



STATE OF THE ART

VERMONT

The Green Mountain State
(and So Much More)

STORIES BY LIZ CURRY

PHOTOS BY MARY CLAIRE CARROLL

Maple syrup, Holstein cows, and pine trees define much of Vermont. Since gaining statehood in 1791, these industries sustained a viable way of life for generations. But Vermont has always challenged its people to diversify beyond agriculture. Natural resource-based industries, such as quarry mining, logging, furniture-making and textile mills boosted Vermont's economy until the late 20th century, just as the machine-tool industry peaked. But since 1982, manufacturing has lost 1,600 jobs, and now accounts for only one out of six jobs—down from one out of four.

Vermont's lack of industrialization is a double-edged sword. Its idyllic pastoral countryside populated by only 500,000 people beckons a second-home and tourist market that supports cottage industries and artists who comprise a growing "cultural economy."

Concerted efforts are preserving the remaining agricultural economy, despite the loss of more than 8,500 of the 11,050 farms in operation since 1950. But the Vermont Economic Justice Project reports, "In the last 20 years, the services and retail trade have dominated the state's economy, and now account for 57 percent of all jobs."



Horse farm in Jericho, Vermont.

In the mid-1980s Vermont's resource-based economy transformed into a bifurcated service sector economy dominated by a high-end housing market. Reagan-era tax changes caused many farmers to cash in on their land, rather than eke out a subsistence living. The changes urged real estate speculation as a new wealth-generating activity.

Vermont's economic changes jolted land conservationists, farmers, housing activists, and even historic preservationists into action. In the mid-1980s, farmers and land preservationists teamed up with organized housing activists, who had just secured Vermont's first comprehensive landlord-tenant legislation with real consumer protections. Recognizing their mutual goals of preserving Vermont's economic accessibility, the two movements combined efforts and in 1986 formed the Housing and Conservation Coalition.

Housing and Conservation Trust Fund

The Coalition designed a single tool that would conserve land, preserve historic resources, and create affordable housing: a state-funded Housing and Conservation Trust Fund, fed by a tax on the transfer of all residential and commercial real estate. In 1987, a bipartisan legislature established the Vermont Housing and Conservation Board to administer the Trust Fund and, concomitantly, fertilized a nascent nonprofit affordable housing and land conservation movement that thrives today.

moderate-income people in perpetuity.

Vermont's affordable housing infrastructure is supported by public and private partners alike. For example, Liz Nickerson, senior community investment manager with the Federal Home Loan Bank of Boston, admires Vermont's affordable housing entities for their unusual level of collaboration.

"Vermont's ... success," Nickerson says, "derives from three factors: a network of community-based, nonprofit housing developers unsurpassed in their commitment to community and ability to build financially efficient, visually appealing, physically durable housing; second, financial institutions located throughout the state that are creative and flexible in providing financial products that make deals work; and, lastly, state government's willingness to seek new ways to fund housing ventures and nurture the statewide network of nonprofit developers. In Vermont, unlike in so many other states, there really are no areas unserved by a community-based housing developer."

Regional HomeOwnership Centers

In 1997, the Vermont Housing Finance Agency spurred five nonprofit housing organizations to elevate Vermont's ever-increasing need for affordable home ownership to a new level. VHFA facilitated a partnership with Neighborhood Reinvestment Corporation by tandem-funding the NeighborWorks HomeOwnership Centers® of

"The NeighborWorks HomeOwnership Centers® of Vermont," says Sarah Carpenter, VHFA director, "are integral to supporting homebuyers and the lenders who serve them."

VHCB has helped its nonprofit and governmental partners leverage private and public investment to build or rehabilitate 7,200 perpetually affordable homes, protect 352 farms, and conserve 238,000 acres of woodlands, natural and riparian areas for use by humans and wildlife.

The VHCB's annual bipartisan legislative support derives from one of the most enduring visions held by affordable housing policymakers, developers, and advocates in the country. Vermont's three primary state housing funding agencies, the VHCB, the Department of Housing and Community Affairs, and the Vermont Housing Finance Agency, coordinate their project reviews and avoid conflicting funding conditions.

