



**Minutes of the Educational Housing Corporation  
Regular Board Meeting  
February 1, 2024  
In-Person at the District Office (3401 CSM Drive, San Mateo, CA 94402)  
and ZOOM Webinar**

<b>Attendees:</b>	<b>Other Attendees:</b>
Michael Pierce, President	David McLain, SMCCCD
Richard Holober, Vice President	Peter Fitzsimmons, SMCCCD
Grace Beltran	Carina Warne, SMCCCD
Peggy Berlese	Bob Talbott, BLVD Residential
Brittney Sneed	Sabrina Cosentino, BLVD Residential
Meta Townsley	Stephanie Montenegro, BLVD Residential
<b>Absent:</b>	
Michael Guingona, Treasurer	

**Call to Order and Roll Call**

The meeting was called to order at 3:03 p.m. Members in attendance are listed above.

**Introduction of New Directors**

Mr. Pierce welcomed new Director, Meta Townsley and returning Director, Peggy Berlese.

**Public Comments on Non-Agenda Items**

None

**Annual Election of Officers**

It was moved by Ms. Berlese to elect Mr. Pierce to serve as President. There were no other nominations. Mr. Pierce abstained, with all other members voting aye. The motion carried.

Mr. Holober motioned to nominate himself to serve as Vice President/Secretary. It was seconded by Ms. Berlese. There were no other nominations. The motion carried unanimously, with all members voting aye.

It was moved by Ms. Sneed and seconded by Mr. Holober to elect Ms. Beltran to serve as Treasurer. There were no other nominations. The motion carried unanimously, with all members voting aye.

## **BLVD Residential Updates**

Ms. Cosentino provided a vacancy update. She said Cañada Vista is 97% occupied with 2 vacancies, College Vista is 91% occupied with 4 vacancies, and College Ridge is 83% occupied with 5 vacancies.

Ms. Berlese asked how long it takes to turn over a unit after it is vacant. Ms. Cosentino said it depends on the condition of the unit. The units at College Ridge are new, so the turnover time is fairly quick, but an older property such as College Vista may take longer.

Ms. Townsley asked if the vacancies are move-in ready. Ms. Cosentino said the units are ready and Ms. Montenegro and Ms. Warne are working together to contact employees on the waitlist. Ms. Cosentino said it is a process of matching the vacancies we have available with the specific needs and preferences of employees on the waitlist.

Mr. McLain said that staff are working on automation and efficiency improvements and will update the housing board with a full report at the next meeting. The improvements include updating the platform used for the housing waitlist to smartsheet.

Ms. Townsley asked about the ADA units at College Ridge. Ms. Cosentino said there are two vacant ADA units at College Ridge and staff has not received any ADA accommodation requests to fill those units. Mr. Talbott said modifications in an ADA unit include increased accessibility such as lower countertops, wider doorways, and larger garages.

Mr. McLain discussed the idea of setting aside one vacant unit at each property for temporary emergency housing or recruitment. Mr. Holober said that providing emergency housing is not the intent of faculty and staff housing.

Ms. Cosentino gave an update regarding the cabinet and countertop replacement project at College Vista. She said 15 units have been upgraded with new cabinets and countertops.

Ms. Cosentino said sprinkler inspections and water heater service has been completed at College Ridge. In the spring, BLVD intends to schedule garage inspections and town hall meetings at all three properties. Ms. Sneed asked why it is important that garages are used for parking and not storage. Ms. Cosentino said there is limited parking at all three properties and it is also a fire safety issue.

Ms. Sneed asked for BLVD Residential Updates to be written, in the future, and included on the housing board agenda.

## **DISCUSSION ITEMS**

### **Review Agreement Between SMCCCD and the San Mateo Colleges Educational Housing Corporation**

Mr. McLain presented the agreement between SMCCCD and the San Mateo Colleges Educational Housing Corporation. He highlighted several proposed edits to the agreement including adding College Ridge to the agreement, bond and liability insurance for directors, wording regarding directors fundraising, and wording regarding directors responsible for handling funds.

Ms. Berlese asked about a line item in the agreement regarding transferring funds from the Housing Corporation to the District at the end of each fiscal year. Mr. Holober said Faculty and Staff Housing is not a profit-making enterprise, but there are some surplus funds generated in excess of what is necessary to operate and maintain the properties. He said the surplus funds are then available to the District, with Board of Trustees approval, for educational student programs. Mr. Fitzsimmons said each property has a Capital Reserve fund and a Maintenance Reserve fund. He said the day to day operations are paid by the Maintenance Reserve fund and after annual reconciliation, any excess goes to the Capital Reserve fund. The Board of Trustees has authority over the Capital Reserve fund and may use it in the District's unrestricted general fund or for student programs.

