

HIVE

Housing Investments for Vermont Fund



2024

Annual Report



ANNUAL INVESTMENT PARTNERSHIP REPORT



Vermont Housing Finance Agency (VHFA) is pleased to share the 2024 annual report for the Vermont Housing Investment Fund, now called the **Housing Investments for VERmont (HIVE) Fund**.

This year VHFA is celebrating our 50th anniversary, and we have reflected on how much has changed since we opened our doors. When the Vermont Legislature established VHFA in 1974, they could not have anticipated the complex development environment we now work in, nor the immense challenges our state faces from a tight housing market, a need to provide wraparound services to support more residents recovering from homelessness, and a rapidly changing climate that will impact where we can build.

But they also could not have envisioned the innovative and sophisticated tools and partnerships that we have developed to meet these challenges, including the HIVE fund.

This November as we celebrate VHFA's 50th year, we will also be honoring the investors in this Fund. In conjunction with the statewide housing conference, we will be inviting many more investors to collectively join the HIVE and help us expand the Housing Investments for VERmont.

Thank you for your continued commitment to this partnership and this mission.

A handwritten signature in cursive script that reads "Maura Collins".

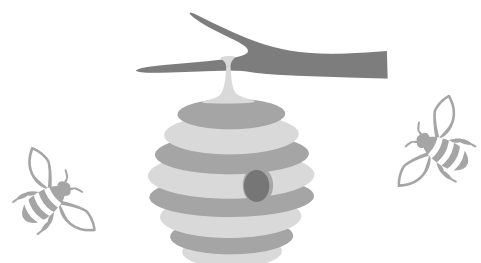
Maura Collins
VHFA Executive Director

Why the name change?

We've changed the name of the Vermont Housing Investment Fund (VHIF) to the Housing Investments for VERmont (HIVE) Fund to reduce confusion with state programs with similar acronyms and to better symbolize the collaborate nature of the fund.

The HIVE Fund embodies a swarm of activity, a collective, fueled by the partnership and participation of many individual actors.

Housing Investments for VERmont is part of a legacy of solutions VHFA designs to meet the opportunities and challenges of a given time, but – like a HIVE – not one that we could have accomplished alone.



CORNERSTONE INVESTORS



FHLBank Boston



**New England
Federal Credit Union**



THE
Vermont
Community
Foundation



Anonymous Donation



WHY THE HOUSING INVESTMENTS FOR VERMONT FUND IS SO IMPORTANT

Access to affordable housing is increasingly accepted as a shared responsibility among private sector employers, municipalities, and cross-sector public agencies. Leaders from Vermont's economic, health, and education sectors all point to housing as a shared statewide priority. Housing is at the heart of strong and healthy communities, and well-placed investments are incredibly powerful in positively impacting the lives of Vermonters.

When VHFA established this Fund, it filled a gap of providing non-traditional investors a straightforward platform to make investments into affordable housing. As of July 2024, \$7.1 million in Vermont employer and foundation investments has also enabled VHFA to attract \$8.7 million in additional unique funding to Vermont. It is difficult for an educational institution, health care provider, or employer to make an individual investment that moves the needle on the state's housing needs.

Our lack of housing is holding back the full potential of the Vermont economy [...] More housing means critical occupations like nurses, teachers, and first responders will be able to find homes in the communities they serve and businesses will be able to hire new workers to expand their businesses.

Treasurer Mike Pieciak, September 13th 2023

\$15.8 million

in public & private fund investments



27 multifamily projects supported to date

HIVE provides a unique opportunity to bring Vermont investments together to change the housing landscape.

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. Inserting HIVE 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.

Investors willing to provide patient, slow capital can see the impact of investments through clear metrics and outcome reporting. The HIVE Fund builds on VHFA's long track record of strategic and careful leveraging public and private sources to achieve state, regional, and local community development goals. Pairing HIVE with other state and federal funding also links the investments to those sources' rigorous long-term compliance standards. Projects that receive HIVE 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's sustainability with investor capital seeking returns, HIVE is a collaborative platform for traditional and non-traditional investors in housing alike.

1,198 
homes supported

147 
homes for Vermonters exiting homelessness

23 
Vermont communities

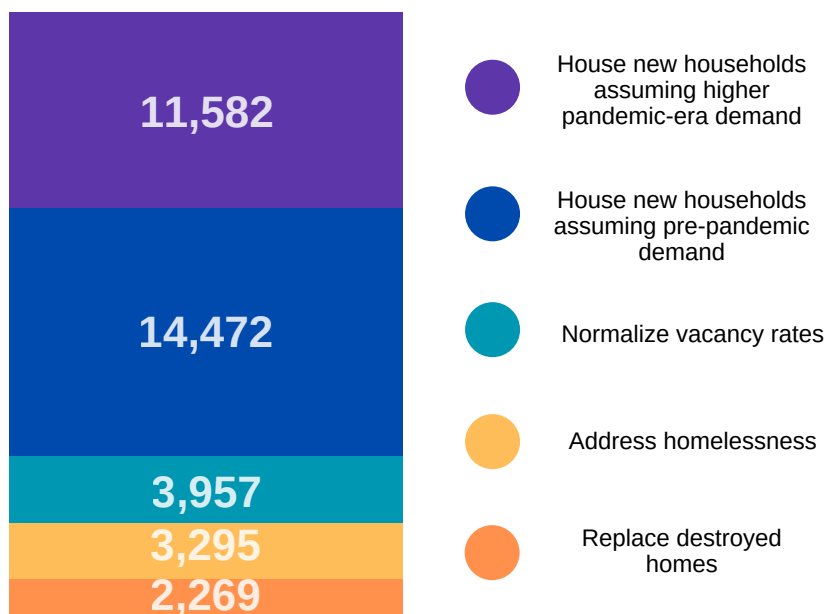
SPOTLIGHT ON MEETING COMPLEX AND GROWING NEEDS

Having barely entered a “post-COVID” era, Vermont has faced multiple rounds of natural disasters over the past 12 months. While the state was grappling with increased demand to live in Vermont year-round and historic low vacancy rates, floods in 2023 and 2024 took homes away from Vermonters and challenged the state’s historic settlement patterns.

