

north notes

SPRING 2025

NEWS AND IDEAS FROM THE COMMUNITY DEVELOPMENT LEADERS AT EVERNORTH

The Loan Fund: Evernorth's Creative Capital



Photo: William Daugherty

Central and Main Apartments in Windsor, VT.

Affordable housing starts with an idea. A developer may want to renovate an old mill or build more homes for seniors. Of course, an idea isn't enough; building affordable housing also requires capital.

Since Evernorth launched the Loan Fund in 2020, the organization has raised more than \$30 million in capital to lend to developers and owners throughout northern New England. The Fund offers a variety of low-cost, flexible loans including pre-development, acquisition, bridge, permanent, and subordinate, all with a focus on addressing critical funding gaps.

CONTINUED INSIDE



Photo: Andy Duback

Evernorth and the White River Junction community celebrate 42 new affordable apartments with a ribbon cutting and open house.

In addition to raising capital, the ENLF Team designed financing products and developed origination, underwriting, servicing, and portfolio management infrastructure to deploy that capital and support the developers.

According to Jim Wogan, Evernorth’s Director of Lending, the Fund’s goal is to meet partners where they are, to work together to find solutions at whatever phase the project is in.

“We are a prudent lender and we can be creative and problem solve,” said Wogan. “We’re willing to step in at the very early stages to provide funding that gets a shovel in the ground and gets a project going.”

HOUSING LOAN FUND GETS TO WORK

In the Upper Valley region of New Hampshire and Vermont, employers were worried about the critical shortage of affordable housing. Like many other places in the country, lack of housing is a key barrier to recruiting and retaining employees.

One unique solution? In 2022 eight major Upper Valley businesses formed a regional Workforce Housing Initiative which Evernorth partnered with to create the Upper Valley Loan Fund (UVLF), a \$8.95 million loan fund capitalized with investments from the companies. The eight employers in the UVLF include: Bar Harbor Bank, Citizens Bank, Dartmouth College, Dartmouth Health, Hanover Co-op Food Stores, Hypertherm, King Arthur Baking, and Mascoma Bank. In 2024, Dartmouth College committed an additional \$1.5

million, bringing the total capitalization to \$10.45 million.

Evernorth manages the UVLF and works with developers to offer financing for affordable housing projects that will produce an estimated 260 additional rental homes in the region, of which the vast majority will be affordable to people earning between \$13 and \$25 per hour (below 80% of the area median income). The Fund’s investments are expected to leverage over \$65 million from other public and private financing to accelerate the production of more housing for Upper Valley employees.

The first UVLF project opened in the summer of 2024. The Riverwalk Apartments in White River Junction, VT provides 42 permanently affordable homes to families in the Upper Valley.

FUND PHILANTHROPY

In the fall of 2024, the Evernorth Loan Fund received a generous—and anonymous—gift. A philanthropic donor in Vermont gave \$10 million to support financing of affordable housing projects in the state. The Loan Fund’s long-term goal is to raise additional philanthropy and grant dollars to grow its capital pool to \$100M to support developers across northern New England.

“We are incredibly grateful for this generous donation, which we are putting to use to create lasting impact in the communities we serve,” said Nancy Owens, President of Evernorth.

EXTENDING THE LENDING

To extend its reach and support to developers in New Hampshire and Maine, ENLF secured a \$950,000 Capital Magnet Fund grant from the U.S. Department of the Treasury’s Community Development Financial Institution (CDFI) Fund.

The Capital Magnet Fund grant allows Evernorth to make loans with below-market rates and terms by addressing three gaps in available financing: 1) early stage pre-development capital, 2) financing to bridge receipt of tax credit equity and other subsidies, and 3) permanent financing for energy upgrades in existing affordable housing stock in Maine and New Hampshire.

This Capital Magnet Fund award has already supported the development of 392 units and is expected to promote the production and preservation of more than 500 affordable rental apartments by 2026.

The Loan Fund recently applied for CDFI certification which will provide access to more federal funds by means of U.S. Treasury-based capital, as well as technical assistance and operational grants.

