

**San Mateo County Community Colleges Educational Housing Corporation
Board of Directors | Regular Meeting**

September 18, 2019 | 3:00 p.m.

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

Notice about Public Participation at Board Meetings: The Housing Corporation Board welcomes public discussion. The public's comments on agenda items will be taken at the time the item is discussed by the Board. To comment on items not on the agenda, members of the public can speak under the agenda item titled "Public Comment." Normally, no more than 20 minutes will be allocated for this section of the agenda. No response on behalf of the Board will be given at this time and Board action is not permitted on items presented under this agenda item.

AGENDA

I. Call To Order and Roll Call

II. Public Comments on Non-Agenda Items

III. Action Items

- a. Approve Minutes from June 19, 2019 Meeting (*Attachment #01*)
- b. Approve Minutes from July 8, 2019 Meeting (*Attachment #02*)
- c. Approval of College Vista and Cañada Vista 2019-2020 Final Budgets (*Attachment #03A and #03B*)

IV. Informational Reports

- a. Update on Cañada Vista Repairs (*Verbal Update at Meeting*)
- b. Update on Skyline College Housing Development Update (*Verbal Update at Meeting*)
- c. Discussion with Jefferson Union High School District Representatives Regarding Faculty and Staff Housing Development in their District (*Attachment #04*)

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

VI. Adjourn



**Minutes of the Educational Housing Corporation Board Meeting
June 19, 2019
District Office Board Room
3401 CSM Drive, San Mateo CA**

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

Call to Order and Roll Call

Mr. McBride called the meeting to order at 3:02 p.m. Those members in attendance are listed above.

Approval of Order of the Agenda

It was recommended by staff to move agenda item 5a – Informational Report relating to Cañada Vista to follow item 3 – Election of Officers.

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

Public Comments on Non-Agenda Items

There were no comments from the public.

Election of Officers

It was moved by Ms. Berlese and seconded by Ms. Browne to elect Mr. McBride to serve as President. There were no other nominations. The motion carried unanimously.

It was moved by Ms. Berlese and seconded by Ms. Browne to elect Mr. Goodman to serve as Vice President/Secretary. There were no other nominations. The motion carried unanimously.

It was moved by Ms. Schwarz and seconded by Mr. Pierce to elect Ms. Berlese to serve as Treasurer. There were no other nominations. The motion carried unanimously.

Informational Reports

a. Update on Cañada Vista Repairs

Mr. Bailey provided the Board with a summary of items that were surfaced by nearly 30 residents in attendance at a Cañada Vista resident meeting held on June 17, 2019. Mr. Bailey provided the major themes from the discussion with residents regarding their concerns and issues relating to the repairs at the Vista, which included:

- Parking is becoming an issue for residents as space has been allocated to staging for materials and supplies for the repairs and contractors on site.
- Communication/Scheduling is always a challenge as timely notifications are important as contractors need access to units.
- Dust and odors are being circulated at higher levels because of demolition, materials replacement and repairs to existing conditions.
- Garbage area in the complex is temporarily relocated and there have been issues with non-residents bringing and dumping trash and bulk items in the designated trash area, causing there to be less trash and recycling space for residents in the receptacles and is creating a generally unpleasant mess in that area.
- Clubhouse is now open for resident use during the days and residents are appreciative. They would like longer hours of access, including on weekends.
- Extended lease terms have been requested by residents because concerns were expressed that residents haven't been able to enjoy or fully utilize their units for the time they have been at the Vista because of the pre-testing, demolition and repairs.

Board members heard and discussed the concerns from the resident meeting and particular issues of several Cañada Vista residents who were in attendance. Residents in attendance asked the Board to consider extending maximum lease terms for Cañada Vista residents.

Mr. Bailey explained to the Board that the issues raised by residents at the meeting at Cañada Vista and at the Board meeting are ones staff are working to address.

Mr. McBride suggested that the Housing Board hold a special meeting at the earliest possible time to consider the issue of extending maximum lease terms. The Board agreed and staff were directed to poll the Board and find a time for such a meeting to be held at the Cañada Vista Clubhouse.

The residents in attendance thanked the Board for considering their concerns and requests.

