



# 2023 Vermont Housing Finance Agency Annual Report



# LETTER FROM THE EXECUTIVE DIRECTOR

As VHFA starts its 50th year, I've reflected on the ways we meet our mission and how this embodies the agency values we named in 2023: VHFA is Integrity, Innovation, Belonging, and Equity (VIIBE.) I see these values are in action not only in the programs we offer like the First Generation Homebuyer Program, but in staff's approach to their work. We have been more creative, challenged more assumptions, looked at "the way we've always done things" with new eyes, and built more new partnerships than ever in 2023.

I see **Integrity** when we support property managers who have had high turnover and stress levels due to growing needs of residents. I look forward to helping gather non-profit leaders in 2024 to talk about new ways to support their on-the-ground work. Our **Innovation** shines in the myriad of new programs we're launching and our dedication to generating new capital for housing. In the past two years VHFA is administering an additional \$170 million in funding above and beyond the typical \$100 million/year we award for affordable housing loans and tax credits. VHFA embodies **Belonging** in the way we help communities address their housing needs. The Housing Ready Toolkit for towns looking to create a Housing Committee, conduct a Housing Needs Assessment, or enact policies to address their local needs are critical to living our mission. We continue to center **Equity**, launching a new BIPOC developer technical assistance initiative, through partnerships with the state's housing non-profits, upcoming work with the state's lenders, and more.

I look forward to using these values to continue examining the systems we're working within so that we may help more Vermonters have affordable, safe and decent homes.



Maura Collins, Executive Director



2023

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

# FY23 AGENCY HIGHLIGHTS



## First Generation Homebuyer Program

The First Generation Homebuyer Program launched in November 2022 with a goal of helping more Vermonters afford their first home. At the end of the fiscal year, **\$869,000 of the initial \$1 million allocation had been disbursed to 58 first-generation homebuyers** with important down payment assistance. Approximately 19% of funds have gone to households that identify as BIPOC, exceeding the portion of all Vermont households that identify as BIPOC (8%).

## Middle Income Homeownership Development

This program, originally known as the Missing Middle Income Homeownership Development Program, was created by the Vermont Legislature and Governor Scott in 2022 to facilitate the construction or rehabilitation of homes affordable to low- to moderate-income Vermonters across the state. In March 2023, the VHFA Board of Commissioners awarded **\$14.2 million to 12 projects totaling 92 homes across eight counties** through this program. Following the successful launch, VHFA received an additional \$9 million appropriation during the 2023 State Budget Adjustment Act to continue the program.



## Homeowner Assistance Program

After providing **more than \$40 million to 5,785 Vermont households** the Vermont Homeowner Assistance Program (VHAP) stopped accepting applications in July 2023 when all funding had been allocated. In total, Vermonters received \$20 million in mortgage relief, \$10 million in utility assistance, \$9 million in property tax payments and \$1 million in property association fees from VHAP. This program was created in January 2022 to assist homeowners who had fallen behind on their mortgage and faced economic hardship brought on by the COVID-19 pandemic with funding from the federal American Rescue Plan Act (ARPA).



