



Housing Commission Minutes [SUBJECT TO APPROVAL]

December 16, 2021 – 7:00 p.m.

This meeting was conducted in accordance with Governor Newsom's Executive Orders N-20-20 and N-35-20 and COVID-19 pandemic protocols

CALL TO ORDER

Chair Galvin called a teleconference meeting of the Housing Commission to order at 7:01 p.m.

Pledge of Allegiance

The Pledge of Allegiance to the flag was recited.

ROLL CALL

Commissioners Present: Commissioners Karline Fischer, Neil Kripalani, Tony Soby, and Chairperson Jay Galvin

Commissioners Absent: Commissioners Kate Duggan and Vivek Mohan.

Staff Present: Steve Hernandez, Housing Manager; Brian Dolan, Assistant City Manager; Ellen Clark, Director of Community Development; Jennifer Hagen, Associate Planner; Shweta Bonn, Senior Planner; and Edith Caponigro, Recording Secretary

AGENDA AMENDMENTS

None.

MINUTES

1. Approve Regular Meeting Minutes of November 18, 2021

Motion made by Commissioner Soby, seconded by Commissioner Kripalani, to approve the November 18, 2021 meeting minutes. **The motion approved unanimously.**

MEETING OPEN TO THE PUBLIC

2. Introductions / Awards / Recognitions

None.

3. Public Comment from the audience regarding items not listed on the agenda

None.

MATTERS BEFORE THE COMMISSION

4. Approval of Annual Operating Budget for the Ridgeview Commons for 2022

Mr. Hernandez introduced commissioners to Ridgeview Commons management representatives Sean Barcelon, Director of Asset Management and Asset Manager Andrea Wilson, advising they would be reviewing with the commission the 2022 Operating Budget for the complex.

Mr. Barcelon informed commissioners that Barcelon Associates has been overseeing Ridgeview Commons (RVC) since 2013 and Ms. Wilson will be taking over the responsibilities he has been managing. He provided background information about RVC, the tax credits they receive for larger projects, and now being the time for some of these projects to be managed. Mr. Barcelon noted that with recent changes made to tax credit awards RVC will not qualify for tax credit resyndication funding in the immediate future because it is not in a high need area and due to the property's relatively good condition. This has also changed how Barcelon Associates has addressed the rents at RVC.

Commissioners were advised by Mr. Barcelon that some substantial changes are being proposed for the rents at RVC that will now go into two categories, one will be to increase the 60% AMI units based on tenant rent burdens and then raise rentals for all new tenants for the 1-bedroom rent from \$951 to \$1,200 and the 2-bedroom rent from \$1,084 to \$1,350.

Mr. Barcelon reviewed with the commission the projected operating budget for 2022 commenting specifically on proposed expense changes for office salaries, professional fees, utility charges (electrical/water/sewer/cable TV), janitor, cleaning, grounds, and security contracts. He noted that the cable TV income received was a pass-through amount, and a stores and commercial income amount was from Open Heart Kitchen who uses the Ridgeview Commons kitchen.

Additional details about the proposed budget included information about earthquake insurance, payroll items, and expenses for replacement of apartment items and site improvements. Mr. Barcelon provided information about the 5-year Expenditure Projections for apartment items, communal areas and office, the Replacement Reserve Fund and Capitalized Fixed Assets and then reviewed with the commission the Reserve Balance Projection for years 2022 through 2026. He also discussed the 2022-Tiered Rent Increase Proposal for existing tenants.

Chairperson Galvin thanked Mr. Barcelon for including footnotes in his presentations and he and Commissioner Soby discussed tenant rent vouchers with him. They were also provided information about the RVC current waiting list and the priority that is given to Pleasanton residents.

Commissioner Kripalani discussed with Mr. Barcelon the possibility of including a balance sheet with the next Operating Budget so he would be able to better understand liabilities within the structure for the balance sheet.

Commissioner Kripalani asked about safety concerns at RVC and whether there was any need for security guards. He also asked about the increase in cost for earthquake insurance. Mr. Barcelon advised that safety issues have been minimal, and the earthquake insurance increase has to do with this being a senior citizen complex.

Mr. Barcelon discussed with Commissioner Kripalani the issue of debt services. He also commented on a deferred land lease payment that the City of Pleasanton allows to accrue. Chairperson Galvin commented on contingencies built into the budget that will not be used by the year-end. Mr. Barcelon indicated he would be able to provide the commission with the December and January balance sheets once they have been completed.

Commissioner Kripalani asked for an approved interim balance sheet for the end of August and

Chairperson Galvin noted that the commission used to receive quarterly reports and now only receive them once a year when the budget needs to be approved for the next year. Commissioner Kripalani felt if the commission were only receiving the budget at the end of the year it would need to provide more visibility about its content. Chairperson Galvin informed Mr. Hernandez that the commission would like to see projected and final budget and balance sheets. Mr. Barcelon indicated he would be able to provide these to Mr. Hernandez who could then share with commissioners.

Commissioner Kripalani discussed with Mr. Barcelon funds already spent for which reimbursement is now being requested.

In reviewing rent increases Mr. Barcelon informed Commissioner Fischer he did not have information about the average age of RVC tenants but advised that all tenants were 62 years and older. Ms. Wilson noted that most tenants were in the 60 to 70-year range.

Commissioner Fischer indicated she was concerned about the older tub and shower units being not as easily accessible for some older tenants and questioned if any additional expenses were included in the budget to make sure tenants are safe. Mr. Barcelon advised that more cleaning and sanitizing has been done in high traffic areas during the pandemic and no video cameras are installed at RVC. He also advised that staff since RVC is not an Assisted Living facility staff are not covered to provide specialized services and no defibrillators are installed on the premises.

