



## Greensboro Village School Housing

### The Idea:

Create a rental housing development in the desirable “lake” community of Greensboro that has, to this point, not had any affordable general occupancy rental housing. The community has seen eco-tourism and business growth through production of Vermont specialty foods that have seen worldwide success. Lack of housing supply for new employees as well as year-round occupants has resulted in a strong local effort and plan to bring options for affordable housing to sustain the vibrancy and draw of the community.



### Project History:

RuralEdge staff have been meeting with the Greensboro Housing Committee since spring 2019 discussing opportunities for development of new, general-occupancy rental housing in the Town. Prior to this engagement, the Town had updated its Town Plan and had emphasized the need for affordable housing opportunities in the community. Since that time, there have been updates to the zoning ordinance to encourage more inclusive residential development adjacent to the historic village center. Acknowledging the dramatic variations in amenities, conditions and property value between the traditional village and the area known as “the Bend”, emphasis was placed on making improvements in “the Bend”. This area has seen connectivity to the Lamoille Valley Rail Trail with the construction of new bridges, paved paths and parking areas. Too, “the Bend” became a designated Village Center. While faced with many challenges, the Town continues to pursue planning around the potential for public sewer infrastructure so that additional development can be more easily encouraged and supported.

Throughout this time – and through the COVID pandemic, discussions continued and RuralEdge and the local committee monitored opportunities for land or properties for redevelopment that would meet funding criteria and result in a feasible project. Various sites were considered but the increased pressures on the market from COVID limited RuralEdge’s ability to even consider negotiating site control. Because of the funding process and timeline associated with feasibility for a new development, RuralEdge (and other developers) need to secure extended option agreements, which proved impossible given recent market pressures.

In late summer 2022, RuralEdge viewed the grange building in the village (owned by the town) and a significant historic farmstead located at the edge of the Greensboro Bend Village district. RuralEdge believed that an interesting project could be developed with units in both the village and “the Bend” but ultimately the owner of the Bend property got cold feet and suggested beginning negotiations again in Spring 2023 after he returned from his winter home. Given his attachment to the property and mixed feelings about selling, RuralEdge staff concluded that property probably wasn’t a realistic option to consider.

In late 2022, RuralEdge staff were approached by a member of the Selectboard and, with the Chair of the Greensboro Housing Committee, toured the current Town Hall building to evaluate whether it might be feasible to consider adaptive reuse as housing. The building, originally a part of the Greensboro School, has housed municipal offices in the daylight basement and some space on the main floor (accessible via an exterior ramp) has been leased to a local arts group. The main floor retains its original classroom configurations. The upper floor includes an open span auditorium and stage that is not used because of lack of accessibility.

The exterior is well-maintained and retains its historic appearance and large windows (many windows have been replaced with more energy efficient wooden sash). The building sits prominently on a rise at the northern edge of the village providing a strong and visible anchor presence. The lot is triangular, with roads on the eastern and western edges providing access to parking on multiple levels. While attractive, the building has far more space than is needed daily to support town functions.

The town offices occupy a daylight basement that is accessed at grade with a combination of office and meeting rooms as well as an accessible bathroom and vault. The main floor has four large classroom spaces, with associated storage and support rooms. There is a central stair hall with a single, wide split back staircase connecting the three floors. The wall and ceiling finishes are predominately pressed tin, however a combination of ducts, drops and partitions added over time have introduced newer standard building materials. The floors are original and are wood. The top floor is a single auditorium with pressed tin finishes; it is currently unconditioned. Insulation throughout the property is minimal resulting in high operating costs.

RuralEdge believes that this property provides an excellent opportunity for redevelopment as housing. The town’s position, as an owner and occupant, with a goal of seeing new affordable housing produced in Greensboro, creates a unique synergy that aligns well. Following the 2022 visit, RuralEdge, at the request of Town officials, presented the town a proposal which they in turn asked RuralEdge to present at the 2023 Town Meeting. RuralEdge presented at Greensboro’s 2023 Town Meeting and there was overwhelming support for expressed for the proposal. Following the 2023 Town Meeting, the Selectboard approved entering into a one-year option agreement with RuralEdge for the property. RuralEdge brought on Evernorth as a development partner and completed the feasibility analysis originally proposed to the Selectboard. All findings indicated that the project was feasible. RuralEdge provided regular updates to the Selectboard on the status of the investigations during the feasibility analysis and in early 2024, presented a summary of findings and schematic designs to the Selectboard. The Selectboard requested that RuralEdge present a summary at the 2024 Town Meeting.

RuralEdge created handouts and presented the project at the 2024 Town Meeting, answering questions as they arose. Following the meeting another public meeting was scheduled for April 24<sup>th</sup>. There, RuralEdge answered – and provided written responses to questions previously submitted. The meeting lasted for almost three hours. The following evening, at their regular Selectboard meeting, the Selectboard voted unanimously to extend RuralEdge’s option agreement and proceed to move forward with the development.