New research from VHFA to be included in Vermont’s upcoming Statewide Housing Needs Assessment estimates that due to compounding pressures, Vermont needs up to 36,000 additional homes by 2030 to meet the state’s housing needs. This would require an estimated 7,200 new homes annually over the next five years. However, Vermont permitted just 2,456 homes in 2023.

While creative capital solutions like the HIVE Fund and one-time pandemic recovery funding boosted affordable housing production over the past 5 years, deep need for affordable housing options persists. The number of people experiencing homelessness in Vermont increased by 300% from 1,110 in 2020 to 3,458 individuals in 2024, according to the Point-In-Time count.

Why are 36,000 new homes needed?



Source: VHFA estimates based on data from U.S. Census Bureau and Vermont Coalition to End Homelessness.

Further challenging Vermont’s housing market, the cost of developing homes has increased 100% since 2018 – attributable to a combination of material supply chain interruptions, lack of labor, and steep increases in both interest rates and insurance premiums.

VHFA has taken a multi-pronged approach to meeting Vermont's post-pandemic landscape. We:

- (1) Centered our largest, core investments to prioritize perpetual and deeply affordable units for low-income Vermonters that will also serve Vermonters exiting homelessness
- (2) Created capital partnerships and platforms to activate new capital for housing development, and
- (3) Proposed new programs that target expanding community development capacity to meet households who are not being served by the market but are also ineligible for traditional subsidies. The HIVE Fund is critically important to the first two approaches.

What the developers of Vermont’s affordable housing need, more than ever, is flexible and nimble resources. HIVE is often one of the earliest sources in when pre-development dollars are needed to bring a project to fruition. HIVE is also often one of latest sources in, when project face unplanned complications and need low-cost funding to get them across the finish line.

FUND UPDATES

When this report was last released in June 2023, the HIVE Fund had \$9.1 million in commitments. Since then, the fund has grown to lifetime investments of \$15.8 million. Over \$9.6 million of that funding has been committed to housing developments across the state.

Capital Magnet Fund

In November of 2023, VHFA received a \$4.5 million award from the Capital Magnet Fund (CMF) program, a housing and community development financing program of the Community Development Financial Institutions Fund (CDFI) of the U.S. Treasury. This is VHFA's second CMF award in two program years, and VHFA was one of only 52 organizations nationwide to receive an award from the competitive program for FY23.

The CMF program gives funding preference for applications that promise to leverage other funding sources, especially private capital and the HIVE Fund is a proven vehicle for deploying housing funding in both successful applications.

VHFA is quickly deploying its previous CMF awards. VHFA has committed all of its first CMF award to 12 multifamily projects. Total costs are expected to exceed \$197 million, leveraging the \$4 million award at a 49:1 ratio. The 12 projects include 456 apartments, including 91 homes for Vermonters exiting homelessness.

Since receiving the funds for its new \$4.5 million award in November, VHFA has already committed \$1.6 million to four projects, with 162 apartments. Both the 2021 and the 2023 awards will revolve back into the fund as loans are repaid by housing developers.

VHFA expects to see continued demand for gap funding in this challenging development environment and anticipates fully committing the second CMF award to projects by the end of next year. Therefore, this April VHFA submitted a new application for \$6 million for a third CMF award. The CDFI fund expects to announce FY24 awardees this fall.

New philanthropic investment

In December, VHFA was excited to announce that it received a generous \$3 million grant for affordable housing made by an anonymous philanthropic foundation. \$1.5 million from the award will be invested in the Housing Investments for Vermont Fund.



Bello's Falls Garage received a HIVE award combining CMF and other investor funds. Photo courtesy of Windham & Windsor Housing Trust/Liz LaVorgna

“We wanted to be a part of a permanent strategy to address poverty and homelessness. Vermont’s housing crisis affects us all, and we wanted to be a part of the solution,”

said a representative from the foundation.

The other \$1.5 million from the award will be invested in a Community Housing Accelerator pilot project, through which VHFA will support smaller, village-scale developments. The initiative will prioritize middle-income housing projects led by small, emerging, and BIPOC-led (Black, Indigenous, and People of Color) developers. VHFA will announce more details about this project in the coming months.

The two investments achieve a dual outcome:

(1) investing in the HIVE Fund expands the availability of Vermont homes that are perpetually and deeply affordable and (2) the Community Housing Accelerator program will generate new models for developing scalable infill and rural housing that meet workforce and middle-income needs across Vermont.

Together, the two investments will support solutions for a wide spectrum of needs. Investing in the HIVE Fund is an excellent fit for philanthropic investment, and VHFA looks forward to continuing to build partnerships with new private funders.

VHFA investment in HIVE

VHFA’s Board of Commissioners recognized the importance of VHFA participating in the fund beyond its stewardship and oversight role. Therefore, 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 HIVE’s potential and our long-term commitment to continuing to build the fund. VHFA has directly contributed \$1.1 million to the HIVE Fund since 2020.

Recognition of innovation

Last Fall, the HIVE Fund was recognized by the National Council of State Housing Agencies (NCSHA). The fund received an Award for Program Excellence in the Rental Housing: Encouraging New Construction category. The NCSHA awards highlight innovative programs that can serve as models for other housing finance agencies.

“This year’s award winners are proof that housing finance agency (HFA) innovation and impact are rising to meet the moment of higher interest rates, record housing affordability needs, and the chronic undersupply of affordable, accessible housing everywhere in America,” said NCSHA executive director Stockton Williams.



SELECTED PROJECT UPDATES

East Creek Commons

The Rutland East Creek Commons project replaced a project formerly referred to as “Rutland Rehabilitation”. The project previously received a predevelopment loan which will be reinvested as a \$400,000 construction loan to permanent HIVE loan. The new investment will allow for project to carry a small portion of permanent debt that would not be possible using market rates and terms, filling a much-needed gap.

