

**San Mateo County Colleges
Educational Housing Corporation
Regular Meeting
September 22, 2016**

**Closed Session at 3:00 P.M.; Open Session to Follow Closed Session
District Office Board Room, 3401 CSM Drive, San Mateo, CA 94402**

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.

Call to Order

Announcement of Closed Session Items for Discussion:

Conference with Legal Counsel Regarding One Case of Pending Litigation: San Mateo Community College District vs. Segue Construction Co., Case # CIV534343

Public Comments on Closed Session Items Only

Recess to Closed Session

Reconvene to Open Session

Call To Order

Announcement of Reportable Action Taken in Closed Session

Approve Minutes from May 9, 2016 meeting

Public Comments on Non-Agenda Items

New Business

1. Approve Management Agreement with Kenny Realty
2. Approve Resident Manager Agreements
3. Approve Apartment Pricing Guidelines and Rent Increase for Canada Vista and College Vista
4. Discuss Future Proposal to Extend Occupancy Limit for Residents
5. Approve First Time Home Buyer Definition and Other Changes in the 2016 Allocation Guidelines
6. Receive Update on Maintenance Reserve Expenditures and Balances
7. Receive Update on Skyline College Housing Development Project
8. Board Members' Comments or Requests for Future Agenda Items
9. Next Meeting



**Educational Housing Corporation Board Meeting
May 9, 2016
College Vista Clubhouse
Minutes**

Attendees:	Absent:
Peggy Berlese	Annette Perot
Dennis McBride, President	Karen Schwarz
Art Michael, Vice President	
Kathy Blackwood	Other Attendees:
Kate Browne	Ray Chow
Maurice Goodman	Caryn Kenny
Ron Granville	Mike Kenny
	Gohar Momjian
	Ana Mozzetti
	Ginny Brooks

Call to Order

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

Public Comments

None

Approval of Minutes from the February 23, 2016 Meeting

A motion was made by Mr. McBride and seconded by Ms. Browne to approve the minutes of the February 23, 2016 meeting. Mr. McBride asked the minutes be amended to show that he abstained from voting for the election of a new President. Ms. Berlese noted an issue with sentence structure on page 4 and Ms. Momjian said this will be corrected. With these corrections, the motion to approve the minutes passed, with all members voting Aye.

Review of 2015/16 Budget/March 31 Actuals for College Vista and Cañada Vista

Mr. Granville asked why Operation Revenues are projected to increase for College Vista and decrease for Cañada Vista. It was explained that the revenue from rents at Cañada Vista was overstated in the 2015-16 budget due to periods of vacancy while units were turned over. Mr. Granville said it would be helpful for the Board to see the tracking of vacancies.

Mr. Granville asked if rents are increased at the end of tenants' leases. Ms. Momjian said rents are increased only when new occupants move in. Mr. Granville said the Board might look into this issue in terms of making sure that rents are sufficient to keep expenses covered. Ms. Blackwood suggested, and the

Board agreed, to discuss this issue at a future meeting. Ms. Blackwood said she will ask Barbara Christensen how the base rents were originally determined.

Approval of 2016-17 Budgets for College Vista and Canada Vista

Ms. Momjian discussed the fire alarm systems. She said the systems are comprised of multiple components which require quarterly and/or annual inspections to certify their proper function. Currently at both College Vista and Cañada Vista, multiple vendors collectively service the systems. Proposals have been received from two companies, Tyco/ADT and Siemens. Tyco/ADT proposes to be responsible for everything from the daily monitoring to the fire alarm testing. Siemens would take over the monitoring and a portion of the inspections but their estimate does not include all of the service components which collectively would be higher than TYCO/ADT's proposal. The Tyco/ADT proposed cost is slightly higher than the current cost using multiple vendors. However, not all required inspections have been done on time and a cost for correcting this deficiency would need to be added in. In addition, it was noted that the current alarm system uses multiple AT&T landlines to connect to the monitoring station and the expenses are approximately \$3,800 per year. Staff is recommending that this existing system to converted to a wireless system, eliminating the expenditure to the monthly AT&T bills. The initial conversion, programming and material would result in a one-time charge of approximately \$3,500. During discussion, the Board agreed that it would be advantageous to have all of the services provided by one vendor and to convert the current alarm systems to wireless systems.

Ms. Momjian said the cost of appliances was previously listed under Appliance Repair but should be listed under Appliance Replacement because there is money in the reserve for this purpose. In response to questions about the maintenance reserve, Ms. Momjian said a report will be provided at the next meeting.

It was moved by Ms. Blackwood and seconded by Ms. Berlese to approve the 2016-17 budget for College Vista, including converting to Tyco/ADT for the alarm system, as well as converting to a wireless system. The motion carried, all members voting Aye.

It was moved by Ms. Blackwood and seconded by Ms. Berlese to approve the 2016-17 budget for Cañada Vista, including converting to Tyco/ADT for the alarm system, as well as converting to a wireless system. The motion carried, all members voting Aye.

Review Housing Occupancy and Waitlist Statistics

Ms. Momjian reviewed the number of current residents, wait list employees and expected vacancies. Currently, 65% of residents are classified staff, 31% are full-time faculty, 11% are adjunct faculty and 2% are administrators. The wait list consists of 67% classified staff, 10% full-time faculty, 20% adjunct faculty and 3% administrators. Based on the age of current employees, employee turnover is expected to grow in the coming years. It is expected that the number of housing units available will increase substantially beginning in 2019.

Approve Amended Housing Allocation Guidelines

Ms. Momjian discussed the proposed changes for the 2016 Allocation Guidelines, which take into account the Board's comments and suggestions at February 23, 2016 meeting as well as the occupancy and waitlist statistics noted above. The recommended Allocation Guidelines include:

- 45% of the units will be set aside for faculty and 55% for classified staff.
- Full-time faculty and full-time staff will be given first priority. Adjunct faculty who maintain the load specified in the recommendation will be given second priority.

