



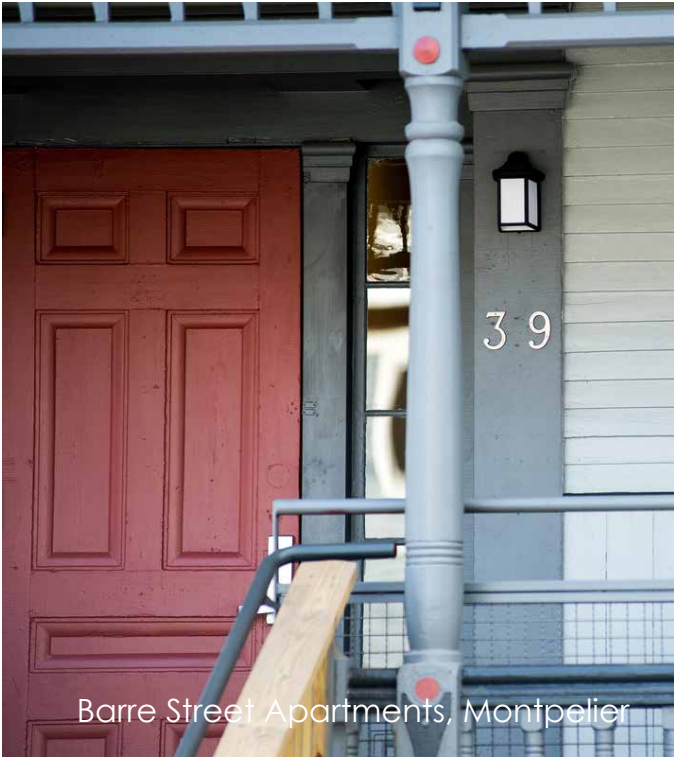
Annual Report



South Main Apartments, Waterbury

Downstreet provides access to affordable housing across all demographics and connects people to capital and education with the clear goal of reducing generational poverty.

We place critical value on our interrelated web of relationships and demonstrate the highest level of quality and expertise in all aspects of our work.



Barre Street Apartments, Montpelier



The Children's House, Montpelier



South Main Apartments, Waterbury

MESSAGE TO THE DOWNSTREET COMMUNITY

Downstreet provides access to quality affordable homes for Central Vermonters. With affordable rental apartments located throughout the Mad River Valley, Waterbury, Montpelier, Barre, Bradford and Cabot, we have made great strides in providing homes where they are needed most. Nevertheless, what is often less publicized about our work but no less important to our mission is the aim to be good neighbors in all the communities we serve. Our impact throughout Central Vermont addresses not only housing in terms of the affordability gap, but also through a wide range of collaborations with other social service agencies that help our communities to be strong, resilient and healthy.

What does being a good neighbor mean? To us it means a cooperative relationship with residents, neighborhoods and businesses to ensure lasting benefits. We do this through our involvement with organizations and groups that provide services essential to long-term housing success. Within this report you will read about our Director of Property and Asset Management's involvement as Co-Chair of the Washington County Continuum of Care, which addresses homelessness in our area. You will also learn about many of the ways in which Downstreet connects with Central Vermont residents and community leaders to deliver essential support and projects. And, of course, you will hear about our upcoming development projects in Montpelier and Bradford, and our ongoing commitment to environmentally sustainable business practices.

Moving forward in 2016, Downstreet continues this neighborly commitment to the communities we serve. By regarding the matter of affordable homes as a social justice issue and providing access to essential services related to home, Downstreet sends the message that, whatever the need, we are a neighbor on which residents can depend.

In peace and purpose,



Eileen Peltier
Executive Director



Tom Stevens
Board President

All too often, Downstreet staff are presented with heart-wrenching stories of homelessness from an individual, or a mother with children, or a young couple expecting a child. Last summer, we heard from a young mother with two small children looking for housing that night. The young 6 year old boy asked the mommy whether or not they had to sleep in the park again tonight? More recently another young mother explained to Downstreet staff that she finally had found the courage to walk away from an abusive husband and needed a place to stay that night. Our staff person, struggling to hold back tears, had to explain that Downstreet does not provide emergency shelter. While we do make connections to services that might get these struggling people onto a path to housing, rarely is it timely enough to keep them from living on the streets or in their cars. In our most recent strategic planning process, staff called out the issue of homelessness as their number one concern and hoped we could do more to help.