The Housing Trust of Rutland County will include three separate properties in a scattered-site development that will create 22 new apartments and rehabilitate 13 existing apartments.

In addition to tackling three separate sites, 31 of the apartments will be located in Rutland while 4 of the apartments are located in Castleton. Four of the apartments will include specialized vouchers and services from the Veterans Administration.



Vacant home that will be rehabilitated as part of the East Creek Commons project. Photo courtesy of The Housing Trust of Rutland County



Congressional delegation and HUD visit to 10th Cavalry. Photo courtesy of Champlain Housing Trust.

10th Cavalry

A \$400,000 loan to 10th Cavalry was one of the earlier HIVE commitments. The complex project is an adaptive reuse of two former St. Michael's College dormitories, providing 65 perpetually affordable units including 11 apartments for Vermonters exiting homelessness.

The historic site served as the barracks for one of the first peacetime U.S. Army regiments made up of all Black soldiers after the Civil War, the 10th Cavalry unit. The redevelopment of the Ethan Allen Fort has seen multiple phases of both affordable rental and homeownership development through the past several decades.

The project was recently visited by Acting HUD Secretary HUD Adrienne Todman, Senator Peter Welch, and Representative Becca Balint. Construction is progressing, with completion expected in mid-year 2025.

Granite City

One of HIVE's early fund commitments, Granite City started construction in 2024. The project will simultaneously rehabilitate 18 existing affordable apartments at the former Bromur Apartments and repurpose the long-vacant former Ward 5 School in Barre into nine perpetually affordable rental homes. Ward 5 School is situated in one of Barre's historic neighborhoods and most recently served as offices for the Barre Housing Authority. The adaptive reuse of the property will bring life to a building with historic and community significance. The \$300,000 HIVE investment is also leveraging Low-Income Housing Tax Credits and other scarce public resources. The project comes at a critical time for Barre, with multiple years of flooding impacting homes throughout the community.

Bay Ridge

The Bay Ridge project in Shelburne recently celebrated the project groundbreaking. The 68-apartment project supported by a \$400,000 HIVE loan is part of a larger new neighborhood that will also include 26 condominiums for affordable homeownership.



“Community-driven initiatives like the Bay Ridge neighborhood are key to addressing Vermont’s affordable housing crisis. This development will turn a community vision into reality by creating a new neighborhood that will host permanently affordable housing.” said Senator Peter Welch at the event.

Groundbreaking ceremony at Bay Ridge. Photo courtesy of Champlain Housing Trust

Senator Welch nominated and secured funding for the project through the FY24 Congressional Directed Spending (CDS) process. The neighborhood is expected to welcome new residents in May 2025.

East Calais

In the fall of 2023, the beloved East Calais General Store reopened with three newly renovated apartments above the store. The history of the General Store extends back to the 1850s, inspiring the creation of the East Calais Community Trust to form and rally for its revitalization when the building fell in grave disrepair. With an uncertain future, a community-led process patiently built an array of funding sources to preserve and revitalize the community crossroads. A \$50,000 HIVE Investment came at a critical juncture after the project assembled cornerstone funding but still struggled with a financing gap. The three units above the general store are fully occupied and will be affordable for households earning less than 80% of the area median income.

Lake and Maple

The revitalization of downtown St. Albans is continuing, with Lake and Maple – a 72 unit deeply affordable development led by Grant Butterfield. The \$400,000 HIVE loan was placed during construction, helping to reduce overall development costs. The project has progressed quickly, having received approvals in December of 2022, with completion expected in the winter of 2024. Eleven of the units will be set aside for Vermonters exiting homelessness, with an array of supportive services available to residents.



Construction site at Lake and Maple

Mellishwood



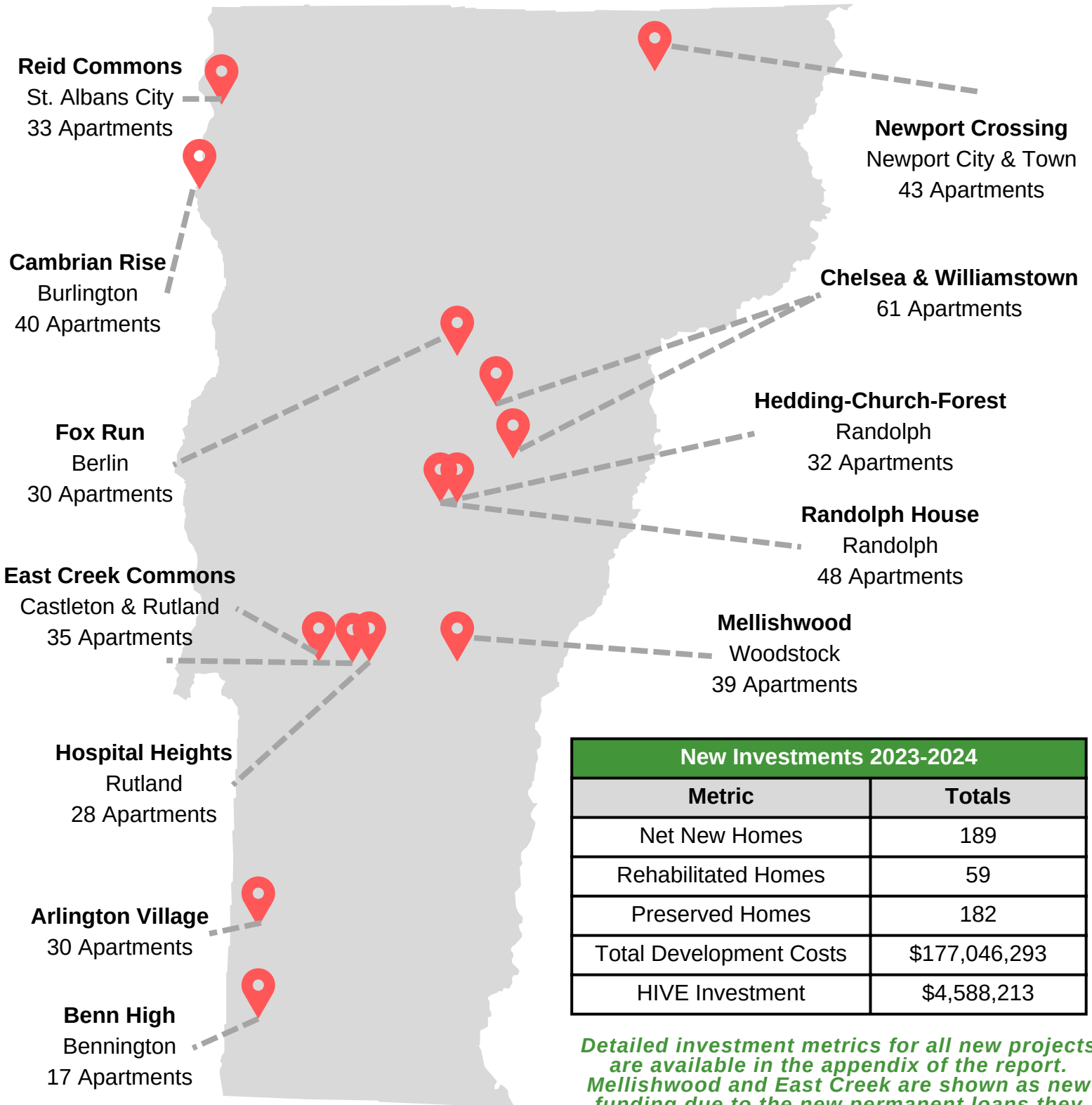
Mellishwood in Woodstock, prior to redevelopment. Photo courtesy of Twin Pines Housing Trust.

