



Affordable Student Housing Taskforce Meeting

Friday, July 8, 2022

10:00 AM – 12:00 PM

Chancellor's Office | Zoom Webinar

General Public Zoom link to join the meeting:

<https://cccconfer.zoom.us/j/94640312901>

(Taskforce Members will be provided *individual* unique Zoom links)

AGENDA

1. Call to Order & Roll Call
2. Enacted Budget Update on Affordable Student Housing
 - a. Assembly Bill 183, Higher Education Budget Trailer Bill of 2022
3. Legislative Update on Student Housing
4. Adapting Facilities-Related Regulations and Policies to Support CCC Affordable Student Housing
 - a. Title 5 Regulations
 - b. Integration of Data
5. Update on Taskforce Report and Deliverables
 - a. Total Cost of Ownership
6. Public Forum
7. Closing

Agenda Item 2.

Enacted Budget Update on Affordable Student Housing

Digest: The Budget Act commits about \$1.4 billion in non- Proposition 98 General Funds to build more student housing across the three higher education segments, about double what the Budget Act of 2021 specified for 2022-23 spending under the Higher Education Student Housing Grant Program. The 2022-23 spending includes \$546.7million one-time to selected community colleges for housing projects that were deemed eligible for funding in the first round of applications submitted in October 2021. The Budget Act indicates that colleges receiving the grants must deliver, at minimum, the number of beds for low-income students specified in its application when it was approved and must charge rents that do not exceed the rates assumed in that application. The budget allocates another \$18 million under the program for planning grants to selected colleges to determine the feasibility of offering affordable student housing. Another \$750 million from the program is expected be allocated to the higher education segments in the 2023-24 budget.

Assembly Bill 183, Higher Education Budget Trailer Bill of 2022 Education Code Section 17200 | Higher Education Student Housing Grant Program

SECTION 1. Section 17200 of the Education Code is amended to read:

17200. As used in this chapter, unless the context requires otherwise, the following definitions apply:

- (a) “Administering entity” means the following:
 - (1) For an application for a community college campus or district, the office of the Chancellor of the California Community Colleges.
 - (2) For an application for a California State University campus, the office of the Chancellor of the California State University.
 - (3) For an application for a University of California campus, the office of the President of the University of California.
 - (4) For an intersegmental application, both or all of the systemwide offices described in paragraphs (1) to (3), inclusive, as applicable to the project applicants.
- (b) “Applicant” means a community college district, a campus of the California State University, a campus of the University of California, which may include the Hastings College of the Law, or a partnership of campuses across and within the public higher education segments. “Applicant” also means the office of the Chancellor of the California Community Colleges on behalf of one or more community college districts, the office of the Chancellor of the California State University on behalf of one or more campuses of the California State University, or the office of the President of the University of California on behalf of one or more campuses of the University of California.
- (c) “Campus” means a community college district, a campus of the California State University, or a campus of the University of California, which may include the Hastings College of the Law.
- (d) “Capacity expansion projects” means projects that expand the ability of a four-year public postsecondary educational institution to support future California resident enrollment growth.
- (e) “Low-income student” means either of the following:

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(1) A student who is eligible to receive one or more of the following:

(A) Pell Grant financial aid under the federal Pell Grant program (20 U.S.C. Sec. 1070a).

(B) A Cal Grant under Chapter 1.7 (commencing with Section 69430) of Part 42 of Division 5 of Title 3.

(C) An exemption from paying nonresident tuition pursuant to Section 68130.5 provided that the student also meets income criteria applicable to the California Dream Act application.

(D) A fee waiver from a California Community College pursuant to Section 76300.

(2) A graduate student with income and asset levels that would qualify for one or more of the benefits in subparagraphs (A) through (D), inclusive, as determined by the campus at which the student is enrolled.

(f) “Public-private partnership” means a long-term agreement between a segment and the private sector for purposes of a student housing project, including, but not limited to, studying, planning, designing, constructing, developing, financing, operating, maintaining, or any combination thereof, a student housing project.

(g) “Segment” means the public higher education segments of California, which are the University of California, the California State University, or the California Community Colleges.

(h) “Student housing project” means one or more housing facilities to be occupied by students of one or more campuses. These facilities may include, but are not necessarily be limited to, dining, academic and student support service spaces, basic needs centers, student healthcare services, and other necessary and usual attendant and related facilities and equipment.

