



2023 Vermont Housing Investment Fund Annual Report



ANNUAL INVESTMENT PARTNERSHIP REPORT

Vermont Housing Finance Agency (VHFA) is pleased to share the 2023 annual report for the Vermont Housing Investment Fund (VHIF).

Over the past year, Vermont has seen constant media reports on the state's housing crisis. I often resist using that term when talking about Vermont's lack of housing opportunities, because it implies that the problem is new, or unexpected, when affordable housing funders like VHFA have highlighted the challenges stemming from the state's decades-long decline in the development of new homes and lack of investment in our aging housing stock for years.

Nevertheless, the latest data on Vermont's unprecedented low vacancy rates and the second highest rate of homelessness in the nation reveal that our housing market is under significant new strain. Estimates developed by VHFA suggest that the state will need to develop at least 30,000 homes before the end of this decade to match population growth and normalize the housing market.

As this report will discuss, housing developers attempting to meet this demand continue to face significant cost volatility and labor shortages in construction. The state's affordable project pipeline constantly exceeds public funding capacity, with over \$3 requested in applications for every \$1 available to award in VHFA's 2023 tax credit applications.

While our challenges remain significant, so is the commitment among housing funders, developers, and service providers. As VHFA approaches its 50th anniversary, our Agency will continue to coordinate these stakeholders, and VHIF is a vital tool to help us align public resources. The Vermont Housing Investment Fund's ability to offer financing for pre-development activities, gap loans to support projects during unprecedented cost and interest rate pressures, and flexible bridge loans to meet a range of needs continues to provide critical missing capital that keeps desperately needed projects moving forward.

Thank you for joining with us to help all Vermonters have access to safe, decent, and affordable homes.



Maura Collins
VHFA Executive Director

2023

CORNERSTONE INVESTORS



WHY THE HOUSING INVESTMENT FUND IS SO IMPORTANT, NOW

Housing is at the heart of strong and healthy communities, and well-placed investments are incredibly powerful in positively impacting the lives of Vermonters. Not only is affordable housing a transformative resource for ending homelessness and building wealth for moderate income Vermonters, housing is also a major driver of Vermont's economy. Housing projects support local construction jobs and provide homes for Vermont workers, one of the most direct ways we can support community and workforce development.

Since 2020, the Vermont Housing Investment Fund (VHIF) has been entrusted with over \$9.5 million of private and public investments in recognition of the potential of the fund to change Vermont's affordable housing landscape.

Investors willing to provide patient, slow capital can see the impact of investments through clear metrics and outcome reporting. The VHIF builds on VHFA's long track record of leveraging public and private sources to achieve state, regional, and local community development goals. Between January 2020 and December 2022, VHFA made funding commitments exceeding \$217 million supporting 1,258 homes. VHFA is the single largest housing funder in Vermont and relied upon for strong project underwriting and strategic funding decisions. The fund leverages investor resources alongside the bond-funded loans and housing tax credits that VHFA awards.

Fund investments are carefully selected, often through competitive resource allocation processes, to support projects across the state that have significant need to come to fruition and will have a significant community impact.

Inserting VHIF funds into a larger funding package allows the fund's investments to consistently achieve a leverage factor above 25:1. No other housing investment opportunity in the state can achieve this level of impact through leveraging.

Pairing VHIF funds with other state and federal funding links the investments to those sources' rigorous long-term compliance standards. Projects that receive investment are well-managed, undergo annual ongoing compliance monitoring, and will continue to be safe and affordable homes for residents.

Finally, depending on an investor's goals, VHFA will recycle repaid loans from the fund into future projects that meet similar community development goals or return funds to the investor in years to come. By mixing catalytic capital to ensure the fund remains healthy and sustainable, with investor capital seeking returns, VHIF is a collaborative platform for traditional and non-traditional investors in housing alike.

Fund activities to date:



17
multifamily projects



834
units supported



80
units for Vermonters exiting homelessness



15
Vermont communities

SPOTLIGHT ON DEVELOPMENT COSTS AND MARKET PRESSURES

At a time of acute need, the development and financing of affordable housing faces compounding economic challenges.

