

evernorth

Investing in communities. Building possibilities.



Annual Report 2022

Local, Regional & National Impact

Looking back on 2022, Evernorth was everywhere. Investing in 19 community projects in Maine, New Hampshire, and Vermont and two economic development initiatives in New Hampshire and Massachusetts; creating new affordable apartments for 811 families across the three states; advocating for capital and

regulatory reform in local and national legislatures; and hosting affordable housing finance leaders from across the country at the 28th annual National Association of State and Local Equity Funds Conference.



EVERNORTH CO-PRESIDENTS NANCY OWENS AND BILL SHANAHAN

As we continue to build capacity at Evernorth, we do it knowing that our partners are working with us toward our vision.

In 2022, the economic environment continued to be challenging for developers, investors, and renters alike. Rapid changes in interest rates, inflationary costs of construction and material goods, labor shortages, and ongoing supply issues all impacted the ability of developers to close and complete projects as planned. Plus, increasing rental costs paired with exceedingly low vacancy rates made it difficult for low income people, and even the “missing middle,” to find housing they could afford.

But Evernorth pressed on. We continued to cultivate our long-term relationships locally to fulfill our mission of “connecting under-served communities in the northern New England region with capital and expertise to advance projects and policies that create more inclusive places to live.”

Of course one way we did that was by raising \$82.5 million dollars through our Housing New England (HNE), Fund III, Evernorth’s largest multi-investor fund to date. In all, we raised capital from 21 investors across the region to create 17 total developments, with seven in Maine, five in New Hampshire and five in Vermont, creating 702 affordable apartments.

Evernorth was also instrumental in pulling together federal congressional delegation support from Maine, New Hampshire, and Vermont to introduce and support the LIFELINE Act, which allowed states to make long-term loans to housing tax credit developments with American Rescue Plan Act (ARPA) funds. Our leadership on this issue, and the subsequent guidance change, will result in a significant increase in funds for affordable housing, which means homes for more families in northern New England and nationwide.

Also in 2022, we closed on the Upper Valley Loan fund. Evernorth Rural Ventures used a portion of its \$60 million New Markets Tax Credit award to invest in two impactful community projects in Massachusetts and New Hampshire. In addition, several Evernorth properties were recognized with awards for architectural design, preservation, and energy efficiency.

As we continue to build capacity at Evernorth, we do it with the longview in mind—and with gratitude for our partners who work with us toward our vision: people in every community have a safe place to live and opportunities to thrive. ■



NANCY OWENS



BILL SHANAHAN

Constructing Community

When we talk about community at Evernorth, it's not a buzzword we use, but a belief we hold dear. We believe that our relationships are the building blocks of community: with each other in the organization and every single one of our partners.

Our ability to make an impact, not only across the region but nationally, is due to our deep roots in local communities in Maine, New Hampshire, and Vermont. We support the housing coalitions and finance authorities in each state. Many of our staff members belong to boards and committees of nonprofits and community groups. And, of course, we live in these communities!



ZEPHYR PLACE APARTMENTS IN WILLISTON, VERMONT

PHOTO COURTESY OF CHAMPLAIN HOUSING TRUST.

This intimate knowledge gives us a bird's eye view of issues that cut across the region as a whole. We keep our finger on the pulse of the industry at large and continuously observe the real, lived experience of residents at all of our properties throughout the region so that our work is responsive and relevant. These deep local connections also drive our work with investors, developers, and many other stakeholders to preserve, build, and maintain affordable homes that benefit local communities.

Easterseals NH (ESNH) is developing 140 acres in Rochester, New Hampshire into a campus called Champlin Place that will comprise 65 affordable apartments, support services, and recreational amenities designed to help seniors age with dignity in their homes.

The developer strives to create an active community, which is reflected in their design: two wings will extend from a central core which will serve as a front porch and offer an array of common area amenities, including a large community garden and walking

loop built within an expanded community trail network. New Hampshire Housing is providing \$9.24 million in permanent loan sources to the project, including a \$4.6 million construction loan.

In Williston, Vermont, Evernorth and Champlain Housing Trust (CHT) partnered to convert a former 99-room hotel into 72 perpetually affordable apartments—29 studios and 43 one-bedrooms—located close to jobs and public transportation. Perhaps most impactful is that 38 homes at Zephyr Place are reserved for previously unhused people who will receive rental assistance from the Burlington Housing Authority.



