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. Approve Minutes from March 1, 2017 Meeting (Enclosure #01)

III. Public Comments on Non-Agenda Items

IV. Discussion Items
   a. Proposal for Rental Credits for Cañada Vista Residents (Enclosure #02)
   b. Update on Maintenance Reserve Expenditures and Balances (Enclosure #03)
   c. Review Financial Statements/Information Ending April 30, 2017 (Enclosures #04, #04A and #04B)
   d. Review and Approve FY 2018 Budgets for College and Cañada Vistas (Enclosures #04, #04A and #04B)
   e. Discussion of Mission/Values of Employee Housing Program (Enclosure #05)
   f. Discussion of Resident Issues

V. Informational Reports
   a. Summary/Update on Action Items from Prior Meeting(s) (Enclosure #06)
   b. Skyline College Housing Development Update (Enclosure #07)

VI. Board Members’ Comments and/or Requests for Future Agenda Items

VII. Adjourn
Call to Order and Roll Call
The meeting was called to order at 3:05 p.m.

Introduction of New Directors and New District Staff
Mr. McBride introduced new Director Michael Pierce, who served on the Board in the past. District Chief of Staff Mitchell Bailey introduced himself; he replaced Barbara Christensen who retired. Bernata Slater, District Chief Financial Officer, introduced herself; she replaced Raymond Chow who retired.

Election of Officers for 2017
It was moved by Ms. Berlese and seconded by Mr. Granville to elect Mr. McBride to serve as President for 2017. The motion carried unanimously.

It was moved by Mr. Granville and seconded by Ms. Berlese to elect Mr. Goodman to serve as Vice President/Secretary for 2017. The motion carried unanimously.

It was moved by Ms. Schwarz and seconded by Ms. Berlese to elect Ms. Blackwood to serve as Treasurer for 2017. The motion carried unanimously.

CLOSED SESSION

Announcement of Closed Session Items for Discussion
Mr. McBride announced that during closed session, the Board will (1) discuss one case of existing litigation as listed on the printed agenda and (2) discuss the disposition of property and terms of payment of property 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 3:15 p.m.

Reconvene to Public Session
The Board reconvened to open session at 3:50 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 September 22, 2016 Meeting**
It was moved by Mr. Granville and seconded by Mr. Goodman to approve the minutes. The motion carried, with Mr. Pierce abstaining and all other members voting Aye. Mr. McBride suggested that items noted as needing follow-up be listed and brought to the next meeting.

**Public Comments on Non-Agenda Items**
None

**NEW BUSINESS**

**Review of Annual Audit**
Ms. Slater said the Educational Housing Corporation’s annual audit is included as part of the San Mateo County Community College District’s (District) annual audit. The auditor, Crowe Horwath, issued an unqualified opinion, meaning there were no findings for the Educational Housing Corporation.

**Review and Accept Financial Statements/Information**
Ms. Slater said the reports provided reflect YTD activity through December 31, 2016. Mr. McBride noted that no insurance expenses are listed. Ms. Slater said the District pays for the insurance and sends the bill to the Educational Housing Corporation. Because of the timing of the billing, the expense will be shown on the next report. Ms. Kenny said two sets of books have been kept, with one including insurance expenses paid by the District and Cañada Vista clubhouse accounting. She said she is now working toward showing all activity in one set of books.

The Board discussed the transfers to the capital reserves, including the target and actual amounts, as well as the issue of using funds in the reserve for legal expenses related to the Cañada Vista lawsuit. Ms. Slater said that because Cañada Vista is District owned, it is the District’s responsibility to pay the legal expenses; therefore, any money from the reserve that is used for legal expenses related to the lawsuit will be backfilled by the District. Mr. Granville expressed concern about reserve funds being used for this purpose. Mr. McBride asked that this item be placed on the agenda for the next meeting for further discussion.

**Review and Discuss Preliminary FY 2018 Budgets for College and Cañada Vistas**
With regard to service maintenance expenses, Mr. Granville noted that some appliance repair/replacement expenses seem to be higher than they should be in terms of generally expected performance. Mr. Bailey said expenditures for appliances and flooring are affected by turnover of units, at which time replacements are common. Ms. Berlese asked if any of the expenses, such as electrical repair and painting, are related to the correction of defects. Ms. Kenny said that Ms. Christensen keeps track of all expenses related to defects. She said she will review her records and make sure that any expenses related to defects have been reported to Ms. Christensen.

