

# 2015 Annual Report



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*Throughout 2015, VHFA focused on finding new ways to help low- and moderate-income Vermonters share in the housing recovery. Almost all of the home buyers who used VHFA's financing last year were taking the monumental step of buying their first homes. Some homes that were deteriorating after being foreclosed on by other lenders were fully renovated by VHFA through the Housing Acquisition and Rehabilitation Program and sold to qualified home buyers. For renters, VHFA supported the construction and rehabilitation of 458 affordable apartments in 14 communities across the state.*

In addition to financing, VHFA supported, coordinated and researched important housing initiatives in 2015. In November 2014, VHFA convened the biennial **Vermont Statewide Housing Conference** which brought 450 policy makers, developers, lenders and advocates together to learn and identify the state's most pressing housing issues. National, state and local leaders and experts discussed housing priorities and shared best practices, while VHFA conducted interactive instant polling designed to capitalize on this rare convening of the state's full cadre of housing voices. Polling results showed little disagreement among conference participants about the severity of the state's shortage of housing affordable to low-income Vermonters



During the early months of 2015, VHFA led the development of a new policy to use the state's housing credit to generate funding for **down payment assistance** to first-time home buyers. Since the 2008 recession, young adults in Vermont like their counterparts across the nation responded to mounting economic challenges by reducing their likelihood of buying homes. Enacted by the Legislature in May 2015, Vermont's new down payment assistance program counters this trend by providing qualified first-time buyers with the support they need to join the ranks of Vermont home owners.

To address the urgent needs of Vermonters who are homeless and coordinate with state-defined priorities, VHFA facilitated changes in the way housing credits are allocated. Due to these changes, Vermont's "Qualified Allocation Plan" gives new **priority to projects serving people who are homeless.**

Other highlights of the year include **coordinating policy development and information sharing** by hosting meetings with national leader Tony Hernandez, USDA Rural Housing Service Administrator, and the New England Residential Services Coordinators. VHFA's **housing researchers** participated in two interagency consulting teams. One identified potential markets for highly energy efficient, modest-sized homes and the other kicked off the HUD-funded Thriving Communities Vermont initiative. VHFA also continued to manage four community/partner-oriented websites (Vermont Housing Data, Vermont Housing Managers Association, Vermont Resident Services Coordinators and Vermont Rental Codes).

## VHFA single-family mortgage activity

VHFA mortgage programs were used to purchase homes by **258 households** across the state in FY 2015. **Ninety-three percent** of these households were first-time home buyers.

### Average VHFA home buyer profile

<b>Income</b>	\$61,867
<b>Mortgage amount</b>	\$158,942
<b>Home price</b>	\$167,630

### Home buyers who used VHFA loan programs

Program	Homes	Loan volume
Government	136	\$21,641,477
Conventional	110	\$17,482,368
<b>Total</b>	<b>246</b>	<b>\$39,123,845</b>

### Most buyers had lower incomes

Percentage of area household median income	Percentage of home buyers
<b>Less than 50%</b>	8%
<b>50.1 to 80%</b>	36%
<b>80.1 to 100%</b>	28%
<b>More than 100%</b>	28%

### Home buyers who used VHFA's Mortgage Credit Certificate program

	Homes
Combined MCC with VHFA loan	43
Combined MCC with loan from another source	12
<b>Total</b>	<b>55</b>

## The Interest on Real Estate Trust Account

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

For 23 years, funds from the proceeds of IORTA have been dedicated to VHFA for homeownership mortgage down payment or closing cost assistance. In FY 2015, VHFA received \$33,527 and disbursed \$11,790 to assist 11 more Vermont home buyers with down payment and closing costs.



*Amanda, Eisley and Misha financed their first home in November 2014 with the help of VHFA. First order of business? Build and "staff" a chicken coop affectionately named "The Egg Plant."  
Photo by P. Detzer.*

County:	Caledonia	Chittenden	Orleans	Washington	Total
<b>Amount of IORTA assistance provided in FY2015</b>	\$4,000	\$4,990	\$500	\$2,300	<b>\$11,790</b>

## Rental housing financed

Through funding for **16 projects** across the state, VHFA helped create and rehabilitate **495 rental units** in FY 2015. These investments generated an estimated **\$146 million** in economic activity across the state through new and sustained jobs and income for Vermont workers and businesses.

