



2021 Vermont Housing Finance Agency Annual Report



LETTER FROM THE EXECUTIVE DIRECTOR

It is with deep gratitude that I reflect on the work of VHFA and its partners in 2021. As the world entered a second year facing COVID-19 pandemic challenges, we swiftly adjusted programs to meet the most urgent housing needs of low- and moderate-income Vermonters.

By administering the Vermont Mortgage Assistance program, we came face to face with how critical emergency assistance is for keeping Vermonters stably housed. In the course of just 8 months, this program helped 888 lower income Vermont households to remain safely in their homes. All of these households had lower incomes and had experienced financial hardship as a result of the pandemic.

VHFA also continued its long-standing core programs to finance the costs of constructing and rehabilitating much needed affordable, energy-efficient apartments and provide mortgage and down payment help.

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



Maura Collins, Executive Director



2021

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

FY21 AGENCY HIGHLIGHTS



Mortgage Assistance Program

Stabilized the housing of 888 Vermont low and moderate income homeowners through the COVID Emergency Mortgage Assistance Program. Funded by the federal CARES Act, this program provided \$9 million in grants for overdue mortgage and property tax bills for Vermont homeowners impacted by the COVID-19 pandemic.

VHFA again named a top 5 Vermont workplace

Named among top five best small places to work in the state by Vermont Business Magazine. In addition to a long-standing commitment to best practice workplace policies, VHFA created several new staff-oriented initiatives during the pandemic. These included covering the cost of internet, phone and over home costs during remote work and offering flexible work options once the office reopened.



Weatherization Repayment Assistance Program

Designed new weatherization program funded with \$9 million appropriation from the Vermont Legislature. This affordable repayment option through customers' utility bills is the outcome of heavy collaboration with partner organizations through the Weatherization at Scale initiative dedicated to weatherizing 120,000 homes by 2030.

Justice, equity, diversity and inclusion

Increased resources for improving justice, equity, diversity and inclusion in agency practices and program outcomes by hiring a new staff member to facilitate agency efforts. Actions taken in 2021 included designing staff and board training and engaging with partner agencies to further extend programs to marginalized communities.



Housing 101 video series

Created a new Housing 101 video series on YouTube to help educate and promote discussion about housing issues and policies in Vermont. The series, which features VHFA Executive Director Maura Collins, shared information about state housing agencies, housing needs and a recent study of housing cost factors in 2021.

AFFORDABLE RENTAL HOUSING OPENED IN FY21

VHFA awarded housing tax credits and financing to help support the development and preservation of 220 apartments in 8 communities.



Congress Street

in St. Albans built 30 apartments as part of a major neighborhood redevelopment project



Juniper House

created 70 apartments for seniors in Burlington's new Cambrian Rise neighborhood



Vergennes Community Housing

built 24 new apartments near downtown Vergennes



Lake Paran Village

in Shaftsbury developed 22 new apartments close to public transportation and local recreation



Jeudevine

in Hardwick preserved 18 apartments in three downtown buildings



Olivia Place

in Lyndonville redeveloped two old buildings with 14 apartments and added 6 new units



Chase Block

In Waterbury preserved 14 apartments and a senior center



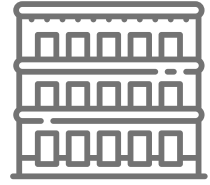
Woolson Block

in Springfield revitalized a historic building to create 20 new apartments and a commercial space

AFFORDABLE HOUSING FINANCED IN 2021

In 2021, VHFA awarded state and federal tax credits to affordable housing developers, which are sold to investors to raise an estimated \$35 million in equity for construction. Tax credits are the largest source of funding for affordable housing in Vermont.

\$56 million



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

The tax credits will support the construction, rehabilitation or preservation of 212 affordable rental apartments in 7 communities across the state of Vermont.

VHFA also awarded over \$31 million in short term construction loans and \$21 million long-term permanent loans in 2021, 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 6,800 apartments in our portfolio for program compliance and health and safety.

Homeownership development



VHFA also awards state credits and loans for homeownership development. Approximately \$2 million in equity from State tax credits awarded in 2021 will support seven new affordable single family homes in Burlington, Milton and Shelburne.

Manufactured homes can be an important tool for low and moderate income Vermont households to become homeowners. In 2021, VHFA awarded state tax credits to Champlain Housing Trust for 35 new homes through its Manufactured Housing Down Payment Loan Program. The statewide program provides 0% interest second mortgages for new, highly efficient manufactured homes.