Action/Discussion Items

a. Approval of Minutes from the March 18, 2019 Meeting

It was moved by Mr. Pierce and seconded by Ms. Schwarz to approve the minutes of the March 18, 2019 meeting. The motion carried, with all members voting Aye.

b. Approval of Rental Increases for College Vista and Cañada Vista

Staff, working with a subcommittee of Board which included Mr. Pierce and Mr. Granville, has developed a proposal based on prior Board discussions regarding appropriate rental increases for the Vista complexes. Mr. Bailey reported that the goal is to maintain the below-market rentals while also accounting for regional increases in the rental market.

The subcommittee recommended that an established standard be used and that the standard be the San Mateo County's affordable rate index as the benchmark. Suggesting that the "Low Income" category on the index be the baseline for the future Skyline College development that the goal would be to get the other complexes close to that rate over time. The index, it was noted, adjusts annually and takes into account cost of living factors in the region.

Board members discussed this approach and commented that it was indeed in line with their desire to create standardization and consistency in rents, increases and timing. The Board thanked the subcommittee for their work.

Staff presented a formal implementation recommendation that included:

1. Adopt the rental increase approach as outlined in the report and presented to the Board, using the San Mateo County affordable housing index.
2. Adopt the rental increase schedule presented in Appendix A, which would be implemented over time, not in one action. Additionally, make rental rate increases effective October 1, 2019 and every October 1 thereafter.
3. Adopt a stair-step implementation schedule where the implementation of rental increases would be phased in over two six month periods, with half of the increase due in the first six months of the period and the full increase the remaining six month period. Additionally, modify the concession amounts at Cañada Vista by the amounts of the rental increase until March 1, 2020.

It was moved by Mr. Pierce and seconded by Ms. Berlese to approve the staff recommendations for the rental increases. The motion carried, with all members voting Aye.

c. 2019-2020 Budgets for College Vista and Cañada Vista

Mr. Bailey noted that there is a healthy reserve in the budgets for both College Vista and Cañada Vista and they are still working towards repayment to the District for the cost of the complexes. To date, 57% has been repaid for College Vista and 35% repaid for Cañada Vista.

Ms. Slater noted there was a Trower study done in December 2017 for College Vista. The reserve budget is projected to be slightly overfunded for College Vista and slightly underfunded for Cañada Vista due to water heater replacements. A Trower study for Cañada Vista will be conducted in Fall 2020 after completion of the repairs on the complex.

Ms. Slater presented the proposed budget for College Vista for 2019-20. She noted there were no unusual trends besides the property management fee increase for Kenny Realty. Mr. McBride suggested that it would be helpful to show the previous year actuals and also provide more detailed explanations on certain amounts where there are large discrepancies. Mr. Pierce asked if Ms. Slater could show the revised budget using the same prorated time span as the actual budget to make it easier to compare the numbers. Ms. Slater noted this would be done for future meetings.

Ms. Slater noted that staff was asking for approval of a tentative budgets and that FY 2018-19 actuals

along with the final FY 2019-20 budgets would be presented for adoption in September.

It was moved by Mr. Pierce and seconded by Ms. Berlese to approve the tentative budget for College Vista. The motion carried, with all members voting Aye.

Ms. Slater presented the budget for Cañada Vista and noted the only revision to the budget was the property management fee increase for Kenny Realty. Ms. Slater also noted the transfer to the LT Capital Reserve.

It was moved by Mr. Pierce and seconded by Ms. Berlese to approve the tentative budget for Cañada Vista. The motion carried, with all members voting Aye.

Informational Reports

b. Update on Skyline College Housing Development

Mr. Bailey updated the Board on the Skyline College Housing development. There have been some delays due to weather. Right now they are in the site construction phase. The goal is to have this phase completed in October. An RFP has been released for the construction of the building. Construction is anticipated to start late fall with final completion in January or February 2021. Groundbreaking will take place after a contractor is selected in the fall.

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

Staff provided a written update on follow-up items from prior meetings. Staff noted that a number of the issues would be discussed and considered at future meetings.

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

Ms. Browne requested and Mr. Bailey confirmed that there will be a Special Housing Board meeting scheduled for the next week or the week following to address the extension of leases and/or other adjustments to rental fees for residents at Cañada Vista due to the on-going construction.

