



2013 Annual Awards Entry Form
(Complete one for each entry.)

Entry Name VHFA 2012 Annual Report

HFA Vermont Housing Finance Agency

Submission Contact Maura Collins

Phone 802-652-3434

Email mcollins@vhfa.org

Program Contact Maura Collins

Phone 802-652-3434

Email mcollins@vhfa.org

Entry form with description, check(s), and visual aids (optional) must be received by NCSHA by **Monday, July 1, 2013**.

Use this header on the upper right corner of each page.

HFA: Vermont Housing Finance Agency

Entry Name: VHFA 2012 Annual Report

Communications	Homeownership	Legislative Advocacy	Management Innovation
<input checked="" type="checkbox"/> Annual Report <input type="checkbox"/> Promotional Materials and Newsletters <input type="checkbox"/> Creative Media	<input type="checkbox"/> Empowering New Buyers <input type="checkbox"/> Home Improvement and Rehabilitation <input type="checkbox"/> Encouraging New Production	<input type="checkbox"/> Federal Advocacy <input type="checkbox"/> State Advocacy	<input type="checkbox"/> Financial <input type="checkbox"/> Human Resources <input type="checkbox"/> Operations <input type="checkbox"/> Technology
Rental Housing	Special Needs Housing	Special Achievement	Are you providing visual aids?
<input type="checkbox"/> Multifamily Management <input type="checkbox"/> Preservation and Rehabilitation <input type="checkbox"/> Encouraging New Production	<input type="checkbox"/> Combating Homelessness <input type="checkbox"/> Housing for Persons with Special Needs	<input type="checkbox"/> Special Achievement	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO

Background

Like many quasi-governmental agencies, the Vermont Housing Finance Agency (VHFA) has a responsibility to be effective stewards of limited public resources, while at the same time being transparent, helpful, and meeting our mission of promoting affordable, safe and decent housing opportunities for low- and moderate-income Vermonters.

One of our goals with our Agency's Annual Report is always to make it a document with a long shelf life; something that will go beyond sharing our only own Agency's basic information (which then may often be soon recycled), but instead having this document double as a resource that our partners reference throughout the year. We achieved that goal with our 2012 report which doubled as a Housing Data Fact Book for the counties in our state.

Innovation

Due to constrained budgets, when the state of Vermont's Consolidated Plan was last updated, the corresponding housing needs assessment was not done for the 14 counties in our state as it had been previously, but instead it only analyzed the housing needs from the statewide level. While understandable because the analysis was being done in the midst of a major housing market upheaval, it did leave housing professionals and others looking for some basic summary information to describe the housing situation in their region.

By pairing a required Annual Report with this need that was being expressed by many throughout the state, VHFA innovatively met a need expressed by advocates, state legislators, local land use planning volunteers, developers, and others while at the same time promoting and highlighting VHFA's own activities in the region.

Replicability

VHFA's tiny (but mighty!) Policy and Planning department (1.4 FTE) lead and wrote the entire report, and we relied on existing photographs from a variety of sources. For the state, and each county, we identified a half-dozen of the most often cited and requested statistics that act as the most true indicators of a local housing market's supply and demand for affordable housing. By using Census data along with other credible locally available sources, we showed in a pleasing graphical way the demographics and housing stock in the area. Then, for each county we also included a photo of a homeowner or housing project in which VHFA financed, and the number of loans VHFA has made in a town-level map of the county, to highlight the importance and relevance of VHFA in the area.

Targeted audience

Vermont hosts its statewide housing conference only every other year, but it remains the single-largest event and has been regularly hosted by VHFA since 2000. We timed the release of the Annual Report with the November conference so that each of the 450 participants received a copy of the Annual Report in their conference folder, so that immediately – and with no postage cost – we were able to reach a diverse cross-section of the housing community. From there, it generated additional interest by others who weren't at the conference when co-workers returned to the office with this resource and more people began to request it. The audience grew from bankers and lenders to advocates and resident organizations, we had homeless

shelters and grant writers requesting copies, as well as municipalities. The targeted audience for our Annual Report is appropriately large and open, and this piece met that.

Effective use of resources

After a decade of producing an annual summary of the housing market in the state, with a report called *Between a Rock and a Hard Place: Housing and Wages in Vermont*, VHFA was routinely asked the question: what has changed since last year's report? As housing prices continued to escalate and cost burdens increased, the story each year went from bad to worse for many of the lower income customers VHFA serves. Then, when the housing market downturn didn't impact Vermont to the same extent as other hard hit states, the message of the publication changed dramatically, yet by being a continuation of a publication with a consistent message for so long, we felt like the new message was lost by people not giving our *Housing and Wages* report a close read. VHFA needed a new vehicle to discuss what was happening with home prices, and where that left first time buyers.

By merging this Annual Report with a housing data fact book that removed much of the advocacy messaging from the county-wide summaries, and left that for the statewide summary spread (pages 4-5) and the Agency's programmatic accomplishments (pages 34-38), it efficiently created a resource for people where they could start to understand the local market directly.

Achieved strategic objectives

VHFA has long prided itself in its role as a "housing resource leader," not only in terms of financial resources, but informational as well. We have strategically focused on this research and policy role believing that if we can be cast as the entity with the answers to the beginning questions of quantifying the need, then we will remain at the table as the solutions are being discussed.

By pairing our Annual Report with this housing data resource has furthered this role and been another example of VHFA providing free and accessible information that others may find difficult to obtain or summarize. By merging this effort with the marketing opportunities where VHFA highlighted VHFA's local programmatic efforts, we continue our reputation as a housing resource leader.



Vermont Housing Finance Agency

2012 Annual Report



Message from Governor Peter Shumlin



Governor Peter Shumlin

I have been concerned about the growing gap between housing costs and wages in our state for many years. I have always believed that expanding access to affordable housing and ending homelessness are crucial for the success of our state. While I have always championed affordable housing programs like VHFA's, the housing stock in our state was tested like never before when we faced Tropical Storm Irene in 2011.

Immediately and without discrimination, too many Vermonters saw first-hand how quickly a central piece of their identity—their home—could be destroyed. For many in the state, they watched the storm develop from the comfort of their home, and relied on that simple structure to not only protect them from the elements, but also serve as a refuge from the realities of the storm's aftermath. For too many communities, that protection and refuge was lost in the storm, or the days that followed.

As a result of Tropical Storm Irene, approximately 3,500 homes were damaged. More than 680 of those had damages exceeding \$10,000. More than 500 mobile homes were damaged or destroyed, and 1,400 households were displaced either temporarily or permanently. Disaster case managers and the state's network of Homeownership Centers are working with approximately 700 cases statewide. These are households with some remaining housing need, ranging from a few thousand dollars for final repairs to living temporarily with family without enough resources to find permanent housing.

As sobering as those statistics are, I'm proud of the role that VHFA has played since that devastation, in partnership with many others. VHFA's staff quickly took stock of the properties they've invested in, and immediately offered assistance to impacted borrowers. The agency allowed impacted homeowners to miss some regular mortgage payments and also worked closely with the loan servicers to make sure borrowers were being well served, including staying on top of insurance claims and smoothing the process.

VHFA helped identify vacant available units in the state's stock of affordable rental housing and relay information throughout the state. The agency was a valued partner in the Irene Housing Task Force and I know is still working to create funding opportunities especially for mobile home owners through its state Housing Tax Credit program.

I especially appreciate the significant impact VHFA has played in this past year and I know that it will continue to be a partner as we remain focused on our shared goal of ensuring that all Vermonters have a safe, affordable home that can be a refuge during a storm.

Message from the Chairperson and Executive Director

As we look back on the past year and forward to the future, it's easy to theme Fiscal Year 2012 as one where VHFA "weathered the storm." That said, we are confident with each challenge the Agency faces, it will emerge stronger and continue to prove itself resilient to the sometimes harsh realities of the housing and financial markets.

Consider just a month after the start of the Fiscal Year, the State's housing stock was pummeled from the effects of Tropical Storm Irene. Despite the devastation, as the Governor highlighted in his letter, VHFA worked diligently with State and local partners to help property owners recover and remain "Vermont Strong."

Prior to Irene, the financial market chaos of the past several years continued to present challenges. Capital markets for long term borrowing continued to be difficult, which severely impacted the Agency's ability to fund its programs. Fortunately, the Federal government responded with a program designed for housing finance agencies such as VHFA, the New Issue Bond Program (NIBP). The NIBP allowed VHFA to offer its lowest mortgage rates ever. By relying on the nation's network of state housing finance agencies, the Federal government yet again signaled VHFA and its sister agencies are a successful model for delivering loans to lower income borrowers.

Vermont continues to face a sensitive and challenging housing market. While prices have rebounded for the most part, availability of affordable housing remains inadequate. The uncertainty surrounding the Federal government's continuing role in housing finance and the implementation of financial reform legislation add to turbulent market conditions. We stand willing to work with our Federal partners as the nation's housing policy is debated.

Despite these challenges, we are confident VHFA will remain an important mortgage lender. The Agency is proud of its innovation and long term success in providing high quality loans to lower income Vermonters and developers of affordable rental housing. While we are looking at additional sources of capital for our loans, the Agency is still offering amazingly low interest rates. We are excited by the faith the Legislature has put in VHFA to increase the state Housing Tax Credit program and allow its use by mobile home owners.

We are looking forward to the future and have been made stronger by our past.



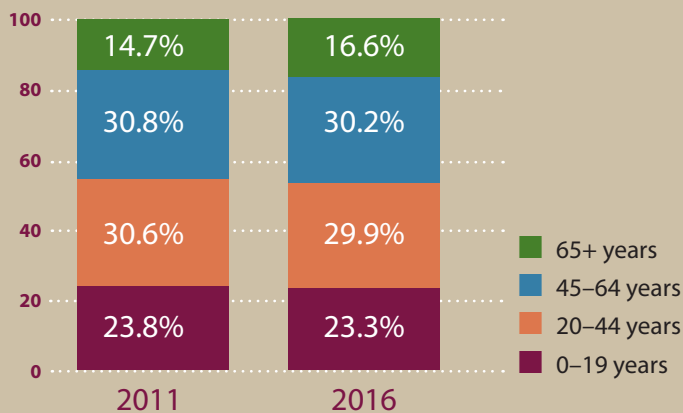
Thomas N. Pelletier / Board Chair



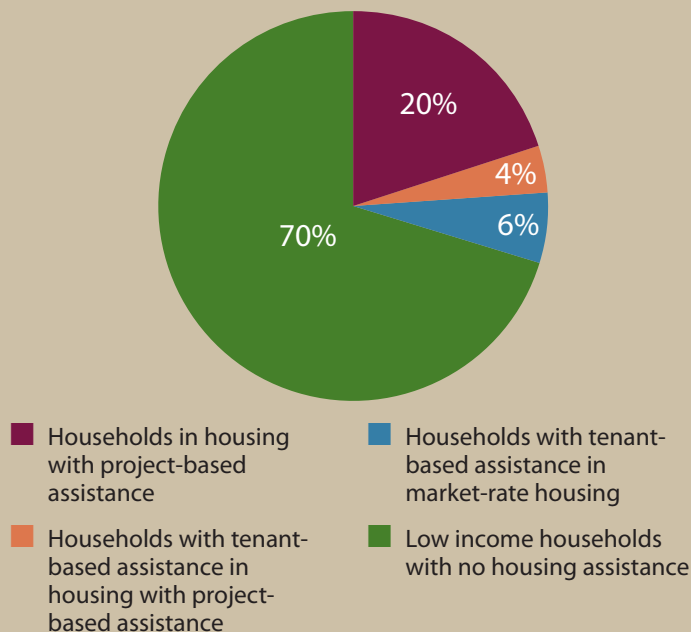
Sarah Carpenter / Executive Director

FORWARD-LOOKING STATEMENTS This publication contains statements about future results that may constitute "forward-looking statements" within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Readers are cautioned that these statements are not guarantees of future performance. There are a variety of factors, many of which are beyond VHFA's control, which affect the operations, performance, business strategy and results and could cause its actual results to differ materially from the expectations and objectives expressed in any forward-looking statements. Accordingly, readers are cautioned not to place undue reliance on forward-looking statements which speak only as of the date they are made. VHFA does not undertake to update forward-looking statements to reflect the impact of circumstances or events that arise after the date the forward-looking statements are made.

Percentage of Vermont's population by age

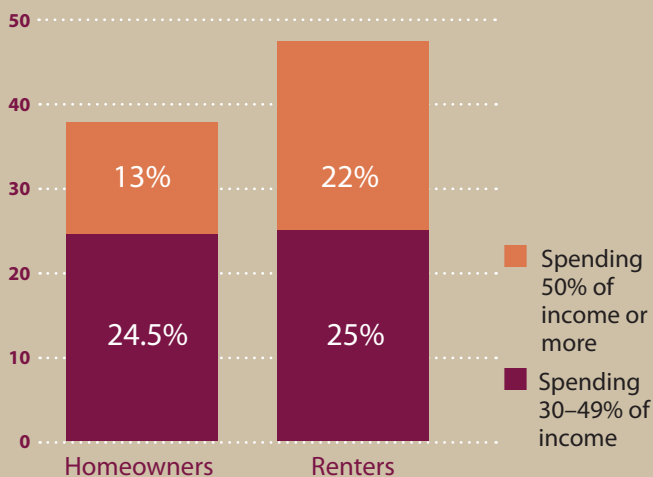


Lower income renter households receiving housing assistance

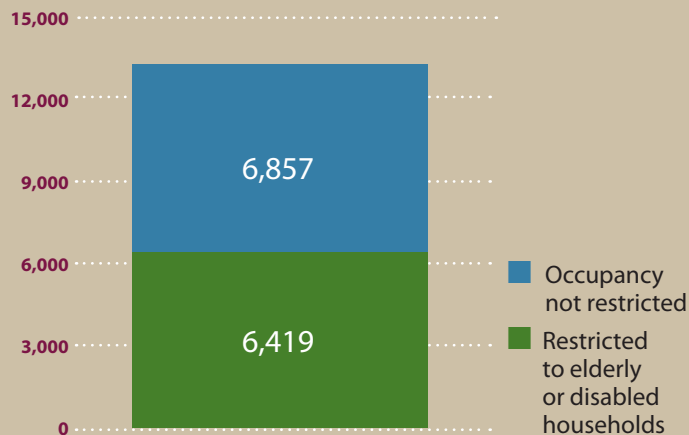


Total lower income renter households: **55,186**

Percentage of income spent on housing expenses



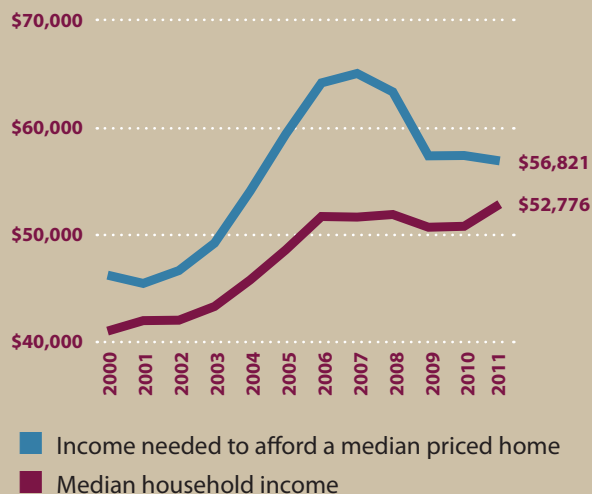
Subsidized rental units by tenant type



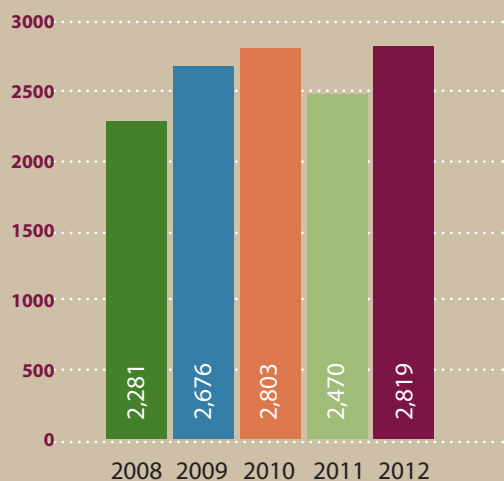
Vermont's Housing Today

- A modest 2-bedroom apartment in Vermont now costs \$976 a month, which is affordable at an hourly wage of \$18.77 (\$39,051 annually). 67% of Vermont's workforce works in jobs where the median wage is below this threshold.
- Through 2011, there has been a 37% drop in the average number of home sales compared to the previous decade.
- Interest rates for homeownership have remained very low and helped affordability in many parts of the state. The problem for first time buyers remains the limited down payment assistance available.
- High credit requirements and adverse market fees remain in place, further squeezing many first time buyers. Closing costs in Vermont increased by 6% in 2011 from the year before.

Affordability of buying a home

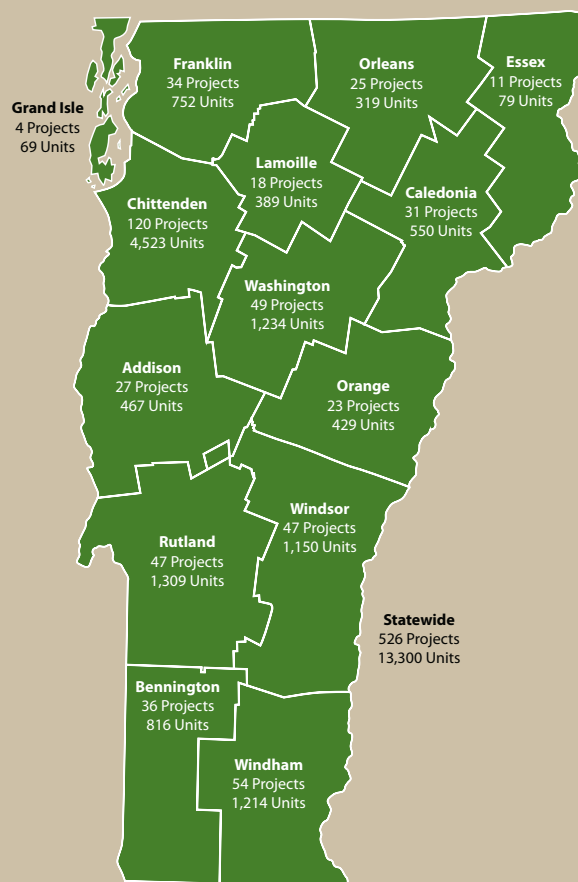


Number of people who are homeless counted one day in January



Because of changes to methodology and definitions, this count will show fluctuations year to year.