The federal and state housing credits VHFA provided to 12 of this year's projects produced **\$42 million** in private upfront equity for construction, acquisition and renovations. Permanent loans from VHFA created **\$6 million** for six projects.



*Kelley's field resident Lois LaFountain with her granddaughter. Photo by S. Falzone.*

Rental housing financing projects in FY 2015			Units	Short-term / construction loan	Permanent loan	0% loan	Bond housing credits	Allocated housing credits	State housing credits
<b>Barre St. Apartments</b>		Montpelier	19	2015			2015		2015
<b>Black River Overlook</b>		Ludlow	22	2015	H	2015		2015	
<b>Colonial Apartments</b>	Senior	West Rutland	14		2015			H	
<b>Cora B. Whitney</b>	Senior	Bennington	22		2015			H	
<b>Darling Inn</b>	Senior	Lyndonville	27	2015	H		2015		2015
<b>Eagle Crest</b>	Senior	Williston	60		2015			H	
<b>Falcon Manor</b>	Senior	Williston	61		2015		H		
<b>The Gardens</b>	Senior	Williamstown	30		2015		2015		
<b>Green St. Apartments</b>		Hinesburg	24					2015	2015
<b>Hartford Scattered Sites</b>		Hartford	35				2015		2015
<b>Kelley's Field</b>	Senior	Hinesburg	24	2015	2015		2015		2015
<b>North Pleasant Street</b>		Middlebury	22					2015	2015
<b>Putney &amp; Brattleboro Housing Opportunities</b>		Putney, Brattleboro	25					2015	
<b>Red Clover</b>		Brattleboro	55					2015	
<b>Safford Commons</b>		Woodstock	28	2015				2015	2015
<b>Summer Street</b>		Barre	27					2015	2015

**2015** = 2015 project

**H** = Activity in a prior year

## Investments in Vermont's affordable owner-occupied housing

Throughout FY 2015, VHFA continued to fund investments that improve and expand the stock of affordable, owner-occupied homes with the Housing Acquisition and Rehabilitation Program and allocations of the Vermont Affordable Housing Credit.

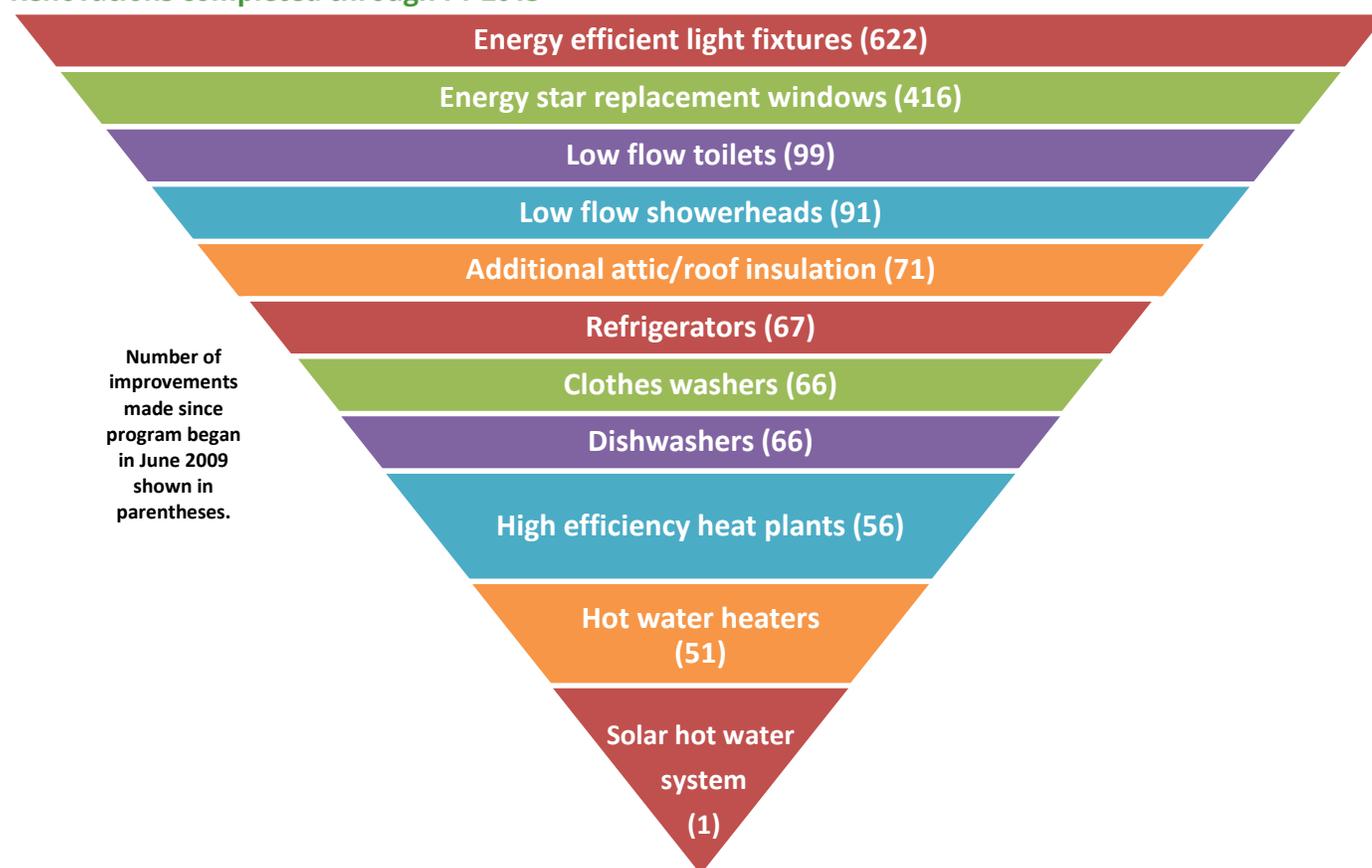
### Housing Acquisition Rehabilitation Program