Paramount is the priority for permanent affordability, reflected in deed covenants, which insure that any initial public investment will continue to benefit low- and

Vermont. After receiving their NeighborWorks® charters, five NeighborWorks® organizations have worked in partnership with Neighborhood Reinvestment and VHFA to deliver services through six regional HomeOwnership Centers.

VHFA and Neighborhood Reinvestment's funding of the centers enables families throughout Vermont to save for a home, choose and qualify for an appropriate mortgage, select and purchase the right home, and afford any necessary rehabilitation.

"The NeighborWorks HomeOwnership Centers® of Vermont," says Sarah Carpenter, VHFA director, "are integral to supporting homebuyers and the lenders who serve them. The Vermont sponsors and Neighborhood Reinvestment should be very proud of the statewide network they've created. Vermont is a real model of coop-

eration and community service.”

The NeighborWorks® Role

Five NeighborWorks® organizations are working to improve lives and revitalize communities in Vermont:

Burlington CLT

Using a \$200,000 seed grant from the city in 1983, a group of tenant

housing services to Vermont’s three northwest counties, including the state’s largest NeighborWorks HomeOwnership Center®.

Central Vermont CLT

Taking its cue from the Burlington CLT organizers, a group of housing activists in Vermont’s capital city, Montpelier, adopted the CLT model in 1987 to work in partnership with low- and moderate-income folks, neighborhoods, and municipalities where clusters of state-owned buildings shift an increasing property tax burden onto local residents. The organization later merged with Barre Neighborhood Housing Services, and now administers six programs to develop and manage permanently affordable rental housing and community facilities, operate the NeighborWorks HomeOwnership Center® of Central Vermont, and administer a revolving rehab loan fund for homeowners and multifamily property owners.

Gilman Housing Trust

In Vermont’s remotest region, where affordable housing options for seniors are few and far

between, a group of seniors in the town of Gilman contacted the Northeast Kingdom Community Action Agency in 1985 to request assistance creating affordable senior housing. Community Action spun off the Gilman Housing Trust, which blossomed over the past 12 years into one of the state’s strongest regional nonprofit housing and community development providers. Its current

portfolio includes 493 units of rental housing and commercial space, a tri-county NeighborWorks HomeOwnership Center®, and a fast-growing housing rehab loan program.

Rockingham Area CLT

RACLT evolved from the grassroots efforts of a handful of Bellows Falls residents who were concerned about the problems facing low-income residents in southeast Vermont. RACLT serves more than 40 communities in the Connecticut River Valley between Brattleboro and White River Junction. It focuses on acquisition, development, and management of affordable rental properties, housing rehabilitation and loan products, and home-ownership opportunities through the NeighborWorks Full-Cycle Lending® curriculum.

Rutland West NHS

Rutland West Neighborhood Housing Services, Vermont’s first NeighborWorks® affiliate, was chartered in 1986 by a group of West Rutland residents who secured seed funding from Neighborhood Reinvestment and Vermont’s community development block grant program to revive Marble Street, which was devastated after its largest marble quarry closed in the 1970s. In the past 17 years, Rutland West has expanded to manage a revolving loan fund for low-income households to acquire and rehab homes and to operate the first rural NeighborWorks HomeOwnership Center® in the nation. ■

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Town square in Bristol, Vermont

activists and neighbors alarmed at the rate of displacement among long-time homeowners and tenants as a result of rapid real estate speculation formed the Burlington Community Land Trust. Over time, it has become one of the nation’s oldest and largest community land trusts. Now in its 20th year, BCLT provides a comprehensive range of community development and permanently affordable



Burlington Community Land Trust

Redeveloping a Neighborhood with Businesses and Housing

The “Queen City” of Burlington sits on the west coast of New England in the Champlain Valley, overlooking Lake Champlain and the Adirondack Mountains beyond. In 1983, the city turned a cold shoulder to its waterfront. Now, lakefront town-houses sell for \$750,000.

The **Burlington Community Land Trust** became the community’s tool to minimize the damage from a wave of real estate speculation that pushed Burlington property values up by 150 percent over the past 20 years. BCLT preserves affordable rental and home-ownership opportunities for lower-income folks in a market where rents far exceed incomes and renters cannot simply step up to home ownership.