Vermont's multifamily rental properties and units



VHFA's Annual Report

New this year, the Vermont Housing Finance Agency's annual report doubles as a source of locally based housing market data. Continuing VHFA's long tradition of being a statewide provider of housing resources (both financial and informative), we are pleased to offer this publication as a compliment to the statistics offered through VHFA online:

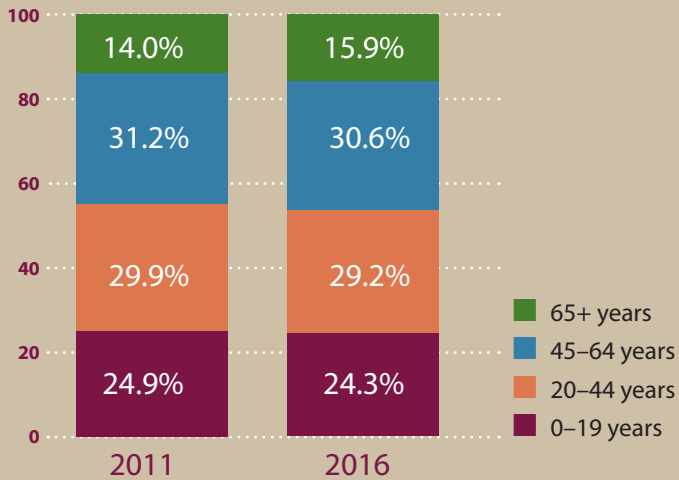
- Vermont Housing Data Website: www.housingdata.org
- Directory of Affordable Rental Housing: www.housingdata.org/doarh
- VHFA's daily blog: www.vhfa.org/about/news/blog/

If you have specific housing market questions, please email home@vhfa.org

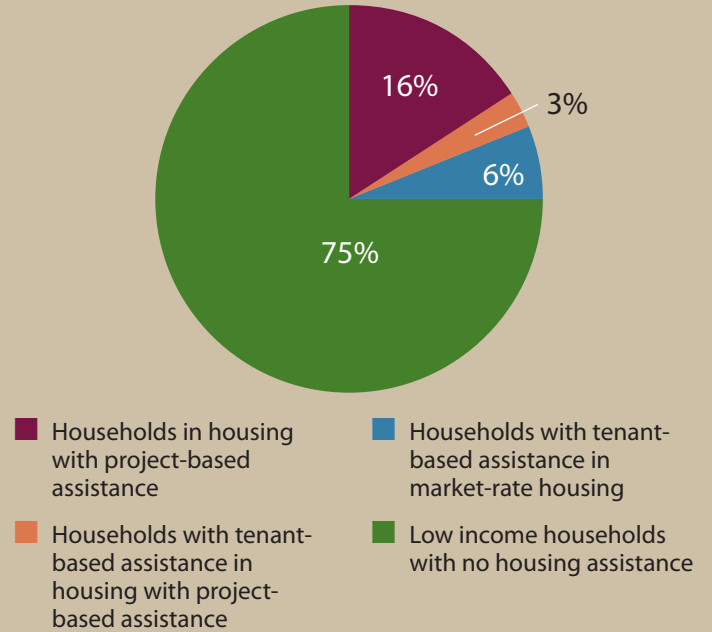
- About 21% of people who are homeless are in emergency shelter, 24% live in transitional housing, 11% are staying in a hotel or motel, and 9% are unsheltered. 35% are precariously housed, meaning they're temporarily sheltered by friends or acquaintances.

- Unlike more urban states, a large proportion (almost half) of Vermont's homeless is families and at last count 270 were children 17 or younger.

Percentage of population by age

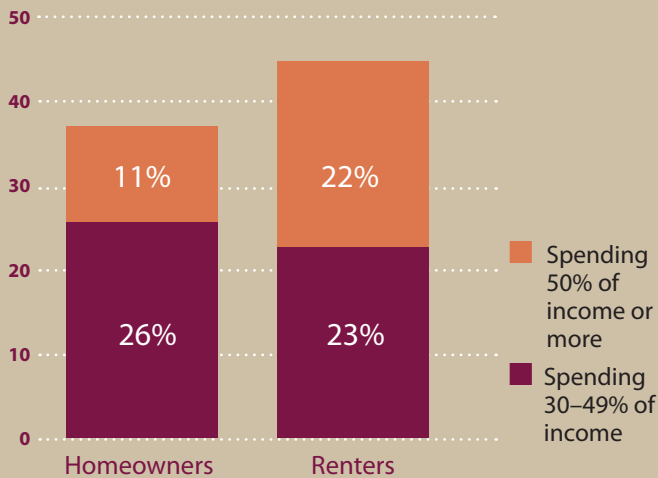


Lower income renter households receiving housing assistance

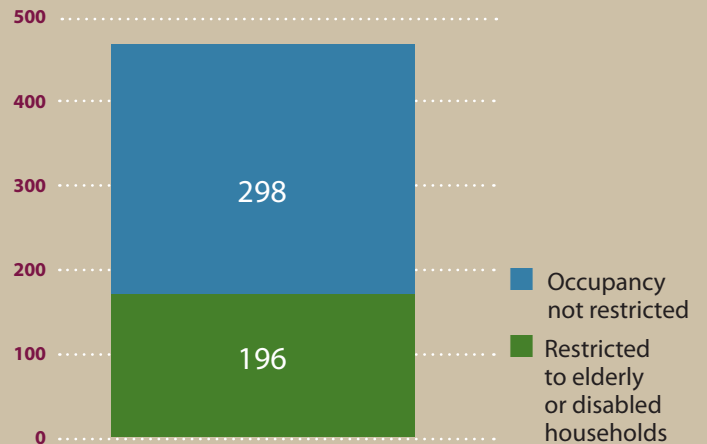


Total lower income renter households: **2,443**

Percentage of income spent on housing expenses



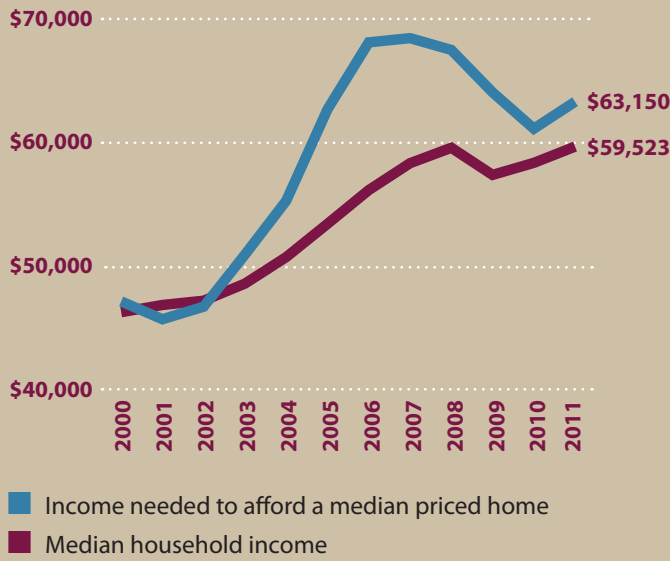
Subsidized rental units by tenant type



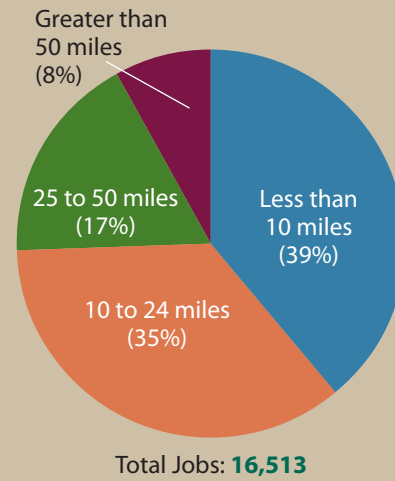
Residents enjoy the porch at Armory Lane Senior Housing in Vergennes. VHFA provided development financing through allocated Tax Credits and the Tax Credit wAssistance Program for these 25 affordable apartments.

Mary Claire Carroll

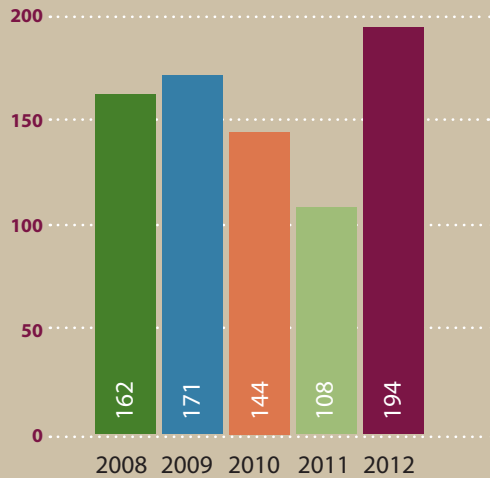
Affordability of buying a home



Distance to work

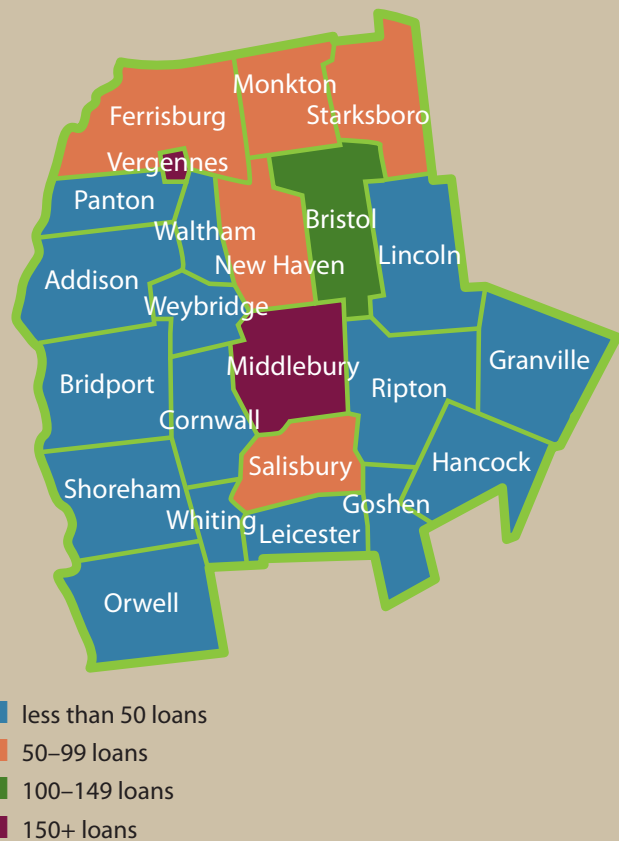


Number of people who are homeless counted one day in January



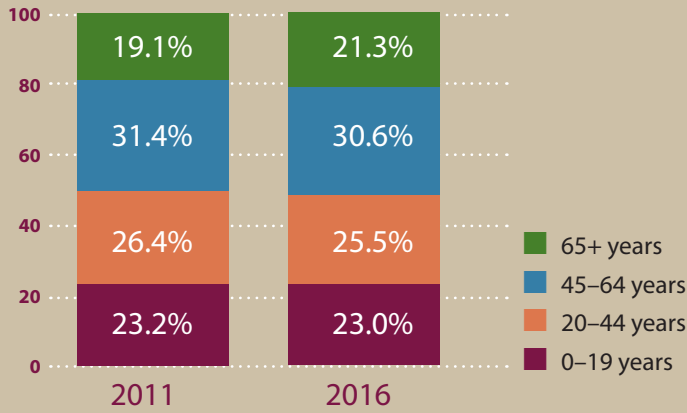
Because of changes to methodology and definitions, this count will show fluctuations year to year.

Number of VHFA homeownership loans since 1974

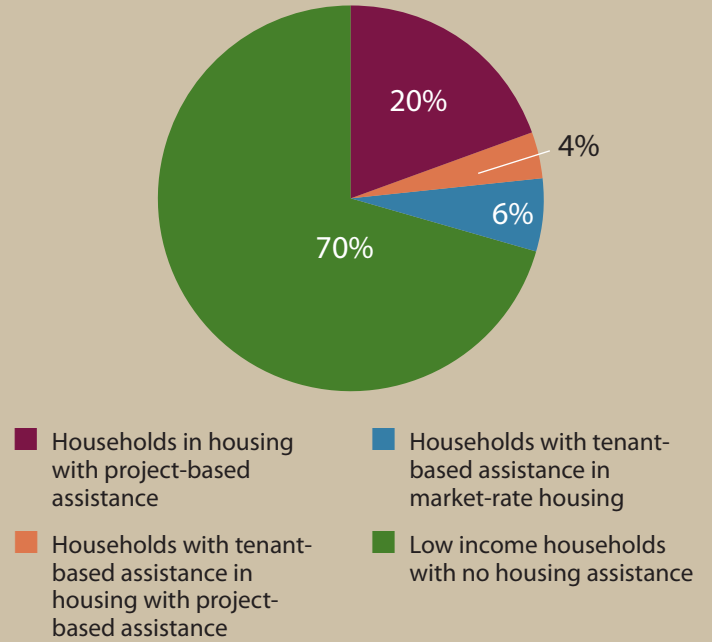


For a complete listing of the state's affordable **rental** housing (including properties financed or awarded Tax Credits by VHFA), go to www.housingdata.org.

Percentage of population by age

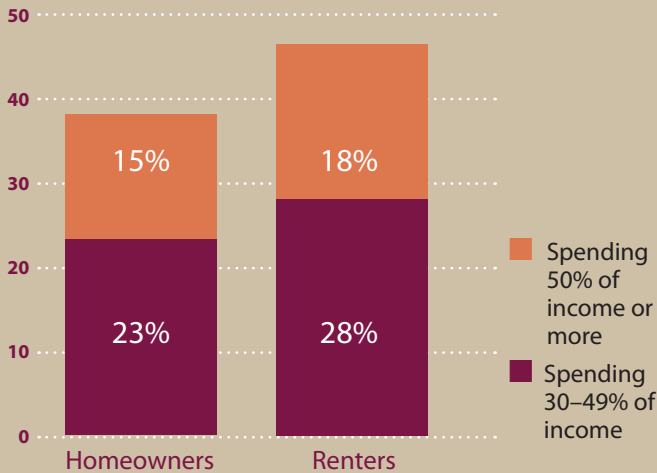


Lower income renter households receiving housing assistance

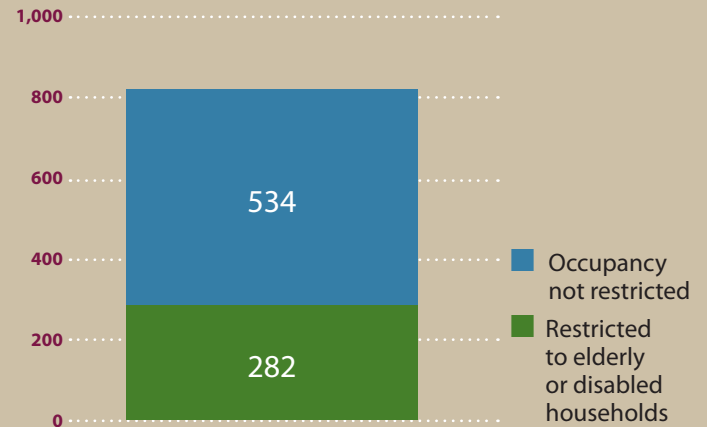


Total lower income renter households: **3,495**

Percentage of income spent on housing expenses

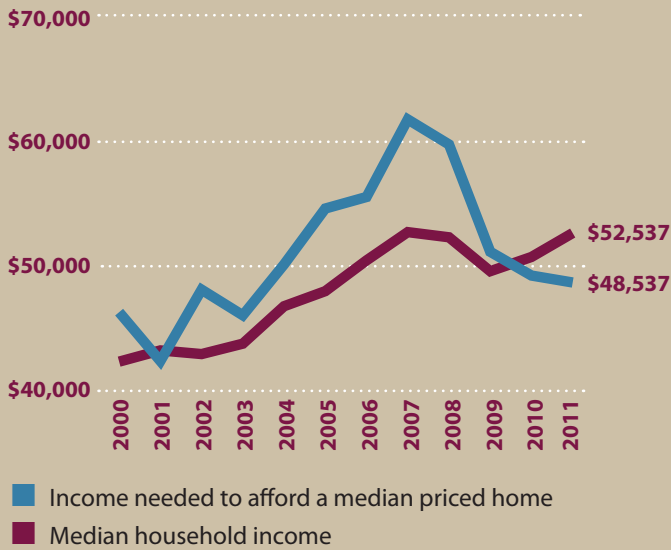


Subsidized rental units by tenant type

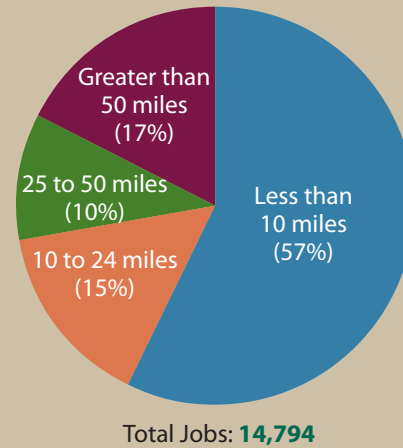


Renovation of buildings on Benmont Avenue in Bennington helped create and preserve 26 units of affordable rental housing in the Roaring Branch Apartments complex. VHFA provided allocated Tax Credits and state housing credits for the cost of renovation and construction.

Affordability of buying a home



Distance to work

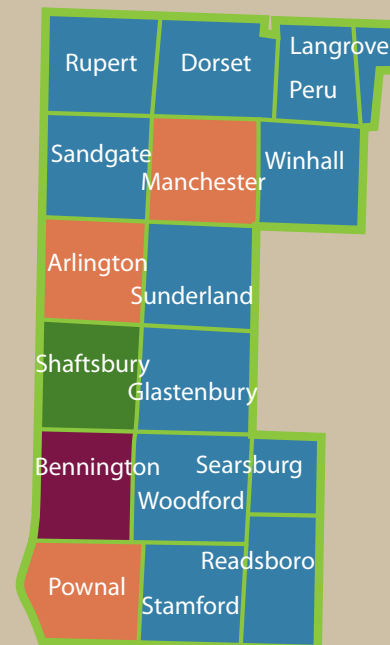


Number of people who are homeless counted one day in January



Because of changes to methodology and definitions, this count will show fluctuations year to year.

