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 Existing Litigation: San Mateo Community College District vs. Segue Construction Co., Case # CIV534343

III. Public Comments on Closed Session Items Only
IV. Recess to Closed Session
V. Reconvene to Public Session

PUBLIC SESSION AGENDA

I. Call To Order and Roll Call
II. Public Comments on Non-Agenda Items
III. Approve Minutes from May 2, 2018 Meeting (Enclosure #01)
IV. Election of Officers (Enclosure #02)
V. Action Items
   a. Kenny Realty Property Management Agreement Renewal (Enclosure #03)
   b. Approval of FY 2019 Budgets
      • College Vista (Enclosure #04A)
      • Cañada Vista (Enclosure #04B)
VI. Informational Reports
   a. Skyline College Housing Development Update (verbal)
VII. Board Members’ Comments and/or Requests for Future Agenda Items
VIII. Adjourn
Minutes of the Educational Housing Corporation Board Meeting
May 2, 2018
District Office Board Room
3401 CSM Drive, San Mateo, CA

CLOSED SESSION AGENDA

I. Call to Order
The meeting was called to order at 3:10 p.m.

II. Announcement of Closed Session Items for Discussion
Mr. McBride announced that during closed session, the Board will hold a conference with legal
counsel regarding one case of pending litigation as listed on the printed agenda.

III. Public Comments on Closed Session Items Only
None

IV. Recess to Closed Session
The Board recessed to closed session at 3:12 p.m.

V. Reconvene to Public Session
The Board reconvened to open session at 4:05 pm. Mr. McBride announced that no action was taken
during closed session.

PUBLIC SESSION AGENDA

I. Call to Order and Roll Call

II. Public Comments on Non-Agenda Items
None

III. Approve Minutes from the September 20, 2017 Meeting
It was moved by Mr. Pierce and seconded by Ms. Berlese to approve the minutes. The motion
carried, all members voting Aye.
IV. Action/Discussion Items

a. Trower Reserve Study – College Vista

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

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

i. Why does the study not show a position of ever being fully funded?
   Trower’s answer: The study shows only a five-year timeframe. The reserve will be fully funded in 2044.

ii. How is it determined which components are fully funded versus underfunded?
   Trower’s answer: This is based on the life of particular items. The components with the least remaining life get funded in full first and others get funded within their remaining lives.

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

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

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

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

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

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

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

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

Ms. Slater said that in the College Vista Tentative Budget, the Transfer to Capital Reserve includes the Trower study, having assumed that it would be approved. For Cañada Vista, there is no Transfer to Capital Reserve because it was overfunded last year and will be fully funded for the next fiscal year. Ms. Slater said
the credit of $125,000 in Cañada Vista’s operating revenue covers the reduction in rent to residents for the inconvenience experienced during construction.

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

V. Informational Reports

a. Skyline College Housing Development Update

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

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

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

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

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

b. Update on Housing and Financial Education Resources for Residents

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

- The Faculty/Staff Housing section on the District’s website, managed by Beth Dominik, has been updated to provide resources throughout the County.
The San Mateo Credit Union will provide financial counseling sessions for first-time home buyers; the service will later be expanded to all employees, but will begin with residents of College Vista and Cañada Vista. Ms. Browne suggested that these meetings could be held in the clubhouses.

Mr. Bailey is working to develop relationships with HIP Housing and HEART to make sure employees are made aware of all opportunities.

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

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

VII. Adjourn

The meeting was adjourned at 4:40 p.m.
Per the Bylaws of the Educational Housing Corporation (Article VIII, Sections 1 and 2), the Board of Directors will annually elect officers. Officers to be elected include:

- President
- Vice President/Secretary
- Treasurer

Following are descriptions of the duties of the respective offices as prescribed in the Bylaws.

**President**

The President shall preside at meetings of the Board, shall be the Chief Executive Officer of the Corporation, and shall supervise, direct, and control the Corporation’s activities, affairs, and Officers. The President shall have such other powers and duties as the Board or the Bylaws may prescribe.

**Vice President/Secretary**

If the President is absent or disabled, the Vice President/Secretary shall perform all duties of the President. When so acting, the Vice President/Secretary shall have all powers of and be subject to all restrictions on the President. The Vice President/Secretary shall have such other powers and perform such other duties as the Board or the Bylaws may prescribe.

