

**Minutes of the Educational Housing Corporation Board Meeting
September 20, 2017
Cañada Vista Club House
3 Olive Ct., Redwood City, CA 94061**

Attendees:	Absent:
Dennis McBride, President	
Peggy Berlese	
Kathy Blackwood	
Kate Browne	Other Attendees:
Maurice Goodman	Mitchell Bailey
Ron Granville	Caryn Kenny
Annette Perot	Mike Kenny
Michael Pierce	Greg Korbel
Karen Schwarz	Carina Warne

Call to Order

The meeting was called to order at 2:30 p.m.

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.

Public Comments on Closed Session Items Only

None

Recess to Closed Session

The Board recessed to closed session at 2:33 p.m.

Reconvene to Public Session

The Board reconvened to open session at 3:08 p.m.

Announcement of Reportable Action Taken in Closed Session

Mr. McBride said that the Board took no reportable action during closed session.

Public Comments on Non-Agenda Items

None

Approve Minutes from June 7, 2017 Meeting

It was moved by Ms. Blackwood and seconded by Ms. Berlese to approve the minutes. There being no other discussion, two members abstained, all other members voted Aye and the motion passed.

ACTION ITEMS**Rental Increase Recommendation**

Mr. Bailey discussed the possibility of annual rental increases. Currently, the average rental rates for College Vista and Cañada Vista are roughly 47% - 55% below market rate.

Mr. Bailey asked the Board to consider two issues: First, differential rates for rents among each Vista due to age. College Vista is 11 years old, Cañada Vista is 6 years old and Skyline Vista will be brand new. Secondly, Mr. Bailey asked the Board to consider length of occupancy. For example, renters occupying a unit today pay the same as those that have lived in their unit for several years.

Mr. Bailey also said that the condition of Cañada Vista and what residents are likely to endure in the coming months/year should be considered before increasing rent. Ms. Schwarz asked about College Vista and Mr. Kenny said College Vista has only had two rent increases in the last 11 years.

Ms. Blackwood said that increases in rent should be predictable for tenants. She said increases in rent should be communicated early or in annual terms, for example, 2% increase every year. Trustee Goodman said he believed that rent should be the same at all three locations.

Mr. Bailey recommended that the Board delay any action on rental increases until further discussion in Spring 2018 and that any future rental increases occur on September 1 of that particular year. The Board discussed and agreed that due to the current conditions at Cañada Vista, no rental increases should be implemented at either College Vista or Cañada Vista at this time. After this discussion, a motion was made by Mr. Goodman and seconded by Ms. Blackwood to (1) delay any rental increases, and (2) effectuate any future rental increases on a September 1 start date, was made with all members voting Aye.

Policy Issue: Part-time, classified employees

Mr. Bailey recommended the Housing Board approve additional language in the eligibility guidelines for residents. A recent tenant inquired about reducing her full-time work hours to part-time (below 55%) so they may attend graduate school. Mr. Bailey said in responding to her inquiry there is no clear guidance in past practices or policies, so the additional proposed language will assist in responding to similar future requests. The additional language is for full-time, classified staff only.

The Board discussed the proposed additional language and suggested removing the language about rent increase and instead simplify the policy to a 60 day notice to vacate. Mr. Bailey will present the updated policy at the next meeting.

DISCUSSION ITEMS

Review Financial Statements/Information Ending June 30, 2017

Ms. Blackwood presented the Year-End Financials for College Vista, Year-End Financials for Cañada Vista, Maintenance Reserves Balances, and Debt Payment Balances. Ms. Blackwood said that the District is still transferring to the capital reserve the amounts according to the Trower Study. She also noted that College Vista is almost 50% paid off and Cañada Vista is almost 30% paid off.

Ms. Berlese inquired about the reduction in budget for Utilities, PG&E, Fire Alarm repairs and inspections, etc. Ms. Kenny replied that initially the budget is projected for nine months, so that may account for the discrepancy.

Mr. Pierce asked about separating repair and replacement costs on future financials. Ms. Kenny said she keeps repair and replacement separate in Kenny Realty's records, so that can be easily changed for future reports. Mr. Bailey suggested that revised financials be presented at the next meeting.

Mr. Bailey said that the Trower Study will be ready in December for College Vista. Cañada Vista's Trower Study is being postponed for now due to construction repairs.