Mr. Barcelon informed Commissioner Fischer that RVC residents have been surveyed, and there was a split between some wanting walk-in showers and others wanting tubs, but all have grab bars installed. Commissioner Kripalani had questions about OSHA or industry statistics, and Mr. Barcelon indicated he did not have information available, but RVC has experienced very few problems relating to tubs and showers.

Commissioners were provided additional information about the proposed rent increases and the City of Pleasanton's desire to keep the rents at Ridgeview Commons at an affordable rate. He commented on the land lease for the complex with the city and the city's requirement that rents not exceed affordable levels for tenants in the 60% area median income. Mr. Barcelon reviewed the proposed rent increase numbers for current tenants and the proposed rent for new tenants moving into the complex.

Commissioner Kripalani expressed his concerns about the proposed rents for new tenants. Chairperson Galvin questioned how many units were in each category, and Commissioner Soby asked if tenants had provided any feedback on the proposed rent increases. Mr. Barcelon indicated that tenants had not yet been provided information about the increases.

Commissioner Kriplani stated that he understood the motivation for increasing rents for new tenants but felt the amount for new tenants was too much and thought an additional slight increase could be added to the increase of existing tenants. He asked that economics be considered, and consideration be given to not putting all the burden on new tenants, but rather increase the rent of all tenants by two dollars.

Chairperson Galvin felt Commissioner Kripalani's suggestion would be putting a burden on older tenants who had been at RVC since its inception but agreed that RVC needed to raise the required amount of funds. He questioned how other cities would manage this matter and whether Eden Housing was driving this rental change and whether the rents would be comparable to rents in other Tri-Valley cities. Mr. Barcelon commented on new tax credits and felt that Alameda County rentals for one-bedroom apartments would be over \$1,500.

Commissioner Kripalani again indicated he did not understand why the burden needed to be put on new tenants and not shared by the already existing almost two hundred residents at Ridgeview Commons.

Commissioner Soby reviewed with Mr. Barcelon the proposed rents for new tenants as shown in Attachment 4 of the presentation and the tiered rentals for existing tenants. He asked Mr. Barcelon to confirm that rental increases would now take place each year and whether without the increases the project would remain viable. Commissioner Soby indicated he did not have any issues with the proposal presented by Mr. Barcelon that included the tiered rent increase for existing tenants and new tenants coming into apartments at a higher rent.

Mr. Barcelon indicated that he understood Commissioner Kripalani's concern and felt it was a valid point. Commissioner Kripalani stated he was not trying to swing the pendulum but asked that another scenario also be considered with compromise. He asked Mr. Barcelon to work up another spreadsheet scenario that the commission could consider so new tenants are not burdened with the \$250-\$300 rent increases.

Commissioner Fischer commented on new tenants having to take on the burden of the increase in rents and felt it was important to look at the long-term picture and not just the immediate change. She felt people would still be getting a good deal on the rent, just not as good a deal as tenants who have been in the complex since the beginning.

Chairperson Galvin indicated he did not want to hold up approval of the budget for Ridgeview Commons, and Commissioners Soby and Fischer agreed. Commissioner Kripalani stated he too did not want to hold up this budget but indicated he would like to see it modified so as not to be so extreme for new tenants and questioned if the rent for existing tenants was increasing by the full two percent. Mr. Barcelon advised increases for existing tenants was being based on their existing actual rent burdens.

Commissioner Soby felt new tenants would still be receiving a good deal on their rent. He also noted that many existing tenants would be receiving rental increases more than the two-percent Commissioner Kripalani had indicated and noted that 15 tenants would be in the 10% increase rate, 149 in the 5% rent increase rate, and 5 tenants in the 3% rent increase rate. Commissioner Kripalani indicated he would still like to see a fixed dollar amount added to every existing tenant in addition to whatever tiered increase that is being added.

Chairperson Galvin asked Mr. Barcelon if it were possible for him to provide the commission with information on what would happen if a \$10 amount was added to the rent of all tenants each month in lieu of the tiered increase and adding the extra amount for new tenants. He also commented on this making a \$24,000 annual difference. Mr. Barcelon agreed he would provide such a report in January.

A motion was made by Commissioner Fischer, seconded by Commissioner Soby, to approve the Annual Operating Budget for Ridgeview Commons for 2022 as presented.

Commissioner Kripalani indicated he would like to wait and approve the budget after reviewing the report that Mr. Barcelon will be providing. Chairperson Galvin indicated he did not want to hold up approval of the budget and Barcelon Associates being able to advise tenants about rent increases. Mr. Hernandez advised that waiting until the commission discusses the report from Mr. Barcelon in January would delay rent increases until March 2022.

Chairperson Galvin asked for a rereading of the motion followed by the roll call. The motion was restated.

ROLL CALL VOTE:

AYES: Commissioners Fischer, Soby and Chairperson Galvin.
NOES: None
ABSENT: Commissioners Duggan and Mohan
ABSTAIN: Commissioner Kripalani

Chairperson Galvin questioned if the commission would be receiving a mid-year report from Ridgeview Commons, and Mr. Hernandez indicated he would connect with Mr. Barcelon and Ms. Wilson to discuss this.

MATTERS INITIATED BY MEMBERS OF THE COMMISSION

None.

COMMISSION REPORTS

None.

FUTURE AGENDA ITEMS

Chairperson Galvin discussed the January 2022 agenda with Mr. Hernandez who commented on City Council priorities and that need to be updated annually. He also discussed the need for bringing new board members up to speed with responsibilities of the Housing Commission. Mr. Hernandez advised that if there is nothing substantial for the January meeting agenda the meeting will be cancelled.

ADJOURNMENT

The meeting adjourned at 8:43 p.m. by unanimous consent.