Adjournment

The meeting was adjourned at 5:20 p.m.



**Minutes of the Educational Housing Corporation Special Board Meeting
July 8, 2019
Cañada Vista Clubhouse
3 Olive Court, Redwood City, CA**

Attendees:	Other Attendees:
Dennis McBride, President	Mitchell Bailey
Maurice Goodman, Vice President	Ron Galatolo
Peggy Berlese, Treasurer	
Kate Williams Browne	
Karen Schwarz	
Michael Pierce	
Jonathan Wax	
Absent:	
Ron Granville	

Call to Order and Roll Call

Mr. McBride called the meeting to order at 1:35 p.m. Members in attendance are listed above.

Public Comments on Non-Agenda Items

There were no comments from the public on non-agenda items.

Informational Items

a. Site Walk of Cañada Vista Complex

The Board recessed at 1:40 p.m. to tour the Vista Complex to see the impacts and progress of the repairs. The Board reconvened at 2:15 p.m.

Action Items

a. Consideration of Extension of Maximum Resident Lease Terms

Mr. McBride explained that based upon feedback received from residents at Cañada Vista regarding the disruption to their use and enjoyment of their units during the testing and repair phases of the construction at the complex, residents asked the Board to consider an extension of maximum lease terms for Cañada Vista residents.

Mr. Bailey presented a brief report to the Board contextualizing the issue. In particular, Mr. Bailey noted that the length of terms for residents of the complexes has evolved over time, originally starting at five years, then moving to seven years, then to nine years for certain residents and now

back to seven for all new residents. Because of this evolution, various residents of the Vista have different maximum occupancy terms and this should be noted when the Board considers extensions.

Mr. Bailey also noted that residents of both Vista complexes receive well-below market-rate rents, which range between 60 – 68 percent below market rate depending on the size of the unit. Additionally, the Board has offered various financial concessions to Cañada Vista residents due to the construction disruption and inconveniences, including:

1. A one-time \$250 rental credit to all residents of the Cañada Vista complex in 2018, with an additional \$250 credit awarded to certain residents who experienced an extraordinary amount of inconvenience.
2. A \$150 per month rental credit for residents from July 2018 through the duration of the repair project.

Mr. Bailey also explained that the Housing Board had discussed and decided that it was essential to the conditions of the repair project that no resident be displaced from their units and that they always have access to live in their apartments.

Mr. Pierce noted that when the Board was having this discussion in 2018, he explained to the Board that in most situations for market-rate units outside of District housing, that it would be customary for owners to vacate the units, displacing the residents at their own expense, and then repairing the complex.

Mr. Bailey concluded his report by noting that as the Board considers extending lease terms that there were more than 250 District employees on the waitlist for a unit and that those employees were eager to take advantage of the same opportunities to save for future housing needs as those who are currently residents of the Vistas. An extension of maximum lease eligibility would impact the movement of the waitlist.

Staff concluded its report by acknowledging the clear impact the pre-construction testing and current repairs has had on resident live; he then provided possible options for the Board to consider but made no formal recommendation.

Many Cañada Vista residents in attendance commented that the extension of maximum lease terms was a fairness issue and that because their respective units had been impacted, they had not been able to fully use or enjoy their units during their full time at the Vista, and that an extension was necessary.

Other residents commented that the rental market was too expensive for them to move and that if the term wasn't extended, they would be forced to move out of the area and leave the District.

Other residents discussed particular issues they had with their units and experiences they had had during construction and urged for extensions.

The Board thanked the residents for attending and expressing their concerns and thanked them for their patience during this repair process. The Board discussed the various issues relating to extending maximum lease terms and noted that there was concern about the impact on those employees on the waitlist.

After discussion, Mr. Goodman moved to:

1. Reaffirm that the maximum occupancy period for all District employee housing is seven (7) years;

2. That the maximum occupancy period for Cañada Vista residents be waived one time and that current Cañada Vista residents be granted a one-year extension on their maximum occupancy beyond their current term limit.