The Vice President/Secretary shall keep or cause to be kept, at the Corporation’s Principal Office or such other place as the Board may direct, a book of minutes of all meetings, proceedings, and actions of the Board and committees of the Board. The minutes of meetings shall include the time and place that the meeting was held, whether the meeting was annual, regular, or special, and, if special, how authorized, the notice given, and the names of those present at Board and committee meetings. The Vice President/Secretary shall keep or cause to be kept, at the Principal Office in California, a copy of the Articles of Incorporation and Bylaws, as amended to date.

The Vice President/Secretary shall give, or cause to be given, notice of all meetings of the Board and of committees of the Board required by these Bylaws to be given. The Vice President/Secretary shall keep the corporate seal in safe custody and shall have such other powers and perform such other duties as the Board or the Bylaws may prescribe.
• **Treasurer**

The Treasurer shall serve as the Chief Financial Officer of the Corporation and shall keep and maintain, or cause to be kept and maintained, adequate and correct books and accounts of the Corporation’s properties and transactions. The Treasurer shall send or cause to be given to the Directors such financial statements and reports as are required to be given by law, by these Bylaws, or by the Board. The books of account shall be open to inspection by any Director at all reasonable times.

The Treasurer shall deposit, or cause to be deposited, all money and other valuables in the name and to the credit of the Corporation with such depositories as the Board may designate, shall disburse the Corporation’s funds as the Board may order, shall render to the President and the Board, when requested, an account of all transactions as Treasurer and of the financial condition of the Corporation, and shall have such other powers and perform such other duties as the Board or the Bylaws may prescribe.

If required by the Board, the Treasurer shall give the Corporation a bond in the amount and with the surety or sureties specified by the Board for faithful performance of the duties of the office and for restoration to the Corporation of all of its books, papers, vouchers, money, and other property of every kind in the possession or under the control of the Treasurer on his or her death, resignation, retirement, or removal from office.
HOUSING BOARD REPORT

PREPARED FOR: Educational Housing Corporation Board of Directors

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

MEETING DATE: July 19, 2019

REPORT SUBJECT: Contract with Kenny Realty

In September 2016, the Housing Board approved a new, one-year contract for Kenny Realty that became effective that same month with an option for a one-year renewal and an maximum contract period to extend no longer than November 30, 2018.

Staff recommends a new contract with Kenny Realty, based on the prior agreement, with two substantial edits:

1. Compensation/Fees (Article 7, Section 7.01) – increase fees by $10 per unit per month. This increase would result in an additional expense of $12,480 per year. Even with the increased rate, the fee is significantly discounted.

2. Termination/Basic Period/Renewals (Article 8, Sections 8.01 and 8.02) – new agreement period for one year commencing upon the expiration of the current contract and option to renew for second year but to extend no later than December 31, 2020.

RECOMMENDATION
Staff recommends approval of a new management agreement with Kenny Realty, based on the prior agreement and incorporating the recommendations outlined above.
HOUSING BOARD REPORT

PREPARED FOR: Educational Housing Corporation Board of Directors

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

MEETING DATE: July 19, 2018

REPORT SUBJECT: Financial Statements and Draft Budgets for FY2019

In May 2018, staff presented the Board with a draft budget for FY2018-2019. Enclosures #4A and 4B incorporate those items discussed at the meeting.

RECOMMENDATION
Staff recommends approval of the FY2018-2019 budgets for College and Cañada Vistas.
## Operation Revenues

<table>
<thead>
<tr>
<th>Item</th>
<th>Revised Budget</th>
<th>Projected Actual</th>
<th>Variance from Revised Budget</th>
<th>Adopted Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2017-18</strong></td>
<td>650,000</td>
<td>602,681</td>
<td>47,319</td>
<td>620,000</td>
</tr>
<tr>
<td><strong>2018-19</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Operation Revenues</strong></td>
<td>651,500</td>
<td>603,781</td>
<td>47,719</td>
<td>621,500</td>
</tr>
</tbody>
</table>

### Notes:
- District waivers/vacancies/turnover
- Legal/Office Supplies/tax and license

## Operation Expenses

### Property Administration
- **Property Management**
  - **Rent** 650,000.00
  - **Club House Rental** 1,500
  - **Total Operation Revenues** 651,500

### Service Maintenance
- **Appliance Repair**
  - **Appliance Replacement** 3,000
  - **Cleaning** 1,500
  - **Drier Vent Cleaning (annual)** 3,000
  - **Fire Alarm Repair/Inspections** 8,500
  - **Flooring Repair** 500
  - **Flooring Replacement** 12,500
  - **Garage Door Repair** 2,000
  - **Gutters (cleaning and repair)** 1,700
  - **Heating Repair** 4,000
  - **Maintenance General** 10,000
  - **Painting & Decorating** 10,000
  - **Plumbing Repair** 10,000
  - **Sprinkler Inspections/repairs** 3,500
  - **Window Washing (annual)** 3,000

