



**Minutes of the Educational Housing Corporation Board Meeting
 October 16, 2018
 College Vista Clubhouse
 3401 CSM Drive, San Mateo CA**

Directors Present:	Other Attendees Present:
Dennis McBride, President Maurice Goodman, Vice President Peggy Berlese, Treasurer Kate Williams Browne Ron Granville Michael Pierce Karen Schwarz Jonathan Wax	Mitchell Bailey Michelle Marquez Caryn Kenny Nelly Gonzalez Beth Dominik
Directors Absent: Kathy Blackwood	

CLOSED SESSION AGENDA

Call to Order

The meeting was called to order at 3:04 p.m.

Announcement of Closed Session Items for Discussion

Mr. McBride announced that during closed session, the Board will hold a conference with legal counsel regarding one case of existing litigation as listed on the printed agenda.

Public Comments on Closed Session Items Only

There were no comments from the public.

Recess to Closed Session

The Board recessed to closed session at 3:04 p.m.

Reconvene to Public Session

The Board reconvened to open session at 3:23 p.m. Mr. McBride announced that no action was taken during the closed session.

PUBLIC SESSION AGENDA

Call to Order and Roll Call

The public session of the meeting was called to order at 3:23 p.m. Those members in attendance are listed above.

Public Comments on Non-Agenda Items

There were no comments from the public.

Approval of Minutes from the July 19, 2018 Meeting

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

Action/Discussion Items

1. Kenny Realty Property Management Agreement Renewal

Ms. Kenny and Ms. Gonzalez excused themselves from the meeting during the discussion.

Mr. Pierce asked about the distinction between “Corporation” and “District” in the contract. Mr. Bailey clarified that the Housing Corporation is an affiliated entity within the District. Mr. Granville questioned the standing of the Housing Corporation in the contract. Mr. Bailey stated that the District delegated to the Housing Corporation certain responsibilities which qualifies its role. Ms. Berlese stated that the definition of “Corporation” and “District” should be under “Article 1 – Parties”. Mr. Bailey noted that he would move the definition to Article 1.

Mr. Pierce questioned in Section 3.02 if wording in the second paragraph should be “Manager *may* obtain or *shall* obtain credit reports...” Mr. Bailey clarified that it should be “shall”.

In Section 3.04, Mr. McBride recommended a threshold amount on service requests. It was noted that under Section 4.04b, this was addressed and may be duplicative. It was recommended that just the red line item on Section 3.04 should be deleted.

Mr. Goodman asked about the red line items on Section 3.01 regarding the management of the waiting list. Mr. Bailey stated that the District would like to continue to process the waiting list internally.

Mr. Pierce noted that in Section 4.01 there was no cap on the amount of insurance coverage required. Ms. Marquez stated that the District is firm on the amounts of its liability limits which are \$2 million per occurrence and \$4 million aggregate. She said she would check with Sue Harrison on the amounts of insurance required by the District.

Mr. Pierce commented on Section 4.03 about the status of the resident managers employed by Kenny Realty and how they receive compensation. Mr. Bailey clarified that these resident managers are paid by Kenny Realty and these payments are billed to the District as an expense to the Property. Ms. Berlese noted there is no limit on the amount of compensation of labor hired by the Manager and billed to the Property. Mr. Bailey noted that he would revise the paragraph.

Mr. Pierce noted on Section 5.02 that under California real estate law, the managing agent of the Property must have a separate trust account and funds must be deposited to that account which cannot be controlled by the owner of the Property. It was decided that the red line item Section 5.02 Operating Funds should be reinstated.

Mr. Granville stated that in Section 5.01, the red line sentence should be deleted and the Manager should open a trust account for the Property.

Ms. Berlese noted in Section 5.04 that there are no limits or authorization on any expenses. Mr. Granville suggested the wording on the limit be tied to the budget.

Ms. Berlese noted in Section 6.01 that the Corporation should not have to pay for an audit if the

audit finds mismanagement by the Manager. Ms. Marquez said that if the Corporation is audited under the District then the District is required to pay for it.

Mr. McBride commented in Section 8.02 Renewals that 30 days was not very much time to find a management company replacement and the time period for written notice should be changed to 90 days before the expiration of the Agreement. Ms. Marquez noted that for Renewals, the standard amount of time given is 30 days.

Mr. Granville commented on Section 8.06 that notice provisions should not be delivered exclusively via electronic mail. Ms. Marquez noted that standard practice would be 1) by first class mail; postage prepaid; or (2) by personal delivery and electronic mail. Delivery via facsimile (fax) machine should be deleted.