The motion was seconded by Ms. Schwarz. The motion carried with Ms. Browne, Ms. Berlese, Mr. Goodman, Ms. Schwarz and Mr. Wax voting Aye, and Mr. McBride and Mr. Pierce voting No.

b. Consideration of Adjustments to Rental Fees for Cañada Vista

Staff reported that beginning on July 1, 2019, contractors began installing scaffolding at Cañada Vista in the inner courtyard area of Building 1 to facilitate the repairs on those sides of the building. As a result, the garages of residents in Building 1 will be not be accessible for parking vehicles. This scaffolding will be in place for several months. Additionally, scaffolding will be installed at Building 2 for the same purposes later in the summer.

Because part of the charges that residents pay in their rents is a per item fee of \$50 for amenities that include garage, top floor, corner unit, and view, staff recommended waiving certain fees for residents since they are not able to access those amenities.

Ms. Berlese moved and Ms. Schwarz seconded to accept staff recommendations to:

1. Waive the \$50 fee for “views” for Building 1, retroactive to October 1, 2019, and remain in effect until scaffolding on the back side of the building is removed.
2. Waive the \$50 fee for “views” for Building 2, retroactive to April 1, 2019, and remain in effect until scaffolding on the back side of the building is removed.
3. Waive the \$50 fee for “garages” for Building 1, effective July 1, 2019, and remain in effect until scaffolding is removed and vehicular access to garages is restored.
4. Waive the \$50 fee for “garages” for Building 2, effective the month of installation of scaffolding in the Building 2 courtyard and blocking garage access, and remain in effect until scaffolding is removed and vehicular access to garages is restored.

The motion carried with all members voting Aye.

V. Adjourn

The meeting adjourned at 3:45 p.m.

HOUSING BOARD REPORT

PREPARED FOR: Educational Housing Corporation Board of Directors

PREPARED BY: Bernata Slater, Chief Financial Officer
Caryn Kenny, Kenny Realty

MEETING DATE: September 18, 2019

REPORT SUBJECT: 2019-2020 Budgets for College Vista and Cañada Vista

Each year, the Board adopts budgets for College Vista and Cañada Vista. These budgets are generally based on actual spending and revenue from the prior year and take into account any anticipated increases or decreases in those categories.

Staff presented tentative budgets for College Vista and Cañada Vista at the Board's June 19, 2019 meeting and the Board approved those tentative budgets.

In attachments #03A and #03B, staff provide an update on actual revenue and expenses for FY 2018-2019 and final budgets for the Board's consideration for FY 2019-2020 for College Vista and Cañada Vista respectively.

RECOMMENDATION

Staff recommends the Board adopt the final FY 2019-2020 budgets for College Vista and Cañada Vista.

SMCC Educational Housing Corporation
College Vista
Budget Vs Actual for 2018-19 and Adopted Budget 2019-20