Ten years ago, Wanda Hines was in search of an opportunity. Hines grew up in Burlington’s Greater Archibald Intervale Neighborhood (GAIN) and wished to own a home in her neighborhood. But by the time she was financially independent, housing prices were out of reach. Brenda Torpy, BCLT’s co-director, recalls, “Wanda used to visit me a few times a year and say ‘someday I’m going to be a BCLT homeowner.’”

Meanwhile, Hines rolled up her sleeves to improve her neighborhood. “I was asked to be on the Emergency Food Shelf Board in 1990,” she says, “then shortly afterward found myself using their services. This was one of my first community commitments, and being on both sides of the table was a real eye-opener.”

Subsequently, Hines was elected to the Burlington Enterprise Community Task Force, and realized

that BCLT could make a real difference for GAIN. Hines advocated for a plan that would revitalize GAIN’s commercial zone, including relocating the old, substandard Emergency Food Shelf to a new building.

BCLT Leads Strategy

When the city designated BCLT to spearhead this strategy in 1993, BCLT led a \$3 million capital campaign to revitalize GAIN. BCLT, working with volunteers and other nonprofit partners, amassed more than \$12.5 million over three years. It transformed GAIN into a vibrant, mixed-use neighborhood, including permanently affordable rentals, a limited-equity cooperative, and limited-equity, single-family homes.

In 1993, GAIN contained a variety of significantly dilapidated and dangerous properties. Four qualified as brownfields, and two were eligible for the National Register of Historic Places. Interspersed among the commercial uses were dozens of apartments, crumbling under decades of neglect by absentee landlords.



Wanda Hines (right), with her partner, Donna Green, in their kitchen.

At the same time, a major economic downturn in Vermont was bottoming out. “People were just walking away from their properties throughout the [GAIN] neighborhood,” according to Torpy. “We put three properties under contract that either were in or went into bank receivership.” Later, BCLT picked up a fourth property in foreclosure for conversion to Burlington’s state-of-the-art Community Health Center.

Simultaneously, a landmark Vermont legal case transferred environmental-hazard liability to



Chittenden County Food Shelf, in Burlington

mortgage holders. Two of the three properties BCLT had under contract were classified as brownfields.

Torpy recalls telling a reporter in the Vermont statehouse about BCLT's looming closing on one brownfield property. The reporter linked her to a powerful veteran senator, who came to the rescue by exempting that single property in the state's capital bill.

BCLT, subsequently, led a coalition of wealthy donors, neighborhood residents, bankers, nonprofit partners, and environmentalists to create new legislation that limited liability for prospective purchasers and lenders of brownfield sites.

BCLT went on to complete the redevelopment of seven significantly deteriorated but prominent properties along the neighborhood's three-block commercial corridor. They included a model multigenerational facility that houses both a senior center and a child-care center, on the old Emergency Food Shelf site; restoration of the old neighborhood Hebrew school for Vermont Legal Aid's offices; a state-of-the-art Community Health Center; a new Emergency Food Shelf on an old car repair site, the city's Technology Center in a former health center; and a pocket park.

Most recently, BCLT redeveloped the Good News Garage, founded by BCLT board member Hal Colston, which repairs donated cars for low-

income people returning to the workforce. The garage is located in an historic trolley barn that housed the Vermont Transit Bus Company. The "Bus Barns" project also includes 25 new

permanently affordable apartments, partially funded with \$300,000 in Neighborhood Reinvestment capital.

An Advocate Finds Opportunity

In the midst of this renaissance, Wanda Hines found a housing opportunity. Her vision became a reality.

While renting a duplex apartment in the neighborhood, Hines became director of the Emergency Food Shelf in 1995, just after the new building opened, and just after adopting her three nieces and nephews, due to the loss of her sister. With her new responsibilities, Hines enrolled in a BCLT homebuyer workshop to clear up her credit and prequalify for a mortgage.

Just in time, because in February 1997, a federal marshal visited Hines and her partner, Donna Green, with an eviction notice from HUD due to foreclosure. The city's housing director told Hines and Green not to move, contacted BCLT, and brokered a transfer of the house from HUD to BCLT. In early 1999, Hines and Green purchased the house that BCLT converted to a single-family home for their family.

Hines now calls herself BCLT's biggest advocate, "I tell everyone to take the first baby-step because it was such a rewarding, simple process," Hines says. "BCLT is there for our neighborhood and is moving it forward."