- Employees will be offered units based on (1) priority category and (2) length of time on the wait list.
- The occupancy term, as determined by the Board, is seven years for most residents. Administrators at the dean level or lower will be allowed to stay for four years only. It was noted that some administrators are faculty and some are classified employees. There was discussion about whether administrators should make up a third category in terms of allotting units. It was agreed to leave the categories as they are as long it does not prevent administrators from being allotted units.
- Employees who own a home outside the Bay Area and are coming from out of the area to take a job in the District will be allowed to rent at below market rates for 18 months. Ms. Blackwood said staff believes this is a reasonable amount of time because potential homebuyers often go through many offers before having one accepted.

The Board discussed the definition of First Time Home Buyers for purposes of the housing program, specifically those who haven't owned a home in the past three years and received less than \$15,000 in equity when they sold their home; those who divorced or separated in the past three years and vacated a primary residence and received less than \$15,000 in equity from the sale; and those who lost their home through a short sale or foreclosure and received less than \$15,000 in equity from the sale. The Board agreed that \$15,000 is not an appropriate figure in today's market. It was moved by Mr. Michael and seconded by Ms. Berlese to increase the amount to \$75,000. The motion carried, all members voting Aye.

With the change noted above, it was moved by Ms. Blackwood and seconded by Ms. Berlese to approve the amended 2016 Housing Allocation Guidelines. The motion carried, all members voting Aye.

Review Information on Payoff of Housing Debt

Ms. Momjian reviewed the debts, payoff and balance for College Vista and Cañada Vista, along with the capital reserve balance for each. Mr. Granville suggested that the anticipated payoff date be included on future reports. In response to a question from Ms. Berlese, Ms. Blackwood said money that is transferred back to the District goes into the unrestricted general fund to be used in any way the District sees fit.

Cañada Vista Water Leak Investigation

The Board was updated on the status of the investigation and discussed alternatives.

Board Members' Comments or Requests for Future Agenda Items

None

Next Meeting

Ms. Momjian said staff will email the Housing Board to determine the best date for the next meeting.

Adjournment

The meeting was adjourned by consensus at 4:25 p.m.

**MANAGEMENT AGREEMENT BETWEEN GORDON KENNY REALTY
AND SAN MATEO COUNTY COLLEGES EDUCATIONAL HOUSING CORPORATION**

ARTICLE 1 - PARTIES

The San Mateo County Colleges Educational Housing Corporation, hereinafter referred to as "Corporation", and Gordon Kenny Realty, a California Corporation, hereinafter referred to as "Manager", in consideration of the mutual promises herein contained, agree as follows:

ARTICLE 2 - PROFESSIONAL MANAGEMENT STANDARDS

Section 2.01 Job Description

Manager shall act as Corporation's agent to manage, operate, maintain, lease, and rent the property described as: a 44 unit apartment complex, located at 3403 and 3405 CSM Drive, San Mateo, CA 94402 and a 60 unit apartment project, located at 1 and 2 Olive Court, Redwood City, CA 94061 hereinafter referred to as the "Properties".

Section 2.02 Professional Management Standards

Manager shall exert its best efforts to furnish the services of its organization, and shall exercise the highest degree of professional competence in managing the property so as to provide Corporation with the maximum economic return consistent with proper management.

Section 2.03 Standards

Manager shall, notwithstanding the authority granted herein, confer fully and freely with Corporation in the performance of its duties, and shall remain informed regarding the Property. To this end, the Manager shall report at each Corporation meeting on the significant activities since the previous meeting.

ARTICLE 3 - LEASING OF PROPERTY

Section 3.01 Obligation to Lease

Manager agrees to work with Corporation to screen and process tenants from the Corporation's waiting list. Should there be no one on the waiting list, Manager agrees to use its best efforts, utilizing the full range of services and facilities of its organization, to obtain tenants in accordance with occupancy eligibility guidelines for presently vacant space within the Property, or space which may become vacant during the term of this Agreement.

Section 3.02 Leasing Standards

Manager shall not negotiate any lease without specifically conditioning the right of the lessee to sublease or assign only upon the written consent of Corporation. Manager shall negotiate all leases on forms approved by Corporation. Without Corporation's written consent, Manager shall not negotiate a lease at a rate and under terms and conditions varying from the schedule approved by Corporation. Manager and its agents shall not decline to rent any property covered by this Agreement to a prospective tenant because of his or her race, color, creed or national origin. Manager shall lease in accordance with occupancy eligibility guidelines.

Manager shall, prior to the execution of any lease, conduct such investigations of the financial responsibility, moral character, and general reputation of prospective tenants as is necessary and reasonable to protect Corporation against financial loss and for the protection of the physical property and reputation of property. Manager may obtain credit reports as to prospective tenants, and the cost thereof will be borne by the prospective tenant. No property shall be rented for other than residential use by the lessee or the lessee's immediate family.

Section 3.03 Action Authorized with Respect to Leases

Corporation authorizes Manager to negotiate or execute all leases, rental agreements, renewals, and cancellations on the terms herein stated. Manager may also serve notice on any tenant to quit a property when the Manager deems such notice necessary and is authorized to institute such actions or other proceedings as may be deemed advisable in Manager's or Corporation's name in order to oust tenants, recover rent, charges or other sums payable to Corporation. Manager shall discontinue any such action or proceeding upon advice of counsel or Corporation.

Section 3.04 Tenant's Programs

Manager shall maintain businesslike relations with tenants who place service requests. After thorough investigation, Manager shall report problems of a serious nature to the Corporation with appropriate recommendations, with three or more bids or proposals.

ARTICLE 4 - OPERATION AND MAINTENANCE

Section 4.01 Insurance Coverage

The San Mateo County Community College District ("District") shall cause to be placed and kept in force all forms of insurance needed to adequately protect Corporation and District and as required by law, including, where appropriate, but not limited to, workers' compensation insurance, public liability insurance, boiler insurance, fire and extended coverage insurance, and burglary and theft insurance. All of the various types of insurance coverages required for the benefit of Corporation and District shall be placed with the company or companies whose quotes have been accepted by District, in such amounts, and with such beneficial interests appearing therein as will be acceptable to District; provided however, that Manager shall be named as co-insured in all policies related to public liability insurance.