CHAMPLIN PLACE, AN AFFORDABLE APARTMENT COMMUNITY FOR 55+ ADULTS IN ROCHESTER, NEW HAMPSHIRE

To build Zephyr Place, Evernorth and CHT partnered with the Vermont Housing & Conservation Board and the Vermont Housing Finance Agency to utilize ARPA funds combined with State Fiscal Recovery resources.

The small downtown in Bath, Maine is being improved with the new construction of 60 new apartments on the vacant site of the former YMCA building, to be dubbed The Uptown. The Szanton Company is developing these homes for residents who are at least 55 years old as well as rehabilitating and utilizing adaptive reuse for two buildings on adjacent lots. MaineHousing is providing permanent loan sources totaling approximately \$7 million to the project.

The existing historic buildings were built in 1897 and designed by noted Maine architect John Calvin Stevens. The buildings currently house ten residential apartments and six ground-level retail spaces. Residents will be able to remain in their apartments while the units get a modern makeover, and the exterior of the buildings receive a historic renovation. Four new loft-style apartments will be added to a currently vacant portion of one of the blocks. The historic YMCA gym will also be brought back to its original design, with a fitness center and community room for residents.

Every day at Evernorth we work with our partners to make more than homes—we help create community. ■



CONSTRUCTION UNDERWAY AT THE UPTOWN, A COMPLEX OF 60 NEW RESIDENCES FOR ADULTS 55+ IN BATH, MAINE

Investing with Integrity

The Housing New England, (HNE) Fund III closed in March 2022 with \$82.5 million in equity, a \$22.2 million increase from the previous fund. These multi-investor funds raise capital from a wide range of investors, including community, regional, and

national banks as well as one of the nation's largest mortgage banking organizations. The result of these collaborations: more long-lasting and permanently affordable housing for people throughout northern New England. ■

HOUSING NEW ENGLAND FUND III LP

21 investors
17 projects
\$82.5 million raised

*Equity capital raised and deployed for affordable housing in 2022-23



GROUNDBREAKING AT 198 BLAKE STREET, A PROJECT IN PARTNERSHIP WITH RAISE-OP TO CREATE 18 NEW AFFORDABLE HOMES AT CERTIFIED PASSIVE HOUSE EFFICIENCY STANDARDS IN LEWISTON, MAINE



RIBBON CUTTING AT 198 BLAKE STREET IN LEWISTON, MAINE

Investments Result in Homes

The Low Income Housing Tax Credit (LIHTC) program is the most successful housing production program ever devised. Evernorth has a 35-year track record investing in affordable housing, selecting each project carefully considering details like accessibility and resident services. As a leading tax credit syndicator in the region, we know the financial stability of the development contributes to creating a long term and permanently affordable community asset.

In 2022, we financed 19 projects utilizing the LIHTC program creating 811 homes. Of the units financed, 63% were new construction. In total that means 811 homes for kids, families, and seniors in communities throughout northern New England and \$106.5 million net equity invested across our LIHTC service area. ■

 **19**

Number of housing properties closed in 2022

 **811**

Number of apartments created in 2022

RURAL VS. METRO

Rural: 7

Metro: 12

SENIOR VS. FAMILY

Senior: 7

Family: 12

NEW CONSTRUCTION VS. PRESERVED THRU REHAB

New: 12

Rehab: 5*

Acquired: 2



HOMES IN MAINE

8 properties
378 apartments



HOMES IN NEW HAMPSHIRE

4 properties
234 apartments



HOMES IN VERMONT

7 properties
199 apartments

*Includes 3 rehab and 2 combination new construction / rehab

Creating More Than Homes

As part of our mission, we are determined to create safe places for people in northern New England to live and opportunities to thrive. Creating homes is only part of the equation. The other is utilizing New Markets Tax Credits (NMTC) to finance community development activities.

Evernorth Rural Ventures (ERV), a qualified Community Development Entity, uses NMTCs to finance community development activities across Maine, New Hampshire, Vermont, four counties in western Massachusetts, and two counties in northeastern New York.

In 2021, ERV was awarded \$60 million of NMTC allocation from the Department of Treasury CDFI Fund to continue its successful economic development work in low income rural areas. We invested in two community projects with great impacts —one addressing food insecurity in Massachusetts and one tackling the affordable housing crisis in New Hampshire.