SEC. 2. Section 17201 of the Education Code is amended to read:

17201. (a) The Higher Education Student Housing Grant Program is hereby established to provide one-time grants for the construction of student housing, or for the acquisition and renovation of commercial properties into student housing for the purpose of providing affordable, low-cost housing options for students enrolled in public postsecondary education in California.

(b) (1) Of the total amount appropriated pursuant to subdivision (l), and intended to be appropriated pursuant to subdivision (q) in support of this section and Section 17202, 50 percent of the available funds shall be available for the California Community Colleges, 30 percent of the available funds shall be available for the California State University, and 20 percent of the available funds shall be available for the University of California.

(2) Notwithstanding paragraph (1), the per-segment amounts designated in paragraph (1) may be adjusted to accommodate and prioritize projects serving low-income students across more than one segment.

(3) It is the intent of the Legislature that grants will be disbursed to increase the current stock of affordable student housing, for purposes of supporting low-income students and facilitating low-income student access to higher education.

(c) Proposals for one-time grants for the construction of, or rehabilitation of commercial properties for, student housing shall include, at a minimum, the project goals, costs, number of students to be housed, timeline for the project, financial feasibility of the project, anticipated impact on the campus’ ability to accommodate California resident enrollment growth, a commitment to construct the project within the resource needs identified in the proposal, and any other information deemed necessary for evaluation of the criteria pursuant to subdivision (f).

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(d) (1) Applicants for a University of California campus or a California State University campus shall submit their applications to their respective administering entities on or before October 31 in the year the funds are appropriated. This includes applicants reapplying for a grant for a project that was deemed ineligible in a previous year, who may submit their revised and updated applications.

(2) Applicants for a community college campus or district reapplying for a grant for a project that was deemed ineligible in a previous year may submit their revised and updated applications to their administering entity on or before October 31, 2022.

(3) Applicants for a community college campus or district shall submit their applications to their administering entity on or before October 31, 2023. This includes applicants reapplying for a grant for a project that was deemed ineligible in a previous year, who may submit their revised and updated applications.

(e) (1) The administering entities shall provide the Joint Legislative Budget Committee information on all submitted project proposals, including, but not necessarily limited to, the information specified in subdivision (g), on or before February 1 immediately following the dates of proposal submissions.

(2) Applicants reapplying for a grant for a project that was deemed ineligible in a previous year may submit their revised and updated applications to their respective administering entities pursuant to subdivision (d), and for any of these revised and updated project applications demonstrating compelling and urgent public benefits, the administering entities may submit to the Joint Legislative Budget Committee a list of the projects proposed for inclusion in the annual Budget Act or other legislation for priority consideration by January 10, 2023.

(f) Submitted proposals shall demonstrate all of the following:

(1) Construction on the project could begin by December 31 in the year the grant is awarded, or by the earliest possible date thereafter.

(2) (A) The rent provided in the applicable units of the development for low-income students shall be calculated at 30 percent of 50 percent of the area median income for a single-room occupancy unit type. The percentage of area median income may be adjusted upon written notification by the Director of Finance to the Joint Legislative Budget Committee, and approval by the Joint Legislative Budget Committee.

(B) Annual rent for the units described in this paragraph may be adjusted each year based on the lesser of the area median income calculation for a given year pursuant to subparagraph (A), or the percentage change in the annual average value of the California Consumer Price Index for all urban consumers for the most recent calendar year of actual data.

(C) The affordability restriction described in subparagraph (A) shall apply for the life of the facility.

(3) A commitment to first offer the housing available from the facilities to low-income students. In meeting this requirement, a campus may calculate the rental savings and number of low-income students that would be served by the student housing constructed pursuant to this section, and place the calculated number of students qualifying for the reduced rental rate throughout the campus's available housing.

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(4) (A) A commitment to require any students renting housing in the facilities to take a minimum average of 12 degree-applicable units per semester term, or the quarterly equivalent, to facilitate timely degree completion.

(B) Notwithstanding subparagraph (A), eligible students renting housing in the facilities shall be permitted to live in the facilities for the full academic or calendar year so long as the student remains enrolled in the applicable campus. Renewal of housing in the facility in subsequent academic or calendar years shall require the student to demonstrate compliance with subparagraph (A).

