

# Associated Residential Community Housing (ARCH) Advisory Committee | MINUTES

**Meeting date | time** 3/28/2019 12:00 PM

**Meeting location:** *Revelle Conference Room C*

<p><b>Type of meeting:</b> ARCH Advisory Committee</p> <p><b>Co-Chairs:</b> Jana Severson Gautam Akiwate</p> <p><b>Note taker:</b> Kimberly Silva</p>	<p><b>Attendees:</b></p> <p>Jana Severson Rebecca Otten Robert Frazier Hemlata Jhaveri Hana Haddad Anindita Bhattacharya Holly Godden Jenna Bastear Aleena Arakaki Marybeth Ward Erica Ferrer Sophie Hirakis Petia Yanchulova Merica-Jones Burgundy Fletcher Anupam Garg Sarah Law (guest) Melisa Cohen – Temporary Co-Chair for Gautam Akiwate Valerie Saiag /Joshua Stacy (Proxy to Burgundy Fletcher) 11 observers</p>
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## AGENDA

Meeting began at 12:03PM with Introductions

Agenda items:

- Approval of Agenda
- Comments (ARCHAC Members)
- HDH Scenarios
- Other Scenarios
- Discussion and Up or down vote on each scenario

## Approval of Agenda

- Melisa will be the meeting timer
- Anupam motioned to put a proposal on the agenda for a revenue sharing model that would ensure excess rents collected on top of debt for Rita and SGA be applied to Grad Housing
  - Jenna seconded the motion
    - Vote: 9- approve 0- deny 1- abstain
    - Decision: approved
- Anindita motioned to put a proposal on agenda for a 3-4% rent increase scenario
  - Burgundy seconded the motion
    - Vote: 10- approve 0- deny 0- abstain
    - Decision: approved
- Jenna requested that votes be anonymously recorded in the minutes
  - Jana confirmed votes are only recorded by count
- Petia motioned to provide supplemental slides for the other scenarios portion of the agenda
  - Burgundy seconded the motion
- Aleena requested to read a statement from GSA officers during the comments portion of the agenda

## Comments

- Melisa informed the committee that each speaker will have 30 seconds
- Aleena read a letter from GSA officers. This letter will be sent to the committee electronically.
  - The letter noted that officers of GSA reject the lack of transparency by HDH and pledge to continue to work for affordable housing for graduate students. An official statement from the GSA regarding the rate increase is forthcoming.
- Marybeth asked who was responsible for having emails sent to every member of the Committee. She works full time, and felt that being included in these emails was inconsiderate.
  - Petia responded that as ARCHAC member it is their duty to inform students of proposals, whether they live on or off campus.
  - Students should be encouraged to contact representatives.
  - The emails included real comments that students have taken time to write.
  - A group made it easy for students to contact reps.
- Erica shared the results of a survey that was sent to SIO students.
  - 8 responses - most live in old mesa.
  - 7 out of 8 were opposed to 5% increase for this year and most opposed to an increase for multiple years.
  - Most were aware that HDH is auxiliary department and felt that UCSD, Regents, or State of California should give more money.
- Anindita wanted to clarify that the Committee is only voting for a rent increase for one year only.
- Anindita motioned to vote on rates for just one year
  - Seconded by \_\_\_\_\_
    - Vote: 10- approve 0- deny 0- abstain
    - Decision: approved
- Burgundy requested that Erica share SIO feedback with the Committee

## HDH Scenarios

- Hemlata recapped the scenarios that have already presented.
  - Scenario 5
    - Modified version of other scenarios
    - 3.5% increase for existing inventory and a reset of MN Studios
  - Scenario 1