### Monthly Services
- **Fire Alarm System/monitoring** 5,000
- **Garbage** 11,000
- **Internet/Cable** 750
- **Landscape/Gardening** 11,000
- **PG & E** 16,500
- **Water Grounds & Tenants** 17,500

### Total Service Maintenance
- **Total Monthly Services** 63,250

### Total Operation Expenses
- **Total Operation Expenses** 197,100

### Net Operation Profit/(Loss)
- **Net Operation Profit/(Loss)** 1,000

### Other Financial Uses
- **Transfer to District** 358,400
- **Transfer to Capital Reserve** 95,000

### Total Other Financial Sources/Uses
- **Total Other Financial Sources/Uses** 453,400

### Excess of Revenues Over Expenditures and Other Sources
- **Excess of Revenues Over Expenditures and Other Sources** 1,400

### Vacancy Factor (reflected in rents)
- **Vacancy Factor (reflected in rents)** (5,385)
## SMCC Educational Housing Corporation

### Cañada Vista

**Budget Vs Projected Actual for 2017-18 and Adopted Budget 2018-19**

<table>
<thead>
<tr>
<th></th>
<th>Revised Budget</th>
<th>Projected Actual</th>
<th>Variance from Revised Budget</th>
<th>Adopted Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2017-18</td>
<td>2017-18</td>
<td>2017-18</td>
<td>2018-19</td>
</tr>
<tr>
<td><strong>Operation Revenues</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rent</td>
<td>$71,831</td>
<td>$82,740</td>
<td>44,091</td>
<td>$50,000</td>
</tr>
<tr>
<td>Club House Rental</td>
<td>9,000</td>
<td>8,156</td>
<td>844</td>
<td>2,500</td>
</tr>
<tr>
<td>Club House Liab. Insurance</td>
<td>2,000</td>
<td>3,720</td>
<td>(1,720)</td>
<td>1,000</td>
</tr>
<tr>
<td>Rent Concessions</td>
<td>-</td>
<td>-</td>
<td>(125,000)</td>
<td></td>
</tr>
<tr>
<td><strong>Total Operation Revenues</strong></td>
<td>$82,831</td>
<td>$89,516</td>
<td>$12,215</td>
<td>$70,500</td>
</tr>
<tr>
<td><strong>Operation Expenses</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Property Administration</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property Management</td>
<td>37,500</td>
<td>37,440</td>
<td>60</td>
<td>44,700</td>
</tr>
<tr>
<td>Supplies (club house)</td>
<td>1,000</td>
<td>583</td>
<td>417</td>
<td>1,000</td>
</tr>
<tr>
<td>Insurance</td>
<td>12,000</td>
<td>9,812</td>
<td>2,188</td>
<td>9,921</td>
</tr>
<tr>
<td>Insurance/Clubhouse</td>
<td>2,000</td>
<td>3,720</td>
<td>(1,720)</td>
<td>1,000</td>
</tr>
<tr>
<td>Audit &amp; Accounting</td>
<td>2,000</td>
<td>2,825</td>
<td>(825)</td>
<td>2,125</td>
</tr>
<tr>
<td>Admin Expenses-Misc.</td>
<td>1,500</td>
<td>161</td>
<td>1,339</td>
<td>1,500</td>
</tr>
<tr>
<td><strong>Total Property Administration</strong></td>
<td>$44,500</td>
<td>$43,049</td>
<td>$1,451</td>
<td>$46,746</td>
</tr>
<tr>
<td><strong>Service Maintenance</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Appliance Repair</td>
<td>3,000</td>
<td>3,882</td>
<td>(82)</td>
<td>3,000</td>
</tr>
<tr>
<td>Appliance Replacement</td>
<td>5,000</td>
<td>4,781</td>
<td>219</td>
<td>5,000</td>
</tr>
<tr>
<td>Cleaning</td>
<td>3,000</td>
<td>1,860</td>
<td>1,140</td>
<td>3,000</td>
</tr>
<tr>
<td>Dryer Vent Cleaning</td>
<td>4,019</td>
<td>4,019</td>
<td>-</td>
<td>4,500</td>
</tr>
<tr>
<td>Electrical Repair &amp; Supplies</td>
<td>6,000</td>