In Central Vermont on any given night, we need to house at least 100 individuals.

In 2015, Governor Shumlin announced his goal to end homelessness by 2020. In Central Vermont, this means on any given night, we need to house at least 100 individuals. Clearly, our work for the past 30 years has prevented homelessness for many, many Vermonters and we should be proud of our accomplishments. Somehow, when faced with the reality of two small children sleeping in a park in downtown Barre for another night, it becomes all too clear that we need to do more.

The Governor's goal is a good one. It shines light on an issue we as housing providers know all too well and says no more. Accepting the status quo is not acceptable any longer. In the past year, Downstreet has truly embraced the Governor's goal and ramped up our direct engagement in solving the problem of homelessness in Central Vermont.



For years, Downstreet has collaborated with our many partners on housing the homeless. Informal connections bringing together various partnering case managers with our property management staff to work together on finding housing for homeless individuals and families are commonplace. Over the years, more formal collaborations have been in place. One example was the agreement with Washington County Mental Services to house homeless individuals at our Barre Street property.

Other groups with which we have continuously collaborated, whether formally or informally, include Capstone, Circle, Good Samartin Haven and others. Although it is difficult to track, we believe about 50 households currently living in our apartments came to Downstreet's permanent housing from homelessness; yet the homelessness problem in our area isn't getting better — it's getting worse.

The vacancy rate at Downstreet's multi-family portfolio in the Barre-Montpelier downtown areas is 2-3%, severely limiting options for very low income households. It is clear that if we want to end homelessness, we need to engage in transformational thinking beyond the good work we have done so far. Last summer, Downstreet made a conscious decision to get into the conversation about homeless in a deeper way. Our own Liz Genge, Director of Property and Asset Management stepped up and agreed to co-Chair the Washington County Continuum of Care (CoC), a group which is designed to promote community-wide commitment to the goal of ending homelessness. The

membership is open to anyone committed to the cause, and there are over 100 members on the list serve.

In practice, the CoC engages in much information sharing, creating new models to serve and monitoring best practices to ensure those in the county experiencing homelessness are rapidly connected to resources and housing. Very recently, Downstreet executed memorandums of understanding with the Washington County Youth Services Bureau and Capstone Community Action pledging a total of three units for homeless households in the Barre-Montpelier area for the next fifteen years. These two partner agencies lease apartments directly from Downstreet and their case management staff offers a variety of support to the participants that include finding permanent housing. Downstreet and WCMHS Community Support Program currently hold one MOU that is over fourteen years strong in Montpelier, and we are in the process of executing a new partnership with WCMHS Outpatient Program.

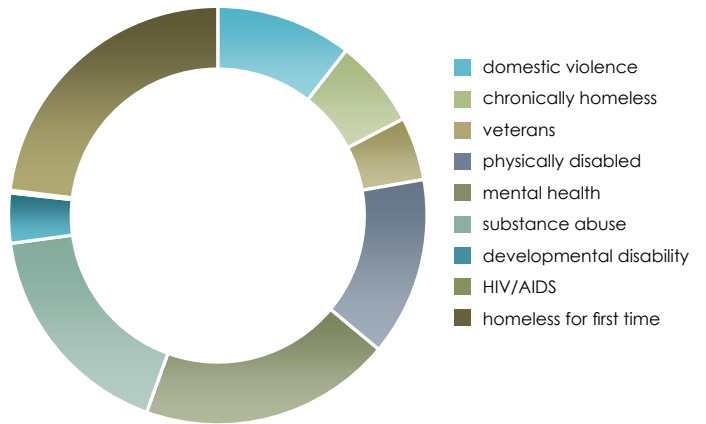


The Washington County Continuum of Care meets monthly at Capstone Community Action in Barre. Downstreet's Director of Property and Asset Management Liz Genge co-chairs the CoC.

While these partnerships are meaningful and impactful, so many in our community experiencing homelessness are sitting on long waiting lists for permanent housing or have been denied housing through Downstreet because of poor references or the inability to afford the rent for our apartments. As federal subsidies such as the Section 8 program diminish or social service agencies budgets tighten, it is challenging to meet our vision of ending homelessness. In 2016, Downstreet will look beyond

the traditional partners mentioned above and look to the strength within our communities, particularly the faith community, for collaborations that could leap frog us forward toward a day when homelessness is gone from Central Vermont.

Of Vermont's 1527 homeless population, many have one or more of the following issues:



Source: 2015 Vermont Point-in-Time Annual Statewide Count of the Homeless Report.

