



**Minutes of the Educational Housing Corporation Board of Directors Regular Meeting
June 15, 2021
Via ZOOM Webinar**

Attendees:	Absent:
Dennis McBride, President	Richard Holober
Maurice Goodman, Vice President	Other Attendees:
Peggy Berlese, Treasurer	Mitchell Bailey, SMCCCD
Jonathan Wax	Bernata Slater, SMCCCD
Michael Pierce	Bob Talbott, BLVD Residential
Kate Williams-Browne	Yaakov Strauss, BLVD Residential
	Jonathan Garcia, BLVD Residential

Call to Order and Roll Call

The meeting was called to order at 3:02 pm. Members in attendance are listed above.

Public Comments on Non-Agenda Items

None

Election of Officers

It was moved by Mr. Pierce and seconded by Ms. Berlese to re-elect Mr. McBride to serve as President. The motion carried unanimously.

It was moved by Ms. Williams-Browne and seconded by Ms. Berlese to re-elect Mr. Goodman to serve as Vice President. The motion carried unanimously.

It was moved by Ms. Berlese and seconded by Ms. Williams-Browne to elect Mr. Pierce to serve as Treasurer. The motion carried unanimously.

ACTION ITEMS

Approval of Minutes

Approval of Minutes from March 25, 2021 meeting

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

Approval of Minutes of April 19, 2021 meeting

It was moved by Ms. Berlese and seconded by Ms. Browne to approve the minutes. The motion carried, with all members voting Aye.

Approval of Rental Rates for 2021-2022

Mr. Bailey presented the staff report for Approval of Rental Rates for 2021-2022. The staff report outlined the 2019 Board adopted structure and timing for rental increases. Mr. Bailey notified the

Board of two clarifying edits to verbiage in the staff report noting that the tables reflect rental increases, not rental rates.

Mr. Bailey said, due to the pandemic, the Housing Board voted at a special meeting on August 18, 2020 to freeze the rental increase schedule for one year for current residents (at that time) and to implement the rental increase for 2020-2021 for new residents. He noted that for 2021-2022, staff recommends the Board resume the rental rate adjustment schedule, with increases as reflected in the staff report.

Mr. Bailey shared with the Board the adopted rental increase schedule from 2019, which shows proposed rental increases for the next several years and compares current District rental rates with the County Affordable Low-Income Rate.

Ms. Berlese asked why the rental increase for the three-bedroom is less of an increase compared to the other unit sizes. Mr. Bailey said the goal is to get to the County Affordable Low-Income Rate over time and the three-bedroom units were closer than the others. Mr. Wax said he would be curious to know if the County Affordable Low-Income Rate has changed since 2019. Mr. Pierce said the 2021 rates have been released and are available on the County website.

Mr. McBride said he recalled the Board agreeing to use the current County Affordable Low-Income Rate every year. Mr. Bailey said staff can revise this item to reflect the County Affordable Low-Income Rate for 2021 and discuss further at a special meeting. Mr. Bailey also cautioned the Board about AB 1482 – State Rent Caps. Mr. McBride suggested discussing this further at a special meeting and the Board agreed.

Mr. Bailey also asked for the Board for clarification regarding the timing of rental increases. He said rental rates are effective for a 12-month period and increases will match the resident's anniversary date. For example, if the resident moved in in July, they will not receive a rental increase in October. The Board confirmed and agreed with this statement.

Approval of FY 2021-2022 Tentative Budgets

Mr. Bailey presented the FY 2021-22 Tentative Budgets for College Vista and Cañada Vista. He emphasized to the Board that this is a tentative budget and asked the Board for permission to adjust the budget between now and the final budget adoption. He said due to the property manager transition, from Kenny Realty to BLVD Residential, there has been a transfer of financial information using different financial platforms which created some information that remains to be reconciled. Mr. Bailey also said the financial accounting and tracking system that BLVD Residential operates is much more robust and can show detailed reports and/or high-level summaries. Mr. Bailey asked for Board feedback so that future financial reports can be improved.

Mr. Talbott explained BLVD Residentials' financial reports as enclosed in the staff report and clarified terminology used in the financial statements. Mr. McBride said he would like to see the budget information presented by month and line items with major deviations highlighted with an explanation.

