

Press Release: Boynton Meadows Project - Select Board/Affordable Housing Trust Joint Statement - March 30, 2021

PRESS RELEASE

FOR IMMEDIATE RELEASE

MARCH 30, 2021

TOWN OF GROTON – SELECT BOARD/AFFORDABLE HOUSING TRUST JOINT STATEMENT – BOYNTON MEADOWS PROJECT

At Town meeting in 2011, by a vote of 146 to 61, the Town of Groton, through its Affordable Housing Trust, authorized an investment of \$412,000 of CPA funds in the Boynton Meadows Project. The possibility of a large profit on the initial investment and the creation of three affordable housing units were presented as reasons to support the article.

The Preferred Membership Unit Investor Agreement between the Town of Groton and Mt Laurel Development was signed in 2012. This agreement gave the Affordable Housing Trust a right to return of a proportionate share of the project profit, and stipulated that the profit would be determined after the initial sale of all of the units included in the development.

Beginning in the summer of 2013, concerns arose around the increasing expenses of the project, and the potential impact on project profit. In December of 2015, Mount Laurel Development reported to the Trust that expected returns may be less than initially projected. Currently, there remains one unsold commercial unit in the project, an unimproved basement unit in the former Kilbridge building. For that reason, the project profit, or loss, has not been finally computed. The developer is not predicting a profit that would provide for any return on the Town of Groton's investment.

To date there has been no financial return on the investment made by the Town. Throughout this time, working with legal counsel at KPLaw, the Affordable Housing Trust has made diligent efforts to understand the project finances and to recover the Town's investment. These are well summarized in the April 6, 2017 letter sent from the AHT to Mt. Laurel Development.

The Affordable Housing Trust and Select Board have not identified any current alternatives which would yield a financial return on investment. Therefore, the Affordable Housing Trust and a majority of the Select Board have jointly decided not to pursue this issue further at this time. In making this decision we have consulted with legal counsel and considered how we can best promote the interests of the Town of Groton.

If circumstances change or new information becomes available, we may review our options. In the interest of protecting those options and our best possible position, we will not be releasing any Executive Session materials. Difficult lessons have been learned from this project and we believe our collective efforts are better spent pursuing other opportunities to create affordable housing within the Town of Groton.

We look forward to working collaboratively to expand affordable housing opportunities in Groton.

Sincerely,

Alison S. Manugian, Chair

Rebecca H. Pine, Chair

Select Board

Affordable Housing Trust