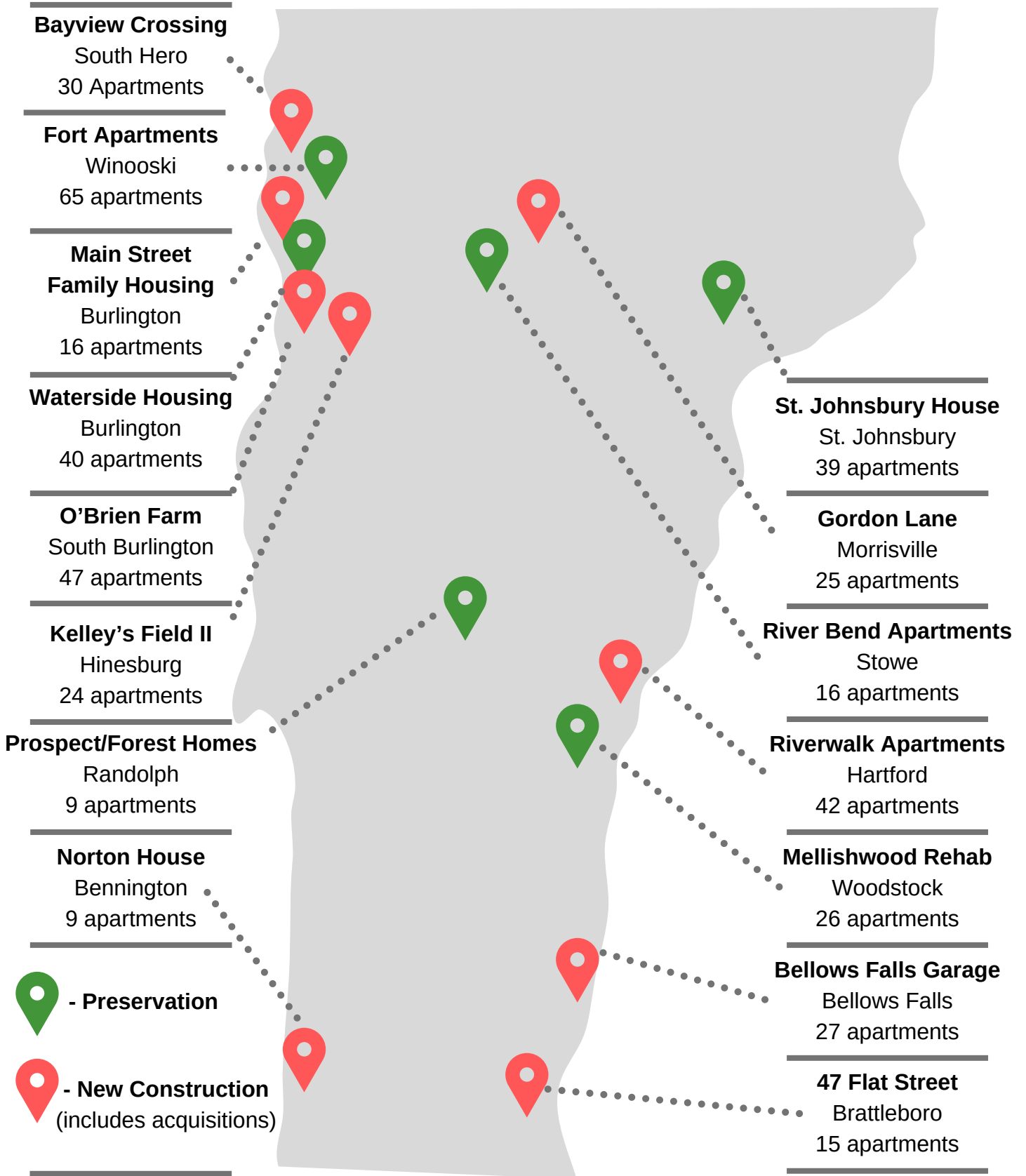
## Rental Revolving Loan Fund

The Housing Made for Everyone (HOME) Act, signed into law on June 5, 2023, created the Vermont Rental Revolving Loan Fund to incentivize creation and preservation of rental housing for middle-income households. The program provides developers and builders with a subordinate loan for up to 35% of the development cost per rental unit for middle-income households. VHFA expects to open applications in January 2024 and begin project awards in the spring of 2024.



# AFFORDABLE RENTAL HOUSING OPENED IN FY23

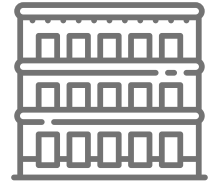
VHFA awards of housing tax credits and financing helped support the development and preservation of 430 apartments in 14 communities that opened in FY23.



