



**Educational Housing Corporation Board Meeting
February 23, 2016
College Vista Clubhouse
Minutes**

Attendees:	Absent:
Peggy Berlese	Art Michael, Vice President
Kathy Blackwood	Barbara Christensen
Kate Browne	
Maurice Goodman	Other Attendees:
Ron Granville (arrived at 3:40pm)	Ray Chow
Dennis McBride	Caryn Kenny
Annette Perot	Mike Kenny
Karen Schwarz	Gohar Momjian
	Ana Mozzetti
	Jan Phemester

Call to Order

The meeting was called to order at 3:32 p.m.

Ms. Blackwood said that Ms. Christensen is absent because her attendance is required at another meeting.

Introduction Of New Member Maurice Goodman and Distribution of new Board Roster

Ms. Blackwood welcomed Mr. Goodman to the meeting. He was appointed Director for the Educational Housing Corporation (EHC), replacing Ms. Miljanich. Mr. Goodman was recently elected to the Board of Trustees for San Mateo County Community College District (SMCCCD). A round of introductions was held. Ms. Blackwood pointed out that there is a new roster in the meeting packet. Members were asked to review the information and notify Ms. Christensen if changes are needed.

Gohar Momjian said she has been shadowing Ms. Christensen for approximately two months and has become familiar with the Educational Housing Corporation and the role of the Board.

Approval of Minutes from the June 15, 2015 Meeting

A motion was made by Mr. McBride and seconded by Ms. Browne to approve the minutes of the June 15, 2015 meeting. The motion passed with all members voting Aye.

Housing Board Reorganization: Election of President and Vice President/Secretary

Ms. Blackwood stated that it is necessary for EHC to elect a new President and Vice President/Secretary. She called for nominations or volunteers. A motion was made by Ms. Schwarz and seconded by Ms. Berlese

to elect Mr. McBride to serve as President. The motion passed with Mr. McBride abstaining and all other members voting Aye.

Ms. Blackwood called for nominations or volunteers for Vice President/Secretary. A motion was made by Ms. Berlese and seconded by Mr. Goodman to re-elect Mr. Michael to serve as Vice President/Secretary. The motion passed with all members voting Aye.

Review of Education Housing Corporation Audit

Mr. Chow reported that this will be the last year that the current auditor, Vavrinek, Trine, Day & Co., LLP, will be conducting the annual audit for SMCCCD.

Mr. Chow stated that the 2014-15 audit results were very good, with no findings or areas of non-compliance. This is the thirteenth consecutive year with no findings or audit adjustments. Mr. McBride said that having no findings in an audit is a phenomenal achievement. Ms. Blackwood attributed the success of the audit to the financial teams at the District and three Colleges working together. Mr. Chow recognized the entire team for the development and implementation of the internal controls and procedures.

Mr. Chow reviewed the Statements of Financial Position for EHC. He said that there are no fixed assets on the income statement because construction for the buildings came from GO bonds. Mr. Granville asked if the buildings are listed as an asset on the District balance sheet; Mr. Chow said they are.

Mr. Chow reviewed the "Statements of Activities." He said that in 2015, total revenues were \$1,522,064, operating expenses were \$411,957, and the amount transferred out to SMCCCD was \$1,107,000. Ms. Blackwood explained that the District originally issued a Certificate of Participation (COP) and then paid off the COP using general obligation bond money. The funds that are transferred out to SMCCCD go into the Capital Outlay Fund to fund additional capital projects, with some funds set aside for the maintenance reserve in anticipation of future maintenance costs.

Mr. Chow reviewed the Statements of Cash Flows. He said the cash and cash equivalents at the end of the year were \$150,804.

Review of 2015/16 Budget / December 31 Actuals: College Vista and Cañada Vista

Ms. Blackwood reported that Ms. Christensen said it is early in the year to present the proposed 2016-17 budget. She said Ms. Christensen set this meeting at an earlier date than usual because she will be retiring at the end of this month. In the unlikely event of significant changes in the remainder of the 2015-16 year, the proposed 2016-17 budget might need to be adjusted.

There was discussion regarding the roof leaks at Cañada Vista and the fact that the report indicates no funds were expended for legal fees as of December 31. It was reported that that no fees have been paid because testing is still ongoing. The District has an owner-insured insurance program through Zurich. The Facilities Department is managing this and will determine how much should be charged to Cañada Vista if any fees are due after the insurance settlement.

In response to a question regarding the Cañada Vista report showing no expenditures for property liability and Workers Compensation as of December 31, Mr. Chow said the information is not yet available and the District will charge for these items during the second half of the year. Regarding the College Vista report, it was noted that \$20,000 was budgeted for Maintenance/Repairs and only \$2,293 was spent as of December

31. It was reported that these expenses were assigned to more specific categories this year, e.g. appliance replacement and repair, heating repair and plumbing repair.

There was discussion about the need for better year-to-date information on expenditures in order to consider a proposed budget for the next year. It was stated that it would be helpful to be provided assumptions based on the prior year's expenditures. Ms. Blackwood said approval of the 2016-17 budgets can be deferred. She said she will bring back a more detailed explanation that will help with understanding assumptions and proposed changes. She will also bring more information about the insurance issue.

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

This item was deferred and will be heard at the next meeting.