Mellishwood was an at-risk deeply affordable property for seniors in Woodstock. Last year, VHFA awarded \$300,000 in HIVE funding to support the acquisition and preservation of the property by Twin Pines Housing Trust. In the spring of 2024, VHFA awarded the project 9% Low-Income Housing Tax Credits to support the project moving forward. The long-term redevelopment will be supported by a new \$400,000 HIVE loan.

The redevelopment will add a new three-story building in the rear of the building, resulting in 13 net new homes. The property has seen minimal investment since it was developed in the 1970s, and the project will update the existing units, and add an elevator, universal design features, and improved energy efficiency.

NEW INVESTMENTS

Since the 2023 annual report, VHFA has invested \$4.59 million in HIVE funds to 12 developments across Vermont, in 12 communities and 8 counties. These projects will preserve, rehabilitate and development 430 affordable apartments. These investments support over \$177 million in total development costs, leveraging HIVE investments at a rate of 39:1.



New Investments 2023-2024	
Metric	Totals
Net New Homes	189
Rehabilitated Homes	59
Preserved Homes	182
Total Development Costs	\$177,046,293
HIVE Investment	\$4,588,213

Detailed investment metrics for all new projects are available in the appendix of the report. Mellishwood and East Creek are shown as new funding due to the new permanent loans they received.

Fox Run

Fox Run, developed by Downstreet Housing and Community Development and Evernorth, is a new 30-apartment building in Berlin. The new building received a \$300,000 construction loan that will revolve into permanent funding from HIVE.

The project has strong support from the Town of Berlin, which worked to have the area around the site designated as a New Town Center.



Rendering of Fox Run, Courtesy of Downstreet Housing

This newly approved designation will provide additional opportunities for public infrastructure, including extensions of water and sewer connections. The new neighborhood will also include new stores and a market rate 98-unit development for seniors.

Data from VHFA shows that Berlin has one of the greatest shortages of workforce housing in the state. Berlin is home to some of central Vermont's major employers, including Blue Cross Blue Shield of Vermont, the Central Vermont Medical Center, and attracts workers from neighboring Montpelier. The town has 4,616 jobs but only 1,082 homes according to Vermont Department of Labor and Census data.

Mahoney Grove



Mahoney Grove will preserve 22 existing apartments in the City of Rutland, sponsored by developer Summit Properties. The project has received a \$200,000 construction loan from the HIVE Fund, which will revolve into a permanent loan.

The buildings on the site (previously called Hospital Heights) were originally constructed in 1977 and need significant reinvestment.

Mahoney Grove prior to redevelopment. Photo courtesy of Summit Properties.

The project will include a deep energy retrofit, including replacing oil-fired boiler systems with all-electric heat pumps and water heaters and addressing deferred maintenance of mechanical systems, which will offer substantial energy savings and emissions reductions. The project will also update interior finishes and modify two units to make them fully accessible.

Newport Crossing



Newport Crossing, sponsored by RuralEdge, is a 43-apartment, multi-site project spanning Newport City and Newport Town. The project has received a \$397,411 predevelopment loan from the Fund, which will revolve into a \$400,000 construction to permanent loan, supporting all phases of its development.

Sacred Heart Convent in Newport. Courtesy of Rural Edge

The project will include acquisition/rehabilitations of two buildings with 11 total existing apartments, one newly constructed 6-unit building, and an adaptive reuse.

This part of the project will convert the former Sacred Heart Convent in Newport City into 26 new apartments, including the demolition and new construction of one wing of the convent, with the addition of an elevator and a fourth floor to a newly constructed wing. The project is a strong example of Vermont housing partners creatively transforming underused buildings and infill parcels into highly energy-efficient new affordable housing.

Randolph House

Randolph House is a rehabilitation of 48-apartment building for older Vermonters which is being redeveloped by the owner, Randolph Area Community Development Corporation (RACDC). The project received a \$390,802 permanent loan from the Fund.

All the apartments are affordable to households at or below 60% AMI and served by SASH. The building is less than a mile from many Randolph stores, municipal services and the local medical center. The project also owns approximately 15 acres of flood plain forest across the street between the White River and Prince Street. This parcel was originally purchased to meet zoning density requirements and has now been managed for recreation, education, and stewardship by RACDC. Residents are encouraged to take part in these activities.

