



Legislative & Rules Committee – Board of Representatives

Benjamin Lee, Chair

Elise Coleman, Vice Chair

Committee Report

Date: Thursday, October 28, 2021
Time: 7:00 p.m.
Place: *This meeting was held remotely.*

The Legislative & Rules Committee met as indicated above. In attendance were Chair Lee, Vice Chair Coleman and Committee Member Reps. Fedeli, Florio, Jacobson, Lion, Miller, Nabel and Zelinsky. Also present were Reps. Mahoney, McMullen, and Sherwood; Mayor Martin; Laura Burwick, Special Assistant to the Mayor; Kathryn Emmett, Corporation Counsel; Vin Tufo and Jackie Figueroa, Charter Oak Communities; and about 30 members of the public.

Chair Lee called the meeting to order at 7:03 p.m.

The Committee first took up Item No. 2.

Possibly in Executive Session:

Item No.	Description	Committee Action
2. LR30.115	RESOLUTION <u>and public hearing</u> ; Approving an Amended and Restated Lease for the Smith House Skilled Nursing Facility and Scofield Manor The Residential Care Home at 88 Rock Rimmon Road and 614 Scofieldtown Road, City of Stamford, State of Connecticut. 10/01/21 – Submitted by Mayor Martin 10/05/21 – Approved by Planning Board 10/14/21 – Held by Board of Finance 10/20/21 – Approved by Board of Finance with “additional language added” 6-0-0 10/25/21 – Reconsidered by Board of Finance and Approved 4-0-0 10/26/21 – Change by BOF Approved by Planning Board	Approved 7-2-0

Chair Lee opened the public hearing.

Susan Rutz, Chair of the Board of Charter Oak Communities spoke in favor of the lease amendment and transfer of operations of Scofield Manor to Center Management, noting that Charter Oak manages 21 properties in the City and Scofield Manor puts a drain on their resources and that it is beyond their scope in public housing. They have been unable to reduce this gap. This transfer will better serve the residents.

Richard Ostuw, the Chair of Stamford Elderly Housing Corporation and the Vice Chair of Charter Oak Communities, spoke in favor of the lease amendment and transfer of operations of Scofield Manor to Center Management, noting that the financial burden of managing Scofield Manor have increased over the last 10 years while the reimbursement from the State has remained flat and the needs of residents have increased.

Kathleen Bordelon, the CEO of Silver Source stated that the transfer of Scofield Manor raises an intricate set of issues, particularly after 11 years. She has signed a letter of intent with Charter Oak to ensure safe affordable housing beyond the 11 year mark. She stated that she understands why Charter Oak wants to relieve itself of its responsibility under an outdated contract with the reluctance of funding and maintenance from the City.

There being no further speakers, the public hearing was closed.

Mayor Martin and Ms. Burwick reviewed the [attached PowerPoint presentation](#) with the committee.

Mr. Tufo stated that:

- Charter Oak is committee to manage a facility that meets the needs of the current residents of that facility, even as those needs have evolved and become more intensive and more complicated
- The original lease was created in 1990 and did not anticipate a number of things that have happened since; COC tried to renegotiate the lease 15 years ago with the City but was unsuccessful and now manage the lease on a month to month basis
- The lease does not provide for reimbursement of significant indirect costs - the management, the administration, the human resources finance it, etc.; their costs are much higher than the reimbursement rate, which is their management fee, is because Scofield Manor is their only residential care home/skilled nursing facility, so they don't have economies of scale; the differential is about \$200,000
- State reimbursement has remained flat while costs have increased
- A residential care home should be available for Stamford residents; it fills a necessary gap in the continuum of care
- If Scofield Manor is no longer operated as a residential Care Home after the 11 year commitment by Center Management, then COC and Silver Source have entered into a [letter of intent](#) to meet the needs of Stamford residents
- They have exhausted their ability to make costs reductions and continue to provide a high quality of service
- The transfer ensures some capital investment and assurance that COC staff and Scofield Manor residents will remain in place
- If the transfer is not approved, COC will probably have to terminate the lease and renegotiate it with the City or petition the State to put the facility into receivership, which could lead to closure; the transfer proposal is the best option
- The building needs a new boiler within the year; the current boiler will not last through a bad winter

Committee members discussed Item No. 2 with the Mayor Martin, Ms. Burwick, Mr. Tufo, Ms. Bordelon and Ms. Emmett. Items discussed included the following:

- Replacement of the boiler has been in COC's capital request to the City for the last 6 years, but has not made it through the Planning Board; they have been replacing parts; in the event of a failure, they will lease a temporary boiler, which will keep the building habitable, but the most vulnerable residents will have to be moved out temporarily. Mayor Martin noted that there are emergency funds available for such repairs.

