

San Mateo County Community Colleges Educational Housing Corporation
Board of Directors | Regular Meeting
September 20, 2017 | 2:30 p.m.
Cañada Vista Club House | 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.

CLOSED SESSION AGENDA

- I. Call to Order**
- II. Announcement of Closed Session Items for Discussion:**
 - a. Discussion of Pending Litigation: San Mateo Community College District vs. Segue Construction Co., Case # CIV534343
- III. Public Comments on Closed Session Items Only**
- IV. Recess to Closed Session**
- V. Reconvene to Public Session**

PUBLIC SESSION AGENDA

- I. Call To Order and Roll Call**
- II. Public Comments on Non-Agenda Items**
- III. Approve Minutes from June 7, 2017 Meeting (*Enclosure #01*)**
- IV. Action Items**
 - a. Rental Increase Recommendation (*Enclosure #02*)
 - b. Policy Issue: Part-time, classified employees (*Enclosure #03*)
- V. Discussion Items**
 - a. Review Financial Statements/Information Ending June 30, 2017 (*Enclosure #04*)
 - i. Year-end Financials for College Vista (*Enclosure #04A*)
 - ii. Year-end Financials for Cañada Vista (*Enclosure #04B*)
 - iii. Maintenance Reserves Balances (*Enclosure #04C*)
 - iv. Debt Payment Balances (*Enclosure #04D*)
 - b. Review of expected/planned resident turn-over (*Enclosure #05*)
 - c. Update from Ad-hoc Committee Discussing Mission/Values of Employee Housing Program
- VI. Informational Reports**
 - a. Skyline College Housing Development Update
- VII. Board Members' Comments and/or Requests for Future Agenda Items**
- VIII. Adjourn**

**Minutes of the Educational Housing Corporation Board Meeting
June 7, 2017
District Office Board Room
3401 CSM Drive, San Mateo, CA**

Attendees:	Absent:
Dennis McBride, President	Ron Granville
Peggy Berlese	Annette Perot
Kathy Blackwood	
Kate Browne	Other Attendees:
Maurice Goodman	Mitchell Bailey
Michael Pierce	Caryn Kenny
Karen Schwarz	Mike Kenny
	Bernata Slater
	Ginny Brooks

Call to Order

The meeting was called to order at 3:00 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 3:02 p.m.

Reconvene to Public Session

The Board reconvened to open session at 3:25 pm.

Announcement of Reportable Action Taken in Closed Session

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

Approve Minutes from the March 1, 2017 Meeting

It was moved by Mr. Pierce and seconded by Mr. Goodman to approve the minutes. The motion carried, all members voting Aye.

Public Comments on Non-Agenda Items

None

DISCUSSION ITEMS

Proposal for Rental Credits for Cañada Vista Residents

It was moved by Mr. Pierce and seconded by Ms. Berlese to consider the proposal for rental credits. Mr. Bailey said Cañada Vista residents have been inconvenienced during destructive testing, service outages and repairs. All residents have been affected by noise, access, and the general environment of a

construction zone. In addition, some residents have had to make their homes available for entry for testing and repairs. Because of these issues, Mr. Bailey said staff recommends approval of a one-time rental credit to the residents of Cañada Vista for July 2017 to compensate for inconveniences and disruptions incurred over the past few months. The proposal would:

1. Apply a one-time, one-month \$250 rental credit for July 2017 to all residents of Cañada Vista.
2. Apply an additional one-time, one-month \$250 rental credit for July 2017 to residents whose homes were entered because of destructive testing (in fall 2016 or spring 2017), for a total one-time credit of \$500.

The Board discussed the proposal and agreed that the rental credit would be an expression of goodwill and appreciation for residents' understanding during the disruption. The Board agreed that appropriate communication is critical, making clear that it is a one-time credit so that false expectations are not raised. Mr. Bailey said he was informed by legal counsel that any such credit would be recoverable as part of the lawsuit. After this discussion, the motion to approve the rental credits as proposed carried, all members voting Aye.