The Food Bank of Western Massachusetts supports 240,000 food insecure people annually. NMTCs financed the construction of a new facility that will centralize the food bank's operations, allowing them to distribute more than 17 million pounds of food by 2025 and more than doubling their available space to store and distribute healthy food to community members facing food insecurity.

Hundred Nights in Keene, New Hampshire provides crisis-related services to people at risk of experiencing homelessness. NMTCs financed the



HUNDRED NIGHTS YEAR-ROUND EMERGENCY SHELTER AND RESOURCE CENTER IN KEENE, NEW HAMPSHIRE



Since our first NMTC award in 2008, Evernorth has served more than 72,300 people in low income communities with access to healthcare, higher education, fitness, and other social services.

construction of a new 5,180 square-foot, 48-bed facility that will allow Hundred Nights to expand so that the shelter and resource center services will all be under one roof. The new design includes women's and men's dormitories, private rooms to accommodate families, public restrooms and showers, a courtyard, community gardens, and an expanded resource center space to serve more people.

Evernorth will continue to address food insecurity, revitalize low income communities, and increase access to healthcare by investing in essential community goods and service providers and job-generating regional manufacturing. ■



PHOTOS COURTESY OF THE FOOD BANK OF WESTERN MASSACHUSETTS

NMTC financing through ERV has created:

\$221
Million of
affordable capital

\$397
Million in total
development
activity

4,220+
Jobs created
and retained

1,750
Construction jobs

Supporting Our Partners

The Asset Management team works closely with local partners, managing agents, and investors to continually monitor and report on the physical health, financial performance, and compliance of every single Evernorth property in Maine, New Hampshire, and Vermont. The Asset Management team also acts as a syndicator-representative in northern New England regionally and as an owner-representative in Vermont.

The Evernorth portfolio remained strong in 2022, achieving key performance metrics with minimal variance from prior years.

Yet, our focus evolved in response to our partners' needs. Our team recognized the impact that the Covid-19 pandemic had on our property management partners and the challenges they faced since the spring of 2020. The asset management team embarked on a "Compassion Fatigue" initiative, which included a free training to help partners dealing with stress and burnout, plus resources to support their resiliency and well-being. In addition, we sent each property manager a gift basket as a small gesture of our vast gratitude and appreciation. The recognition was well received by our partners. ■



Asset Management Portfolio

297

**Total Properties
(10,526 Apartments)**

4 Pre-stabilized properties
(129 apartments)

265 Stabilized properties
(9,063 apartments)

15 Properties under construction
(653 apartments)

13 Properties in the lease-up phase
(681 apartments)

Maximizing Energy Efficiency

Energy Services is a resource to developers and property managers, providing technical expertise and additional capacity to address complex mechanical system issues when they arise. Our team works collaboratively to advise on the design of new mechanical systems, reduce energy consumption and operating costs, and leverage the data collected from the Parsons

Platform to discover and resolve issues with building mechanical systems. This is all to ensure that Evernorth homes are safe and comfortable for its residents.

As a member of the Vermont Energy Code Advisory Committee, Evernorth actively shapes and provides input on energy code revisions, focusing on their implications for affordable housing developers. Our contributions to the Committee include providing data that was used to study cost effectiveness of proposed code changes. In 2022, we presented at the “Better Buildings by Design” conference, where we delivered a presentation called “Delivery Efficiency of Recirculated Domestic Hot Water Systems (DHW),” which showcased our data collection system and demonstrated how our work systematically improved the efficiency of the DHW systems in our buildings. ■



ENERGY SERVICES USED LESSONS LEARNED FROM EXISTING DHW SYSTEMS TO OPTIMIZE THE DESIGN OF A NEW AIR SOURCE HEAT PUMP DHW SYSTEM, REDUCING BOTH INITIAL COSTS AND LONG-TERM UTILITY COSTS IN MORRISVILLE, VERMONT

Connecting Our Residents



RESIDENTS OF DOWNSTREET APARTMENTS IN BARRE, VERMONT
TENDING TO THEIR COMMUNITY GARDENS

Evernorth Connections provides increased capacity and support to our housing and services partners through facilitating peer exchange and participating in local and regional committees. In 2022, we supported initiatives such as the SASH (Support and Services at Home) For All pilot program, an innovative resident health and services program based on building community and providing low-barrier onsite access to physical and mental health screenings. Our team also participated in the Maine Digital Equity Taskforce, a group representing communities who face greater barriers to Internet connectivity. The Taskforce helps guide the planning phase of a grant application under the Digital Equity Act.