Vermont's per unit cost of multi-family rental development has increased 76% since 2018.

Meanwhile, the median newly built residential home sold for \$555,264 in 2022.

Affordable housing developers face some unique pressures.

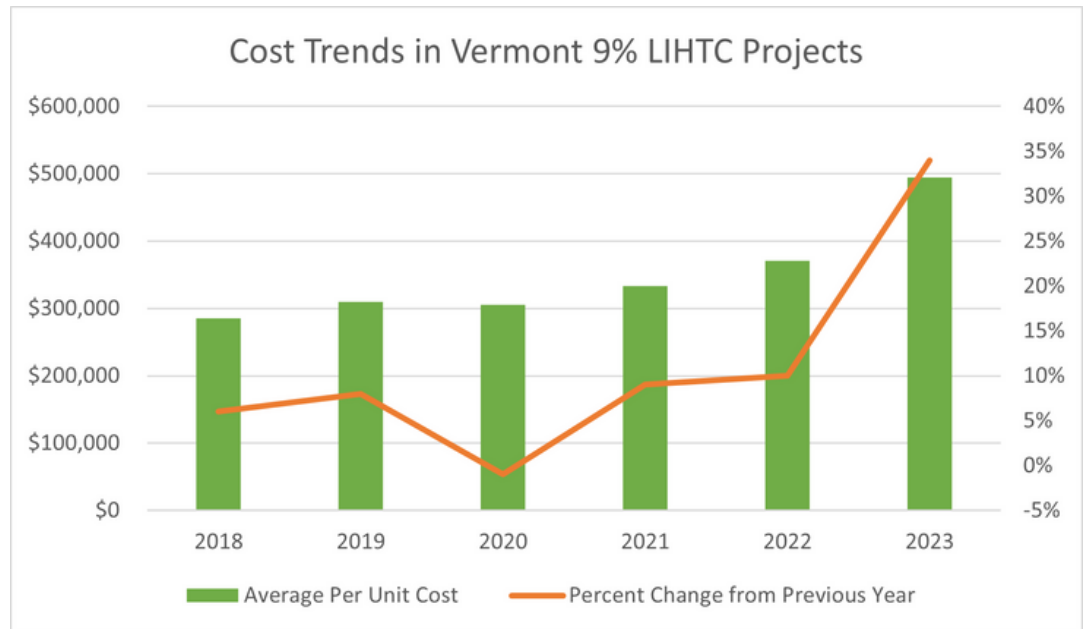
Vermont's community development and public housing investments emphasize meeting important public policy goals such as serving Vermonter's exiting homelessness, downtown transit-oriented development, energy efficiency, accessibility, and historic preservation.

However, the cost drivers and market pressures are universal to all construction projects and outside the control of Vermont's developers.

Highlighting three key pressure points:

- **Labor**
 - The national construction industry is missing nearly half a million workers according to the Associated Builders and Contractors.
- **Materials**
 - Multi-family construction costs have increased 36.5% since 2020.
- **Interest Rates**
 - As recently as 2021, projects could reliably obtain permanent debt with rates around 4.5%. Most projects in early-stage development are now carrying 8 to 9% indicative rates. This caused a 34% decrease in borrowing capacity.

Despite the availability of one-time pandemic related investments into housing development, project delays due to labor and material pressures have become standard in Vermont and nationwide. While data from the U.S. Bureau of Labor Statistics suggests that construction costs are beginning to stabilize, they are unlikely to change in the immediate future.



Since 2020, VHIF has provided a critical counterbalance to the pressures housing development is facing. Strategic and creative partnerships to leverage private and public capital effectively will be paramount to navigating the new cost environment, making the role of VHIF even more important.