Update on Maintenance Reserve Expenditures and Balances

Ms. Slater reviewed the four tables included in the board report: Trower Recommended Annual Transfers to Reserve Fund; College Vista Capital Maintenance Reserve Fund Transfers and Expenses; Cañada Vista Capital Maintenance Reserve Fund Transfers and Expenses; and Recommended Funding and Actual Reserve Balance for 2016/2017. She said the Trower Reserve Study is in effect through December 2017. The District is in the process of conducting a new reserve study and it is expected that the new information will be available later this year.

Review Financial Statements/Information Ending April 30, 2017

Ms. Slater said the "Budget vs Actual for 2016-17" tables contain financial information through March 31, 2017, along with the proposed budget for 2017-18. She said notes were added to explain budget variances. Ms. Berlese noted that the amount budgeted for Transfer to Capital Reserve does not match the actual amount transferred. Ms. Slater said the information provides transfers only through March and the reserve numbers will change.

Review and Approve FY 2018 Budgets for College and Cañada Vistas

It was moved by Ms. Blackwood and seconded by Ms. Berlese to approve the FY 2017-18 budget for College Vista. The motion carried, all members voting Aye.

It was moved by Ms. Berlese and seconded by Mr. Pierce to approve the FY 2017-18 budget for Cañada Vista.

Mr. McBride said the \$270.00 actual expenditure for Fire Alarm Inspection/Repairs seems low. Mr. Bailey said there will be a shift on line items because of the consolidation of categories and he will bring updated numbers at a future meeting. He said the District has been examining vendors and got a more favorable deal with Siemens.

Ms. Berlese asked for information on the \$1,000 for Legal & Professional in the proposed budget. Mr. Bailey said this is for legal fees associated with potential tenant disputes and evictions. Ms. Blackwood said legal expenses associated with the lawsuit are booked as District fees and will be included in the District budget that the Board of Trustees approves. She said the District expects to recoup legal expenses through the insurance settlement.

After this discussion, the motion to approve the FY 2017-18 budget for Cañada Vista carried, all members voting Aye.

Discussion of Mission/Values of Employee Housing Program

Mr. Bailey said the mission, purpose and values of the housing program might affect future decisions regarding amenities for residents of College Vista and Cañada Vista, which the Board discussed previously.

Ms. Blackwood said the District believes the housing program, along with the home loan program, has done a great deal for recruitment and retention.

Mr. Goodman asked the following questions:

- Should we create an environment in which residents can police themselves by providing opportunities to hear from fellow residents and air grievances?
- Should we be a conduit to other services, such as HEART of San Mateo County?
- Would a tenant bill of rights be helpful?

Ms. Blackwood said the District routinely provides financial planning information districtwide from a credit union. Mr. Goodman said that if information is targeted specifically to tenants, the Board can say it has done its part and it is time for other employees to reap the benefits of the housing program. Ms.

Blackwood suggested conducting a trial run by asking the credit union to provide a meeting for tenants and seeing if there is interest. Ms. Browne noted that Chancellor Galatolo hosted a tenant meeting with Congresswoman Jackie Speier approximately two years ago and the meeting was heavily attended and was community-building. Mr. Pierce said that if payroll deductions that go directly to a savings account were readily available through a credit union, this might be helpful to residents. Ms. Blackwood said information on such a program could be given to residents when they sign their rental agreement.

Ms. Schwarz said the original intent of the housing program was the help employees save money. She said more emphasis should be placed on bringing information to tenants about the District's home loan program and similar programs in the County and cities. Ms. Berlese said some tenants have moved into low/moderate income housing with help offered by cities. She said the various programs can be complicated to understand and might be a topic for an educational session. Mr. Goodman said there is a need to examine whether the original intentions of the housing program match current expectations and, if not, suggested that expectations should be reevaluated.

Mr. Bailey said 46 tenants have moved on to purchase homes and others say the housing program got them "over the hump."

Mr. Goodman said the issue regarding a basketball hoop triggered the conversation about amenities. He said more work needs to be done on this issue and he suggested that a committee be formed to talk about the issue and bring back ideas, being mindful of both Cañada Vista and College Vista and mindful of the mission and goals of the housing program. Mr. Goodman and Ms. Browne agreed to serve on the committee. Mr. Goodman also suggested that tenants be provided lists of Parks and Recreation offerings in surrounding communities along with information regarding access to campus facilities.