# AFFORDABLE HOUSING FINANCED IN 2023

In 2023, VHFA awarded state and federal tax credits to affordable housing developers, which were sold to investors to raise an estimated **\$105 million in equity for construction** and other development costs. VHFA also provided **\$10 million** in long-term permanent loans to these projects, with low interest rates that help make affordable development feasible.

# \$115 million



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

Tax credits are the largest ongoing source of funding for affordable housing in Vermont. These tax credits will support the construction, rehabilitation or preservation of **812 affordable rental apartments in 17 communities** across the state of Vermont.

VHFA also awarded over **\$100 million in short term construction loans** in 2023.

VHFA's involvement in a project continues long after construction is completed. VHFA's Multifamily Management staff regularly monitors over **10,200 apartments** for program compliance and health and safety.



*St. Johnsbury House  
Courtesy of Summit Properties*



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

## Vermont Housing Investment Fund



The VHIF was established by VHFA in 2020 to better leverage housing resources and fill critical project gaps. At the end of FY23, the fund has received over \$9.5 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, \$4.7 million in VHIF loans has been invested in 17 multifamily projects statewide, supporting total project development costs of \$189 million.** This will help construct or preserve 834 apartments for low and moderate income households, including 80 paired with supportive services for Vermonters exiting homelessness.

*Bellows Falls Garage Apartments as it neared completion. Gap funding from VHIF was crucial to allow the project to continue despite the unexpected cost increases.*

# HOMEOWNERSHIP DEVELOPMENT IN 2023

VHFA also awards state credits and loans for the development of owner occupied homes. Approximately **\$1 million in equity** from state tax credits awarded in 2023 will support the construction of **36 new affordable single family homes** in Burlington, Milton, Shelburne and Woodstock.

*Executive Director Maura Collins at the opening of Butternut Grove Condominiums in Winooski in September 2022. The building features 20 shared equity homes developed by Champlain Housing Trust with \$1.3 million in state affordable housing tax credit equity awarded by VHFA*



## Manufactured Home Communities

Manufactured homes can be an important tool for low- and moderate-income Vermont households to become homeowners. In 2023, VHFA awarded state tax credits to Champlain Housing Trust for **27 new homes through its Manufactured Housing Down Payment Loan Program**. The statewide program provides 0% interest second mortgages for new, highly efficient manufactured homes.

Additionally, VHFA awarded state tax credits to provide 33 resident households of Tri-Park Cooperative in Brattleboro with new, efficient homes, relocating outside of the flood hazard areas within the community.



*Vermod high-efficiency manufactured home*

## Middle-Income Homeownership Development Program

Signed into law by Governor Scott in June of 2022, the Middle-Income Homeownership Development Program (originally called “Missing Middle-Income”) was established to create new, modest homes throughout the state and help meet the needs of low and moderate-income households.

The program, which provides subsidies and incentives for home builders to construct or rehabilitate modest homes affordable to Vermont homebuyers at 120% of the area median household income or lower, represents the largest single investment in the state’s history to create new homeownership opportunities.

In March 2023, the VHFA Board of Commissioners awarded **\$14.2 million to 12 projects totaling 92 homes across eight counties** as part of the Middle-Income Homeownership Development Program. During the 2023 Legislative Session, VHFA was awarded an additional \$9 million in funding for the continuation of the successful program. The 12 projects will include townhomes, condominiums, single-family, and modular homes. Approx 50% of program funds were awarded to projects with shared equity models.




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

# HOMEBUYER PROGRAMS IN FY23

VHFA offers home mortgages to low- and moderate-income Vermonters through its network of participating lenders statewide. In FY23, VHFA made loans to buyers in all 14 Vermont counties.