Carl Van Osdall represents the faith community of Barre on Downstreet's Board of Trustees. Carl has often spoken of the desire and capacity the faith community has to help end homelessness.

He explains, "We are coming to understand that solid housing provides a base from which individuals and families experiencing homelessness can start to re-order their lives."

In 2015, Deputy Director Martha Englert and Executive Director Eileen Peltier met with Carl and others from the Barre faith community and separately with members of the Montpelier faith community to begin a dialogue about homelessness in our communities. With our own house in order come June, Downstreet will be engaging neighbor-to-neighbor in Barre and Montpelier (to start), with a goal of facilitating the conversation that will change our impact from solid and steady over the years to getting our communities to the finish line and truly ending homelessness.

Will French Block
finally happen?

That's the question on the minds of Montpelier residents and us. This historic building's upper floors have been vacant for 70 plus years. Time to bring this old one back and provide much needed affordable one-bedroom apartments in our capital city. Last year, we got six down-payment assistance grants from the City for affordable homeownership. They flew out the doors fast and we are working with City staff to access more funding. In 2015, we got to know Another Way, WCYSB, and Christ Church a little better – it all begins there.

When will
Downstreet
Apartments
open?

From the moment last summer when we hit the ground on Downstreet Apartments, the questions have been coming in. We get the keys on June 1. Look for events this summer to see the space and celebrate. Since this fall, Downstreet has been working with the Granite City Grocery to assess a downtown site for the store. Addressing the lack of a walkable downtown grocery would enhance Barre and benefit our new residents and ok, yeah, it would be nice for Downstreet staff too!

How do I
get an
apartment?

Everyw
in betw

Love the
design!

Who knows if it will become a reality, but we are in the conversation advocating for affordable rentals for seniors and/or families and are excited by the concept put forth by the owners of the mall.

Will the Berlin Mall area
become a newly redesigned
town center with green spaces,
housing, and updated
commercial stores?

Community Conversations

Downstreet's ED, Eileen Peltier, has been talking about the role housing plays in the health of our communities. Whether it is with a group of Vermont housing executives (in Barre for a day-long retreat) or at a national training for housing leaders, Downstreet is an integral part of this important conversation that begins to address why your zip code is more important in determining your health outcomes than your genetics and your access to healthcare.

At the intersection of health and housing in Central Vermont and across the nation...

With much fanfare, South Main Apartments opened last June. We have been full up for months now. This beautiful building is a testament to the Waterbury community's resilience and determination after Tropical Storm Irene. With the new library, municipal offices, and the State Complex open, Waterbury is back.

Waterbury is Back

where
been...

Homeownership counseling, down-payment assistance, and rehab loans are sprinkled across Washington, Orange and Lamoille counties, quietly helping low-income families succeed in the challenging world of homeownership.

Bradford Progress...

We purchased a 21-unit fully subsidized project (Colonial Village) in Bradford adjacent to our Waits River Apartments. We plan to begin an extensive rehabilitation of the four buildings in 2017, resetting this much-needed family and senior housing for a stable future serving Bradford residents. Thank you to Wells River Savings Bank and especially President, Frank Kochman for being a great partner on this project. With a site identified, Deputy Director, Martha Englert is working with the community to assess the viability of creating a green play park on South Main Street near our apartments. Fingers crossed!

A look back at 2015



Downstreet staff and residents came together at Bromur Street Apartments for NeighborWorks Week 2015.



Preschoolers from The Children's House in Montpelier cut the ribbon at the grand re-opening of Downstreet's Barre Street properties.



Downstreet's Alison Friedkin accepts the NeighborWorks Green Designation plaque from Tom Deyo, VP of NeighborWorks National Real Estate Programs (left). Eileen Peltier looks on as Gov. Shumlin presents a family the keys to their new apartment at the South Main Apartments grand opening ceremony (right).



With the completion of Downstreet Apartments close at hand, we are thrilled to use our new headquarter offices as an opportunity to expand our involvement with our Barre neighbors. Our office design has many exciting elements that speak to Downstreet, one of which is a community space that will allow us to connect with and support our neighbors in Barre. This space, with its own private entrance, kitchen facilities, bathroom and presentation technology, spans 2,000 square feet and boasts two ceiling-mounted projectors and screens for presentations, wireless internet access and seating for approximately 75 people. We envision any number of events being held in our community room, from business meetings and training sessions, to potlucks and community gatherings.

