



# STUDENT HOUSING INITIATIVE UPDATE

Board Facilities Committee Meeting  
August 2, 2021

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# ABI 377 (McCarty) Student Housing Plans – Senate Education Committee (July 2021)

- ▶ Requires CSU Chancellor and UCOP, on or before July 1, 2022,
  - ▶ conduct a needs assessment to determine projected student housing needs by campus for FY2022–23 through 2026–27
  - ▶ create a student housing plan
    - ▶ Focus on affordable student housing
    - ▶ How to meet the projected student housing needs
    - ▶ Review and update plan every 3 years
    - ▶ Specific actions to be taken in the next 5 fiscal years

**Budget Trailer implementation language TBD**

# \$2 billion (one-time) in 2021-2022 Budget (down from \$4B at May Revise)

- ▶ 3-way split between: UC, CSU, CCC over 3 years
  - ▶ \$500M in FY 2021-22; \$750M in FY 2022-23 thru 2023-24
- ▶ Allocation process
  - ▶ Grant program? Types of expenses eligible: i.e., feasibility studies, construction costs, etc.
  - ▶ P3's (public private partnerships) excluded from receiving funding
  - ▶ Financial analysis and fiscal oversight
  - ▶ Determine agency oversight

## ▶ Student Housing Feasibility Study was completed April 2021

### ▶ SUMMARY OF KEY FINDINGS

- ▶ Sufficient demand exists to develop future student housing on campus
  - ▶ updated housing feasibility study should be completed every 2-3 years to ensure demand has not decreased
- ▶ DSA approval will be needed for the Northgate project in addition to city approvals
  - ▶ associated impacts to schedule or budget on behalf of the developer should be articulated early to Northgate to ensure proper steps are taken before construction
  - ▶ District and College should propose a set of business terms to Northgate using a term sheet to outline the expectations of each party
- ▶ Annual subsidies will be needed in perpetuity
  - ▶ Foundation must develop a strategic annual funding plan with clear objectives for seeking additional external sources

- ▶ This process should begin at least 1-2 years prior to the opening of the housing project.
- ▶ Parking is not included on the site
  - ▶ Additional measures for seeking nearby parking solutions or guaranteeing shuttle service for residents,
    - ▶ Will add operational impacts to managing the housing facility.
- ▶ Housing Feasibility Study did not account for additional costs or operational impacts of parking in its financial analysis
  - ▶ Cost can range from \$100,000 - \$200,000 depending on the frequency of trips needed, size of shuttles, maintenance, fuel, personnel expenses, and other operating expenses
  - ▶ Some options include:
    - ▶ Leasing parking spots in a downtown Santa Ana parking structure near the site;
    - ▶ Partnering with the local transit authority to offer a modified bus route and stops nearby
    - ▶ Requesting that residents not bring a personal vehicle

- ▶ Student Housing Feasibility Study was completed April 2021
  - ▶ Presentation of draft finding at BFC January 2021
  - ▶ Campus currently evaluating:
    - ▶ Appropriate development size
    - ▶ Potential site locations
    - ▶ Desired student profile mix
      - ▶ rent amounts are based on costs for construction and the student profile mix
    - ▶ Maximum annual subsidy from college (and/or partners)
    - ▶ Capitalization base for construction and operations
    - ▶ Operational management structure
    - ▶ Programming
      - ▶ Basic Needs Center?

## ▶ Northgate Proposal options

### ▶ RSCCD as Owner/Developer

- ▶ Assumes control along with all risks and costs
- ▶ Managed like any other campus capital project
- ▶ Project cost places required rent outside of market feasibility and potential financing
- ▶ Other financing potential
  - ▶ Fundraising /Direct funding
    - ▶ RSCCD would still assume all control, risks, costs, etc.
    - ▶ Alternative funding / project delivery
      - ▶ RSCCD would transfer some aspects of control and risks in exchange for reduced return and cost

## ▶ Next steps depend on language of Trailer bill

- ▶ Interested in conducting a Feasibility Study
  - ▶ Similar process to SAC
  - ▶ Awaiting arrival of permanent president
- ▶ On-going discussions and search for viable potential partners
  - ▶ For both locations in tandem?
  - ▶ Projects treated separately?
- ▶ Trailer bill language may allow reimbursement for feasibility studies



# QUESTIONS