**213** 

home loans made by VHFA

**94%** 

loans made to first-time buyers

**70%** 

received down payment assistance

**\$67,950**

Median VHFA borrower income

**\$225,500**

Median VHFA home purchase price

**98%**

received pre-purchase homebuyer education



Program	Loans	Loan Volume
Government	82	\$17,749,204
Conventional	131	\$26,147,262
<b>Total</b>	<b>213</b>	<b>\$43,896,466</b>



Mortgage Credit Certificate Program (MCC)	MCC Volume
Combined MCC with VHFA loan	5
Used MCC with loan from another source	1
<b>Total</b>	<b>6</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 31 years, funds from the proceeds of IORTA have been dedicated to VHFA for homeownership mortgage down payment or closing cost assistance, available to the five Vermont Homeownership Centers. In FY23, IORTA funds were not accessed for this down payment assistance. The timing of IORTA fund distribution to borrowers depends on the timing of home purchases.

## DOWN PAYMENT ASSISTANCE PROGRAM


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 Down Payment Assistance loan is repaid when the first mortgage is refinanced or the home is sold. This allows VHFA to recycle the funds to help more home buyers.

In recent years, 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.

Since the program began in 2015

1,756 

Vermonters assisted with down payments

235 

different towns across the state

\$11,311 

average down payment assistance in FY23

\$9.6 million 

total down payment assistance loans

## FIRST GENERATION HOMEBUYER GRANT PROGRAM

Launched in November 2022 with a goal of helping more Vermonters afford their first home, this program provides a grant to eligible homebuyers whose parents or legal guardians never owned a home so were likely unable to pass on the generational wealth homeownership can provide. Originally released as a pilot program, the program is now widely available and offers eligible homebuyers a \$15,000 grant to help with down payment and closing costs, in addition to ASSIST down payment assistance.

First generation homebuyers are disproportionately Black, Indigenous, and People of Color (BIPOC) and are far less likely to have accrued generational wealth due to decades of housing and employment discrimination faced by non-white households, particularly in the mortgage market. 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.

At the end of the fiscal year, \$869,000 of the initial \$1 million allocation had been disbursed to 58 first-generation homebuyers with important down payment assistance. Approximately 19% of funds have gone to households that identify as BIPOC, exceeding the portion of Vermont households that identify as BIPOC (8%).





## COMMUNITY RELATIONS & RESEARCH

In addition to the organization's work in housing finance, VHFA analyzes and shares housing data, best practices and research innovations in an effort to support communities, partners and policy makers seeking to improve housing affordability and opportunity. This is conducted in conversations with housing partners, in the field in communities across the state, and online through the management of Vermont's Housing Data website, [housingdata.org](https://housingdata.org)

### 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.

The Housing Jam was one small piece of a larger continuum of work VHFA is undertaking related to Justice, Equity, Diversity, and Inclusion (JEDI). 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.



Artwork by Raffaella Brice

### Vermont Statewide Housing Conference



After a pandemic hiatus, VHFA hosted the Statewide Housing Conference on November 16, 2022, bringing together more than 450 Vermonters interested in affordable housing.

Keynote speaker Sara Bronin introduced the National Zoning Atlas project, which spurred the launch of an initiative to develop a Vermont Zoning Atlas supported by VHFA and a team of researchers, planners, state mapping experts, and other interested stakeholders working to create an online Vermont Zoning Atlas.

*Vermont Housing Fellow Magali Stowell-Aleman with Naomi Cunningham of the VT Department of Housing & Community Development during the 2022 Vermont Statewide Housing Conference*

# SUMMARY OF FINANCIAL STATEMENTS

## Statement of Net Position

June 30, 2023

*(All amounts are in thousands of dollars)*

### ASSETS

Cash and cash equivalents	56,756
Accrued interest receivable:	2,951
Other assets	1,156
Investments	21,229
Mortgage loans receivable, net	234,023
Mortgage backed securities	170,264
Capital assets	527

**TOTAL ASSETS** **486,906**

**DEFERRED OUTFLOWS OF RESOURCES** **28,650**

**TOTAL ASSETS AND DEFERRED OUTFLOWS** **515,556**

### LIABILITIES

Notes payable	88,130
Accrued interest payable	2,171
Other payables	650
Funds held on behalf of others and for federal programs	12,550
Bonds payable	307,206

