

BOARD POLICY

Subject Category: Board & General
Administrative Matters

LOANS, HOUSING ASSISTANCE

POLICY:

AC Transit shall not make loans of District funds to employees, Officers, Directors, nor other individuals except to permit short-term housing assistance loans to employees of the District when recruitment of specialized individuals is advantageous to the District.

RESTRICTIONS:

The following restrictions apply to any such loan:

- a. No loan shall have a term exceeding five (5) years.
- b. The interest rate shall be the same rate as the yield of the most recently issued five (5) year treasury note. The yield will be determined by the market on the day of bond issuance.
- c. The loan must be secured by either future wages or equity in the home.

FINDINGS:

Short-term housing assistance loans may be permitted if the Board of Directors makes the following findings by a majority vote:

- a. It is in the public's interest for the District to make a short-term housing assistance loan to a District employee when recruitment of a specialized individual is advantageous to the District.

(1) The loan is deemed to be more cost effective to the District than additional salary or other compensation.

- (2) A search has been completed and the individual has been found to be the best available candidate for the position.
 - (3) The individual is known to the Board as an exceptional individual who would bring unique qualifications to the District.
 - (4) The short-term housing assistance loan allows the District to offer compensation commensurate with the experience and skills of the individual.
- b. The short-term housing assistance loan is supported by adequate consideration.
- (1) In consideration for receipt of a loan, the recruited employee has agreed to relocate from his/her job and home to the Bay Area to work for the AC Transit District.
 - (2) A repayment agreement assures that the District's loan is secured.
- c. The short-term housing loan is consistent with the Board's policy on such loans.