

Questions on Affordable Trust Housing proposal

What assets will the Trust have, when computing the 80% limit on borrowing? Do Trust funds that go to HCA, for example, to build or renovate housing, become assets of HCA, or does the Trust retain some ownership?

I believe that funds granted to AHA or HCA will become the property of those agencies and not counted as assets of the Trust. A good question for Wednesday hearing.

Will the Trust, or the town, be able to audit or review HCA's accounting, if HCA receives Trust funding? (It may be the case that the town can audit HCA now...I don't know). I would like the town to have some recourse in case HCA goes off the rails. Small nonprofits that are unfortunate enough to get a bad executive director, and have a passive board, can get into trouble, and it would be good to be able to do something when we see signs of trouble. I have no concerns about the present staff and board, but 20 years from now, one cannot be sure.

I assume that as a stipulation of the grant, the Trust could insist upon a public audit of those funds. Another good question for Wednesday.

Does it seem that, if the town passes Article 8, we are making an increased commitment (politically) to affordable housing? (This is an opinion question.) Does it seem that affordable housing advocates may bring proposals forward to FinCom and Town Meeting for transfer taxes, bonding, etc. because it will feel like the town has made a commitment? Do we need to discuss how that fits into the operating and capital budgets? Or can this be kept incremental?

I strongly believe that general fund revenues, including borrowing by the town and antenna funds must be reserved for current general fund purposes. The Trust will need to develop its own revenue sources. I will state this up front to the FinCom and Town Meeting. The CPA will be a significant available revenue source for the Trust.

Do we know if the affordable housing program (be it Trust or HCA) has sufficient revenues to maintain and, as needed, renovate the affordable housing units? Do the rents and other income cover this, or will periodic capital costs be required? The HCA currently has, in round numbers, 100 units, with 50 more in progress. At \$300,000 per unit, again in round numbers, that's \$45 million of housing assets. If there is an increase in affordable housing activity, either due to 40B concerns, or broader concerns, we may have a sizable asset to maintain.

The AHA has taken care of its own significant housing since its creation. I know of no reason why that shouldn't continue. The HCA is a private non-profit entity that the town, to my knowledge, has no responsibility for. Any acquisitions by the Trust will need to be approved by the Select Board. I assume that they will require proof of the ability of the Trust to maintain those units or that they will be transferred to the AHA or HCA.

3A - mandating the two housing authority members creates a scenario where one person can serve on both the Housing Trust and Community Preservation Act Committee. Do we care?

I assume that the CPA chair will take action to prevent conflicts of interest on his/her committee.

3I) Does this sentence allow the trustees to pay themselves a Trustee fee: "and to pay, out of Trust property, such portion of expenses and compensation of such committee as the Trustees may deem necessary and appropriate". Should there be oversight of their pay and compensation or is that covered under applicable state law? I would prefer the Select Board approve stipends or other comp in a public meeting.

I will put forth an addition to the bylaw, preventing the payment of a salary to Trustees. The FinCom can decide on whether to approve the addition.

3K) I was initially concerned that the simple phrase "Trust's total assets" would be problematic for valuations but I think I'm comfortable as long as 3J stays in there and allows them to mark to fair value.

I agree.

Will having trustees from the AHA and HCA create conflicts of interest if their agencies have applied for grants?

Yes. I recommend that they be included so that all of the main players be included in the Trust. If the Trustees are discussing and voting on their application, their representative will need to absent themselves from the discussion and vote.