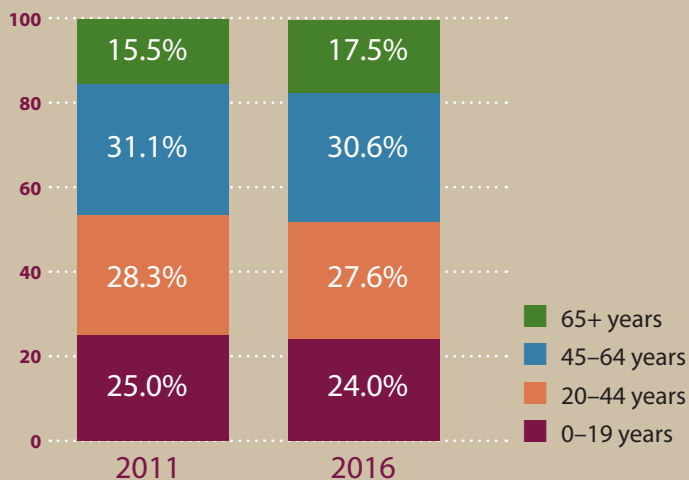
Number of VHFA homeownership loans since 1974



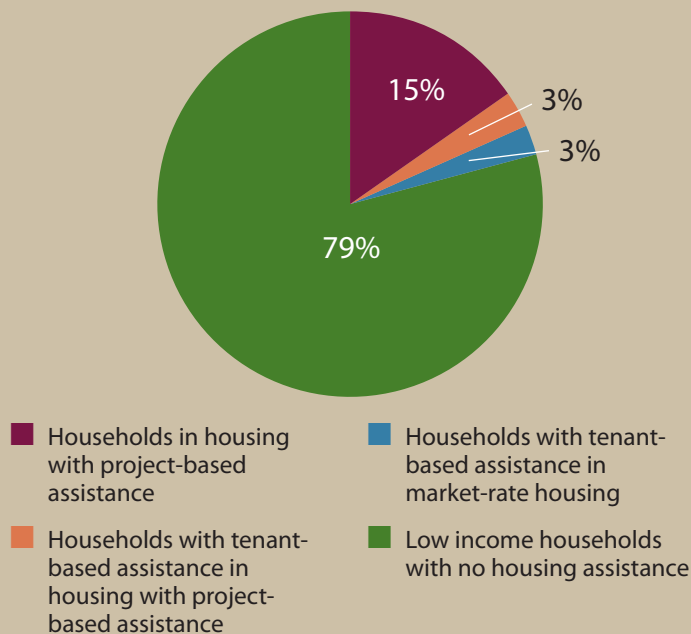
- less than 50 loans
- 50-99 loans
- 100-149 loans
- 150+ loans

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Percentage of population by age

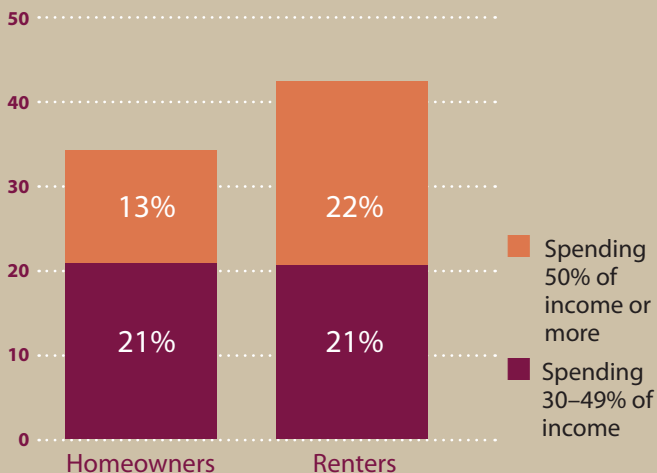


Lower income renter households receiving housing assistance

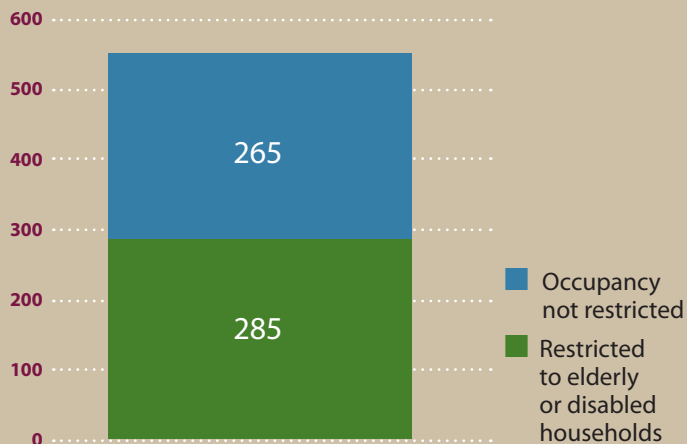


Total lower income renter households: **2,973**

Percentage of income spent on housing expenses

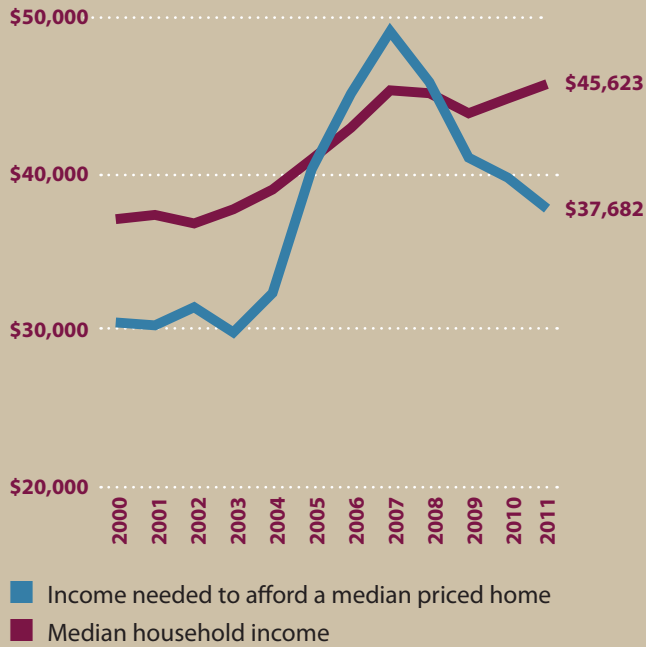


Subsidized rental units by tenant type

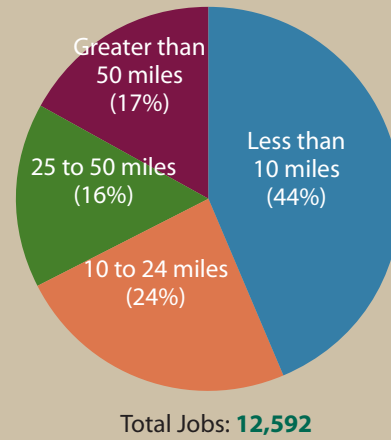


This single-family owner home in St. Johnsbury was renovated and sold through Vermont's Housing Acquisition & Rehabilitation Program (HARP) administered by VHFA.

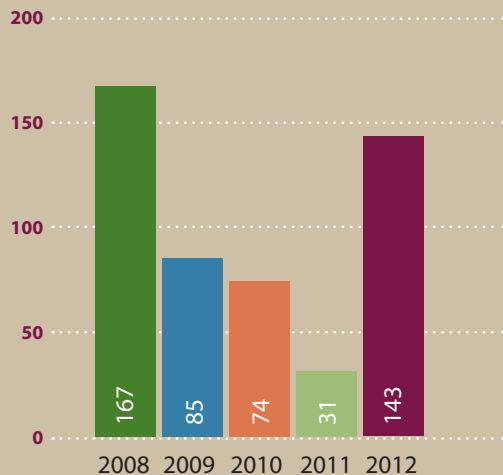
Affordability of buying a home



Distance to work

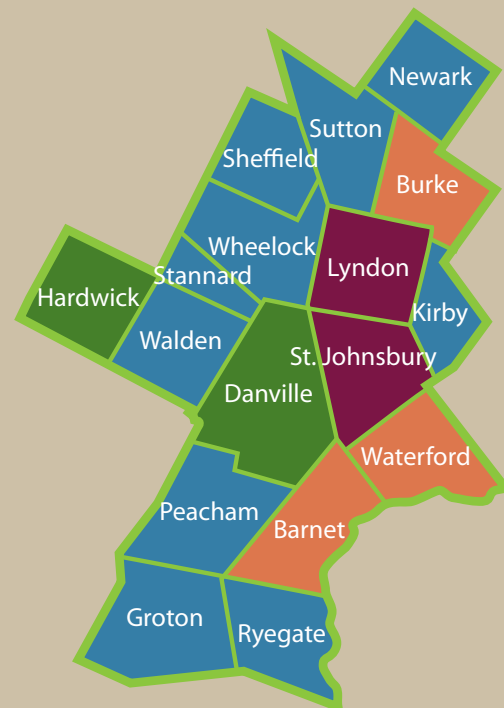


Number of people who are homeless counted one day in January



Because of changes to methodology and definitions, this count will show fluctuations year to year.

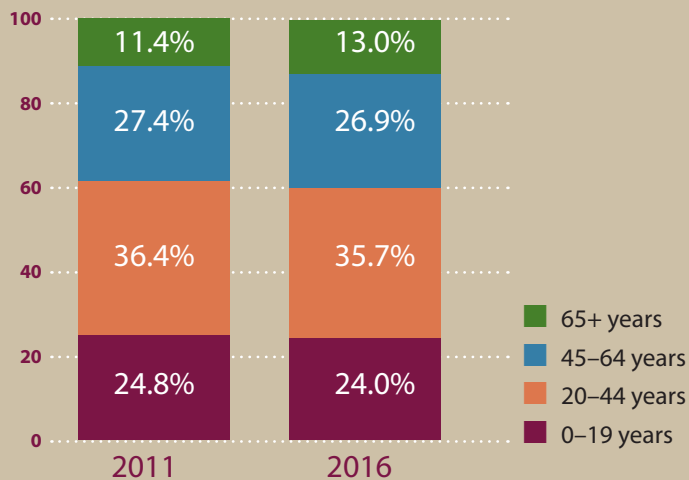
Number of VHFA homeownership loans since 1974



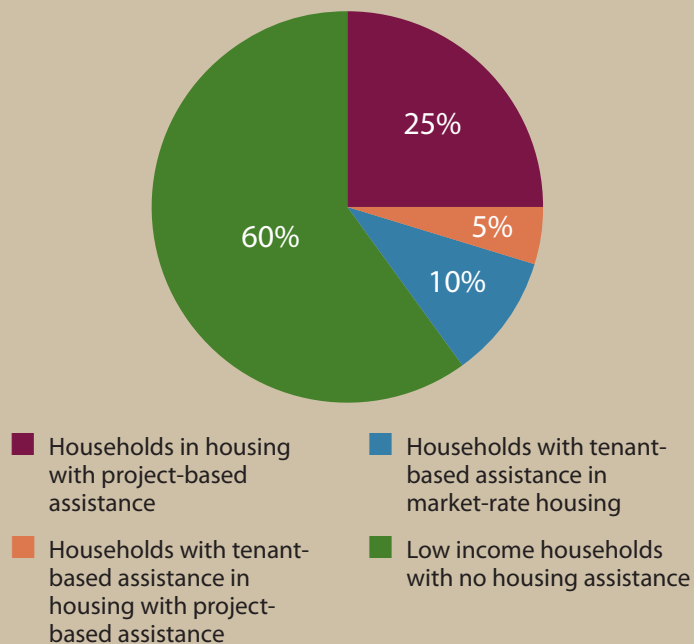
- less than 50 loans
- 50-99 loans
- 100-149 loans
- 150+ loans

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Percentage of population by age

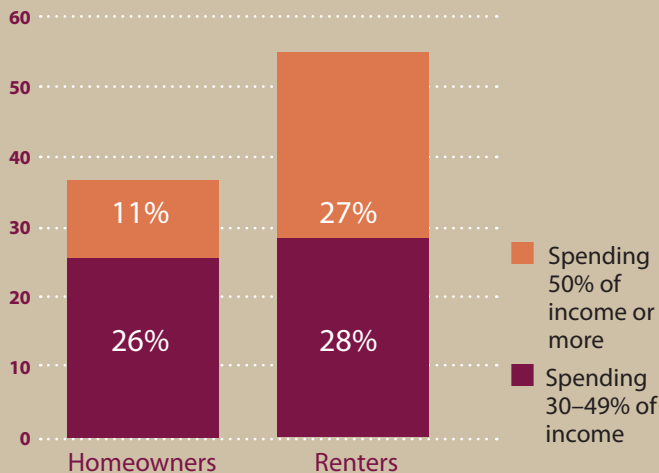


Lower income renter households receiving housing assistance

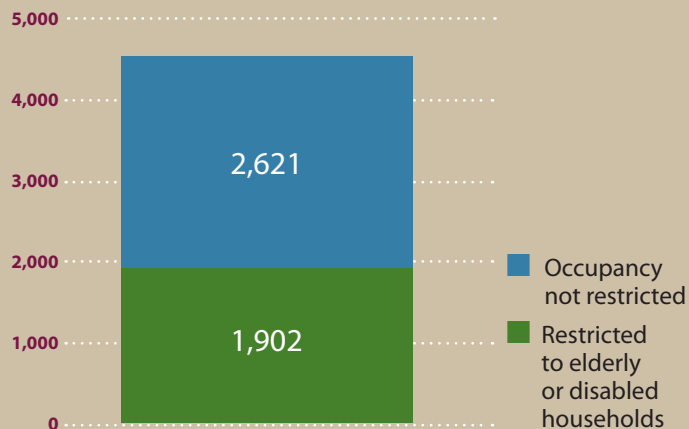


Total lower income renter households: **15,078**

Percentage of income spent on housing expenses



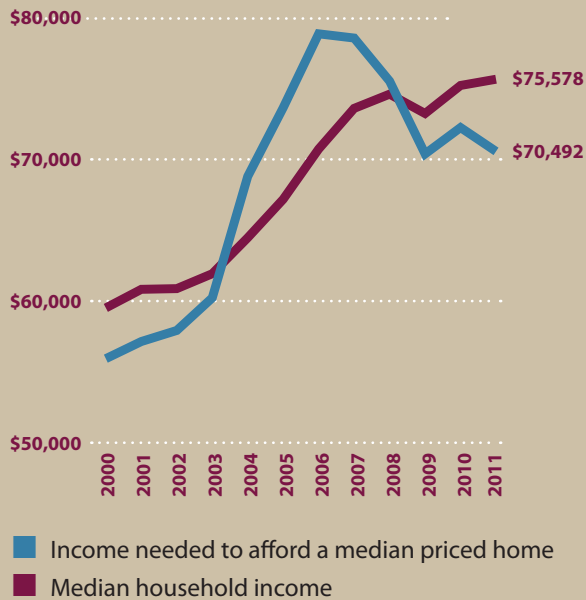
Subsidized rental units by tenant type



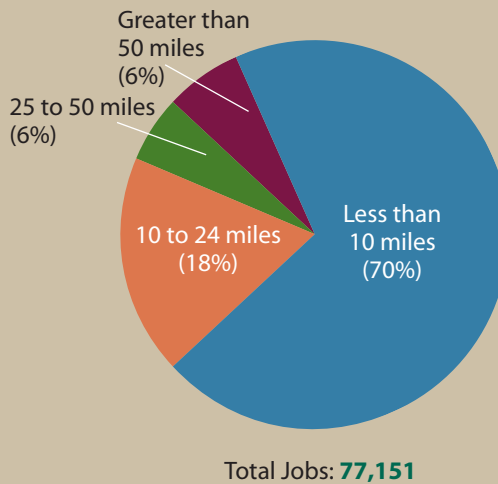
Tanuja, Nayana, and Joshua Scowcroft bought their Williston condo recently with the help of VHFA. "What we enjoy about living here is it has a small town feel but is still close to everything," Tanuja says. "We are so happy VHFA was able to make this happen for our family," she remarks.

Maura Collins

Affordability of buying a home



Distance to work

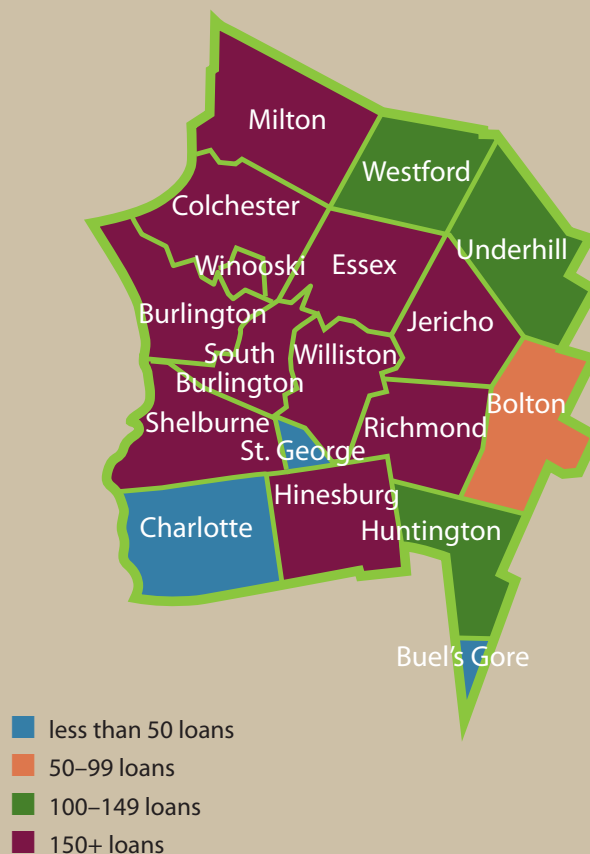


Number of people who are homeless counted one day in January



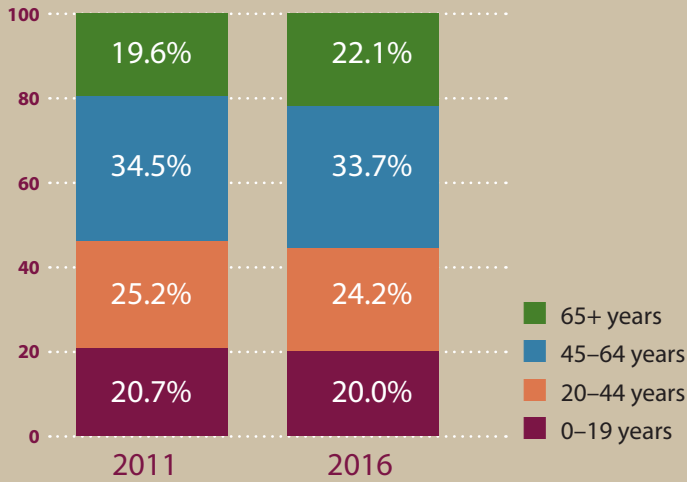
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Number of VHFA homeownership loans since 1974

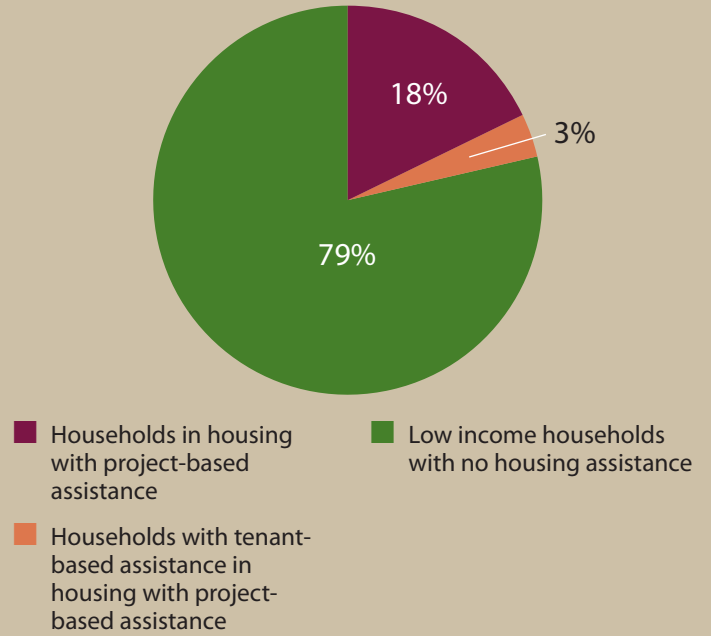


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Percentage of population by age

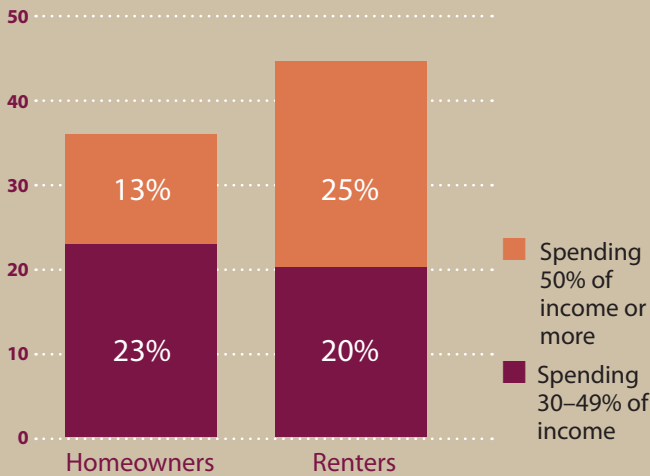


Lower income renter households receiving housing assistance

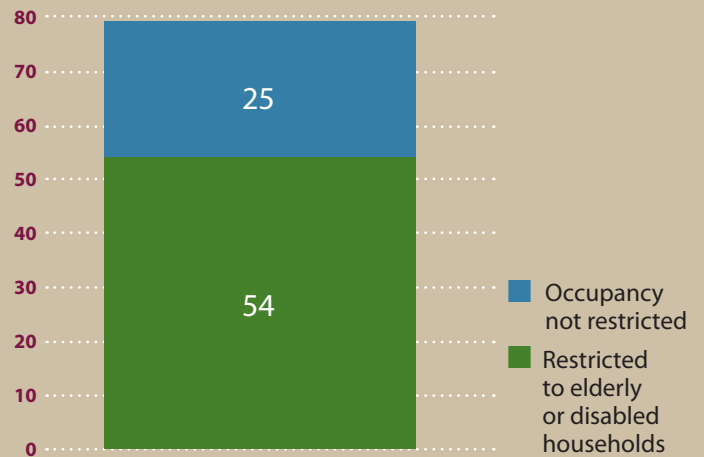


Total lower income renter households: **369**

Percentage of income spent on housing expenses

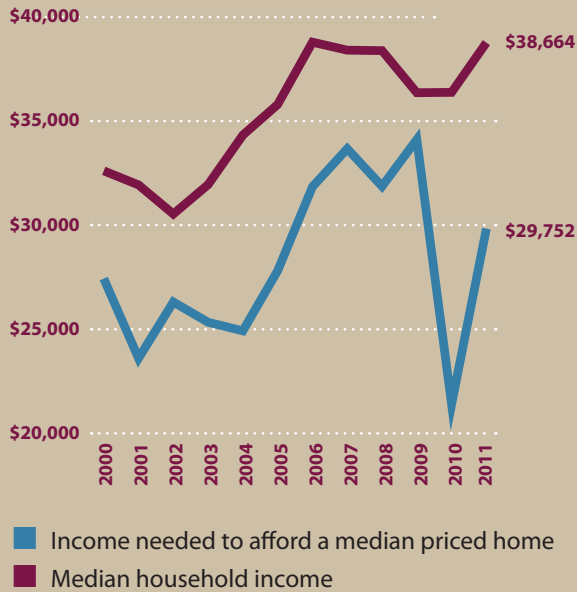


Subsidized rental units by tenant type

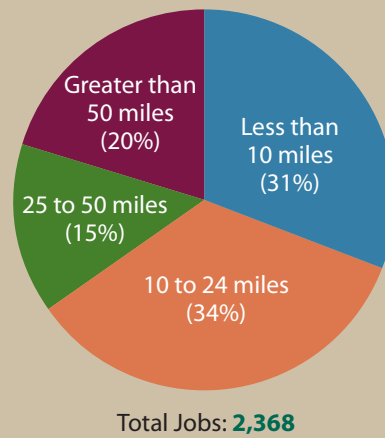


This single-family Lunenberg home was renovated and sold through Vermont's Housing Acquisition & Rehabilitation Program (HARP) administered by VHFA.

