



**Minutes of the Educational Housing Corporation Board Meeting  
May 2, 2018  
District Office Board Room  
3401 CSM Drive, San Mateo, CA**

<b>Attendees:</b>	<b>Other Attendees:</b>
Dennis McBride, President	Mitchell Bailey
Kathy Blackwood	Caryn Kenny
Kate Browne	Mike Kenny
Ron Granville	Bernata Slater
Michael Pierce	Ginny Brooks
	Beth Dominik
<b>Absent:</b>	
Maurice Goodman, Vice President	
Karen Schwarz	

**CLOSED SESSION AGENDA**

- I. **Call to Order**  
The meeting was called to order at 3:10 p.m.
- II. **Announcement of Closed Session Items for Discussion**  
Mr. McBride announced that during closed session, the Board will hold a conference with legal counsel regarding one case of pending litigation as listed on the printed agenda.
- III. **Public Comments on Closed Session Items Only**  
None
- IV. **Recess to Closed Session**  
The Board recessed to closed session at 3:12 p.m.
- V. **Reconvene to Public Session**  
The Board reconvened to open session at 4:05 pm. Mr. McBride announced that no action was taken during closed session.

**PUBLIC SESSION AGENDA**

- I. **Call to Order and Roll Call**
- II. **Public Comments on Non-Agenda Items**  
None
- III. **Approve Minutes from the September 20, 2017 Meeting**  
It was moved by Mr. Pierce and seconded by Ms. Berlese to approve the minutes. The motion carried, all members voting Aye.

#### **IV. Action/Discussion Items**

##### **a. Trower Reserve Study – College Vista**

It was moved by Mr. Granville and seconded by Mr. Pierce to approve the Trower Reserve Study.

Mr. Bailey said two questions were raised at the last meeting, which he presented to Trower:

- i. Why does the study not show a position of ever being fully funded?  
Trower's answer: The study shows only a five-year timeframe. The reserve will be fully funded in 2044.
- ii. How is it determined which components are fully funded versus underfunded?  
Trower's answer: This is based on the life of particular items. The components with the least remaining life get funded in full first and others get funded within their remaining lives.

Mr. Granville said that because of their concern that the reserve never reaches 100 percent, the Board challenged the consultant about whether the funding is adequate to cover all of the replacements. The consultant's response was that in his professional opinion, the study is proper and there will be full funding as replacements are needed.

Ms. Berlese said she believes the property is being maintained well and everything looks good, including the gutters and downspouts. Mr. Granville said the study indicates that the gutters and downspouts have a remaining life of 20 years; he said they were very high quality when they were installed. Mr. Bailey said that if there are changes to the life expectancy of any items, they will be reflected in the next study.

Mr. Bailey said that if the Board is ever uncomfortable with the amount being allocated to the reserve fund, there is flexibility to adjust the amount. Ms. Blackwood said the funds are in a designated account in the District's Capital Outlay fund; therefore, funding is the general obligation of the District. Ms. Blackwood noted that the study uses an interest rate of .15 percent but the District is doing better than that with the money invested with the County Pool. In response to a question from Mr. Granville, Ms. Blackwood said the District has a AAA rating.

After this discussion, the motion to approve the study carried, all members present voting Aye.

##### **b. Review Financial Statements/Information Ending March 31, 2018 – College Vista and Cañada Vista**

Ms. Slater said the reports include columns showing Revised Budget, Actuals through March 31, Variance, and Tentative Budget. She noted that in the Actuals column, numbers are not shown in some instances. She said this is due to timing issues, e.g. transfer of expenses from the District, one-time expenses or annual expenses. She said the numbers will be shown when the budget is presented for adoption at the July meeting.

Mr. Pierce said he examined the numbers by looking at things as a percentage of operating income, as is done on the for-profit side. He said College Vista and Cañada Vista track close to a sample set of some of the buildings in his business and he believes they are within reason.