	Actual	Adopted Budget	Revised Budget	Actual 7/1/2018 to 6/30/2019	Adopted Budget	
7/1/2017 to 6/30/2018						
	2017-18	2018-19	2018-19	2018-19	2019-20	Notes to Adopted Budget:
Operation Revenues						
Rent	609,580	620,000	620,000	564,225	620,000	Increased vacancies/turnover offset by anticipated rent increase
Club House Rental	1,100	1,500	1,500	1,350	1,500	
Total Operation Revenues	610,680	621,500	621,500	565,575	621,500	
Operation Expenses						
Property Administration						
Property Management	27,456	30,096	32,736	30,536	32,736	Property management fee increased Fall 2018
Resident Management Fee	7,200	7,200	7,200	7,200	7,200	
Supplies (club house)	197	750	750	54	750	
Insurance	9,065	9,176	9,176	9,176	12,000	
Audit & Accounting	2,825	2,125	2,125	2,830	2,830	
Amin Misc	186	1,280	1,280	330	500	Legal/Office Supplies/Tax and License
Total Property Administration	46,929	50,627	53,267	50,126	56,016	
Service Maintenance						
Appliance Repair	3,861	3,500	3,500	2,155	3,500	
Appliance Replacement	2,636	4,000	4,000	3,430	4,000	approx. 6 appl due to turnover
Cleaning	565	1,500	1,500	1,075	1,500	clubhouse and units cleaning after moving out
Dryer Vent cleaning (annual)	2,750	2,750	2,750	2,750	2,750	Annual, no increase
Electrical Repair and Supplies	8,261	4,000	4,000	5,596	6,500	increased number of electrical repairs (outside, exit lights and interior lights)
Fire Alarm Repairs/Inspections	16,252	16,000	16,000	7,888	12,000	Siemens annual contract + repairs
Flooring Repair	-	1,000	1,000	-	1,000	set aside for potential repairs due to upcoming vacancies/turnover
Flooring Replacement	14,794	18,000	18,000	12,370	20,000	7 units due to upcoming vacancies/turnover
Garage Door Repair	1,480	2,000	2,000	1,215	2,000	
Gutters (cleaning and repair)	1,330	1,000	1,000	1,000	1,000	annual
Heating Repair	511	1,000	1,000	412	1,000	minimal repairs - elect heaters
Maintenance General	8,710	10,000	10,000	8,599	10,000	estimated increase in maintenance due to vacancies increase (increase over actuals from prior year)
Painting & Decorating	8,750	15,000	15,000	15,650	15,000	7 units due to upcoming vacancies/turnover
Plumbing Repair	9,679	10,000	10,000	6,540	10,000	replacement of various fixtures due to age of bldg.
Window Washing (annual)	1,350	1,500	1,500	1,350	1,500	
Total Service Maintenance	80,929	91,250	91,250	70,030	91,750	
Monthly Services						
Fire Alarm System/Monitoring	2,574	1,500	1,500	2,162	1,800	
Garbage	10,347	11,000	11,000	11,054	12,000	rate increase
Internet/Cable	477	480	480	367	500	
Landscaping/Gardening	10,430	11,000	11,000	16,165	16,000	monthly plus replacing old landscaping
Pest Control	1,530	1,530	1,530	1,539	1,600	133/ mo -\$3 monthly increase from prior year
PG & E	16,986	17,500	17,500	16,767	18,000	incl power for vacancies, rates increase
Water Grounds & Tenants	24,808	22,000	22,000	22,025	22,000	same as prior year
Total Monthly Services	67,152	65,010	65,010	70,079	71,900	
Total Operation Expenses	195,010	206,887	209,527	190,235	219,666	
Net Operation Profit/(Loss)	415,670	414,613	411,973	375,340	401,834	
Other Financial Uses						
Transfer to District	318,000	335,100	332,460	295,827	319,672	
Transfer to Capital Reserve	95,000	78,313	78,313	78,313	80,662	based on new Trower study
Total Other Financial Sources/Uses	413,000	413,413	410,773	374,140	400,334	
Excess of Revenues Over Expenditures and Other Sources	2,670	1,200	1,200	1,200	1,500	
Vacancy Factor (reflected in rents)		(5,200)	(5,200)	(5,200)	(5,200)	

SMCC Educational Housing Corporation
Cañada Vista
 Budget Vs Actual for 2018-19 and Adopted Budget 2019-20