GROWTH MODE

Evernorth has a long track-record as a Low Income Housing and New Markets syndicator, developer, consultant, and collaborator. The Loan Fund is one more way for Evernorth to catalyze the creation of affordable housing.

The Lending department is growing its infrastructure as well as its products, developing processes and best practices to better support developers. The Fund continues to collaborate with other lenders and capital sources to meet the borrowers’ needs.

“We want to be another solution, another tool in the toolbox for affordable housing developers and owners,” said Wogan. “Our value proposition is flexibility, customization, ease of execution, and inexpensive capital to further the mission that we’ve been entrusted with for years.” ■

HOW CAN THE EVERNORTH LOAN FUND WORK FOR YOU?

Evernorth offers below market interest rates and innovative financing solutions to developers and affordable housing owners to support the development and preservation of affordable housing in Maine, New Hampshire, and Vermont.

As the Loan Fund team has evolved, it has embraced new opportunities and expanded its reach. Evernorth provides a variety of loans including pre-development, acquisition, bridge, permanent, and subordinate, all with a focus on addressing the critical funding gaps in the rental housing delivery system.

To learn more about Evernorth Loan products and terms, contact Jim Wogan, Director of Lending at jwogan@evernorthus.org or (617) 721.5978.

2024 Lending Activity

\$5.3

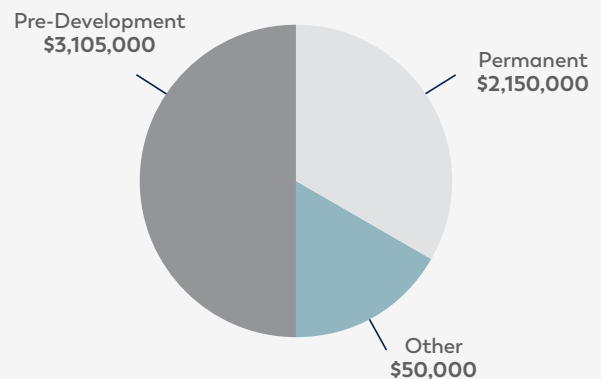
**Million
Committed
& Closed**

(Includes closed and committed loans across ME, NH & VT)

11 Loans

- 8 Pre-development
- 1 Permanent First Mortgage
- 1 Subordinate
- 1 Vermont-based CDFI

2024 Loan Types



Spotlight on Evernorth Loan Fund-financed projects

Since Evernorth created the Evernorth Loan Fund (ENLF) in 2020, the organization has raised more than \$30 million in capital. The Loan Fund enables developers to access the capital they need to create safe, quality housing for the people who need it most. The funds are already supporting more than 850 affordable homes under development in Putney, Waterbury, Berlin, West Rutland, and Burlington, Vermont and in Portland, Lewiston, and Bangor, Maine.

In addition, the Fund has a pipeline of commitments that will close this year to support the development of 150 more homes. Below are a few projects that utilized the Loan Fund for financing.

DEVELOPING DOWNTOWN

Downtown Windsor, Vermont is bustling with activity, filled with schools, small businesses, shopping, recreation, community services, and more. Evernorth and Windham & Windsor Housing Trust (WWHT) have partnered to develop 25 new, highly energy-efficient, and permanently affordable apartments on Main Street, in the heart of the downtown district.

“With Central and Main Apartments, we are creating homes right downtown where residents can thrive and engage in their community,” said Elizabeth Bridgewater, WWHT’s Executive Director. “These homes will be affordable to individuals and families with a range of income levels that the market just doesn’t meet.”

\$14.5 million in funding was raised from a mix of public and private sources to cover the total development costs. Federal Tax Credit Equity administered by the Vermont Housing Finance Agency (VHFA) and provided by Evernorth’s 481 Fund (contributed to by TD Bank) totaled over \$8.1 million. Evernorth provided a \$695,000 permanent loan through its Upper Valley Loan Fund.