Approve Amended Housing Allocation Guidelines

Ms. Blackwood said that Ms. Christensen is proposing several changes to the eligibility requirements and priorities for faculty/staff housing. The first proposal is to change the ratio of faculty to classified staff to 45%/55% from the current 50%/50%. Ms. Blackwood said there has always been a higher demand for housing from classified staff than from faculty. She said it is recommended that the allocation be reviewed in the future and, if there are no significant changes in the number of full-time faculty on the waitlist, the ratio should be changed to the ratio of 40% faculty / 60% classified staff to match the current waitlist.

A motion was made by Ms. Berlese and seconded by Ms. Schwarz to change the housing allocation ratio to 45% faculty/55% classified staff.

Discussion included the manner in which units are currently allocated, with full-time faculty given first priority, followed by classified staff and then part-time faculty. It was also noted that the housing projects were intended to facilitate hiring and retain employees. It was reported that the number of positions that will be open for faculty vs. classified staff is not known at this time; however, there is currently not a problem with filling full-time faculty positions, particularly since many of those hired are current part-time faculty members. After this discussion, the motion to change the ratio to 45% faculty / 55% classified staff passed with all members voting Aye.

Ms. Blackwood said the second proposal would "exclude all Executives and Administrators at the AA through AC level (starting range from \$147,612 to \$189,708) from eligibility for housing except for special circumstances. Allow Administrators at the Dean and Director levels (AD-AF, starting range \$126,852 to \$140,700) to reside in the housing for four years only, which should be enough time for them to save to purchase a home. Also allow the person managing the wait list to make an exception to the policy if, for example, an Executive or AA-AC Administrator is being recruited from out of the area and needs a short period of time (6 months or less) to re-settle in the area."

Discussion points included:

- There was previously at least one administrator who resided in a unit for a specific period of time at below market rates and then stayed on and paid rent at market rate. Under the new proposal, this would not be allowed.
- It is believed that there is a maximum of three AD-AF administrators residing in units currently.
- There were two original purposes for the housing: (1) facilitate hiring and retention and (2) enable employees to save for a down payment on a home. Should take into consideration the difficulty of hiring administrators because of the high cost of living.

- Generally speaking, units are reserved for employees who are not homeowners, with an exception for employees who own a home outside the Bay Area and need time to re-settle.
- It is important to have guidelines, but the person managing the wait list should be allowed to use some discretion.

It was moved by Mr. Granville and seconded by Ms. Browne to include executives and administrators at the AA through AC levels with administrators at the AD through AF levels, allowing all executives and administrators to reside in the units for four years. It was suggested that four years might be considered by many employees to be too long for a highly-paid administrator to be allowed to reside in a unit. Following this discussion, the motion failed. It was then moved by Mr. Granville and seconded by Ms. Schwarz to accept the proposal as originally presented. Comments included the belief that while four years is too long to allow administrators to stay, six months does not allow enough time to re-settle in the area. It was also suggested that the separation of administrators into two groups does not make sense. Mr. Granville amended his motion to allow all eligible executives and administrators to reside in the units for no more than two years. After further discussion, it was decided without dissent that Ms. Momjian will review the Board's discussion with Ms. Christensen and seek her feedback. To this end, Mr. Granville rescinded his motion.

Ms. Blackwood said the third proposal is to remove the requirement to pick a tenant from a lower priority group in order to maintain the balance and always give priority to full time employees over part time employees.

A motion was made by Ms. Blackwood and seconded by Mr. Granville to accept the motion as written. It was noted that when a part-time faculty members falls out of eligibility, a full-time classified employee would have priority over another part-time faculty member under this proposal. Board members cautioned that this could skew the ratio of faculty to classified staff that was approved earlier. After this discussion the motion failed, with one member voting Aye, five members voting No, and one member abstaining.

Receive Information on the Skyline Housing Proposal

Ms. Momjian presented a brief update on the Skyline housing project. She said a conceptual site plan for the proposed residential development is included in the packet distributed for this meeting. The land, known as Parcel B, consists of eight acres and is located just south of College Road by the track. The District is proposing to sell six acres to a developer to build single family homes and to keep two acres to build apartments for faculty/staff housing.

Ms. Momjian said she, along with Ms. Christensen, met with the City of San Bruno Planning Commission and they seem to be very excited and enthusiastic about the project. The City of San Bruno would like the multi-family and the single housing project to be entitled as one project. They also suggested that the new residential development mirror the Marisol Development.

Ms. Momjian said the current plan is to build 28 apartment units. She said the new apartments, combined with significant occupancy turnover expected in 2018-19, should reduce the names on the waitlist.

Review Information on Payoff of Housing Debt

Ms. Blackwood reviewed the San Mateo Staff Housing Debt report as of December 31, 2015. She reported that the College Vista construction debt is 44.023% paid off and Canada Vista is 23.48% paid off. Funds are put in reserve each year; the amounts are based on the Tower Maintenance Study. These funds are put in the Capital Outlay Fund and are earmarked for Cañada Vista and College Vista.

Board Members' Comments or Requests for Future Agenda Items

Ms. Blackwood said the budget and proposal on allocations will be brought back to the next meeting. Ms. Schwarz requested more information on the current ratios for the allocation of housing units. Ms. Momjian said she will prepare a matrix showing both current residents and employees on the wait list.

Public Comments

None

Next Meeting

Staff will email the Housing Board to determine the best date for the next meeting.

Adjournment

The meeting was adjourned by consensus at 5:33 p.m.