Mr. Bailey said revenues are projected to increase during next year’s budget cycle because of the two percent increase in rent and because of an increase in rental of the Cañada Vista clubhouse. He said that in prior years, the budget reports included more detailed explanations in each category; he said he will provide this for the next meeting. He noted that the information presented for this meeting is an initial presentation and the final budget will be adopted in June.

Mr. Pierce said that when he served on the Board previously, there was discussion about occupancy limits and he asked about the status of the limits. Mr. Bailey said there is currently a waitlist of 165 people. He said that due to occupancy limits, many original tenants will be moving out, resulting in a larger than
usual turnover. He said new units at the future housing development at Skyline College will also need to be considered when planning for occupancy. Mr. McBride asked that waitlists be discussed at a future meeting. Mr. Granville asked if there is a policy regarding residents moving from one unit to another. Ms. Kenny said the residents’ occupancy limit would not change.

Mr. Pierce raised the possibility of setting rents in line with market value; for example, if the goal was to rent units at 40 percent below market value and they are currently renting at 54-57 percent below market value, should new tenants be charged higher rents. Mr. Goodman asked that this issue be put on the agenda for a future meeting.

**Discussion of Resident Issues: Outdoor Activity Areas; Roommates; Appeals Processes (Housing Term Limits, etc.)**

Outdoor Activity Areas: The Board discussed the recent issue regarding a tenant who went to the press when she was informed that her sons could not use a portable basketball hoop in front of their garage. Mr. Bailey said he spoke to the resident and told her that this was an accident hazard because of the tight turn and blind spot at the location. He said he reinforced to the resident that safety is paramount to the District. He informed her that there is a park across the street that is available for recreational use. Mr. Bailey said that if the Board wants to explore opportunities for recreational activities, he would suggest installing a permanent structure and specified hours to control the noise factor. He said there is a space near the clubhouse that could accommodate a basketball hoop. He suggested, however, that use of the space be prohibited at times during which the clubhouse has been rented. He said he offered this space as a temporary resolution to the resident, assuming no one was using the clubhouse, until he could discuss the issue with the Board. Mr. Kenny said there is space by a fire lane where parking is not allowed and this might be a better space to place a basketball hoop. Ms. Kenny noted, however, that the property management company already receives complaints from residents about children who are not supervised and some residents might be unhappy with this solution. Ms. Schwarz said children play many games and putting only a basketball hoop might be considered unfair. She said she was disappointed with the breakdown in communication in that the resident went to the press instead of using other channels to try to address the issue.

Mr. Goodman said it is important to explain to tenants and employees the mission and purpose of the housing developments, i.e. what needs the District is attempting to fill, and to be clear about what amenities are offered. He said residents should be made aware of nearby places at which recreational activities can be pursued.

Roommates: Mr. Bailey said this item will be discussed at the next meeting. Mr. Goodman asked that background information be sent to the Board; Mr. Bailey said he will do so.

Appeals Processes: Mr. Bailey said he is seeking advice from the Board regarding the extent to which the Board wishes to make decisions vs. asking staff to handle appeals. He provided the example of a tenant who experienced financial difficulties and asked that the term of occupancy be extended. Ms. Berlese said the Board’s intent has been to have rules to follow but to allow some room for exceptions. Ms. Schwarz said the Board gave Ms. Christensen discretion to make decisions, with the understanding that she would work in consultation with the Board president. Mr. McBride said he and Mr. Bailey discussed the situation of the tenant who requested an extension of the term of occupancy. He said the request was denied but the tenant was told he could come and talk with the Board if he wished to do so. Mr. Granville said he would want the Board to be involved in setting policy but not in individual decisions. Mr. McBride noted that when extensions are granted, another employee is denied the opportunity to become a resident. Mr. Pierce added that the employee on the waitlist suffers a cost while waiting for a unit to open. He said tenants have a duty to be ready to move within the timeframe of their occupancy limit.
Mr. Bailey asked if the Board wants to hear appeals from tenants who are dissatisfied with his decision or if they want him to enforce the Board’s policy, which is included in the agreement that tenants sign. Ms. Schwarz said she is confident that Mr. Bailey and the Board president can make decisions. Mr. Goodman said the Board should not be an appeals board. He said the District should provide information on financial counseling services and workshops and should remind tenants that their time of occupancy will expire.