Manager will promptly investigate and make a full written report as to all accidents or claims for damage relating to the ownership, operation, and maintenance of the property including any damage or destruction to the property, the estimated cost of repair, and shall cooperate and make any and all reports required by any insurance company in connection therein.

Section 4.02 Legal Services

Manager shall refer matters requiring legal services to qualified professionals approved by Corporation. Fees for such services are to be considered as an operating expense of the property.

Section 4.03 Employees

Manager shall hire, discharge and supervise, on behalf of Corporation, all labor and employees necessary to properly maintain and operate the Property. All employees of the Manager and labor hired by Manager shall be supervised by Manager. Compensation of Manager's employees will be paid by Manager; compensation of labor hired by manager shall be billed to the Property as an expense of the Property. .

Section 4.04 Maintenance and Repairs

- a) Manager shall cause the Property, and its appurtenances and grounds, to be maintained according to standards acceptable to Corporation, including, but not limited to, interior and exterior cleaning, painting, decorating, plumbing, heating and ventilating systems, carpentry and such other normal maintenance and repair work as may be necessary.
- b) In fulfillment of its duties under (a) of this section, Manager shall purchase such supplies, equipment and services as are necessary for the operation and maintenance of the Property; provided, however, that no disbursement for this purpose shall be made in excess of \$1,500 unless specifically

authorized by the Executive Vice Chancellor of the District or the Corporation Board except that emergency repairs, involving manifest danger to life or property, or immediately necessary for the preservation and safety of the Property, or for the safety of its tenants, or required to avoid the suspension of any necessary service to the Property, may be made by the Manager irrespective of the cost limitation imposed by this section. Notwithstanding this authority as to emergency repairs, it is understood and agreed that Manager will, if at all possible, confer with Corporation officers or representatives regarding every such expenditure before proceeding.

Section 4.05 Services and Utilities

Manager shall contract on favorable terms, quality and service considered, in its name or in the name of Corporation for all services and utilities necessary for the efficient operation and maintenance of the Property, including but not limited to, water, electricity, gas, fuel, telephone, vermin extermination, rubbish hauling, and other services necessary for the maintenance of the Property; provided, however, that Manager shall not enter into any contract not terminable on thirty (30) days notice on behalf of Corporation without prior written approval of Corporation.

Section 4.06 Compliance with Governmental Regulations

Manager shall take such action as may be necessary to comply promptly with any and all orders or requirements affecting the Property placed thereon by federal, state, county, municipal or District authority having jurisdiction there over, subject to the same limitation contained in Section 4.04(b) regarding maximum amounts which may be disbursed without Corporation's written consent. Manager, however, shall not take any action under this section so long as Corporation is contesting, or has, after prompt notification of the facts by Manager, affirmed its intention to contest any such order or requirements. Manager shall promptly, and in no event later than seventy-two (72) hours from the time of their receipt, notify Corporation in writing of all such orders and notices of requirements.

ARTICLE 5 - COLLECTION AND DISBURSEMENT OF REVENUES

Section 5.01 Collection of Rent

Rents shall be collected by payroll deduction for the San Mateo County Community College District. Manager shall be responsible for collection of rents only for non-District employees; employees on leave or employees on a ten month pay schedule.

Section 5.02 Operating Funds

Corporation shall establish and maintain, in a bank whose deposits are insured by the Federal Deposit Insurance Corporation, a trust account for the benefit of the Corporation for the deposit of the monies collected from the Property. This account shall be known as the San Mateo Colleges Educational Housing Corporation, Inc. - Trust Account.

District shall disburse to Manager monthly an amount sufficient to pay for any liabilities or obligations incurred pursuant to this Agreement and for the payment of Manager's fee, all of which payments shall be subject to the limitations of this Agreement. In the event that the balance of the operating funds is at any time insufficient to pay disbursements due and payable under this agreement, upon notice, District shall remit to Manager sufficient funds to cover the deficiency. In no event shall Manager be required to advance any monies to District or Corporation to cover expenses of the Property..

Section 5.03 Security Deposits

Manager shall maintain and account for tenant security deposits in accordance with applicable state and local laws.

Section 5.04 Authorized Expenditures

From the funds collected and deposited with Gordon Kenny Realty, Inc for operating funds, Manager shall cause to be disbursed regularly and punctually all expenses authorized in other sections of this Agreement. In addition, Manager shall cause to be disbursed punctually landscaping fees, water and sewer charges, and all other expenses, charges, licenses, taxes or assessments of every nature with respect to the Property.

Section 5.05 Controls on Disbursements

Manager shall organize and maintain a system of controls designed to insure the authenticity of bills paid and the fairness of the price charged. In furtherance of this goal, Manager shall authorize all purchasing and hiring of services only by supervisory personnel at Manager's office. Corporation or District may choose to submit to Manager a list of suppliers and servicemen from whom Manager must order goods and services for the property.

ARTICLE 6 - FINANCIAL RECORDS AND REPORTS

Section 6.01 Records

Manager shall keep accurate, complete and separate records in accordance with general accepted accounting principles and any requirements established by District, showing income and expenditures in connection with the operation of the Property, to the end that any accounts payable, other obligations, cash, accounts receivable and other assets pertaining thereto can be identified and the amount determined at all times. Corporation shall have the right at any reasonable time, through his representatives or in person, to inspect any record of Manager which in his opinion may verify the financial or monthly reports, including, but not limited to all checks, bills, vouchers, statements, cash receipts, correspondence and all other records in connection with the management of the Property. Corporation shall further have the right to cause an audit, at Corporation's expense, to be made of all account books and records connected with the management of the Property.

Section 6.02 Monthly and Annual Statements

Manager shall prepare a monthly statement showing in detail all receipts and disbursements for the previous month, itemizing all delinquent accounts and vacant space, and an annual statement summarizing receipts and disbursements of the preceding calendar year or portion thereof.

Section 6.03 Reports

Manager agrees to prepare on behalf of Corporation:

- a) All payroll forms and reports concerning Property employees;
- b) Business and tax forms;
- c) All other forms required for the daily operation of the Property.

Any individual income tax forms are the responsibility of Corporation, except that the records and reports furnished Corporation by Manager shall be sufficient for these purposes.