Outdoors, a beautiful green space will draw in passers-by. Barre granite artist George Kurjanowitz (right) has been commissioned to create a sculpture that will stand in the outside area amid greenery and outdoor seating. Together with the three floors of apartment units in our building, Downstreet is sending the message loud and clear that we are proud to be permanent residents in Barre.



Downstreet has a solid history of partnering with Washington County Mental Health Services (WCMHS) to provide housing and services in the community. This collaborative relationship is exemplified in Downstreet's Hillside Shared Housing in Montpelier, which consists of two houses (one all-male and one all-female) with eight bedrooms total, that are designated for individuals coming from homelessness or at very high risk of homelessness. WCMHS directly refers potential residents to Downstreet for occupancy.



Director of Property and Asset Management Liz Genge spoke with Hillside Shared Housing resident Kelly Hoyt in her home.

Hillside resident Kelly Hoyt spoke with Downstreet's Director of Property Management Liz Genge at the women's house about what it was like for her six years ago when she first moved in.

“I had nowhere else to go, and would have been homeless.”

“I was in the hospital for 209 days before moving into the shared house,” Kelly

remembers. “Laurie Pontbriand [from WCMHS] and the Housing Coordinator from WCMHS brought me to an interview with the other women in the house and I was accepted to move in. Thank God, because I had nowhere else to go, and would have been homeless.”

Kelly enjoys the living situation with her house mates, which she describes as a supportive environment with some structure and house rules that work for her right now. While she is grateful for her ability to benefit from this type of house, she carries great concern for the homeless who don't have a place like Hillside to move into or family on whom they can depend.

“There are people in Montpelier who are sleeping under the bridge, camping in the vacant houses,” she explained.

Knowing that the shelter in Barre has been at capacity, Kelly and many others are understandably troubled about these Vermonter's obstacles to obtaining secure housing.

“People need an address, and with that, maybe they can get on Social Security, get prescriptions and health care,” says Kelly. “Maybe they just need a break and a

place to land first, and then they can get a job.”

WCMHS offers these coordinated supports, but the concern is for those who don't know how to get connected to the help that is available

As for a more permanent solution, Kelly says, “People caring is what will make a difference.”

A community space in Montpelier with consistent hours, where people can make connections with someone who can offer mental health and housing referrals is one idea Kelly offered.

A collaborative property like Hillside, which offers housing and property management from Downstreet alongside social services from WCMHS is a solution that really works, but it is clearly not enough. If this critical issue is to be successfully addressed, more communities and organizations must work together toward a solution that will end homelessness.

DOWNSTREET STAFF

Maxine Adams
SASH Coordinator

Kris Allen
Maintenance Technician

Nicola Anderson
Project Coordinator of RED

Carolyn Brown
Property Manager

Ryan Carpenter
Maintenance Technician

Kira Charissakis
Housing Specialist

Bonnie Collins
Accounting Specialist

Steve Comolli
Facilities Manager

Tina Daly
Loan Fund Assistant

Amy Dupuis
Reception & Occupancy Coord.

Pattie Dupuis
Loan Fund Manager

Martha Englert
Deputy Director

Alison Friedkin
Dir. of Real Estate Dev.

Liz Genge
Dir. of Property Management

Cara Hansen
Marketing / IT Manager

Mike Kucserik
Property Manager

Jennifer LaPan
SASH Coordinator

Jack Leonard
Senior Maintenance Technician

Brenda Lovely
Accounting Specialist

Eileen Peltier
Executive Director

Nate Quinn
Maintenance Technician

Kenneth Russell
SASH Coordinator

Harry Sanderson
Counseling Programs Manager

Rachel Shatney
Sr. Property Manager

Katharine Slie
Property Management Coordinator

FINANCIAL STATEMENT

Downstreet Statements for December 31, 2015

Balance Sheet

ASSETS

Cash

Operating	\$ 783,084
Restricted	\$ 42,863
Subtotal	<u>\$ 825,947</u>

Accounts Receivable

Revolving Loan Fund	\$ 3,237,338
Other	\$ 1,522,064
Subtotal	<u>\$ 4,759,401</u>

Construction in Process

\$ 71,462

Property & Equipment

Office Equipment	\$ 29,326
Leasehold	\$ 94,062
Improvements	
Land	\$ 1,547,655
Buildings & Appliances	\$ 7,576,075
Vehicles	\$ 68,410
Accumulated Depreciation	\$ (1,844,985)
Accumulated Amortization	\$ (93,805)
Other	\$ 308,922
Subtotal	<u>\$ 7,757,124</u>