This targeted rehabilitation project is due to the need to upgrade the only elevator servicing the building. The elevator no longer meets code without a large upgrade, which could potentially take months and leave disabled residents without access to their apartments. The rehabilitation work includes the addition of a second elevator that will alleviate this issue.

New Investments 2023-2024	
Income Group Served	Homes
30% AMI	70
50% AMI	139
60% AMI	196
80% AMI	15
100% AMI	8
Market Rate	2

Reid Commons

In St. Albans, Reid Commons will create 33 new affordable apartments for adults 55 and older. The project has received a \$200,000 construction loan from the HIVE Fund, which will revolve into a permanent loan.

The building, sponsored by Cathedral Square, is part of a larger project that remediates a brownfield site that previously housed a vacant former factory near the city’s downtown.

The highly energy-efficient new building will utilize geothermal HVAC, which harnesses the Earth’s heat to generate energy for heating and cooling.



Rendering of Reid Commons, courtesy of Cathedral Square

St. Albans voters demonstrated strong support for the initiative by approving a \$1 million bond to fund cleanup and development at the site, which is expected to eventually add a total of 120 new workforce housing units in several buildings.

"Projects like Reid Commons support older Vermonters, ensuring they can age in their communities near loved ones," said Vermont Treasurer Mike Pieciak at a groundbreaking event. "By adding affordable units to our senior housing stock, Reid Commons will also help strengthen Vermont's economy by freeing up additional housing for new residents and young families, helping grow our state's workforce and revenues. Our office is proud to have used our 10% in VT local investment program to support this project, which promises to have a lasting impact on the St. Albans community for years to come."

VHFA’s implementation of the 10% in Vermont Program is described later on in this report.

Benn High

The adaptive reuse of the old Bennington High School will involve a public-private partnership to support the ambitious project. The 100,000 square foot building was originally constructed in 1913 and is on the National Register of Historic Places. The rental portion of the project, sponsored by Hale Resources, the project has received a \$300,000 construction-to-permanent loan from the HIVE Fund.



Rendering of Benn High. Courtesy of the Town of Bennington

In addition to the 17 affordable apartments funded by the Fund, the larger redevelopment will include 22 market rate apartments and a community space that will be master leased by the Town of Bennington.

That space is expected to include a fitness center and a 104-spot childcare facility operated by the YMCA, town senior center, common space, auditorium, commercial kitchen for Meals on Wheels and a commercial space for which the project sponsor is in discussions with the Council on Aging and UVM Extension as potential tenants.

The building has been vacant for over 19 years and will require a complex scope of work, including asbestos remediation and new geothermal heating and cooling system.

Chelsea and Williamstown

This project supports 12 buildings with 61 total apartments in three separate locations between Chelsea and Williamstown. The buildings were last constructed or renovated around 1980 and are in need of reinvestment to support preservation.

New Investments 2023-2024	
Homelessness Units	40
Project Based Rental Assistance Units	140
High Performance Energy Projects	5

All of the 61 apartments will be affordable at 60% AMI or below, and the project will help preserve the Project Based Section 8 Rental Assistance attached to 58 of the apartments.

The project, sponsored by Heritage Chelsea Williamstown, the project has received a \$400,000 construction-to-permanent loan from the Fund.

Cambrian Rise



Cambrian Rise Building H in Burlington is part of a large mixed-use master development with a planned 1,050 homes overlooking Lake Champlain. VHFA has previously funded two affordable rental projects at the site. The new 40-apartment project, sponsored by Champlain Housing Trust and Evernorth, received a \$400,000 construction to permanent loan from the HIVE Fund.

Rendering of the future completed neighborhood at Cambrian Rise. Courtesy of Champlain Housing Trust

The building includes some two and three-bedroom units, responding to a need for apartments for larger households in Burlington. All apartments will be affordable to households at or below 80% AMI.

Champlain Housing Trust also plans to build 30 new affordable for-sale condominiums next door as part of the project (which will be funded separately). The joint project approach will leverage construction efficiencies and help reach the larger goal of an inclusive community with both rental and homeownership homes and both affordable and market rate opportunities in a single vibrant neighborhood.

Hedding-Church-Forest

Hedding-Church-Forest in Randolph, developed by Randolph Area Community Development Corporation, involves the rehabilitation of four existing buildings and the construction of one new building, with a total of 32 affordable apartments. The project has received a \$400,000 construction-to-permanent loan from the Fund.

The project currently provides deep affordability with 20 of the units affordable to residents with incomes of 50% AMI or below. Bringing together four existing properties and adding 7 units in a new building will take advantage of efficiencies of scale and allow for more sustainable long-term operations. Much of the project work will involve energy efficiency improvements, and the new building will include rooftop solar panels.



*Rendering of the new building at Hedding-Church-Forest.
Courtesy of RACDC/Black River Design*

Arlington Village



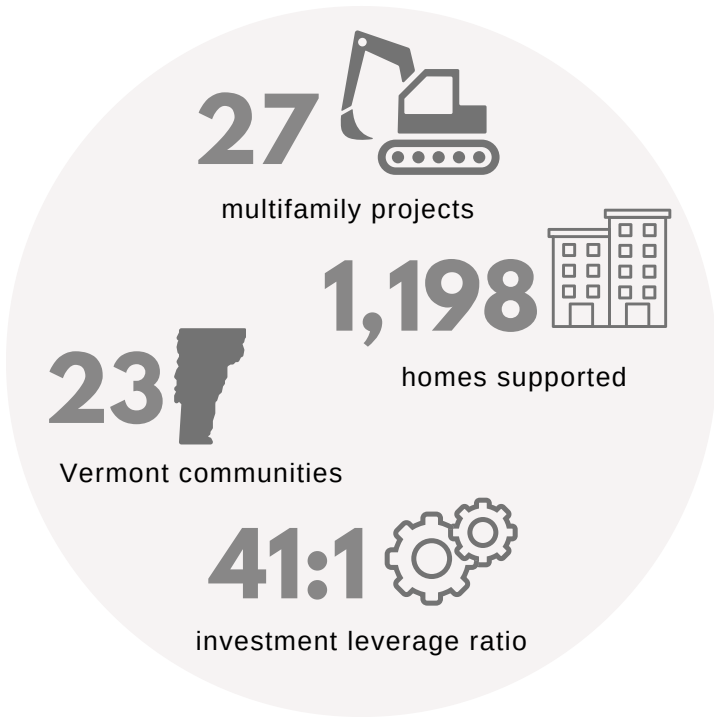
*One of the existing buildings at Arlington Village Center.
Courtesy of Shires Housing*

Arlington Village Center, developed by Shires Housing and Evernorth, will include the preservation of 29 affordable apartments. As part of the project, one of the two existing commercial spaces on site will be converted into a residential unit, which brings the final project to 30 housing units and one commercial space.