In FY 2015, the Housing Acquisition & Rehabilitation Program (HARP) helped 12 more qualified home buyers across the state purchase restored and energy efficient homes that were once foreclosed and deteriorating. The program also continued to put many Vermont contractors to work.

#### HARP outcomes through June 30, 2015

Foreclosed homes purchased and renovated	74
Contractors employed during home renovations	1,653
Renovated homes sold	72
Average income of home buyers	\$46,000

### Renovations completed through FY 2015



### Vermont Affordable Housing Credit

FY 2015 allocations for owner homes	Homes	Amount Allocated
Statewide mobile home replacement program	12	\$200,000
Down payment grants for perpetually affordable homes	8	\$100,000
<b>Total</b>	<b>20</b>	<b>\$300,000</b>

## Summary of financial statements

### Statement of net position

June 30, 2015

<b>ASSETS</b>	
Cash and cash equivalents	64,887
Certificate of deposit	100
Accrued interest receivable	3,378
Other receivables and prepaid expenses	358
Investments	12,270
Mortgage loans receivable, net	309,976
Mortgage backed securities	151,422
Capital assets	712
Real estate owned	2,527
Due from other funds	585
<b>TOTAL ASSETS</b>	<b>546,215</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Interest Rate Swaps	<b>5,332</b>
<b>LIABILITIES</b>	
Notes payable	20,027
Accrued interest payable	3,603
Other payables	571
Funds held on behalf of mortgagors	2,489
Bonds payable	438,087
Fair value of derivative instrument - interest rate swaps	5,332
Deferred income	210
Due to other funds	585
<b>TOTAL LIABILITIES</b>	<b>470,904</b>
<b>NET POSITION</b>	<b>80,643</b>

*(All amounts are in thousands of dollars)*

## Statement of revenues, expenses and changes in net position

Year ended June 30, 2015

<b>OPERATING REVENUES</b>	
Interest income	25,145
Fee income	840
Gain on sales of loans and securities	404
Gain (loss) on bond redemptions, net	324
Other revenue	103
<b>TOTAL OPERATING REVENUES</b>	<b>26,816</b>
<b>OPERATING EXPENSES</b>	
Financing costs	18,580
Mortgage service and contract administration fees	397
Salaries and benefits	3,168
Operating expenses	828
Professional fees	170
Trustee and assignee fees	104
Provision for losses on loans and real estate owned	1,065
<b>TOTAL OPERATING EXPENSES</b>	<b>24,312</b>
<b>OPERATING INCOME</b>	<b>2,504</b>
<b>NONOPERATING REVENUE (EXPENSES)</b>	
Net appreciation in fair value of investments	1,006
Federal program revenue	3,583
Federal program and administration expenses	(3,583)
<b>TOTAL NONOPERATING REVENUE</b>	<b>1,006</b>
<b>INCREASE IN NET POSITION</b>	<b>3,510</b>
<b>NET POSITION AT BEGINNING OF YEAR</b>	<b>77,133</b>
<b>NET POSITION AT END OF YEAR</b>	<b>80,643</b>

*(All amounts are in thousands of dollars)*

Detailed financial statements are available at [www.vhfa.org/partners/investors](http://www.vhfa.org/partners/investors).

