

Bonilla , Jonathan

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To: Bonilla , Jonathan
Subject: Pines Place Tuesday meeting recap

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Hi Jonathan,

I'd like to thank the City for arranging Tuesday night's meeting with Pines Place residents. It was wonderful to speak with everyone, hear their concerns, and discuss our plans for the property. Nearly 300 residents attended the meeting, and many of them actively asked questions. I was pleasantly surprised with the turnout and the level of engagement.

The meeting started with a level of expected curiosity, nervousness, and excitement at the prospect of Pines Place being sold. By the time the meeting ended, the general mood of the residents felt very positive. Many of them thanked us for coming, wished us luck, and shared personal stories as well as hopes for the future. The meeting began at 6:30pm and wrapped up around 8:30pm, with some folks sticking around to ask our team individual questions until after 9pm. There were too many questions to list, but I've done my best to group the questions/feedback into general themes.

What is going to happen to our rent?

This is an important question and one we opened the meeting with. There wasn't strong opposition to our plan, people just wanted to understand the details. Some of our talking points are below:

- Pines Place is a community designed for moderate-income residents. Often referred to as "workforce housing."
- Pines Place rents are currently restricted by a City ordinance requiring a rent level below 120% of Area Median Income ("AMI").
- The City has been choosing to further restrict these rents at or below 80% of AMI.
- We will continue this policy for the next ten years.
- Individuals who are currently paying less than 80% rents will see their rent increase gradually and evenly over a five-year period. Once people understood the gradual, phased approach they seemed more comfortable.
- We explained that Pines Place is currently losing money each year and bringing rents to 80% levels is necessary to ensure the property has sufficient income to pay for both operating expenses and major repairs.
- While no one likes to hear their rent may be going up, everyone appreciated the fact that a continued operating shortfall would jeopardize the long-term viability of the property.

What will Pines Place look like in 10 years?

A few individuals asked about our plan for the property in year 10.

- We are affordable and workforce housing operators who have never taken an affordable property and converted it to market rate, and we have no intention of doing so in the future.
- Some properties in our portfolio were market rate before we bought them, and we converted them to affordable housing.
- A fundamental challenge in the affordable housing business is “how do you provide below market rate housing when all your expenses are market rate?” The rents at Pines Place are capped, but the drywall, landscaping, plumbing, payroll, and all other expenses are uncapped. For this imbalance to be viable long-term, particularly when large capital projects are needed every 5 to 10 years, you need period reinvestment in the property from the public and private sector. A ten-year term best positions us to be able to attract a variety of federal/state/local preservation resources to invest in the property and continue providing affordable housing.

What are our plans for security at the property?

We got a number of questions related to security and stressed that we are still in the early stages of understanding the property's specific needs. Security is an issue we take very seriously and we will spend time during our due diligence period to ensure our plan properly addresses the needs of the community.

- We will evaluate the effectiveness of the current security company and procedures.
- We will also evaluate a variety of potential upgrades to security camera systems, exterior lighting, and intercom/building access.
- If we are selected as the buyer, we will be passing out surveys to better understand particular residents' concerns and asked them to participate.

What are you going to do about the dogs?

A number of residents were upset about noisy dogs and owners not picking up after their dogs. Many of the residents at Pines Place have service dogs, and we will ensure those residents are supported and that the community has better resources for pets: a dog park, pet stations, etc.

We also discussed a more universal pet policy. Our property management company, Willow Bridge, works with a third-party vendor to assess and confirm the suitability of pets at our communities. We standardize policies/procedures and ensure pets at the property are appropriate for each resident. We will have more information on our pet policy at the next resident meeting.

Will you continue to let people smoke in their units?

All of our currently owned properties are smoke-free and it is our preference, but we have not committed to a smoke-free policy here until further exploration. If we are selected as the buyer, we will have a thoughtful plan for how to balance the health and preferences of all Pines Place residents.

Will you keep the current staff?

This was another time we stressed that we have not been formerly selected as the buyer and making representations about people's livelihoods would be inappropriate at this juncture. We did discuss a few things:

- We have been very impressed with the current staff. The residents seemed to share this view.

- Our standard practice is to keep the staff at properties we acquire. We must screen for major concerns (theft and disrespectful treatment of the residents) with a goal of retaining as many people as possible.
- The staff at Pines Place are City employees and may choose to move to other departments.

What are your renovation plans?

Here we discussed the continuation of the exterior wall/roof replacement project, but on an expedited timeline. We assured folks they would not be displaced from the property if their unit was impacted, but we might need to temporarily relocate them to another unit while work is being completed. Some of our proposed improvements are below.

- Repainting the property
- Improve and better utilize common area spaces throughout the property. Fitness center, high capacity laundry machines in certain areas, computer/learning labs, dog park, and other amenities.
- Adding a playground, picnic, and outdoor grilling areas
- Adding some type of a water feature, pool or splashpad, etc.
- We let the residents know that these were just some of our ideas based upon observations from being at the property, but that we would be soliciting feedback from residents via a survey to ensure the amenities provided are ones they would like to see.

What does a Resident Service Coordinator do?

We talked a lot about our plan to add a full-time Resident Service Coordinator (“RSC”).

- This person does not handle leasing, maintenance, or any other building operation questions.
- Their only job is to help residents at Pines Place better interact with surrounding communities and access different supportive services that are available.
- Often, communities provide a lot of resources and struggle to connect with residents. Residents need resources and struggle to find them. The RSC is there to help bridge this gap.
- The RSC will also plan a mix of fun community events and educational ones. Residents seemed excited about this program.

The majority of the other questions were pretty specific to individual residents. Most had a theme of **Can you fix something in my apartment?**

When we take over a property, we collect apartment condition forms and work to address any deferred maintenance. It can take time to move through all these work orders, and I asked the residents to be patient with us if selected as the buyer. We will prioritize life safety issues first and work down from there.

I enjoy meetings like these because I really love the work we do. I'm grateful the City provided us with this opportunity.

Thank you very much,

Elliott

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