FUND UPDATES

VHFA's success in securing a \$4 million Capital Magnet Fund (CMF) award in 2022 is directly attributable to the leveraging power of Vermont investments that were already in VHIF. VHFA let no time go to waste in identifying VHIF projects that could benefit from the CMF award. The Agency has already selected 9 projects to receive \$3.2 million in loans from the award. Projected costs for those projects will total nearly \$140 million, yielding an expected leverage ratio of 44:1. The CMF funding must be loaned to projects within two years of receiving the funding, and these projects must be completed within five years.



Press conference in June 2021 announcing Capital Magnet Fund award. Pictured (from left): John Dwyer Jr., President & CEO of NEFCU; Katrina Menard, Office of Senator Bernie Sanders; Chris Flannery, VHFA CFO; Representative Peter Welch; Evan Langfeldt, CEO at O'Brien Brothers; Tricia Coates, Office of Senator Patrick Leahy; Tom Getz, Owner & CEO Summit Properties; Dan Smith, Vermont Community Foundation President & CEO

Since VHFA has already committed 79% of its previous award, we have sought new funding to continue to fund VHIF. In March, VHFA applied for a new \$6 million CMF award. The CDFI fund expects to announce awardees this fall. The success of future applications for Capital Magnet Funds will be contingent on VHFA's ability to raise more local Vermont based capital. VHFA is actively seeking new and expanded VHIF investment partnerships to continue growing the fund's impact.

VHFA investment in VHIF

VHFA's Board of Commissioners recognized the importance of VHFA participating in the fund beyond its stewardship and oversight role. To the end, it has approved a regular annual contribution to the fund of 10% of VHFA's net earnings. This contribution represents VHFA's shared vision of the VHIF's potential and our long-term commitment to continuing to build the fund. To date, VHFA has directly contributed \$829,000 to VHIF.

PROJECT UPDATES

Bellows Falls Garage

VHFA is pleased to announce the completion of another VHIF-funded project, Bellows Falls Garage. This project has overcome numerous challenges with state historical and environmental programming as well as pandemic-related delays.

Originally, the project sponsor, Windham & Windsor Housing Trust (WWHT), had planned to rehabilitate the existing 100-year-old structure, which had fallen into deep disrepair. However, work on the project revealed that the building had significant structural issues. The entirely new, highly energy-efficient building recreates the historic façade that has long served as a gateway to the village downtown.



Bellows Falls Garage as it neared completion. Photo courtesy of Windham & Windsor Housing Trust/Liz LaVorgna

The \$10.7 million project received federal tax credits from VHFA yielding approximately \$6.2 million in equity, a long-term loan from VHFA, and a \$150,000 VHIF loan. Gap funding from VHIF was crucial to allow the project at Bellows Falls Garage to continue despite the unexpected cost increases.

The building is in downtown Bellows Falls, walkable to jobs and amenities, with beautiful views of the Connecticut River. It includes 27 mixed income studios, 1, and 2-bedroom apartments with a commercial space on the ground floor.



Bellows Falls Garage ribbon-cutting in April. Photo courtesy of Windham & Windsor Housing Trust/Liz LaVorgna

Five of the apartments are reserved for households experiencing homelessness, paired with community-based supportive services.

The town of Rockingham and the Village of Bellows Falls has some of the state's oldest housing stock. 58% of its homes were built before 1940, compared to 26% across Vermont. The town and village have experienced moderate population decline over the last two decades. Bellows Falls Garage provides workforce housing and replaces a highly visible blighted structure, both of which support local community and economic development.

Tuttle Block

A keystone building in downtown Rutland since 1832, the rehabilitation of Tuttle Block is nearing completion as of May 2023. The project, sponsored by the Housing Trust of Rutland County, expanded the number of residential units from 13 to 16, and substantially improved the first-floor commercial space. A \$175,000 VHIF investment provided very low cost debt that served as the last “but for” source that the project needed to move forward. Units began occupying in May and the commercial space is receiving final touches.