Hines' message has not fallen on deaf ears. Recently, Donna Green's sister and brother-in-law purchased a home, through BCLT, a block away. ■

McClure Multigenerational Center, in Burlington





Central Vermont CLT, Barre

Preserving a Key Piece of Community History

Shortly after joining the Vermont Community Loan Fund staff, Will Belongia purchased his first home in Waterbury, through Central Vermont Community Land Trust's shared-appreciation program, and subsequently joined the CVCLT board of directors.

In Waterbury, Belongia explains, "housing values have gone through the roof, and nothing is for sale for under \$200,000. Rentals are also through the roof, because of the shortage of units. Because of this, we (CVCLT) identified Waterbury as a high-need community."

CVCLT is known for developing permanently affordable housing for very low-income people and individuals with special needs, and Waterbury is home to the state's psychiatric hospital.

So when CVCLT approached town officials about preserving the town's 19th century Green Mountain Seminary, some community residents were wary. The seminary is located in a neighborhood that consists largely of owner-occupied and single-family homes.

The Free Will Baptists of Northern Vermont built the seminary in 1869 in the village of Waterbury Center. In the early 1900s, the town of Waterbury purchased the seminary for use as an elementary school, which eventually was consolidated in the 1960s. Then, a local preservation group purchased the building,



Open house guests at Green Mountain Seminary Apartments include tenants, CVCLT staff, community members and friends.

PHOTOS BY CHRIS WOODS

A landmark preserved.



while the town retained a portion of the property for its little league baseball field, and the Waterbury Library Commission located a branch of the Waterbury library there.

Will Belongia heard the community's fears and distrust firsthand, from his own neighbors who had attended school in the seminary building. "We have the state hospital stigma, and everyone thought that this project would be more of the same," recalls Belongia. "Folks were also concerned that the project would displace the library and ball field."

In fact, the project improved all three uses – the building, the ball field, and the library – but not without some blows that would've caused others to abandon ship.

First, the property's location in a low-density zone required a zoning amendment. Some neighbors attended permit hearings to air concerns. Then, its designation on the National Register of Historic Places required CVCLT to preserve 14-foot ceilings in the former chapel and 11-by-3 foot windows on the second floor.

CVCLT's request for Vermont Housing and Conservation Board funding was first denied due to the unprecedented per unit cost of \$157,000, excluding the library renovation.

As CVCLT plowed through the planning stages, however, doors began to open. The owner, a direct descendant of Vermont's first Governor Chittenden, lowered the sale price \$20,000 below appraised value under IRS "bargain sale" provisions. The local historical society and "Revitalizing Waterbury" vocally supported

the project. Potential residents, some of whom had attended school in the seminary, began attending the public hearings. Finally, CVCLT and the town negotiated an easement and plan for reorienting the ball field and providing a parking area for spectators.

Steve Lotspeich, the Waterbury community planner, helped shepherd the project through the local planning process. "The Planning Commission chair attended school there," Lotspeich said, "so there was such a strong feeling that this would preserve a large piece of the community's history. At the same time, the negotiations between the town and CVCLT resulted in the reconstruction and improvement of the community's little league field."

Finally, after two years and 16 different funding sources, including a \$141,000 capital grant from Neighborhood Reinvestment and project-based Section 8 rental subsidies, CVCLT turned the ship around.

Upon occupancy, 14 of the 16 units were filled with Waterbury residents, whose rent went from consuming more than 30 percent of their income to being affordable. Half were elderly. Four of the 16 apartments are fully accessible, and two are adaptable. An elevator that serves the upper stories also makes the library on the ground floor physically accessible.

CVCLT's efforts were not lost on the new residents, Joan Hebert among them. "It's a wonderful mix of residents," Hebert says, "including young mothers, seniors, teenagers and people with physical handicaps. We've got views of the mountains on one side and wild turkeys on the other. Living here feels good all the time. It's a gift."

Fran Goulet, a single mother of a teenager, is enthusiastic about opportunities to bring residents together. "Last summer," Goulet says, "we started our first gardening project, and everyone pitched in. Some of the residents who couldn't work in the garden donated a bench and a hose. We've organized a building garage sale, and we're planning a pizza party in the library community room."