**Board Members’ Comments and/or Requests for Future Agenda Items**
Mr. McBride reviewed requests for future agenda items: clarify reserves accounting; capture all costs of the Cañada Vista lawsuit on the reports; separate repairs to be included in a settlement; discuss appliance repairs/replacement; discuss the waitlist and vacancies; visit how rents are set; discuss the purpose and mission with respect to activities, roommates, etc.; and any other items that are reflected in the meeting minutes as meriting follow-up.

**Next Meeting**
Mr. Bailey said the next meeting is scheduled for June 7, 2017.

**Adjournment**
The meeting was adjourned by consensus at 5:09 p.m.
As the lawsuit progresses with Segue Construction regarding deficiencies at Cañada Vista, engineers and contractors have been on-site to perform destructive testing and repairs on several occasions. As such, the Cañada Vista complex has been a general staging area for construction/engineering-related materials, scaffolding has been erected and general activities and noise are that of a work site. Residents have been generally inconvenienced (noise, access, general environment) during these times, and some residents have had to make their homes available for entry for testing and repairs (for one or more days).

Because of these issues staff is proposing a one-time, one-month rental credit for residents at Cañada Vista to compensate for inconvenience and disruption.

Proposal

1. Apply a one-time, one-month $250 rental credit for July 2017 to all residents of Cañada Vista for general disruption to the residential complex, as it was a construction zone environment for nearly three weeks during the destructive testing processes.

2. Apply a one-time, one-month $250 rental credit for July 2017 to residents of Cañada Vista whose homes were entered because of destructive testing (both in fall 2016 and spring 2017). This $250 credit would be in addition to the $250 credit proposed in Item #1 for a total one-time credit of $500.

Estimated Costs for Proposed One-Time Rental Credit

<table>
<thead>
<tr>
<th>Credit Amount/Type</th>
<th>Eligible Units</th>
<th>Total Credit Applied</th>
</tr>
</thead>
<tbody>
<tr>
<td>$250 – All Residents</td>
<td>56</td>
<td>$14,000</td>
</tr>
<tr>
<td>$250 – Units Entered</td>
<td>20</td>
<td>$4,500</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$18,500</td>
</tr>
</tbody>
</table>

RECOMMENDATION

Staff recommends approval of a one-time, one-month rental credit to residents of Cañada Vista for July 2017, to compensate for inconveniences and disruptions incurred over the past few months due to destructive testing and service outages.
Housing Corporation Board Reviews Long-Term Maintenance Reserves Each Year

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 Cañada Vista, and they remain in effect through December 2017. The District is in process of conducting a new reserve study in 2017. Data below reflects estimates based on Trower Reserve Study in effect through December 2017 and will be revised when new information is available in late June 2017.

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

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>College Vista</th>
<th>Cañada Vista</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014-15</td>
<td>$60,000</td>
<td></td>
</tr>
<tr>
<td>2015-16</td>
<td>$60,600</td>
<td>$68,680</td>
</tr>
<tr>
<td>2016-17</td>
<td>$61,206</td>
<td>$69,367</td>
</tr>
<tr>
<td>2017-18</td>
<td>$61,818</td>
<td>$70,060</td>
</tr>
<tr>
<td>2018-19</td>
<td>$62,436</td>
<td>$70,761</td>
</tr>
</tbody>
</table>

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 show the actual transfers and expenses for each account for the past three years:

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

<table>
<thead>
<tr>
<th>College Vista</th>
<th>Transfers In</th>
<th>Spent</th>
<th>Balance</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>245,000</td>
<td></td>
</tr>
<tr>
<td>2013/14</td>
<td>33,000</td>
<td>(120,378)</td>
<td>157,622</td>
<td>Exterior painting, heating, parking lot</td>
</tr>
<tr>
<td>2014/15</td>
<td>56,000</td>
<td></td>
<td>213,622</td>
<td></td>
</tr>
<tr>
<td>2015/16</td>
<td>67,000</td>
<td>(16,067)</td>
<td>264,555</td>
<td>Valve, water heater, appliance &amp; installation</td>
</tr>
<tr>
<td>2016/17 (as of 3/31/17)</td>
<td>61,573</td>
<td>(6,816)</td>
<td>319,312</td>
<td>Alarm repairs, tub shower enclosure</td>
</tr>
<tr>
<td></td>
<td>217,573</td>
<td>(143,261)</td>
<td>319,312</td>
<td></td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Cañada Vista</th>
<th>Transfers In</th>
<th>Spent</th>
<th>Balance</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>154,257</td>
<td></td>
</tr>
<tr>
<td>2013/14</td>
<td>47,500</td>
<td>(19,965)</td>
<td>181,792</td>
<td>Painting</td>
</tr>
<tr>
<td>2014/15</td>
<td>135,000</td>
<td></td>
<td>316,792</td>
<td></td>
</tr>
<tr>
<td>2015/16</td>
<td>120,000</td>
<td>(71,043)</td>
<td>365,749</td>
<td>Water damage, shutoff valve</td>
</tr>
<tr>
<td>2016/17 (as of 3/31/17)</td>
<td>144,858</td>
<td>(5,600)</td>
<td>505,007</td>
<td>2 Water heaters</td>
</tr>
<tr>
<td></td>
<td>447,358</td>
<td>(96,608)</td>
<td>505,007</td>
<td></td>
</tr>
</tbody>
</table>

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**

<table>
<thead>
<tr>
<th>Location</th>
<th>Recommended Funding for Year-End Reserve Balance (2016-2017)</th>
<th>Actual/Projected Capital Maintenance Reserve Fund Balance (as of 6/30/17)</th>
</tr>
</thead>
<tbody>
<tr>
<td>College Vista</td>
<td>$319,312</td>
<td>$319,312</td>
</tr>
<tr>
<td>Cañada Vista</td>
<td>$331,635</td>
<td>$505,007</td>
</tr>
</tbody>
</table>
HOUSING BOARD REPORT

PREPARED FOR: Educational Housing Corporation Board of Directors

PREPARED BY: Mitchell Bailey, Chief of Staff – (650) 574-6510
            Bernata Slater, Chief Financial Officer – (650) 358-6795

MEETING DATE: June 7, 2017

REPORT SUBJECT: Financial Statements and Budget Information

The year-to-date financial information for College Vista (Enclosure #04A) and Cañada Vista (Enclosure #04B) are included for review.

For ease of use, staff also included the proposed budget information with each of the enclosures.

Staff would like to bring to Board Members’ attention a few notes:

1. A notes section has been added to both enclosures to better explain variances, projections, and other details of interest.

2. The incomes are increasing modestly and reflect recent rental increases/adjustments and expenses are decreasing slightly reflecting consolidations and efficiencies.

3. Cañada Vista litigation costs as well as associated costs for repairs and costs for cleanup relating to construction defects are accounted for and paid from reserves and are not reflected in the financial summary or in the budget proposal. To date total legal expenses are $505,007 (to date).

RECOMMENDATION
Staff recommends approval of the proposed budgets for College Vista and Cañada Vista for 2017/2018.
### SMCC Educational Housing Corporation