Apartment interior, Tuttle Block in Rutland



DeWitt Building in Brattleboro, prior to redevelopment

DeWitt

The transformation of the historic DeWitt Building (located at 47 Flat Street) by M&S Development in Brattleboro is fully underway. A recent construction inspection confirmed there are 20 to 30 construction and related workers on site every day. The adaptive reuse of this historic property will add 15 new affordable units to downtown Brattleboro along with a co-working space on the first floor, all adjacent to the nearby transportation center. After a federal historic project review resulted in reducing the project by a full story, the \$379,000 VHIF award was critical to keeping the project moving forward. Funding went into the project during construction to reduce interest expenses.

O'Brien Farms

The 94 units of new construction in South Burlington's O'Brien Farms, developed by Summit Properties, are moving forward ahead of schedule. The \$400,000 VHIF investment was placed in one of the two buildings (47 units) as a construction loan and will convert into permanent debt for the project's final funding stack.



Construction site at O'Brien Farms

NEW INVESTMENTS

Lake and Maple

Lake and Maple will include 72 new apartments in the City of St. Albans, sponsored by developer Grant Butterfield. The project has received a \$400,000 loan from VHIF.

The project continues the city's ambitious community revitalization efforts. Lake and Maple will fill a currently empty downtown lot, remediating a Brownfields site. The project is within walking distance to downtown schools, transportation, and amenities, and is near to major area employers like Northwestern Medical Center.

All 72 units will serve low-income households at or below 60% of area median income. Eleven on-site units will serve formerly homeless households, paired with supportive services. The apartments are a mix of studios and 1, 2, and 3-bedroom apartments to serve a range of household sizes.



Rendering of Lake and Maple building. Courtesy of Grant Butterfield/Jutras Architecture

The building includes a ground floor common area and a co-working space for tenants. The project meets the Efficiency Vermont High Performance standards, which aims for energy efficiency exceeding standard building codes from the building design through the equipment and systems, substantially reducing future energy costs. Four units will be fully ADA accessible while all other units will be visitable/adaptable.

Bayview Crossing

Bayview Crossing in South Hero, developed by Cathedral Square Corporation, received a \$400,000 loan from VHIF. The project experienced late development cost impacts and unexpected interest rate increases that jeopardized timely completion. VHIF was the last funding into the project to get across the finish line and allow it to be completed this past fall.

The project includes 30 mixed-income apartments for seniors, including 24 affordable to households earning at or below 60% of Area Median Income (AMI) and six units for households earning up to 100% AMI. As part of the project, six apartments in other buildings off-site have been set aside for homeless or at-risk senior households. VHFA allows developers to meet target for homeless units by placing them in different buildings elsewhere in their portfolio, which allows them to better connect households with support services.

Bayview was particularly difficult to develop as the site did not originally have water and sewer

systems. However, the development had strong community support, with the Town of South Hero expanding the Village Center boundary to include the project site. This was key to accessing funding and infrastructure to support the project.

Bayview is especially noteworthy as the first affordable housing developed in the islands in over 17 years. Many Islanders have moved away from the area in great part due to the lack of affordable housing.

“I was lucky...I found housing in my own town at a time when I really needed it. I wanted to stay independent and stay in South Hero,” said Marion Leakey, a resident of Bayview. “I really like it here, and my home became available to family who needed it.”

Aerial view of Bayview Crossing. Courtesy of Cathedral Square Corporation/Photography by Sally McCay



All Bayview Crossing tenants will have access to SASH (Support and Services at Home), a care-coordination program that helps residents live safely and independently. Bayview also strengthens community ties through a commercial space with an office for Champlain Islanders Developing Essential Resources (CIDER), a local nonprofit offering transportation, meals, and other services to island residents.



Photo of the completed building at Gordon Lane. Courtesy of Evernorth/Lamoille Housing Partnership

Gordon Lane

Gordon Lane is a new construction project located in Morrisville. The 25-unit project is sponsored by Lamoille Housing Partnership and Evernorth. The project is receiving a \$250,000 VHIF loan.

The project is located within the village with services, schools, and amenities within walking or biking distance. The mixed-income project will serve 16 households at or below 60% of (AMI). Four on-site units will serve formerly homeless households.