	Actual 6/30/2018	Adopted Budget	Revised Budget	Actual 7/1/2018 to 6/30/2019	Adopted Budget	Notes:
	2017-18	2018-19	2018-19	2018-19	2019-20	
Operation Revenues						
Rent	826,661	850,000	850,000	777,811	750,000	Turnover/vacancies of 18 tenants due to lease expiration
Club House Rental	7,638	2,500	2,500	1,706	2,500	Club House will be used minimally during construction phase
Club House Liab. Insurance	4,163	1,000	1,000	850	1,000	
Rent Concessions		(125,000)	(125,000)		(125,000)	Reduction in rent due to construction (\$125 to \$150 per unit per month)
Total Operation Revenues	838,462	728,500	728,500	780,367	628,500	
Operation Expenses						
Property Administration						
Property Management	37,440	41,040	44,640	41,640	44,640	Property management fee increased Fall 2018
Resident Management Fee	8,508	8,500	8,500	8,508	8,508	
Supplies (club house)	583	1,000	1,000	110	1,000	
Insurance	9,812	9,921	9,921	9,921	12,000	
Insurance /Clubhouse	4,163	1,000	1,000	858	1,000	
Audit & Accounting	2,825	2,125	2,125	2,830	2,830	
Admin Expenses-Misc.	161	1,500	1,500	8	200	Legal/Office Supplies/Tax and License
Total Property Administration	63,492	65,086	68,686	63,875	70,178	
Service Maintenance						
Appliance Repair	4,311	3,000	3,000	6,438	7,500	
Appliance Replacement	4,781	5,000	5,000	7,311	10,000	10-12 new
Cleaning	1,860	3,000	3,000	1,775	4,500	clubhouse and units cleaning after moving out
Dryer Vent cleaning (annual)	4,019	4,500	4,500	4,210	4,500	Annual, no increase
Electrical Repair and Supplies	6,951	5,000	5,000	3,913	5,000	internal lighting, carbon monoxide detectors, exterior lights
Fire Alarm Inspections/Repairs	12,096	16,000	16,000	8,027	12,000	annual \$8600 + additional sprinklers repairs
Flooring Replacement	15,864	10,000	10,000	6,897	30,000	estimate more than half of turnover vacancies to require flooring replacement
Flooring Repair	1,305	2,500	2,500		2,500	minimal repairs
Garage Door Repair	895	1,000	1,000	160	1,000	
Gutters Cleaning					-	No cleaning during construction and timing
Heating Repair/AC Repairs	4,706	7,500	7,500	725	5,000	
Maintenance General	12,921	15,000	15,000	11,569	15,000	
Painting & Decorating	15,500	17,000	17,000	10,200	27,000	18 units due to upcoming vacancies/turnover
Plumbing Repair	9,535	10,000	10,000	13,891	14,000	increased repairs due to aged plumbing fixtures
Window Washing (annual)		-	-		4,000	clean up after construction
Total Service Maintenance	94,744	99,500	99,500	75,116	142,000	
Monthly Services						
Garbage	19,610	25,000	25,000	20,840	25,000	
Internet/Cable	635	750	750	1,054	1,100	increased rate for clubhouse internet use
Landscape/Gardening	12,930	13,000	13,000	13,671	15,000	includes regular maintenance work
Pest Control	2,739	2,800	2,800	2,463	2,800	annual contract, same as prior year
PG & E	18,526	20,000	20,000	16,796	20,000	incl power for vacancies, rates increase over prior year
Fire Alarm System/Monitoring	2,793	1,500	1,500	1,747	2,000	rate increase from \$104 to \$160
Water	1,933	3,000	3,000	3,105	3,200	
Total Monthly Services	59,166	66,050	66,050	59,676	69,100	
Total Operation Expenses	217,402	230,636	234,236	198,667	281,278	
Net Operation Profit/(Loss)	621,060	497,864	494,264	581,700	347,222	
Other Financial Uses						
Transfer to District	619,000	496,564	492,964	580,500	195,922	
Transfer to LT Capital Reserve	-	-	-	-	150,000	estimate only, Transfer will be adjusted per new Trower Study when available
Total Other Financial Sources/Uses	619,000	496,564	492,964	580,500	345,922	
Excess of Revenues Over Expenditures and Other Sources	2,060	1,300	1,300	1,200	1,300	
Vacancy Factor (reflected in rents)		(13,000)	(13,000)			

HOUSING BOARD REPORT

PREPARED FOR: Educational Housing Corporation Board of Directors

PREPARED BY: Mitchell Bailey, Vice Chancellor/Chief of Staff – (650) 574-6510

MEETING DATE: September 18, 2019

REPORT SUBJECT: Discussion with Jefferson Union High School District Regarding Faculty and Staff Housing Development in their District

In June 2018, Jefferson Union High School District in northern San Mateo County passed a General Obligation Bond for \$33M to be used toward construction of employee housing for their faculty and staff.

The boards of trustees of the San Mateo County Community College District and the Jefferson Union High School District held a joint meeting in 2018 to discuss various topics including employee housing. The staffs of SMCCCD and JUHSD have had additional conversations about housing as the high school district works through its planning phases.

Representatives of the Jefferson Union High School District will be in attendance to provide the Housing Board with an update on their housing development and to learn how the community college district manages its employee housing through the Educational Housing Corporation Board of Directors.