Evernorth Connections also supports residents directly in a variety of ways:



EXPANDING COMMUNITY GARDENS

The Evernorth Connections Garden Program has run for the last five years in partnership with the Vermont Community Garden Network – and continues to grow. In 2022, we secured a grant from the Vermont Community Foundation to establish a new garden program and sponsored the addition of outdoor message boards for posting garden events and resources. Seventy-three people participated across the 12 gardens, many of them visiting a few times a week or even daily.



INCREASING DIGITAL ACCESS

In partnership with Burlington Housing Authority, we added a public Wi-Fi network to two properties in 2022, at no cost to the 170 residents, including 52 children and 14 single-parent households.



CENTERING THE RESIDENTS

In 2022, Evernorth established an interdisciplinary User-Centered Design Committee, led by our Connections and Real Estate Development teams. This committee conducts surveys and focus groups to gather resident input in the design of our affordable housing communities. In 2022, we did five surveys and three focus groups with a total of 81 residents participating. We learned valuable insights and made enhancements to the community spaces, such as craft tables, storage cabinets, and a children's reading nook. We also added basketball hoops, four-square, and hopscotch to make the playscape better for the kids! ■

Growing Our Resources

Evernorth Loan Fund experienced a significant amount of growth in 2022, successfully closing 13 loans with a total value of \$9.3 million. As the department has evolved, we have embraced new opportunities and expanded our reach, establishing ourselves as a dynamic, multi-state collaborator. Our primary focus is to address the critical gaps in the housing delivery system, constantly adapting and expanding our lending team's capabilities. We are driven by the vision of creating affordable housing and sustainable ecosystems that promote healthier communities.

One unique achievement in 2022 was the closing of an \$8.95 million loan fund capitalized with investments from eight major employers from New Hampshire and Vermont's Upper Valley. The Upper Valley Loan Fund provides financing to build affordable apartments targeted to renters with low and moderate incomes. The Fund will help catalyze rental housing production in a segment of the market serving employees who are increasingly priced out of housing in the area. The Upper Valley Loan Fund will offer low-cost, flexible financing for affordable housing projects that accelerate the production of an estimated 260 additional rental homes in the region. These Loan Fund investments will leverage an estimated \$67 million of other public and private capital. ■



RIVERWALK APARTMENTS, A 42-UNIT AFFORDABLE HOUSING PROJECT UNDER CONSTRUCTION IN WHITE RIVER JUNCTION, VERMONT

About the Upper Valley Loan Fund:



\$8.95
Million raised

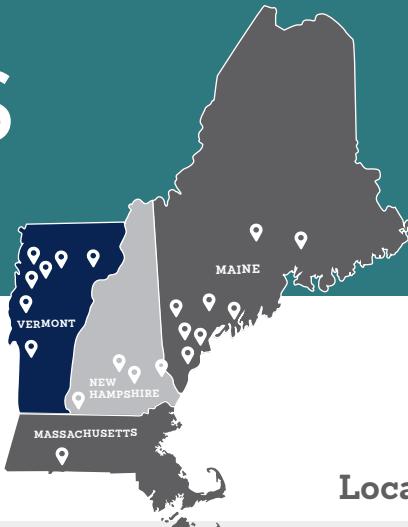
8

Upper Valley employers invested

\$67
Million additional financing leveraged

260
Additional workforce homes created (estimated) with initial funding

INVESTMENTS IN 2022



LIHTC Investments
NMTC Investments

Development	Developer	Location
Blake and Walnut LP (Raise-Op)	Raise-Op Housing Cooperative	Lewiston, ME
Caleb Penacook Phase 2 LP	The Caleb Foundation, Inc.	Concord, NH
Champlin Place LP	Easterseals New Hampshire	Rochester, NH
Davis Road Senior Housing	Bangor Housing Authority / Bangor Housing Development Corp	Bangor, ME
DC 15 Harrison LP (Harrison Ridge)	Developers Collaborative	Bridgton, ME
DC155 Danforth LP	Developers Collaborative	Portland, ME
Firehouse Apartments LP	Addison County Community Trust (ACCT) / Evernorth	Bristol, VT
Hartland Senior Housing Assoc. II LP	Kennebec Valley Community Action Program	Hartland, ME
Main Street Family Housing LP	COTS (Committee on Temporary Shelter) / Evernorth	Burlington, VT
Millbrook Estates 1, LP	Westbrook Development Corporation	Westbrook, ME
Oak Hill Senior Housing LP (Jocelyn Place)	South Portland Housing Authority / South Portland Housing Development	Scarborough, ME
RENEW II LP	NeighborWorks of Southern New Hampshire	Manchester, NH
River Bend Apartments LP	Lamoille Housing Partnership (LHP) / Evernorth	Lamoille, VT
Stuart Avenue HLP	Champlain Housing Trust (CHT) / Evernorth	Colchester, VT
The Uptown LP	The Szanton Company	Bath, ME
Tuttle Block Apartments LP	Housing Trust of Rutland County (HRTC) / Evernorth	Rutland, VT
Upland Heights LP (Kelley Falls Phase I)	Manchester Housing & Redevelopment Authority	Manchester, NH
West Burke Housing LP / Burkeland	RuralEdge / Evernorth	West Burke, VT
Zephyr Place Housing LP	Champlain Housing Trust (CHT) / Evernorth	Williston, VT
The Food Bank Support Corporation	Food Bank of Western Massachusetts	Chicopee, MA
Hundred Nights Foundation, Inc.	Hundred Nights	Keene, NH

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2021-2022 INVESTORS

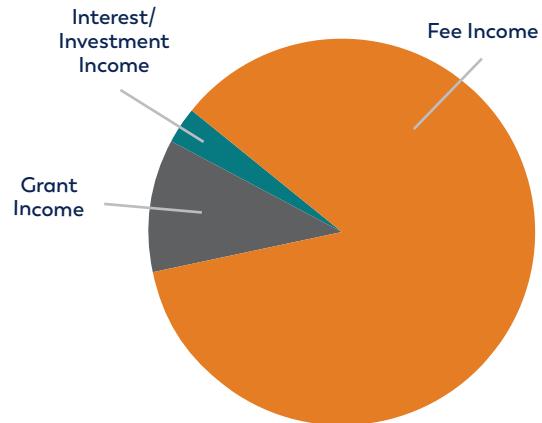


BANK OF AMERICA

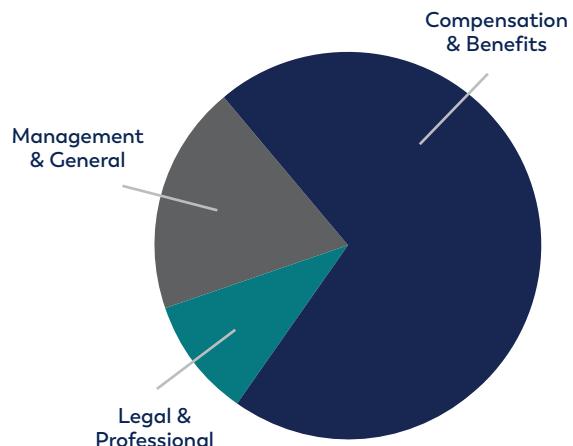


Statement of Financial Position

DECEMBER 31, 2022



INCOME	
FEE INCOME	\$8,911,021
GRANT INCOME	\$1,134,000
INTEREST/INVESTMENT INCOME	\$304,266
TOTAL INCOME	\$10,349,287



EXPENSES	
COMPENSATION & BENEFITS	\$6,147,691
LEGAL & PROFESSIONAL	\$1,639,813
MANAGEMENT & GENERAL	\$872,436
TOTAL EXPENSES	\$8,659,940
NET INCOME*	\$1,689,347

*Excludes Unrealized Gain (loss) on investment portfolio

ASSETS	
CASH & CASH EQUIVALENTS	\$7,868,151
OTHER CURRENT ASSETS	\$9,069,698
OTHER ASSETS	\$18,122,639
PROPERTY & EQUIPMENT (NET DEPRECIATION)	\$538,045
TOTAL ASSETS	\$35,598,533
LIABILITIES	
CURRENT LIABILITIES	\$2,059,409
LONG-TERM LIABILITIES	\$8,422,751
NET ASSETS	\$25,116,373
TOTAL LIABILITIES & NET ASSETS	\$35,598,533

Audited Financial Statements for Evernorth can be provided upon request.