CVCLT Director Martin Hahn explains, "Reuse of this historic landmark preserves Waterbury Center's unique sense of place, gives new vitality to the village center and community, uses existing infrastructure, and integrates residents of modest means into the fabric of a thriving rural community." ■



Gilman Housing Trust, Newport

Redeveloping a Project; Rebuilding a Life

Vermont's three northeast counties, Essex, Caledonia and Orleans, were deemed the "Northeast Kingdom" for their heavenly beauty by the late Sen. George Aiken of Vermont during an anti-Vietnam war speech in Congress. Their unspoiled splendor endures because you can't get there from here.

The remoteness of the counties may preserve the Vermont way of life for their residents, but it also curses them with few employment opportunities, an economy that fails to spur reinvestment, and a notable concentration of pre-1940 housing stock. That's where **Gilman Housing Trust** comes in.

Founding members like Bill McMaster knew in 1985 that no new investment in the housing stock and no new units meant that landlords could charge a captive tenant audience disproportionate rents for poor-quality housing.

"With the creation of the Housing and Conservation Trust Fund in 1987," recalls McMaster, "we were able to pursue the purchase and rehab of long-neglected rental housing to make it safe, decent and affordable."

Redeveloping Townhouse Terrace

Gilman Housing Trust found this to be true at Townhouse Terrace, where unduly high rents and slum conditions caused Director Ed Stretch to characterize the property as "the worst multifamily housing complex in Vermont – built as a HUD 236 project in 1972, using the cheapest available techniques, and mismanaged by absentee owners, who ignored drugs, crime, and a 50 percent vacancy rate for over 20 years."

GHT purchased the property in 2000 and spent two years securing more than eight funding sources, including \$50,000 in critical gap funding from Neighborhood Reinvestment. The dilapidated complex was reconfigured into 28, one- to four-bedroom apartments, cutting 54 bedrooms from the original, and renamed Moose River Apartments after the nearby Moose River.

Redevelopment costs of \$3.7 million included acquisition, construction, and site work, with an emphasis on spacious apartments and private yard space, four physically accessible apartments, a community room, energy efficiency, and sound separation between apartments.

Even with the redevelopment, some Moose River tenants bring a special perspective to the newly formed Residents Association. Margaret Masure, for example, lived in the complex when it was Townhouse Terrace. "The units were getting old and there was no money going into them," Masure remembers. "There was no pride among

the tenants, and they were disrespectful towards each other's space and property."

Rebuilding a Life

After a 10-year detour into drugs and unemployment, Masure underwent rehab and made a commitment to be a positive force for change for her two children and for her community. She requested help from the local community action agency to rebuild her life. It connected her with GHT, and she moved into Moose River Apartments after gaining sobriety and a full-time job in the year before Moose River was completed.

"To find a newly rehabilitated and affordable apartment," Masure said, "was essential to my recovery from substance abuse. To break the behavior, I needed to start with a new environment."

Masure jumped at the opportunity to attend a Neighborhood Reinvestment training in leadership development, with six other residents sponsored by GHT. She is now a leader in her community, and talks with enthusiasm about her family's opportunity to learn from the economic, cultural, and ethnic diversity in their neighborhood. "My daughter is learning about other cultures and now has many friends in one place," Masure says.

"It's the presence of a good corps of leaders like Margaret," says Ed Stretch, "who are committed to changing the community perception of Moose River Apartments, that allows us to take these community liabilities and turn them into assets."

According to Bill McMaster, Gilman's founding director and current board chair, "GHT has pursued a reinvestment strategy because the need in the Northeast Kingdom is mostly for rehab. Winters are cold, and we find people with no water and no plumbing" ■



Margaret Masure, in her home.



Fire:

A Special Menace

Fire, in particular, takes its toll on the region's old and dilapidated structures.

When a 1996 fire burned the roof, back wall and 30 percent of the floor area of a prominent, three-story, 19th century Italianate building in Lyndonville, the town contacted Gilman Housing Trust.

GHT took on the job of rebuilding, and reconstructed six units for permanently affordable senior housing and commercial space on the first floor. It also undertook a lot of research to recreate historic architectural details – including windows rebuilt by a local craftsman.

