

Regular Meeting Minutes Monday, August 3, 2020

The California State University Channel Islands (CSUCI) Site Authority (SA) met on Monday, August 3, 2020 at 11:30 a.m. virtually via teleconference, <https://csuci.zoom.us>, CA.

Site Authority Board Chairperson R.J. Considine called the meeting to order at 11:35 a.m. The secretary called roll and a quorum of members was present.

Members present: Board Chairperson R.J. Considine; Supervisor Kelly Long; Trustee Silas Abrego, Vice President Ysabel Trinidad; President Erika Beck; Assistant Vice Chancellor Robert Eaton; Supervisor Linda Parks, City Councilman Ken Simons;

Alternates present: Mayor Pro Tem Carmen Ramirez

Others present: University Counsel Marc Mootchnik; Stephanie Bracamontes; Tom Hunt; Nathan Bowden; Laurie Nichols; Bill Robe, Chair of the University Glen Community Advisory Group; Rosa Bravo, Site Authority Secretary;

OPENING STATEMENTS

Site Authority Board Chairperson R.J. Considine called for public comments (Pursuant to Government Code section 11125.7).

Public Comment Period

Board Chairperson R.J. Considine thanked Dr. Chris Williamson for the letters and let him know they have been presented to the Site Authority Board of directors.

Dr. Chris Williamson, Homeowner Advisory Council Chair, and University Glen homeowner, addressed the letter sent to the Site Authority board. A year ago, the Agriculture County commissioner announced the moratorium of Hemp growing development plan and relied on the general plan map designated as residential areas. The general plan map showed the University Glen area as a State or Federal Facility and was omitted. That was the initiative of the request in the letter Dr. Williamson presented to the board. He wanted to emphasize that the request is not to complicate the County and the Site Authority's jurisdictional areas. The concern is two-fold. First, as a public safety issue, not being on the map that is publicly distributed could be an issue that affects the campus and the 2000 to 3000 residents. The other reason is the maps show inconsistency with the County.

Dr. Williamson participated in the County's Planning commission meeting on July 6th and communicated information similar to the letter. He mentioned that on that same day, there was some discussion among the commissioners of raising the issue that County planning staff indicated they would respond. Dr. Williamson indicated an intent to bring a proposal to the Board of Supervisors on September 1st to adopt a policy for the County to coordinate with the Site Authority that is mutually beneficial. The request will place the community in the County's general planning without contradicting the state's land jurisdictions. He referenced the letter and the maps included, and note that the plan one on the general plan shows only a space in grey that shows it is as a State or Federal facility. He stated that from his 40 plus years as a planner, maps are usually the resource to use for future planning. He stated it would be beneficial to reference California State University Channel Islands in the referenced map. The assessor's mapping data for the County shows parcels for the homes that are owned. They show up as assessors data and find the 300 houses that are taxed on the state property. On figure 6 of the letter, there is a table that shows a dot along Lewis road that notates an existing community with 5000 people. The noted dot on Lewis Road is located on Laguna Road in the fields where no community exists, and per his conversation with the County's planning office, this area is considered Casa Pacifica community. Dr. Williamson mentions that this particular plan shows Casa Pacifica but does not see any references to the 3000 people that live in University Glen that live a mile away on the map. He wanted to show that this is another map with inconsistencies that are a county issue. The last figure on the letter is the proposed general plan that will be presented to the County's Board of Supervisors. It shows the Site Authority property in one color as a state

facility, noting no changes from the existing general plan. Dr. Williamson stated that, based on his discussions with the County's staff, he understands they are preparing mapping changes with indicators with no legal meaning as a labeled name similar to the 101 Freeway. He also mentioned that the County's Planning Department would be coming forward with a carefully written plan with better County coordination with the Site Authority and the residents on mutual interest issues. He was informed that the Site Authority Board could contact Susan Baldwin, the County's contact involved with the County's general plan. He hopes that the Site Authority will support the language proposed and that it is a win-win for both parties. His concern is public safety and not to change the jurisdiction between the State and the County.

Board Chairperson R.J. Considine referred the letter to Marc Mootchnik and asked for legal counsel to further look at the request.