##### **c. Review of Draft FY 2019 Budgets – College Vista and Cañada Vista**

Ms. Slater said that in the College Vista Tentative Budget, the Transfer to Capital Reserve includes the Trower study, having assumed that it would be approved. For Cañada Vista, there is no Transfer to Capital Reserve because it was overfunded last year and will be fully funded for the next fiscal year. Ms. Slater said

the credit of \$125,000 in Cañada Vista's operating revenue covers the reduction in rent to residents for the inconvenience experienced during construction.

Mr. Bailey said Kenny Realty has kept their fees at a low rate for a long time. He said the management fees will change in the final budget to better reflect their work. Mr. Granville asked if this is a fixed fee; Mr. Bailey said it is. Mr. Granville asked if the District is comfortable with the compensation arrangement for the resident managers. Ms. Blackwood said legal counsel has reviewed the arrangement and the District is comfortable with it.

## **V. Informational Reports**

### **a. Skyline College Housing Development Update**

Mr. Bailey said the San Bruno City Council has given final approval to move forward with the project. He said the District is selling part of the land to SummerHill Homes which will build a housing development on their portion. Work is being done to finalize the sale.

Mr. Bailey said the plans for the District's faculty/staff housing development are ready and have been reviewed by the City of San Bruno. Permits will be issued and staff anticipates that site work will commence on the land in late summer or early fall. The District is currently working with the architect to get detailed renderings. Mr. Bailey said the project is a bit behind schedule because of delays with City of San Bruno processes and there might be further delays due to market conditions. He said he will keep the Board informed. He said the District is hoping to open the project for residency in mid-2020.

Ms. Berlese asked if SummerHill Homes will be building the District's faculty/staff housing project. Mr. Bailey said SummerHill Homes agreed to bid on the project but is not guaranteed to get the contract. He said it would be difficult to have two developers on the two different parcels of land, but the District could get through the difficulty if a significant amount of money were to be saved by selecting a developer other than SummerHill Homes.

Mr. Granville asked if the cost for a supervising architect to monitor the quality of the construction was built into the cost structure for the project. Mr. Bailey said the District plans to utilize District Facilities staff on the project management piece. However, he said Mr. Granville raised a good point and he will follow up on this idea.

Regarding final approval by the San Bruno City Council, Ms. Browne asked how the concerns about the projects (the District housing and SummerHill Homes' development as joint applicants) being located in residential areas were addressed. Mr. Bailey first thanked Ms. Browne for her testimony before the Planning Commission. He said the District worked hard to address the concerns of nearby residents. In addition to a mitigation plan, there were multiple communications, community meetings and the offer for one-on-one meetings. "Good neighbor" activities, such as moving dirt into yards and relocating fences, were conducted. SummerHill Homes also agreed to lower roof lines on the homes that they will build. Mr. Bailey said the testimony before the City Council of Dave McLain, Communications Manager at College of San Mateo, was powerful. Mr. McLain explained how living in College Vista provided him the opportunity to finish his education, get married and have children.

### **b. Update on Housing and Financial Education Resources for Residents**

Mr. Bailey said the Board has discussed the importance of informing residents whose terms are expiring about other housing opportunities. He said the following steps have been taken:

- The Faculty/Staff Housing section on the District's website, managed by Beth Dominik, has been updated to provide resources throughout the County.

- The San Mateo Credit Union will provide financial counseling sessions for first-time home buyers; the service will later be expanded to all employees, but will begin with residents of College Vista and Cañada Vista. Ms. Browne suggested that these meetings could be held in the clubhouses.
- Mr. Bailey is working to develop relationships with HIP Housing and HEART to make sure employees are made aware of all opportunities.

#### **VI. Board Members' Comments and/or Requests for Future Agenda Items**

Mr. McBride said he reviewed minutes from past meetings and identified items that require follow-up. He said he discussed this with Mr. Bailey, who set a schedule for discussion of each of the items at future meetings. Mr. McBride said he will send a list of these items to all Board members.

#### **VII. Adjourn**

The meeting was adjourned at 4:40 p.m.