Discussion of Resident Issues

Continuing the discussion on amenities, Mr. Bailey said there are both negative and positive factors to consider when discussing athletic equipment and activities at College Vista and Cañada Vista. The negative factors include safety issues, liability for injuries/damages, equality for all units in the complex, and the contract clause that tenants sign agreeing to keep the areas around their units and stairwells clear of

objects and debris. Positive factors include a family-focused and friendly environment, sense of community, and active and healthier individuals.

The Board discussed the issue and agreed that residents should be informed about local places that are available. Ms. Blackwood mentioned the possibility of using District athletic fields when they are not in use by one of the colleges. Ms. Berlese said she does not believe there is room at College Vista and Cañada Vista to allow amenities such as athletic equipment and moved that the use of such equipment not be allowed. The motion was seconded by Ms. Blackwood. The motion carried, all members voting Aye.

INFORMATIONAL REPORTS

Summary/Update on Action Items from Prior Meeting(s)

Mr. Bailey said the board report lists items that were captured in the minutes of the two prior meetings for follow-up and includes updates for each item. Regarding item #4, "Revisit discussion of equity threshold be lowered from \$75,000 to \$25,000 in light of the SMCCCD Board second loan program that offers a \$150,000 loan," Ms. Berlese said the Board voted to increase the threshold to \$75,000 and she believes the item should be crossed off the list. All Board members agreed with this suggestion.

Regarding item #5, "Revisit issues of extending short-term (18 months) lease for out-of-area new employees placed in employee housing, and amending administrator eligibility guidelines," Ms. Berlese asked who is keeping track of these short-term leases. Mr. Bailey said both Kenny Realty and the District are keeping track.

Skyline College Housing Development Update

Mr. Bailey discussed the third employee housing complex to be constructed on "Parcel B" at Skyline College, including the architect's renderings that are included in the board packet. He said there will be outdoor exercise equipment, signage for Sweeney Trail, and shared roads for bicycles and cars. The exercise equipment, which will be for use by the community as a whole, was part of the property negotiation. Most units will have a garage and a balcony or patio. There will be no club house. The complex is targeted to open in spring of 2020.

Ms. Berlese asked if residents will be permitted to park in guest parking on the campus. Mr. Bailey said they will be allowed to park in guest parking and in overflow parking areas.

In light of the conversation about families, Ms. Schwarz asked if any thought has been given to including an area for children at the new complex. Ms. Blackwood said consideration could be given to allowing access to the athletic fields, with a flashing lighted crosswalk to make it safe to get to the fields.

Ms. Browne asked if sustainability was taken into consideration when drawing the plans. Mr. Bailey said sustainability was considered and noted that the groups on the campuses have done a good job in the area of sustainability.

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

None

ADJOURNMENT

It was moved by Ms. Blackwood and seconded by Ms. Schwarz to adjourn the meeting. The meeting was adjourned at 5:08 p.m.

HOUSING BOARD REPORT

PREPARED FOR: Educational Housing Corporation Board of Directors

PREPARED BY: Mitchell Bailey, Chief of Staff – (650) 574-6510

MEETING DATE: September 20, 2017

REPORT SUBJECT: Rent Increase Recommendation

The Housing Board has reviewed the issue of rental rate increases in the past and has taken a position that a modest annual increase is prudent as the costs of operations of the Vistas increases yearly. Additionally, though increases do not close the gap between the Board's desired rate at 50 percent below market, they do keep the gap from widening exponentially above the 50 percent rate. Vista units currently rent for nearly 55 percent below market rate.

The Board approved a two (2) percent rental rate increase for all residents in fall 2016 that went into effect January 1, 2017. This increase was the first implemented in several years.