This project is being developed as a turnkey development, with a private developer having already completed one building located at the rear of the site. These nine

units are currently occupied, but as they naturally turn over, they will be income-restricted for households up to 80% AMI. Construction on the second building with tax-credit units is nearing completion. Using a turnkey model allows the project to proceed very quickly and at relatively low cost per unit.

Tri-Park

Tri-Park is Vermont's largest manufactured home community, with 306 households. With nearly 1,000 residents, the community houses almost 10% of Brattleboro's population. Tri Park has been organized as a resident-owned cooperative since 1989. Spread over three sites, one of the three is at very high risk for flood damage. This past year, VHFA awarded state tax credits that will provide 33 resident households with highly energy efficient new manufactured homes at safer locations within the community. The old sites will be converted into conservation easements.



Tri Park in Brattleboro

Unlike traditional multi-family rental developments, Tri-Park does not have access to lines of credit, pre-development capital, or professional staff to support the preliminary work to prepare for a complicated infrastructure plan. VHFA was able to provide a \$400,000 pre-development loan from VHIF to help address major improvements for the community at all three sites, including replacing a bridge and repairing failing sewer systems. VHFA will also refinance some of Tri-Park's debt to help preserve its long-term stability.

Roughly 8% of Vermont households live in manufactured (or mobile) homes. Manufactured homes are one of the relatively few naturally occurring affordable homeownership opportunities in Vermont, and manufactured home communities often provide some of the few available rental housing options in the state's more rural areas. However, many of the communities are located in flood-prone areas. Vermont lost a significant number of manufactured homes after Tropical Storm Irene. As small-time park operators retire, many communities have or are seeking to convert from private to nonprofit or cooperative ownership, which will help ensure ongoing and permanent affordability, but may mean they lack operational capacity and face significant infrastructure challenges.

Mellishwood

Mellishwood is an existing 26-apartment property for seniors in Woodstock. VHFA funded a \$1.98 million acquisition loan, blending \$200,000 in VHIF funds with other capital, to allow the project sponsor Twin Pines Housing Trust to acquire the property. The property, originally built in 1977, was later converted to affordable housing using housing tax credits by a private owner, who passed away in 2020. The family heirs intended to sell the property on the open market for the highest possible price – putting future affordability in question. Because VHFA had negotiated a Right of First Refusal when tax credits were initially awarded, the Agency was able to divert the sale from the open market to a local non-profit that will preserve affordability in perpetuity.

Mellishwood is one of only two subsidized affordable properties in Woodstock, which has a very high-

cost housing market with limited rental opportunities. The property is in the walkable downtown area. All 24 units are reserved for households earning at or below 50% AMI are supported by Project Based Rental Assistance.

Twin Pines Housing Trust will be providing SASH and other support services to residents, which are not currently available to existing residents.

This project offers an opportunity for a mission-driven nonprofit to preserve existing housing opportunities and eventually convert the property to permanent affordability. Twin Pines plans to use the two-year loan term to create a plan to improve the health and safety conditions and energy efficiency of the property and apply for tax credits from VHFA to support its redevelopment.



Mellishwood Apartments. Courtesy of Twin Pines Housing Trust

Summary of new projects

Financial Information	Lake and Maple	Bayview Crossing	Gordon Lane	Tri-Park	Mellishwood	Total
Total Units	72	30	25	306	26	459
Net New Units	72	30	25			127
Preservation Units				306	26	332
Development Cost	\$23,819,527	\$11,075,925	\$7,999,100	\$6,821,199	\$1,980,000	\$51,695,751
VHIF Investment	\$400,000	\$400,000	\$225,000	\$400,000	\$200,000	\$1,625,000
Leverage (X:1)	60	28	36	17	10	32

Populations Served	Lake and Maple	Bayview Crossing	Gordon Lane	Tri-Park	Mellishwood	Total
30% AMI	8	3	3			14
50% AMI	16	7	6		26	55
60% AMI	48	14	7			69
80% AMI		4	4	306		314
100% AMI		2	5			7
Total	72	30	25	306	26	459

