

May, 2022

Executive Director Report to the Board of Directors

Hello, everyone!

[Context Reminder](#)

OVERVIEW

I've added this overview section as the month was seemingly much slower when I look to provide you with a written update as to my activities since our last meeting. While it certainly hasn't felt like it has slowed day-to-day, the coupling of a housing crisis, increased interest rates, inflation, increased fuel prices and the stress of a war, even if distant, have seemed to dampen the desire for homeowners to take on loans and energy efficiency and home repair projects. With the fuel/oil crisis our heat squad auditors have been busier than ever, but these are not being converted to projects which is where we receive additional fees. Lending is down across all products and our pipeline of typically 30 projects is down to about 20 projects. With the increase in interest rates coupled with the lack of housing stock, we anticipate a definite slow-down in down payment assistance loans. We talked with the Finance Committee about the update in June (likely continuing into July) including a new forecast for the rest of the year as well as a review of our portfolio returns in the coming years so we can begin to strategically think through the potential use of these funds if programs don't break even. You might remember that I had mentioned providing a list of additional roles that I believe we need to increase the capacity of the organization. While I continue to believe we need these staff people, until we have a better understanding of our financial position through the end of the year, I don't believe we can consider a discussion on those additions. That said, we cannot get much more out of the staff that we currently have on hand. While we do want to hire for a lender and a director of finance and lending, we do have those positions filled right now in other ways – we're just not able to focus on growth and all that will take unless we can free up some time for a number of staff members, as well as add capacity needed in the areas of marketing and outreach and grant compliance, let alone consultants needed for REDI, strategic plan implementation and advocacy.

EVENTS/ACTIVITIES

- **April 30-May 1:** ReConnect Weekend
- **April 30:** Rutland Feud
- **April 27-28th:** Better Building by Design Conference sponsored by Efficiency Vermont
- **April 22nd:** Staff Retreat where we focused on the customer path for the Shared Equity Program as well as marketing of programs and activities.

FUTURE EVENTS/HAPPENINGS

- **May 30th - June 3rd:** Office closed
- **June 6 – 10th:** NeighborWorks Week

PARTNER ENGAGEMENTS

- Brennan Duffy, Executive Director, Rutland Regional Development Authority and Michael Talbot, Rutland City Select Board – Melanie and I met to discuss the potential use of \$400,000 allocated for rental repair revolving loan fund that NWWVT would administer.
- Tim Guiles, Town of Brandon Selectboard – Met to discuss the potential coordination of revolving loan fund for small businesses in Brandon. Follow up in July.

LEGISLATIVE UPDATE – New!

- [May 13 2022 Legislative Update](#) from Action Circles

OPERATIONS

- We continue to work diligently on procedures across the organization.

GRANTS

- Please see the [Funder and Grant Reporting and Compliance inventory](#). We will be developing a database of funder grant agreements and reports for your review at your convenience. Additionally, we will review this report semi-annual to confirm that we are in compliance with our reporting requirements to all funders.

STRATEGIC PLAN

- The leadership team has developed tentative timelines for progress toward the FY22 Annual Operating Plan activities in the [Strategic Plan](#). The priority that focuses solely on the board will need to be updated to include timelines. This was delayed due to the transition in Finance.
- [Executive Director Workplan](#). The [Homeownership Center](#) workplan and [Home/Rental Repair and HEAT Squad](#) have been developed. This work has been delayed with the transitions in the leadership team. There will not be a comprehensive workplan for lending or finance at this time, however I am confident that the day-to-day operations of these departments are well in hand, and the long-term objectives for each department from the strategic plan will be addressed at some point in the future. As we move through the year, all workplans will be adjusted.
- Dashboards – An overall strategic plan and programmatic dashboards will be forthcoming. This has taken far too long, and will again be delayed with the transitions in the leadership team. For the moment we continue to use the production dashboards that you have been receiving with your board packets.
- Staffing and Consultants – We have decided to provide raises to all employees who have been with the organization longer than 6 months. The primary driver for this decision was to get everyone to at least \$50,000 as well as to combat the inflation pressures being faced by everyone, as well as for employee retention purposes.

COMMITTEES

FINANCE COMMITTEE and RESOURCE DEVELOPMENT REVIEW

- Finance Committee meets every first Wednesday of the month at 1130am. If you would like to attend, please let me know. Your representatives to the Finance Committee are Keri Franzoni and Melinda Humphrey.
- The April Loan Committee Workbook can be found in the portal.
- **Audit:** The Auditors, Randy Sargent and Amity Baker from [JMM & Associates](#) will be assisting us again this year. We will go out for an RFP to bid the audit pricing and duties in late summer. We should do this RFP for the audit/auditors every five years.

- Documentation
 - Operating Income Statement (for the entire organization) and the budget vs actual by program have been provided. There is some work to do to be sure that the [FY22 operating budget](#) that was approved by the board in December aligns fully with this budget vs actual by program. At this time there is no reason to think that it doesn't, but we do want to do a little more digging to be sure. (We are anticipating that we will be on schedule to provide March financials in May.)
- Financial Policies - The Finance Committee will review our updates to the policies (minor updates only) in June and these will come to the board for review in June, as well.

LOAN COMMITTEE

- Loan Committee meets 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.
- The April Loan Committee Workbook can be found in the portal.
- [Loan Policy](#) –I would encourage you to review this policy.