The Board has expressed an interest in further discussing variable rent rates, including:

- A. *Differing rates between the Vistas.* The age and amenities of the two locations are different, yet residents pay the same base rents. College Vista is six years older than Cañada Vista, has no air conditioning, has a smaller clubhouse, etc. When Skyline housing opens in 2020, that complex will have brand new furnishings, while the units at the other complexes will be 15 and nine years old respectively. A differential rental rate would take into account these differences.
- B. *Differing rates at time of occupancy.* Currently, residents of same-sized units pay the same rental rate, no matter the complex in which they live, or when they took occupancy of the unit. A resident of a 1-bedroom unit at College Vista who took occupancy in 2012 pays what a new resident would pay today. A differential rate at time of occupancy would reflect length of occupancy, inflation and market rate conditions that are not currently factored into the rental rate at this time.

These approaches are worthy of further discussion and review.

RECOMMENDATION

Staff recommends continuing the discussion on the differential rates outlined above. Additionally, due to the ongoing construction and repairs at Cañada Vista, and due to the timing of past rental rate increases on a January 1 schedule, staff recommends that the Housing Board:

1. Delay action on any rental rate increases until spring 2018; and
2. Make any future rental rate increases effective on September 1 of a given year to better coincide with District cycles relating to compensation and new academic years.

HOUSING BOARD REPORT

PREPARED FOR: Educational Housing Corporation Board of Directors

PREPARED BY: Mitchell Bailey, Chief of Staff – (650) 574-6510

MEETING DATE: September 20, 2017

REPORT SUBJECT: Policy Recommendation for Less than Full-time Classified Employees

Currently, campus housing is available to eligible first-time homebuyers who are full-time faculty, full-time classified staff, or adjunct faculty who have taught 60% of a full time load (or .52 FTE for science faculty) for in six semesters during the past four years and who continue to teach 60% of a full time assignment each semester and who qualify as first time home buyers (FTHB)*.

The Housing Board has not formalized a policy statement regarding classified employees who work less than full-time. A recent tenant issue has exposed this void and staff recommends the Housing Board's consideration of the following policy statement that would be incorporated into the eligibility guidelines for residents. The proposed language is included in red:

Loss of Eligibility: If a resident voluntarily leaves District employment or is dismissed for cause or poor performance, the rental unit will immediately be increased 9% and then increased a second time to market rate rent as established annually by the County Office of Housing (maximum affordable rent for moderate income persons) as soon as possible as allowed under State laws. The former employee may be allowed to stay in the unit at market rate for a two-month period. At the end of that time, the former employee will be required to vacate the unit.

If a resident is laid off from his/her job or does not achieve tenure; if an adjunct faculty member loses all of his/her load or who is no longer teaching 60% of a full time load (or .52 FTE for science faculty) at the Colleges; or if an employee retires from his/her position, the former employee may be allowed to stay in the unit at the established below market rate for a maximum of 6 months.

A full-time, classified resident who voluntarily reduces his/her hours of work to less than 37.5 hours per week but more than 50% of standard full-time hours, may do so for no longer than six months to maintain eligibility to live in their rental unit. If a full-time, classified resident voluntarily reduces his/her hours of work to less than 50% of standard full-time hours, their rent will be immediately increased 9% and then increased a second time to market rate rent as established annually by the County Office of Housing (maximum affordable rent for moderate income persons) as soon as possible as allowed under State laws. The employee may be allowed to stay in the unit at market rate for a two-month period. At the end of that time, the employee will be required to vacate the unit.

RECOMMENDATION

Staff recommends the Housing Board approve the above policy statement to be incorporated into the eligibility guidelines for residents.

HOUSING BOARD REPORT

PREPARED FOR: Educational Housing Corporation Board of Directors

PREPARED BY: Bernata Slater, Chief Financial Officer – (650) 358-6795
Caryn Kenny, Kenny Realty

MEETING DATE: September 20, 2017

REPORT SUBJECT: Year-End Financial Statements

The year-end financial information for College Vista (Enclosure #04A) and Cañada Vista (Enclosure #04B) are included for review. Also included are overviews of the maintenance reserves balances (Enclosure #04C) and the debt payment balances (Enclosure#04D).

