



**Minutes of the Educational Housing Corporation  
Regular Board Meeting**

**May 2, 2024**

**In-Person at the District Office (3401 CSM Drive, San Mateo, CA 94402)  
and ZOOM Webinar**

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

**Call to Order and Roll Call**

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

Director Holober requested to change the order of the agenda and discuss the following items after Public Comment: Update on Review of Past Housing Board Decisions and Implementation, Reduction of Maximum Occupancy Lease Term for New Residents, and Updated Rental Rates for New Residents at College Vista and Cañada Vista.

**Public Comments on Non-Agenda Items**

Alex Claxton, Classified Senate President for Cañada College, asked the Housing Board to consider against increasing rental rates.

**DISCUSSION ITEM**

**Update on Review of Past Housing Board Decisions and Implementation**

Mr. McLain said there was discussion at the February 1, 2024 meeting, that annual rent increases for current residents had already been approved previously by the Housing Board. Mr. McLain said staff reviewed past Housing Board agendas and minutes and found that an action item for rental rate increases was presented at the August 31, 2021, where an 8.8% increase was approved by the Board and that rate would be implemented on the next annual lease anniversary for each unit. Mr. McLain said staff learned that this increase had not been implemented, nor had the increase been used for new residents that have moved in since then.

Mr. McLain said staff also learned that BLVD's lease terms were mistakenly entered as 84 months instead of month-to-month, preventing the ability to increase annual rents on BLVD Residential leases. Mr. Pierce said the benefit of month-to-month leases allows property managers to make changes at the end of the term including rental increases.

Ms. Berlese asked how an 84 month lease was implemented. Mr. Strauss said previous Kenny Realty lease templates were month-to-month with a maximum occupancy term of 84 months. He said the wording on the template was misinterpreted as an 84-month lease, which should have been an 84-month allowable occupancy term. Mr. Talbott said the BLVD Residential leases are online forms and the employee who entered the 84 month lease term made a mistake.

Ms. Berlese asked if anyone from the District reviewed the lease prior to implementation. Mr. Talbott said the District Administrator would have reviewed the lease. Ms. Berlese also asked if any calculations have been made to determine how much income the District has lost. Mr. McLain said he did a very quick calculation and estimates a loss of \$425,000 - \$450,000.

Mr. Talbott said there is a lease addendum, that was implemented about a year and a half ago, that differentiates between the lease term and the occupancy period. He said the addendum itself has a right to a 30 day change in terms, but it's not clear if this addendum will assist in correcting the error. Mr. Talbott said the way to rectify this situation is to ask residents to sign new leases.

Mr. McLain said lease terms have been updated for new residents beginning March 1, 2024, to 12-month leases. This will allow future annual rent increases.

Mr. Holober recommended the formation of an Ad Hoc Committee to work with District staff to find out what exactly happened and how to move forward. Mr. Holober recommended President Pierce, Director Guingona, and himself on the committee. He suggested the committee gather information and seek legal advice. Mr. Guingona agreed and said it's important to find out what policies and procedures are in place so this never happens again. The Board discussed and agreed to the formation of the Ad Hoc Committee.

Ms. Sneed asked when the last rental increase was implemented. Mr. McLain said he does not know the exact date, but rental increases were frozen during the pandemic and no increases have occurred since, so it has been several years.

In consideration of rental increases, Ms. Beltran urged the Board to consider that employee Cost of Living Allowance (COLA) increases are not always received every year and in some instances it is retroactive.

## **ACTION ITEMS**

### **Reduction of Maximum Occupancy Lease Term for New Residents**

Mr. McLain said the Housing Board has discussed, at previous meetings, reducing the maximum occupancy term for new residents from seven (7) years to five (5) years. At the most recent meeting, suggestions were also made to consider reducing the occupancy term to five (5) years with an option to renew for one additional (sixth) year at market rate, reducing the

occupancy term to five (5) years with an option to renew up to two additional (sixth and seventh) years at market rate, and reducing the occupancy term to six (6) years.

Mr. McLain also said there are 275 employees on the waitlist. This includes 212 full-time employees in the first priority tier (67 Faculty and 145 Staff) and 63 part-time faculty members in the second priority tier. Due to the size of the waitlist, the average wait time for a unit is several years or more. Reducing the maximum resident lease terms for new residents could shorten the wait time for a unit and allow more employees to take advantage of this District benefit.

Mr. Holober said a five (5) year occupancy term is very generous and it gives employees on the waitlist an opportunity to use the housing benefit.

