



House Commerce and Economic Development

Friday, February 17, 2023

Patrick Shattuck, Executive Director

Good Morning. My name is Patrick Shattuck, and I am the Executive Director of RuralEdge, the primary affordable housing developer in the Northeast Kingdom. First, I want to thank you all for your focus and funding of affordable housing development in Vermont. As we can all agree, housing is fundamental to the stability and health of our communities, and the funding for the Vermont Housing and Conservation Board is imperative to the successful implementation of our work.

RuralEdge has responded to the call to both produce more units and serve those moving from homelessness and in the last 18 months have placed 74 units in service. We have seen great success, placing in service the Cherry Street Hotel, nine units of permanent housing for those moving from homelessness created through the adaptive reuse of the former St. Johnsbury jail and jailer's cottage. Next door to that, we are rehabilitating a five-unit building, left blighted and abandoned following a fire. In West Burke, we are nearing the completion of rehabilitation of fifteen units and the construction of eight units in the village center. We have a robust pipeline with 132 units in various stages of feasibility in communities of all sizes across the Northeast Kingdom, and all will be looking for funding from VHCB.

While we doggedly work to advance our pipeline, it is so important to pause and reflect on the long and challenging process of creating new housing and celebrate our successes and partnerships. Today, I will highlight our efforts in creating a new neighborhood of housing at the former Sacred Heart School and convent site in Newport.

Vacant for over a decade, this 8 ½ acre site has been exposed to the real estate market for nearly as long. Sitting prominently above Newport's downtown, a large, flat site with long views over Lake Memphremagog and its South Bay, this property seemed ripe for successful redevelopment. With public water and sewer and connected by sidewalks to the downtown, this property presented a myriad of opportunities.

Those opportunities, however, were complicated and quickly overshadowed by the challenges of the property. A massive former high school built in 1951, and a convent constructed almost twenty years later not only require major renovations, but because of their modern construction techniques, the buildings are riddled with asbestos – in every floor covering, wall covering, window glazing and even in the mastic holding the concrete block structures together. Asbestos abatement alone is estimated at almost \$1 million. This, coupled with incomplete documentation related to the removal of underground storage tanks a generation ago and uncertainty about associated soil contamination resulted in daunting risks for any developer – including RuralEdge. The buildings, now more than 50 years old, have also been determined to be contributing historic structures as part of a religious complex, so historic preservation requirements come into play. All this, and I haven't even mentioned the prospect of having to negotiate with a group of elderly nuns.

That said, this site – and its buildings are dear to so many in the community. Seeing the buildings sit empty and in rapid decline, after having served for more than half a century as a hub of education and pride was a blow. The blighted empty buildings were also a draw for squatters and other activity, and monitoring the site placed a burden on police. So many remaining in the region and far beyond have memories related to their personal experiences in these halls and I have heard that the Sacred Heart basketball team was a force to be reckoned with. There is an active Sacred Heart Alumni Association, and we expect to be able to house lots of their memorabilia within the buildings. Response to our efforts to redevelop the buildings has been great and overwhelmingly positive.

Because VHCB recognizes the challenges and value of sites like these, next month, we will go out to bid on our first phase of development at the site, 26 units in the former convent. VHCB was the first funder to commit, providing about 52% of the development cost and all funds are now committed. 26 units is a substantial development in Orleans County, but for efficiency, and to make sure that we are providing a wide range of housing opportunities, those 26 units are combined into a larger 43-unit project with three other sites, a triplex on Main Street in Newport City and two buildings in Newport Town. Through creativity, determination, and support from VHCB, we have pulled together a large-scale response that responds to rural community scale and needs. It would be easier to have one building on one site, but this response is specific to the best interests of the communities we serve.

The rental units are designed to take advantage of the view, with glass bump-outs facing the lake. The building will be heated with a central pellet system and the building has been designed to accommodate solar panels. Stained glass panels, originally part of the chapel will be reused in the design as will the original entrance doors to the building. Outside a courtyard will be developed looking out over the lake. A community room is included in the design as well as an onsite office for property management staff and service coordination. RuralEdge will provide onsite SASH services helping to keep our elderly and disabled residents healthy and active. RuralEdge is also committed to SASH for All, currently being piloted in Brattleboro, and hopes to be able to extend the 'traditional' SASH model to our residents of all ages and abilities who are at risk of adverse health outcomes.

While the units at the convent are one component of a Newport Crossing project, the Sacred Heart site offers other opportunities. We are pursuing the redevelopment of the school into 24 condominium units and submitted an application for Missing Middle funding in January. We anticipate an application for VHCB's homeownership funds in the amount of \$600,000 later this year. Initial response to this homeownership project has been great, and with for sale home inventory at an all-time low, and demand for second homes in the area at an all-time high, having "new inventory" homeownership opportunities, for owner occupancy are desperately needed.

These two phases combined create 50 new units of housing – both rental and homeownership. In all, the site has the capacity to house up to 120 other units. RuralEdge is investigating opportunities for partnerships and sees the site as having a ten-year build out. Already we are in discussion with the North Country Career Center about opportunities for development on the site working with their students accessing funding through VHCB.

We are excited about the opportunities that the Sacred Heart site presents. With the community, and with strong support from VHCB, we envision a vibrant neighborhood, with buildings old and new, of all sizes and styles and scales that blend seamlessly, with a diverse mix of households and demographics – a new neighborhood with a bright future.

As we continue to strive to create more housing units, acknowledging our successes and celebrating the impact of our work is so important. Thank you all for your support of VHCB, the Sacred Heart redevelopment and of the important task of developing and operating quality affordable housing. To continue projects like these, we need full statutory funding for VHCB.