(C) Notwithstanding subparagraph (A), students renting housing in the facilities may temporarily reduce their unit load below 12 degree-applicable units if they are able to demonstrate an exceptional circumstance necessitating a reduced unit load, which may include, but is not necessarily limited to, illness or injury, as determined by the applicable campus.

(5) Receipt of a grant pursuant to this chapter will result in a public benefit, such as providing low-cost student housing and reduced rents, reducing students' total cost of attendance, serving more low-income students, or other tangible benefits that would not be practical without the grant for student housing.

(6) The University of California and the California State University shall not use a public-private partnership to construct, operate, maintain, or any combination thereof, a project.

(7) As a condition of receiving funding for a project, the University of California shall comply, with respect to the project, with the requirements of Section 92495 applicable to capital outlay projects.

(8) A plan to build funds into the submitted project bid for project contingency.

(A) The amount for project contingency shall be 5 percent of construction costs for University of California and California State University projects and 10 percent of construction costs for California Community College projects. Intersegmental projects involving a California Community College shall include project contingency of 10 percent of construction costs. Grant funds may be used to cover these project contingency amounts.

(B) (i) The plan also shall identify the fund sources, other than the construction grants received under this program, and their respective balances that would be available to cover costs above those projected in the application.

(ii) Any applicant that receives a grant shall cover any costs above those identified in their application to the state using the fund sources identified in clause (i).

(9) (A) An applicant's student population has unmet demand for housing, as measured by both of the following:

(i) The proportion of students waitlisted for on-campus housing compared to total enrollment.

(ii) Rental vacancy rates for housing in the county for which the student housing project would be located, as defined by the United States Census Bureau.

(B) Applicants shall calculate the data pursuant to clauses (i) and (ii) of subparagraph (A) using data for the most recent year available.

(10) A campus shall not apply for a grant to reimburse costs that it has already incurred.

(g) In their submittals to the Joint Legislature Budget Committee, the administering entities shall rank all eligible applications using a composite score of all of the following measures:

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- (1) State funding per bed for low-income students, with a lower ratio receiving a higher ranking.
- (2) Projected rents for low-income student units relative to the limit set forth in subparagraph (A) of paragraph (2) of subdivision (f), with a lower measure receiving a higher ranking.
- (3) Project timeline, with an earlier construction start date receiving a higher ranking.
- (4) The geographic location of each project. It is the intent of the Legislature that projects selected for a grant are fairly representative of various geographical regions of the state and campuses of the University of California, the California State University, and the California Community Colleges.
- (5) (A) Unmet demand for housing, with a higher ranking given to projects with either of the following:
 - (i) Higher proportions of students waitlisted for on-campus housing when compared to total enrollment.
 - (ii) Lower rental vacancy rates for housing in the county for which the student housing project would be located, as defined by the United States Census Bureau.
- (B) Applicants shall calculate the proportions and rates pursuant to clauses (i) and (ii) of subparagraph (A) using data for the most recent year available.
- (C) For each project, the administering entities shall select the measure determined pursuant to clauses (i) and (ii) of subparagraph (A) yielding the highest ranking.
- (h) Proposals for student housing projects submitted pursuant to this chapter shall be considered for inclusion in the annual Budget Act, subject to an available and sufficient appropriation.
 - (i) (1) Appropriations provided to support a project included in the annual Budget Act pursuant to this chapter shall be considered grants to the applicant for purposes of constructing the project. As a condition of receiving funds pursuant to this chapter, the Regents of the University of California, the Trustees of the California State University, or the Board of Governors of the California Community Colleges, or the respective statewide offices for each segment, shall do all of the following:
 - (A) Provide oversight of the project for which funds are appropriated.
 - (B) From the receipt of funds to completion of construction for the project, report annually, beginning on or before July 1 of the year immediately following receipt of funding, to the Department of Finance and the relevant policy and budget committees of the Legislature on the status of the project. At a minimum, these reports shall include data on a project's cost, funding by source, number of beds for low-income students, rents for low-income student beds, the number of standard rent beds and their associated rents, if applicable, building square footage, and project timeline. For each of these data elements that were included in a project's application to the state, the reports shall compare the estimates provided in the application to the most recently available estimates.
 - (C) Following completion of the project, report annually, beginning on or before July 1 of the year immediately following completion, for a five-year period to the Department of Finance and the relevant policy and budget committees of the Legislature on the public benefit provided by the project as related to the selection criteria outlined in this chapter. At a minimum, these reports shall include data on a project's number of beds for low-income students, rents for low-income student beds, the number of standard rent beds and their associated rents, if applicable, annual operating costs and revenues, and housing occupancy

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rates compared to the campuswide average. For each of these data elements that were included in a project's application to the state, the reports shall compare the estimates provided in the application to the most recently available estimates.

