

Vermont Housing & Conservation Board Special Committee

MINUTES

Friday, February 10, 2023

Zoom

9:15 am

Board Committee Members: Neil Mickenberg, David Marvin, Maura Collins, (VHFA), David Riegel (designee for AHS); and, Ann Fielder (All Board Committee Members called/zoomed in)

VHCB Staff: Gus Seelig, Jenny Hyslop, Elizabeth Egan, Gretchen Rittenhouse, and Pollaidh Major

Others Present: Skye Morse (Vice President/Principal for M&S Development), Linda Rossi (Brattleboro Retreat) and Bob Crego (Executive Director for Garden Path Elder Living/Bradley House/Holton Home)

Public Comment: No public comment received.

Project Request Presentation: The owner of Holton Homes and Bradley House, Garden Path Elder Living, requests a 10 year waiver of the VHCB Housing Subsidy Covenant. They wish to enter into an arrangement with M & S Development, in which M & S will master lease the Holton Homes site from them for \$10,000 per month. M & S will simultaneously enter into an arrangement with the Brattleboro Retreat to use the site for housing for traveling nurses and doctors, in exchange for a monthly payment to M & S of \$50,000 per month, which M & S will use to cover their expenses to operate and maintain the project, and pay taxes as well as the lease payment to Garden Path.

Staff recommendation is as follows: To approve a 3 year suspension of only the affordability restrictions of the Housing Subsidy Covenant for Holton Homes (consistent with the terms of the lease to the Brattleboro Retreat), to be provided once staff determine that the following conditions are met:

1. The minimum number of income restricted units during this three year period will be reduced to 18, all to be met by tenants at Bradley House.
2. Prior to approval, Garden Path will provide a proposal that provides a more substantial revenue stream to Garden Path from any income net of expenses that M and S receives from the Retreat, such that Garden Path is able to demonstrate a plan for continued operations at Bradley House for the three year period of the suspension. This plan will be subject to VHCB staff review and approval.
3. Prior to approval, Garden Path will provide VHCB with revised final agreements, subject to VHCB staff approval, between M & S and the Brattleboro Retreat, and between M & S and Garden Path, which confirm:
 - a. That there is no right to purchase the property contained in any agreements.
 - b. That Garden Path will not need to reimburse M & S for any capital expenses which are already paid for by the Brattleboro Retreat or any other private or public funding source.
 - c. Any subsequent changes to agreements or leases will be subject to VHCB staff review and approval prior to execution.
 - d. The term of the agreement between M & S and Garden Path should mirror the Housing Subsidy Covenant affordability suspension, which is 3 years. A subsequent extension may be requested for up to 2 years, subject to VHCB staff review and approval.
4. Prior to approval, Garden Path will provide documentation that it has obtained confirmation or legal opinion that the restricted donation it intends to use in support of capital expenses for this arrangement can be used to benefit a private lessee without tax or other ramifications related to their 501c3 status.

Bob Crego indicated on behalf of Garden Path that the proposal was acceptable and he was optimistic that an agreement could be reached among the parties. Skye Morse asked for clarification about the condition regarding reimbursement of capital costs which was provided.

Neil made the motion to go into Executive Session to discuss a real estate matter. Ann seconded the motion. All voted in favor of the motion and the Board entered executive session at approximately 9:50

Roll Call: Neil Mickenberg – Yes
David Marvin – Yes
David Riegel – Yes
Ann Fielder – Yes
Maura Collins – Yes

Neil made the motion to come out of Executive Session. Maura seconded the motion. All voted in favor of the motion.

Roll Call: Neil Mickenberg – Yes
David Marvin – Yes
David Riegel – Yes
Ann Fielder – Yes
Maura Collins – Yes

The Committee emerged from Executive Session at approximately 10 a.m.

Neil made a motion to approve the staff recommendation with a modification to Special Condition 3(d) to read as follows: *“The term of the agreement between M & S and Garden Path should mirror the Housing Subsidy Covenant affordability suspension, which is 3 years. A subsequent extension may be requested for up to 2 years, subject to VHCB BOARD review and approval.”*

Ann seconded the motion with said modification. There was a brief discussion about this issue. Not all voted in favor of the motion.

Roll Call: Neil Mickenberg – Yes
David Marvin – No
David Riegel – Yes
Ann Fielder – Yes
Maura Collins – Yes

The meeting was adjourned at 10:30 am.