

November 5, 2021

Executive Director Report to the Board of Directors

Hello, everyone!

Context Reminder

It is my intention to provide a monthly board report to be included in the board packet which will go out ahead of the monthly board meetings. We are working toward sending out a full 'board packet' with everything at one time.

The purpose of the ED Report will be to summarize the most important details on a variety of the most important topics (which may change over time). It is not my intention to review all details in the meeting, but rather this report should provide board members with a good grounding and sense of engagement in what is happening across the organization. Please spend some time in review of the report prior to the meeting and come to the conversation with questions, as needed.

I'll be working on adding additional information each month until we have 'right sized' this report (you're getting enough, but not too much and I'm providing what you want to hear about).

Structure of the Report: Generally, each section will provide a

- review of dashboard with updates on progress
- summary/highlights, and
- 'call to action', when needed.

Please let Jen know if there are other topics you'd like to hear about.

As you know, the Board has a fiduciary and strategic responsibility and should play an active role in generative thinking to shape the organization's future, while the executive director is responsible for management of that organization, implementing the strategic direction set by the board and providing good stewardship of funds. I am committed to a deep relationship of sharing and engaging with the board of directors, and I hope we will each provide support to one another in our respective roles.

EVENTS

[Events NWWVT Staff participated in over the past month]

FUTURE EVENTS/HAPPENINGS

- **January 11th** – Presentation to CEDRR's Finance Committee on how the housing crisis is affecting NWWVT.
- **January 14th and February 4th** – Leadership Team Retreat to continue to discuss the strategic plan.
- **January 15th** – Board Retreat to discuss the strategic plan.
- **January 28th** – Staff retreat (Staff will have five retreat days this year to engage with the strategic plan and core values.)
- **February 24th** – [Bridges out of Poverty](#) – Staff will be participating. *If you would like to as well, please let me know.*
- **Week of April 11, 2022** – NeighborWorks America (NWA) Organizational Assessment Division (OAD) Review.
- **April 30th** – Real Rutland Feud – NWWVT will have a team and be competing against the Rutland Housing Trust! Come join us at the Paramount Theatre (fingers crossed!).

ONSITE REVIEW - NEIGHBORWORKS AMERICA ORGANIZATIONAL ASSESSMENT DIVISION

- Mia Joiner-Moore should be reaching out to you to schedule a time to talk about your experience on the board. It's very important that everyone respond and meet with Mia.
- **PROMPT: About the Review Process** is in the board portal and presents the information that will be reviewed. Please read this prior to the board meeting as NWA will be presenting to us, and before your time with Mia.
- *Today, Trisha Guditz is with us to go over the intent of the onsite review.*

OPERATIONS

- Staffing updates – Jacki White will be retiring in January 28, 2022. We have hired Bryn Milks, formerly with Heritage Credit Union, for the position of [Mortgage Servicer](#). Per Jacki and the lending staff, he is off to a great start!
- *Annual Policy Compliance* – You were sent an email last weekend requesting your signature on our confidentiality, conflict of interest and whistleblower policies. If you have not yet done so, please return those asap.

STRATEGIC PLAN

- The LT will be working on a calendar for the year toward the progress dates for the goals we have in the FY22 Annual Operating Plan
- Executive Director, as well as department/program workplans will be forthcoming (they will break down the FY22 Annual Operating Plan).
- Dashboards – An overall strategic plan and programmatic dashboards will be forthcoming.
- Continuing to work with Bernadette Orr, Open Gate Consulting, to develop plans for retreats and dashboards.

COMMITTEES

FINANCE COMMITTEE and RESOURCE DEVELOPMENT REVIEW

- Dashboard Review and Progress Updates
 - Operating Income Statement and Ratios Dashboard (view in portal)
 - NOTE: We are working toward providing a budget vs actual by program as well as a grants report to the board.
- State budget update
 - Funding request of \$1 million is being requested from Efficiency Vermont per legislative appropriation for FY22 and FY23. These are ARPA funds and while the bill language noted “expansion” of Heat Squad we are working with EVT on the limited number of communities for which ARPA funds can be used. This money is still coming to us, but slowly. We are continuing to run the program as we normally would with the intent of reimbursement for work completed since January 1, 2022.
- State lobbying efforts (Amy Shollenberger, Action Circles)
 - We need to sign a contract for 2022.
 - Action Circles is an important thought partner, to be sure. By the end of January, I am of the hope we can respond to their contract with our needs based on the strategic planning activities that come from our January and February LT retreats. We will update you in February.
- **Potential Funding Sources**
 - Clean Energy Development Fund – discussion about CEDF's \$5M state funded program to assist with energy efficiency (HS will submit a response to the RFP for a portion of these funds for heat squad). Update: This

continues to be in the works, but we haven't yet received the RFP for these funds. We are in communication with them on a regularly basis.