Special Features	Lake and Maple	Bayview Crossing	Gordon Lane	Tri-Park	Mellishwood	Total
Homelessness Units	8	6	10			24
Project Based Rental Assistance		6	10		26	42
High Performance Energy	Yes	Yes	No	Yes	No	3

Community Development Indicators	Lake and Maple	Bayview Crossing	Gordon Lane	Tri-Park	Mellishwood	Total
Local Income Generated	\$8,424,000	\$3,510,000	\$2,925,000			\$14,859,000
Taxes and Revenue for Local Government	\$1,584,000	\$660,000	\$550,000			\$2,794,000
Local Jobs Supported	116	48	40			204
Commercial Square Feet		1,174				1,174
Community Development Designated Area	Yes	Yes	No	Yes	Yes	4
Opportunity Zone	Yes	No	No	Yes	Yes	3
Community	St. Albans	South Hero	Morrisville	Brattleboro	Woodstock	5
County	Franklin	Grand Isle	Lamoille	Windham	Windsor	5

Note: Tri Park is a manufactured home community with a mixture of owner and renter lots, which means that income certifications are not required as consistently as in multifamily rental housing projects. However, most households in manufactured homes are low or very low-income. Tri-Park and Mellishwood are preservation projects, therefore the standard methodology used to estimate economic impact for new/rehab projects cannot apply here, however, their continued operation will undoubtedly support local jobs and tax revenue.

AGGREGATE FUND INVESTMENT IMPACT



17 multifamily projects



834 units supported



15 Vermont communities



40:1 investment leverage ratio

Metric	Totals
Net New Units	381
Rehabilitated Units	82
Preserved Units	371
Total Development Costs	\$189,974,860
VHIF Investment	\$4,723,088



To date, VHIF funding has been committed to 17 projects in 15 cities and towns across Vermont. Over \$4.7 million of investment has supported nearly \$190 million in total development costs, maintaining a powerful overall leverage factor of 40 to 1.

This investment has or will help to build 381 new apartments and rehabilitate and preserve 453 existing affordable units. 96% of these homes will support Vermonters earning 80% AMI or less.

Income Group Served	Units
30% AMI	79
40% AMI	7
50% AMI	153
60% AMI	221
80% AMI	334
100% AMI	7
Market	23

Special Features	
Homelessness Units	80
Project Based Rental Assistance Units	156
High Performance Energy Projects	3



80 units for Vermonters exiting homelessness

In addition, 80 homes supported by the fund are reserved for households at risk of or experiencing homelessness. These units will be paired with rental assistance to ensure affordability and with community-based health services to help these households transition to

stability. Ending homelessness is a key priority for Vermont Housing Finance Agency, and the VHIF.

However, the VHIF investment stretches even further than homes in its support of Vermont communities. The apartments supported by the VHIF are expected to generate over \$64 million in direct and indirect local economic activity within the first year of construction or renovation, with an additional \$10.9 million in local taxes and revenue. These projects will help support the jobs of an estimated 804 local workers.

\$64.6 million 

in direct and indirect economic activity

804 

local jobs supported

Community Development Indicator	Activity Generated by Investments
Estimated Local Income Generated	\$64,610,460
Estimated Taxes and Revenue for Local Governments	\$10,881,781
Commercial Square Feet	9,418
Community Development Designated Area	12 projects
Opportunity Zone	10 projects
Communities	15
Counties	10