TOTAL ASSETS

\$ 13,342,471

Liabilities

Accounts Payable	\$ 138,709
Accrued Other	\$ 548,761
Notes & Mortgages Payable	\$ 2,665,255

TOTAL LIABILITIES

\$ 3,352,725

Net Assets

\$ 9,989,746

TOTAL LIABILITIES & NET ASSETS

\$ 13,342,471

*FINAL AUDIT -- DATA INCLUDES DOWNSTREET PROGRAMS
AND WHOLLY OWNED PROPERTIES, NOT PARTNERSHIP DATA.*

Tom Stevens
President
Public Representative

Anthony Mennona
Vice President/Treasurer
General Representative

Jamie Spector
Secretary
General Representative

Daniel Barlow
Public Representative

Nancy Hanson
Resident Representative

Paul Hartmann
Public Representative

Carl Hilton VanOsdall
Public Representative

Mouhui Huang
Resident Representative

Deborah Kahn
Resident Representative

Kevin Lunn
General Representative

Charlie Merriman
General Representative

Jeanne Richardson
Resident Representative

Auburn Watersong
Resident Representative

Income Statement

REVENUE

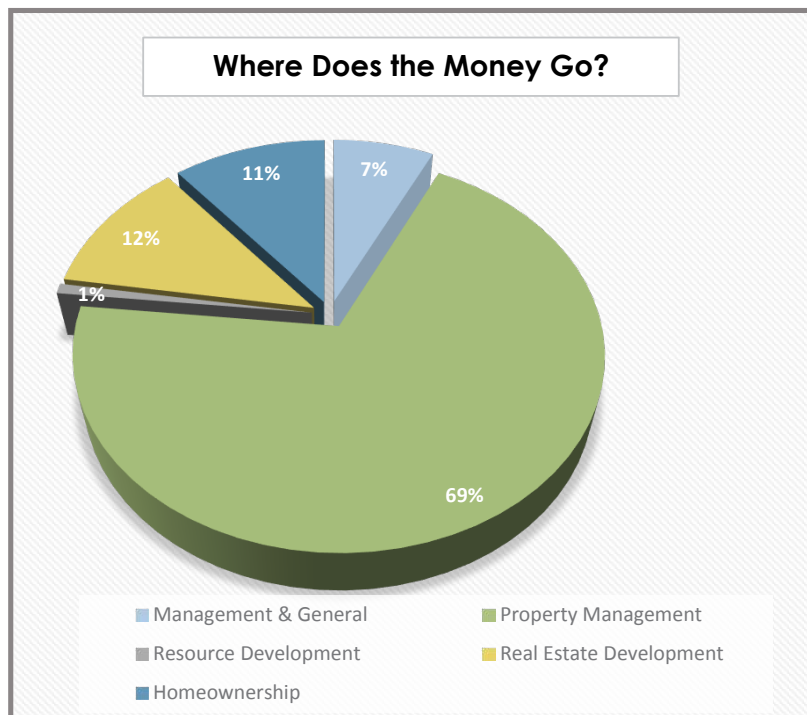
Asset & Property Mangement	\$	621,683
Rental Property	\$	1,049,835
Development Fees Income	\$	375,572
Donations	\$	21,688
Grant income - operating	\$	273,644
Grant income - program	\$	877,815
Grant income - RLF	\$	66,483
Contract Revenue	\$	7,718
HOC & Homeland Programs	\$	46,274
Interest	\$	4,516
RLF Fees	\$	8,031
Total Revenue	\$	3,353,259

EXPENSES

Salaries	\$	1,211,758
Fringe & Benefits	\$	333,697
Management & General Admin	\$	150,654
Rental Property	\$	1,462,991
Resource Development	\$	17,447
Resource Estate Development	\$	244,001
RLF Program	\$	163,580
HOC Program	\$	65,770
Total Expenses	\$	3,649,898

NET INCOME

\$ (296,639)





Preschool children from The Children's House join community leaders to celebrate the ribbon cutting at Barre Street Apartments after extensive rehab work was completed in fall of 2015.



DOWNSTREET
Housing & Community Development

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downstreet.org

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CHARTERED MEMBER



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to sustainable operations*