Affordability of buying a home

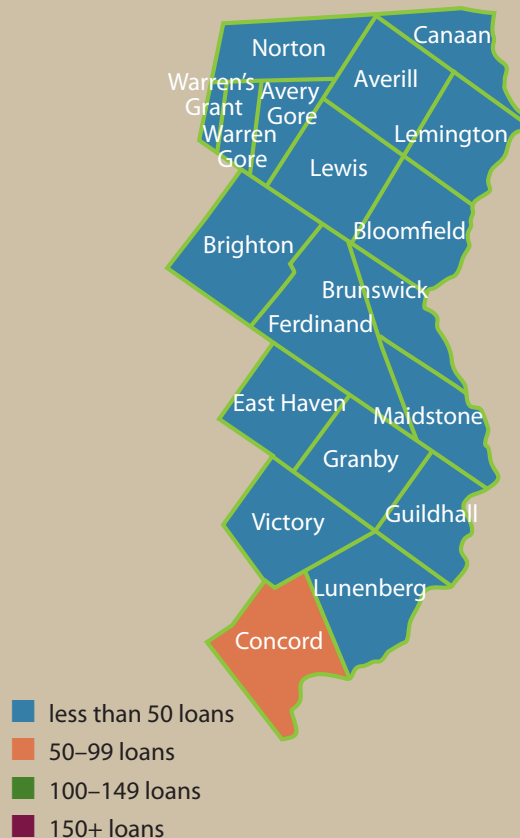


Distance to work



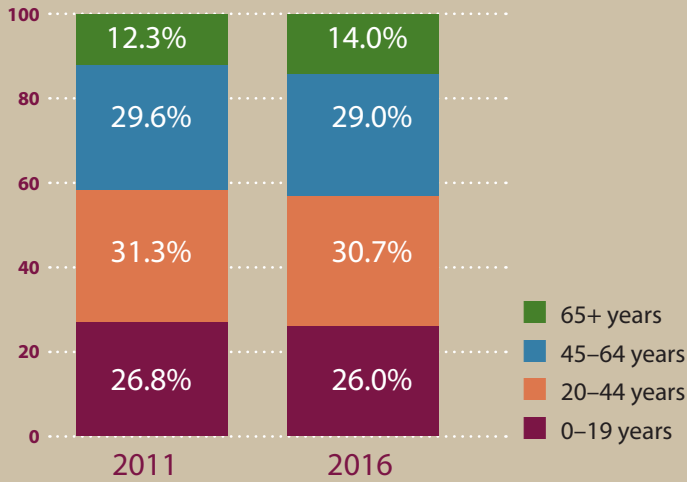
Essex County homeless data included in Caledonia County graph

Number of VHFA homeownership loans since 1974

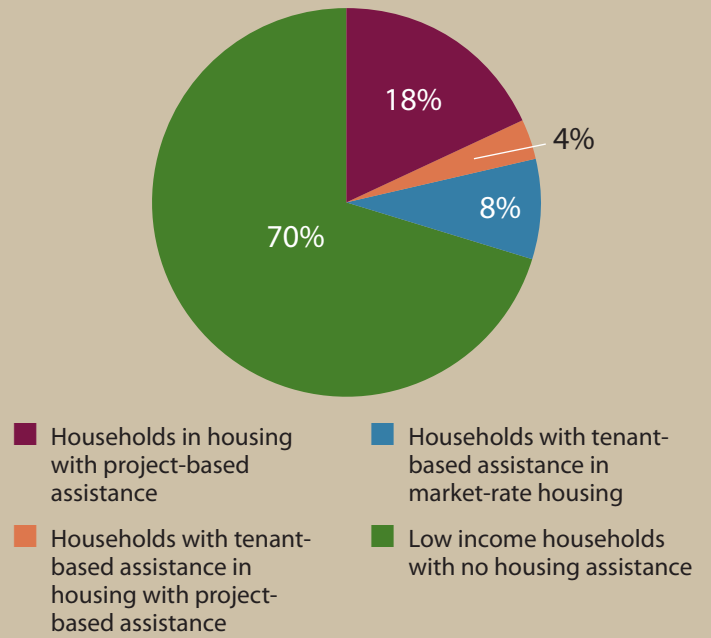


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Percentage of population by age

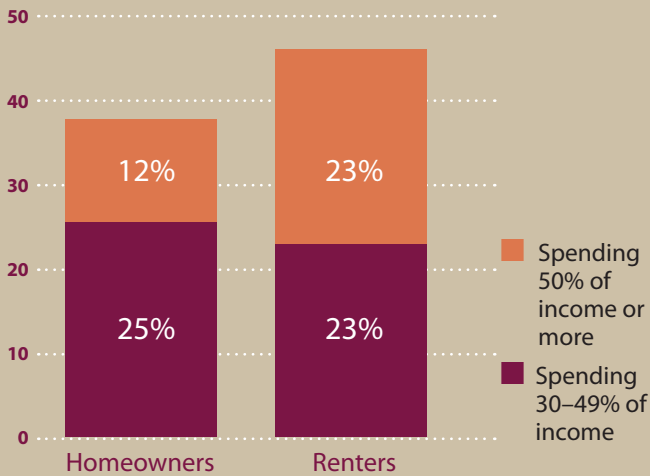


Lower income renter households receiving housing assistance

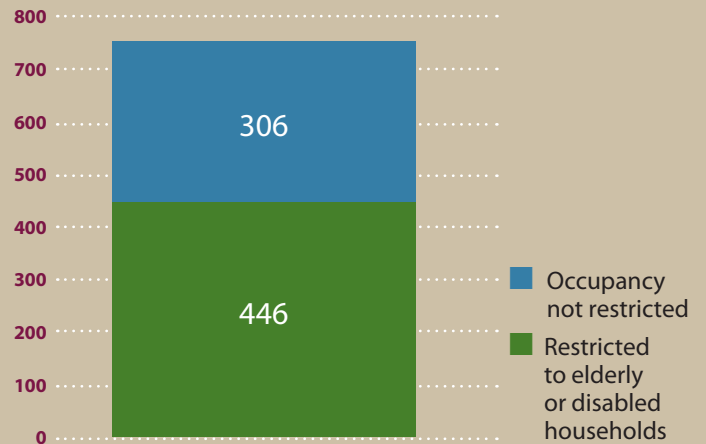


Total lower income renter households: **3,483**

Percentage of income spent on housing expenses

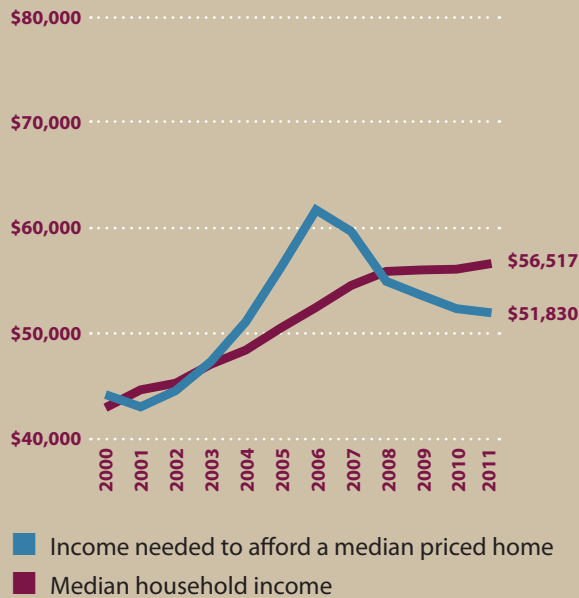


Subsidized rental units by tenant type

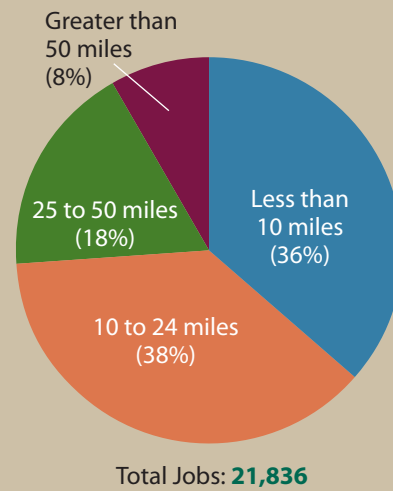


This historic St. Albans colonial was renovated through Vermont's Housing Acquisition & Rehabilitation Program (HARP) administered by VHFA and purchased by Meghan and Joseph Swan for their family of five.

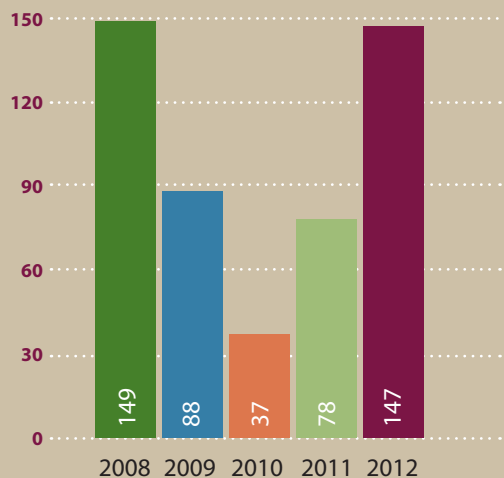
Affordability of buying a home



Distance to work

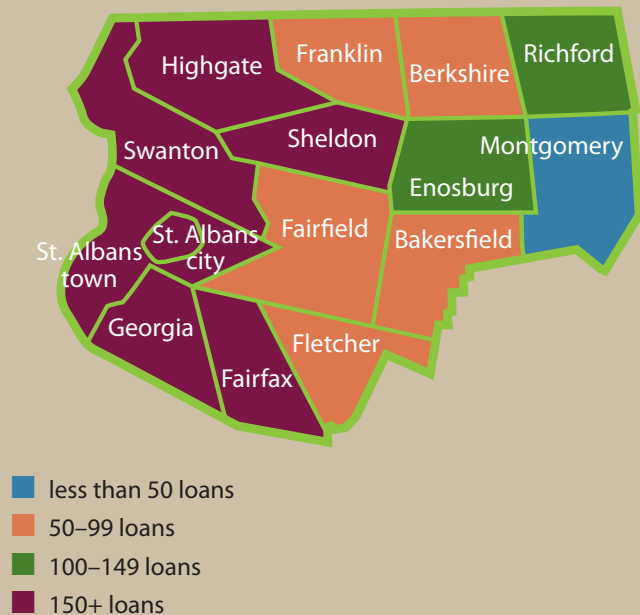


Number of people who are homeless counted one day in January



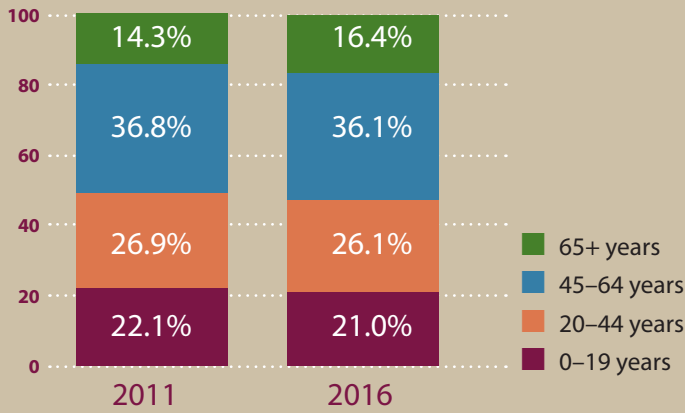
Because of changes to methodology and definitions, this count will show fluctuations year to year.

Number of VHFA homeownership loans since 1974

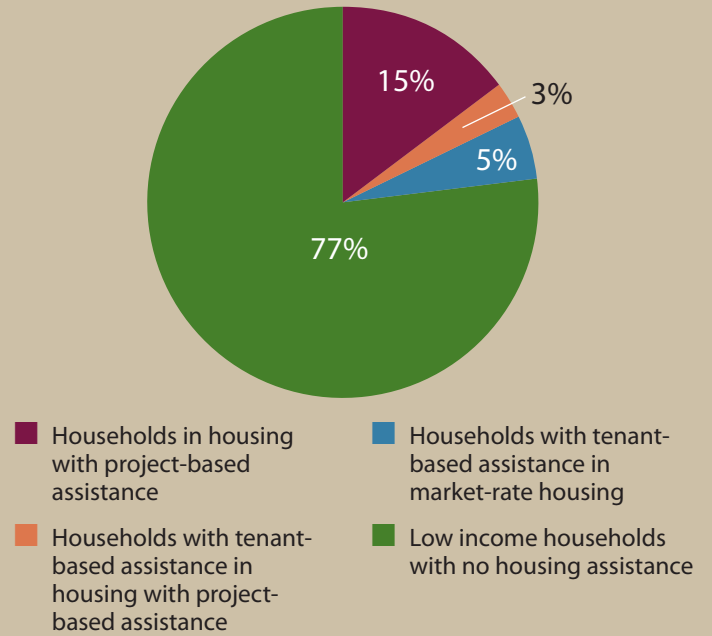


For a complete listing of the state's affordable **rental** housing (including properties financed or awarded Tax Credits by VHFA), go to www.housingdata.org.

Percentage of population by age

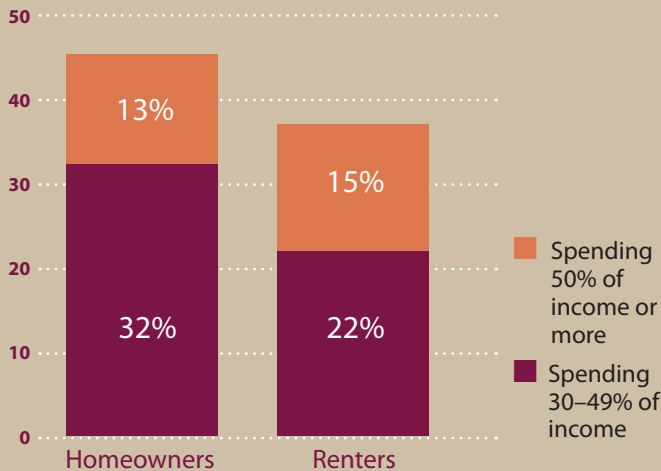


Lower income renter households receiving housing assistance

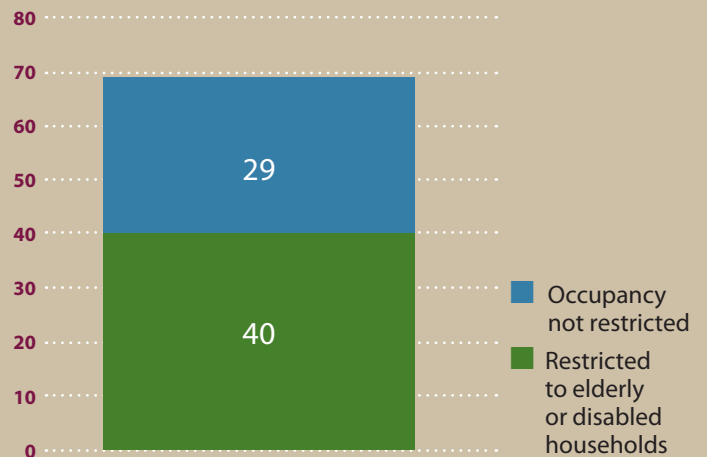


Total lower income renter households: **387**

Percentage of income spent on housing expenses

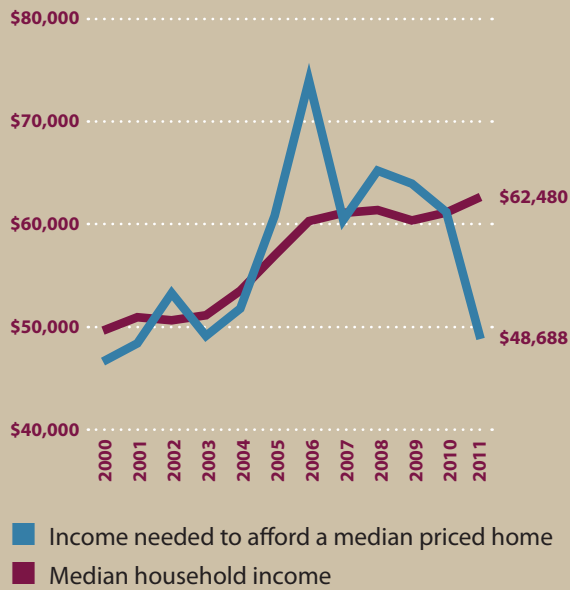


Subsidized rental units by tenant type

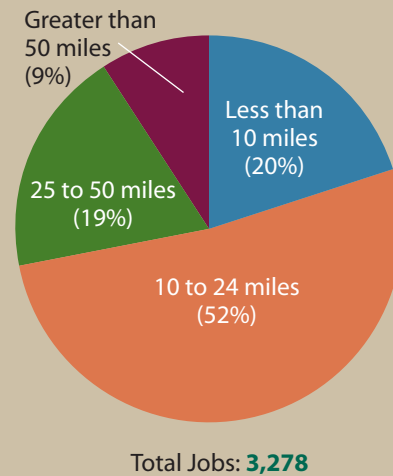


Island Housing in Grand Isle contains 15 units of affordable and market rate rental housing. VHFA provided Tax Credits to finance its construction costs.

