

The Value of Investments in the Vermont Housing and Conservation Board

Rob Naylor, President, Naylor & Breen Builders

Established in 1978 as a small construction company, Naylor & Breen Builders transitioned into a commercial general contractor in the early 90's. From those early days, our company has grown to employ almost 100 people with a 2014 sales volume of over \$25 million. Upon being asked to participate in this session, I took the opportunity to review my company's history of the projects we have completed over the last 20 years.

What becomes evident upon this review is that we have been busy and we have undertaken all types and sizes of construction. Our completed projects have included public schools and institutional facilities, retail and office buildings, convenience stores, storage and mail order facilities, condominiums and private multi-family housing, inns and restaurants, banks, professional offices, personal residences, fitness centers, taverns, State and municipal buildings, museums and art centers, elderly housing and assisted living—we even built a commercial tree house. It seems to go without saying that when you are a contractor in the small community of Vermont, you don't get too specialized.

Or so I thought until another statistic showed up in my review. By my count, N&B has taken on about 170 major projects over the last 20 years. And I found that of those, 34 (or 20%) have been affordable housing projects for the various non-profit housing organizations throughout the State. And by volume, the almost \$60 million in contracts we have completed for these organizations represent over 30% of our total revenue. So . . . I guess we do specialize. Although I am not privy to the financial details of these ventures, I am close enough to them to know that VHCB has played



a vital role in most, if not all, of the financing packages for these affordable housing projects. They have been instrumental in developing such vital projects as Hickory Street (which is the revamping of the Forest Park public housing development) in Rutland, Brookside Village Apartments in Colchester, rehabilitation of the Salmon Run Apartments in Burlington, Graystone Housing in White River Junction, family housing in Bennington, revitalization of the old Brandon Training School into affordable housing, the revitalization of the old Bobbin Mill in Burlington, and the rehab of the Watkins School in Rutland, just to mention a few.

"the affordable housing projects that we are involved in today are some of the most durable, energy efficient and cost-effective projects in the industry."

Suffice it to say that we've been at this a long time, such that way back at the inception of the

local movement for affordable housing we were in diapers, so to speak, with VHCB and their various nonprofit partners. Since this early beginning, we have witnessed the growth of these organizations and the effect that their commitment to their mission has had with respect to the magnitude and quality of the projects that they turn out.

We have seen these non-profit developers emerge as some of the most respected people in their field, demanding comparable expertise and efficiencies from the professional architects, engineers and contractors, that become part of their team. Because of this, the affordable housing projects that we are involved in today are some of the most durable, energy efficient and cost-effective projects in the industry.

The obvious benefactors of these projects are the ones for whom they are intended. Literally thousands of affordable living units have been provided in essential neighborhoods to those that need it the most. In my own town of Brandon, a number of my own employees live in the affordable units that were developed at the old Brandon Training School.

But in addition to the obvious, the residual benefits of these projects are incalculable. Along with providing jobs for the locals, each of these projects provides a little mini boon for the local economy. These are major projects that plant upwards of a hundred tradesmen in a single location for up to a year.

VHCB-funded affordable housing projects provide consistency. During the economic slump of 2008, when basically the whole economy shut down and the construction spigot was shut off, the one major project left

standing for Naylor & Breen was the VHCB-backed Hickory Street development in Rutland. A project that had long been in the planning stages for the rehabilitation of one of the neediest neighborhoods in the State. This project was a survivor in an economic time not seen in my business lifetime.

“the residual benefits of these projects are incalculable. Along with providing jobs for the locals, each of these projects provides a little mini boon for the local economy. These are major projects that plant upwards of a hundred tradesmen in a single location for a year.”

N&B’s P&L statement typically makes cyclical swings through the years just as the rest of our economy with periods of high times and lows but when reviewing the chronology of our affordable housing projects, I was not able to single out any indicator of these economic swings. There were no extended stretches without projects and no blocks of time indicating inordinate high activity. This signifies to me that one of great attributes of VHCB-funded projects is the consistency with which they are developed and delivered.

This is a consistency that is unique in our industry and greatly appreciated by an employer whose payroll seems to come due with that same fierce consistency.

We do appreciate our positive history with VHCB and their partner organizations and we want to wish them continued success.