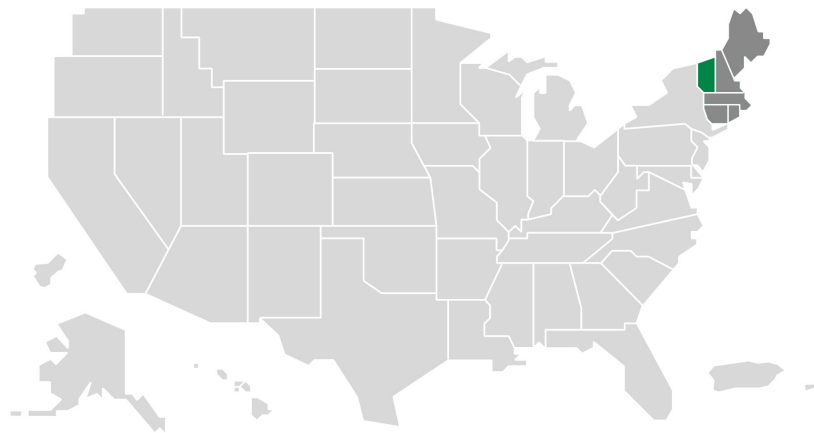


ENHANCING LIVES, IMPACTING COMMUNITIES: THE FEDERAL HOME LOAN BANK SYSTEM



 **FHLBank Boston**

VERMONT
STATE REPORT

VERMONT STATE REPORT

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Since its creation in 1989, the Federal Home Loan Bank System’s Affordable Housing Program (AHP) has been a substantial and valuable source of real estate equity for the financing of affordable housing in the United States. From 1990 through 2016, the 11 Federal Home Loan Banks (FHLBanks) collectively contributed more than \$4.1 billion (\$5.4 billion in inflation-adjusted dollars) in AHP real estate finance equity for rental, home construction and rehabilitation activities. This equity was combined with \$65.7 billion (\$83.9 billion in inflation-adjusted dollars) in leveraged dollars from other private and public sources, enabling \$69.9 billion (\$89.3 billion in inflation-adjusted dollars) in total development funding for more than 601,000 housing units. From 1995 through 2016, the FHLBanks also collectively contributed approximately \$1.0 billion (\$1.2 billion in inflation-adjusted dollars) in AHP equity for down payment assistance and mortgage principal reduction, assisting more than 183,000 home purchase activities. Each FHLBank allocates at least 10 percent of its annual net earnings to fund its AHP. As such, the continued operating and mission success of the FHLBanks has directly enhanced the development and purchase of affordable housing throughout the country and has had a positive impact on local and state economies and on the national economy. The state of Vermont is in the Boston district. This report details the economic impact of housing within Vermont that has been enhanced by AHP funding from 1990 through 2016.*

* Note: some projects within Vermont may have received AHP funding from a Federal Home Loan Bank other than FHLBank Boston. For further detail on the economic impact study methodology, please see: Study Methodology and Appendices Report.

VERMONT Rental, Home Construction and Rehabilitation Activities

Economic Basis



\$24.52 MILLION

TOTAL AHP SUBSIDY

AHP provides real estate finance equity for both rental and for-sale housing. AHP is more often referred to as a subsidy or grant and is delivered to FHLBank-member financial institutions to assist in the funding for construction, rehabilitation and purchase of affordable housing.

\$31.01 MILLION

TOTAL AHP SUBSIDY INFLATION-ADJUSTED



\$282.20 MILLION

DEVELOPMENT COST

Development Cost refers to the cost of acquiring land or pre-existing housing units, demolition and/or relocation costs and any costs incurred while constructing, rehabilitating or redeveloping housing.

\$356.67 MILLION

DEVELOPMENT COST INFLATION-ADJUSTED

 **86**

PROJECTS

Projects refers to the distinct use of AHP funding for a specific acquisition, construction or rehabilitation of building(s) or housing unit(s).

 **2,068**

TOTAL UNITS

Total Units refers to the total number of single-family and multifamily units constructed using AHP funding, where each individual dwelling unit in a multifamily building is counted separately.

Inflation-Adjusted refers to the measure of return that takes into account the time period's inflation rate. For example, \$100 in 1990 is worth \$192 in 2018. This study reports all economic impacts in inflation-adjusted dollars.

VERMONT Home Purchase Activities

Economic Basis



\$6.24 MILLION

TOTAL AHP SUBSIDY

AHP provides real estate finance equity for both rental and for-sale housing. AHP is more often referred to as a subsidy or grant and is delivered to FHLBank-member financial institutions to assist in the funding for construction, rehabilitation and purchase of affordable housing.

\$7.38 MILLION

TOTAL AHP SUBSIDY INFLATION-ADJUSTED



\$48.72 MILLION

FIRST MORTGAGES

First Mortgages refers to the volume and value of first-lien position mortgages financed by lenders in a home purchase activity.

