



**Minutes of the Educational Housing Corporation Board Meeting
March 18, 2019**

**San Mateo County Community College District Office
3401 CSM Drive, San Mateo CA 94402**

Directors Present:	Other Attendees Present:
Dennis McBride, President	Mitchell Bailey
Maurice Goodman, Vice President	Bernata Slater
Peggy Berlese, Treasurer	Caryn Kenny
Kate Williams Browne	Mike Kenny
Ron Granville	Nelly Gonzalez
Michael Pierce	
Karen Schwarz	
Jonathan Wax	

Call to Order and Roll Call

The meeting was called to order at 3:07 p.m. Those members in attendance are listed above.

Public Comments on Non-Agenda Items

There were no comments from the public.

Approval of Minutes from the October 16, 2018 Meeting

It was moved by Ms. Schwarz and seconded by Ms. Berlese to approve the minutes. The motion carried, with all members voting Aye.

Action/Discussion Items

1. Kenny Realty Property Management Agreement Renewal

Ms. Kenny, Mr. Kenny and Ms. Gonzalez excused themselves from the meeting during the discussion.

Staff noted that at its October 16, 2018 meeting, the Board reviewed the draft of the renewal for the management agreement with Kenny Realty. At that meeting, the Board suggested a number of edits to the agreement and directed staff to incorporate those edits into a new draft that was to be considered at the March 18, 2019 meeting. Staff incorporated those edits and presented those to the board in the form of the agreement provided in the meeting packet. The board reviewed the new draft, and suggested one additional technical edit on page 4 of the draft to strike the words "...on behalf of Corporation" in Section 6.03.

It was moved by Mr. Granville and seconded by Ms. Berlese to approve the renewal of the management agreement with Kenny Realty as amended. The motion carried, with all members voting Aye.

Informational Reports

1. Discussion of Possible Rental Increases for 2019-2020

Staff noted that the Housing Board has reviewed the issue of rental rate increases in the past and has taken a position that an annual increase is prudent. Vista units currently rent for significantly lower than market rate, including 1-bedroom units at 50 percent below market rate, 2-bedroom units at 68 percent below market rates, and 3-bedroom units at 64 percent below market rates.

Staff reminded the Board that they approved a two (2) percent rental rate increase for all residents in fall 2016 that went into effect January 1, 2017. This increase was the first implemented in several years.

Prior to bringing a formal proposal for consideration to the Board for action in June, staff asked the Board for feedback about how to approach the issue of rental increases given the differences in age of the complexes, the ongoing construction at Cañada Vista and the increased competitiveness of the rental market.

Mr. Pierce and Mr. Granville both noted that the data relating to 1-bedroom units was likely low and was more in the range of 60 percent below market.

The Board discussed the issue and came to consensus that annual rental increases are indeed prudent and a process for determining what those increases would be and a schedule on which they would be implemented is important, as to allow residents to plan appropriately. It was further discussed by the Board that the rate below market value for which the units rent may cause adjustment issues for residents when they return to the competitive rental market.

Staff recommended they work with Mr. Pierce and Mr. Granville to better understand industry practices in setting rental increases and bring a proposal back to the Board for consideration at its next meeting.

2. Update on Cañada Vista Repairs

Staff reported that work continues on the repairs to Cañada Vista and that demolition was nearly complete on Building 1 and that there had been some delays in the schedule due to weather. District facilities staff, along with the District's engineering consultants are on-site daily to monitor work and working with Kenny Realty, communicating updates with residents. Staff informed the Board they would provide periodic updates as the project progresses.

3. Update on Skyline College Housing Development

Staff explained that the infrastructure work to the site was underway and being performed by SummerHill Homes. Due to an extremely wet winter (even more than usual for that area of the county), the project had seen delays as rain has prevented ground work on a number of occasions. Staff noted that with better weather, the construction team was hopeful to recapture some of the lost time and hoped to have grading finished in May; storm, sewer and water infrastructure finished in June and retaining walls finished in October 2019. Staff noted that the tentative schedule calls for completing the site work in late October/early November 2019. Additionally, it was noted that the District was in the process of preparing the RFP for the construction of the apartment units and it was due to be released for bids in early summer.

4. Review of Follow-up Items from Prior Meetings

Staff reported on follow-up items from prior meetings. The Board asked that the first follow-up item relating to homeowner equity be removed from the list as it had been settled at a prior meeting.

Board Members' Comments and/or Requests for Future Agenda Items

Mr. Goodman explained that the District's Board of Trustees had been discussing the issue of student housing and suggested at some future time there may be a role for the Educational Housing Corporation Board.

Adjournment

The meeting was adjourned at 4:41 p.m.