

Firm seeks to take over old mill rehab.

By PATRICK O'GRADY

Valley News Correspondent

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Newport, NH-

At its meeting on Monday, Sullivan County commissioners will consider a request from New England Family Housing of New Hampton, N.H., to apply for a \$500,000 Community Development Block Grant that would go toward the redevelopment of a former mill building in Newport that had previously received Planning Board approval to be converted to 65 apartments.

Last week, the Newport Selectboard voted to send a letter of support for the project, which is key to obtaining county approval for the grant, New England Family Housing CEO Kevin Lacasse said.

“This is for workforce housing,” Lacasse said. “New England Family Housing will not be subsidizing the tenants. The tenants must have a source of income.”

Selectboard Vice Chairman Todd Fratzel said the board spent a few meetings discussing the project and questioning Lacasse.

Fratzel said he recognized the need for housing but he had concerns about how the project would affect the cost of municipal services.

He said his concerns were alleviated when he learned more about the financing and funding.

“I spent a lot of time reading everything he (Lacasse) gave us and I felt more comfortable with what the project was,” Fratzel said. “It is not an upfront subsidy.”

In June 2017, the Newport Planning Board approved a site plan to convert the historic four-story, 70,000-square-foot Ruger mill building on Sunapee Street into 66 market rate apartments with amenities including a gym.

According to Lacasse, the original developers did not receive approval for new market tax credits and therefore were unable to finance the project. They then applied for low-income housing tax credits through the New Hampshire Housing Authority with the expectations of finding another developer.

Lacasse said his organization was contacted by the housing authority and agreed to proceed with a planned \$20 million investment that would include purchase of the building from the owner, 169 Sunapee St. LLC.

NEFH is under contract to buy the building assuming all funding is approved, Lacasse said.

Lacasse said funding would come from a variety of sources.

Low-income housing tax credits, which will be announced later this month, would constitute the majority of the funding. In addition to the block grant, there would be historic tax credits, which have already been awarded, and private financing.

Lastly, Lacasse said they will apply for HOME funds, a federal grant program for affordable housing administered at the state level.

NEFH will also look to obtain 79-E status from the town for the building, which means its pre-renovation assessment can be frozen for five to seven years.

The 6.6 acres and building at 169 Sunapee St. are currently assessed at \$1.86 million, according to the town's online assessing records.

If the planned financing comes through, Lacasse said design work and other preparations could begin in early 2020, and the 15-month construction period could get underway in late spring.

There would be 11 one-bedroom apartments, with the rest two bedrooms. At least 25 percent of the rents would be at market rates, and the rest would be on sliding scale calculated on 30 to 60% of Newport's area median income (about \$58,000), Lacasse said.

NEFH is currently undertaking a roughly \$7.5 million project renovating the Goddard Block building on Pleasant Street in Claremont.

When completed there will be 36 apartments in the building that was condemned by city officials in 2017, forcing all tenants to relocate immediately. Lacasse received 79-E status for the Goddard Block.

Attempts to reach Ron DeCola of Manchester, who represented the property owners before the Planning Board in 2017, were unsuccessful.