ARTICLE 7 - COMPENSATION

Section 7.01 Fees

For services rendered pursuant to this Agreement, Corporation shall pay Manager a fee of \$47 per occupied unit per month. These fees may be adjusted by mutual consent of the Parties.

Manager may also charge a one time leasing fee of \$25 per unit for the initial lease preparation, screening, and signings for the first set of tenants of each unit. After the initial tenants move in, Manager shall not be entitled to any further leasing fees.

Section 7.02 Limitations on Compensation

a) Manager's Office Overhead. The disbursements authorized by this Agreement as expenses of the Property and of Corporation shall not include any payments in the reimbursement of Manager's office overhead.

b) Rebates, Discounts and Commissions. Except as otherwise herein expressly provided, Manager shall not collect or charge any undisclosed fee, rebate, discount or commission relating to the operation of and purchasing of supplies and services for the Property without crediting same to the account of the Corporation.

ARTICLE 8 - TERMINATION

Section 8.01 Basic Period

This Agreement shall become effective as of September 22, 2016 and shall continue until November 30, 2017.

Section 8.02 Renewals

Unless written notice from either party is received thirty (30) days before the expiration of the Agreement, this Agreement shall be renewed for another one year period, and the same notice and renewal terms shall apply to each renewed period; provided, however, that no such renewal may cause the term of this agreement to extend beyond November 30, 2018.

Section 8.03 Early Termination

Either party to this Agreement may give thirty (30) days written notice of decision to so terminate this Agreement for convenience.

Section 8.04 Bankruptcy

In the event a petition in bankruptcy proceeding is filed by either Corporation or Manager, or against either Corporation or Manager and not settled within ninety (90) days, or in the event that either shall make an assignment for the benefit of creditors or take advantage of any insolvency act, either party hereto may terminate this Agreement, effective as of the date of notice.

Section 8.05 Consequences of Termination

Upon termination of this Agreement, it is agreed:

a) That all of the records in the possession of Manager pertaining to the operation of the Property, together with any other property of Corporation in Manager's possession, shall be immediately delivered to Corporation.

b) That Manager's right to compensation shall immediately cease, except for any amount payable hereunder before the date of termination.

c) That the agency created hereby shall immediately cease, and Manager shall have no further right to act for Corporation.

Section 8.06 Notice

All notices required under this or any article of this Agreement shall be in writing and delivered either 1) by first class mail, postage prepaid; (2) by personal delivery; or (3) via facsimile (fax) transmission. Notice shall be deemed communicated as of deposit in the United States Mail, or upon personal delivery, or upon fax

transmission respectively. The place to which notices shall be addressed to each party appears after the signatures below; provided, however, that each party may change his address by notice in accordance with this section.

ARTICLE 9 - INDEMNIFICATION

Section 9.01 Indemnification of Manager

Corporation agrees to indemnify and defend Manager against and hold Manager harmless from any claims for bodily injury or property damage occurring in or about the Property, except for claims arising from acts or omissions of Manager or its employees which are outside the scope of Manager's authority under this Agreement, or which are due to Manager's breach of this Agreement, or which involve the negligence or willful misconduct of manager or its employees or agents. Corporation agrees to carry at Corporation's expense adequate public liability insurance. Corporation's obligation to so indemnify, defend and hold Manager harmless is on the condition that, as to any particular event:

- a) Manager shall notify Corporation in writing as soon as practicable after notice of a claim is received; and
- b) Manager shall take no steps (such as admission of liability) that will prejudice the defense or otherwise prevent Corporation from protecting itself.

Section 9.02 Indemnification of Corporation

Manager hereby agrees to indemnify and defend Corporation and District against and hold Corporation and District harmless from any and all claims, demands, causes of action, damages, loss cost or expense arising from or in any way connected with the acts or omissions of Manager or its employees or agents which arise from matters outside the scope of Manager's authority under this Agreement, which are due to Manager's breach of this Agreement, or which involve negligence or willful misconduct of Manager or its employees or agents.

ARTICLE 10 - GENERAL PROVISIONS

Section 10.01 Attorney Fees

If any legal action, arbitration or other proceeding is commenced to enforce or interpret any provision of this Agreement, the prevailing party shall be entitled to an award of its actual expenses including, without limitation, expert witness fees and attorneys' fees and disbursements. The phrase "prevailing party" shall mean the party who obtains substantially the relief desired, whether by dismissal, default, summary judgment, settlement or otherwise.

Section 10.02 Captions

Paragraphs, titles or captions in no way define, limit, extend or describe the scope of this Agreement nor the intent of any of its provisions.

Section 10.03 Choice of Law and Choice of Venue

This Agreement shall be interpreted in accordance with California law. The venue shall be San Mateo County.

Section 10.04 Interpretation

As used herein, the masculine includes the feminine and neuter, and the singular includes the plural.

Section 10.05 Successors

This Agreement shall bind and inure to the benefit of the transferees, assignees, executors, devisees, guardians and other successors in interest of the parties, subject to the provisions of paragraph 10.06 below.

Section 10.06 Assignment

Neither party may assign its rights or delegate its obligations hereunder without the prior written consent of the other party, and any such assignment or delegation without the other party's prior consent shall be void and of no effect.

ARTICLE 11 - EXECUTION

Executed on the _____ day of _____, _____ in the City of South San Francisco, State of California.

Manager

Gordon Kenny Realty, Inc.
100 Arroyo Drive
South San Francisco CA 94080

By: _____
Michael Kenny, President

Executed on the _____ day of _____, _____, in the City of San Mateo, State of California

Corporation

San Mateo County Colleges Educational Housing Corporation
3401 CSM Drive
San Mateo CA 94402

By: _____
Kathy Blackwood
Executive Vice Chancellor
San Mateo County Community College District
Director and Treasurer, Educational Housing Corporation Board

Resident Manager Agreement

This agreement ("Agreement") is between the San Mateo Colleges Educational Housing Corporation, ("Employer") and Tony Burrola and Anita Burrola ("Resident Managers").