Ms. Berlese asked if in Section 9.01 the Corporation is the entity carrying the liability insurance. Mr. Bailey stated that the entity is the District.

Ms. Marquez noted that one person signs the contract as representative for both the Corporation and the District. Ms. Berlese stated that the authorized signee should sign the contract in two places as a representative of both the Corporation and the District. Ms. Browne asked if the Housing Corporation President should sign the contract as the representative for the Corporation. Mr. Bailey said he would check on that.

Mr. Bailey stated that he appreciated the feedback from the Board members regarding refinement of the contract and would recommend that they extend Kenny Realty's current contract until March 30, 2019. This would allow time for revisions and for Kenny Realty to review the agreement before final approval from the Board. Mr. Granville asked if Kenny Realty would keep the current fee arrangement during the extension period. Mr. Bailey recommended they amend the current agreement to 1) change the fees to \$62 per unit per month and 2) extend the term of the current agreement to March 30, 2019.

It was moved by Mr. Pierce and seconded by Mr. Goodman to approve this recommendation, all members voting Aye.

Informational Reports

1. Update on Cañada Vista Repairs

Mr. Bailey announced that the District awarded the Cañada Vista repairs bid to contractor W.E. Lyons. They are currently on-site and have begun staging and scaffolding on the project. A schematic of the phasing of the repairs was provided to the Board. Mr. Bailey stated that on October 17, 2018, the contractors are expected to receive the permit from the City of Redwood City and the demolition phase of the project will begin. The exterior of the buildings will be removed, including plaster, decks, and railings. All of the windows and patio doors will be removed, reflashed and reinstalled. The contractors will be working through issues dealing with the water heater closets and air conditioning units. Mr. Bailey noted that he would have more information on how this will work in a few days after testing on a few available units is done. For safety and weather protection, netting will also be installed to parts of the buildings that are under repair at any given time.

Mr. Bailey said that each of the four phases of the project will last 3-4 months. All of the residents have been notified that they will receive a \$150 monthly rental concession during construction.

Ms. Browne stated that there has been good communication with the residents regarding the construction and that reception to the monthly rental concessions has been positive. Ms. Browne noted some concerns about the netting installed which may block out natural light to the residences.

Ms. Marquez asked if parking has come up as an issue. Mr. Bailey answered that it has not yet but it will arise in the future and they will need to utilize overflow space in the parking lot across the street. The parking issue will have to be addressed as construction progresses and handled accordingly at that time. Mr. Bailey noted that there may be limited access to resident garages during construction due to safety issues.

Mr. Granville asked if there were quality control inspectors on-site at the residences, apart from the contractor. Mr. Bailey noted that there were 2 groups: 1) a Project Manager and 2 Project Coordinators (one who is on-site the entire time) from the District Facilities department and 2) a District consultant.

2. Update on Skyline College Housing Development

Mr. Bailey announced that the College Ridge project plans received final approval from the San Bruno City Council. Also on October 18, 2018, the property will close escrow and Summerhill Homes would like a notice to proceed that same day. SummerHill will be doing all of the horizontal site work for the District and then the District will go out to bid for the vertical construction of the site sometime early next year.

An on-site meeting will be held with the neighborhood residents on Thursday, October 18, 2018 to notify them of updates and address any questions or concerns. Two community meetings have already been held and two on-site meetings have been offered as well as attendance at City Council meetings.

Ms. Berlese raised a question regarding construction costs. Mr. Bailey stated that the funds received from the sale of the land will likely cover the costs for the project.

Mr. Bailey summarized that 30 rental units will be built at College Ridge with no club house, but with a nice outdoor communal space with plans for access to hiking trails in the area. Mr. Pierce asked if there were any plans for electric vehicle charging. Mr. Bailey said yes there were.

3. Year-End Financials for College Vista and Canada Vista

Mr. Bailey noted that at the last meeting the Budget proposal for the new fiscal year was adopted and year-end actuals on the budget proposal were not yet available. Mr. Bailey stated that Enclosures #03A and #03B showed year-end actuals for the College Vista and Cañada Vista budgets. Additionally, Mr. Bailey announced that the year-end financials and audit have been completed with no findings.

Board Members' Comments and/or Requests for Future Agenda Items

Mr. Bailey added that there were a number of follow-up items from the last meeting which will be addressed at a future meeting.

Adjournment

The meeting was adjourned at 4:31 p.m.