- 6% increase for Mesa Nueva
- 5% increase across all other inventory
- Scenario 2
  - Addresses older inventory taking brunt for new construction cost, allocated more to new construction
  - 3% increase for existing Mesa Nueva residents
  - 6% increase for new Mesa Nueva residents.
  - Petia asked when new construction would be completed
    - Hemlata confirmed Nuevo West online spring 2020, East summer 2020
      - Petia noted that scenario 1 is listed incorrectly
      - Anupam asked why the Rita bed rate for FY20 was not reflected
        - Rebecca noted that Rita rates were not factored in due to plan to remove Rita
        - Hemlata confirmed that while bedroom rate was not listed, the unit rate is correct
  - Sophie asked what anticipated number of beds is for the new communities
    - Hemlata will provide specific details later,
    - Roughly 2100 bed spaces for both communities
  - Petia asked for revenue proposals
    - Hemlata noted that information was shared in previous meetings
- Scenario 3
  - 3% increase for existing inventory
  - Reviewed studios, isolated as a driver of cost 6% for 19-20, 21 rate correction just for studio
    - Allow for Mesa Nueva rates to go down as a whole
  - Anupam stated he was under the impression that it is not possible to legally set different rates for residents residing in the same units.
    - Hemlata will double check, and mentioned this is how it is done on the outside.
    - Rebecca added that when North Mesa relocation rates were discussed, she contacted campus council and was advised about having different rates for same unit type. It is not illegal, but it is not advised by campus council
- Scenario 4
  - Combined scenarios, existing inventory at 3%, except Mesa Nueva adjustment
    - Majority of debt is there - 6% for studios
- Scenario summary
  - HDH has to match revenue to expense.
  - Debt is part of expenses - projected to be in a deficit and currently in a deficit.
  - Projected loan from campus with debt ceiling of 100 million
  - HDH has 10 years to determine how to get out of deficit and get on track to be in black
  - HDH is not trying to pay off buildings any earlier, still 35 year loan, just working to get back on track
  - HDH will have the line of credit starting July of new fiscal year.
    - Interest rate of loan will get built into future debts
  - Anindita mentioned she tried to redo scenarios and was not able to reconcile discrepancy in numbers.
  - Petia asked a question about the deficit

### Other Scenarios

- Sophie asked if there were any proposals to keep SGA and Rita
  - There are not
- 0% scenario
  - Petia presented a proposal to keep the current rent rates.
  - Supported by hundreds of emails and a petition with almost 500 signatures

- Petia stated there is Insufficient data to make a decision today and the best thing to do is not to increase rent.
  - Cannot see cash flows, debt, credit, etc.
- Petia explained that the total deficit between the presented scenarios compared to a 0\$ increase is negligible.
  - All proposals show fluctuation of 2.6 million dollars
- Petia mentioned it would be controversial to have different rates
- Petia shared that last year's Coast rates were presented in this year's scenarios. The management this year presented incorrect numbers
- Petia asked how could the deficit be paid off – with reserves or line of credit from Chancellor?
- Petia states students are not to be bargained with
- Petia stated that without correct data the committee cannot support another proposal
- Anupam presented a proposal to reallocate revenue from Rita and SGA to help subsidize rent for the other GFH communities.
  - When Rita and SGA become undergrad communities, any excess revenue should be applied to GFH debt and expenses
    - Essentially a revenue sharing mode
  - Sophie asked Rebecca and Bob to clarify what happened with LJDS last year.
    - LJDS reserves were used to help with budget for this year
  - Burgundy asked is it was already stated that this would not happen
    - Hemlata shared that the Undergrad budget goes to Undergrad and the LJDS budget goes to LJDS
    - Anupam stated he is proposing to alter that
- Anindita presented a proposal that closely tracks scenario 4.
  - 4% at Mesa Nueva, everywhere else would increase by 3%
- Erica stated that the GSA has built name off assuming best intentions by administration. She feels that a rate increase equal to TA increase shows that administration are working with students.
  - Sophie added students cannot pay more than they are paid
- Aleena stated that if there is a high rent increase, HDH is supporting only STEM students in housing.
- Petia has a letter signed by some members of ARCHAC expressing a desire to spend future meetings discussing ways to work with students.
- Marybeth stated she is having trouble understanding rate differences of communities. The current Rita rate is affordable
- Anindita asked how will HDH deal with fallout. She expressed that HDH should agree not to give any more properties to Undergrads and not give extensions as is being done under current practice.

## Discussion

- Up or Down Vote on each Scenario
  - Each person can choose to vote for each scenario
- Sophie motioned to include formal vote of committee and also a vote of room.
  - Marybeth seconded the motion
    - Approved
- Scenario 1
  - Committee: 2- approve 8- deny 0- abstain
  - Room: 0- approve 13- deny 0- abstain
- Scenario 2
  - Hanna provided a summary of the scenario