VHFA also made \$2.8 million in loans to manufactured home communities in 2021. These loans help support their conversion to non-profit or cooperative ownership and help support critical infrastructure needs, helping to preserve long-term affordability for residents.

Pictured: Vermod high-efficiency manufactured home

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 \$4.6 million in grants and loans from New England Federal Credit Union, The Vermont Community Foundation and the Federal Home Loan Bank of Boston. To date, VHIF funding has supported 157 apartments in six projects. A little over \$1 million in VHIF loans have supported total project development costs of over \$35 million.

Pictured: Dewitt Building in Brattleboro, which received VHIF investment

HOMEBUYER PROGRAMS IN FY21

VHFA offers home mortgages to low and moderate income Vermonters through its network of participating lenders statewide. In FY21, VHFA made loans to buyers in all 14 Vermont counties.

248 

home loans made by VHFA

94% 

loans made to first-time buyers

71% 

received down payment assistance

\$54,475

Median VHFA borrower income

\$180,000

Median VHFA home purchase price

94%

received pre-purchase homebuyer education



Program	Loans	Loan Volume
Government	188	\$35,416,346
Conventional	60	\$9,513,812
Total	248	\$44,930,158



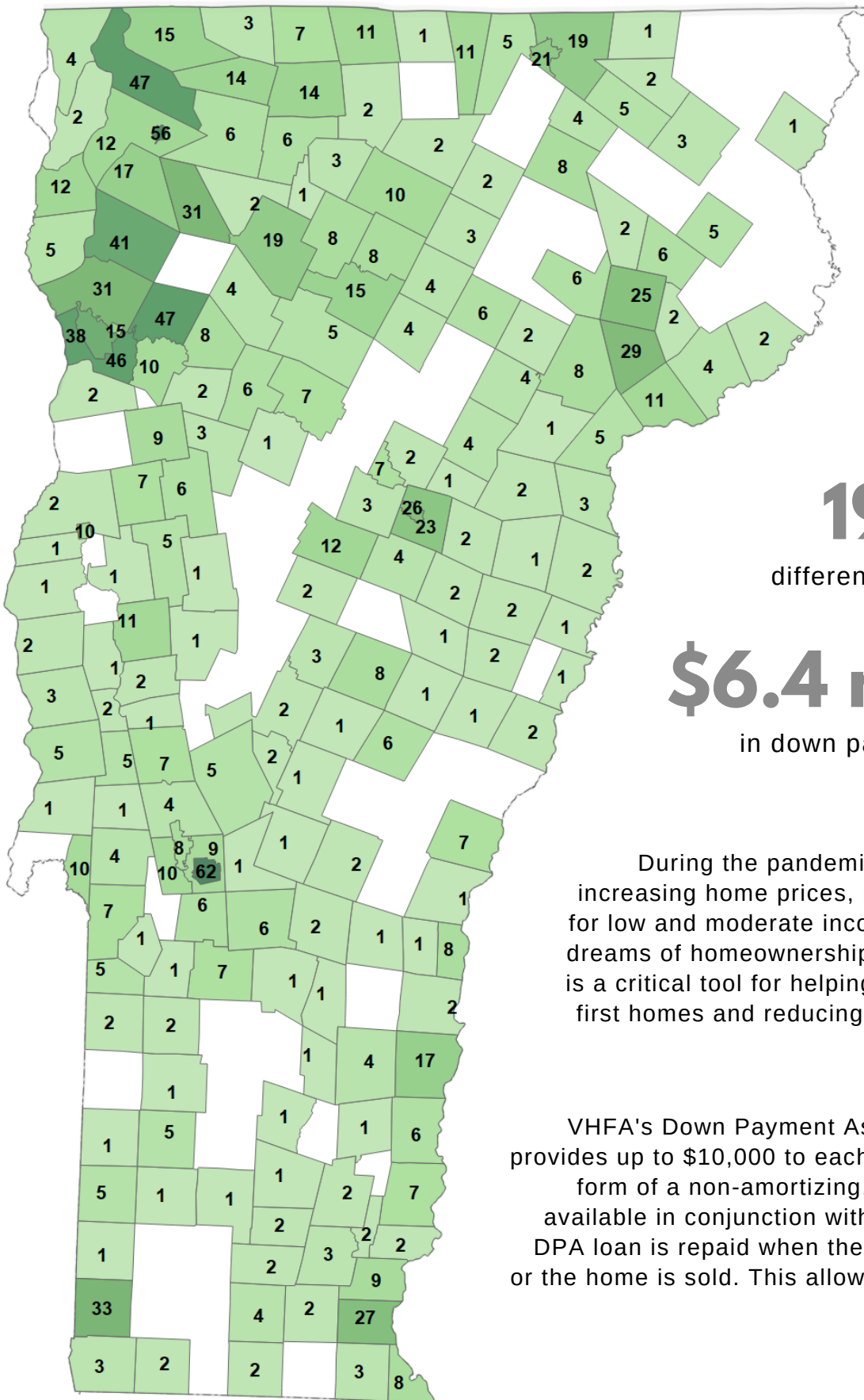
Mortgage Credit Certificate Program (MCC)	MCC Volume
Combined MCC with VHFA loan	25
Used MCC with loan from another source	5
Total	30