**College Vista**  
**Budget vs Actual for 2016-17**

<table>
<thead>
<tr>
<th>Operation Revenues</th>
<th>2016-17</th>
<th>Year to Date</th>
<th>Proposed Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clubhouse Rental</td>
<td>1,800</td>
<td>750</td>
<td>1,625.00</td>
</tr>
<tr>
<td>Rent</td>
<td>598,000</td>
<td>448,500</td>
<td>473,534.98</td>
</tr>
<tr>
<td>Total Operation Revenues</td>
<td>599,800</td>
<td>449,250</td>
<td>476,160</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Operation Expenses</th>
<th>2016-17</th>
<th>Year to Date</th>
<th>Proposed Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property Management</td>
<td>27,450</td>
<td>20,588</td>
<td>22,880.00</td>
</tr>
<tr>
<td>Resident Management Fee</td>
<td>7,200</td>
<td>5,400</td>
<td>5,400.00</td>
</tr>
<tr>
<td>Supplies (Clubhouse)</td>
<td>1,800</td>
<td>750</td>
<td>353.30</td>
</tr>
<tr>
<td>Total Property Administration</td>
<td>44,185</td>
<td>33,139</td>
<td>25,910</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Service Maintenance</th>
<th>2016-17</th>
<th>Year to Date</th>
<th>Proposed Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Appliance Repair/Replacement</td>
<td>5,000</td>
<td>3,750</td>
<td>1,201.00</td>
</tr>
<tr>
<td>Cleaning</td>
<td>2,500</td>
<td>1,875</td>
<td>420.00</td>
</tr>
<tr>
<td>Total Service Maintenance</td>
<td>499,300</td>
<td>381,675</td>
<td>23,500</td>
</tr>
</tbody>
</table>

| Total Operation Expenses | 192,685 | 144,514 | 102,060 | 113,318 |
| Other Financial Uses | 45,000 | 71,250 | 33,804 | 65,000 |
| Total Other Financial Sources/Uses | 405,000 | 303,750 | 322,104 | 457,000 |

| Excess of Revenues Over Expenditures and Other Sources | 3,135 | 986 | 58,084 | 1,123 |

| Unplanned vacancies |
|---------------------|-----------------|
| (6,000)             | (4,500)         |

---

*Includes 2% rate increase and allowance for vacancies*
### Cañada Vista

#### Budget vs Actual for 2016-17

<table>
<thead>
<tr>
<th>Category</th>
<th>Budget 2016-17</th>
<th>Actual 2016-17</th>
<th>Projecting a slight increase due to an increased popularity of rentals</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operation Revenues</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Club House Rental</td>
<td>5,000</td>
<td>3,750</td>
<td></td>
</tr>
<tr>
<td>Club House Liab Insurance</td>
<td>2,000</td>
<td>1,500</td>
<td></td>
</tr>
<tr>
<td>Interest</td>
<td>891,000</td>
<td>668,250</td>
<td></td>
</tr>
<tr>
<td><strong>Total Operation Revenues</strong></td>
<td>898,000</td>
<td>683,726</td>
<td></td>
</tr>
<tr>
<td><strong>Operation Expenses</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property Management</td>
<td>37,500</td>
<td>28,125</td>
<td></td>
</tr>
<tr>
<td>Resident Management Fee</td>
<td>6,500</td>
<td>6,381.00</td>
<td></td>
</tr>
<tr>
<td>Supplies (club house)</td>
<td>1,000</td>
<td>700.00</td>
<td></td>
</tr>
<tr>
<td><strong>Total Operating Expenses</strong></td>
<td>45,000</td>
<td>31,200.00</td>
<td></td>
</tr>
<tr>
<td><strong>Transfer to District</strong></td>
<td>563,000</td>
<td>373,095</td>
<td></td>
</tr>
<tr>
<td><strong>Total Other Financial Sources/Uses</strong></td>
<td>563,000</td>
<td>373,095</td>
<td></td>
</tr>
</tbody>
</table>

#### Notes:
- Includes 2% rate increase and allowance for vacancies as well as rental credits.
- Projecting a slight increase due to an increased popularity of rentals.
- Includes 2% rate increase and allowance for vacancies as well as rental credits.

### Excess of Revenues Over Expenditures and Other Sources

<table>
<thead>
<tr>
<th>Source</th>
<th>2016-17</th>
<th>2017-18</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Excess of Revenues Over Expenditures</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Excess of Revenues Over Expenditures</strong></td>
<td>1,775</td>
<td>4,098</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Source</th>
<th>2016-17</th>
<th>2017-18</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Vacancy Factor (reflected in rents)</strong></td>
<td>(6,435)</td>
<td>(6,415)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Source</th>
<th>2016-17</th>
<th>2017-18</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Vacancy Factor (reflected in rents)</strong></td>
<td>(1,249)</td>
<td>(1,249)</td>
</tr>
</tbody>
</table>

**Increased number of vacancies (length associated with impending construction issues).**

---

**SMCC Educational Housing Corporation**

**Cañada Vista**

**Enclosure #6B**
In prior meetings, the Housing Board has returned to a theme of wanting to have a broader discussion about the mission/values of the employee housing program.