- Sophie stated as a point of privilege that a rate increase of about 5% and under is typical - In line with what we are seeing in this scenario
- Petia asked why the ten year deficit is important more so than two year deficit.
  - Hemlata stated this has to do with the loan. There are no reserves – Grad housing budget never put money in reserves.
- Committee: 0- approve 10- deny 0- abstain
- Room: 0- approve 9- deny 3- abstain
- Scenario3
  - Hanna provided a summary of the scenario
  - Sophie stated she will be moving to LJDs, getting paid \$4000 per month and is planning to pay \$1000
  - Petia asked for clarification about deficit totals
  - Committee: 1- approve 9- deny 0- abstain
  - Room: 0- approve 11- deny 0- abstain
- Scenario 4
  - Hanna provided a summary of the scenario
  - Mel read a statement for Valerie who was not able to attend the meeting
    - An increase in rent would only be going to HDH pockets. There is no desirable outcome, students should be asking for a rent reduction, under duress and with thinly veiled threats, and with no better option, voting for option 4.
  - Committee: 1- approve 9- deny 0- abstain
  - Room: 0- approve 5- deny 4- abstain
- Scenario 5
  - Hanna provided a summary of the scenario
  - Anupam shared that about of the people he talked to would choose this one if they had to - plans to abstain.
  - Anindita – reiterated Sophie’s point about income compared to rates
  - Petia stated that they cannot ignore that incoming residents will know about this, may impact vacancy. Plans to share rate differences with new incoming students.
  - Sophie shared that there are plans to go to media with these rate discussions.
  - Hosam (observer) shared that going to the media should not be seen as a threat, but as the right of the public to know how university is being run.
  - Petia stated the media is in this room
    - Jana stated that she does not feel it is a threat.
  - Andy (observer) asked about the plan for increase of expenses to salary 5 million.
    - Hemlata shared that most of the staff is covered, increase in costs will cover office staff and planned addition of staff
  - Committee: 3- approve 6- deny 1- abstain
  - Room: 1- approve 6- deny 6- abstain

\*\*\* Two members had to leave for meeting, still have quorum\*\*\*

- Alternate Scenarios
- 0%
  - Petia read emails that were sent to committee from petition, makes financial sense
  - Hanna state that no increase this year means that future students would have to pay a higher rate of increase

- Burgundy shared that she partially represents students who already cannot afford to be here. It is not just rent, it is rent, tuition. Campus is already too expensive. She Know students across all departments who cannot be supported by stipends.
- Anindita stated that with the deficits we are looking at, none of the proposals are any better than any other one. With this scenario, the deficit may be the largest, but the by an insignificant amount, given the numbers presented may be incorrect
- Petia reiterated the difference between rates is insignificant. Shared her bank account is small.
- Anupam shared that the overwhelming concern from students is that bad planning has been done. There is a fear the Committee is contributing to bad planning by not increasing. He asked what information are we lacking that would tell us that this is the move. Staff salaries are increasing whether rent is increased or not
- Anindita said it is not just we have to get paradigm that student rent has to pay for bad planning and debt that has been racked up. There has to be more creative ways to solve this problem. Trolley will cause decrease is housing. Policy that rent will be lower than market will not be a valid argument anymore
- Hosam (observer) said that if leadership thinks that revenue cannot come from campus, they need to get louder towards campus to get that revenue.
- Aleena shared that the members that left the meeting early support this proposal
- Sophie said that the Chancellors need to be in room so that they can hear these concerns. Dynamics will change in a few years, but we cannot wait for adjustments in the future because there are so many issues facing students. When rates and housing is gentrified HDH is breaking up the community.
- Burgundy stated that even with understanding financials, she supports 0%. She wants to include Anupam; s proposal in to this program
- Burgundy motion to include Anupam’s scenario into 0%
  - Hanna noted that Anupam motion would not be valid until next fiscal year.
    - Motion rescinded
- Committee: 6- approve 0- deny 2- abstain
- Room: 10- approve 1- deny 1-abstain
- Scenario 7
  - Anindita summarized the proposal she previously presented.
  - Anupam stated that this it is scenario 1, but 2% lower
  - He asked why was Mesa Nueva set higher than the rest?
    - Sophie noted, Mesa Nueva is newer, it has a pool, pub
  - Petia asked how much better is Mesa Nueva getting compared to other communities
  - Sophie asked if there are other sources of revenue - Has housing looked into ability to get revenue from existing housing such as temporary subleases.
    - Hemlata explained that undergrads have a nine month contract. HDH works with conference groups for the other 3 months. .
    - Sophie clarified that she meant that HDH should manage subleases in office and charge more for subleases.
      - Hemlata said that would add more cost to clean units in that case
  - Hosam(observer) asked if the amount of money coming from revenue and rent equal to 0 - Is all housing money in housing, or does it go to other parts of campus
    - Hemlata said that some money does to indirect services as they apply to housing community
  - Andy (observer) – asked if it was considered to double up rooms?
    - Jana responded that it is currently permissible, but rarely offer is taken up on

- Committee: 2- approve 5- deny 1- abstain
- Room: 6- approve 2- deny 4- abstain
- Scenario 8
  - Anupam summarized the proposal he previously presented.
  - Anindita stated that this will not take place this year
  - Petia asked if when undergrads live at Rita, would there be a negative cash outflow.
    - Hemlata stated that the amount will be close to paying off Rita debt
  - Anupam confirmed rates will be similar to current undergrad campus rates - about \$900 per month per person per bed
  - Committee: 7- approve 0- deny 1- abstain
  - Room: 11- approve 0- deny 0- abstain

Meeting adjourned around 1:33pm. Next meeting to be scheduled.