Employer retains your services to act as a Resident Managers for Canada Vista – 1-3 Olive Court, Redwood City, California ("Subject Property"). The duties and compensation are described as follows:

1. Effective Date. This Agreement is effective as of January 1, 2017 (date of inception of the Agreement), and supersedes any prior agreements whether oral or written pertaining to the terms of your employment.
2. Duties. It is understood that you will perform the duties of a Resident Apartment Manager for the Subject Property, which are set forth in Schedule A. Resident Managers acknowledge that the Employer strictly complies with all laws regarding fair employment and housing, and Resident Managers agree that they will not discriminate or otherwise violate fair housing laws.
3. On Duty Agreement. Because Employees lives on-site, Employees know and understands that their work is mostly unsupervised. Resident Managers acknowledge that they are not "working" all the time as Resident Managers on the premises, because Resident Managers may engage in normal private pursuits such as eating, sleeping, resting, entertaining, etc., during those periods when they are free of duties. Resident Managers acknowledge and agree that they are compensated only for that time actually spent carrying out assigned duties. After analyzing Schedule A, Resident Managers and Employer agree that 10 hours per week is a reasonable estimate of the total hours required to accomplish the duties assigned to Resident Managers work each week, taking into consideration normal work weeks, emergency situations, and unusually busy work weeks. Resident Managers further acknowledge and agree that except in case of emergency, they are not authorized or permitted to work more 3.5 hours in a day, or 10 hours in a week, without advance approval from the Employer. Nor are Resident Managers authorized to work more than six days in a row. Measured by a week beginning on Monday, any hours worked more than 10 in a week or 3.5 in a day must be reported to the Employer in writing, within 24 hours.
4. Compensation. The Resident Managers will be compensated at the rate of \$17.73 per hour, which assuming the weekly hours worked as described above, provides an expected monthly income of \$709 per month.
5. Time Keeping. The Resident Managers are required to keep a log of all hours worked per day, or fraction thereof, and to provide a signed version of the log to the Employer once a month under timing as dictated by the Employer. Employees are paid once a month. Resident Managers agree that all hours worked will be recorded on the log, and that they are never to work "off the clock." The log must accurately reflect the time and duration of each meal period taken on days in which, for some reason, the hours worked exceed five hours in a day. Resident Managers also

agree that if the sleeping period is interrupted by a call to duty, the interruption will be counted as hours worked.

6. Overtime. The Resident Managers are not authorized or permitted to work hours in excess of eight hours in any given day or forty hours in any given week. Nor are the Resident Managers authorized or permitted to work more than six days in a row, except in the event of an emergency or the written permission of the Employer. The only exception to this provision against overtime work (hours in excess of eight in a day or forty in a week) is in the event of the express written permission of the Employer in advance of the work being undertaken. Regardless, Resident Managers are to accurately record all hours worked. The expected time worked is 10 hours per week.

7. Meal and Rest Breaks. In the unlikely event the Resident Managers works more than five hours in a day, they are authorized and permitted to take a 30 minute, uninterrupted meal period before the end of the fifth hour, in which they are relieved of all duties and allowed to leave the premises. The meal period is not hours worked, and is to be recorded as taken in the time log, but not compensated. The time and duration of the meal period should be recorded on the time keeping log. In the unlikely event that the Resident Managers work more than 3.5 hours in a day, they are authorized and permitted to take a ten minute rest period for each four hour or major fraction thereof, preferably in the middle of the four hour segment. In the unlikely event the Resident Managers work more than six hours in a day, they are authorized and permitted to take a second rest break of ten minutes duration. Rest breaks on part of hours worked, and compensated.

8. Term of Employment. The term of employment under this Agreement is “at will,” meaning that either the Employer or the Resident Managers may end the term of employment with or without cause. In the event that the Resident Managers choose to end the term of employment, they shall provide the Employment with fourteen (14) days of notice.

9. Residency and Employment Conditions. This Agreement is expressly conditioned upon your residence at the Subject Property, which is a requirement of your employment as Resident Managers. Your residence at the Subject Property is documented by a separate rental agreement, which in turn is conditioned upon your continued employment with the San Mateo Community College District. In the event you are no longer eligible to reside at the Subject Premises, pursuant to the terms of your rental agreement, your employment as Resident Managers shall cease immediately.

10. Complete Agreement. This contract is the final and complete agreement between the Resident Manager and Employer regarding the terms and conditions of their employment, and supersedes any prior or contemporaneous agreements, whether written or oral. The terms of this Agreement may not be altered or modified, except by a written agreement signed by the Employer.

So agreed, effective this ____ day of _____ (month/year)

Resident Managers

San Mateo County Colleges Educational Housing Corporation (“Employer”)

Tony Burrola

Name:
Title:

Anita Burrola

SCHEDULE A

Resident Manager Agreement – Schedule A

Resident Manager agrees to do the following:

- 1) Show rental units to prospective tenants; open units for new residents moving in
- 2) Perform daily inspections of the structure, grounds (with special attention to the garbage area), parking lots, and vacant units of the property for cleanliness and needed repairs. This includes picking up trash and emptying dog waste stations.
- 3) Conduct requested minor maintenance and repairs as approved by Kenny Realty. Materials to be purchased need to be approved through Kenny Realty prior to purchase.
- 4) Notify Kenny Realty immediately of any potential hazards to the tenants or to the property. Should an emergency situation arise placing tenants or the property in jeopardy or danger, the resident manager may take immediate action without authority from Kenny Realty.
- 5) Conduct no other business on the premises nor solicit the tenants for any business other than the rental of the property.
- 6) Change the front door wreaths of the clubhouse each season.
- 7) Open clubhouse for rentals and close clubhouse after events.
- 8) Inspect clubhouse for damage, missing items, cleanliness, as well as correct position of decorations and furniture. Ensure that clubhouse cleaning supplies and paper good, as well as other facility supplies, are well stocked at all times and to purchase supplies as needed. Provide unit access as needed for outside contract work.
- 9) Annually accompany Kenny Realty representatives for inspection of all units (sprinklers, condition of unit, etc.)

Resident Manager Agreement

This agreement ("Agreement") is between the San Mateo Colleges Educational Housing Corporation, ("Employer") and Carina Warne ("Resident Manager").