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.

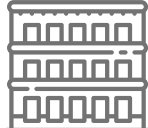

VERMONT DOWN PAYMENT ASSISTANCE PROGRAM



Since the program began in 2015

1,361 

Vermonters assisted with down payments

193  

different towns across the state

\$6.4 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 \$10,000 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, 2021

(All amounts are in thousands of dollars)

ASSETS

Cash and cash equivalents	59,924
Accrued interest receivable	2,705
Other receivables and prepaid expenses	512
Investments	10,731
Mortgage loans receivable, net	227,234
Mortgage backed securities	182,330
Capital assets	573
TOTAL ASSETS	484,009

DEFERRED OUTFLOWS OF RESOURCES	31,916
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LIABILITIES

Notes payable	62,280
Accrued interest payable	2,248
Other payables	930
Funds held on behalf of others and for federal programs	7,680
Bonds payable	326,816
Fair value of derivative instrument - interest rate swaps	413
TOTAL LIABILITIES	400,367

NET POSITION

Restricted net position	105,656
Unrestricted net position	9,902
TOTAL NET POSITION	115,558

SUMMARY OF FINANCIAL STATEMENTS

Statement of Revenues, Expenses and Changes in Net Position

Year ended June 30, 2021

(All amounts are in thousands of dollars)

OPERATING REVENUES	18,483
Interest income	1,983
Fee income	1,201
Revenue from sales of state tax credits	1,143
State reimbursements	17
Grants	651
TBA program revenue	823
Gain on bond redemptions	40
Other revenue	
TOTAL OPERATING REVENUES	24,341
OPERATING EXPENSES	
Financing costs	14,326
Mortgage servicing fees	187
Salaries and benefits	3,968
Operating expenses	934
Professional fees	164
Trustee fees	89
Provision for losses on loans and real estate owned	292
TOTAL OPERATING EXPENSES	19,960
OPERATING INCOME	4,381
NONOPERATING REVENUE (EXPENSES)	
Net depreciation in fair value of investments	(2,021)
Federal program revenue	6,775
Federal program and administration expenses	(6,775)
TOTAL NONOPERATING REVENUE	(2,021)
INCREASE IN NET POSITION	2,360
NET POSITION AT BEGINNING OF YEAR	113,198
NET POSITION AT END OF YEAR	115,558

VHFA BOARD OF COMMISSIONERS



Katie Stuart-Buckley, Chair

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



Gustave Seelig, Vice Chair

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



Lamont Barnett

Owner of The Rock and Hammer



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)



Thomas Leavitt

President & CEO,
Northfield Savings Bank



Jeanne Morrissey

President, J.A. Morrissey, Inc.



Jill Rickard

Designee for Michael Pieciak, Ex
Officio (Commissioner of Department
of Financial Regulation)

VHFA STAFF

EXECUTIVE DIRECTOR Maura Collins

ADMINISTRATION

Lori Gilding
Office/Facilities Manager

Steve Gronlund
Director of HR & Administration

MORTGAGE ASSISTANCE PROGRAM

Abigail Colbeth
Mortgage Assistance Application
Specialist

Michael Plunkett
Mortgage Assistance Confirmation
Specialist

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

LEGAL

George Demas
General Counsel

Alejandro Flores-Howland
Legal Coordinator

Polly Thibault
Loan Servicing Manager

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

Robert Purcell
Financial Analyst / Investment
Specialist

Grant Williams
Staff Accountant

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 and 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

Regine Albin

Ben Harrold

FINANCIAL/LEGAL PARTNERS

Bond Counsel

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.



CREDITS

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Corporation.**

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