Additionally, U.S. Senator Bernie Sanders provided \$1 million to the project through HUD’s Housing and Economic Development Initiative. The Vermont Housing and Conservation Board contributed over \$3 million, including \$2.1 million in ARPA (American Rescue Plan Act) funding and \$588,958 in National Housing Trust funds.

The Windsor Improvement Corporation generously donated the land for the project, garnering widespread community support to transform the previously vacant site into the future home of Central and Main Apartments.

The building was designed to be all-electric, incorporating technologies such as heat pumps, whole-building ventilation systems, and a robust thermal shell. Central and Main is scheduled to open this Summer.

COMMUNITY COURT

In the Libbytown neighborhood of Portland, Maine, folks have enjoyed the City-owned Dougherty Field for years. With soccer and baseball fields, a basketball court, two playgrounds, skate park, Kiwanis



Groundbreaking of Central and Main Apartments, 25 highly energy efficient and permanently affordable homes.

Photo: Liz Lavorgna

Pool, and Libbytown Community Garden, there's a lot to do.

Just south of Dougherty Field, a new five-story affordable apartment building is being built so that 63 more families can enjoy the neighborhood. 45 Dougherty Court is currently under construction, with lease-up expected to begin in May for occupancy in October. The project, developed by The Szanton Company, received a pre-development loan from the Evernorth Loan Fund in 2023. Evernorth's multi-investor fund, Housing New England, Fund IV is the equity investor with \$8.8 million.

Apartments will be available to households earning 60% or less of Area Median Income (AMI), which in Portland is \$51,300 for a single person and \$72,360 for a family of four. Rent will range from \$1,250 a month for the 35 one-bedroom units to \$1,750 for 10 three-bedroom residences. Eighteen units will offer two bedrooms. This is The Szanton Company's first 100% affordable property.

The 68,000-square-foot building will be all-electric and built to LEED Silver standards to be highly energy-efficient. Each apartment will be heated and cooled by mini-split, air-source heat pumps, and the hot water will be provided via electric water heaters. There will also be propane-powered generators on-site.

Common amenities will include a community room, fitness center, bike storage, and coin-operated laundry. And everything that Dougherty Field has to offer.

Saco Falls Management will provide resident services to 45 Dougherty Court tenants. Resident Service Coordinators will work from an on-site office to connect residents with resources they need to reach their personal goals.

The apartment building is the first phase of a multi-phase, multi-developer residential redevelopment that will cover about 3.35 acres on Douglass Street, the site of a former city dump and the now demolished West School.

Phases 2 and 3 will be developed by Maine Cooperative Development Partners (MCDP). MCDP has approvals to build 20 income-restricted condominiums (households can earn up to 100% of the AMI), and 42 apartments, adjacent to 45 Dougherty Court.

The third and final phase will be apartments or condos, affordable to households earning 60% to 100% of AMI.

PRESERVING SENIOR HOMES

For more than 40 years, Copley Terrace has been an affordable place to live for seniors in Morrisville, Vermont. Thanks to Evernorth's recent purchase of the building,



residents will be able to continue aging in place there.

Copley Terrace was developed in 1983 by Copley Healthcare Systems Inc. (CHSI), to support the area's senior population with affordable housing near CSHI's hospital and other healthcare facilities. In addition to giving residents a safe, comfortable place to live, the complex provides places to gather, including a community room, common kitchen, exercise room, hair salon, and outdoor space.

Copley Terrace's 38 apartments have always been "deeply affordable," which means that residents pay no more than a third of their monthly income on rent. All of the units, except for two open to younger people with disabilities, are set aside for elderly people.

Last year Copley Terrace reached the end of its original affordability requirements, and the Hospital was ready to sell the property. In order to preserve the affordable homes, Evernorth purchased the property with help from an acquisition loan from the Evernorth Loan Fund and funding from the Vermont Housing and Conservation Board. The sale closed in February 2025.

Evernorth intends to keep all 38 units as affordable housing and will retain rents capped at a third of residents' incomes. The organization has also signed perpetual affordability covenants meant to keep the apartments affordable permanently.