Staff would like to bring to the Housing Board's attention a few notes regarding the year-end financials:

1. Revenues for both College and Cañada Vistas were above budget for FY16/17 due in large part to the rental increase that was effective January 1, 2017.
 - a. The significance of the revenue above budget for College Vista was also a factor of underbudgeting revenue for FY16/17.
2. Expenses for College Vista were under budget, due in part to low turnover among units. Conversely, expenses at Cañada Vista were over budget, due in part to higher than expected turnover of units and due to the ongoing issues relating to construction defects. Additionally, both complexes are experiencing material and appliance quality issues that are resulting in earlier than expected replacements (i.e. water heaters, carpet, etc.).
3. In all, the finances of the Housing program are strong, with healthy reserves and solid transfers to the District for debt repayment.

SMCC Educational Housing Corporation

College Vista

Budget vs Actual for 2016-17

	Budget	Actual	Budget
		2016-17	
	2016-17	(June 30 2017) Year to Date	2017-18
Operation Revenues			
Club House Rental	1,000	1,725.00	1,500
Rent	598,000	641,440.93	644,349
Total Operation Revenues	599,000	643,166	645,849
Operation Expenses			
Property Administration			
Property Management	27,450	27,456.00	27,450
Resident Management Fee	7,200	7,200.00	7,200
Supplies (Club House)	1,000	1,677.74	1,000
Insurance			
General Liability (Club House included)	1,200	1,228.08	1,063
Property Liability	3,000	5,170.92	5,300
Worker Compensation	2,500	2,500.00	2,500
Audit & Accounting	400	2,500.00	1,250
Bank Charges	75	-	30
Legal & Professional	1,000	-	1,000
Office Supplies	200	-	200
Taxes -filing fee	160	80.00	80
Total Property Administration	44,185	47,813	47,073
Service Maintenance			
Appliance Repair/replacement	5,000	3,344.97	5,000
Cleaning	2,500	480.00	1,500
Dryer Vent cleaning (annual)	4,400	-	4,400
Electrical Repair and Supplies	3,000	5,168.32	3,000
Fire Alarm Repairs/Inspections	-	8,682.03	7,118
Flooring Repair/Replacement	15,000	9,232.45	15,000
Garage Door Repair	1,500	1,465.00	2,000
Gutters (cleaning and repair)	1,700	-	1,700
Heating Repair	4,000	582.07	4,000
Maintenance General	5,000	5,177.17	6,000
Painting & Decorating	15,000	6,000.00	15,000
Plumbing Repair	5,000	2,090.52	5,000
Sprinkler inspections/repairs		1,689.95	3,480
Window Washing (annual)	2,800	-	2,950
Total Service Maintenance	64,900	43,912	76,148
Monthly Services			
Fire Alarm System/Monitoring *	14,500	1,149.20	1,200
Garbage	10,900	10,349.67	10,900
Internet/Cable	1,400	510.68	750
Landscape/Gardening	15,000	10,437.00	11,000
Pest Control	1,800	1,402.40	1,356
PG & E	18,400	17,589.96	16,500
Telephone (monitoring)*	-	5,973.48	6,000
Water Grounds & Tenants	21,600	17,106.24	16,800
Total Monthly Services	83,600	64,519	64,506
Total Operation Expenses	192,685	156,244	187,727
Net Operation Profit/(Loss)	406,315	486,922	458,122
Other Financial Uses			
Transfer to District	310,000	416,154	362,000
Transfer to Capital Reserve	95,000	69,473	95,000
Total Other Financial Sources/Uses	405,000	485,627	457,000
Excess of Revenues Over Expenditures and Other Sources	1,315	1,295	1,122
Vacancy Factor (reflected in rents)	(6,000)	(1,081)	(5,355)