PROGRAMS COMMITTEE

- Nancy will be presenting a review of our Homeownership Center programs - Home Buyer Education, Homeowner and Financial Counseling, as well as the programs which we coordinate in partnership with the state – Housing Stabilization Program for homeowners, VT Rental Assistance Program for renters and the Homeowner Assistance Program. As a reminder, these programs will also be a component of the programs committee. The issue we've had is the lack of capacity of the board and staff to develop meaningful engagement activities other than providing the goals vs actuals in the monthly production dashboard.

LINES OF BUSINESS AND PROGRAMS

- [FY22 Production Goals](#) – These production goals are those provided to NeighborWorks America. At this time, with so much funding up in the air, we cannot update them for our internal purposes for HS, rental repair and home repair. For our lending and counseling programs, these goals are the goals we will include in our production reports to you.
- Please **review the “about” and “analysis” section of each page of the production report** for questions and concerns.

HOMEOWNERSHIP CENTER (HOC)

Shared Equity Program and Properties:

- **Properties for sale:** 9 River Street, Proctor and 264 Plains Rd, Pittsford. The Proctor property owner is not in compliance with the program. We continue to work with the VHFA, as well as the owner and the renter to bring the home compliant with the program.
 - **DISCUSSION:** This home would have to be sold to a qualified buyer for \$162,000. With taxes and insurance, we, in partnership with the state, believe that the home is too costly for the income that would be needed to qualify for the program. The state will allow us to purchase the home at \$154,600 (current loan) and with assistance from a realtor, sell for market value (\$240,000 in July 2021). Therefore, there is considerable potential upside in the sale of this home. The conditions we'd like to bring to the state is the need for assistance should we not be able to remove the current tenant from the home in the spring. We are nearing a sale of this property. We are giving the current “resident” a

60-day lease termination deadline that will need to be executed before we will sign the P+S agreement as we try *not* to go through the eviction process.

- [Property List](#) (link only)
- **Homebuyer Education Class:** We have two HBE educators that are contracted.

REPAIR AND ENERGY EFFICIENCY PROGRAMS

HEAT Squad

- We applied for \$1M in funding from the Clean Energy Development Fund to continue the wood stove replacement program and have asked to expand the program to include heat pumps.
- We have begun the process of completing the paperwork for the \$500,000 allocation we received from the FY22 Federal Government through Congressionally Directed Spending.
- We are nearly there on the \$500,000 in ARPA funding paperwork for FY22.

Home Repair

- We have modified our process for customer intake so that the Home Repair Coordinator is the first point of contact. Unfortunately, our coordinator was out with COVID for two weeks and we are working on catching up on home evaluations.

Rental Repair (Vermont Housing Improvement Program – VHIP)

- We received applications for 48 units for the Vermont Housing Improvement Program application. In the coming weeks we will be meeting with Homeless Prevention in Rutland, as well as the other counties, to seek assistance in selection of landlords.

LENDING

- Lending has started slowly for the beginning of the year. Please see the loan committee workbook for updates on loans approved and loans in the portfolio as well as the value of the portfolio to date.
- CDFI Certification Tracking: Due to the transition in Finance, we are still a bit behind on this tracking information. We are working on an update for June.

REDI (Race, Equity, Diversity and Inclusion)

- I continue to engage weekly with the Social Equity Caucus and bi-weekly with the White Affinity Group.
 - The **Social Equity Caucus** is a group of legislatures and community advocates which meets weekly. *“The mission of the Social Equity Caucus is to focus deliberately on improving outcomes for marginalized peoples and create a vehicle for Vermonters to access their representation, leadership and community. It is not enough to get rid of institutionalized inequality—we aim to institutionalize equity and inclusivity.”*
 - The **White Affinity Group** is an affinity group of the SEC which meetings twice monthly. *“The purpose of the white affinity group of the Social Equity Caucus (SEC) is to name and address harmful, oppressive behaviors that perpetuate white supremacy culture and contribute to systemic racism in coordination with the SEC.”*
 - *The WAG has been working on an equity filter called “The 5 Probing Questions” as well as a document t*
- Executive Director of Racial Equity, State of Vermont, [Xusana Davis's report](#) to the 2022 Vermont Legislature ([2021 Report](#))

- **NAACP, Rutland Chapter** – I am an individual member and attend these monthly meetings. Melinda is on the board and has provided me with contact information to engage the housing committee. I've reached out to the NAACP to volunteer for their housing committee.

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
 - Eviction of tenant in unit 4 has been completed.
 - Extensive repairs are needed to the entire building brick – need to get an estimate and consider funding for the summer.
 - 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 have been submitted to the state.
 - Attorney Tad Powers has developed new deed and covenants for this transaction. Working with Tinmouth Properties (donor) and current owner of the one home to get final draft and signatures.
 - Update: This process of returning the land to the donor and providing additional land to the one homeowner is nearly complete. This should be completed by June 2022.
 - Single Family Homes (due to foreclosures)
 - 32 Pageant St, Bennington
 - Single Family home which needs extensive repairs.
 - UPDATE: We have had a major update here which is that VHCB has noted that they may be able to provide us funding to assist in the rehab of this home.
 - Dorr Drive, Rutland, Single Family Double-wide
 - Unfortunately, this house has been a victim of arson. It cannot be insured and we are working 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 will be putting this up for sale soon. We are considering an auction for this property.