

Associated Residential Community Housing (ARCH) Advisory Committee | MINUTES

Meeting date | time 3/23/2018 11:30 AM

Meeting location: Larry Barrett Room

Type of meeting:	ARCH Advisory Committee	Attendees:	Anindita Bhattacharya
Co-Chairs:	Tatiana Zavodny Jana Severson		Burgundy Fletcher
Note taker:	Pa Chia Vue		Burton Ober
			Jana Severson
			Kim Ciero
			Madhura Som
			Malia Mahi
			Marybeth Ward
			Rebecca Otten
			Robert Frazier
			Shana Slebioda
			Sophia Hirkis
			Tatiana Zavodny
			Valerie Saiag

Meeting began at 11:35am.

Budget Discussion

Tatiana said today's meeting is purely to discuss the budget. Appeals and housing issues will be discussed at future meetings in Spring Quarter. She gave a brief overview and hopes the committee has had a chance to review all the documents that were emailed to them. She reminded the committee about the proposed additions: playground structure at Coast, which will cost \$30-\$40,000 and the water station at Coast, rough estimate of \$10,000.

- Sophie asked if the current budget includes the playground or water station.
 - o Tatiana said no, strictly operations.
 - o Sophie asked where in the budget miscellaneous items, like spigots, come from.
 - Rebecca said the cost would come out of supplies and expenses and labor.
 - Sophie asked the budget has ever gone over.
 - Rebecca said yes but it is usually balanced out with other items like salary savings. They have never had a deficit at the end of the year overall.
 - Tatiana said they could also vote to put funds in reserves in case items come up.
- Valerie thanked Housing for answering their questions and doing the extra work to inform committee about the budget. She shared some research she found from UCSD website and from University of California Food Initiative (Dec 2017). The needs of UG and grad students were found to be so great that the Triton Food Pantry services were expanded. There was an increase of 64% increase in UG and Grad student food pantry use. They even expanded the Basic Needs Center this quarter. Cal Fresh has been offered in several campus locations. In last 5 years, housing costs have increased by 75% in San Diego area, LA, and San Francisco area but staff and student salaries have not increased. She said they cannot build infrastructure on backs of poverty.
 - o Sophie thanked Valerie for sharing this information and for her dedication to this committee.
 - o Tatiana thanked Valerie and shared that she will be meeting with Pierre soon.
 - o Sophie said they just got the LRDP and the campus will be growing by hundreds of thousands of people. She believes the campus is going to become less hospitable.
- Rebecca said the committee discussed adding an extra \$21 per bedroom to include electricity at Coast. Last week's straw poll showed most were in support of that.
 - o Sophie motioned to vote on adding \$21 per bedroom to include electricity in Coast rent.
 - Mary Beth seconded.
 - Motion approved with 8 approve – 0 deny – 0 abstain vote.
- Tatiana reviewed the budget options with the committee. If options get approved, \$115,848 can be put in reserves.
 - o Rebecca said they like to keep \$75-80,000 aside for unexpected expenses.
 - o Sophie asked if they could look at the cost per person. She is wondering why supplies and expenses have only increased by \$30,000, even though Mesa Nueva is now open.

