



# 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.



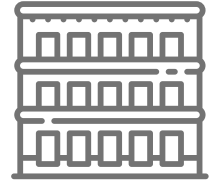
## Red Clover Commons II

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
<b>Total</b>	<b>184</b>	<b>\$33,411,660</b>



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



## 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.

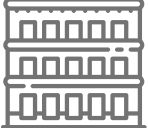

# DOWN PAYMENT ASSISTANCE PROGRAM



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)*

<b>ASSETS</b>	
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
<b>TOTAL ASSETS</b>	<b>463,611</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<b>30,170</b>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS</b>	<b>493,781</b>
<b>LIABILITIES</b>	
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
<b>TOTAL LIABILITIES</b>	<b>389,482</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<b>234</b>
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS</b>	<b>389,716</b>
<b>NET POSITION</b>	
Restricted net position	92,712
Unrestricted net position	11,353
<b>TOTAL NET POSITION</b>	<b>104,065</b>



# SUMMARY OF FINANCIAL STATEMENTS

## Statement of Net Position

June 30, 2022

*(All amounts are in thousands of dollars)*

<b>OPERATING REVENUES</b>	
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
<b>TOTAL OPERATING REVENUES</b>	<b>23,497</b>
<b>OPERATING EXPENSES</b>	
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
<b>TOTAL OPERATING EXPENSES</b>	<b>17,684</b>
<b>OPERATING INCOME</b>	<b>5,813</b>
<b>NONOPERATING REVENUE (EXPENSES)</b>	
Net depreciation in fair value of investments	(17,306)
Federal program revenue	15,803
Federal program and administration expenses	(15,803)
<b>TOTAL NONOPERATING REVENUE</b>	<b>(17,306)</b>
<b>DECREASE IN NET POSITION</b>	<b>(11,493)</b>
<b>NET POSITION AT BEGINNING OF YEAR</b>	<b>115,558</b>
<b>NET POSITION AT END OF YEAR</b>	<b>104,065</b>

# 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

### **Barbara Assimwe**

### **Christina Cramer**

## 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.



**Prepared by Leslie Black-Plumeau**

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