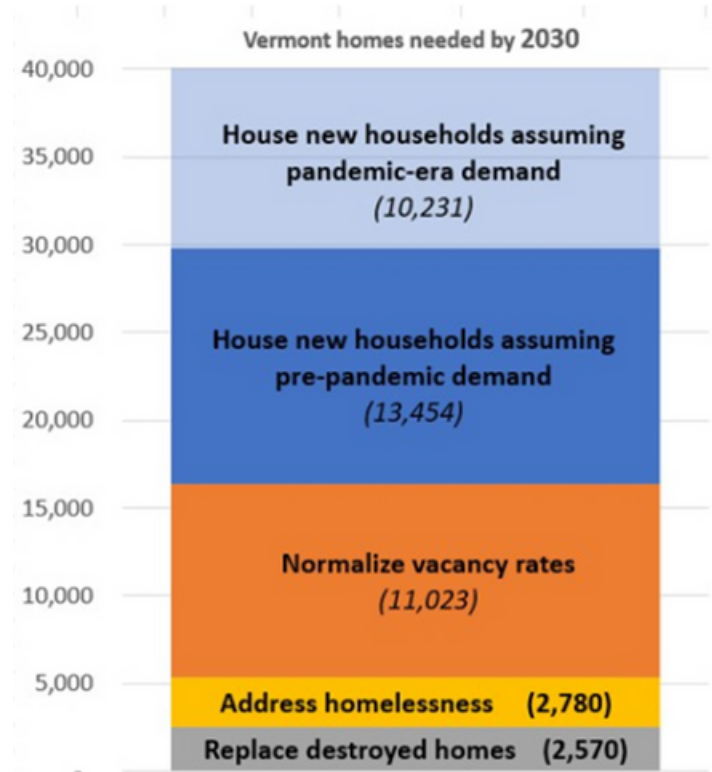
Of course, economic impacts stretch much further than the initial construction of the project. It is estimated that 50 new apartments will support 22 local jobs and provide \$1.3 million in local income every year. Residents of apartments financed by VHIF are workers, consumers and taxpayers in the local economy.

Developing workforce housing is now more important than ever as Vermont employers struggle to attract employees.

OTHER RECENT VHFA INITIATIVES

VHFA’s research team regularly publishes its results to inform housing policy. Recent highlights include:

- Projections showing a need for 30,000 to 40,000 more year-round homes by 2030. This means adding 5,000 to 6,700 more homes to Vermont’s primary home market each year, well above the roughly 2,000 homes that the state has been generating in recent years.
- Tax Department data showing that the median price of a Vermont home jumped to \$310,000 in 2022, an historic 15% increase from the prior year. This is the largest annual percentage increase in the median sales price of primary homes since 1988, when the state began publishing home sales data.
- An analysis of decennial Census data, which showed 15,448 more households in Vermont in 2022 than 2010, despite predictions of near zero growth. VHFA’s examination of the data suggests that much of the growth was related to how vacation homes were used during the pandemic.



Missing Middle Program



A duplex in the Safford Commons neighborhood in Woodstock. The second phase of the project received an award from the Missing Middle program.

In March, the VHFA Board of Commissioners awarded \$14.2 million to support 92 homes in 12 projects as part of the Missing Middle-Income Homeownership Development Pilot Program.

Signed into law by Governor Scott in June of 2022, the program was established by the Vermont Legislature with an initial investment of ARPA funding. The program represents the largest single investment to create new homeownership opportunities in the state’s history. Informed by multiple rounds of public feedback, VHFA created program guidelines and opened the application process in December of 2022. Five weeks later, VHFA received

applications for more than \$22 million. VHFA established a \$2 million partnership with the Vermont Housing & Conservation Board (VHCB) to establish a construction guarantee component to the program, which will be awarded at a future meeting.

The program will provide subsidies and incentives for home builders to construct or rehabilitate modest homes affordable to Vermont homebuyers at or below 120% of the area median income. Subsidies from the program will remain in the homes in perpetuity. The 12 projects will build homes across eight counties, including townhomes, condominiums, single-family, and modular homes. More than 50% of program funds were awarded to projects with shared equity models.

The program was so successful that during the 2023 Legislative Session, VHFA was awarded an additional \$9 million in funding for the program. That second tranche of funding will be committed in the fall of 2023.