<td>6,951</td>
<td>(951)</td>
<td>6,000</td>
</tr>
<tr>
<td>Fire Alarm Inspections/Repairs</td>
<td>6,500</td>
<td>12,096</td>
<td>(5,596)</td>
<td>16,000</td>
</tr>
<tr>
<td>Flooroing Replacement</td>
<td>35,000</td>
<td>15,864</td>
<td>(864)</td>
<td>10,000</td>
</tr>
<tr>
<td>Flooring Repair</td>
<td>5,000</td>
<td>1,305</td>
<td>3,695</td>
<td>2,500</td>
</tr>
<tr>
<td>Garage Door Repair</td>
<td>1,000</td>
<td>905</td>
<td>105</td>
<td>1,000</td>
</tr>
<tr>
<td>Gutter Cleaning</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Heating Repair/AC Repairs/Water Heats</td>
<td>1,200</td>
<td>4,706</td>
<td>(3,506)</td>
<td>7,500</td>
</tr>
<tr>
<td>Maintenance General</td>
<td>10,000</td>
<td>12,921</td>
<td>(2,921)</td>
<td>15,000</td>
</tr>
<tr>
<td>Painting &amp; Decorating</td>
<td>17,000</td>
<td>15,500</td>
<td>1,500</td>
<td>17,000</td>
</tr>
<tr>
<td>Plumbing Repair</td>
<td>8,000</td>
<td>9,335</td>
<td>(1,335)</td>
<td>10,000</td>
</tr>
<tr>
<td>Sprinkler Imp Repairs</td>
<td>1,894</td>
<td>1,894</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Service Maintenance</strong></td>
<td>$50,572</td>
<td>$54,615</td>
<td>(4,043)</td>
<td>$59,500</td>
</tr>
<tr>
<td><strong>Monthly Services</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Garbage</td>
<td>22,300</td>
<td>19,610</td>
<td>2,690</td>
<td>25,000</td>
</tr>
<tr>
<td>Internet/Cable</td>
<td>600</td>
<td>615</td>
<td>(55)</td>
<td>750</td>
</tr>
<tr>
<td>Landscape/Gardening</td>
<td>13,000</td>
<td>12,930</td>
<td>70</td>
<td>13,000</td>
</tr>
<tr>
<td>Post Control</td>
<td>2,343</td>
<td>2,739</td>
<td>(396)</td>
<td>2,800</td>
</tr>
<tr>
<td>VI &amp; E</td>
<td>17,000</td>
<td>17,090</td>
<td>(90)</td>
<td>20,000</td>
</tr>
<tr>
<td>Fire Alarm System/Monitoring</td>
<td>5,400</td>
<td>2,783</td>
<td>2,617</td>
<td>1,500</td>
</tr>
<tr>
<td>Water</td>
<td>2,740</td>
<td>1,532</td>
<td>1,208</td>
<td>3,000</td>
</tr>
<tr>
<td><strong>Total Monthly Services</strong></td>
<td>$43,042</td>
<td>$37,319</td>
<td>$6,733</td>
<td>$46,076</td>
</tr>
<tr>
<td><strong>Total Operation Expenses</strong></td>
<td>$218,514</td>
<td>$214,383</td>
<td>$4,131</td>
<td>$234,296</td>
</tr>
<tr>
<td><strong>Net Operation Profit/(Loss)</strong></td>
<td>$664,317</td>
<td>$625,233</td>
<td>$39,084</td>
<td>$494,204</td>
</tr>
<tr>
<td><strong>Other Financial Uses</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfer to District</td>
<td>663,000</td>
<td>623,750</td>
<td>39,250</td>
<td>492,904</td>
</tr>
<tr>
<td>Transfer to LT Capital Reserve</td>
<td>663,000</td>
<td>623,750</td>
<td>39,250</td>
<td>492,904</td>
</tr>
<tr>
<td><strong>Total Other Financial Sources/Uses</strong></td>
<td>$663,000</td>
<td>$623,750</td>
<td>$39,250</td>
<td>$492,904</td>
</tr>
<tr>
<td><strong>Excess of Revenues Over Expenditures and Other Sources</strong></td>
<td>1,317</td>
<td>1,485</td>
<td>(166)</td>
<td>1,350</td>
</tr>
<tr>
<td><strong>Vacancy Factor (reflected in rents)</strong></td>
<td>(12,495)</td>
<td>(13,000)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

---

**Excess of Revenues Over Expenditures and Other Sources**

- 1,317 (1,350)

**Vacancy Factor (reflected in rents)**

- (12,495) (13,000)