Ms. Berlese asked if there are plans to build another employee housing complex. Mr. Holober said there are not plans to build another employee housing at this time. Mr. Pierce said the Housing Board could make a recommendation to the Board of Trustees.

Ms. Sneed asked about Student Housing. Mr. Pierce said the Board of Trustees is moving forward with Student Housing and it will not be in the purview of the Housing Board.

Mr. Pierce suggested addressing the bond and liability insurance portion of the agreement and asked staff to have the District's contracts department review this wording and bring it back at the next meeting.

### **Definition of First-Time Homebuyer**

Mr. McLain presented the item for Definition of First-Time Homebuyer and said the Housing Board has discussed this item in the past. He said staff frequently receive questions from employees on the waitlist regarding housing eligibility if they have co-signed on the purchase of a home. Mr. McLain said another issue is that employees are asked to verify that they are first-time homebuyers, but staff does not have a means to officially verify this information. Mr. Pierce said there are very few resources available to verify this type of information.

Ms. Berlese asked if employees are asked to disclose this information under penalty of perjury. Ms. Cosentino said employees are asked to confirm that all information is true and correct and any false information may be breach of contract. Mr. Pierce suggested drafting a policy. Mr. McLain said he will check with legal counsel to see if the wording can be formalized.

Ms. Beltran said some employees on the waitlist make big life changes while they are waiting for housing. She said the smartsheet implementation will help staff check-in with employees on the waitlist to update their information on a regular basis.

The Housing Board discussed the existing definition of first-time homebuyer and discussed a comprehensive view of employee finances such as spousal income and total assets. Mr. Holober said a periodic certification of total household income for current residents might be something to take into consideration. Mr. Pierce said he has experience with annual income certification in the private sector. Mr. Pierce also discussed the income certification process as a means to identify rental rates.

Ms. Beltran said Faculty & Staff Housing is a benefit to help attract and retain employees. She said housing allows employees to live locally, reduces turnover, and allows the District to invest

in professional development. Ms. Beltran acknowledged the financial burdens and personal responsibilities of employees, especially considering the high cost of living in the Bay Area.

The Housing Board discussed and agreed to maintain the current definition of first-time homebuyer.

### **Reduction of Maximum Resident Lease Terms**

Mr. McLain presented the Reduction of Maximum Resident Lease Terms item for discussion. He said when the housing program began in 2005, residents were granted a five year maximum occupancy term. That term later moved to seven years, and during 2008 and 2009, when the demand for units was relatively low, the term was moved to nine years. The number was later readjusted to seven years, which is the current maximum limit for new residents. He said the Housing Board has considered this agenda topic in the past and is now being revisited again for discussion.

Mr. Holober said a reduction in maximum resident lease term may allow the District to share the housing benefit with a greater number of employees.

Ms. Beltran said she is in support of the seven-year resident lease term because it allows employees long-term stability and security. Ms. Sneed said it's also important to provide residents support, resources and guidance while they live in District housing so they are ready for the next phase after they move out. She also said adjusting the lease term to five years will only increase the requests for lease extensions. Ms. Sneed said she would support the five-year lease term if there was an option to extend for one more year. She said most employees on the waitlist are inclined to wait longer for a seven-year lease term rather than have a shorter wait for a five-year lease term. Ms. Beltran agreed and suggested surveying employees on the waitlist for their feedback before making a final decision.

In regards to providing resident resources, Mr. McLain said staff plans to provide residents with information about available BMR units in San Mateo County, low income housing opportunities, and housing loan programs.

Ms. Berlese said she is concerned with the large number of employees on the housing waitlist. Mr. McLain said the average wait time for a unit is several years. Ms. Townsley said it's important to communicate with employees on the waitlist so they have realistic expectations of how long the process will take.

Ms. Berlese also mentioned the District's First Time Home Buyer loan program. Mr. McLain said the program is on hold and the structure of the program is currently under review.

Mr. Holober said the original intent of the housing program was for residents to save money toward the down payment on a home. He said the economy has changed and saving for a down payment may not be realistic now. He said the housing program is still an incredible benefit to employees and SMCCCD might be the only Community College District in California that provides it.

Mr. Pierce suggested a five-year resident lease term with an option to stay longer with the rent increased to market rate. He said this would give residents an incentive to end their lease at five years, but if they had an emergency then the option to stay longer is available to them.