SMCC Educational Housing Corporation

Canada Vista

Budget vs Actual for 2016-17

	Budget	Actual	Budget
	2016-17	(June 30 2017) Year to Date	2017-18
Operation Revenues			
Club House Rental	5,000	8,800.00	9,000
Club House Liab. Insurance	2,000		-
Interest	-		-
Rent	891,000	898,240.01	871,831
Total Operation Revenues	898,000	907,040	880,831
Operation Expenses			
Property Administration			
Property Management	37,500	37,440.00	37,500
Resident Management Fee	8,500	8,508.00	8,500
Supplies (Club House)	1,000	2,964.52	1,000
Insurance			
Club House Liability (TULIP)	3,000		-
General Liability	1,400	1,228.00	1,467
Property Liability	3,500	5,899.00	6,046
Workers Compensation	2,500	2,500.00	2,500
Audit & Accounting	400	2,500.00	1,250
Bank Charges	15		30
Legal & Professional	1,000		1,000
Office Supplies	200		200
Tax and License	310	80.00	80
Total Property Administration	59,325	61,120	59,573
Service Maintenance			
Appliance Repair	5,000	8,068.68	8,000
Cleaning	2,500	2,375.00	3,000
Dryer Vent cleaning (annual)	5,950	5,643.00	5,940
Electrical Repair and Supplies	3,000	6,017.00	3,000
Fire Alarm Inspections/Repairs		270.00	6,043
Flooring Replacement/ Repair	15,000	23,819.76	20,000
Garage Door Repair	1,000	550.00	1,000
Gutters Cleaning	-		-
Heating Repair	1,000	799.29	1,200
Maintenance General	10,000	16,933.93	15,000
Painting & Decorating	17,000	22,750.00	17,000
Plumbing Repair	7,500	7,271.00	7,500
Sprinkler Insp/Repairs		2,823.00	1,884
Window Washing (annual)	4,000	3,780.00	3,969
Total Service Maintenance	71,950	101,101	93,536
Monthly Services			
Garbage	22,300	20,791.48	22,300
Internet/Cable	550	554.76	600
Landscape/Gardening	15,000	12,155.91	12,360
Pest Control	4,400	2,280.78	2,343
PG & E	18,200	15,418.51	17,000
Telephone *	-	4,168.66	4,200
Fire Alarm System/Monitoring *	14,500	3,341.36	1,200
Water Grounds and Clubhouse	7,000	5,310.07	2,799
Water reimb. to tenants	-	-	-
Total Monthly Services	81,950	64,022	62,802
Total Operation Expenses	213,225	226,242	215,911
Net Operation Profit/(Loss)	684,775	680,798	664,920
Other Financial Uses			
Transfer to District	563,000	533,047	588,000
Transfer to LT Capital Reserve	120,000	144,858	76,920
Total Other Financial Sources/Uses	683,000	677,905	664,920
Excess of Revenues Over Expenditures and Other Sources	1,775	2,893	(0)
Vacancy Factor (reflected in rents)	(3,000)	(6,435)	(12,495)

HOUSING BOARD REPORT

PREPARED FOR: Educational Housing Corporation Board of Directors

PREPARED BY: Bernata Slater, CFO – (650) 358-6795

MEETING DATE: September 20, 2017

REPORT SUBJECT: Update on Maintenance Reserve Expenditures & Balances

As part of the planning process, the Housing Corporation Board reviews its long-term maintenance reserves each year to ensure that sufficient funds are set aside for projected future expenses according to the Reserve Study conducted every three years. The Reserve Study is a comprehensive report of any needed repairs, restoration, maintenance or replacement that are likely to occur within the next 30 years. This includes major capital items such as roofing, asphalt, irrigation, unit interiors (e.g. kitchen cabinets and countertops), water heaters, etc. that will need to be replaced over the next 20-40 years.

The last Reserve Studies were completed by Trower in June 2014 for College Vista and Cañada Vista, and they remain in effect through December 2017. Data below reflect estimates based on Trower Reserve Study in effect through December 2017. The Housing Corporation is in the process of finalizing a new reserve study for College Vista. Our Quarter-end report data in September 2017 will be adjusted to reflect new recommendations based on the new Trower study. Due to the ongoing construction issues Cañada Vista, that complex has not been included in the Trower reserve study; a new study for Cañada Vista will be prepared when all construction repairs have been completed.