\$56.02 MILLION

FIRST MORTGAGES INFLATION-ADJUSTED

 **538**

TOTAL UNITS

Total Units refers to the total number of single-family and multifamily units constructed using AHP funding, where each individual dwelling unit in a multifamily building is counted separately.

Inflation-Adjusted refers to the measure of return that takes into account the time period's inflation rate. For example, \$100 in 1990 is worth \$192 in 2018. This study reports all economic impacts in inflation-adjusted dollars.

VERMONT Rental, Home Construction and Rehabilitation Activities

Economic Impact



\$566.64 MILLION

TOTAL ECONOMIC BENEFITS

Total Economic Benefits measure the economic activities associated with rental, home construction and rehabilitation enhanced by AHP funding.



4,684 JOBS

JOB CREATION

Job Creation includes new full-time, part-time, temporary, permanent, salary-based and fee-based jobs generated by the addition of AHP-enhanced rental, home construction and rehabilitation activities.



\$212.41 MILLION

LABOR INCOME

Labor Income refers to all forms of income that stem from employment, such as salaries and hourly wages and profits made by developers, builders and contractors.

1.59

MULTIPLIER (IMPLAN Factor)

Multiplier is a term used for the economic ripple effect measured by an economic impact model. In this case, the multiplier effect accounts for how each additional job or dollar of output enhanced by AHP funding impacts the home construction and rehabilitation of affordable rental and housing units.

\$25.65 MILLION

TAX REVENUE

Tax Revenue includes the revenue generated by local and state taxes related to rental, home construction and rehabilitation.

All dollars are in inflation-adjusted dollars.

VERMONT Home Purchase Activities

Economic Impact



\$103.70 MILLION

TOTAL ECONOMIC BENEFITS

Total Economic Benefits measure the economic activities associated with home purchases, enhanced by AHP funding.



581 JOBS

JOB CREATION

Job Creation includes new full-time, part-time, temporary, permanent, salary-based and fee-based jobs generated by the addition of AHP-enhanced home purchase activities.



\$12.66 MILLION

LABOR INCOME

Labor Income refers to all forms of income that stem from employment, such as salaries and hourly wages and profits made by developers, builders and contractors.

1.27

MULTIPLIER (IMPLAN Factor)

Multiplier is a term used for the economic ripple effect measured by an economic impact model. In this case, the multiplier effect accounts for how each additional job or dollar of output enhanced by AHP funding impacts the home purchases of affordable housing units.

\$10.04 MILLION

TAX REVENUE

Tax Revenue includes the revenue generated by local and state taxes related to rental, home construction and rehabilitation.

Manchester Center, Vermont



Manchester Center

Manchester Center, Vermont has the look and feel of a very prosperous community. But more than a third of the students enrolled in the local elementary school qualify for subsidized lunches, according to the former Bennington Area Habitat for Humanity Executive Director Richard Malley.

There is also some subsidized housing as well as several trailer parks in Manchester Center. Many of the people who work in the stores or provide services cannot afford to live in town, according to local officials.

Jennifer Lane, the affordable homeownership initiative built by Bennington Area Habitat for Humanity in Manchester Center, seeks to address that need. The effort to get the Jennifer Lane homes off the ground began in 2006 when the town manager told Habitat about available land along Jennifer Lane.

At that time, Habitat was unable to pursue the land deal. However, the idea persisted. In 2007, the town further acknowledged the market pressures experienced by residents and the need for affordable housing in its town plan. The town set goals to create opportunities for affordable housing development by working cooperatively with private-sector and nonprofit organizations.

Selected as one of the town-approved developers, Bennington Area Habitat for Humanity applied for Affordable Housing Program (AHP) funding in 2012, and the first AHP-assisted Habitat partner family moved into a new home on Jennifer Lane in December 2014.

Jennifer Lane marks several firsts in addressing the affordable housing needs in Manchester Center and in Vermont as well. It was the first AHP Habitat initiative completed in Vermont, as well as the first AHP application sponsored by the Bank of Bennington.

“The Affordable Housing Program has been instrumental in bringing families home to Jennifer Lane in Manchester Center, Vermont. Affordable homeownership is a reality for the people with whom Bennington Area Habitat partners, precisely because the Federal Home Loan Bank of Boston and our member bank, the Bank of Bennington, are willing and able to invest housing subsidy funds into our Bennington County communities,” says Susan Sommer, executive director of Bennington Area Habitat for Humanity.

The Bank of Bennington and Bennington Area Habitat won two additional AHP awards in the 2015 AHP round, including one award for phase two of the Jennifer Lane initiative. With this award, Habitat is leveraging other funding that has allowed not only AHP homes to be built, but other affordable homes in this subdivision as well.

