

**Educational Housing Corporation Board Meeting  
September 22, 2016  
College Vista Clubhouse**

**Minutes**

<b>Attendees:</b>	<b>Other Attendees:</b>
Dennis McBride, President	Mitchell Bailey
Peggy Berlese	Barbara Christensen (closed session only)
Maurice Goodman	Caryn Kenny
Ron Granville	Mike Kenny
Annette Perot	Bernata Slater
Michael Pierce	Ginny Brooks
Karen Schwarz	
<b>Absent:</b>	
Kathy Blackwood	
Kate Browne	

**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.