"Our plan is to continue to operate Copley Terrace as very high-quality, affordable senior housing," Kathy Beyer, Evernorth's senior vice president of real estate development, said. "It will be a resource to the community forever." ■


Strategic Priorities: Improving Systems and Service

After months of research and many conversations with stakeholders, Evernorth created and adopted its five-year Strategic Plan. And according to Evernorth President Nancy Owens, the timing couldn't have been better.


"The priorities we identified are about bringing our partners what they need, strengthening our staff, and raising capital from new sources," said Owens. "Building affordable housing is as tough as ever, and our strategic plan supports us to meet the challenge."

The Strategic Plan is grounded by Evernorth's vision and mission, position in the market, performance, and emerging issues and opportunities. The four strategic priorities are to:

 **Maximize effectiveness by stabilizing and streamlining current systems.**

 **Invest in the team, including professional development, so the staff has the skills it needs to deliver—and adapt.**

 **Expand opportunity by diversifying and growing capital from new sources, including "patient" loan capital.**

 **Advance equitable environmental solutions by continuing to align real estate development, syndication, lending, energy work, and portfolio, for a healthier planet.**

MAXIMIZING EFFECTIVENESS

Evernorth's goals have always been two-fold: to build safe affordable housing and to achieve target returns for their investors. The Capital Management department is key to accomplishing both.

As its name would suggest, Capital Management manages the flow of equity capital throughout an investment's life cycle, from investment fund formation to dissolution. The Capital Management team works closely with the Community Investments' Low Income Housing Tax Credit (LIHTC) acquisitions team, before a fund invests in an affordable housing project, and with Asset Management to ensure every project is compliant and performing well.

With a focus on maximizing effectiveness, all three departments recently worked with an outside

evernorth Strategic Plan 2024-2029

To learn more about the Evernorth Strategic Plan, go to <https://evernorthus.org/strategic-plan/>

consultant to improve systems and coordination of the syndication process.

"These efforts helped us improve our operations so that we can be even more responsive and provide even better service to our developer and investor partners," said Cynthia Lacasse, Executive Vice President and Chief Program Officer at Evernorth.

Evernorth has also expanded the Capital Management team, creating a new position, Director of Capital Strategies. As Director, Mary Chevalier's role is to strengthen the Capital Management department through research, evaluation, development of investment vehicles, and participating in the capital raising process. Paul Ottoson, Director of Capital Management, and Connie Onos, Capital Management Associate & Office Manager, complete the team.

To further bolster operations and efficiency, last spring Evernorth hired Rich Grogan as the new Chief Financial Officer.

CONTINUED ON BACK COVER

HAVE QUESTIONS ABOUT INVESTING?

Evernorth's capital management team is here to help!

Cynthia Lacasse, Executive Vice President & Chief Program Officer clacasse@evernorthus.org

Mary Chevalier, Director of Capital Strategies mchevalier@evernorthus.org

Paul Ottoson, Director of Capital Management pottoson@evernorthus.org

Connie Onos, Capital Management Associate & Office Manager conos@evernorthus.org

Housing New England Fund VI

The Low Income Housing Tax Credit (LIHTC) program is the most successful housing production program in history, and Evernorth has a 37-year track record utilizing it. Since 1988, Evernorth has raised and deployed more than \$1.6 billion without a single recapture or foreclosure event, while delivering consistent and targeted returns for investors.

Evernorth closed Housing New England, Fund VI (HNE Fund VI) in March 2025. The multi-investor fund will provide equity to finance affordable housing in Maine, New Hampshire, and Vermont. Sixteen investors—including community, regional, and national banks—committed a total of \$64,250,000 in equity making HNE Fund VI a significant financial resource for the region’s critical affordable housing needs.

“As the critical need for housing continues, our investors play a pivotal role in creating and preserving affordable housing,” said Nancy Owens, President, Evernorth. “Their support will make a meaningful difference, especially in this challenging economic environment.”