Mr. Pierce asked staff to bring this item back as an action item for the next meeting with several options for the Housing Board to consider. He also asked staff to add a discussion item to the agenda for the next meeting concerning resources and support for housing and financial planning.

### **Base Rental Rates for New Residents at College Vista and Cañada Vista**

Mr. McLain presented the item base rental rates for new residents at College Vista and Cañada Vista. He said the Housing Board has discussed this item and various policy considerations regarding rental rates in the past. Due to the disparity in base rents between College Ridge at Skyline and the other two properties, this item is presented to the Housing Board for discussion.

Mr. Pierce suggested adjusting rental rates for new residents to those that are used for the San Mateo County Below Market Rate (BMR) index for Very Low Income. He suggested resetting the rental rate every year after the rates are published by San Mateo County. Mr. Pierce said, in actuality, renters in apartment buildings are pay varying rates depending on when they moved in, time of year, and current market rates. He mentioned that historically, the Housing Board has been reluctant to implement this approach due to concerns with potential disparities with rental rates among neighbors.

Ms. Cosentino talked about the current base rental rates at all three properties. She said the base rate represents the starting point and then extra fees are included for additional amenities such as garage, view, additional bathroom, etc. Ms. Sneed said this information is not clear to new residents. Ms. Beltran said amenities are not optional and sometimes new residents are not given a choice. Mr. Pierce suggested instead of using base rents to use a range as a guide. He also noted that the San Mateo County rates do not take into account amenities.

Ms. Sneed asked what the purpose of increasing rental rates is if the program is not a profit-making enterprise. Mr. Pierce said costs will always keep rising and to keep pace with expenses, rental rates will need to be increased. He also said the disparity between rental rates in District housing and those in the real world is so significant that it actually creates challenges for residents when they try to transition. Ms. Berlese said increased costs are a reality for everyone.

Mr. Pierce said he thinks rent rates at all three properties should be the same. Ms. Beltran noted that College Ridge is brand new and College Vista is over 15 years old, so the properties are not equal. Mr. Holober said he is in favor of increasing rental rates for College Vista and Cañada Vista for new residents, but at gradual intervals at a moderate rate.

Ms. Townsley said this discussion item is only addressing rental rates for new residents and asked if current residents have a rental increases annually. Mr. McLain said he is not aware of a rental increase schedule for current residents. Mr. Pierce said the Housing Board approved a rental increase schedule for current residents several years ago. Mr. Holober suggested reviewing the Housing Board minutes to find out what was approved in the past.

## **ACTION ITEMS**

### **Approval of Minutes of November 1, 2023 Meeting**

It was moved by Ms. Sneed and seconded by Ms. Beltran to approve the Minutes of November 1, 2023. Ms. Berlese and Ms. Townsley abstained. All other members voting aye. The motion carried.

### **Consideration of Extension of Property Manager Contract for BLVD Residential**

Mr. McLain presented the item for Consideration of Extension of Property Manager Contract for BLVD Residential. Mr. McLain said BLVD Residential was retained in April 2021 by the District for property management services after Kenny Realty departed. He said the original agreement was a one-year contract with the option for two one-year extensions. In March 2022 and January 2023, the Housing Board approved one-year extensions to the contract. After consulting with the District contracts and purchasing department, District staff has been informed that the existing property management agreement can be extended for up to two additional years totaling five years.

At the Housing Board's request, District staff distributed a property management survey to all housing residents to gather feedback about the performance of the property manager. The survey saw a response rate of 56 residents, with the majority of residents providing positive ranking in all question categories. Mr. McLain said there are qualitative comments in the survey results that have been shared with BLVD Residential. He also said staff utilized similar questions in the survey from what was used two years ago, enabling direction comparison of responses. As a results of this, the survey responses showed an improvement in performance by BLVD Residential. He also said staff will conduct annual surveys going forward.

It was moved by Ms. Berlese and seconded by Mr. Holober to approve the Two Year Extension of Property Manager Contract for BLVD Residential. The motion carried unanimously, with all members voting aye.

### **Statements from Directors and/or Requests for Future Agenda Items**

Ms. Sneed said although the District is the first to have Faculty and Staff Housing, we should strive to be the best, not just the first.

Ms. Sneed also asked for a future conversation about accessibility.

Ms. Berlese left the meeting at 5:40 p.m.

### **Adjourn**

The meeting was adjourned at 5:43 p.m.