Supervisor Linda Parks noted appreciation of Dr. Williamson for his public comment and excellent suggestions. Supervisor Parks stated that she knows that the County is working on the general plan to recognize the residential community and incorporate it. They want to coordinate the jurisdictions that oversee the area.

Site Authority's legal counsel, Marc Mootchnik, mentioned they would work appropriately with the County regarding the jurisdictional and residential issue and will be consistent with both and do what the Site Authority needs to do to provide further support.

Tom Bokhart, townhome owner who purchased his property directly from the Site Authority, spoke about the follow up of the previous meetings with the Board requesting the Site Authority's consideration in addressing the reserves shortfall for the 88 townhomes. He mentioned that in the most recent Site Authority meeting in May, there was an indication of the Site Authority having some action and he was hoping to hear an update. He wanted to add context and add a personal perspective of the level three reserve studies that were released before the May meeting, and presented the board with a presentation. The first slide was a pie chart and his personal core budget for owning a townhome in the community. He noted his percentage of fees and taxes is typical of homeownership in many communities in the County. The pie chart included a percentage that consists of CAM fees. He mentioned they increased twenty-five percent in the last year. He stated that he understood the increase as he participated in the Budget Advisory Group, but does not like it. He mentioned it is not what he expected when he purchased his property two years ago. Mr. Bokhart noted that he anticipates that his CAM fees will increase an additional thirteen percent next year as noted on another slide.

Board Chairperson R.J. Considine informed Mr. Bokhart that as part of the agenda, an action item is included, and he would like to defer further comment regarding this item until the item is discussed. Tom Bokhart mentioned his request was intended to keep the topic active and would be okay to pause at this time. Board Chairperson R.J. Considine closed the public comment period.

Board Member Comment Period (Considine)

Board Chairperson R.J. Considine called for Board Member comments. There being none, the Chairperson moved to the next agenda item.

CONSENT AGENDA

Board Chairperson R.J. Considine called for a motion to approve the consent agenda.

- ACTION: Approval of Minutes of May 4, 2020 Meeting
- INFORMATION: Update on 32 acre Development Project
- INFORMATION: CI Power/CAISO Update
- INFORMATION: Site Authority Operations Report
- INFORMATION: Financial Report

City Councilman Simons raised a question that the request to approve the consent agenda is approving the consent agenda and not approving items listed on the agenda. Board Chairperson R.J. Considine stated that was correct. Assistant Vice Chancellor Robert Eaton clarified if the consent agenda is approved, any of the action items are approved. Board Chairperson R.J. Considine addressed the secretary, Rosa Bravo, to further review the items listed in the consent agenda for future meetings. Chairperson Considine asked that the action items and the informational items be motioned individually. Marc Mootchnik clarified that if any of the board members would like to discuss an item on the consent agenda, it would be pulled from the consent agenda and approved, as needed, with any remaining items. City Councilman Simons and Supervisor Parks mentioned they had questions from the consent agenda. Board Chairperson Considine stated that each item can be discussed, and the motion of approval would be included in the minutes.

Motion to approve the minutes was made by City Councilman Simons and seconded and approved unanimously by roll call vote.

INFORMATION AND ACTION ITEMS

Information item: Update on 32 acre Development Project by Ysabel Trinidad

Ysabel Trinidad informed the board that the project is currently under review with the Department of Industrial Relations (DIR). Kennedy Wilson is interested in moving forward and waiting to hear back from DIR.

Councilman Simmons asked, what are the carrying costs on the property per year without signing the master agreement? Ms. Trinidad mentioned a debt service associated with the infrastructure, including all infrastructure debt not specific to the parcel of the 32 acres. The yearly infrastructure debt payment was confirmed by Ms. Bracamontes to be \$2.6 million annually, with \$1.2 million being principal and semi-annual interest payments of \$700,000 each year respectively.

Ms. Trinidad clarified that the bond payment was for the entire East Campus infrastructure and would not change. City Councilman Simons stated that although it would not change, it is costing the University not to seal the deal due to the master agreement not being signed. Ms. Trinidad confirmed that when the agreement has inked, the receipt of cash will offset the expense.