The apartments are a combination of general occupancy and age-specific units. The project will improve accessibility and energy efficiency of the homes.

The project has received a \$400,000 construction-to-permanent loan from the Fund. It also received a direct grant from the Federal Home Loan Bank of Boston, a HIVE investor, and a \$1.5 million Congressionally Directed Funding earmark from Senator Bernie Sanders.

AGGREGATE HIVE FUND INVESTMENT IMPACT



Metric	Totals
Net New Homes	570
Rehabilitated Homes	101
Preserved Homes	527
Total Development Costs	\$362,967,372
HIVE Investments	\$9,741,213

To date, HIVE funding has been committed to 27 projects across Vermont in 23 cities and towns. Over \$9.7 million of investment across multiple development phases has supported nearly \$363 million in total development costs, maintaining a powerful overall leverage factor of 41 to 1.

This investment has or will help to build 570 new apartments and rehabilitate and preserve 628 existing affordable homes. 97% of these homes will support Vermonters earning 80% AMI or less.



Income Group Served	Homes
30% AMI	140
40% AMI	7
50% AMI	253
60% AMI	351
80% AMI	407
100% AMI	15
Market	25



homes for Vermonters exiting homelessness

Special Features	Totals
Homelessness Units	147
Project Based Rental Assistance Units	397
High Performance Energy Projects	16

In addition, 147 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 HIVE Fund.

However, HIVE investment stretches even further than homes in its support of Vermont communities. The apartments supported by the Fund are expected to generate over \$150 million in direct and indirect local economic activity within the first year of construction or renovation, with an additional \$18.5 million in local taxes and revenue. These projects will help support the jobs of an estimated 2,039 local workers.

\$150 million 

in direct and indirect economic activity

2,039 

local jobs supported

Community Development Indicator	Activity Generated by Investments
Estimated Local Income Generated	\$150,381,609
Estimated Taxes and Revenue for Local Governments	\$18,466,304
Commercial Square Feet	9,418
Community Development Designated Area	20
Opportunity Zone	16
Communities	23
Counties	12

HIVE investments also produce long-term economic benefits. 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 HIVE are workers, consumers and taxpayers in the local economy.

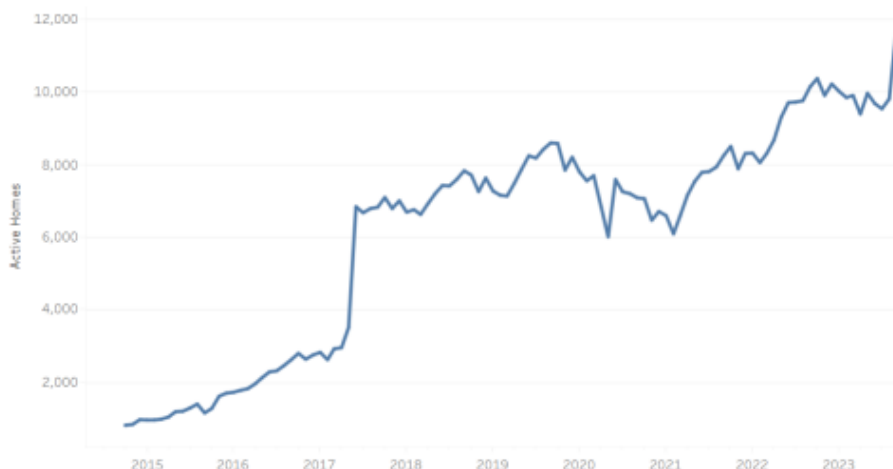
The presence of affordable housing has been an integral part of larger site redevelopments such as the ones seen at Benn High, Cambrian Rise, and the Fonda Plant site in St. Albans. In many cases, the market rate and commercial units in a project are heavily contingent on publicly funded affordable units to make projects pencil. These larger mixed income, mixed-use neighborhoods are an exciting new trend in community development in Vermont that helps promote inclusion, offers transportation and infrastructure efficiencies, and helps connect workers with employment opportunities.

OTHER RECENT VHFA INITIATIVES

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

- Analysis of [Tax Department data](#) showing that the number of primary homes sold in Vermont in 2023 was the lowest annual total in Vermont since 2012, indicating how little stock is currently available for purchase. The tight market puts upward pressure on prices, with the median sales price of primary homes sold in Vermont reaching \$325,000 in 2023. The median home price has increased by nearly 43% overall since 2019.

- [New data](#) revealing a 16% in Vermont short-term rentals (STRs) from 2022 to 2023. VHFA’s analysis found 11,747 homes rented as STRs in September. Towns with the most short-term rental listings are consistently the ski resort towns of Stowe, Killington, Ludlow, Dover, and Warren. These towns are also the state’s top locations for the number of seasonal homes.



Vermont Short Term Rentals

Source: [Housingdata.org](#), [AirDNA](#). Includes rentals with entire home listed.

- Work with [Vermont’s Zoning Atlas project](#). VHFA’s research team is joining a group led by UVM and Middlebury College researchers as well as state and regional planning experts to develop a statewide, mappable database of municipal zoning regulations. This data is currently only available on a municipality-by-municipality basis. The project will help better inform state-level policy to reform zoning and pave the way for more inclusive development.
- In partnership with the Agency of Commerce and Community Development and Vermont Economic Development Authority, VHFA [launched a research project](#) to analyze the past, present and future of off-site construction practices in Vermont. Survey results and reflections from developers will be used to complete a written report that will be publicly available in November 2024. The report will assess how Vermont could explore investment or policy supports to advance off-site, modular, and manufactured construction methodologies.