**TOTAL LIABILITIES** **410,707**

**DEFERRED INFLOWS OF RESOURCES** **333**

**TOTAL LIABILITIES AND DEFERRED INFLOWS** **411,040**

### NET POSITION

Restricted net position	91,159
Unrestricted net position	13,357

**TOTAL NET POSITION** **104,516**

# SUMMARY OF FINANCIAL STATEMENTS

## Statement of Net Position

June 30, 2023

### OPERATING REVENUES

*(All amounts are in thousands of dollars)*

Interest income	19,277
Fee income	1,309
Grant Admin revenue	822
Revenue from sales of state tax credits	1,326
State reimbursements	1,031
Grants	2,242
TBA program revenue	20
Gain on bond redemptions	848
Other revenue	153
<b>TOTAL OPERATING REVENUES</b>	<b>27,028</b>

### OPERATING EXPENSES

Financing costs	12,926
Salaries and benefits	4,509
Operating expenses	1,358
Professional fees	232
State program expenses and admin costs	363
Provision for losses on loans and real estate owned	109
<b>TOTAL OPERATING EXPENSES</b>	<b>19,497</b>
<b>OPERATING INCOME</b>	<b>7,531</b>

### NONOPERATING REVENUE (EXPENSES)

Net depreciation in fair value of investments	(7,080)
Federal program revenue	28,928
Federal program and administration expenses	(28,928)
<b>TOTAL NONOPERATING REVENUE</b>	<b>(7,080)</b>
<b>INCREASE IN NET POSITION</b>	<b>451</b>

**NET POSITION AT BEGINNING OF YEAR** 104,065

**NET POSITION AT END OF YEAR** 104,516

# VHFA BOARD OF COMMISSIONERS

AS OF JUNE 30, 2023



**Katie Buckley, Chair**

Director, Federal Funding Assistance 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



**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.



**Michael Pieciak**

Ex Officio (State Treasurer)



**Gustave Seelig**

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

# VHFA STAFF

AS OF JUNE 30, 2023

**EXECUTIVE DIRECTOR**    **Maura Collins**

## **ADMINISTRATION**

**Lori Gilding**  
Office/Facilities Manager

**Alexis Carpenter**  
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

**Sheila Dodd**  
Controller

**Ewelina Kowalik**  
Senior Finance & Accounting Analyst

**Robert Purcell**  
Financial Analyst / Investment Specialist

**Mia Watson**  
Special Programs Manager

**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

### **Nate Lantieri**

Research Coordinator

### **Olivia LaVecchia**

Community Development Underwriter

### **Seth Leonard**

Managing Director of Community  
Development

### **Alyssa Peteani**

Community Development Underwriter

### **Erin Philbrick**

Multifamily Housing Management Officer

### **Ann-Marie Plank**

Multifamily Housing Management Officer

### **Megan Roush**

Director of Development

### **Kim Roy**

Director of Asset Management &  
Compliance

### **Chad Simmons**

Policy and Engagement Specialist

### **Josh Slade**

Senior Community Development  
Underwriter

### **Andrea Tieso**

Multifamily Housing Management Officer

## 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

### **Magali Stowell Alemán**

### **Madelyn Stoen**

### **Minelle Sarfo-Adu**

## 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 Nate Lantieri**

**Cover Photos (clockwise):** *Zeynab Kouyate, who bought her home using VHFA's First-Generation Home Buying program; painting of VHFA office by Polly Thibault; Ribbon cutting at Bellows Falls, courtesy Windham & Windsor Housing Trust; Middle-Income Homeownership Program construction in Londonderry.*

**Vermont Housing Finance Agency**

**164 Saint Paul Street**

**Burlington, VT 05401**

**Email: [home@vhfa.org](mailto:home@vhfa.org)**

**Phone: 802-864-5743**

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