Affordability of buying a home



Distance to work



Grand Isle County homeless data included in Franklin County graph

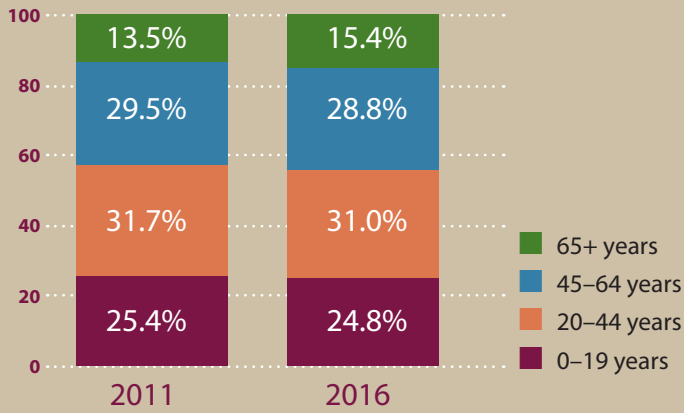
Number of VHFA homeownership loans since 1974



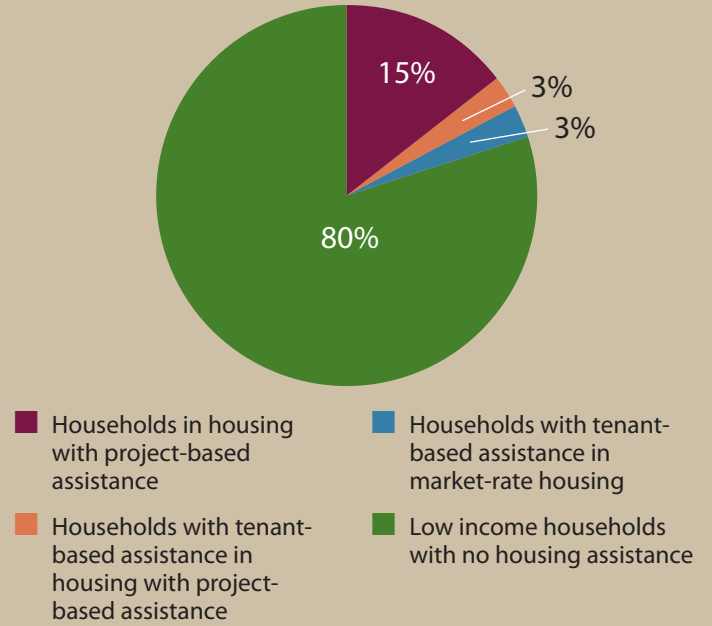
- less than 50 loans
- 50-99 loans
- 100-149 loans
- 150+ loans

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Percentage of population by age

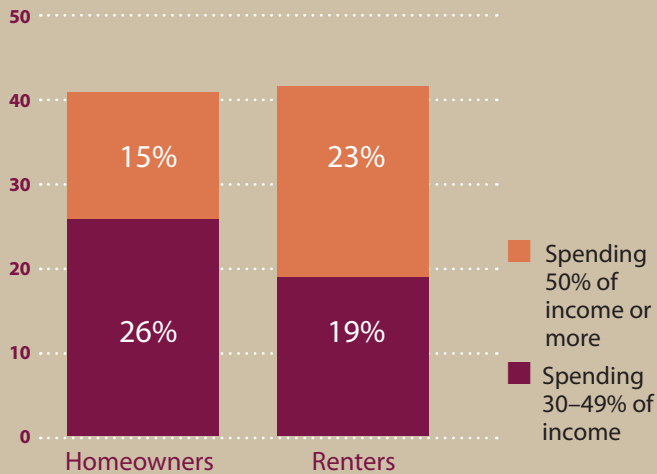


Lower income renter households receiving housing assistance

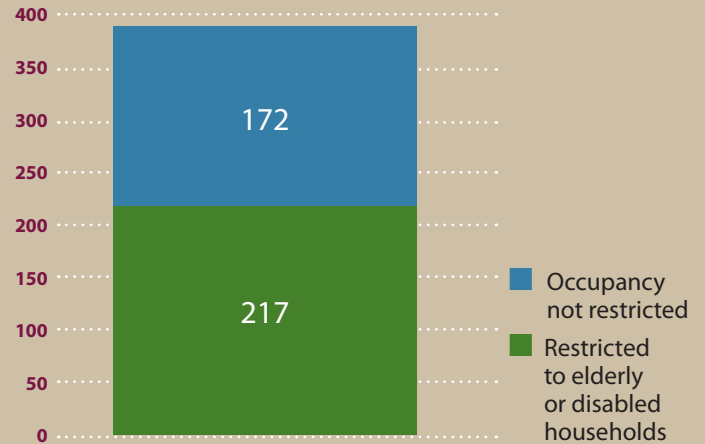


Total lower income renter households: **2,232**

Percentage of income spent on housing expenses

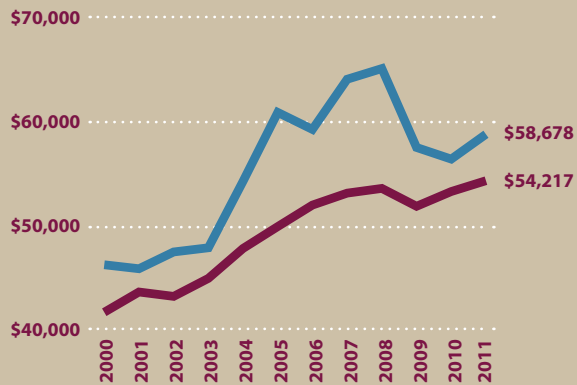


Subsidized rental units by tenant type



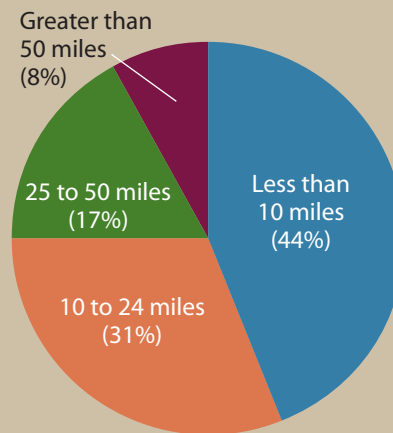
Leslie Whitaker and her family on the porch of the home they purchased in Stowe's Sylvan Woods neighborhood. VHFA provided tax credits to help make the 36 owner and rental homes in this neighborhood more affordable.

Affordability of buying a home



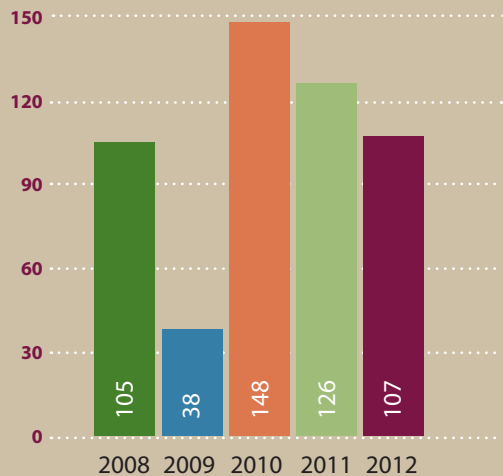
- Income needed to afford a median priced home
- Median household income

Distance to work



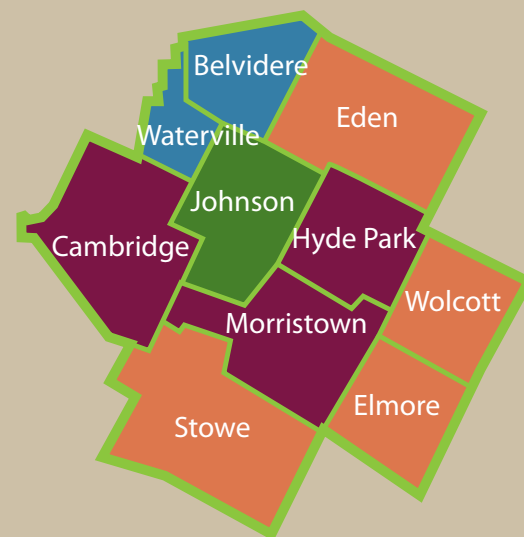
Total Jobs: **11,417**

Number of people who are homeless counted one day in January



Because of changes to methodology and definitions, this count will show fluctuations year to year.

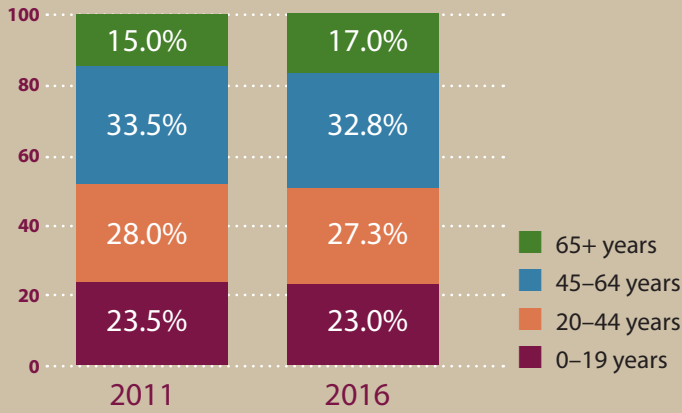
Number of VHFA homeownership loans since 1974



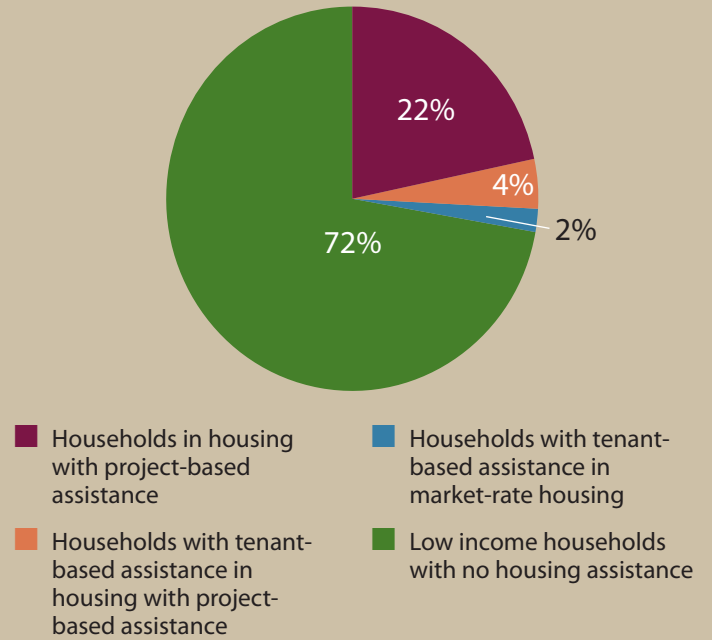
- less than 50 loans
- 50-99 loans
- 100-149 loans
- 150+ loans

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Percentage of population by age

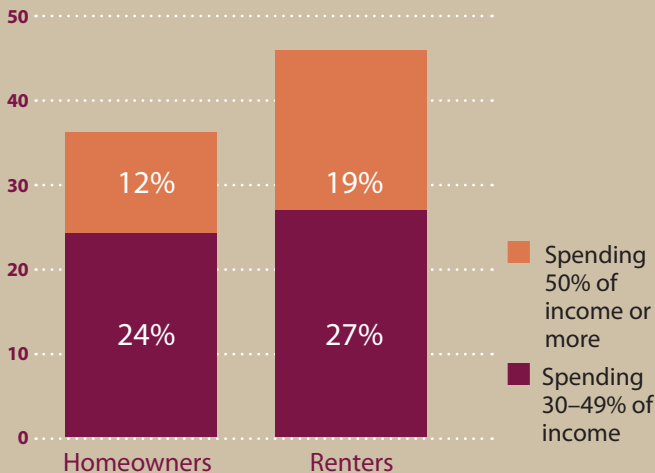


Lower income renter households receiving housing assistance

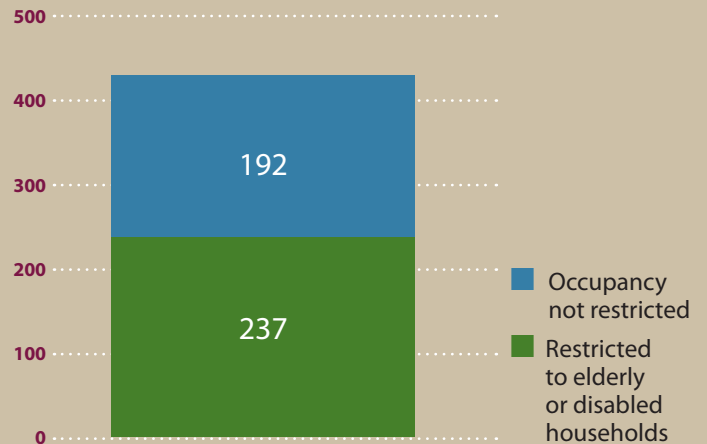


Total lower income renter households: **1,645**

Percentage of income spent on housing expenses

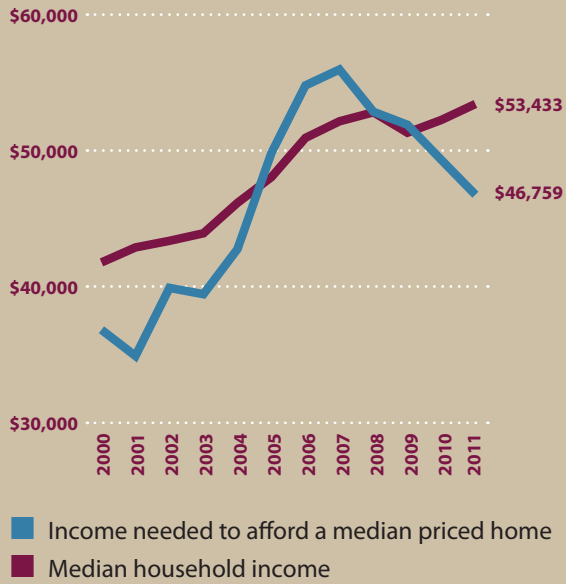


Subsidized rental units by tenant type

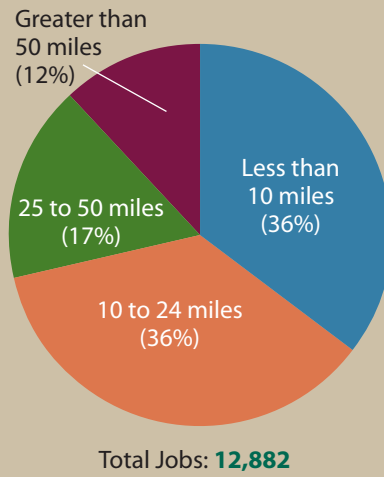


■ Randolph House's solar panels reduce this newly renovated 48-unit apartment building's annual operating costs. VHFA provided construction and permanent loans and a MacArthur Foundation loan during the building's development.

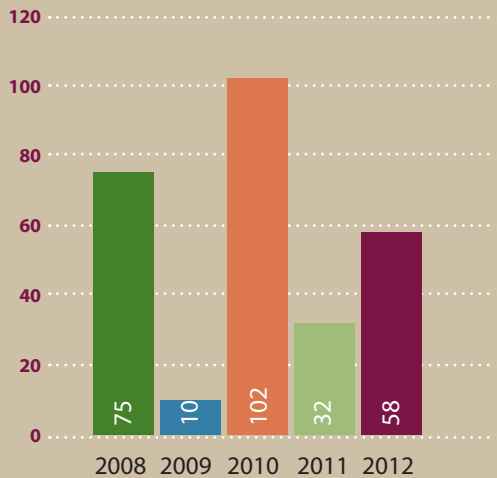
Affordability of buying a home



Distance to work

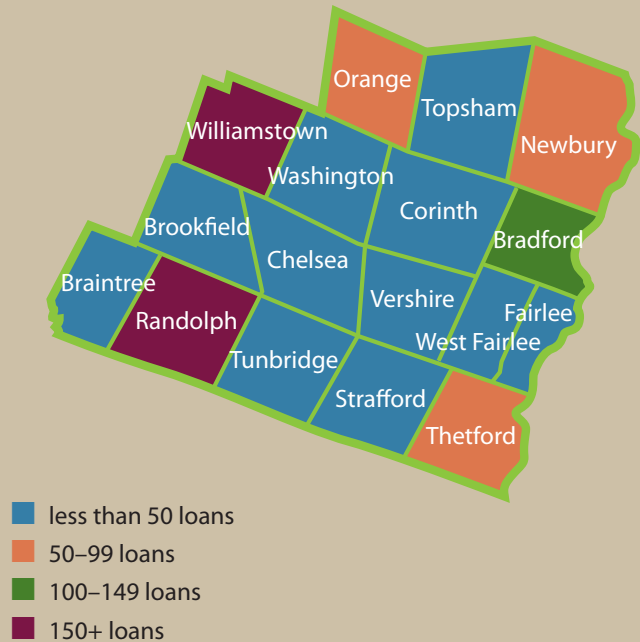


Number of people who are homeless counted one day in January



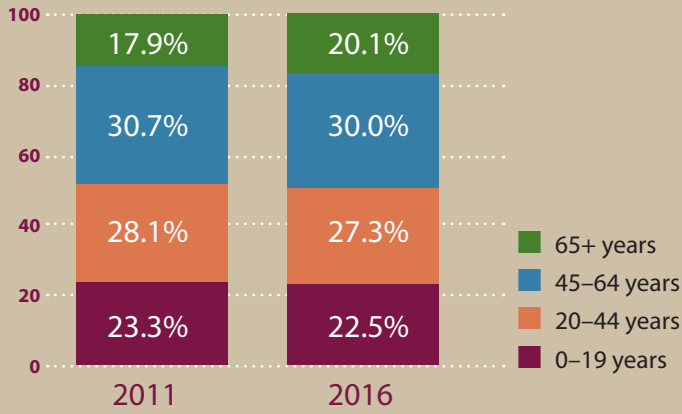
Because of changes to methodology and definitions, this count will show fluctuations year to year.