## 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.

### Members (as of June 2015)

- Chair L. Randolph Amis (Attorney/owner of L. Randolph Amis Law)
- Lamont Barnett (Owner of [The Rock and Hammer](#))
- Susan Donegan, *Ex Officio* (Commissioner of [Department of Financial Regulation](#))
- Dagne Canney (Principal Broker, [Vermont Real Estate Sales Co.](#))
- Jennifer Hollar, *Ex Officio* (Deputy Commissioner, Department of Housing and Community Development, designee for the Secretary of [Agency of Commerce and Community Development](#))
- Jeanne Morrissey (President, [J.A. Morrissey, Inc.](#))
- Beth Pearce, *Ex Officio* ([State Treasurer](#))
- Lisa Mitiguy Randall (Senior Vice President of Lending and Marketing, [Vermont Federal Credit Union](#)).
- Vice Chair Gustave Seelig, *Ex Officio* (Executive Director, [Vermont Housing & Conservation Board](#))



*In September 2015, Board members toured the recently completed Safford Commons project in Woodstock with staff before meeting at the nearby Marsh-Billings-Rockefeller National Historic Park.*



## Staff and partners

### EXECUTIVE DIRECTOR

**Sarah Carpenter**

### ADMINISTRATION

**Maura Collins**

Director of Policy and Administration

**Leslie Black-Plumeau**

Research and Communications Coordinator

**Lori Gilding**

Home Acquisition & Rehab Program (HARP) Administrator

**Steve Gronlund**

Human Resources Manager

### PROGRAM OPERATIONS

**David Adams**

Chief of Program Operations

**Victoria Johnson**

Administrative Assistant

### HOMEOWNERSHIP

**Jacklyn Santerre**

Director of Homeownership

**Kathy Cawley**

Administrative Assistant, Loan Servicing

**Veronica DeVos**

Homeownership Operations Coordinator

**Diane Edson**

Underwriter

**Pat LaFond**

Loan Servicing/Reporting Specialist

**Seth Leonard**

Homeownership Outreach Coordinator

**Carolynn Mossey**

Loan Servicing Specialist

**Polly Thibault**

Loss Management Specialist

### INFORMATION SYSTEMS

**Rick Jean**

Information Systems Manager

**Joe Brouard**

SQL Server Report Writer and Analyst

**Sara Everest**

Web Developer

**Chris MacAskill**

Network Administrator

### LEGAL

**George Demas**

General Counsel

**Brenda Howley**

Legal Coordinator

### MULTIFAMILY MANAGEMENT

**Samuel Falzone**

Director of Multifamily Programs

**Kimberly Roy**

Assistant Director of Multifamily Programs

**Kathy Curley**

Multifamily Management Officer

**Robin Howe**

Multifamily Operations Specialist

**Erin Philbrick**

Multifamily Management Officer

**Ann-Marie Plank**

Multifamily Management Officer

### DEVELOPMENT

**Joe Erdelyi**

Director of Development

**Josh Slade**

Housing Development Underwriter

**FINANCE**

**Tom Connors**  
Chief Financial Officer

**Michelle Baird**  
Manager of Bond Financing and Investments

**Lisa Clark**  
Finance Operations Manager

**Brittany Garland**  
Financial Analyst / Compliance Specialist

**Matthew Harder**  
Staff Accountant

**Darren Keniston**  
Mortgage Loan Analyst

**Thomas Kimball**  
Controller

**Robert Purcell**  
Financial Analyst

**Financial / Legal Partners**

Bond Counsel  
**Kutak Rock LLP**

Underwriters  
**Raymond James & Associates, Inc**  
**Morgan Stanley**

Trustees  
**TD Bank NA**  
**Bank of New York Mellon Trust Company**  
**Wells Fargo Bank NA**

AUDITOR  
**CohnReznick LLP**

FINANCIAL ADVISOR  
**Piper Jaffray & Co.**

**Contact**

**Vermont Housing Finance Agency**

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[www.vhfa.org](http://www.vhfa.org)