Councilman Simons also asked, if under the master agreement, whether Kennedy Wilson Multi-family has the ability to sublease a portion of that to another developer. Ms. Trinidad stated that not under the infrastructure agreement; however, once it is built out, they will be building multi-family in sections and could, over the lease's life, sell their interest to another developer or investor after. Councilman Simons asks that Kennedy Wilson won't have the master developer situation where they would have three sub developers proportioning the development, they are completing all portions of the development. Ms. Trinidad confirmed that was correct.

Trustee Abrego mentioned that lately, there is a discussion about low-income housing, and asked if the Site Authority must provide low income in the 32-acres. Supervisor Parks also asked for clarification, noting that until now she had been informed that low-income housing would be included with the 32-acre project and that it was initially part of the development. Ms. Trinidad clarified that it is included with the senior affordable housing, which is the structure to provide senior housing that is affordable. Supervisor Parks asked if future informational reports can be updated to name the senior-affordable and not lose sight of that. Ms. Trinidad agreed to do that. Supervisor Parks also wondered if there is a percentage of affordable housing to be included. The Board Chairperson confirmed it is 150 units.

Councilman Simons mentioned that it is an expensive venture to keep delaying. He noted that there would be a fee included for the occurrence of delays in other scenarios.

Information item: CI Power by Nathan Bowden

Mr. Bowden gave a brief update included in the submission to the Federal Energy Regulatory Commission in late April to approve the RMR agreement that was reached with CAISO. Since then, there have been some filings against the agreement from a few entities, including the Public Utility Commission (PUC). A settlement hearing commenced late July. Mr. Bowden mentioned that based on the opinion of the Site Authority's representatives in those negotiations, the Public Utility Commission showed strong opposition and did not indicate what side they would take on the settlement after the initial settlement meeting. The other parties mentioned in the briefing, including SCE and six cities, did indicate some willingness and hope for a compromise. Mr. Bowden noted that an attempt would be made by the parties to come to a settlement by the end of August.

Supervisor Parks commented that it is very complicated stuff and is sorry to hear that PUC is opposing it. She mentioned that she interprets that the difficulty in reaching a settlement has to do with the fee being charged. Supervisor Parks noted she thinks it is positive to provide emergency power for our area when CAISO agreed to save the plant. She asked who would be running the plant, and whether there could be a possibility for Clean Power Alliance to run the plant with an agreement with the University. Ms. Trinidad agreed that it is the fee that is being charged that is the cause of the opposition to the RMR agreement, and mentioned that the option brought forward by Supervisor Parks is an interesting way to look at it in the future. Ms. Trinidad noted that the plant is smaller, and the rates are higher than the larger plants. The due diligence we are doing now is pulling the costs submitted. Presently, the opposing parties in the settlement are asking for invoices with the details for the past

five years. She confirmed it is an 8-month contract without an understanding that an agreement will be available next year. Ms. Trinidad noted that they are looking at different options if the contract for next year is not reached and the alternative presented by Supervisor Parks is an excellent suggestion with the opportunity with Clean Power Alliance.

Marc Mootchnik mentioned the Chancellor's Office has been in communication with the Clean Power Alliance to determine what the relationship can look like in the future. The conversation is taking place and he wanted to inform the group that anything can be a mutual benefit to the CPA and the CSU Channel Islands University. Supervisor Parks added that she is vice-chair for Clean Power Alliance. She mentioned that CPA could be a potential partner. Supervisor Parks stated that she sees an opportunity to bring them in and is a big proponent to keep the facility going. She offered to help where she can and will have CPA help where they can.

Information item: Site Authority Operations Report by Laurie Nichols

Ms. Nichols highlighted the home sales reports and the HAC new members, including Malea King, Tom Bokhart, and Kevin Olson. She asked for any questions concerning the operations report and received none.

Information item: Financial Report by Stephanie Bracamontes

Ms. Bracamontes explained that in the packet, there are preliminary financial statements subject to audit. She noted no significant changes in the Net Assets, with the exception of the debt that will be found in the capital lease section and footnotes listed on the bottom of the statement. The revenue and expenses for June 30th include no notable exceptions for the departmental units. The footnotes speak for themselves. The total yearly contribution to fund balance is \$913,000.