## Project at a Glance:

	Number of Units	Proposed Average Rents (Including Utilities)
1 Bedroom	8	\$927
2 Bedrooms	10	\$1101
3 Bedrooms	2	\$1394

RuralEdge develops project unit mix and income designations based on market conditions. In more rural communities we look to develop “general occupancy” housing or units that are not restricted to any type of household. Instead, we design a range of amenities and features that are attractive to a wide group of households. In the case of Greensboro, we knew that employers were looking for housing, so we looked at pay ranges for their employees and developed units that fit that income mix. Too, attracting families with children was important for the school, so we looked to have most of the units with two or three bedrooms. For this development, we propose rents that range from \$833 to \$1401 per month including all utilities. These units are not subsidized, meaning that while the rents meet affordability levels, households are responsible for paying the full rent, rather than in subsidized housing where households pay 30% of their income for rent. This means that resident household incomes are expected to range from the low \$30,000s up to about \$75,000.

## How could it really cost that much?

RuralEdge has stated that the expected total development cost of the project is about \$10,000,000 for 20 units. That seems like a huge amount but unfortunately is consistent with multi-family development costs across the State. Nationally, construction costs increased by about 30% from 2022-2023.

The total project cost includes more than just the cost of construction:

Acquisition cost is based on the appraised value of the building plus the costs of the appraisal and legal costs associated with the transfer of the building. In all, that totals \$405,000.

Construction cost is the largest cost category and includes the cost of construction as determined by a third-party cost estimator. This will be a bonded job and will be competitively bid. The plans are only schematic at this point and this number will change as plans are refined. Included in the construction cost is the cost of all sitework, which includes the septic system. It also includes a construction contingency of \$650,000, \$250,000 to deal with hazardous materials abatement (lead, asbestos and PCBs), as well as \$180,000 for things like appliances, laundry room equipment, furnishing for the common areas and things like outdoor seating, planters and bike racks. Too, because there has been a request locally, there is \$80,000 allocated specifically for additional costs to bring solar to the building. In all, these hard costs total about \$7,600,000.

Soft costs total just under \$1,500,000 and include more than \$600,000 in architectural and engineering fees, \$134,000 for permit costs, \$430,000 for construction loan origination and interest fees, and \$110,000 for legal and accounting fees associated with the IRS requirements for tax credit developments. Add to this \$200,000 for pre-capitalized operating and replacement reserves (to ensure the project is well maintained over time) and you can see how the costs add up.

## **What is the difference between the work done in a feasibility study and work presented for permitting? Where does the project currently stand?**

RuralEdge has completed a feasibility analysis for the conversion of the Greensboro Town Hall into housing. During a feasibility study we ask broad questions and investigate, with a variety of consultants, those items that determine whether a project is possible. If the response is positive, the studies are used to secure funding for a conceptual project. Once funding is awarded, a project moves on to the Design Development phase.

The Design Development phase is very expensive and includes an architectural team as well as all the consulting engineers: mechanical, civil, and structural. RuralEdge, and our development partner Evernorth have engaged this next level of development drawing. We will be working with Ingrid Moulton Nichols, Principal Architect and President of Banwell Architects. At this point, Banwell is seeking proposals for a variety of consulting engineers to assemble the entire design team.

Our ultimate design will be refined and much of it is based on the determination of the town as to whether they want their offices to remain onsite. Too, we will look at opportunities to reduce the building footprint of the addition while keeping the same unit amenities and addressing the requirements of the Vermont Division for Historic Preservation.

An important component of the revised design is the development of the site plan. While there has been space allocation completed to ensure that parking, septic and other necessary areas can be accommodated, the final plan will be dependent upon several considerations. Horizons Engineering's Newport office provided the feasibility work on the septic design and have reached out to the Fire District to address their questions. Their design analysis for septic design was based on an anticipated flow of 4900 gallons per day. The current septic is designed for 1530 gallons/day. As stated during public meetings, RuralEdge has a lot of history with owning and operating both large septic systems as well as water systems that are considered community systems. Too, we own and maintain dozens of properties where the sprinkler systems in the buildings require on-site storage to ensure adequate supply and pressure should a fire take place.

Before any permitting begins, all these items need to be fully addressed. The permitting process is a public one, and this project will need to meet the Zoning Requirements and State Permitting requirements. RuralEdge and Evernorth understand this and are moving forward as we have done since the Town Housing Committee contacted us more than five years ago – cautiously, thoroughly and addressing fully and transparently the questions that we are asked, because ultimately, we agree with the goals of the Housing Committee and the Greensboro Town Plan which speaks directly for the need of housing like we are proposing. The following is quoted directly from the most recent Greensboro Town Plan and has guided our efforts:

*“Greensboro exhibits a great need for moderately priced housing, which for the purposes of this Plan, is defined as housing which is affordable to an individual or couple where both persons are gainfully employed in the Greensboro area. People who work in Greensboro’s current industries and retail outlets, such as Jasper Hill Cheese, Hill Farmstead Brewery and Willey’s, have difficulty finding affordable places to live in their workplace town, due to both the cost of housing and the lack of affordable housing stock.*

*A thriving community needs people of all ages and incomes. Retention of a resident workforce supports community common values. It protects the ecosystem from the impacts of long commutes by responsibly locating housing in our neighborhoods, and a resident workforce is more likely to invest socially, civically, and economically in the community in which they live. Providing housing opportunities that support a resident workforce will help to maintain an economically and socially diverse population with generational continuity – a characteristic of a healthy community with a high quality of life. Additionally, offering a variety of housing options allows residents to stay in the community long-term. The stability and cultural memory brought by long-term residents integrates understanding and appreciation of a community’s rich history with efforts for the future, and the existing valued community character can be maintained.”*