The commercial space later became home to the Northeast Kingdom NeighborWorks HomeOwnership Center®. Chartered in 1998, the center assists an average of 43 households a year in purchasing an affordable home, provides financial fitness training for an additional 25 people annually, and operates a \$2 million housing rehab loan program. ■



Rebuilt as the NeighborWorks Home Ownership Center® office in Lyndonville.

Rockingham Area CLT, Springfield

Reviving a Downtown Through Historic Preservation

Rockingham Area Community Land Trust (RACLТ), drawing on the industrial history of Bellows Falls, has renovated two landmark 19th century buildings in downtown historic revitalization projects, and created a mix of new commercial space, apartments, and living and/or work space for artists.

Meantime, a local chapter of the Connecticut River Scenic By-Way, attracted by the revitalization, has located a tourist information and interpretive center in the old but active Green Mountain Railroad yard, adjacent to the Bellows Falls canal.

Bellows Falls has the oldest chartered canal in the United States. In 1998, the Rockingham Arts and Museum Project (RAMP) spearheaded a downtown revitalization project in the canal neighborhood to create vitality in the community and demonstrate the arts favorable impact on the economy.

RAMP approached RACLТ and Housing Vermont, a statewide nonprofit housing tax credit syndication and joint venture development partner, about purchasing a large, three-story historic building on Canal Street and converting it to affordable apartments and studio-gallery space for local artists.

The Exner Block

The building, the Mary Exner block, was built in the 1870s along the canal. Over time, it had been a hotel, a brothel, and a flop-house,



Artist Nancy Fitz-Rapalje in her gallery and studio in the Exner block.



but many original architectural details survived. They included wainscoting, tin walls and ceilings, and wood doors with glass hardware. Housing Vermont and RACLT were ready when the Exner Block was auctioned off after Mary Exner died.

RACLT and Housing Vermont purchased the building for \$27,000 and redeveloped it into eight permanently affordable apartments, two market-rate apartments, and six commercial storefronts. Funding totaled \$1.9 million from state, federal and private sources, including \$400,000 in HUD special purpose funds through the office of Sen. James Jeffords.

Seven of the apartments provide studio space for local artists who are income-eligible. All seven of the resident artists rent the commercial storefronts to show and sell their work.

“I look at the Exner Block as a model to share with every community in Vermont,” says Robert McBride, RAMP’s founding director and the project visionary. “Artists always need affordable housing and a place to work. The project helped the community rethink the importance of the arts, not only as a cultural asset but also as an economic asset.”

The Howard Block

As the Bellows Falls Downtown Development Alliance (BFDDA) and the town saw the success of the Exner Block, they approached RACLT about redeveloping another building, the Howard Block.

A landmark building in the heart of downtown, the Howard Block defines the south end of the village square. In 1887, the Howard family located its hardware business there, and added two additional stories to the original two-story structure. A century later, an Aubuchon Hardware franchise purchased the building, which by then included 23 apartments on the top three floors.

Aubuchon moved to New Hampshire in 1990. It continued the apartment rentals but failed to maintain the building. When fire destroyed the fourth floor and half the building in 1996, the remains sat vacant and boarded up until the BFDDA and RACLT took action.

BFDDA purchased the building for \$57,000 and conveyed it to co-partners RACLT and Housing Vermont. The \$2.9 million renovation included federal historic tax credits and \$65,000 in Neighborhood Reinvestment funds. It reconfigured the top three stories into 13 permanently affordable apartments and offices, and the ground floor into 6,600 square feet of commercial space, which was filled immediately upon opening. The building offers great views of the canal or village square.

“Between the Exner and Howard Blocks,” says BFDDA Director Richard Ewald, “we’ve reopened 10,000 square feet of commercial space that was not available before. Now, the private sector is reinvesting in downtown and opening up other upper floors.”

Ewald also gives RACLT and Housing Vermont high marks for attracting the Connecticut River tourist center. “They were the nexus for seven local partners and project funding that made the Bellows Falls Waypoint Interpretive Center feasible,” he says.

Susan Gardner is one of the Howard Block’s new tenants. Reading about the renovation while recovering from an illness, she applied for an apartment. Gardner was eligible for the

Vermont State Housing Authority’s project-based Section 8 program, and pays only 30 percent of her fixed income for rent. RACLT allowed her to choose her apartment during construction.