Ms. Berlese asked about the rental potential. Mr. Talbott explained the gross market rent and loss/gain to market line items. He said these numbers are tools for the Board to use for market analysis and communication to residents.

The Board reviewed and discussed several line items in the financial report including total repairs and maintenance, turnover repairs and maintenance, staff costs, insurance, and utilities.

Mr. Bailey also noted the landscaping project at Cañada Vista. He said BLVD Residential is in the process of obtaining quotes for the project and staff intends to bring a recommendation to the Board soon.

Approval of FY 2022 Tentative Budget for College Vista

It was moved by Ms. Berlese and seconded by Mr. Goodman to approve the FY 2021-22 Tentative Budget for College Vista. The motion carried with all members voting Aye.

Approval of FY 2022 Tentative Budget for Cañada Vista

It was moved by Mr. Pierce and seconded by Ms. Berlese to approve the FY 2021-22 Tentative Budget for Cañada Vista. The motion carried with all members voting Aye.

Approval of Increase in Renter's Insurance Requirement

Mr. Bailey said that lease terms require College Vista and Cañada Vista residents to obtain and maintain renter's insurance. The current requirement of residents is a \$10,000 minimum coverage for personal property and \$25,000 for minimum coverage for General Liability. BLVD Residential has advised that most landlords require General Liability coverages of at least \$100,000.

Ms. Berlese asked if residents are required to submit proof of renter's insurance after the initial move in. Mr. Talbott said that BLVD Residential's practice is to request proof of insurance on an annual basis during lease renewal or rental rate increases. He said BLVD Residential has a system to monitor and track renter's insurance expiration dates and BLVD Residential is alerted when it is time to update the certificate on file.

It was moved by Mr. Pierce and seconded by Ms. Berlese to approve the Increase in Renter's Insurance Requirement. The motion carried with all members voting Aye.

INFORMATION ITEMS

Update on Property Manager Transition

Mr. Bailey said BLVD Residential has been working diligently to transition into the Property Manager role. He thanked BLVD Residential and Kenny Realty for working together to provide a smooth transition. Mr. Bailey also reported that virtual Meet and Greet events for BLVD Residential and College Vista and Cañada Vista residents were held in May.

Mr. Bailey said BLVD Residential has provided some new resources and tools for residents and he is hearing good feedback. Mr. Garcia spoke about the resident portal which allows residents to pay rent online and submit work requests. He said residents are using the resident portal successfully. Mr. Talbott, Mr. Strauss, and Mr. Garcia said they have all received a positive reception from residents.

College Ridge at Skyline College Development Update

Mr. Bailey gave an update on the College Ridge at Skyline College Development. He said the concrete work is complete, the footers are installed, and walls are being erected. Mr. Bailey offered to provide a tour of the project to any Board member who is interested.

Mr. Bailey said an “under roof” ceremony will be planned for the project after the framing is complete for both buildings in September or October. Project completion is scheduled for late Spring or early Summer 2022.

Discussion of Board Composition

Mr. Bailey discussed the Board Composition and upcoming vacancies. He said the Housing Corporation Board of Directors is governed by by-laws that call for a board that shall consist of at least seven (7) but no more than nine (9) Directors, with one director being recommended by the Academic Senate of the District and a second director recommended by CSEA. Board members may serve up to two four-year terms, and then sit out a year and be appointed again. The current Board consists of seven (7) members, two of whom have second terms that will end within the next nine months, making them in-eligible for re-appointment.

Mr. Bailey asked the Board for feedback and recommendations to present to the College District Board of Trustees for consideration. He said Board composition has historically relied on outside expertise in the areas of real estate and law to make informed decisions regarding managing Employee Housing.

Ms. Browne said that she and Mr. Wax are the only two District employees on the Board and although they are representing Academic Senate and CSEA, they have also represented the residents and employees on the waitlist. She said it is important and helpful to the Board that those constituency groups have a voice. She said she has already discussed her replacement with Academic Senate.

Ms. Berlese acknowledged Mr. Pierce’s service on the Board and said having a member of the Board with property management experience has been extremely helpful. Mr. Pierce said he knows industry experts and can provide recommendations.

ADJOURN

The meeting was adjourned at 4:39 pm.