Table 1 below shows the Transfers recommended by Trower over the past three years and projection through 2018/19 fiscal year:

Table 1 – Trower Recommended Annual Transfers to Reserve Fund

Fiscal Year	College Vista	Cañada Vista	Notes
2014-15	\$60,000	\$68,000	
2015-16	\$60,600	\$68,680	
2016-17	\$61,206	\$69,367	
2017-18	\$61,818	\$70,060	<i>Amount will be adjusted when new Trower study is finalized</i>
2018-19	\$62,436	\$70,761	<i>Amount will be adjusted when new Trower study is finalized</i>

Through its budget approval process, the Housing Corporation Board has regularly transferred funds that are not expended during the year from the College Vista and Canada Vista budget to these reserve funds.

Tables 2 and 3 shows the actual transfers and expenses for each account for the past three years:

Table 2 – College Vista Capital Maintenance Reserve Fund Transfers and Expenses

College Vista	Transfers In	Spent	Balance	Notes
	(\$)	(\$)	\$245,000	
2013/14	33,000	(120,378)	157,622	Exterior painting, heating, parking lot
2014/15	56,000		213,622	
2015/16	67,000	(16,067)	264,555	Valve, water heater, appliance & installation
2016/17	69,473	(14,716)	319,312	Alarm repairs, tub shower enclosure
	225,473	(151,161)	319,312	

Table 3 – Cañada Vista Capital Maintenance Reserve Fund Transfers and Expenses

Cañada Vista	Transfers In	Spent	Balance	Notes
	(\$)	(\$)	154,257	
2013/14	47,500	(19,965)	181,792	Painting
2014/15	135,000		316,792	
2015/16	120,000	(71,043)	365,749	Water damage, shutoff valve
2016/17	144,858	(16,550)	494,057	2 Water heaters
	447,358	(107,558)	494,057	

Table 4 below shows the recommended funding for year-end reserve balance per the Trower Reserve Studies and the actual capital maintenance reserve fund balance:

Table 4 – Recommended Funding and Actual Reserve Balance for 2016/2017

Location	Recommended Funding for Year-End Reserve Balance (2016-2017)	Actual/Projected Capital Maintenance Reserve Fund Balance (as of 6/30/17)
College Vista	\$319,312	\$319,312
Cañada Vista	\$331,635	\$494,057

HOUSING BOARD REPORT

PREPARED FOR: Educational Housing Corporation Board of Directors

PREPARED BY: Bernata Slater, CFO – (650) 358-6795

MEETING DATE: September 20, 2017

REPORT SUBJECT: Debt Schedule

As an update to the Housing Board, the table below details the debt and repayment balances for both housing complexes. After 12 years, College Vista is more than half “paid off” and after 6 years, Cañada Vista is nearly 30 percent “paid off”.

Table 1. Debt and Repayment Balances for College Vista and Cañada Vista

Location	Debts (\$)	Payoff (\$)	Balance (\$)	Notes
College Vista	9,341,000.00	4,724,309.11	4,616,690.89	<i>50.58% paid off</i>
Cañada Vista	14,882,000.00	4,321,098.31	10,560,901.69	<i>29.04% paid off</i>

HOUSING BOARD REPORT

PREPARED FOR: Educational Housing Corporation Board of Directors

PREPARED BY: Mitchell Bailey, Chief of Staff – (650) 574-6510

MEETING DATE: September 20, 2017

REPORT SUBJECT: Expected/Planned Resident Turn-over

The maximum term of residency for tenants of SMCCCD employee housing is seven (7) years (with the exception of a class of residents who have a nine (9) year term). Not all residents utilize all seven years of their eligibility, yet many do.

Based on when residents moved in to the Vistas, staff is able to determine the expected turnover rates should residents complete their entire occupancy eligibility. Below is a summary of expected turnover at College Vista and Cañada Vista through 2020. This timeframe is also important to keep in context because in 2020 the District expects to open 30 additional units at Skyline College.

Table 1. Expected/Planned Resident Turn-over by Year

	College Vista	Cañada Vista	Skyline (Vista)	TOTAL
2017	3	3	--	6
2018	2	0	--	2
2019	7	18	--	25
2020	7	15	30	52

In the coming months, staff will be evaluating the potential impacts of the high turnover rate in 2019 and the extraordinary rate in 2020 (due to the addition of Skyline units) to determine what additional resources may be required and what policy recommendations the Housing Board may be asked to consider.