Vermont Racial Justice Housing Jam

VHFA partnered with other housing funding agencies, developers, community members, and racial equity partners to complete a year-long statewide initiative called The Vermont Racial Justice Housing Jam. With support from Abundant Sun, the Jam examined racial inequities in Vermonters accessing housing. The project focused on a roundtable series with an international pool of speakers. Topics ranged from the roots of racial discrimination in housing to looking forward to how Vermont can work towards racially equitable future through policy and investments.



Artwork by Raffaella Brice

The Housing Jam was one small piece of a larger continuum of work VHFA is undertaking related to justice, equity, diversity, and inclusion. As a next step, the agency is in early stages of developing partnerships to create opportunities for Black, Indigenous, and People of Color (BIPOC) to directly participate in housing development, funding, and housing policy progression by developing programming to enter those fields. These efforts are being supported through a fellowship with the Center For Community Investment called the Fulcrum Fellowship.

First Generation Homeownership Program

In 2022, the Vermont Legislature increased funding for VHFA's existing down payment assistance program by \$1 million to offer grants first generation, first-time home buyers. First generation homebuyers are disproportionately Black, Indigenous, and People of Color. The program is intended to help address Vermont's historical inequities and deep disparity in homeownership rates. Just 21% of Black Vermonters are homeowners, compared to 73% of white households.

VHFA spent several months designing the program, including meeting with BIPOC organizations, agencies, leaders, and individuals to let them know about the program and, more importantly, to learn



about the specific challenges that BIPOC homebuyers face in Vermont.

Since the program launched in November, \$195,000 has been disbursed to 13 first-generation homebuyers, and an additional 13 grants have been reserved. Not only has the program helped first-generation homebuyers with important down payment assistance, the outreach has helped VHFA jumpstart internal and external discussions about other ways we can improve equitable access to homeownership.

Zeynab Kouyate, who bought her home using VHFA's First-Generation Home Buying program, offered through mortgage lender (and VHIF investment partner) New England Federal Credit Union. (From left to right, Jonathan Templeton, Realtor, Templeton Real Estate Group; Zeynab Kouyate; Jason Tiballi, attorney, Gale & McAllister; Danielle Whitcomb, NEFCU Mortgage Loan Officer.) Courtesy of NEFCU.

Weatherization Repayment Assistance Program (WRAP)

The Weatherization Repayment Assistance Program (WRAP) is an innovative new pilot program to help moderate-income Vermonters participate in comprehensive home energy projects. VHFA is using \$9 million in state appropriations to provide the upfront project capital and program oversight, allowing WRAP customers to pay back costs over time through a charge added to an existing utility bill.

There are numerous benefits of home weatherization, including lower net-energy costs, increased levels of comfort, and improved health and safety. According to the Energy Action Network, 34% of Vermont's greenhouse gas emissions come from the thermal sector, including homes and businesses.

WRAP helps pay for qualifying weatherization projects as well as heat pumps, boilers, and advanced wood heating systems. WRAP's on-bill payment mechanism intends to address challenges commonly encountered in weatherization by reducing or eliminating high upfront costs. WRAP will not run credit checks on customers, instead verifying a clean utility bill payment history. If a customer moves, the next occupant of the property will pay the surcharge for the time they occupy the property and experience the benefits of the measures. WRAP projects are screened to ensure that estimated annual savings exceed the customer's WRAP repayment charge by at least 10%.

WRAP will allow VHFA to lower the barriers to accessing weatherization financing for traditionally difficult to reach groups, including renters and customers with poor credit, advancing equity in the pursuit of Vermont's climate goals.

Weatherization Within Reach

- ✓ Low monthly payments added to your utility bill
- ✓ No credit check required
- ✓ Up to 75% off project costs





CREDITS

Writing: Mia Watson, Seth Leonard

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Cover Photos, Clockwise from left: Ribbon cutting at Bellows Falls, courtesy Windham & Windsor Housing Trust, Rendering of Lake and Maple building, courtesy of Grant Butterfield; Mellishwood Apartments, courtesy of Twin Pines Housing Trust; Bayview Crossing. Courtesy of Cathedral Square Corporation/Photography by Sally McCay

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