

Associated Residential Community Housing (ARCH) Advisory Committee
Meeting Minutes
January 9, 2017

MEMBERS PRESENT: ANINDITA BHATTACHARYA
NADA BOUTROS
MARK CUNNINGHAM
KIM CIERO
MAYRA ESTRADA
ROBERT FRAZIER
SOPHIA HIRAKIS
ROSIE JIMENEZ-NEGRETE
RUSS KING
REBECCA OTTEN
MALIA MAHI
VALERIE SAPP
SONJA STEINBRECH
CORY STEVENSON
PA CHIA VUE
MARY BETH WARD
MATTHEW WILLS

The meeting began at 1:37pm.

Mark said they hope to recommend rates and the budget. He asked the committee to consider keeping the rates close to existing rates. If it is mispriced, students will wait to see if South Mesa is a better price. He then asked them to keep the pricing structure simple. He shared that UCLA has 17 pages of rates and is too complicated. He is hoping they can recommend rates for 2017-18. Then he'd like the committee to work on 2018-19. HDH would like to be able to provide rates to those on the Mesa Nueva interest list. He reminded the committee that amenities are always subjective (with the exception of parking).

Sophie introduced Nada Boutros, the ARCHAC UG Parent/Family committee representative.

Rebecca projected the "ARCH Budget for 17-18 Draft." She then gave a quick recap of what was discussed at the previous meetings. She explained that the spreadsheet shows projected expenses for 2017-18. HDH came in at a 4% increase to cover costs. She said they need to make sure the rates cover enough income to offset all expenses. Then the committee played with those numbers a bit based off the discussions. She said they spoke about Coast rates being too low, wanting to possibly protect rates of families (3 bedrooms), North Mesa being smaller and coming offline soon, and amenities and how much they cost. She said Cory is currently working on comparing those amounts so there is a basis to explain the differences at the various communities. She asked the committee for feedback.

- Sophie shared that she asked a few residents to review the rates they were working on and they all asked why the new complex is more expensive than the others. They thought it was too expensive.
 - o Rebecca said that is why it is important to find the right price point people are willing to accept. Or they will sit and wait for something else to come up. For the most part, they will be capturing the new incoming class, who might not have gotten housing on campus

if they hadn't opened up the new complex, and sometimes they are able to set their budget up from the beginning at a higher level.

- Mary Beth is confused about what they deem as too high at Mesa Nueva.
 - Additionally all non-studios have washers and driers. They all have parking too.
 - Mary Beth thinks the rates are reasonable.
 - Nada shared that she is a single mom with three kids. She thinks \$2250 for the three bedroom is too high and she wouldn't be able to afford it. She thinks they should look at rates on a case by case basis (one person paying rent versus three people paying rent).
 - Rebecca shared that they talked about this and they also talked about looking at the Central Mesa three bedroom and keeping that affordable for student parents.
- Mayra understands that the rates at coast is are fairly inexpensive, but is not comfortable with raising the rent by 6%. She said this is not fair to the students currently living there.
- Mary Beth asked the committee for clarification. She asked what they are against in the spreadsheet and what they specifically wanted to change. She is not against anything on the spreadsheet.
 - Valerie thinks the Mesa Nueva three bedroom price should be lower. She said they have to share the space with three people and they deserve a price reduction. She suggested \$2200 instead of \$2250.
 - Mary Beth said it should instead be \$2100, because lowering it by \$50 won't make that much of a difference per person.
 - Rebecca plugged in the numbers on the excel sheet to see how it affects the bottom line. She pointed out that lowering the rate would make a \$25,000 difference in the bottom line that would have to be made up elsewhere.
 - Rosie suggested having the person in the master bedroom pay more.
 - Bob said that idea was thrown out two meetings ago.
 - Sophie thinks they should discuss this again. The master bedroom has their own bathroom and should pay more. They could even discuss the possibility of putting a couple in the master bedroom.
 - Mark reminded the committee that for the past two years, the feedback has been that families don't want to be in the high rise. That feedback was repeated on many occasions. Parents voiced that they were concerned about their children falling out of the window, etc. They shared that they wanted to be able to park right outside their apartment so they could take their groceries and children inside easily versus having to go up to the 9th floor. Using this feedback, the intent of Mesa Nueva was to create a single student component.
 - Matt thinks the three bedroom rate should stay at \$2250 because those units have laundry machines in them. He thinks the rate can be justified with that fact alone.
 - Nada asked if they've considered allowing only families to live at South Mesa.
 - Mark said he'd like to discuss this with the committee. He'd like them to think about opportunities where they can build a community for families and possibly with programming. They would not require all families to live in the community, but would like to see if that is something everyone would be interested in. He said they need to be more forward thinking about how to create this community. He wants to be supportive of students with children. He encouraged the committee to look at the per person proposed rates and not the

unit rate amount. If they want to raise rates, they can do it over a few years at a reasonable rate.

- Sonja asked what rate is reported to Financial Aid to determine cost of attendance, since there are so many.
 - Rebecca said all the rates are shared. They will look up where the student is living and Financial Aid will create an estimate based off that.

Cory projected his excel spreadsheet onto the screen. He shared that he added square footage modifiers and raw number modifiers. He said the studios were under cost, compared to the other units. The rates of the other Mesa Nueva units went up as well. He also added \$30 for each unit over at SGA for the cleaning service. He then showed the per bedroom rate for each facility, assuming one person per bedroom. He asked the committee for feedback.

