

## Office of the President

### TO MEMBERS OF THE BOARD OF REGENTS:

#### DISCUSSION ITEM

*For Meeting of November 14, 2018*

### UPDATE ON THE PRESIDENT'S STUDENT HOUSING INITIATIVE

#### EXECUTIVE SUMMARY

To address current and growing demand for on-campus student housing across the UC system, President Napolitano announced on January 20, 2016 a Student Housing Initiative (Initiative) with the objective of adding approximately 14,000 affordable student housing beds to the campuses' stock by fall 2020. In May 2016, Executive Vice President and Chief Financial Officer Brostrom presented an overview to the Committee on Grounds and Buildings on the status of UC student housing, including key drivers behind the Initiative; opportunities and challenges highlighted during consultations with campus staff and students; potential campus projects to meet Initiative objectives; and a multifaceted implementation strategy.

Between May 2016 and May 2017 UC Berkeley, UC Davis, UC Irvine, UCLA, UC Riverside, UC San Diego, UCSF, and UC Santa Cruz presented their housing plans to the Regents to provide more detailed information based on the campus context and local factors. These presentations generally included the number of students housed, rental rates as compared to market-rate housing, off-campus housing vacancy rates, housing goals, upcoming projects, delivery models being considered, and ten-year financial plans and modeling.

The purpose this presentation is to provide the Regents with an update on the Initiative and key milestones since the last presentation in May 2017.

#### BACKGROUND

Since the announcement of the Student Housing Initiative (Initiative), the UC system has increased the number of students housed from 87,345 (33.9 percent of students enrolled) in fall 2015 to 97,185 (35.2 percent of students enrolled) in fall 2018. The percentages reflect the enrollment growth that has added over 15,000 undergraduate students since 2014. These 9,845 additional beds have come through a combination of new construction (approximately 5,100) and increasing the density within existing facilities (approximately 4,700). Given the time needed to develop new housing, most campuses have turned towards temporarily adding additional beds to existing bedrooms and converting lounge spaces into new bedrooms to meet increased enrollment and housing guarantee commitments for incoming students. The intent is that many of these beds would be decanted once new facilities come online.

Since the last update to the Regents in May 2017, the campuses have presented 12 separate housing projects. Based on current campus plans, as presented to the Committee, over 14,000 beds are expected to come online before Fall 2020, which would achieve the Initiative’s goal. Beyond 2020, projects resulting in an additional 15,000 beds are planned to open before Fall 2024. Every campus is either in the process of constructing or is planning to build new student housing in support of the Initiative (Attachment 1). Other potential projects are in the early planning stages and could increase the number of beds planned in the future.

All major projects<sup>1</sup> being targeted for occupancy by fall 2020 have received the necessary Regents approvals. Of the projects that would be completed by fall 2024, seven (totaling approximately 8,500 beds) still require additional approvals and California Environmental Quality Act (CEQA) determinations. These will come forward to the Committee as project designs and financial analyses advance.

Campuses have been working diligently to provide much needed student housing in very constrained environments. Many UC campuses are located within booming construction markets, with limited labor pools, that have resulted in high construction costs with significant escalation. It has been a challenge to balance the high cost of construction with ensuring affordability for students. This issue has been predominantly addressed by working closely with development partners and through creative project design and delivery methods to keep costs as low as possible.

Like many development projects in California, the Initiative and delivery of housing may face delays due to CEQA challenges. Anti-growth and other groups or individuals may use CEQA as a mechanism to stop or stall proposed housing projects. All project impacts are analyzed pursuant to CEQA and the final environmental document is provided to the Regents and the Finance and Capital Strategies Committee is requested to make a CEQA determination at the time a project is presented for design approval.

In this presentation, the Regents will be provided with an update on the Initiative that includes the forecasted completion of new housing projects by campus, number of students housed across the system, and anticipated financial structures.

Key to Acronyms

CEQA	California Environmental Quality Act
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[Attachment: UC Housing Projects](#)

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<sup>1</sup> With the exception of 140 beds associated with UCSC’s Student Housing West – Phase 1a project.