**Jennifer Lane
Manchester Center, Vermont**

VERMONT

Project Profile: Rental Activity



Richmond Terrace

Fifteen affordable apartments for low- and very- low-income seniors at Richmond Terrace in rural Richmond, Vermont, were preserved. The 28-year-old Richmond Terrace building was refinanced, recapitalized and rehabilitated. Residents not only benefit from updated housing, but they also have access to onsite primary health care and nursing through the pioneering Support and Services at Home (SASH) program which provides comprehensive health and wellness assessment to support aging in place. Data from the first two years of SASH operations at Richmond Terrace show a 19 percent decrease in hospital admissions as well as reductions in falls, nutrition risks and residents returning to nursing homes. In addition, residents continue to participate in and lead the residents’ association. The member, People’s United Bank, provided permanent financing through the Affordable Housing Program subsidized advance. Other financing included Low-Income-Housing Tax Credits and funding from the Vermont Housing Conservation Board, Vermont Fuel Efficiency Partnerships and existing project reserve accounts.

SOURCES

Vermont Housing Finance Agency	\$	650,000
Low-Income-Housing Tax Credits	\$	590,000
Vermont Housing and Conservation Board	\$	310,000
FHLBank Boston AHP Direct Subsidy	\$	269,500
State-based Tax Credits	\$	143,000
Vermont Fuel Efficiency Partnership	\$	60,000
Richmond Terrace Project Reserves	\$	39,392
Efficiency Vermont	\$	16,000
Weatherization Program	\$	6,316
Total Sources	\$	2,084,208

Preservation of Affordable Apartments in Vermont Are Legacy of Dedicated Leader



Mountain View Apartments

2015 marked the 25th anniversary of the Addison County Community Trust (ACCT) providing affordable housing to residents of Addison County, Vermont.

In the spirit of that mission, ACCT acquired and fully renovated Mountain View Apartments in 2013. Mountain View Apartments is the only affordable housing of its type in Hancock, a town with a population of just under 400, where the average wage is less than half that for Addison County as a whole.

The property, which dates from the 1800s, had not been rehabilitated in 30 years. The renovation addressed many deferred-maintenance issues and included the addition of high-performance design elements, such as Energy Star appliances and windows.

Through its acquisition of the property, ACCT was also able to renew the Section 8 subsidy contract, preserving its affordability for an additional 20 years. The Mountain View Apartments consists of five rental homes for very-low- and extremely-low-income residents who pay no more than 30 percent of their incomes in rent.

The National Bank of Middlebury applied for funding through the Affordable Housing Program (AHP) for this renovation project, receiving \$139,184 in direct subsidy and a subsidized loan. The National Bank of Middlebury used the AHP-subsidized loan to provide permanent financing for Mountain View Apartments.

As ACCT's executive director, Terry McKnight was instrumental in the preservation and development of this tight-knit community. He passed away in November 2014. The Mountain View Apartments serve as a model of the creative energy and community passion that McKnight brought to the work of the ACCT.

In his 11-year tenure, McKnight worked to expand affordable housing opportunities throughout the county, serving families and seniors in mobile home parks, single-family and duplex homes, apartments and senior living quarters.

He understood the importance of community and neighborhoods and worked hard to secure funding for small-town projects to strengthen those communities. His energy and strong will made ACCT a respected force for affordable housing in the region. While his sudden death cut short his work, the housing and opportunities he helped develop serve as a lasting legacy to his work.

**Mountain View Apartments
Hancock, Vermont**

VERMONT

Project Profile: Rental Activity



Thayer House

Elderly individuals and people with disabilities have access to 32 units of affordable rental housing in Burlington, Vermont, as well as a host of integrated services. Located in a three-story building with underground parking, Thayer House includes 28 units for very-low-income residents. The project incorporates universal design and accessible features, such as adjustable-height countertops and wireless on-call technology that replaces the pull-cord notification system. It is also designed to meet Enterprise Green Communities standards and includes solar panels, high-efficiency heat pumps and Energy Star-labeled appliances. Residents benefit from integrated services through Cathedral Square Corporation’s Support and Services at Home (SASH) program, which includes community-based prevention, wellness and traditional resident services. Additional services include tenant counseling, onsite health care and transportation services. This mixed-finance project includes financing from HUD 202, Low-Income-Housing Tax Credits and Vermont Housing and Conservation Board. People’s United Bank purchased the Low-Income-Housing Tax Credits.

SOURCES

HUD 202 Capital Advance	\$	4,543,800
Low-Income-Housing Tax Credits	\$	1,735,000
Vermont Housing & Conservation Board	\$	610,000
FHLBank Boston AHP Direct Subsidy	\$	320,000
Weinberg Foundation	\$	100,000
Burlington Electric	\$	18,000
Total Sources	\$	7,326,800