- Mary Beth asked if he and Sophie were able to discuss the rates with GSA.
 - Valerie said GSA hasn't yet had a meeting.
- Mary Beth shared that she spoke with a few of her students and they didn't want more than a 4% increase. If they can cover expenses with a 4% increase across the board, she thinks they should do it. She doesn't think anyone should be charged more than that.
 - Cory understands but explained that over the past decade, there has been a blanket increase across the board, without reviewing the facility and its amenities. That's why they've ended up with a price distribution that doesn't make any sense. He said the purpose of this discussion is to create a rate structure that makes sense and is representative of what the space has to offer.
 - Mary Beth understands and thinks they should narrow the discussions to specific units.
 - Bob agreed. He asked the committee which room types they wanted to review and to focus on those. The committee can then work over the next few years to dial the rates closer to what they want them to be.
 - Mayra reiterated that a 6% increase is too high. She thinks the rates should be affordable and asked the committee to consider how International students will feel.
 - Cory said even with a 6% increase, all of the units are still well below the market. This is the cheapest housing option available. If a current resident is unable to afford the increase, they can request to be moved to another unit or area and they have priority.
 - Rebecca said they won't have priority. All those who want to move to a different unit must get on the waitlist.
- Mary Beth motioned to approve the rates as is (with increases ranging from 3% to 6%).
 - Kim seconded the motion.
 - Motion failed to pass with 3 approve – 3 deny – 4 abstain vote.
- Mary Beth motioned to approve the original 4% rate increase across all units.
 - Mayra seconded the motion.
 - Motion denied with 2 approve – 5 deny – 3 abstain vote.
- Cory asked those that abstained, to explain why they abstained from the vote.
 - Mayra abstained because she doesn't agree with the Coast rate.
 - Rosie said she isn't ready to vote.
 - Matt said he is still thinking about it.
 - Sonja thinks there are students who won't mind paying more for a nicer unit.
 - Valerie pointed out that students would have to pay more than 6% if they moved off campus.
 - Kim agrees with Sonja. She thinks people would be willing to pay more. She likes the adjusted rate structure (with the increases ranging from 3% to 6%) and

- doesn't think 6% is too much of an increase. They can't get these rates anywhere else. She said this is a move in the right direction.
- Mayra understands that they will eventually pay more when they move off campus and thinks they should give them an opportunity to save money while living on campus to prepare for that transition. She pointed out that since Coast residents don't leave, this increase would affect existing residents, not new ones.
 - Sonja asked if they can vote on the rates and stipulate that current residents be allowed to move if they want.
 - Rebecca said they can discuss giving them a bit of priority status to move elsewhere.
 - Cory said yes, they can recommend that.
 - Sophie said this committee represents the residents. It is this committee's job to review what is reasonable and what is not reasonable. The 6% increase is for a space that is already well below market and affordable. She said the bigger issue is the \$750 rate, per person, for the three bedroom unit at Mesa Nueva. She said students won't be able to afford it.
 - Rebecca pointed out that if they lower the rates at Mesa Nueva, they will have to increase the rates elsewhere.
 - Mark said the minimum rate at Mesa Nueva is \$750. Otherwise, it'll push everything else up.
 - Kim motioned to approve the proposed rates with the increases varying from 3% to 6% (Column I on excel spreadsheet).
 - Mary Beth seconded the motion.
 - Sonja amended the motion, conditional on residents being allowed to switch rooms.
 - Motion approved with 6 approve – 3 deny – 1 abstain vote.
 - Cory asked for a vote on whether or not to allow people to switch between complexes.
 - Rebecca asked that this be kept to this year only.
 - Motion approved with 7 approve – 0 deny – 3 abstain vote.

Rebecca asked the committee for their thoughts on 2018-19 rates. She asked if they wanted a percentage increase across the board or varied increases.

- Valerie said that since they approved drastic changes, she thinks the following year's increase should be around 4% or less than 4%.
- Matt is unsure about recommending the 2018-19 rates. If they are wrong about the rates for Mesa Nueva, he doesn't want them to be locked down for two years.
- Kim said if they recommend rates for 2018-19, they are taking a risk. She thinks they should wait on 2018-19 rates. That'll give them time to reevaluate after Mesa Nueva opens.
- Mary Beth said the purpose of having two years of rates is so they could tell residents up front what their housing costs would be. If they don't determine the 2018-19 rates, new residents will only get one year's worth of rates.
 - Sophie said this is what happens off campus and thinks it is reasonable for the committee to only recommend one year of rates. She likes the idea of waiting to determine the 2018-19 rates as well. She said there are too many factors to consider and she'd be uncomfortable making that decision.

- Cory said they can wait to see how Mesa Nueva does. If it does well then they will know they came in at the right price. If not, then they will have the ability to adjust it. They can work on 2018-19 rates at the end of the year.
- Kim said this will give the committee time to review the rates and take their time with the 2018-19 rates.
- Sonja asked how much they anticipate the waitlist will go up or drop down.
 - Rebecca explained that in the past when they opened a new facility, the waitlist numbers dropped for a bit then goes back up.
 - Mary Beth added that there is a campus push for more graduate students too.
 - Bob said there are people who don't apply for the waitlist because they think they won't get a space. Once they notice that the waitlist is smaller, they are more likely to apply.
 - Mark added that if the length of time in housing increases, that'll also make the waitlist go up. There are currently 350 people on the interest list for Mesa Nueva.

Appeal 858

- Mayra motioned to vote.
 - Rosie seconded the motion.
 - Appeal denied with 0 approve – 9 deny – 0 abstain vote.

Appeal 828

- Valerie motioned to vote on an extension.
 - Mary Beth seconded the motion.
 - Motion approved with 9 approve – 0 deny – 0 abstain vote.

Meeting adjourned at 3:05pm. The next meeting will be on Monday, January 23, at Eucalyptus Point at 1:30pm.