Number of VHFA homeownership loans since 1974

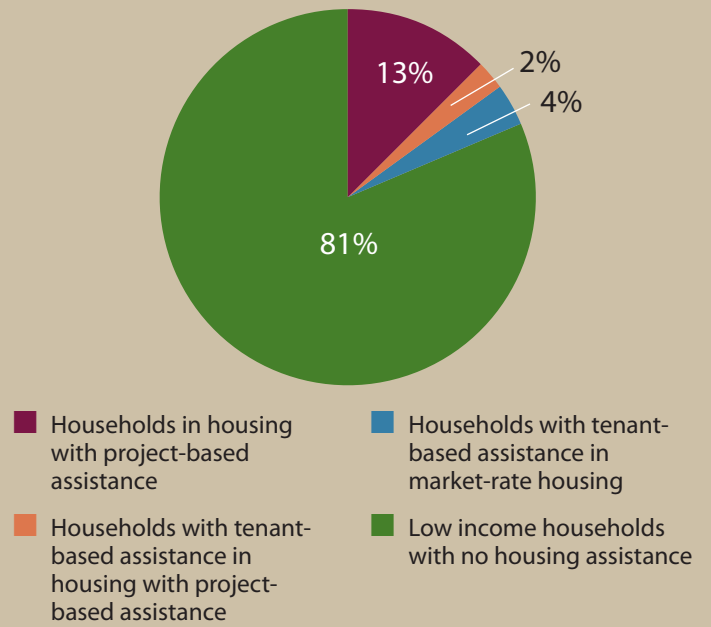


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Percentage of population by age

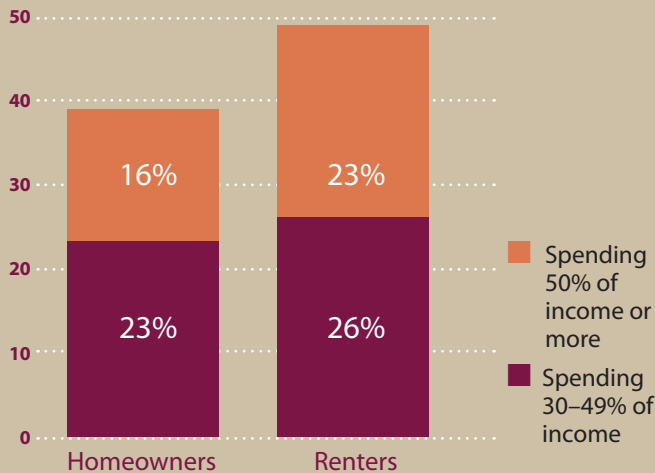


Lower income renter households receiving housing assistance

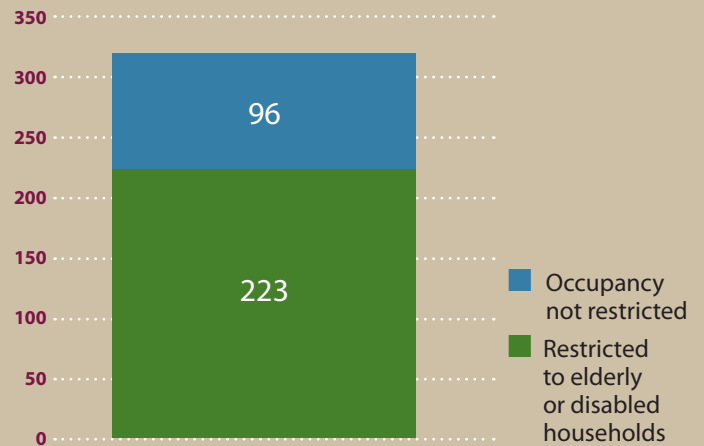


Total lower income renter households: **2,109**

Percentage of income spent on housing expenses

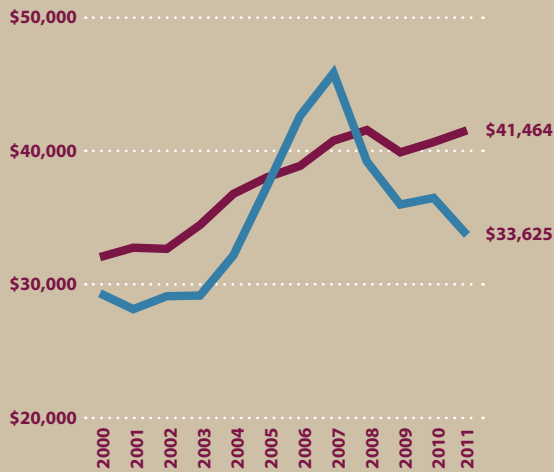


Subsidized rental units by tenant type



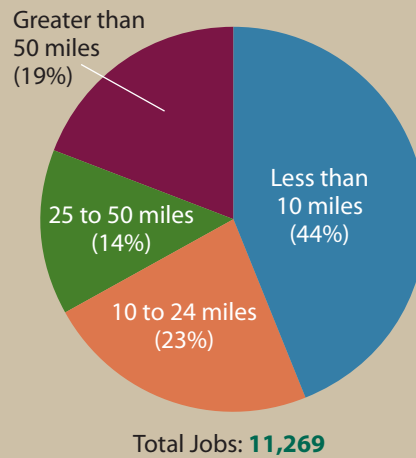
This single-family, owner home in the Barton-Orleans area was renovated through Vermont's Housing Acquisition & Rehabilitation Program (HARP) administered by VHFA.

Affordability of buying a home

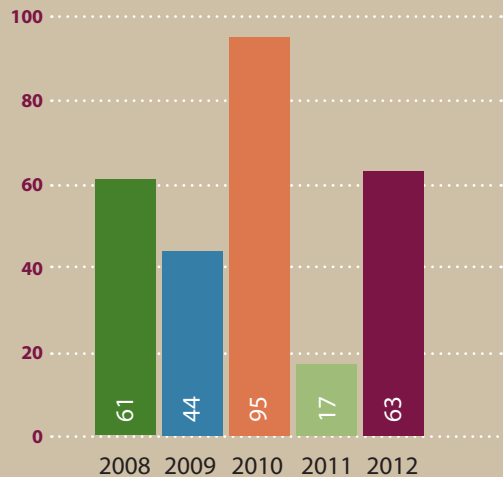


- Income needed to afford a median priced home
- Median household income

Distance to work

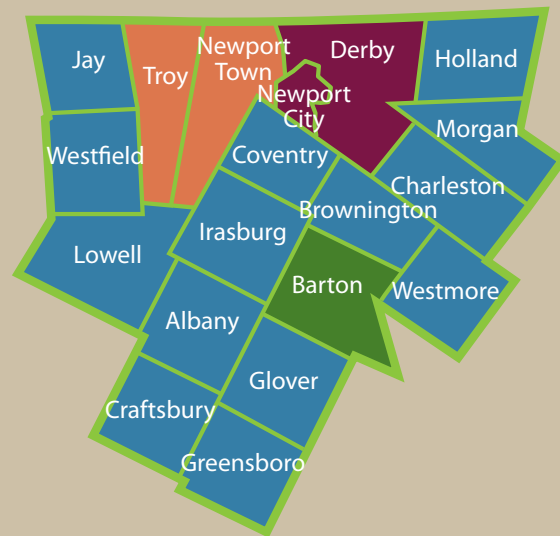


Number of people who are homeless counted one day in January



Because of changes to methodology and definitions, this count will show fluctuations year to year.

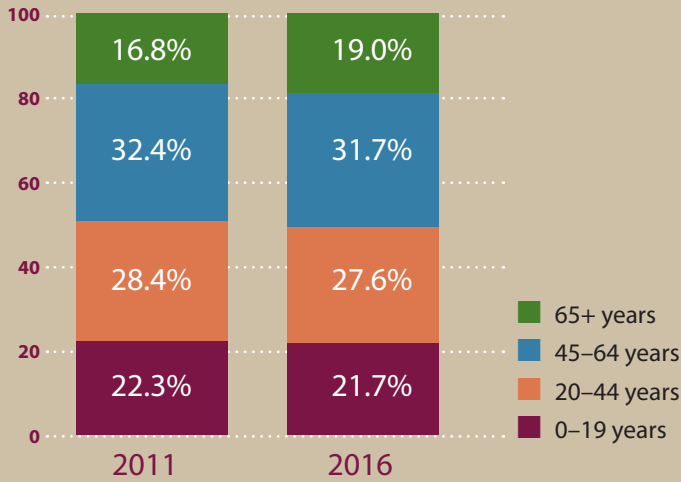
Number of VHFA homeownership loans since 1974



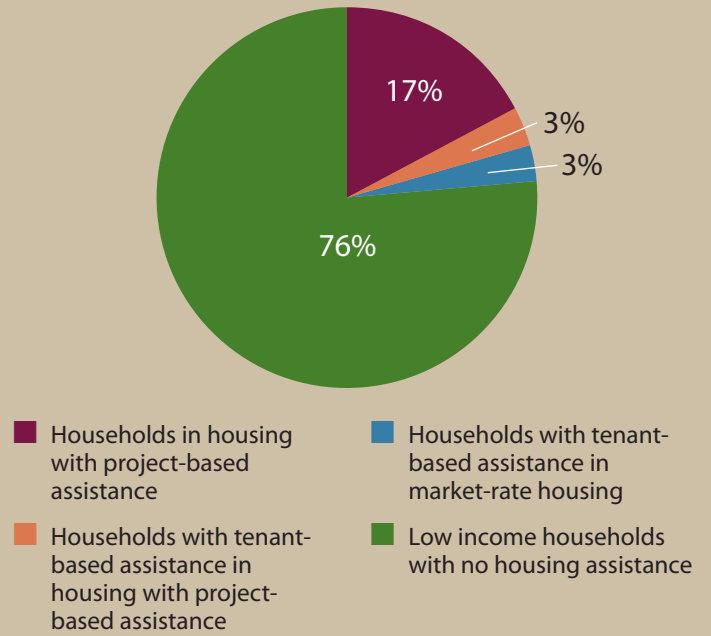
- less than 50 loans
- 50-99 loans
- 100-149 loans
- 150+ loans

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Percentage of population by age

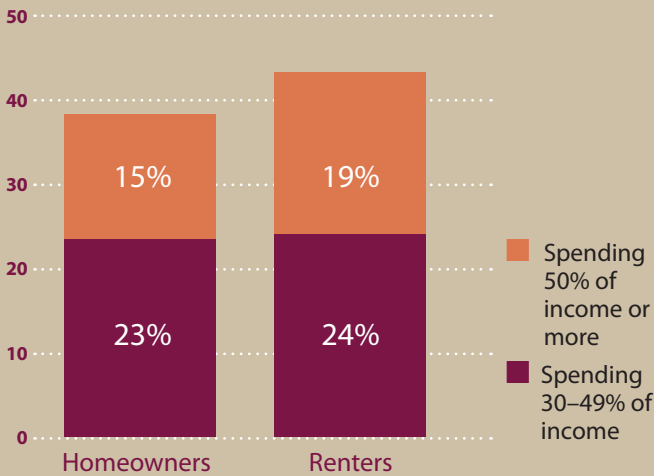


Lower income renter households receiving housing assistance

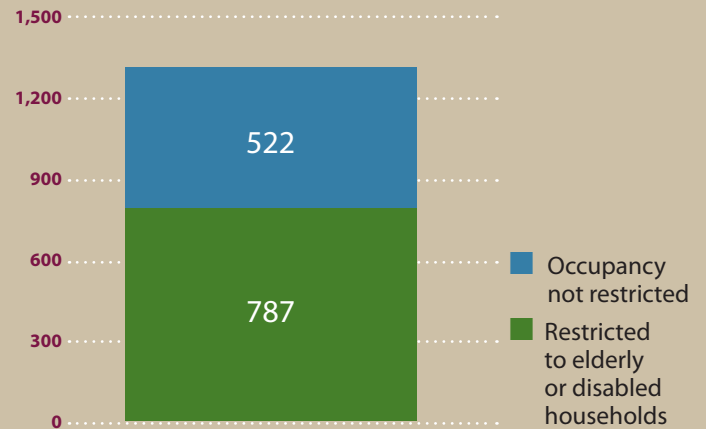


Total lower income renter households: **6,362**

Percentage of income spent on housing expenses

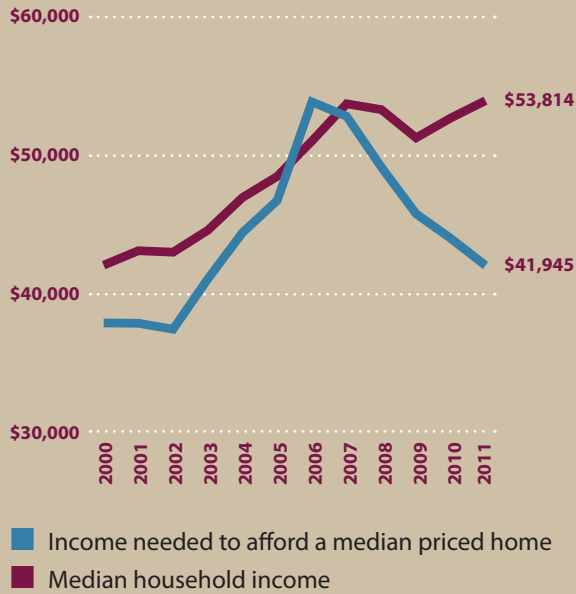


Subsidized rental units by tenant type

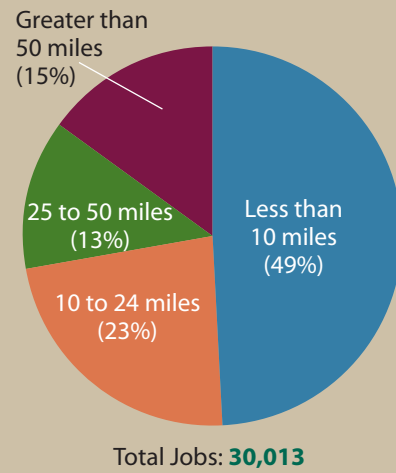


Renovations at BTS Thayer Housing in Brandon. VHFA provided allocated Tax Credits to convert this building in Park Village into 27 affordable apartments.

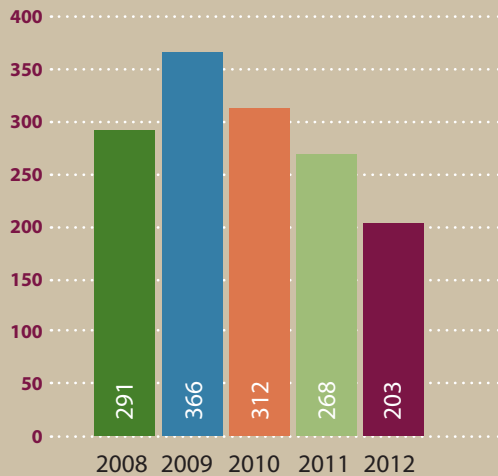
Affordability of buying a home



Distance to work

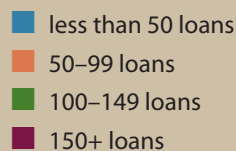
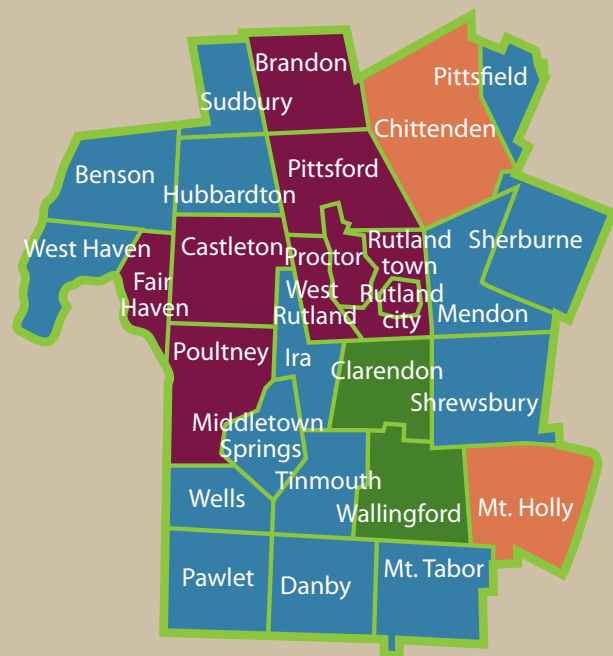


Number of people who are homeless counted one day in January



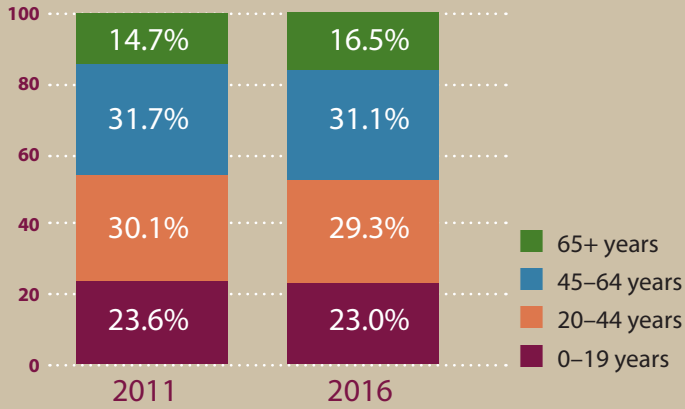
Because of changes to methodology and definitions, this count will show fluctuations year to year.

Number of VHFA homeownership loans since 1974

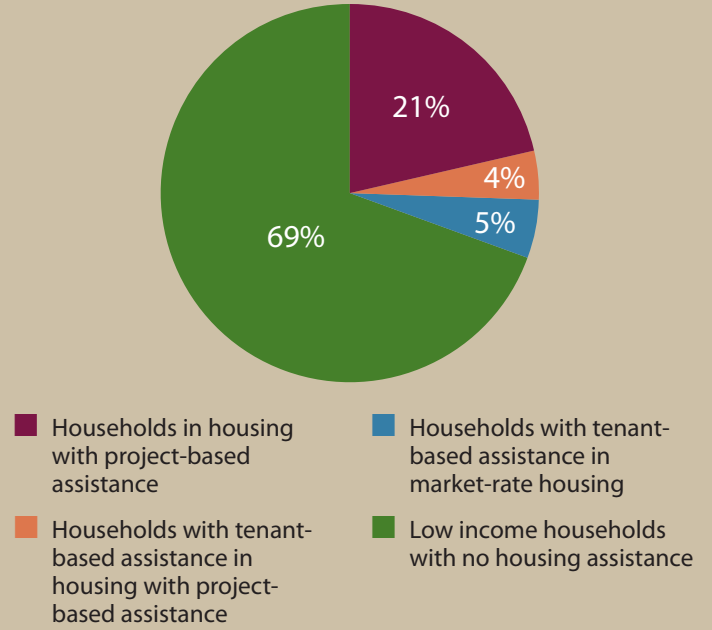


For a complete listing of the state's affordable **rental** housing (including properties financed or awarded Tax Credits by VHFA), go to www.housingdata.org.

Percentage of population by age

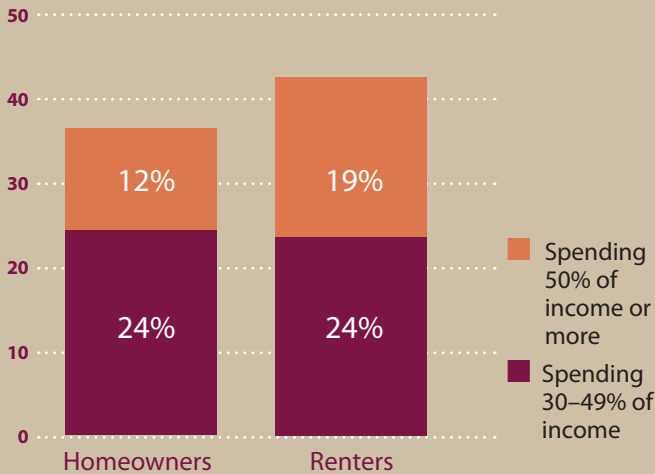


Lower income renter households receiving housing assistance

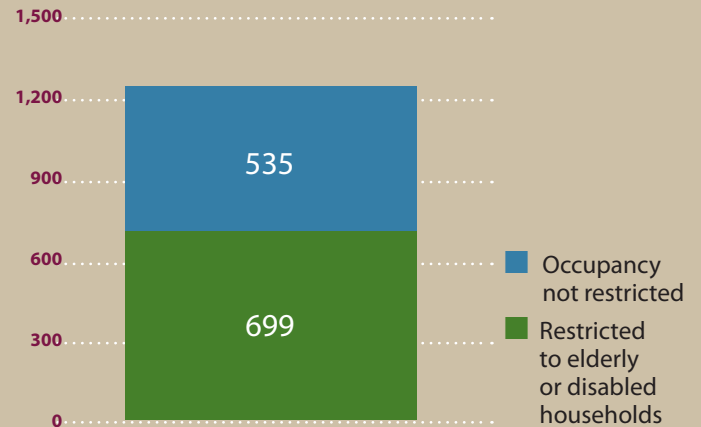


Total lower income renter households: **4,826**

Percentage of income spent on housing expenses

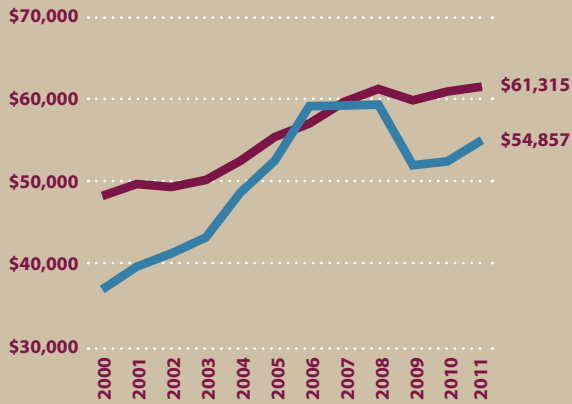


Subsidized rental units by tenant type



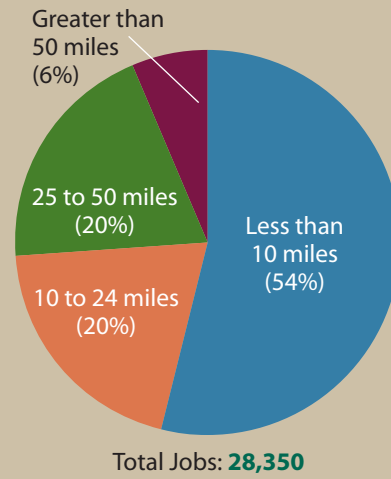
Solar panels atop the historic 58 Barre Street building that is now home to 14 elderly Montpelier households. Originally a school building, the recent renovations created affordable apartments as well as a senior community center. VHFA provided construction financing and bond Tax Credits.