Employer retains your services to act as a Resident Manager for College Vista 3403 and 3405 CSM Drive, San Mateo, California ("Subject Property"). The duties and compensation are described as follows:

1. Effective Date. This Agreement is effective as of January 1, 2017 (date of inception of the Agreement), and supersedes any prior agreements whether oral or written pertaining to the terms of your employment.
2. Duties. It is understood that you will perform the duties of a Resident Apartment Manager for the Subject Property, which are set forth in Schedule A. Resident Manager acknowledges that the Employer strictly complies with all laws regarding fair employment and housing, and Resident Manager agrees that he/she will not discriminate or otherwise violate fair housing laws.
3. On Duty Agreement. Because Employee lives on-site, Employee knows and understands that his/her work is mostly unsupervised. Resident Manager acknowledges that he/she is not "working" all the time Resident Manager is on the premises, because Resident Manager may engage in normal private pursuits such as eating, sleeping, resting, entertaining, etc., during those periods when he/she is free of duties. Resident Manager acknowledges and agrees that he/she is compensated only for that time actually spent carrying out assigned duties. After analyzing Schedule A, Resident Manager and Employer agree that 10 hours per week is a reasonable estimate of the total hours required to accomplish the duties assigned to Resident Manager will work each week, taking into consideration normal work weeks, emergency situations, and unusually busy work weeks. Resident Manager further acknowledges and agrees that except in case of emergency, he/she is not authorized or permitted to work more 3.5 hours in a day, or 10 hours in a week, without advance approval from Employer. Nor is Resident Manager authorized to work more than six days in a row. Measured by a week beginning on Monday, any hours worked more than 10 in a week or 3.5 in a day must be reported to the Employer in writing, within 24 hours.
4. Compensation. The Resident Manager will be compensated at the rate of \$15.00 per hour, which assuming the weekly hours worked as described above, provides an expected monthly income of \$600 per month.
5. Time Keeping. The Resident Manager is required to keep a log of all hours worked per day, or fraction thereof, and to provide a signed version of the log to the Employer once a month under timing as dictated by the Employer. Employees are paid once a month. Resident Manager agrees that all hours worked will be recorded on the log, and that he/she is never to work "off the clock." The log must accurately reflect the time and duration of each meal period taken on

days in which, for some reason, the hours worked exceed five hours in a day. Resident Manager also agrees that if the sleeping period is interrupted by a call to duty, the interruption will be counted as hours worked.

6. Overtime. The Resident Manager is not authorized or permitted to work hours in excess of eight hours in any given day or forty hours in any given week. Nor is the Resident Manager authorized or permitted to work more than six days in a row, except in the event of an emergency or the written permission of the Employer. The only exception to this provision against overtime work (hours in excess of eight in a day or forty in a week) is in the event of the express written permission of the Employer in advance of the work being undertaken. Regardless, Resident Manager is to accurately record all hours worked. The expected time worked is 10 hours per week.

7. Meal and Rest Breaks. In the unlikely event the Resident Manager works more than five hours in a day, he/she is authorized and permitted to take a 30 minute, uninterrupted meal period before the end of the fifth hour, in which he/she is relieved of all duties and allowed to leave the premises. The meal period is not hours worked, and is to be recorded as taken in the time log, but not compensated. The time and duration of the meal period should be recorded on the time keeping log. In the unlikely event that the Resident Manager works more than 3.5 hours in a day, he/she is authorized and permitted to take a ten minute rest period for each four hour or major fraction thereof, preferably in the middle of the four hour segment. In the unlikely event the Resident Manager works more than six hours in a day, he/she is authorized and permitted to take a second rest break of ten minutes duration. Rest breaks on part of hours worked, and compensated.

8. Term of Employment. The term of employment under this Agreement is “at will,” meaning that either the Employer or the Resident Manager may end the term of employment with or without cause. In the event that the Resident Manager chooses to end the term of employment, he or she shall provide the Employment with fourteen (14) days of notice.

9. Residency and Employment Conditions. This Agreement is expressly conditioned upon your residence at the Subject Property, which is a requirement of your employment as Resident Manager. Your residence at the Subject Property is documented by a separate rental agreement, which in turn is conditioned upon your continued employment with the San Mateo Community College District. In the event you are no longer eligible to reside at the Subject Premises, pursuant to the terms of your rental agreement, your employment as Resident Manager shall cease immediately.

10. Complete Agreement. This contract is the final and complete agreement between the Resident Manager and Employer regarding the terms and conditions of his/her employment, and supersedes any prior or contemporaneous agreements, whether written or oral. The terms of

this Agreement may not be altered or modified, except by a written agreement signed by the Employer.

So agreed, effective this ____ day of _____ (month/year)

Resident Manager

San Mateo County Colleges Educational Housing Corporation ("Employer")

Carina Warne

Name:
Title:

SCHEDULE A

Resident Manager Agreement – Schedule A

Resident Manager agrees to do the following:

- 1) Show rental units to prospective tenants; open units for new residents moving in
- 2) Perform daily inspections of the structure, grounds (with special attention to the garbage area), parking lots, and vacant units of the property for cleanliness and needed repairs. This includes picking up trash and emptying dog waste stations.
- 3) Conduct requested minor maintenance and repairs as approved by Kenny Realty. Materials to be purchased need to be approved through Kenny Realty prior to purchase.
- 4) Notify Kenny Realty immediately of any potential hazards to the tenants or to the property. Should an emergency situation arise placing tenants or the property in jeopardy or danger, the resident manager may take immediate action without authority from Kenny Realty.
- 5) Conduct no other business on the premises nor solicit the tenants for any business other than the rental of the property.
- 6) Change the front door wreaths of the clubhouse each season.
- 7) Open clubhouse for rentals and close clubhouse after events.
- 8) Inspect clubhouse for damage, missing items, cleanliness, as well as correct position of decorations and furniture. Ensure that clubhouse cleaning supplies and paper good, as well as other facility supplies, are well stocked at all times and to purchase supplies as needed.
- 9) Provide unit access as needed for outside contract work.
- 10) Annually accompany Kenny Realty representatives for inspection of all units (sprinklers, condition of unit, etc.)