Regarding the Capital Maintenance Reserve Funds, Ms. Blackwood said that Tables 2 and 3 show College Vista and Cañada Vista funds that have been spent on work due to construction defects. The charges associated with this work were originally charged to the Capital Maintenance Reserve Fund, but have been transferred out. Ms. Kenny noted a typographical error on Table 3. Six water heaters were replaced instead of two.

Ms. Blackwood also noted to the Board that although there is a table titled "Debt Schedule", there is no actual "debt". The District issued a Certificate of Participation (COP) to build College Vista and Cañada Vista. The District defeased that debt and is returning the funds to the Capital Outlay Fund to be used for Capital Projects.

Review of expected/planned resident turnover

Mr. Bailey discussed actual and anticipated turnover at College Vista and Cañada Vista. He said Cañada Vista's turnover was higher than expected in the past year. The reasons for the high turnover vary and do not seem to be related to the construction at Cañada Vista.

Mr. Bailey said there will be 30 units available at Skyline Vista in 2020. The goal is that not all 30 units will be filled with new tenants, hopefully some residents from College Vista or Cañada Vista will move to Skyline Vista. Currently, there are 200 employees on the Faculty Housing wait list. Mr. Bailey said he plans to send an email to those 200 employees tomorrow to update their information. In 2019 and 2020, there is a large turnover expected due to end of lease for many tenants.

Mr. Goodman asked about turnaround time for the employees on the Faculty Housing wait list. Mr. Bailey said it largely depends on the employees preferences i.e. location, size of unit, amenities, etc. Also, some employees are offered units, but they do not accept due to various reasons. Generally, the average wait is two or three years. Mr. Bailey said planned vacancies, due to end of lease, allow the District to reach out to employees on the top of the wait list early and allow them to plan.

Mr. McBride asked about the length of time it takes to prepare a unit for a new tenant after another tenant has moved out. Mr. Kenny replied that it is usually a few weeks if the repairs are minor and cosmetic such as paint, carpet, etc.

Mr. Pierce inquired if there was a program in place to match up individual tenants as roommates. Mr. Bailey said this issue deserves more discussion as well as a conversation about “who” is allowed to live in the unit with the employee. The Board discussed roommates and what is considered part of the “nuclear family”. Ms. Kenny said that all adults living in the unit are named on the rental agreement and per the rental agreement, subleasing is not allowed. The committee also discussed tenants using units for Air BNB purposes and Ms. Kenny said she would add the language to the lease agreements.

The Board also discussed household size and if changes in household size are reported to the District or Kenny Realty. Mr. Bailey said he receives notification of changes in household size only if residents have an increase and require additional rooms or a larger unit. Mr. Goodman said an annual “check-in” or certification process might be of value.

Due to a prior scheduled obligation, Mr. McBride had to leave the meeting and asked Mr. Goodman to preside over the remainder of the meeting.

Update from Ad-hoc Committee Discussing Mission/Values of Employee Housing Program

Mr. Bailey said the Ad-hoc Committee met to review the Employee Housing Program Mission and Values. The purpose of the committee is to reexamine and improve how we interact, communicate and create community amongst residents. The committee identified three areas:

1. **Community Resources & Education** – Assisting residents with resources and education regarding saving capital to purchase a home, other affordable housing options, the District’s Home Buying Loan Program, how to purchase a home, informational sessions with credit unions and financial institutions.
2. **Sense of Community** – Creating opportunities for residents to have shared experiences in the form of social activities and events.
3. **Communication** – Strengthening communications channels on all levels so residents are more involved, informed and aware.

Ms. Schwarz said it is important that tenants be informed of resources available to them. She said it is crucial to emphasize that living in Faculty and Staff Housing is temporary. Ms. Schwarz also said that many tenants are not aware there is a Housing Board and it may be beneficial to host community meetings or events where Board members can attend. Mr. Bailey said we should utilize the onsite Resident Managers with community engagement.

INFORMATIONAL REPORTS**Skyline College Housing Development Update**

Mr. Bailey gave a brief update on the Skyline College Housing Project. Mr. Bailey said the project is still in the entitlement process with the City of San Bruno. He said the city's architectural review commission and parks commission have reviewed the plans and have given favorable approval. Mr. Bailey reported that the next approval needed would be from the city's Planning Commission. If the commission issues a favorable approval, then it goes before the City Council for approval in early 2018.

BOARD MEMBERS' COMMENTS AND/OR REQUESTS FOR FUTURE AGENDA ITEMS

None

ADJOURNMENT

Mr. Goodman adjourned the meeting at 4:25pm.