Affordability of buying a home

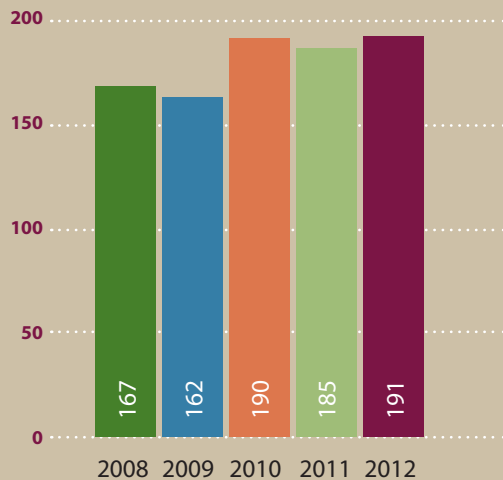


- Income needed to afford a median priced home
- Median household income

Distance to work

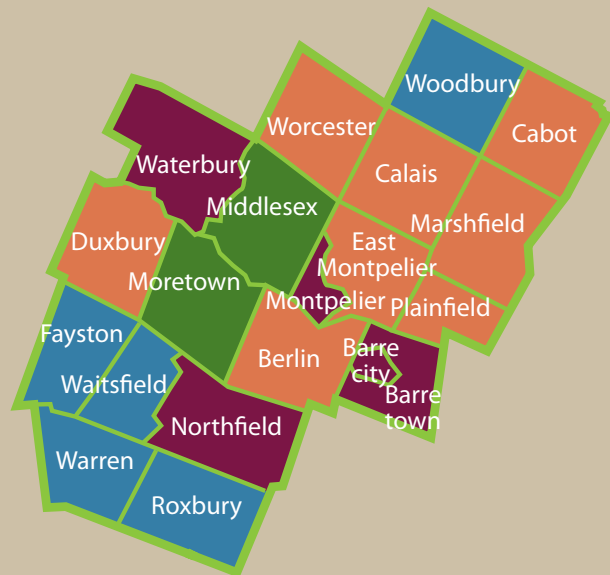


Number of people who are homeless counted one day in January



Because of changes to methodology and definitions, this count will show fluctuations year to year.

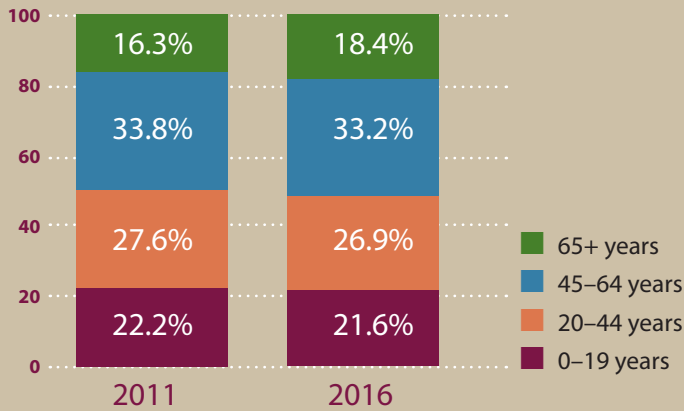
Number of VHFA homeownership loans since 1974



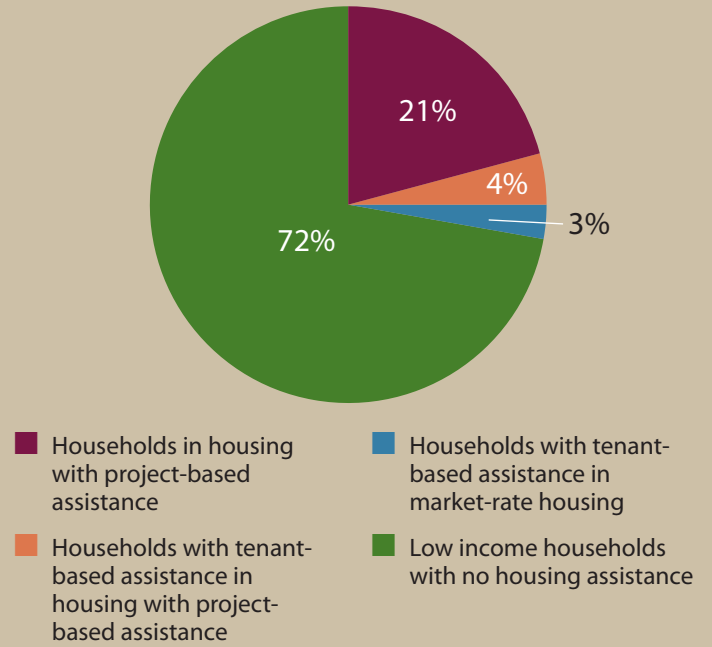
- less than 50 loans
- 50-99 loans
- 100-149 loans
- 150+ loans

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Percentage of population by age

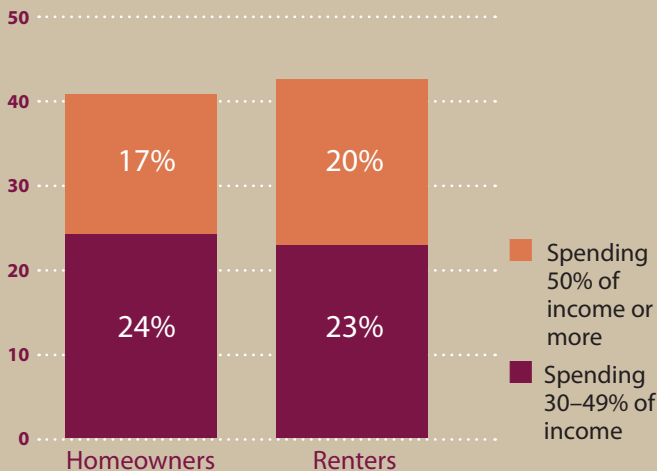


Lower income renter households receiving housing assistance

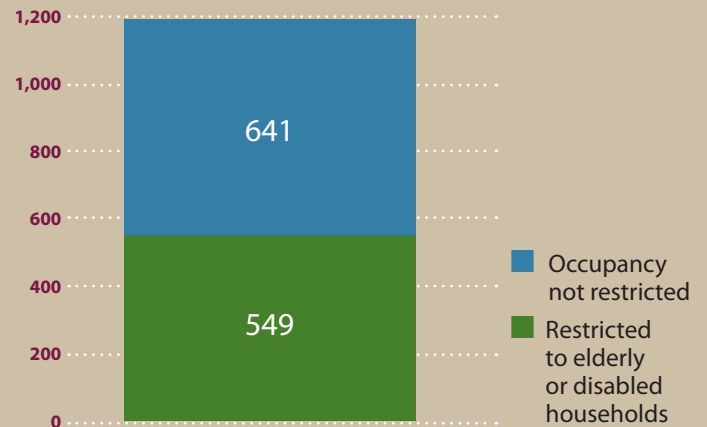


Total lower income renter households: **4,752**

Percentage of income spent on housing expenses

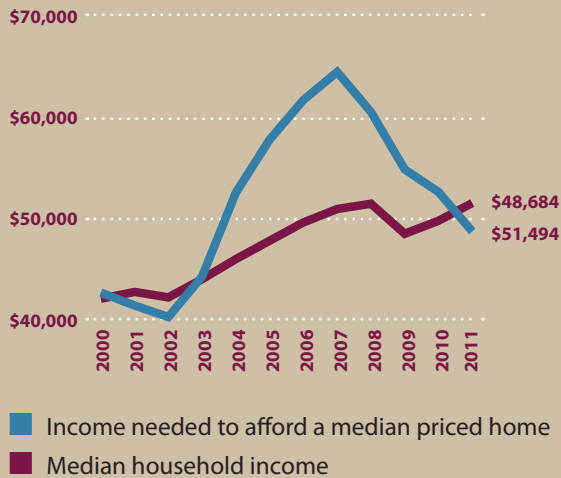


Subsidized rental units by tenant type

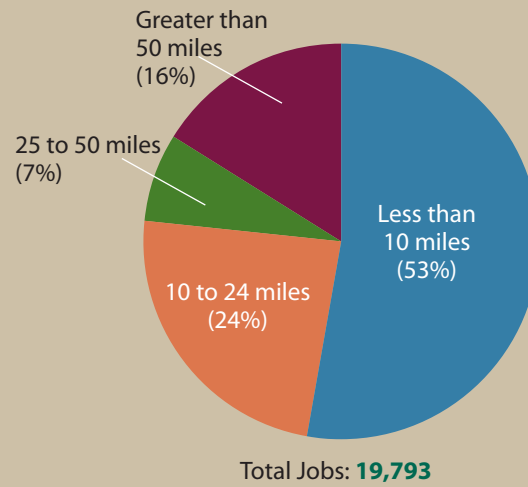


The recently constructed Canal and Main building in Brattleboro combines commercial space for the Brattleboro Food Co-op on the lower two floors with 24 units of affordable and market rate rental housing above. VHFA helped finance the residential construction (“Upper Story Housing”) through the Section 1602 Exchange and Tax Credit Assistance Program and through allocated Tax Credits.

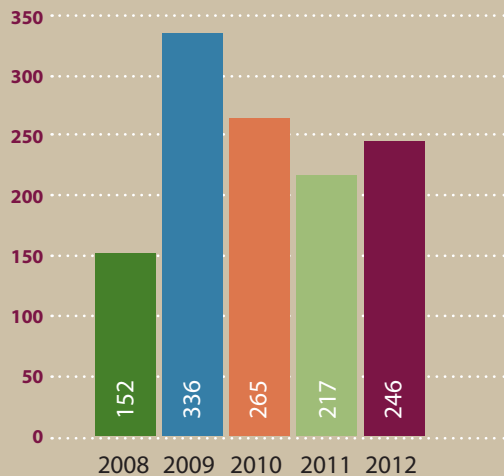
Affordability of buying a home



Distance to work

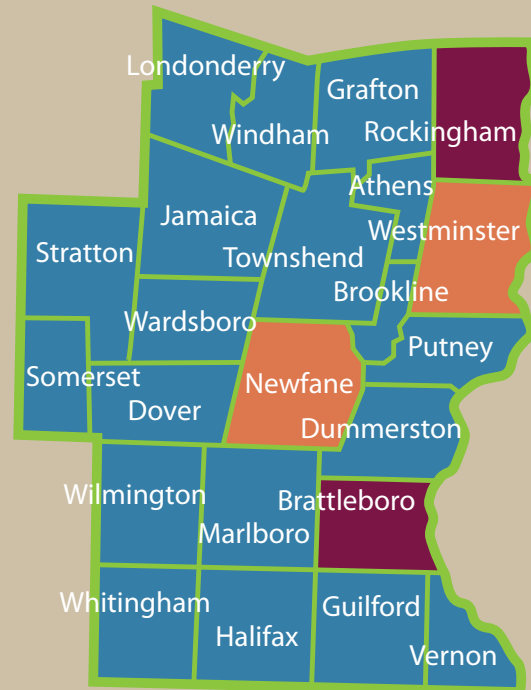


Number of people who are homeless counted one day in January



Because of changes to methodology and definitions, this count will show fluctuations year to year.

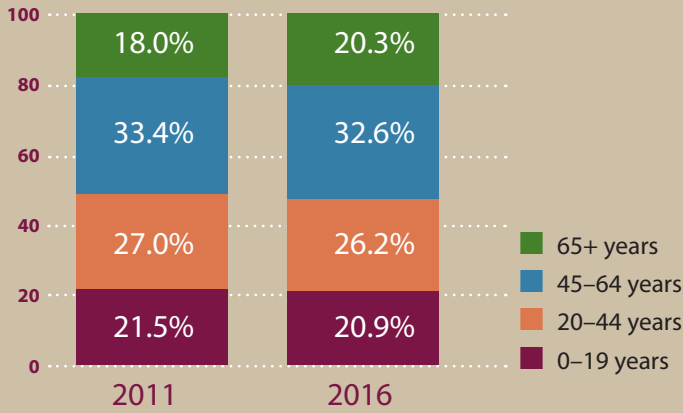
Number of VHFA homeownership loans since 1974



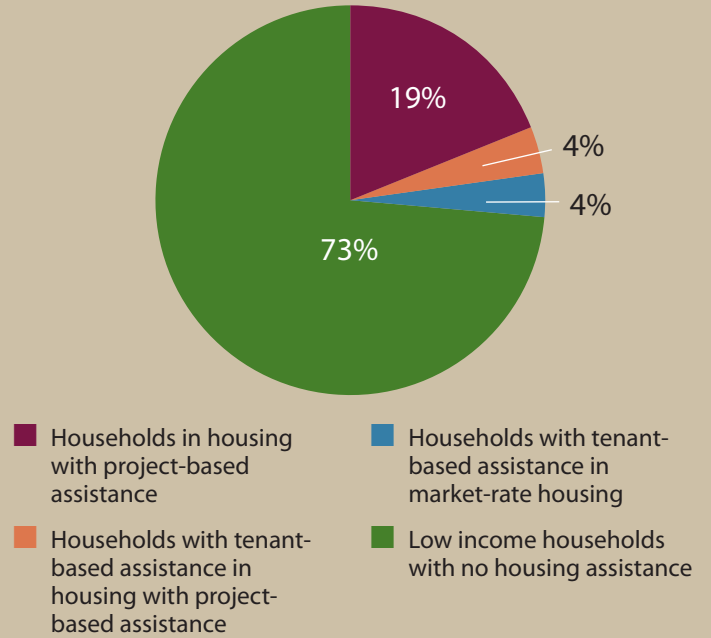
- less than 50 loans
- 50-99 loans
- 100-149 loans
- 150+ loans

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Percentage of population by age

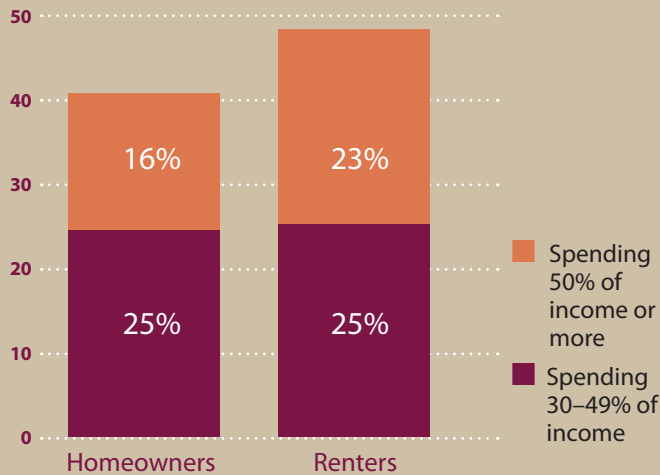


Lower income renter households receiving housing assistance

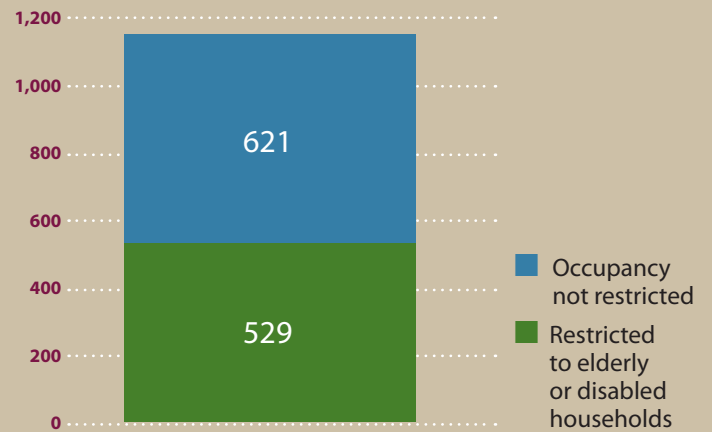


Total lower income renter households: **5,032**

Percentage of income spent on housing expenses



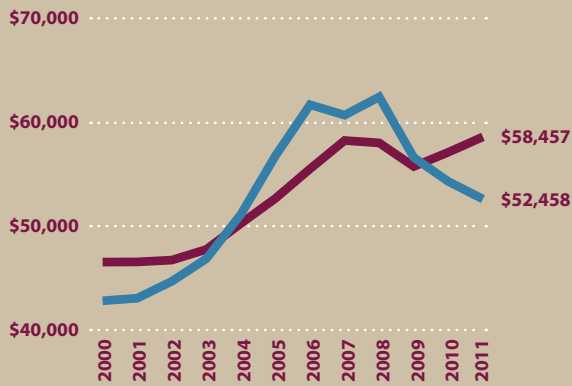
Subsidized rental units by tenant type



In October 2011, VHFA staff assembled household items and gift cards into baskets for five families in Stockbridge whose homes were damaged by Tropical Storm Irene.