**San Mateo County Colleges Educational Housing Corporation Board
September 22, 2016**

**Approval of Apartment Pricing Guidelines and Rent Increase for
Canada Vista and College Vista**

In response to the Housing Board's discussion about rents at the last meeting, the following pricing guidelines are proposed to be effective January 1, 2017. In addition, it is recommended that the Board approve an across-the-board 2% rent increase to cover rising maintenance costs for the housing developments. The last rental increase was 2.5% in September 2013 for Canada Vista and on average 2.5% in September 2012 for College Vista. Each unit type has been assigned a base rent and, in addition, is charged \$50 for each amenity associated with the apartment.

Proposed Pricing Guidelines: Effective January 1, 2017

Unit Type	Base Price Only	Base Price Plus 2% Increase
1 Bedroom/1 Bathroom	\$900	\$918
1 Bedroom/1 Bathroom with Den	\$1100	\$1122
2 Bedroom/1 Bathroom	\$1150	\$1173
2 Bedroom/2 Bathroom	\$1200	\$1224
2 Bedroom/2 Bathroom with Den	\$1400	\$1428
3 Bedroom/2 Bathroom	\$1600	\$1632

Added Value Per Amenity: Effective January 1, 2017

Type of Amenity	Base Price Only
View	\$50
Top Floor	\$50
Garage	\$50
End Unit or Townhouse or Corner	\$50

The District housing units will still remain affordable and at significantly below market rates under these pricing guidelines and the suggested 2% increase. The average increase is \$53. Rents will range from \$918 for a one bedroom apartment with no amenities to \$1832 for a three bedroom apartment with all four amenities.

In 2018/19, the District anticipates the opening of a new housing development at Skyline College making available 28 additional housing units. Skyline College's housing units will be priced according to the same guidelines as College Vista and Canada Vista.

**San Mateo County Colleges Educational Housing Corporation Board
September 22, 2016**

Future Proposal to Extend Occupancy Limit for Residents

According to our current occupancy limits, the District anticipates that close to 50 units will turnover in the years 2019 and 2020. In that same period, the District anticipates that an additional 28 units will be available at Skyline College's newest housing facility.

While the current waitlist has grown to over 90 employees, it may not be enough to fill the units as soon as they become available in 2019 and 2020. As in past years, if the demand for housing was low due to economic changes or hiring trends, the Housing Board granted an extension for existing residents.

Given that the wait-list will likely be exhausted prior to the filling of all available units, the administration is requesting that the Educational Housing Corporation Board begin to consider extending the occupancy limit by an additional two years for current residents whose limit expires in 2019 or 2020, and for those who can demonstrate significant progress and close proximity toward becoming a home-buyer.

The Board does not need to act on a decision to extend occupancy at this time, rather discuss whether it is amenable to considering approval of extensions in about two years. If the Board is willing, staff will communicate with residents now about this possibility in order to give residents enough lead time to demonstrate their earnest intentions and be ready to apply for a potential occupancy limit extension in the future.

The following are sample questions which could be used in an application and to make a determination on extending occupancy based on the completeness and soundness of the responses.

1. What are your expectations or goals for purchasing a home in terms of timing, location, cost?
2. What actions have you taken to achieve your goal?
3. How close do you believe you are to your goal?
4. How do you know how much you can afford?
5. Explain how your credit rating and/or debt management (if applicable) will affect your home buying capacity?
6. Describe your research process on home loans.
7. List any educational or financial workshops you may have attended on topics related to financial planning or preparing to buy a home.

**San Mateo County Colleges Educational Housing Corporation Board
September 22, 2016**

**Approval of First Time Home Buyer (FTHB) Definition and
Other Changes in the 2016 Allocation Guidelines**

Equity Threshold: The Housing Corporation Board took action during its May 2016 meeting to modify the equity threshold from \$15,000 to \$75,000 in the definition of a First Time Home Buyer as stated in the Housing Corporation's 2016 Allocation of Housing Units for SMCCCD Faculty and Staff. However, at the time of its decision, the Housing Board was not considering the fact that in February 2016, the District Board of Trustees approved expanding the District employee 10-year second loan program up to \$150,000.

Given this information and upon further staff review and discussion, it is recommended that the Housing Board lower the \$75,000 equity threshold to \$25,000 to ensure that the District assists employees who need the most help to save funds toward the purchase of their first home. For example, if an employee received \$24,000 in equity from the sale of their home, they would have 7 years to continue to save for a down payment. During this time, we estimate that they could save as much as \$126,000* which, when added to the \$24,000 would equal \$150,000. (This analysis does not take into account the added savings on gas, and other transportation expenses.) If needed, they could access the District's second loan which could give them as much as \$300,000 for a down payment. In comparison, an employee who has never owned a home should be able to save only the \$126,000, but would also have access to the second loan program.

Recommendation #1: Staff recommends that the Housing Board should reduce the \$75,000 equity threshold to \$25,000 to ensure that the District assists employees who need the most help to save funds toward the purchase of their first home.

Homeowners from Outside the Bay Area Who Earned More Than \$25,000 in Equity: With short supply, it is difficult to find an affordable home in the Bay Area and providing 24 months rather than 18 months in District Housing for these employees who are coming from outside of the Bay Area to continue to save for a down payment and to find a home in the Bay Area should be helpful. The extra time to save, coupled with more than \$25,000 in equity from the sale of the home, and a \$150,000 employee 2nd loan should adequately position the employee to become a homebuyer in the Bay Area

Recommendation #2: Staff recommends that the Housing Board approve extending the time from 18 months to 24 months for employees who are coming from outside the Bay Area to take a job in the District and own a home outside the Bay Area and received or will receive more than \$25,000 in equity.

Eligibility for Administrators: At the Housing Board meeting in May, the Housing Board discussed allowing administrators at the dean level or above--Salary Grade AD to AF (previously cited as AD to AJ) to live in District housing for four years or less. These administrators earn from \$126,852 to \$178,776 per year. Staff did not include the provision to make administrators above the AD level, who earn considerably more, ineligible for housing. An exception to this would be allowed for higher earning administrators who are being recruited from outside the Bay Area to take a job in the District. Staff believes these employees should be allowed to live in District housing for up to 12 months to allow them to settle in the Bay Area.