- VT Housing Investment Program – Part of S79 Bill in VT 2021 State Budget; rental repair program. We continue to work with the state and await their final program outline. This [VHIP program was announced by the Governor](#), however we have not yet received a grant agreement. We are in communication with VT Community Development Program staff on a regular basis.
- We will be submitting a grant application to the Tillitson Fund for FY2022-23 for \$100,000 for Heat Squad in the NEK. This application will include outreach, rebate funds for customers and grants to attract contractors to the area.
- We received \$98,000 grant from the VT Community Foundation for Heat Squad in the NEK.

LOAN COMMITTEE (!!!!)

- Loan Committee will return to regular meetings on January 19, 2022! The Loan Committee will meet every third Wednesday of the month at 430pm. If you would like to attend, please let me know. Your representative to the Loan Committee is Peg Flory.
- Each month you will receive the Loan Committee packet (as you do with the Finance Committee). This will include approved loans, delinquency and write-off's.
- Loan Policy – We have been working to 'clean up' the loan policy in order to reduce the size by taking out often referred to procedures, as well as clear up old language. This will be brought to the Loan Committee in January and to the full board in February.
- Your review - The Loan Policy will come to you soon after it is reviewed and assuming it is approved by the Loan Committee on January 19th. Please set some time aside to review. This will be most helpful in your understanding of this line of business as well as the Loan Committee monthly reports.

LINES OF BUSINESS

- [FY22 Production Goals](#)
- [End of year dashboard reports](#) are included in the board packet. Please **review the "about" and "analysis" section of each page of the production report** for questions and concerns.

HEAT Squad

- Heat Squad has moved back to doing audits in home only with homeowners who agree to vacate the property while our employee is in the home due to COVID. This has cost us a few customers, but we hope that after the winter months this will improve.

Homeownership Center (HOC)

- **Shared Equity Program and Properties:** Nancy has been working with Lending and Finance to fully put this program under the Homeownership Center.
- We continue to work with our partners VT Housing Finance Agency and VT Conservation and Housing Board to update our Stewardship Plan for better engagement with residents of these properties. An 'introduction' letter and newsletter will be going out soon to introduce homeowners to Nancy and inform them of the program requirements.
- Nancy and I will be working on a Homeownership Center workplan which will include a full review and update to our process and procedures.

- We are working toward assessing each property on an annual basis as required by our partners. We are required to do this, however it has been difficult without the homeowners understanding the program. We are of the hope that this summer we can begin our annual onsite review of the homes. A drive-by of all homes in the summer of 2021 revealed what seemed to be good quality homes.
 - **Properties for sale:** 9 River Street, Proctor and 264 Plains Rd, Pittsford. This property owner is not in compliance with the program. We continue to work with the state, the owner and the renter (which is the compliance violation).
 - [Property List](#) (link only)
- **Homebuyer Education Class:** We have two HBE educators that are contracted. Myself and Lindsey Newton (new intake staff member), have sat in on the class in the past 8 months. Three households are scheduled to attend the in-person class on January 22, 2022.

Home Repair

- Home Repair program projects continue to move along, however work with contractors is booking out weeks. We are doing our best to deal with customer issues and contractor long lead times, as well as supply chain issues. The funds for this program comes from the VT Community Development Program.
- The week of November 1st we were notified of a potential issue with one customer who has had a challenging roofing contractor experience. We are working with our attorney, Tad Powers, to minimize financial damages. The customers choose their own contractors, and we are very careful not to recommend anyone, however there are a few places in our paperwork that we're going to tighten up with Tad in the near future so that we don't leave ourselves open to future issues. We have a situation such as this in this program approximately one time per year and have minimized the issue as best we can. We feel with the changes in the paperwork and tools, we will be protecting ourselves even more. Update: We agreed to a \$3800 settlement with the customer with the agreement that no further lawsuit could be filed, and the attorney bill was \$2800.