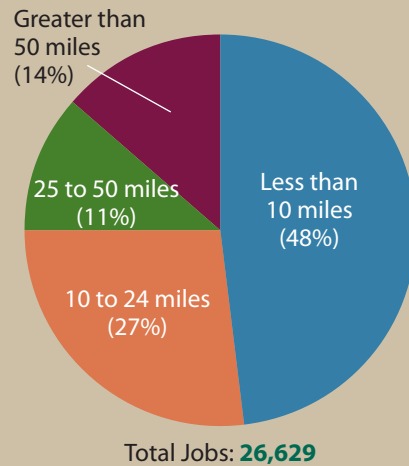
Leslie Black-Plumeau

Affordability of buying a home

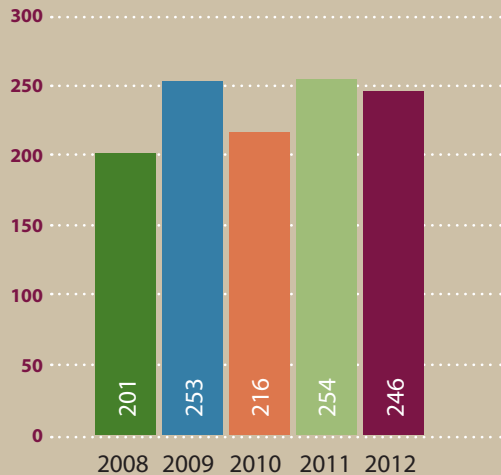


■ Income needed to afford a median priced home
 ■ Median household income

Distance to work

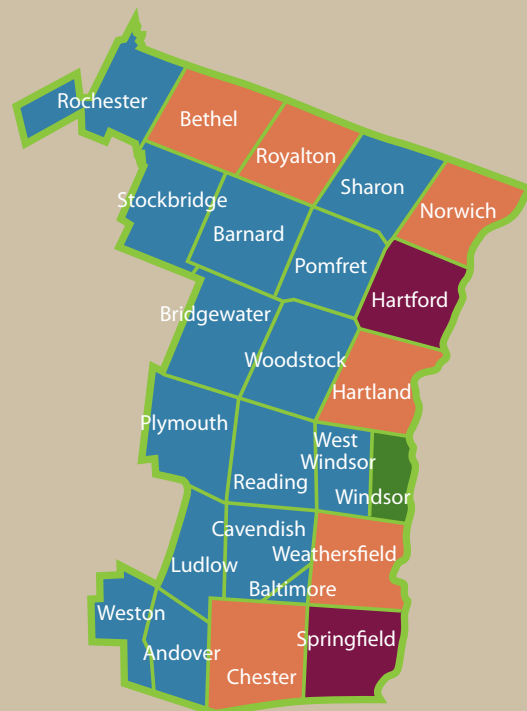


Number of people who are homeless counted one day in January



Because of changes to methodology and definitions, this count will show fluctuations year to year.

Number of VHFA homeownership loans since 1974



■ less than 50 loans
 ■ 50-99 loans
 ■ 100-149 loans
 ■ 150+ loans

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VHFA Homeownership Activity



Village Glen homes in Middlebury financed with state Housing Credits and construction financing from VHFA.

Josh Slade

Percentage of Area Median Income	Percentage of VHFA Borrowers
Less than 50%	11%
50.1 to 80%	45%
80.1 to 100%	27%
More than 100%	17%

VHFA's average borrower profile	
Income	\$55,285
Mortgage amount	\$148,158
Home price	\$157,296

Program	Purchases	Loan Volume
Conventional	88	\$12,234,076
Government Guaranteed	176	\$26,742,678
Direct Home Loan	1	\$150,200
Total	265	\$39,126,954

Homeownership development loan and state tax credit activity

Project Name	Town	Units	VHFA Short-term / Construction Loan	State Housing Credits
Village Glen	Middlebury	2	\$300,000	◆
Village Haven	Essex Junction	1		\$20,000

Dollar figures indicate activity in FY2012 ◆ Activity in a prior FY

The Interest on Real Estate Trust Account (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 the financial institutions are required to remit the interest made to Vermont Housing Finance Agency for use in its homeownership programs.

For 20 years, funds from the proceeds of IORTA have been dedicated to VHFA for homeownership mortgage

downpayment or closing cost assistance. During that time, more than **1,007 loans** have been assisted with IORTA funds.

■ Funds VHFA received in FY12 from IORTA accounts (i.e. deposits): **\$37,080**. These funds will provide assistance to HomeOwnership Center buyers with downpayment or closing costs.

■ Balance of IORTA funds in VHFA's accounts as of June 30, 2011: **\$123,553**.

IORTA Funds County Volume

■ Addison	\$5,984,620	■ Franklin	\$6,864,428	■ Rutland	\$9,863,794
■ Bennington	\$2,780,708	■ Grand Isle	\$982,785	■ Washington	\$7,095,510
■ Caledonia	\$12,278,405	■ Lamoille	\$2,477,830	■ Windham	\$4,455,766
■ Chittenden	\$17,416,011	■ Orange	\$1,981,906	■ Windsor	\$7,718,799
■ Essex	\$1,635,350	■ Orleans	\$9,292,540	■ Total	\$88,743,369

VHFA Multifamily Loan Program and Housing Credit Activity

- Through funding for **10 projects** in the state, VHFA facilitated the creation or rehabilitation of 849 affordable rental housing units this year.
- The Agency provided long term fixed rate financing totaling **\$21 million** to eight projects.
- The Agency provided **\$13.7 million** in construction short term financing to five projects. Another **\$100,000** was loaned to Northgate Apartments in Burlington through the MacArthur Foundation.
- Allocated Housing Credits in the amount of **\$3.6 million** were awarded to **eight projects**, generating **\$31 million** in equity investments to help create these housing units.
- Over **\$200,000** in Bond Housing Credits were awarded to **three projects** which used tax exempt bond financing, generating **\$1.7 million** in equity investment.
- The multifamily housing financed by VHFA in FY12 created an estimated **\$200.9 million in economic activity** across the state by creating and sustaining jobs and generating income for Vermont workers and businesses.



Renovations of the Holy Angels building which provides 31 units of senior housing in St. Albans, thanks to a permanent loan from VHFA.

Project Name	Town	Units	Short-term / Construction Loan	Permanent Loan	MacArthur Loan	Bond Housing Credits	Allocated Housing Credits	State Housing Credits
Abenaki Acres	Swanton	12	■	■		■		■
Allen Canal	Winooski	17		■		◆		
Arthur's Main Street Housing	Morrisville	18					■	■
Black River Overlook	Ludlow	25		◆			■	■
Bobbin Mill Apartments	Burlington	51		◆			■	■
Cedars Edge Apartments	Essex Junction	30	■				◆	■
Graystone Village (senior)	White River Junction	34	■	■		■		
Harrington Village	Shelburne	42					■	■
Hickory Street Phase II	Rutland	23					■	◆
Highgate Apartments	Barre	120	◆	■			◆	◆
Holy Angels Apartments (senior)	St Albans	31		■				
Northgate Apartments	Burlington	336		■	■		◆	
Packard Lofts	Burlington	25	■			■		■
Thayer BTS Housing	Brandon	27					■	
West River Valley Assisted Living Phase II (senior)	Townshend	12					■	
Westminster Family Housing	Westminster	9		■				
Wharf Lane	Burlington	37	■	■	◆		■	■

■ Activity in FY2012

◆ Activity in a prior FY

Agency Accomplishments

■ New web resource

In August 2011, VHFA launched a new resource for the state: Vermont Rental Housing Codes website at www.rentalcodes.org. This site provides guidance on the health and safety standards that existing rental housing in Vermont must meet. It outlines the legal rights and responsibilities of landlords and tenants throughout the rental process and explains the standards that municipalities and town health officers should enforce when inspecting rental housing. The site was developed as an outgrowth of a study committee established by the 2008 Legislature's Act 176 establishing a safe rental housing study committee, which Sarah Carpenter, Executive Director, chaired.

■ Launched common tenant application

Supportive service agencies who work with low income Vermonters asked if the various affordable housing properties would consider creating a single housing application for tenants, to relieve some time and energy spent filling out multiple applications, many of which request the same information. Because of the unique funding program governing each housing property, this was a lofty goal, but one confirmed by the Governor at a June 2011 Homelessness Summit as a tool for improving the accessibility of affordable housing. VHFA championed this effort and worked with the Vermont Housing Managers Association to create a single application that would work for hundreds of existing housing properties statewide. We launched this on our Directory of Affordable Rental Housing online (www.housingdata.org/doarh) and began requiring it of newly funded projects starting in 2012. We continue to advocate for more housing developments to embrace this tool.

■ Agency awarded for wellness and giving

Yet again VHFA won an award through the Worksite Wellness Program from the Vermont Governor's Council on Physical Fitness and Sports. This fiscal year there were several initiatives the Agency sponsored to help promote wellness among staff, including the development of an Wellness Intranet site; discounted gym memberships and other wellness-based programs; promotion of health assessments; creation of wellness bulletin boards encouraging health life styles choices and exercise; complementary flu shot clinic and access to an employee assistance program; and implementation of a program geared toward improving staffs' mental wellness.

Additionally, VHFA again won the President's Award from the United Way of Chittenden County which recognizes campaigns where more than 80% of staff participate with gifts of at least \$75 per person. VHFA has won this award annually since at least 2003, showing the long standing commitment staff has to the United Way.

■ Increasing the efficiency of agency programs

In anticipation of the expiration of several HUD contracts for small properties located in a Burlington neighborhood, VHFA sought and gained HUD's approval to combine them into two contracts. This will greatly improve the efficiency and cost involved in administering what were previously six separate HAP Contracts by owners, managers, HUD and VHFA. Working closely with the Burlington Housing Authority and HUD, VHFA's request was approved and is now being implemented.

Homeownership staff has been reviewing internal procedures, evaluating reporting needs, performing a comprehensive data integrity review and working to improve materials provided to our servicers. This operations review will lead to better customer service with our servicers and lenders, as well as more effective program delivery.

■ Housing affordability studied

The agency continued its housing market analysis work this year by focusing on specific communities' housing needs. The City of Burlington hired VHFA to write a downtown and waterfront market housing analyses as a part of its Plan BTV initiative. The report's results are guiding the city's review of its planning and zoning regulations. VHFA also completed a yearlong

effort with the Chittenden County Regional Planning Commission, writing a county wide housing needs assessment. This report analyzed local demographic trends and housing markets. As a result of this work VHFA is now working with several communities in the county on specific affordable housing initiatives.

Tropical Storm Irene

■ Agency policy responses

The Internal Revenue Service approved Vermont's waiver request to suspend income limits on available tax credit units in an effort to increase housing options for flood victims. VHFA's staff also participated in the Irene Housing Task Force and met with FEMA officials to help create an appropriate Disaster Housing Plan in order to respond to the needs of Vermonters impacted by Irene.

Staff helped connect storm victims in need of temporary housing with available apartments by creating a rental vacancy list portal on the Vermont Housing Data website to help residents quickly view on-line lists of apartments for rent across the state and worked with FEMA officials to make sure the families they worked with were aware of vacancies in Vermont's stock of subsidized rental units.

Since over a dozen VHFA-financed homes were impacted by Irene, the agency allowed buyers to forebear their loan—or miss some payments—so that they could put those resources towards other more pressing needs. Homeownership staff also worked closely with our borrower's loan servicers to ensure that insurance claims were processed efficiently.

VHFA spent considerable time during the Legislative Session advocating for dedicated resources to address the lost housing stock due to Tropical Storm Irene. In the end, we were successful in

securing an additional \$200,000 of State Housing Tax Credits for funding of homeownership activities. The equity funds raised through these credits will be directed towards mobile home owners, particularly those impacted by Irene, to create financing options and down payment assistance for new mobile homes or alternatives. VHFA continues to work with the Champlain Housing Trust and the state homeownership centers to implement a mobile home financing program.

■ Agency staff responds

In addition to the Agency's policy responses that it enacted through the programs that it administers, staff also felt called to respond to the unprecedented need in our communities. A two-phased project evolved where staff donated items and gift cards for five families in Stockbridge. Over \$1,300 was collected in gift cards, as well as several household items every home would need. Additionally, staff participated in two workdays this Fiscal Year, one in November and another in January.



Leslie Black-Plumeau

Erin Philbrick and fellow VHFA staff painted newly repaired interior walls of a Waterbury house severely damaged by Irene in November 2012.

Housing Acquisition & Rehabilitation Program (HARP)

This fiscal year VHFA completed its third year administering the Housing Acquisition and Rehabilitation Program. This program, which was originally created by the federal government as a part of the stimulus package (called Neighborhood Stabilization Program I, or NSP I) was launched in 2009 and was expanded with a new round of funding this fiscal year (NSP III).

As a part of this program, VHFA purchases foreclosed upon homes, rehabilitates them (including significant energy and weatherization upgrades to reduce the long term operating costs of the homes), then provides a substantial down payment subsidy when the home is re-sold to a qualified lower income Vermont household. The homes remain perpetually affordable, and VHFA takes any proceeds from the sale of the home and re-invests them into another purchase.



Joseph and Meghan Swan bought their downtown St. Albans home through the HARP program. "We knew this house was for us as soon as we saw it," says Meghan, who describes the process of purchasing the large, beautifully restored home for her family of five as smooth thanks to the HARP program.

Through the HARP Program, VHFA has put hundreds of construction and trades people to work over the past three years, while at the same time, reinvigorated neighborhoods and communities where these homes might otherwise become blighted run-down structures.

Through the end of FY12, VHFA has purchased 58 homes, with another

four under contract. Forty-one homes have been rehabilitated and sold to homebuyers, four more have been rehabilitated and are being marketed for sale, and 17 additional are undergoing rehabilitation now.

Household incomes for homebuyers assisted through NSP I ranged from approximately \$18,000 to \$66,000 with an average of \$42,331. Well over 700 contractors have been directly or indirectly employed by these programs. This does not take into account sub-contractors who are hired by those who work as general contractors. The actual number of people working on these homes is therefore estimated to be closer to 900. This has been a key employment tool for this industry in the state. VHFA requests surveys from each contractor who is self-employed or are sole proprietors and we've found:

- 51% of the contractors responding report household income lower than the county median income where they live.
- 27% reported they had no other significant work in progress at the time they were awarded their respective contracts for the HARP homes they worked on.

Virtually every home that comes through the HARP program has undergone significant energy improvements, such as installation of high efficiency heat plants, energy star replacement windows, air sealing and insulation upgrades, hot water heaters, high efficiency kitchen appliances and light fixtures, or low flow toilets and showerheads.

Buyers benefit because HARP homes are priced to be affordable. Properties are sold for the lesser of the total acquisition/rehab cost or the appraised value upon completion. Grants of up to \$75,000 provided by the HARP program combined with major improvements and energy savings result in a truly and perpetually affordable home. The grants stay with the home from one owner to the next so that the home remains affordable for subsequent buyers.

The HARP program is funded through \$9.9 million in Housing and Economic Recovery Act funds from HUD. The funds are part of the larger Neighborhood Stabilization Program administered by Vermont's Agency of Commerce and Community Development and HUD.

Staff

ADMINISTRATION

Sarah Carpenter *Executive Director*
Patricia Loller *Director of Administration*
Victoria Johnson *Administrative Assistant*
Brittany Riley *Human Resources/Office Coordinator*

INFORMATION SYSTEMS

Rick Jean *Manager*
Chris MacAskill *Network Administrator*
Tim Collins *SQL Server Report Writer and Analyst*

LEGAL

George Demas *General Counsel*
Brenda Howley *Legal Coordinator*

POLICY AND PLANNING

Maura Collins *Manager*
Leslie Black-Plumeau *Research and Communications Coordinator*

FINANCE

Tom Connors *Chief Financial Officer*
Michelle Packard *Bond Financing and Investments Manager*
Tom Kimball *Controller*
Lisa Clark *Finance Operations Manager*
Robert Purcell *Financial Analyst*
Brittany Garland *Financial Analyst/Compliance Specialist*
Patrick DiMambro *Mortgage Loan Analyst*

PROGRAM OPERATIONS

David Adams *Chief of Program Operations*
Lori Gilding *HARP Coordinator*

DEVELOPMENT

Joe Erdelyi *Director*
Cynthia Reid *Assistant Director*
Joshua Slade *Development Underwriter*

HOMEOWNERSHIP

Jacklyn Santerre *Director*
Kathy Cawley *Administrative Assistant – Loan Servicing*
Veronica DeVos *Homeownership Specialist – Origination*
Sara Maddocks *Loan Servicing Assistant*
Pat LaFond *Loan Servicing Specialist*
Carolynn Mossey *Loan Servicing Specialist*
Polly Thibault *Loss Management Specialist*
Bonnie Black *Outreach Coordinator*

MULTIFAMILY MANAGEMENT

Sam Falzone *Director*
Kimberly Roy *Assistant Director*
Kathy Curley *Multifamily Management Officer*
Erin Philbrick *Multifamily Management Officer*
Ann-Marie Plank *Multifamily Management Officer*
Robin Howe *Multifamily Operations Specialist*

Finanacial/Legal Partners

BOND COUNSEL

Kutak Rock LLP

UNDERWRITERS

Bank of America Merrill Lynch
Citigroup
Raymond James Morgan Keegan

TRUSTEES

TD Bank NA
Bank of New York Mellon Trust Company, N.A.
Wells Fargo Bank NA

AUDITOR

The Reznick Group

FINANCIAL ADVISOR

Piper Jaffray & Co.

Board of Commissioners

VHFA is governed by a nine-member Board of Commissioners. The Board includes four *ex officio* members and five members appointed by the Governor of Vermont, representing private and public lending, real estate and housing development interests.



TOP ROW:

Lamont Barnett (*Owner of The Rock and Hammer*); **Gustave Seelig**, *Ex Officio*, Vice Chairman (*Executive Director of the Vermont Housing & Conservation Board*); **Sarah Carpenter**, *Executive Director & Secretary*; **Bart Frisbie** (*President/Owner of Sterling Construction*); **Thomas N. Pelletier**, *Chairman* (*President and Chief Executive Officer, Northfield Savings Bank*); and **Thomas J. Candon**, *Ex Officio* (*Deputy Commissioner of Banking, designee for the Commissioner of Financial Regulation*)

BOTTOM ROW: **Jennifer Hollar**, *Ex Officio* (*Deputy Commissioner of Department of Economic, Housing and Community Development, designee for the Secretary of Agency of Commerce and Community Development*); **Beth Pearce**, *Ex Officio*, (*State Treasurer*); and **Dagyne Canney** (*Principal Broker, Vermont Real Estate Sales Co.*).

NOT PICTURED: **Lisa Mitiguy Randall** (*Vice President of Lending, Vermont Federal Credit Union*).



Vermont Housing Finance Agency

164 Saint Paul St., P.O. Box 408
Burlington, VT 05402-0408

(802) 864-5743
(802) 864-8081 fax
www.vhfa.org
home@vhfa.org

Sources of data

Percentage of population by age:

ESRI Community Analyst data.

Percentage of income spent on housing expenses:

U.S. Census Bureau, American Community Survey 2006-2010 table B25070 (renters) and table B25091 (homeowners with mortgages).

Lower income renter households receiving housing assistance:

U.S. Census Bureau, American Community Survey 2006-2010 table B25118; HUD's Resident Characteristics Report; and the Vermont

Directory of Affordable Rental Housing. "Lower income" refers to households with incomes less than \$50,000.

Affordability of buying a home:

Income needed to buy a median priced home is calculated for the median home value according to VT Department of Taxes' Property Transfer Tax database of home sales using a 30 percent standard and average taxes, mortgage insurance assuming 5 percent down payment, insurance costs and rate. Median income is according to the VT Department of Taxes.

Subsidized rental units by tenant type:

Vermont Directory of Affordable Rental Housing.

Distance to work:

U.S. Census Bureau, OnTheMap estimates of the number of residents and their commutes to work in 2010.

Number of people who are homeless counted one day in January:

Annual Point in Time count of Vermont Coalition to End Homelessness and Chittenden County Homeless Alliance. This includes people who HUD defines as homeless, as well as people with no stable housing who are doubled up or couch surfing. Because of the loose definition used in the past, the number of people counted can swing wildly one year to the next. Steps are being taken to remedy this for the future.

Number of VHFA homeownership loans since 1974:

Vermont Housing Finance Agency.

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Alternative access formats available upon request.

VHFA's full audited financial statements are available online at http://www.vhfa.org/about/financial/annual_statements.php.

On the cover:

Armory Lane Senior Housing in Vergennes provides 25 units of affordable and market rate rental housing. VHFA provided development financing through the Tax Credit Assistance Program and allocated Tax Credits.

Cover Photo: Mary Claire Carroll

Writing: Maura Collins

Research and Analysis: Leslie Black-Plumeau

Design: Kehoe + Kehoe Design Associates



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