



TOWN OF GROTON
Affordable Housing Trust



Allen B. King, *Chair*
David A. Wilder, *Vice Chair*
Joshua A. Degen, *Treasurer*
Stuart M. Schulman, *Secretary*
Fredrick J. Dunn, *Member*

Meeting Minutes

Date: July 25, 2013
Time: 7 p.m.
Location: 2nd Floor Meeting Room, Town Hall, 173 Main Street Groton, MA
Attending Members: Allen King, Fredrick Dunn, David Wilder
Meeting handouts: agenda
Boynton Meadows investment addendum (draft)
July 25, 2013 e-mail from Town Counsel regarding addendum

June 12, 2013 meeting notes were not available for review.

Addendum

Trust members reviewed the investment addendum draft and the e-mail regarding same written by Town Counsel. Town Counsel gave Trust members the following advice:

Here is a copy of the revised addendum I prepared for review by Attorney Ancil. He and I spoke today and the concern that Mount Laurel has relates to the fact that it incurred substantial additional costs in creating the basement space that will house the restaurant. Attorney Ancil has proposed having Mount Laurel's financial team prepare documentation establishing a cost basis in the restaurant so that amount can be used in calculating the profit from operation or sale of the restaurant. I believe this is a legitimate point; and it will address the question of fairness in the treatment of additional construction costs, i.e., it should not be the case that all additional project costs are allocated to the restaurant so as to unrealistically reduce the 'profit' associated with the restaurant.

In sum, I believe Attorney Ancil and I agree on the general concept of profit computation I incorporated into the addendum, but there is an issue on determining the costs element of the equation. Attorney Ancil informs me that he will arrange for preparation of the documentation necessary to assign a cost value to the additional work for the restaurant space so that the profit formula can be modified to properly account for the cost of that work. (For example, a portion of that cost value could annually be included in the operating costs until the cost value had been depreciated.) Therefore, I recommend that the Affordable Housing Trust review the draft addendum for discussion and comments on the profit formula that can then be used to finalize the formula language when we have received the cost data from Mount Laurel's financial team.

Trust members discussed the fact that the permitting of the restaurant does represent a change from the investors' earlier expectations of how the project would proceed. Originally, the parties would invest; Mount Laurel would build condominium units; Mount Laurel would sell all condominium units; once expenses had been paid and original investment sums recouped, then Mount Laurel would pay out any remaining sums as the profit of the project in the ratios set forth in the original agreement. Now, there is the possibility of Mount Laurel selling all the condominiums but for the restaurant condominium and how will the parties agree to apportion costs and rental income should this be the outcome. Trust members offered some specific input but did not vote on any collective response. The group was aware that the crafting of this agreement in its successive versions adds to project costs by Mount Laurel incurring additional legal fees. The group hopes that the addendum can be written

in a way that is clear and concise. Allen King noted that the addendum needs to be drafted in a way that is not contrary to Mount Laurel's present obligations noted in the project's financing documents. David Wilder cautioned about the use of depreciation as this may not be in the Trust's interest even though it might have value in other contexts (businesses filing taxes).

Also, the group noted that the sixty day turn-around from the end of the fiscal year (see item 4) is probably too rushed a timeline for Mount Laurel work with considering the complexity and workload of area CPAs. The group read the differentiation between operating payment and sale payment and wondered how the additional permitting costs incurred by the project plus the additional basement construction costs – the two main expenses that argued for a beneficial offsetting of basement restaurant revenue -- would be apportioned. In addition to these draft minutes, any individual comments that Trust members would like to submit can be shared with Town Counsel.

Boynton Meadows update

Allen King updated the meeting on recent developments. The bakery closing has occurred. Interest has been expressed in one of the single family condominiums. If the model condominiums can be built, then it is hoped that buyer interest will follow.

Affordable housing update

Fran's updates included the following items:

- At Boynton Meadows, a LIP LAU application has been submitted to DHCD for the one bedroom affordable condominium located on the second floor of the Kilbridge building.
- At Squannacook Hill, two affordable units have been sold.
- Now that occupancy permits have been issued, DHCD agreed to re-instate the five Squannacook Hill units on the Subsidized Housing Inventory (SHI).
- The ZBA Special Permit Modification calls for a one time only \$3,600 payment per market rate unit sold at Squannacook Hill. Land Use staff will investigate whether this developer obligation made it into the final regulatory agreement. Two market rate units have been sold which makes this question a relevant one to address. Should such payments be made, the Affordable Housing Trust might petition the Board of Selectmen to have this money directed to the Affordable Housing Trust's account for affordable housing purposes.
- At Longfellow, the DHCD agreed to count the recently sold affordable condominium on the SHI.
- At Longfellow, the developer may change realtors and increase offered commissions. This step may help draw attention to the property as realtors would have a reasonable incentive to share the listing information with their clients. Note that the developer may be asked to lower asking price if marketing changes require additional DHCD scrutiny.
- At Prescott School, it does not appear that an inn will be viable based on the results of the latest RFP. Besides parking for area businesses, the property might be rehabbed for senior affordable housing. Without subsidy, then it is unclear whether affordable housing could work even if initial Town disinterest in affordable housing at this location is overcome (see prior re-use survey results).

Allen King expressed his wish to revisit election of officers for the Trust at its next meeting.

Allen King moved to adjourn the meeting at 8:15 pm. David Wilder seconded and motion carried 3:0 (Stuart Schulman and Joshua Degen absent).

Meeting adjourned at 8 pm. Notes by Fran Stanley.

Meetings Overview

Meeting Date	Status	Town Website
September 8, 2010	Final	Posted
October 13, 2010	Final	Posted
November 17, 2010	Final	Posted
December 20, 2010	Final	Posted
February 2, 2011	Final	Posted
April 6, 2011	Final	Posted
April 25, 2011	ⁱ	n/a
May 18, 2011	Final	Posted
June 27, 2011	ⁱⁱ	n/a
July 27, 2011	Final	Posted
August 24, 2011	Final	Posted
September 13, 2011	Final	Posted
September 26, 2011	Final	Posted
October 6, 2011	Final	Posted
October 17, 2011	Final	Posted
November 3, 2011	ⁱⁱⁱ	n/a
November 9, 2011	Final	Posted
November 10, 2011	^{iv}	n/a
December 14, 2011	Final	Posted
January 25, 2012	Final	Posted
February 23, 2012	Final	Posted
March 22, 2012	Final	Posted
April 26, 2012	Final	Posted
May 24, 2012	Final	Posted
June 28, 2012	Final	Posted
August 23, 2012	Final	Posted
September 27, 2012	Final	Posted
November 15, 2012	Final	Posted
January 10, 2013	Final	Posted
March 14, 2013	Final	Posted
May 2, 2013	Final	Posted
May 23, 2013	Draft	In Process
June 12, 2013	Draft	In Process
July 25, 2013	Draft	In Process

ⁱ 2011 Spring Town Meeting. See record of 2011 Spring Town Meeting

ⁱⁱ Board of Selectmen Meeting. See Selectmen's minutes.

ⁱⁱⁱ Planning Board and Conservation Commission meetings. Housing Trust lacked quorum. See Planning Board and/or Conservation Commission minutes for more information.

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