Of the 10 properties and 492 homes financed by Fund VI, 4 are in Maine, one is in New Hampshire, and five are in Vermont. Three of the projects, with a total of 117 homes, are projected to be complete and ready for leasing in 2025. ■

evernorth
Results
since 1988

\$1.6B
Equity capital raised

514
Total developments

17,327
Total apartments

148
Development partners

69%
Nonprofit partners

31%
For-profit partners

62%
Family units

34%
Senior units

4%
Special needs /
Homeless units

Housing New England Fund VII

The need for affordable housing in all three states remains strong. Evernorth has a pipeline of high quality community developments which need financing and will be unveiling Housing New England, Fund VII later this summer. To learn more, contact Nancy Owens or Cynthia Lacasse.

Nancy Owens, President & Co-Founder:
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Cynthia Lacasse, Executive Vice President
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GROWING THE LOAN FUND

Evernorth raises equity capital for a variety of investment products that finance development and preservation of affordable housing and other community based facilities, including federal Low Income Housing Tax Credits (LIHTC), federal New Markets Tax Credits, (NMTC), and state historic, and affordable housing tax credits. In addition, capital raised also supports renewable energy and other energy saving features in these projects. Evernorth currently offers one multi-investor LIHTC funds a year. LIHTC capital is also available through single-investor proprietary funds managed by Evernorth.

In 2020, Evernorth created the Evernorth Loan Fund (ENLF) to close critical funding gaps by providing low-cost, flexible loans to affordable housing developers and owners. Since then the Fund has raised more than \$30 million in capital.

Focusing on the strategic priority of expanding opportunity, the Loan Fund is an example of the organization diversifying product offerings and raising capital from new sources. The Loan Fund continues to grow, most recently with a \$10 million anonymous

donation and a \$1.5 million donation from a previous investor.

In addition to raising capital, the Lending team has designed financing products and developed an origination, underwriting, servicing, and portfolio management infrastructure to deploy capital and support the developers.

The Lending team is also growing under the direction of Jim Wogan, the new Director, who joined Evernorth in 2024, and Helene Gaudet, Senior Loan Administrator.

STAYING POWER

Developing affordable housing is complicated and unpredictable. For more than three decades, Evernorth has differentiated itself as a trusted and knowledgeable partner willing to take on higher risk and smaller projects.

With its strategic priorities as its guiding light, Evernorth continues to look for better ways to solve problems, streamline processes, and improve communication with investors and developers. With a holistic approach, every department works together to ensure that all of its partners are supported. ■

Evernorth's New CFO

In November, Evernorth welcomed a new member to its Executive Team: Rich Grogan, Chief Financial Officer.

Rich directs Evernorth's Finance and Capital Management teams, as the organization enters into the next phase of growth. He plays an important role as Evernorth continues to execute on its Strategic Priorities and fulfill the mission to provide community-focused investments and affordable housing to people who need it most.

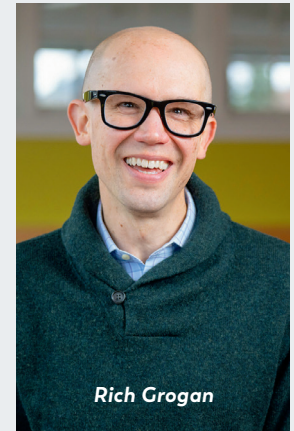
As Executive Director of the Northern Border Regional Commission (NBRC) since 2019, Rich was key to driving economic and community development across Maine, New Hampshire, New York, and Vermont.

Prior to the NBRC, Rich served as the Executive Director of Community Capital of Vermont, a CDFI and certified SBA Microlender, and as the State Director of

the New Hampshire Small Business Development Center.

Rich holds a PhD in Organizational Sustainability from Michigan State University, a Master of Public Administration from the University of North Carolina, and a BS in Business Administration from Wake Forest University.

Rich lives in the small, rural community of Reading, VT with his wife, dog, horses, chickens, and whatever other wildlife wanders through! He is based in the Burlington office and welcomes conversations with investors and developers alike. ■



Rich Grogan



Investing in communities. Building possibilities.

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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 \$1.6 billion in equity capital for affordable housing and built more than 17,000 affordable homes for low- and moderate-income people across northern New England.