Evernorth Board of Directors

Cullen Ryan
Board Co-Chair
Executive Director
Community Housing of Maine

John Vogel
Board Co-Chair
Retired Adjunct Professor of Business Administration
Tuck School of Business, Dartmouth College

Mike Anthony
Group Vice President, Community Investments and Western New York Commercial Real Estate
M&T Bank

Amy Demetrowitz
Chief Operating Officer
Champlain Housing Trust

Marc Landry
President, Retired
Landry Insurance

Charlie Baker
Executive Director
Chittenden County Regional Planning Commission

Walt Greiner
Executive Vice President & Chief Credit Officer
Bank of Burlington

Chris Miller
Senior Vice President for Property Management & Housing Development
Easterseals NH

Dave Birkhahn
Vice President & Team Lead, Community Capital Group
TD Bank

Karyn Hale
Executive Vice President, Treasurer and CFO
Union Bank

Kara Sweeney, Esq.
Corporate Attorney, Director and Co-Chair of the Business Law Group
Preti Flaherty Beliveau & Pachios, PLLP

Michael Clarke
Senior Vice President of Commercial Real Estate Banking & Senior Underwriter
Bank of America Merrill Lynch

Kelly Laflamme
Affiliate Consultant
Pear Associates

Andrew Winter
Executive Director
Twin Pines Housing Trust

Our Agency Partners

We are grateful for our ongoing partnerships with all the state housing agencies in Maine, New Hampshire, and Vermont. Our efforts to create affordable housing for families only succeed because of their steadfast work.

Evernorth Scholarships

ROBERT GENSBURG SCHOLARSHIP FUND \$250,000 endowment

In 2022, an anonymous donor generously donated a substantial gift to endow the Robert Gensburg Scholarship Fund. The gift will allow the Scholarship Fund to significantly increase our impact and reach more students each year.

The Scholarship Fund was established eight years ago to honor Robert Gensburg, a champion of affordable housing and education. As one of Evernorth's founding attorneys, Robert was committed through his career to social and economic equality for all Vermonters.

The Gensburg Scholarship provides financial aid for educational programs that lead to certifications or degrees. Recipients may reside in any Evernorth affiliated apartment. Since 2014 Evernorth has made 36 awards to help residents pay for their education (some individuals may have received more than one award).

INVESTING IN YOUR SUCCESS SCHOLARSHIP FUND \$15,000

Since its inception in 2010, Evernorth has allocated more than \$175,000 in scholarship funds to our Property Management partners for training and professional development. The scholarships help to defray the cost of educational training in asset management for property managers. We are proud to assist the professionals who help make affordable housing "home" for so many.



VISION

People in every community have a safe place to live and opportunities to thrive.

MISSION

We work with partners to connect underserved communities in the northern New England region with capital and expertise to advance projects and policies that create more inclusive places to live.

VALUES

Mission Driven

We act with strategic courage, strive for excellence and hold ourselves accountable to creating equitable and sustainable communities.

Inclusive

We cultivate inclusive communities by listening to our internal and external stakeholders, creating space for all to be seen and belong.

Integrity

We honor our commitments and build and maintain trust through transparent communication and mutual respect.

Relationship Centric

We seek transformational change through relationships centered on respect, trust, collaboration and balance.

Affordable Housing Results Since 1988

\$1.43B

Equity capital raised

32%

Senior units

89%

Nonprofit partners

520

Total developments

65%

Family units

11%

For-profit partners

16,419

Total apartments

3%

Special needs/
Homeless units

114

Development partners



Investing in communities. Building possibilities.

Evernorth Burlington Office
100 Bank Street, Suite 400
Burlington, VT 05401

Evernorth Portland Office
120 Exchange Street, Suite 600
Portland, ME 04101

About Evernorth

Evernorth is a nonprofit organization that provides affordable housing and community investments in Maine, New Hampshire, and Vermont. Evernorth has raised and deployed over \$1 billion in equity capital for affordable housing and built more than 16,000 affordable homes for low and moderate income people across northern New England.

evernorthus.org