURCES	30,170
TOTAL ASSETS AND DEFERRED OUTFLOWS	493,781
LIABILITIES	
Notes payable	80,323
Accrued interest payable	2,102
Other payables	652
Funds held on behalf of others and for federal programs	10,846
Bonds payable	295,559
TOTAL LIABILITIES	389,482
DEFERRED INFLOWS OF RESOURCES	234
TOTAL LIABILITIES AND DEFERRED INFLOWS	389,716
NET POSITION	
Restricted net position	92,712
Unrestricted net position	11,353
TOTAL NET POSITION	104,065

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June 30, 2022

(All amounts are in thousands of dollars)

OPERATING REVENUES	
Interest income	16,605
Fee income	2,339
Revenue from sales of state tax credits	930
State reimbursements	1,105
Grants	1,200
TBA program revenue	391
Gain on bond redemptions	888
Other revenue	39
TOTAL OPERATING REVENUES	23,497
OPERATING EXPENSES	
Financing costs	11,847
Mortgage servicing fees	156
Salaries and benefits	4,164
Operating expenses	1,049
Professional fees	234
Trustee fees	88
Provision for losses on loans and real estate owned	146
TOTAL OPERATING EXPENSES	17,684
OPERATING INCOME	5,813
NONOPERATING REVENUE (EXPENSES)	
Net depreciation in fair value of investments	(17,306)
Federal program revenue	15,803
Federal program and administration expenses	(15,803)
TOTAL NONOPERATING REVENUE	(17,306)
DECREASE IN NET POSITION	(11,493)
NET POSITION AT BEGINNING OF YEAR	115,558
NET POSITION AT END OF YEAR	104,065

VHFA BOARD OF COMMISSIONERS

AS OF JUNE 30, 2022



Katie Stuart-Buckley, Chair

Director, ARPA Assistance and
Coordination Program, Vermont League of
Cities & Towns



Thomas Leavitt, Vice Chair

President & CEO,
Northfield Savings Bank



Fred Baser

Financial Advisor and Founder
of Bristol Financial Services



Michael Clasen

Designee for Beth Pearce,
Ex Officio (State Treasurer)



Josh Hanford

Designee for Lindsay Kurrle, Ex Officio
(Secretary of Agency of Commerce
& Community Development)



Emily Kisicki

Designee for Kevin Gaffney, Ex Officio
(Commissioner of Department of Financial
Regulation)



Marie Milord-Ajanma

Supervisory Readjustment Counseling
Therapist, Department of Veterans Affairs &
Realtor, Hickey & Foster Real Estate



Jeanne Morrissey

President, J.A. Morrissey, Inc.



Gustave Seelig

Ex Officio, (Executive Director,
Vermont Housing & Conservation Board)

VHFA STAFF

AS OF JUNE 30, 2022

EXECUTIVE DIRECTOR **Maura Collins**

ADMINISTRATION

Lori Gilding
Office/Facilities Manager

Steve Gronlund
Director of HR & Administration

FINANCE

Michelle Baird
Manager of Bond Financing and Investments

Lisa Clark
Assistant Director of Finance

Chris Flannery
Chief Financial Officer

Brittany Garland
Financial Analyst /
Compliance Specialist

Darren Keniston
Mortgage Loan Analyst

Tom Kimball
Controller

Ewelina Kowalik
Senior Finance & Accounting Analyst

Robert Purcell
Financial Analyst / Investment Specialist

Grant Williams
Staff Accountant

LEGAL

George Demas
General Counsel

Alejandro Flores-Howland
Legal Coordinator

Michael Plunkett
Mortgage Assistance Confirmation
Specialist

Polly Thibault
Loan Servicing Manager

HOMEOWNERSHIP

Diane Edson
Senior Underwriter

Eric Hoffman
Business Development Manager

Jennifer Martin
Underwriter

Joshua Mead
Homeownership Operations Coordinator

Zach Nelson
Business Development Coordinator

Jacklyn Santerre
Managing Director of Homeownership

COMMUNITY DEVELOPMENT

Leslie Black-Plumeau

Community Relations and Research
Manager

Robin Castine

Multifamily Operations Analyst

Kathy Curley

Multifamily Housing Management Officer

Victoria Johnson

Administrative Assistant

Seth Leonard

Managing Director of Community
Development

Erin Philbrick

Multifamily Housing Management Officer

Ann-Marie Plank

Multifamily Housing Management Officer

Megan Roush

Community Development Underwriter

Kim Roy

Director of Asset Management &
Compliance

Bill Schrecker

Community Development Underwriter

Chad Simmons

Policy and Engagement Specialist

Josh Slade

Community Development Underwriter

Andrea Tieso

Multifamily Housing Management Officer

Mia Watson

Research & Communications Coordinator

INFORMATION SYSTEMS

Dave Chien

Director of Information Technology

Sara Everest

Web Developer

Chris MacAskill

System Analyst/Network Administrator

Gale Proulx

IT Support Specialist

VERMONT HOUSING FELLOW PROGRAM

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Christina Cramer

FINANCIAL/LEGAL PARTNERS

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Kutak Rock LLP

Underwriters

J.P. Morgan

Morgan Stanley

Raymond James

Trustees

The Bank of New York Mellon Trust
Company, N.A.

Wilmington Trust, National
Association

Auditor

CohnReznick LLP

Financial Advisor

Piper Sandler & co.



Prepared by Leslie Black-Plumeau

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