“The folks at RACLT were the nicest people and very fair,” Gardner says, “they didn’t judge anyone and they were very professional. We’re all very blessed to have found this place. I plan on being here for a long time.” ■



RACLT and Housing Vermont renovated these Exner Block storefronts (above), and the Exner Block studio where William Acorsi makes use of his space.



Rutland West NHS, West Rutland

Leveraging Reinvestment Close to Home



Verna Oles, a long-time resident of West Rutland, in her kitchen.

Sheldon & Slason's Marble Quarry in West Rutland supplied the marble that encases the Washington Monument. The marble companies founded West Rutland's economy. They built worker housing, owned the general store, and employed Polish, Irish, Italian, Swedish and French immigrants at \$1 a day.

In the early 1970s, the quarries closed and left behind a lot of angry and discouraged people, as well as one of the most architecturally stunning streets in Vermont, Marble Street. In 1986 Marble Street became the cornerstone of **Rutland West Neighborhood Housing Services'** revitalization efforts.

Jayne Pratt was town clerk in 1985 when a group of neighborhood residents, municipal officials, and bank

representatives requested support for a community development grant application that would revitalize Marble Street. Pratt's interest in Rutland West NHS peaked immediately, and she became a founding board member.

"When anyone described Marble Street, nobody could believe it could get that bad," Pratt explains. "When the quarry closed, workers and the tax base went elsewhere, so our commercial district went into decay. We were the only town in Vermont to nearly go bankrupt. We were \$400,000 in debt."

Seeing Beyond the Decay

RWNHS Executive Director Ludy Biddle touts the founding group's ability to see the beauty beyond the decay. "Marble Street, in its time, was one of the most glamorous, prosperous streets in the region," Biddle says.

"The old architecture was saved because there was no reason to take down the old buildings and build new." Biddle characterizes it as "preservation by neglect."

RWNHS used its original \$100,000 community development grant to leverage Neighborhood Reinvestment seed funding in 1988. It purchased the Pifko Block, a foreclosed historic building, and sold it to a local developer who converted it to three apartments and commercial space while preserving the historic details.

"We've loaned the repayments on that original \$100,000 over three times now to commercial and residential establishments on Marble Street," says Mary Rajda, RWNHS' home ownership director.

Since coming to RWNHS in 1989, Rajda's impact on



West Rutland and other neighborhoods has been considerable. She and her staff manage a \$4 million revolving loan fund for first and second mortgages, housing and commercial rehab, and provide a full spectrum of Full-Cycle Lending® services, including pre- and postpurchase counseling, financial fitness training, and homebuyer education.

“Mary and her staff are tremendously innovative in packaging loans with private and public partners,” says Tim Kononan, RWNHS board president and vice president and senior retail officer with Factory Point National Bank. “They come up with wonderfully creative ways to help folks, who would otherwise not qualify for financing, fit into the box.”

Verna Oles would agree. She had been renting a house for 12 years when RWNHS purchased it and three other structures on the Phelan Block which intersects with Marble Street. The other buildings were an abandoned gas station, the old post office, and a duplex.

RWNHS helped Oles buy the house, using a land grant from the Vermont Housing and Conservation Board, an affordable mortgage through the Vermont Housing Finance Agency, and assistance from Rutland West’s rehab loan fund. RWNHS upgraded the house’s 1920s wiring and heating, repaired rotten floors, and added insulation.

A local artist purchased the gas station and rehabilitated it into his home and studio. The duplex provides two permanently affordable apartments, and the old post office houses the HomeOwnership Center®.

Now, after 18 years of serving Rutland County, RWNHS will undertake a major expansion this year into the counties north and south to fill in gaps in homebuyer services.

RWNHS’ growth necessitated a larger office. In typical fashion, RWNHS wanted to contribute more to the Marble Street neighborhood, so the organization purchased the Kazon building and converted it to its new offices, a community room, and six permanently affordable apartments. The ironstone building once housed a shirt factory that employed the wives of quarry workers.

“Since we redeveloped the Kazon building,” Biddle says, “First Brandon National Bank has built the first bank branch West Rutland has seen since the Depression. Our projects continue to spin off reinvestment by local entrepreneurs, who are redeveloping other buildings and creating jobs.” ■



Ludy Biddle (left), Rutland West executive director, and Town Clerk Jayne L. Pratt of West Rutland, in Pratt’s office.