- Rebecca said they built expenses into the last budget too.
 - Sophie is concerned because Mesa Nueva isn't going to be under warranty anymore and that figure will go up. The second item she'd like to look at is the Coast studio because it is underpriced.
 - Anindita agrees that Coast is underpriced. She doesn't think it should increase by a percentage because it'll continue to be underpriced compared to the others. She thinks Coast rent should be increased to make it fairer. She suggested figuring out what rent amount is fair and take the next 2-3 years to work up to it.
- Tatiana asked if HDH felt \$75,000 in the reserves was enough to cover unexpected costs.
 - Rebecca said yes and that's been the figure for several years.
- Kim agrees with decreasing the cost of the three bedroom at Mesa Nueva and increasing the rent at Coast.
- Rebecca asked committee to be aware of the number of units there are in each area.
- Sophie asked committee to think about the rate of the three bedroom at Mesa Nueva.
 - Anindita asked what the typically rent of a three bedroom in La Jolla would be.
 - Kim said easily over \$3000.
- Sophie asked the parent committee members what they are currently paying.
 - Burgundy said \$1340 at Mesa.
 - Sophie pointed out that there is too big of a difference in the prices at Mesa Nueva. She then suggested increasing Coast rates by 100.
 - Rebecca said that would be 20% increase and they cannot support that. In the past the highest increase was around 6% when we were building new housing.
 - Tatiana suggested increasing the Coast rate by \$30.
 - Sophie asked if they could do a 10% increase and inform Coast residents that they would be doing this over the next three years.
 - Rebecca shared that each year, the committee sees this differently. Some years, the committee feels rent should be lowered at Coast due to square footage. They aren't able to do a three year increase because each year, the committee will review the budget and can determine to increase/decrease the Coast rate.
- Sophie suggested lowering the Mesa Nueva three bedroom increase down to 3% (\$2375).
 - Tatiana said that will put \$83,000 in reserves.
 - Rebecca said if they are going to make the changes to the three bedroom rate, then they should look at the two bedroom rate as well.
 - Sophie doesn't think the two bedroom rate should be changed.
 - Anindita said if the two bedroom rate isn't lowered, people won't take them.
 - Kim asked if there is a shortage of apartments for grad families.
 - Rebecca said they have been able to meet family demands.
 - Burgundy asked the committee to consider poor families that are on food stamps and can't afford to be at UC San Diego.
 - Rebecca pointed out that the Mesa Nueva two bedroom has two bathrooms and residents don't have to share. The three bedrooms have to share their bathrooms.
 - Sophie said most grad students are living with a salary of under \$20k a year and cannot afford housing. They are here to serve grad students and their families.
 - Anindita asked what the rate is, per person at Rita.
 - Tatiana said currently \$555, but with the increase it'll be \$583.
 - Anindita asked why Rita is paying less.
 - Sophie said it's older. Mesa Nueva residents are paying more because their facility is newer.
 - Madhura pointed out that the rate per person for the two to three bedroom is the same as the studio price. She believes the two to three bedrooms are worth more since they have a washer dryer and more bathrooms available to them.
 - Rebecca pointed out that the amount the group is considering as the additional washer/dryer cost is already included in the 18-19 rate.
- Tatiana asked the committee how they felt about the Coast studio rate (\$750).
 - Anindita said Coast is underpriced.
 - Madhura suggested raising rent at Coast to \$800.
 - Kim suggested increasing it by 6%.

- Tatiana said if they raise the rent to \$759, its 6.3% increase.
- Kim is concerned about how they are going to justify a 10% increase to Coast residents.
- Valerie thinks they'd be willing to pay more per month than pay for moving costs. She thinks it is affordable.
- Tatiana suggested \$780 (with \$21 electricity, it would be \$801).
- Shana pointed out that there aren't very many Coast studios. She asked how this would affect the reserves.
 - Rebecca said the reserves would go up by \$7000.
- Kim liked Anindita's idea of doing only a 6% increase over the next few years.
- Malia added that the Mesa Nueva studio rates include electricity.
- Sophie said they will be able to defend the Coast increase because of their amenities. She pointed out the inequity and reiterated that Coast is underpriced.
- Tatiana asked the committee how they felt about the one bedroom rates (\$1023, \$1071, and \$1134).
 - Sophie asked how students are generally feeling about the one bedrooms.
 - Tatiana said they generally like it over the studios.
 - Madhura asked if they have washer/dryers in their unit.
 - Bob said yes.
 - Burgundy said the old Mesa one bedroom is only \$60 less and doesn't have a washer/dryer.
 - Sophie added that most of the one bedroom students are there due to special circumstances or an exception.
 - Tatiana said that could possibly be the case for studios as well.
 - Rebecca pointed out that there are only 9 of them.
 - Valerie suggested just doing a percent increase across the board.
 - Reb said they initially started with a 5% increase across the board when the budget was presented to the committee.
 - Valerie suggested lowering the percentages for the ones they feel are inequitable.
 - Madhura suggested an increase of 6% for the Mesa Nueva one bedroom.
 - Anindita reiterated that doing a percentage increase across the board will build upon the current inequities and not solve their problem. They need to fix the problems.
 - Tatiana asked how the committee feels about a 6% increase.
 - Sophie thinks it looks good. She suggested a 7% increase across the board at Coast. She thinks this is reasonable. She said they could also give Coast the option and priority to move if needed.
 - Tatiana said this would change the rates to \$786 for the studio, \$1065 for the one bedroom, and \$1485 for the two bedroom. It would result in \$200,000 in the reserves.
 - Sophie asked if anyone has moved out of Coast due to the cost increase.
 - Bob said not that he was aware of.
 - Anindita doesn't think anyone should have to subsidize those living at Coast. They are paying significantly less there.
 - Rebecca said they are not being subsidized. Mesa Nueva is higher because their mortgage is higher.
 - Madhura asked what number surplus they are aiming for.
 - Tatiana said \$75,000 for unexpected costs. Anything over that can be earmarked for projects.
 - Burgundy feels the proposed increases are still too high. This will hurt single income families. If she has to move from Central Mesa to Mesa Nueva, it'll be a \$1000 increase.
 - Rebecca said the La Jolla del Sol option could address that need. LJDS has 50 units at affordable price points to provide families with options.
 - Valerie said the rate increases will hurt. She doesn't think they should have high increases for anyone.
 - Sophie said there is a diverse array of what everyone is getting and its not just a roof over their heads. The amenities are better at Mesa Nueva. If they review the satisfaction survey, the residents at Coast are very happy. Amenities are important and should be charged accordingly.
 - Madhura asked what they typical annual rent increase is in San Diego.
 - Rebecca said it varies from year to year. They've seen it vary between 6-10%. In generally, they try to keep the increase between 3-6%. 6% has been the maximum.