Action item: Approval Townhome Reserve Proposal by Laurie Nichols

Ms. Nichols stated that as has been submitted to the board and as previously discussed, the Site Authority has had Complex Solution provide a reserve study summary report. As of July, townhome reserves were at 57%, and 70% is considered a strong position for the age and size of the University Glen community. In front of the board, the action item was a request to bring the townhome reserves to a strong position. It was recommended that the Site Authority contribute the amount of \$388,462 to the CAM fees over a three-year period beginning this month, and the contribution would stabilize future increases to approximately 3% over the next ten years. Chairperson R.J. Considine clarified that the payment of \$388,462 would be spread out for the next three years in equal payments of \$129,487. Trustee Abrego asked if these monies are coming from the common area maintenance and if it takes money away from the maintenance projects or if it would be above and beyond the maintenance projects. He confirmed that it is a 13% increase.

Chairperson R.J. Considine explained that the townhomes were owned and rented by the Site Authority and that there is an obligation to make a contribution to the maintenance reserves shortfall for the townhomes.

Ms. Trinidad confirmed that the common area reserves' contribution is coming from the Site Authority's reserves. Ms. Nichols also added that the Site Authority contributed to the CAM reserves in fiscal year 2017-18 in the amount of \$770,000. She noted that the additional amount requested to be added is a good faith effort to bring the townhome reserves into a strong position.

Supervisor Parks added that she is thankful for the creativity and is glad to see it come forward and help keep increases down.

Mr. Bokhart thanked the board and mentioned that if something in writing can be presented to the chairperson of the HAC. Secretary Bravo noted they would be produced and recorded in the minutes.

Motion to approve this item related to townhome reserves was made and seconded, and approved unanimously by roll call vote.

Information Item: Campus Update by President Erika Beck

President Erika Beck provided a brief update noting some of the highlights since the last meeting. President Beck noted that, for the first time, a virtual commencement was held, and student leadership helped plan the event. A total of 2,832 diplomas were earned on this day. President Beck stated that the University was not sure how many students would participate, and was excited it received over 35,000 views across the country and 51 countries around the world.

President Beck next noted hope and optimism that the students are sticking with their education plans. The retention rate was higher this year, and the students are staying focused on long-term opportunities to post-pandemic life. President Beck shared that the University is working intentionally to make students feel engaged, launching a campaign called "Belief, Belong, Become" designed to help both students and families stay with their educational plans. President Beck also highlighted a new program supported by CARES federal funding that was offered to University students to cover the cost of 3 credit courses in the summer and allocated approximately \$600,000.

President Beck stated that they are strategically using CARES loan money to improve technology, including laptop and hot spots issuance to students.

Councilman Simons mentioned that Spectrum has a program available to help assist students with limited internet access, and could help the university coordinate communication and facilitate the rollout of the service. President Beck mentioned that Jim August would be the contact for the University.

Item: University Glen Community Advisory Group Update by Bill Robe

Bill Robe reported that landscape and irrigation have moved forward and are getting completed by the end of the month.

Mr. Robe noted that it has been a long term goal to separate university common area reserve funds from the university funds, and it now sits in a Wells Fargo account. The residents are concerned with the FDIC insurance since the funds exceed the \$250,000 FDIC amount. Stephanie Bracamontes noted that she and other staff are working on verifying the funds can be spread out and secured under the new account.

Mr. Robe further mentioned that a Zoom meeting is being proposed for the University Glen residents to review the ground sublease's insurance requirements. The residents would like clarification, and there are concerns that some of the residents are underinsured and over-insured.

Next, Mr. Robe noted that Tom. Bokhart is the new HAC member of the Community Advisory Group. Mr. Bokhart requested a property improvement application database and history. Those records have not been maintained very well, and staff is looking into that.

Next, Mr. Robe noted a request for the reserve accounting to be moved to Yardi. UGCAM property manager, Jake Friesen, mentioned the system makes it difficult to integrate but is looking into it.

Mr. Robe brought up the Community Advisory Group's expiration and informed the Site Authority operational staff is looking at the membership. Mr. Robe noted that the HAC is concerned whether the group will continue to exist, and to his understanding, it will.

ADJOURN: There being no further business, the regular meeting of the Site Authority Board was adjourned at 12:05 p.m.

APPROVED:
California State University Channel Islands Site Authority Board

Respectfully Submitted:

Rosa Bravo
Secretary to the Site Authority

Dated: 11/5/2020