It was moved by Mr. Guingona and seconded by Ms. Beltran to reduce the occupancy term to five (5) years with an option to renew for one additional (sixth) year at market rate. Mr. Guingona, Mr. Pierce, and Ms. Townsley voting aye. Ms. Beltran, Ms. Sneed, Ms. Berlese, and Mr. Holober voting nay. The motion failed.

Ms. Sneed said she has requested data points from staff which would help to make a more informed decision, but that information is not included. Ms. Beltran asked to wait to vote until the information requested is provided.

It was moved by Mr. Holober to call to question. Mr. Pierce, Mr. Guingona, Ms. Townsley, Ms. Berlese, and Mr. Holober voting aye. Ms. Beltran and Ms. Sneed voting nay. The motion carried.

It was moved by Mr. Holober and seconded by Mr. Guingona to reduce the occupancy term to five (5) years. Mr. Pierce, Mr. Holober, Mr. Guingona, Ms. Berlese and Ms. Townsley voting aye. Ms. Beltran and Ms. Sneed voting nay. The motion carried.

### **Updated Rental Rates for New Residents at College Vista and Canada Vista**

Mr. McLain said the Housing Board has discussed, at previous meetings, updating the rental rates for new residents at College Vista and Cañada Vista. He said staff is now bringing the recommendation forward to the Board to align rental rates at College Vista and Cañada Vista with those at College Ridge for new residents only. He said annual rent adjustments will be tied to the "Very Low Income" category of the San Mateo County BMR index, and there will be a 33% of household income exemption for College Vista and Cañada Vista to align with College Ridge. Bringing these units in alignment with College Ridge would align base rates at all three properties.

Ms. Townsley asked if College Vista and Cañada Vista rental rates should be lower because the properties are older. Mr. Pierce said faculty & staff housing is an incredible benefit at all three locations no matter the age of the property.

Ms. Townsley also asked how residents will qualify for the 33% household income exemption. Mr. McLain said annual income verification documentation such as a federal tax return may be required as proof of household income.

Mr. Pierce noted that the Housing Board cannot legally increase rental rates to the San Mateo County BMR rate for existing residents. He said rental rates for new residents can be adjusted, but rental increases for existing residents will have to abide by AB 1482.

It was moved by Mr. Guingona and seconded by Ms. Berlese to align the rental rates for new residents at College Vista and Cañada Vista with those at College Ridge; and annual rent adjustments will be tied to the "Very Low Income" category of the San Mateo County BMR index, and there will be a 33% of household income exemption. Ms. Sneed voting nay and all others voting aye. The motion carried.

## **INFORMATION REPORTS**

### **BLVD Residential Updates**

Ms. Cosentino provided an occupancy update. She said Cañada Vista is 96.7% occupied with 2 vacancies, College Vista is 100% occupied with 0 vacancies, and College Ridge is 90% occupied with 3 vacancies.

Ms. Berlese asked if any of the vacancies are ADA units. Ms. Cosentino said one unit at College Ridge is an ADA unit. She said the other two vacancies at College Ridge are 2 bedroom units. Mr. McLain said the prior waitlist form did not ask if employees had any accessibility requirements, but the upgraded waitlist form does. He said this information will assist staff in determining how to fill those units.

Ms. Beltran asked if any vacant units are being set aside for emergency housing. Mr. Pierce said the Board has discussed this in the past and recommended not setting aside any vacant units for emergency housing. He said there may be other options to assist employees needing emergency housing such as extended stay hotels.

### **Review Quarter 3 Financial Statements for 2023-2024**

Ms. Cosentino presented the Quarter 3 Financial Statements for 2023-2024 for College Vista. She said that most of the variances are due to vacancies and turnover expenses. She also discussed club house income, maintenance repairs, contract services, insurance, and utility expenses.

Ms. Townsley asked about the maintenance repairs line item and why it is over budget. Ms. Cosentino explained how maintenance staff are scheduled and the work that they perform. Mr. Talbott also mentioned that College Vista is the oldest property, so it naturally needs more maintenance. Mr. Pierce asked if it would be helpful to hire a full-time maintenance employee now that occupancy is full and operations are stabilizing. Mr. Talbott said the point is well taken and will research if that option is economically feasible.

Ms. Cosentino said the contract services line item is over budget due to one-time fire alarm repairs, plumbing, roofing, and lighting repairs. Mr. Strauss said in budget planning, BLVD Residential tries to analyze accurate numbers, but sometimes there are unforeseen repairs. Ms. Townsley asked about the kitchen cabinet and countertop project. Ms. Cosentino said there are 15 units that have had cabinet and countertop replacements.

Ms. Cosentino mentioned the College Vista Roofing Project. Mr. Strauss said the project may need to be rebid to include prevailing wage. He said he is in contact with several vendors.