Lending

- Lending was nearly \$2 million for the year with approximately 70 loans. (Previous note: Our annual average is \$2.3M and loans in 2019 were 150. We believe COVID and the lack of housing has impacted our lending significantly.) An important part of the strategic plan is the build relationships with area lenders and realtors.
- Previously mentioned was a potential partnership and purchase of the Habitat for Humanity Loans from Upper Valley H4H. Because the paperwork was not in good order for our review and communication lacked with their office, and in partnership with our attorney, we decided that we cannot purchase these loans. Because their customer base is one we struggle to reach (80% AMI and under), we have shared with them that we would be happy to look at loans from the start of their work with a customer in the future.
- We are servicing 865 loans. The number of loans in our portfolio that we service is starting to level off. We are speculating that this is due to lower interest rates available in the marketplace and COVID related government support. There will likely be challenging years ahead as we had expected the interest earned from these loans to sustain operations in future years. Nearly \$2 Million in loans were paid off this year. Some were expected and some were not.
- As part of the new information that we want to share with the Finance Committee, we will be providing our expecting income from our loan portfolio in the 10 future years so we can see the years ahead that
- We are engaging with consultant Kevin Flanigan who is reviewing our lending department, including an analysis of our work, financial modeling and strategic planning. We received a grant of \$25,000 to supplement this work. The total

cost of the engagement is \$32,000, however he scaled this back. We can add back the work that he removed if we so need at a later date.

- **CDFI Certification Tracking: Forthcoming in February**
- **CDFI Goals: Forthcoming in February.**

PARTNER ENGAGEMENTS

- Met with Al Wakefield (Activist), Lyle Jepson (CEDRR CEO), Caitlyn Perry (community member), Rich Carlson (former board chair), Scott Tucker (former board chair).
- Met with VT State Employee Credit Union to discuss loan products and the potential to work together.

MEETINGS/EVENTS OF NOTE

- Weatherization at Scale Coalition, ongoing
 - [Purpose](#) (link only)
 - Participation in Funding and Finance Committee, Energy Counseling and Coaching Committee, Workforce Development Committee
- Social Equity Caucus – Began meeting with this group as the recommendation of Al Wakefield.

PROPERTY PORTFOLIO

- Dashboard Review and Progress Updates
 - Kazon Building - 110 Marble Street (our office)
 - Capital improvements are needed at some point in the next few years.
 - Need to meet with attorney's who assisted in development to discuss exit of the LIHTC structure.
 - 290 Marble Street
 - Extensive repairs are needed to the entire building brick – need to get an estimate and consider funding for the summer.
 - 1 in eviction process – this is with the court; first appearance is January 26th
 - Looking to *potentially* sell this property.
 - Continue to discuss options of building upkeep with property manager, Mike Lorriane of Technical Planning and Management Co, Inc.
 - October Hill: Four ~2.5 acre lots donated ~2007 for affordable housing in Tinmouth, VT. One house was built, the other lots were never sold due to housing crisis in 2008+. Town agree to combine into two 5 acre lots.
 - Working with Doug Inkley from the donor's family.
 - Subdivision application approved by Tinmouth Planning Commission.
 - Water permit updates for separation of properties in progress.
 - Attorney Tad Powers is working on new deed and covenants.
 - Hopefully this will be completed by Spring.
 - Single Family Homes (due to foreclosures)
 - 32 Pageant St, Bennington
 - Single Family home which needs extensive repairs.
 - Dorr Drive, Rutland, Single Fam (Two houses on one lot; One is in bad condition; One to be repaired and sold)
 - The dilapidated home was demolished on August 23, 2021.
 - Repairs will begin on the other when we can find contractors, hopefully in 2021.

- Unfortunately, this house is under investigation for attempted arson. This was discovered on August 23rd, as well. We were not able to engage with an arson investigator at the Rutland City police, arson investigator, however the code enforcement officer welcomed our attention to the property. The insurance had unknowingly expired on August 1st, so we won't be able to recover any damages, and likely there wouldn't be any way to remodel the home.
 - We have an interested party who wants to purchase this property with mobile home as is. We are going to start the conversation at \$45,000 given that we've written off a \$99,000 default on the mortgage as well as have an additional \$55,000 in expenses to date including the demolition of the older home no longer on the site and taxes.
UPDATE: The potential buyer wants us to seek a tax reduction before further pursuing the purchase.
- 271 Frisbee Hill, Castleton
 - Mobile Home is in very poor condition and should be removed.
 - We need then put this property up for sale.