

CONSENT 4/25/05

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Acton Community Housing Corporation

Nancy Tavernier, Chairman

TOWN OF ACTON

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TO: Board of Selectmen
FROM: Nancy Tavernier, Chair, ACHC
SUBJECT: Transfer of CPA Housing funds
DATE: 4/22/05

On April 21, Betty and I met with Don and John to discuss a number of pressing issues for the ACHC. This is the first of several requests that will come before the Board in the next few months as we transition ACHC's administrative support out of the Acton Housing Authority and into a new arrangement as yet to be determined.

At the urging of Don and John, ACHC is being encouraged to take full advantage of the special powers and authority that have been granted to ACHC through the Home Rule Petition of 1996 that established the ACHC. Regardless of the special authority ACHC has, the Board of Selectmen has to approve virtually everything we do especially in any financing activities. It is not clear the process that needs to be followed so we will seek your approval when staff thinks it is appropriate.

The Board has previously granted permission for the ACHC to set up a bank account and we have had one at the Cambridge Savings Bank for over a year. Application fees for lotteries and First Time Homebuyer courses that we sponsor and the Monitoring Agent Fees from developers have been the primary revenue source for that account. We plan to move the 2004 CPA Housing Fund (current balance: \$42,500) into an interest bearing account to begin to generate income to cover administrative costs. The 2004 fund was clearly described as a separate account to be held by the ACHC and does not need a separate Board vote.

The 2005 CPA vote at town meeting established a Community Housing Program Fund of \$150,000 plus \$10,000 for administrative funds for ACHC. At this time, we are only seeking the Board's permission to transfer \$10,000 to the ACHC. I have included the letter sent to the CPC that explains the recommendation to fold the AHA's proposal for administrative funds into the ACHC \$150,000 Community Housing Fund. At the time of the letter, the request was to add \$15,000 to the fund (10%) but subsequent negotiations at the CPC reduced that to \$10,000. The total voted at Town Meeting was \$160,000. We have no plans to move the balance of the Community Housing Program Fund to ACHC at this time.

To summarize, we seek the Board's approval for \$10,000 to be transferred from the CPA Community Housing Program Fund to the ACHC.

Thank you for your attention.

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TO: Community Preservation Committee
FROM: Nancy Tavernier, Chair, ACHC
SUBJECT: Community Housing Program Fund revision
DATE: January 19, 2005
cc Board of Selectmen
attachment: Municipal Affordable Housing Trust Fund bill

At the 1/13/05 CPC meeting, Betty McManus presented the Acton Housing Authority's request for \$20,000 to provide technical and administrative support to the ACHC. Administrative support has been provided voluntarily to the ACHC for the past 18 years, without compensation, by AHA Executive Director Betty McManus, who is also a member of the ACHC. Due to Betty's pending retirement from the AHA, there arises a need to establish a means to provide administrative support and fund the expenses from CPA funds, which is an eligible use.

As Betty explained, the AHA Board of Directors has determined that, even with financial compensation, the AHA cannot continue to provide this service after July 1. With the arrival of a new Executive Director and the recent deteriorated financial situation primarily due to Federal cuts in public housing programs, it will be necessary for the Housing staff to focus on the Housing Authority services only. Therefore, the Acton Housing Authority has withdrawn its CPC proposal. This does not mean the need for ACHC administrative funds cannot be met. ACHC is proposing a revision to its Community Housing Program Fund request. We wish to add \$15,000 to the requested \$150,000. This increase would be less than the AHA request but would still be for the intended technical and administrative expenses of ACHC. The revised proposal should now read:

ACHC is requesting \$165,000 for a Community Housing Program Fund for "the creation, preservation, and support of community housing in the Town of Acton."

Our intention is to consider the added \$15,000 as "Transition Funds" to allow the ACHC and the Town to determine how to best set-up and support the organization without being a financial and physical burden to the Town. Our initial efforts will be to establish a contact point for the ACHC with a phone line, answering machine, and fax machine which we would purchase. We would assume that equipment could be accommodated somewhere in Town Hall. We also need to transfer paper files to Town Hall but would like to pay someone to scan most of them into electronic storage and then provide a filing cabinet to hold the rest. Also, on an as needed basis, we would use consultants to help us with the more time-consuming tasks as we did with the position statement for The Woodlands. We

do not see the need to "hire" an individual on a regular basis but rather have someone on call to help us with various clerical tasks such as mailings, etc. We would also expect to contribute to the copy machine and postage expenses of the Town.

We have asked the Board of Selectmen to place a request for the establishment of a Municipal Affordable Housing Trust Fund on the April Town Meeting warrant. (see attachment) We would expect to have the CPA Housing Funds go into this trust fund as well as the other miscellaneous housing funds that either exist now or will be created in the future. There is no central fund now. This fund will be income-producing and it is possible the income would cover the future administrative expenses for ACHC. We do not anticipate seeking administrative funds on an annual basis. Putting administrative funds into the Housing Fund gives us an incentive to use as little of them as possible in order to maximize the Fund for the more important affordable housing needs. We hope the CPC will support our efforts to establish this Trust Fund.

The major hurdle to this proposal for administrative funds is how we will access the funds to make the payments but those are details that will have to be worked out with the Town Staff. Once the Trust Fund is established, the Trustees will establish that system.

I hope the CPC will accept this revision to the original Housing Fund proposal. I will be happy to answer any questions the members may have at the next CPC meeting.