

ELIZABETH A. PEARCE
STATE TREASURER



UNCLAIMED PROPERTY DIVISION
TEL: (802) 828-2407

RETIREMENT DIVISION
TEL: (802) 828-2305
FAX: (802) 828-5182

ACCOUNTING DIVISION
TEL: (802) 828-2301
FAX: (802) 828-2884

STATE OF VERMONT
OFFICE OF THE STATE TREASURER

TO: House Committee on Appropriations
House Committee on Commerce and Economic Development
House Committee on Ways and Means
House Committee on Government Operations
House Committee on General, Housing and Military Affairs

Senate Committee on Appropriations
Senate Committee on Economic Development
Senate Committee on Housing and General Affairs
Senate Committee on Finance
Senate Committee on Government Operations

FROM: Tim Lueders-Dumont, Policy Director, Office of the State Treasurer

RE: Local Investment Advisory Committee (LIAC) Report

DATE: January 14, 2017

Pursuant to ACT 199 of 2014, ACT 51 of 2015, and ACT 157 of 2016, the Local Investment Advisory Committee (LIAC), chaired by the State Treasurer, met on three occasions during the past year. The goal of LIAC is to increase economic development activity in Vermont and create jobs by committing up to 10 percent of the Treasurer's Office average available cash in local investments. These are funds that may be committed at the discretion of the State Treasurer. To date, over \$33 million has been obligated.

In March of 2016 a \$2 million agreement was reached with Champlain Housing Trust (CHT) that provided financing for CHT's Local Investment Financing Trust (LIFT) to support the preservation, acquisition, and stabilizing of multifamily and single family housing for the benefit of low, moderate, and media income families and individuals in Vermont.

In May of 2016 a [\\$4 million agreement](#) was reached with the Vermont Student Assistance Corporation that directed local investment dollars towards lowering the fixed rates on Vermont Advantage loans for parents and students, starting at 4.8 percent, the lowest rates ever offered in Vermont.

Although not under the jurisdiction of the LIAC, ACT 157 of the 2016 Legislative Session authorized the Treasurer's Office to invest up to \$1 million with the Vermont Community Loan Fund (VCLF).¹ [This was an increase of \\$500,000, doubling the prior authorization.](#)²

For a Summary of Interfund Loans, Credit Facilities and Local Investment Initiatives please see the attached document.

Please visit the [Local Investment Advisory Committee webpage](#)³ for more details.

¹ This is an increase. The previous authorization was for \$500,000. ACT 157:

<http://legislature.vermont.gov/assets/Documents/2016/Docs/ACTS/ACT157/ACT157%20As%20Enacted.pdf>

² See press release here:

<http://www.vermonttreasurer.gov/sites/treasurer/files/16%20VCLF%20Loan%20Program.pdf>

³ <http://www.vermonttreasurer.gov/cash-investments/Local-Investment>

Vermont State Treasurer's Office
Summary of Interfund Loans, Credit Facilities and Local Investment Initiatives
Status as of December 31, 2016

Authorizing Legislation and Agency	Statutory Description	Amount Authorized	Remaining Capacity	Amount Utilized	Original Amount	Maturity Date	Rate
Act No. 179 of 2014, Sec. E.131 (2014 Appropriations Bill):	Investment	\$1,000,000	\$0	\$1,000,000			
1. Vermont Community Loan Fund				\$1,000,000	\$1,000,000	7/15/2017 ^[1]	1.00%
Act No. 87 of 2013, Sec. 8, as amended by Act No. 199 of 2014, Sec. 22:	Credit Facility	\$10,000,000	\$0	\$10,000,000			
2. Vermont Economic Development Authority (Note VEDA-003)				\$10,000,000	\$10,000,000	1/31/2025 ^[2]	2.43%
Act No. 87 of 2013, Sec. 8a:	Credit Facility	\$6,500,000	\$1,959,094	\$4,540,906			
3. NeighborWorks of Western Vermont (Note A-001)				\$95,225	\$250,000	10/15/2023	2.00%
4. NeighborWorks of Western Vermont (Note A-002)				\$157,464	\$250,000	4/15/2024	2.27%
5. NeighborWorks of Western Vermont (Note A-003)				\$250,000	\$250,000	10/15/2024	2.35%
6. NeighborWorks of Western Vermont (Note A-004)				\$238,217	\$250,000	1/15/2025	2.00%
7. NeighborWorks of Western Vermont (Note A-005)				\$250,000	\$250,000	10/15/2025	2.00%
8. NeighborWorks of Western Vermont (Note A-006)				\$250,000	\$250,000	10/15/2025	2.26%
9. NeighborWorks of Western Vermont (Note A-007)				\$250,000	\$250,000	10/15/2026	2.00%
10. NeighborWorks of Western Vermont (Note A-008)				\$250,000	\$250,000	10/15/2026	2.63%
11. Vermont Housing Finance Agency (Note VHFA-001)				\$2,800,000	\$2,800,000	2/15/2024	2.76%
Act No. 178 of 2014, Sec. 41 (2014 Capital Bill Adjustment):	Credit Facility	\$8,000,000	\$7,475,828	\$524,172			
12. BGS - Costello Courthouse, Burlington - HVAC Lighting and Controls				\$524,172	\$524,172	1/30/2030	2.00%
Act No. 199 of 2014, Sec. 23: ^[3]	Credit Facility	\$8,200,000	\$850,000	\$7,350,000			
13. NeighborWorks of Western Vermont (Note B-001)				\$400,000	\$400,000	7/15/2025	2.10%
14. NeighborWorks of Western Vermont (Note B-002)				\$250,000	\$250,000	7/15/2026	2.00%
15. NeighborWorks of Western Vermont (Note B-003)				\$250,000	\$250,000	10/15/2026	2.00%
16. NeighborWorks of Western Vermont (Remaining Authorization)				\$850,000		TBD	TBD
17. Champlain Housing Trust (Note A-001)				\$1,000,000	\$1,000,000	3/31/2026	2.48%
18. Champlain Housing Trust (Remaining Authorization)				\$1,000,000		TBD	TBD
19. VSAC- higher education loan cost reduction				\$3,600,000	\$4,000,000	6/15/2021	2.00%
TOTALS:		\$33,700,000	\$10,284,922	\$23,415,078	\$22,224,172		

Notes:

1. Subject to annual review and renewal.
2. Subject to a "put" provision enabling the Treasurer's Office to demand full or partial repayment within 60 days if the State's unrestricted cash balance falls below \$75,000,000.
3. Additional capacity added to VCLF last year (up to 1,000,000 - Act 157 of 2016)