Recommendation #3: Staff recommends that the Housing Board amend the 2016 Housing Allocation Guidelines to 1) limit the time of occupancy to 4 years for administrators at the AD to AF level and 2) to make those administrators above this level ineligible for housing unless they qualify for the exception explained above.

Recommendation #4: Staff will allocate units according to the employees' household size as follows: one bedroom units will be allocated to households of 1-2 persons; two-bedroom units will be allocated to households of 3+ persons; and three-bedroom units will be allocated to households of 4+ persons.

* This assumes \$1350/month average rental rate for 2-bedroom unit in District Housing vs. \$2850/month market rate rental. At these rates, an employee will have paid \$113,400 vs. \$239,400 over 7 years (\$126,000 savings).
Market Rental Rate Source: <http://www.sustainableanmateo.org/home/indicators-report/economy/housing/>

**Same assumptions.

2016 Allocation of Housing Units For SMCCCD Faculty and Staff

Eligibility/Priorities

Of the 104 units at College Vista and Cañada Vista, 45% of the units will be set aside for faculty and 55% for classified staff. Every attempt will be made to achieve and maintain this proportional representation. If there are not enough participants in one pool (certificated or classified) to fill that pool's allocated number of units, participants in the other pool will be allowed to rent those excess units.

First Priority: Full-time faculty and full-time staff of the San Mateo County Community College District who qualify as First Time Home Buyers (FTHB)*.

Second Priority: Adjunct faculty of the San Mateo County Community College District who have taught 60% of a full time load (or .52 FTE for science faculty) for SMCCCD Colleges 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)*.

All prospective tenants will be subject to the credit and tenancy guidelines that are set by the Housing Corporation Board and implemented by the property manager. The District will annually verify that the residents continue to be employees of the District and meet other criteria.

Allocation of Units

Every effort will be made to achieve/maintain the proportional representation of 45% certificated and 55% classified staff assigned to the apartments. Employees will be called according to 1) priority category and 2) length of time on the wait list.

Wait List: Names on the wait list will be listed by employment categories and priorities and will include the date the employee was first placed on the wait list which will be used to determine who is called for vacancies that occur.

Household Size: The employee's household size will determine the type of unit offered as follows: one bedroom units will be allocated to households of 1-2 persons; two-bedroom units will be allocated to households of 3+ persons; and three-bedroom units will be allocated to households of 4+ persons.

Other Considerations

Occupancy Term: Because the cost of housing has risen dramatically in the Bay Area in recent years, the Housing Corporation Board has set the period of occupancy for most residents at seven (7) years, which is deemed to be enough time to save for a down payment on a home. Administrators at the dean or lower level (AD through ~~AF~~ ~~AJ~~ on the salary schedule) will be allowed to stay four years only. Administrators above the AD dean level are not eligible for housing unless they are being recruited from

outside the Bay Area to take a job in the District and shall be allowed to live in District housing for up to 12 months to allow them to settle in the Bay Area. -

Home Ownership: Those employees who own a home outside the Bay Area ~~and~~ gained more than \$25,000 equity, and are coming from out of the area to take a job in the District will be allowed to rent at below market rates for ~~18~~24 months in order to have time to re-settle in the area.

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.

For purposes of this program, **First Time Home Buyers (FTHB) are defined as persons 1) who have never owned a home; 2) who haven't owned a home in the past three years and received less than ~~\$75,000~~\$25,000 in equity when they sold their home; 3) who divorced or separated in the past three years and vacated a primary residence and received less than ~~\$75,000~~\$25,000 in equity from the sale; 4) who lost their home through a short sale or foreclosure and received less than ~~\$75,000~~\$25,000 in equity from the sale; or 5) who own a home outside the Bay Area and are coming from out of the area to take a job in the District. "Outside of the Bay Area" is defined to mean a 50 mile or more one way commute to the job site. Employees in category 5 will be allowed to live in College housing for a maximum of ~~18~~24 months at below market rates to allow them time to sell the home and re-settle in the Bay Area.*

If a resident's status as a first time homebuyer changes after assuming occupancy of a unit, resident must notify Kenny Realty. Inaccurate, incomplete or false information about a resident's status as a first time homebuyer may result in loss of the apartment as well as other legal consequences.

**San Mateo County Colleges Educational Housing Corporation Board
September 22, 2016**

Update on Maintenance Reserve Expenditures & Balances

As part of the annual 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 Housing Corporation must perform a Reserve Study by law every third year. The last Reserve Studies were completed by Trower in June 2014 for College Vista and Canada Vista, and they remain in effect through December 2017. The Housing Board will need to conduct a new reserve study in 2017.

Table 1 below shows the Transfers recommended by Trower over the past three years and the projection for this year:

Table 1 – Trower Recommended Annual Transfers to Reserve Fund

	College Vista	Canada Vista
2013-14	\$60,000	\$68,800
2014-15	\$60,600	\$68,680
2015-16	\$61,206	\$69,367
2016-17	\$61,818	\$70,060

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.

Table 2 below shows the actual transfers and expenses for each account for the past three years:

Table 2 - Capital Maintenance Reserve Fund Transfers and Expenses as of 6/30/16

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
	<u>\$156,000</u>	<u>(136,445)</u>	<u>264,555</u>	
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	(382,706)	54,086	Water damage, shutoff valve
	<u>302,500</u>	<u>(402,671)</u>	<u>54,086</u>	

Table 3 below shows the recommended funding for year-end reserve balance per the Trower Reserve Studies and the actual capital maintenance reserve fund balance:

Table 3 – 2015-16 Recommended Funding and Actual Reserve Balance

	Recommended Funding for Year-End Reserve Balance (2015-2016)	Actual Capital Maintenance Reserve Fund Balance (as of 6/30/16)
College Vista	\$276,205	\$264,555
Canada Vista	\$308,217	\$54,086 *

** Note that \$347,819 has recently been expended from the Maintenance Reserve Fund to cover the legal, investigative, and repair costs due to the water damage reported at Canada Vista in the last year. We expect that the District will be reimbursed by the Owner Controlled Insurance Program after the lawsuit is settled.*