- It is likely that the State would approve the transaction within 2 months; Center has experience running a skilled nursing facility, so is likely to be approved
- The State is not likely to require more than \$250,000 in repairs; inspections in the last few years have recommended no or few repairs; the same standard would apply regarding safety and security no matter which entity is operating Scofield Manor
- This is a way to avoid costs to the City
- There would be liability to the City if a calamity were to occur
- Center Management would never purchase the property for the price of \$7M in the current lease, so they have the property for nothing currently; purchase is more likely under the lower purchase price, but the lease was not clear that they would have to pay property taxes, so the Board of Finance asked for an amendment to make that clear
- If Center Management takes over operation of the building, all of the responsibilities transfer to them; the City would not be responsible for capital repairs once the deal is completed
- Renegotiating the lease with COC would cost the City \$1M per year between operating and capital costs for the foreseeable future
- The property would only get a tax abatement if it were being used for a tax abateable purpose under State law; running a residential care home is not a tax abateable purpose
- The use of the property is limited for 15 years from the original date of the lease, which is 4 years ago and if the property is purchased, it will be subject to a deed restriction that the property must be used for a public purpose for 50 years from the original lease date
- If Center Management is eligible for a tax abatement under State law after purchase of the property, it will get one; a senior living facility is not tax abateable
- Center Management would have to go through zoning and environmental approvals prior to developing the rest of their property
- All of the acreage could be bought for \$1000 and consolidated into something larger than what the neighborhood would want to sustain
- If Center Management bought the property, they could start the process of building something right away, but don't get to discontinue Scofield Manor; they could do that now for \$7M, which they will never do; they can not get rid of the functions of the continuing care facility and residential care home for 15 years from the original lease date and must have a public purpose for 50 years; there are also restrictions from the State regarding these types of facilities, to either expand or contract the facilities
- There are no other residential care homes in Stamford; there are 44 scattered throughout the State with more than 20 beds; there are a narrow set of criteria which make a resident eligible – particularly level of needm but applicants must also have some source of income
- Scofield Manor is not able to fill the 50 beds because of the facilities – shared bedrooms, common bathrooms and common showers; the Greenwich facility, which has private rooms, is filled; Scofield Manor is losing appeal and the building is near the end of its life
- Silver Source and COC have entered into a non-binding letter of intent to coming up with a a new plan if the facility closes at the end of 11 years
- Older lower income adults in Stamford wait 2 to 6 years for affordable housing
- The State has a money follows the person program, under which many people remain in subsidized apartments with home health care; the State is interested in moving people out of institutions into communities of their choice
- There is no concern that Center Management will do a good job during the 11 years
- 15 to 20 people do tours of the facility each year but many do not move in

- COC does not want to continue to manage this facility; a new lease will increase the City's obligations
- Center would not be able to stop providing care in 11 years without State approval
- Center has opportunity for savings that other organizations, which do not manage similar facilities, do not have; an organization similar to COC would have similar costs
- This past year, the City approved \$230,000 for Scofield Manor; COC would seek \$474,000 next year in order to recoup indirect expenses
- Mayor Martin is of the opinion that if this lease is not approved, COC will withdraw from this lease and require a new lease that would cover their expenses including capital expenses
- Pursuant to the terms of the current lease draft, Center would be responsible for capital improvements
- To the recollection of Director Emmett, it was not seen as practical to split up the parcel

A motion to hold Item No. 2 was made, seconded and failed by a vote of 4-5-0 (Reps. Coleman, Fedeli, Miller and Nabel in favor; Reps. Lee, Florio, Jacobson, Lion and Zelinsky opposed).

A motion to approve Item No. 2 was made, seconded and approved by a vote of 7-2-0 (Reps. Lee, Coleman, Fedeli, Florio, Jacobson, Lion and Zelinsky in favor; Reps. Miller and Nabel opposed).

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| 1. LR30.118 | RESOLUTION <u>and public hearing</u> ; Approving a Lease Agreement between the City of Stamford and Domus Kids, Inc. for 83 Lockwood Avenue, Stamford, CT.
08/12/21 – Submitted by Mayor Martin
09/13/21 – Held at Steering
09/14/21 – Approved by Planning Board
08/26/21 – Approved by Board of Finance 5-1-0
10/14/21 – Reconsidered by Board of Finance based on incorrect order of approval and HELD 5-0-0 | HELD |
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A motion to hold Item No. 1 was made, seconded and approved by unanimous voice vote.

Chair Lee adjourned the meeting at 9:37 p.m.

This meeting is on [video](#).