The District began the employee housing program in 2004/05 as a proactive measure to stem a talent recruitment and retention issue. Over the last 12 years, the District has developed two housing complexes, with 104 units, and a third complex is in development. These units are rented at below-market rates (over 50% BMR) and allow employees to save the money they would otherwise be spending on rent to apply toward a down payment for a home.

In the master agreement determining the relationship between the District and the Housing Corporation, one of the charges of the Housing Corporation is to “…manage and control the Property in accordance with the highest and best standards for the benefit of the residents and the College District.”

As the Board undertakes this discussion, the following questions (developed by staff) might be good primers for starting the discussion:

1. Residents of the Vistas are both employees of the District and paying tenants in District housing. Does this dynamic alter the Board’s/program’s approach to serving residents?
2. Is there additional/other value that is desired in services and/or relationships between the Board/program and residents?
3. Does the Housing Board want to develop a greater sense of community (and support) for residents beyond the traditional landlord/tenant relationship?
4. Does the below-market rental rate offset any allowances/amenities/approaches that would exist in a traditional landlord/tenant relationship?
HOUSING BOARD REPORT

PREPARED FOR: Educational Housing Corporation Board of Directors

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

MEETING DATE: June 7, 2017

REPORT SUBJECT: Follow-up on Action Items from Prior Meetings

Below items were captured in the minutes of the two prior meetings for follow-up. Included are brief updates for each item.

SEPTEMBER 2016 MEETING

1. Approve Resident Manager Agreements, contingent upon additional Board comments/issues.
   Follow-up: Per Board request, the agreements were distributed to the Board. No additional comments/edits were received. The agreements were executed in December 2016.

2. Review rent control ballot initiative(s) to determine impact on employee housing.
   Follow-up: The measure for San Mateo did not pass.

3. Revisit, at a future meeting, potential application questions for extending occupancy limits, because they seem intrusive and the process burdensome.
   Follow-up: Staff recommends delaying such questions/application until staff has had an opportunity to draft a proposal for future for future occupancy availability and timing processes (likely September 2017).

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.
   Follow-up: Staff will be reviewing this item in the fall and will provide the Housing Board with an update/recommendation at that time.

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.
   Follow-up: We can bring this item back to the Board at the discretion of the Board President.

6. In order to maintain appropriate reserves, review transfers at Cañada Vista in light of ongoing legal proceedings.
   Follow-up: Staff can provide an update on this item at the next meeting.
**MARCH 2017 MEETING**

1. **Physically mail meeting packets to board members two weeks in advance of meetings.**
   
   Follow-up: For future meetings, packets will be mailed (and emailed) to members as close to two weeks in advance as is practical.

2. **Clarify reserve accounting; there remains concern regarding Cañada Vista repairs depleting reserves.**
   
   Follow-up: Staff will provide an update on this at the next meeting.

3. **Create a schedule of all costs associated with Cañada Vista issues. Schedule of all costs associated with Cañada Vista issues.**
   
   Follow-up: Staff will provide a summary of the major items in at the next meeting.

4. **Better understand the Kenny Realty accounting processes and how they integrate with District processes.**
   
   Follow-up: This is an ongoing transition; District CFO is working with Kenny on this item.

5. **Clarify that we are capturing the “other” repair costs that could be associated with damage at Cañada Vista?**
   
   Follow-up: We are capturing what we are deeming associated costs and will be sharing those with our legal team.

6. **Compile a summary of appliance repairs, as there appears to be an issue with quality of materials causing an increased amount of repairs/replacements.**
   
   Follow-up: This is a work in progress. We have identified water heaters as a key issue at the moment. We are having legal counsel check building specs to see if it was a contractor issue. Additional information will be provided when available.

7. **Compile an aging summary of the employees on the waitlist by unit allocation and length of time on the list.**
   
   Follow-up: An update will be provided to the Board at its September 2017 meeting.

8. **Prepare a report and recommendation on planned vacancies that will occur in 2018/19.**
   
   Follow-up: A report will be provided to the Board at its September 2017 meeting.