Ms. Cosentino presented the Quarter 3 Financial Statements for 2023-2024 for Cañada Vista. She said the variances are due to vacancies and turnover expenses, but income from club house rentals helped offset those expenses. She also mentioned the parking lot seal coat, stripe, and speed bump project.

Ms. Cosentino presented the Quarter 3 Financial Statements for 2023-2024 for College Ridge. She said some of the variances are due to vacancies. Ms. Cosentino explained that the insurance line item is unbudgeted expense and is a two-year expense. Mr. Fitzsimmons said the insurance amount is higher at College Ridge because it is a newer building. He also said the District is negotiating insurance premiums for FY 24/25 and the insurance is generally calculated by square footage. Mr. Fitzsimmons said he will look further into how much of the District's insurance premium as a whole is attributed to housing.

### **Update on Service Improvements and Automation**

Mr. McLain said, in recent months, District staff and BLVD Residential have identified areas of improved efficiency, communication, transparency and automation. Mr. McLain explained improvements that have been made to the housing waitlist including the transition of the waitlist to Smartsheet. He said Smartsheet allows employees on the waitlist the ability to edit their own information and remove themselves from the list, and staff can now automate requests for updates.

Mr. McLain also gave an update on improvements to the housing website. He said FAQs, local housing resources, and a link to BLVD Residentials website with virtual tours have all been added to the website. He said he has been in contact with credit unions that have interest in providing workshops to residents about home buyer loans, home ownership, and financial literacy.

Ms. Cosentino said BLVD Residential has launched websites for all three properties. The websites include floor plans, photos, and virtual tours.

Ms. Beltran asked if there is an option for 10-month employees to have extra payroll deductions made throughout the year to pay rent. Ms. Cosentino said there is an option to have extra deductions through payroll or residents can make additional payments online through the BLVD Residential portal. Ms. Cosentino said BLVD Residential will share this information with all residents.

Mr. Guingona and Mr. Holober left the meeting at 4:27 p.m.

### **ACTION ITEMS**

#### **Tentative Budget for FY 2024-2025**

Mr. Fitzsimmons presented the tentative budget for FY 24/25. He said a final budget will be presented to the Board for adoption at the next meeting which will be informed by the prior year's activity.

Mr. Fitzsimmons provided the high-level projections for College Vista, Cañada Vista, and College Ridge total income, total expenses, and surplus that are transferred into the capital reserve.

For College Vista, Mr. Pierce said the expense for the roofing project should be included in the budget for FY 24/25 as well. Ms. Townsley asked if staff can provide notes in the budget about the estimated expenses.

For Cañada Vista, Mr. Pierce asked about the non-routine expenses line item. Ms. Cosentino said there is not an expectation of significant repairs at Cañada Vista because the building is newer and has had recent construction. Ms. Townsley asked about the onsite resident manager. Mr. Talbott said each property has a legally required onsite resident manager who lives at property.

It was moved by Ms. Townsley and seconded by Ms. Berlese to approve the Tentative Budget for FY 2024-2025. The motion carried unanimously, with all members voting aye.

### **Revisions to the Agreement between SMCCCD and San Mateo Colleges Educational Housing Corporation**

Mr. McLain presented the revisions to the agreement between SMCCCD and the San Mateo Colleges Educational Housing Corporation. He said the agreement has the proposed changes reviewed by the Housing Board at its meeting on February 1, 2024. If approved by the Housing Board, the agreement will be brought to the Board of Trustees for final approval on May 22<sup>nd</sup>.

It was moved by Ms. Townsley and seconded by Ms. Berlese to approve the Revisions to the Agreement between SMCCCD and the San Mateo Colleges Educational Housing Corporation. The motion carried unanimously, with all members voting aye.

### **Approval of Minutes of February 1, 2024 Meeting**

It was moved by Ms. Berlese and seconded by Ms. Townsley to approve the Minutes of February 1, 2024. The motion carried unanimously, with all members voting aye.

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

Ms. Sneed requested a future agenda item regarding accessibility. She also asked if Housing Board members can be invited to future resident town halls.

Ms. Beltran asked about Housing Board representation and if it is possible to add more faculty and classified staff board members. She said it's also important that employees on the waitlist are represented. Ms. Sneed responded that the bylaws state Housing Board composition shall be at least 7, but no more than 9 members. And no more than 49% of the members serving on the Board shall be interested persons.

Mr. Pierce said in order to add additional representation, the Board composition would need to be expanded and the bylaws would have to be changed.

## **Adjourn**

The meeting was adjourned at 5:16 p.m.