Middle Income Homeownership

VHFA's Middle-Income Homeownership Development Program (formerly known as the Missing Middle Program) has awarded \$24 million to create 138 homes affordable to moderate income Vermont households.

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. After overwhelming initial demand, an additional \$9 million was provided to the program during a mid-session budget adjustment by the Legislature in 2023. VHFA awarded this second tranche of funding in September 2023.



Homebuyers outside their new home at Hickory Street in Rutland. The project was developed by Habitat for Humanity of Rutland County

Projects funded by the program are spread across 20 different communities in 9 of Vermont's 14 counties. The average home size is a modest 1,493 square feet, and average purchase price is \$194,321. 76 of homes will be perpetually affordable in the Shared Equity model, helping new households become homebuyers for years to come. 86% of the homes will be affordable to households at or below 110% AMI, and nearly 60% of the homes serve households at or below 80% AMI.

"This is incredible... I had a moment of disbelief until the reality set in that we would be able to stay in this area, close to our family," wrote Kara Corlew, who is purchasing one of the new homes in Londonderry. "The children's grandparents will be right around the corner, are so involved in their lives and help out a lot with childcare. Being able to purchase this house means the world to all of us."

This program represents the largest single investment into homeownership for sale development in the state's history.

10% in Vermont

In September, Governor Phil Scott and Treasurer Mike Pieciak announced a historic \$55.5 million investment in housing, as part of the "10% in Vermont" local investment program. The 10% in Vermont local investment program uses the state's cash deposits to make secure loans to critical state priorities such as housing, climate action and social equity.

A \$50 million housing loan to VHFA using the funds will be invested in the construction or rehabilitation of traditional affordable housing, market rate apartments, homeownership, and housing for individuals experiencing homelessness. The award is expected to leverage approximately \$145 million in private capital and could potentially leverage another \$125 million in state and federal public resources.

“Our lack of housing is holding back the full potential of the Vermont economy. By leveraging our state’s strong balance sheet to support over 1,100 new housing units, Vermont will reap economic dividends for decades to come,” said Treasurer Pieciak. “More housing means critical occupations like nurses, teachers, and first responders will be able to find homes in the communities they serve and businesses will be able to hire new workers to expand their businesses.”

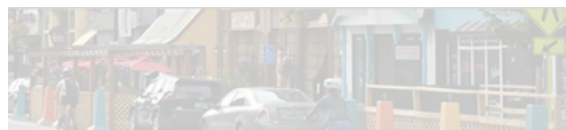
As of July 2024, 88% of the funds are already allocated to support the development or preservation of 1,059 homes across the state.

First Generation Homeownership Program

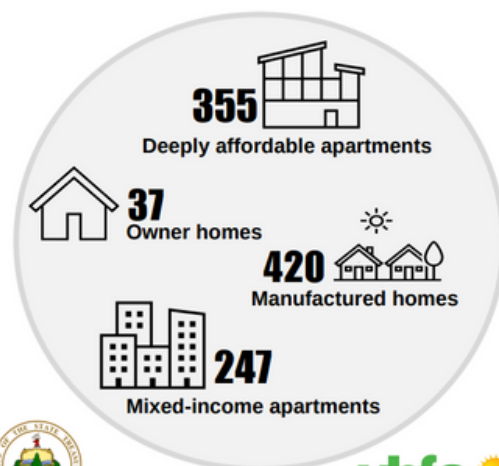
Launched in 2022, the VHFA First Generation Homeownership Program (FGHP) provides a \$15,000 grant to eligible homebuyers for down payment and closing costs. To be considered a first-generation homebuyer, at least one person taking title must have parents or legal guardians who never owned a home or lost their home to foreclosure, or be an individual who was placed in foster care at some point in their lifetime. Income, credit, first-time homebuyer, and other eligibility requirements apply.



“Without the VHFA program, I would have not been able to afford this house,” said Zeynab Koutaye, the first homebuyer to benefit from FGHP, pictured above outside her new home. Koutaye worked with mortgage lender (and HIVE investment partner) New England Federal Credit Union.



WHOLE COMMUNITY HOUSING NEEDS



Funding for FGHP is provided by Vermont legislature and is intended, in part, to help increase the homeownership rate among Black, Indigenous, and Persons of Color (BIPOC) in Vermont. To date, approximately 76 first-generation households have received assistance totaling \$1.14 million. 23% of the FGHP grants have gone to households with individuals identifying as BIPOC, while just 4% of all mortgages originated in Vermont were made to households with individuals identifying as BIPOC over the same time period.

Vermont Homeowner Assistance Program (VHAP)

VHFA closed its Homeowner Assistance Program (VHAP), which launched in January 2022, to help keep Vermonters housed throughout the pandemic. The program paid out over \$41 million for overdue mortgage, property taxes, and utility bills on behalf of 5,800 Vermont homeowners.

VHAP assisted homeowners across every Vermont county. Nine percent of applicants identified as BIPOC (Black, Indigenous, and People of Color), compared to just 3 percent of all Vermont homeowners. 449 homes were in manufactured home communities. Most households receiving assistance had low or moderate incomes, with the median household earning just \$34,492 per year.

The program was able to assist Kathy Stanfield, whose husband unexpectedly passed away during the pandemic, leaving her as a single mother with two children and unable to get caught up on past due bills.

“I had an overwhelming feeling that I’ll never get out of this situation,” she shared. “When I first heard about [VHAP], I decided to apply thinking if I could just get a month or two covered we might be able to recover. I was shocked and thrilled when the initial grant covered the six months that we hadn’t been able to pay as well as our condo dues that had lapsed. I am glad that I will never know for sure, but I suspect I would have lost my home [and] selling it and paying rent somewhere would have cost us more.”