9. **Agendize, with report, a discussion on whether rents should be: (1) a flat percentage below market rate, or (2) below market rate but not across the board rates that vary depending on date of rental (i.e. newer rentals are at a higher rate than older rentals to reflect market fluctuation), or (3) have a modest across the board rate increase from time to time.**
   
   Follow-up: This item will be agendized, with a report, for the Board’s September 2017 meeting.
10. **Agendize discussion of purpose/mission of employee housing program.**

   **Follow-up:** This item will be agendized for the Board’s June 2017 meeting.

11. **Agendize follow-up discussion of resident issues (roommates, recreational areas, etc.).**

   **Follow-up:** This item will be agendized for the Board’s June 2017 meeting.
The District’s third employee housing complex is slated to be constructed on “Parcel B” at Skyline College. This development will include 30 apartments divided into two buildings. Additionally, as with College and Cañada Vistas, the Skyline development will have private garages and decks/patios with most units. The employee residents of this new development will also have access to outdoor amenities close to the apartments, including the Golden Gate Recreation Trail (Sweeney Ridge) and the Skyline College track (with outdoor exercise equipment which will be installed as part of this project).

Six acres of “Parcel B” have been sold to SummerHill homes and the District has retained two acres of the parcel where the employee housing will be constructed. SummerHill will be developing their acreage into 40 single-family homes.

The District and SummerHill homes have begun the entitlements process for the property with the City of San Bruno. It is expected that this process will take 8 – 10 months, followed by permitting, an RFP process, construction, etc. with an anticipated completion/move-in date in the spring of 2020.

Attached is an initial rendering of the exterior view of the Skyline employee housing development.

Additional information will be provided on this project as things progress through the multiple processes.
**PROJECT SUMMARY**

**Project Data**
- Project Area: 1.99 acres (86,684 sq. ft.)
- Building Lot Coverage: 21.36%
- Landscaped Area: 51.26%

**Building Data**
- Number of Buildings: 2
- Number of rental units: 15 units per building, total of 30 units
- Building Height: 40’
- Total Building Area: 21,999 x 2 = 43,998 sq. ft.
- Residential area: 14,636 x 2 = 29,272 sq. ft.
- Garage area: 4203 x 2 = 8406 sq. ft.
- FAR: 0.50

**Residential Data**
- Unit Number: 30
- Average Unit Size: 974 sq. ft.
- Plan Types:
  - Plan 1 - 1 Bedroom/1 Bath Flat: 760 sq. ft. (4 units)
  - Plan 2 - 1 Bedroom/1 Bath Flat: 784 sq. ft. (4 units)
  - Plan 3 - 1 Bedroom/1 Bath Flat: 831 sq. ft. (2 units)
  - Plan 4 - 2 Bedroom/2 Bath Flat: 941 sq. ft. (4 units)
  - Plan 5 - 2 Bedroom/2 Bath Flat: 1002 sq. ft. (8 units)
  - Plan 6 - 2 Bedroom/2 Bath Flat: 1056 sq. ft. (4 units)
  - Plan 7 - 3 Bedroom/2 Bath Flat: 1338 sq. ft. (4 units)

**Parking**
- 27 private garages
  - including 1 accessible (2% min)
- 3 carports
  - including 1 van accessible (2% min)
- 30 covered spaces (1 sp per unit)
- 20 Open guest spaces on site
  - including 2 van accessible (5% min)
- 20 Open guest spaces by easement in adjacent College lot
- 40 Open guest (1.33 sp per unit)

**Occupancy/Construction Type**
- R-2 occupancy per 2016 CBC
- Type V-B, non-rated construction
- Fire Sprinklers - NFPA 13

*Note: Refer to Civil and Landscape sheets for detailed site plan information*
Left Elevation

Right Elevation

Rear Elevation

Elevation Material Legend:
Concrete Flat Tile Roof
Stucco Finish
Decorative Outlookers
2x Smooth Stucco Finish Trim
And Enhanced Sills
2x6 Fascia / Barge
Metal Ogee Gutter And
Downspouts
Metal Sectional Garage
Door w/ Windows and
Hardware, As Shown