- Madhura pointed out that no matter where they live, there will always be a rent increase.
- Tatiana asked the committee if they want to decrease the rate of the two and three bedroom at Mesa Nueva.
 - Sophie asked if they could lower the three bedroom rate.
 - Shana suggested dropping it to 8%.
 - Sophie motioned to vote on adding \$10 extra per bedroom, per month for units that have a washer/dryer.
 - Motioned approved with 8 approve – 1 deny – 0 abstain vote.
 - Sophie suggested increasing the two bedroom rate.
 - Tatiana suggested getting the surplus up to \$85,000 so they could at least add the water station at Coast.
 - Sophie pointed out that it costs significantly more to house families in Mesa Nueva.
 - Valerie said there are a lot of kids in Central and South Mesa and they don't like Mesa Nueva because its apartment style.
 - Burgundy suggested lowering the two bedroom at OMS.
 - Sophie motioned to extend the meeting time by 15 minutes.
 - The committee approved this extension.
- Tatiana asked the committee to review the Rita rates.
 - Sophie asked to keep the increase in the 5% range. They don't have parking and she doesn't think they'll be able to park in Osler.
 - Bob added that they are one of the few furnished communities.
 - Tatiana added that they are also officially on campus.
- Tatiana asked the committee about SGA.
 - Sophie said the proposed increase at SGA is fine.
- Tatiana moved onto the Mesa Nueva rates.
 - Sophie pointed out that the proposed changes have resulted in a surplus of \$94k. She thinks this is a good amount since Mesa Nueva is no longer under warranty.
 - Anindita asked if people are able to move back onto campus (after their two year limit) if there is an emergency like domestic violence.
 - Rebecca said they usually work with CARE to make these types of arrangements.
 - Burgundy pointed out that even with the higher increase at Coast, nothing has an increase over \$60 except for the Mesa Nueva one bedroom. She suggested lowering the increase for the one bedroom.
 - Sophie doesn't agree because they have a washer/dryer, pool, and taco truck right outside.
 - Burgundy suggested lowering the cost of the two bedroom.
 - Tatiana said it would bring the reserves down too low.
 - Sophie suggested looking at furnished versus unfurnished.
 - Madhura added that Mesa Nueva residents have parking and Rita does not.
 - Sophie thinks the Mesa Nueva studio is very affordable. Suggested raising studio rate to \$810.
 - Tatiana said that would bring the reserves up to \$200,000, which is not necessary. She asked the committee what they'd like to decrease.
 - Anindita suggested decreasing SGA or the Mesa Nueva three bedroom.
 - Sophie doesn't agree with decreasing SGA.
 - Madhura suggested \$801 for the studio.
 - Tatiana said it brings reserves down to \$113.
 - Sophie pointed out that there is still inequity at Coast.
 - Anindita said the annual increase is much higher everywhere else and not at Coast. They are still not addressing the inequity.
 - Valerie suggested lowering South Mesa rates since they are lowering Central Mesa rates.
 - Kim motioned to vote on the budget as is.
 - Madhura seconded the motion.
 - Sophie objected to the motion. She said there is still a severe inequity that needs to be resolved. Coast is severely underpriced when you consider the amenities available to them.
 - Kim asked if they are just voting on the budget today or if they are voting on the proposed projects as well (playground and water station).

- Anindita said the committee has other issues to discuss like the shuttles and the water station before they should vote on the playground.
- Tatiana said they can decide which projects to pursue at a later date. She pointed out that with the current adjustments, the reserves are at \$86,000.
- Burgundy motion to vote on the budget as it stands.
 - Kim seconded the motion.
 - Motion approved with 8 approved – 0 deny – 1 abstain vote.
- Tatiana thanked the committee. She also thanked Rebecca for bringing the numbers to committee.

Meeting adjourned at 1:28pm. Next meeting is TBD.