

**San Mateo County Community Colleges Educational Housing Corporation**  
**Board of Directors**  
**Special Meeting**  
**July 8, 2019 | 1:30 p.m.**  
**Cañada Vista Clubhouse | 3 Olive Court, Redwood City, CA**

*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. Informational Items**
  - a. Site Walk of Cañada Vista Complex (approximately 15 minutes)
- IV. Action Items**
  - a. Consideration of Extension of Maximum Resident Lease Terms (*Attachment #01*)
  - b. Consideration of Adjustments to Rental Fees for Cañada Vista (*Attachment #02*)
- V. Adjourn**

## 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:** July 8, 2019

**REPORT SUBJECT: Consideration of Extension of Maximum Resident Lease Terms**

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At a resident meeting on June 17, 2019, and at its recent meeting on June 19, 2019, the Housing Board heard from residents at Cañada Vista who have asked that consideration be given to the extension of maximum lease terms for residents at the complex. This request is due, in large part, to the residents' concern that over the course of the last several years, through destructive testing and ultimately through the actual repairs for the complex due to construction defects, they have not had the opportunity to enjoy and fully utilize their units because of the various disruptions. The Housing Board agreed to hold a special meeting to consider this issue.

### **Context Regarding Maximum Lease Terms**

Over time, the maximum time employees have been permitted to occupy units has evolved. When the program first began in 2005, residents were granted a five (5) year maximum occupancy term. That term later moved to seven (7) years and during the depths of the Great Recession when the demand for units was relatively low, the term was moved to nine (9) years for a class of residents. The number was later readjusted to seven (7) years and that is the current maximum limit for new residents.

### **Circumstances Prompting Request for Extension**

There are a number of factors that have led residents to seek the Housing Board's consideration of extending maximum lease terms:

1. Of the group of residents who were granted a nine (9) year maximum term, the first dozen of that group are due to end their occupancy at the Vistas within the coming months. Additional residents in this group will be nearing the end of their terms over the course of the next six (6) to 12 months.
2. The current Bay Area rental market is massively expensive and extremely competitive. The shift from the District's well-below market rate rents (which are anywhere from 60 – 68 percent below market) is difficult for many residents. Additionally, the local supply of affordable units is limited and those available units are in high demand. This causes residents to look for housing further and further from the campuses where they work.
3. For residents at Cañada Vista, over the course of the last four (4) years, they have encountered many inconveniences, intrusions and limitations in their units due to the District's now-settled lawsuit against the Vista's contractor. As a result, residents had contractors conducting destructive testing in and around their units, repairing the destruction from the testing, removing and replacing the entire roof for the complex and now a full repair

to the complex that impacts every unit (multiple times) and all of the common space used for access and general movement. Further, the complex has been enshrouded in scaffolding and a protective netting and weatherproofing fixture that has been in place for many months and will continue to be for several months more. All of these factors have caused residents to not have access to their decks, be able to open windows and patio doors, limited natural light and fresh air in their units, be prepared for contractor entry and work in their units and a general disruption of their living environment for a prolonged period of time.

### **Factors the Housing Board has Considered in the Past Relating to Cañada Vista**

Realizing the inconvenience to Cañada Vista residents, the Housing Board has taken several steps to demonstrate its understanding and empathy to residents:

1. In 2018, the Housing Board authorized a one-time \$250 rental credit to all residents of the Cañada Vista complex; an additional \$250 credit was awarded to certain residents who experienced an extraordinary amount of inconvenience.
2. When considering how to best to plan for and organize the repairs to Cañada Vista, the Housing Board decided that it was essential not to displace any resident and to allow all residents to maintain occupancy of their units during the repairs. The Housing Board was advised that in most situations that it would be customary on other local projects that the complex be completely vacated for the duration of the project and residents be left with the responsibility of finding alternate living arrangements at their own expense. This was not the philosophy or guiding principle of the Housing Board or the District and it was decided that all residents must be able to remain in their units during construction.
3. Given the posture for number two (#2) above, the Housing Board understood the significant inconvenience the repairs would cause for residents and thus authorized a \$150 per month rental credit per unit for the duration of the project. Again, the Housing Board was advised that in market-rate complexes, no such rental credit would be considered or awarded. The Housing Board again determined that it was not only important but also imperative that a credit be awarded to residents and that credit was authorized in July 2018 and is still in effect.

### **Impact of Extending Maximum Lease Terms**

There are many compelling reasons to consider extending the maximum lease terms for residents at Cañada Vista. However, there are also some factors the Housing Board should be aware of in considering this request:

1. There are over 250 employees on the waitlist for a unit. If lease terms are extended, that delays the ability of those employees to have an opportunity to take advantage of the same well-below market rent rates as current residents. Over the period of nine (9) years, current residents have avoided, on average, roughly \$175,000 in market-rate rent (for a three-bedroom unit). This is a significant savings that all employees on the waitlist are eager to realize.
2. There are currently differing terms for maximum occupancy (seven years and nine years). If the Housing Board extends the terms, it will need to determine if it is going to create a uniform term for all residents or simply extend the current term by a certain period of time.

3. Residents at College Vista are impacted by the same market conditions as residents at Cañada Vista, though they are not impacted by the construction and repairs. Even so, the Housing Board may need to consider parity issues between the complexes.

**Options for the Housing Board to Consider**

The Housing Board has the prerogative to make any adjustments to maximum lease terms and staff is outlining just a few of those options for the Housing Board's consideration. As discussed throughout this report, each option carries with it positives and negatives that must also be taken into account.

1. Make no adjustments to the maximum lease terms currently in place for residents.
2. Adjust maximum lease terms for all residents of Cañada Vista only by a certain period of time.
3. Adjust maximum lease terms for all residents of Cañada Vista only and make those terms uniform in length (i.e. move all seven year terms to nine, plus any added time).
4. Adjust maximum lease terms for all residents – College Vista and Cañada Vista – by a certain period of time (i.e. six months, 12 months, 18 months, etc.).
5. Adjust maximum lease terms for all residents – College Vista and Cañada Vista – and make all terms uniform (i.e. move all seven year terms to nine, plus any added time).

**RECOMMENDATION**

Staff recommends that the Housing Board consider the request from residents for term extensions.

## **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:** July 8, 2019

**REPORT SUBJECT: Consideration of Adjustments to Rental Fees for Cañada Vista**

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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, it is staff's recommendation to waive certain fees for residents since they are not able to access those amenities.

### **RECOMMENDATION**

With respect to resident fees at Cañada Vista, staff recommends that the Housing Board:

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.