Kathy Stanfield at her home in Colchester, with her children.

Rental Revolving Loan Fund

In June of 2024, VHFA awarded just under \$10 million through an innovative new program called the Rental Revolving Loan Fund (RRLF). The program was created as part of Vermont's Housing Made for Everyone (HOME) Act, which was signed into law in June 2023.

The Act created RRLF to incentivize the creation and preservation of rental housing for middle-income households earning between 65%-150% of the Area Median Income (AMI). 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. RRLF loans will remain with projects for 7-10 years in most cases.

Program demand was strong, with 16 applications totaling \$21,027,439 in requests. The final recommendation supported 9 projects across the state with 287 new units of housing, with RRLF eligible rental homes serving 265 middle-income households. The \$9.8 million in RRLF investment will support an estimated \$75.2 million in total development costs. The awarded projects supported a mix of new and emerging developers, as well as projects leveraging employer and municipal investment.

More news will be available about the outcomes of this program in the near future.

APPENDIX

New Investments 2023-2024 - Detail

<i>Financial Information</i>	Fox Run	Mahoney Grove	Newport Crossing	Randolph House	Reid Commons	Mellishwood
Total Units	30	22	43	48	33	39
Net New Units	30		32		33	13
Rehabilitation/ Preservation Units		22	11	48		26
Development Cost	\$15,738,595	\$5,559,887	\$19,220,186	\$11,183,222	\$18,485,838	\$19,686,690
HIVE Investment	\$300,000	\$200,000	\$397,411 (predevelopment) \$400,000 (permanent)	\$390,802	\$200,000	\$300,000 (aquisition) \$400,000 (permanent)
Leverage (X:1)	52	28	48 (permanent)	29	92	49

<i>Financial Information</i>	Benn High	East Creek Commons	Chelsea & Williamstown	Cambrian Rise	Hedding-Church-Forest	Arlington Village
Total Units	17	35	61	40	32	30
Net New Units	17	16		40	7	1
Rehabilitation/ Preservation Units		19	61		25	29
Development Cost	\$8,601,180	\$15,018,205	\$13,884,747	\$22,289,199	\$14,420,024	\$12,958,250
HIVE Investment	\$300,000	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000
Leverage (X:1)	29	38	35	56	32	30

East Creek Commons (formerly Rutland Rehab) and Mellishwood were reported in previous fund reports for acquisition and predevelopment loans. The permanent funding is recorded here.

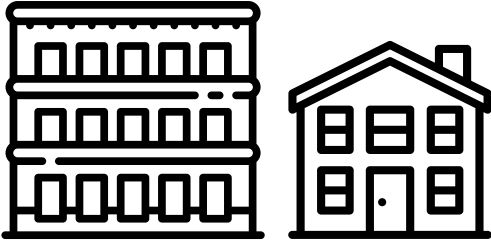
Income as % of area median income (AMI)	Fox Run	Mahoney Grove	Newport Crossing	Randolph House	Reid Commons	Mellishwood	Benn High	East Creek	Chelsea & Williamstown	Cambrian Rise	Hedding Church Forest	Arlington Village
30%	6	12	3	5	4	18	2	4		3	13	
50%	4	9	12	43	7	6	4	17		10	9	18
60%	14	1	23		17	11	11	14	61	23	9	12
80%			5		5					4	1	
100%	6					2						
Total	30	22	43	48	33	39	17	35	61	40	32	30

Special Features	Fox Run	Mahoney Grove	Newport Crossing	Randolph House	Reid Commons	Mellishwood	Benn High	East Creek	Chelsea & Williamstown	Cambrian Rise	Hedding Church Forest	Arlington Village
Homelessness Units	6	4	12	5	6	4	3	8		12	5	
Project Based Rental Assistance	6	22	19	48	8	30	7	14	58	19	17	8
High Performance Energy	Yes	No	Yes	No	Yes	Yes	Yes	Yes	No	Yes	No	Yes

Community Development Indicators	Fox Run	Mahoney Grove	Newport Crossing	Randolph House	Reid Commons	Mellishwood
Local Income Generated	\$3,510,000	\$4,675,865	\$7,879,022	\$9,405,090	\$3,861,000	\$12,558,822
Taxes and Revenue for Local Government	\$660,000	\$394,752	\$1,053,092	\$794,009	\$726,000	\$304,933
Local Jobs Supported	48	64	108	129	53	172
Commercial Square Feet						
Community Development Designated Area	Yes	No	Yes	Yes	Yes	Yes
Opportunity Zone	No	Yes	Yes	Yes	Yes	Yes
Community	Berlin	Rutland City	Newport	Randolph	St. Albans City	Woodstock
County	Washington	Rutland	Orleans	Orange	Franklin	Windsor

Community Development Indicators	Benn High	East Creek Commons	Chelsea & Williamstown	Cambrian Rise	Hedding Church Forest	Arlington Village
Local Income Generated	\$1,989,000	\$8,728,454	\$11,677,072	\$4,680,000	\$10,293,406	\$10,897,888
Taxes and Revenue for Local Government	\$374,000	\$930,845	\$985,817	\$880,000	\$953,861	\$920,036
Local Jobs Supported	27	120	160	64	141	149
Commercial Square Feet						
Community Development Designated Area	Yes	Yes	No	Yes	Yes	Yes
Opportunity Zone	Yes	Yes	No	No	Yes	No
Community	Bennington	Rutland & Castleton	Chelsea & Williamstown	Burlington	Randolph	Arlington
County	Bennington	Rutland	Orange	Chittenden	Orange	Bennington

Benn High has a large commercial space on-site, however this is funded separately from the housing investment and is not included in commercial square feet calculations above.



CREDITS

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Cover Photos, from left: Arlington Village, courtesy of Shires Housing; Ribbon cutting at Bayview, courtesy of Champlain Housing Trust; Rendering of Benn High, courtesy of the Town of Bennington; Rendering of Reid Commons, Courtesy of Cathedral Square; Mellishwood Apartments, courtesy of Twin Pines Housing Trust.

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