(2) For a community college project funded pursuant to this chapter, the local community college district may perform the oversight and reporting functions required pursuant to subparagraphs (A) to (C), inclusive, of paragraph (1) in lieu of these functions being performed by the Board of Governors of the California Community Colleges or the Office of the Chancellor of the California Community Colleges.

(j) For purposes of computing the maintenance of effort for the federal Coronavirus Response and Relief Supplemental Appropriations Act of 2021 (Public Law 116-260), and the federal American Rescue Plan Act of 2021 (Public Law 117-2), these funds shall be considered fully expended in the year in which they are appropriated, and these funds shall be considered need-based financial aid, as the intent of the program is to reduce nontuition costs for students.

(k) Notwithstanding any other law, including subdivision (j), reduced housing expenses from student housing provided pursuant to this chapter shall augment and not supplant student financial aid from other public sources, and shall not be considered when calculating eligibility for student financial aid.

(l) For the 2022–23 fiscal year, one billion four hundred twenty-eight million one hundred thirty-three thousand dollars (\$1,428,133,000) is hereby appropriated from the General Fund for the Higher Education Student Housing Grant Program, of which seven hundred million dollars (\$700,000,000) is from the General Fund in the 2021–22 fiscal year and seven hundred twenty-eight million one hundred thirty-three thousand dollars (\$728,133,000) is from the General Fund in the 2022–23 fiscal year. These funds shall be used for one-time grants for the construction of student housing, or the acquisition and renovation of commercial properties into student housing for the purpose of providing affordable, low-cost housing options for students enrolled in public postsecondary education in California.

(m) The funds appropriated pursuant to subdivision (l) shall be for all of the following: (See Table on page 10).

(n) For the 2022–23 fiscal year, seventeen million nine hundred seventy-four thousand dollars (\$17,974,000) is hereby appropriated from the General Fund for the purpose of providing planning grants for California Community Colleges that are exploring or determining if it is feasible to offer affordable student rental housing.

(o) The funds appropriated pursuant to subdivision (n) shall be for the following California Community Colleges: (See Table on page 10).

(p) Three million eight hundred ninety-three thousand dollars (\$3,893,000) is hereby appropriated in the 2022–23 fiscal year to support student housing grants pursuant to this section. The specific projects to be funded with this appropriation shall be identified in subsequent legislation.

(q) It is the intent of the Legislature to appropriate seven hundred fifty million dollars (\$750,000,000) from the General Fund in the 2023–24 fiscal year for purposes of providing student housing grants pursuant to this section.

(r) Any project receiving a grant pursuant to this section shall deliver, at a minimum, the number of beds for low-income students specified in its application when it was approved by the state. Rents for these beds shall not exceed the rates assumed in the project's application. A project

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may deliver more beds or charge lower rents than assumed in its application if financially feasible.

SEC. 3. Section 17202 of the Education Code is amended to read:

17202. (a) California community colleges may submit requests for planning grants for campuses that are exploring or determining if it is feasible to offer affordable student rental housing. It is the intent of the Legislature to use up to twenty-five million dollars (\$25,000,000) of the total amount described in subdivisions (l) of Section 17201 to support planning grants.
- (b) The selection process for planning grants shall include both of the following requirements:
- (1) To the extent feasible, ensure a reasonable geographic distribution of funds.
 - (2) Require that the planning activities related to the proposed affordable student rental housing project be reasonable compared to the costs of comparable projects in the area.
- (c) A campus that receives a grant pursuant to this section may use those grant moneys for one or more of the following purposes in connection with an affordable rental student housing project:
- (1) Feasibility studies.
 - (2) Engineering studies.
 - (3) Financing studies.
 - (4) Environmental impact studies.
 - (5) Architectural plans.
 - (6) Application fees.
 - (7) Legal services.
 - (8) Permitting costs.
 - (9) Bonding.
 - (10) Site preparation.
- (d) A community college applying for a planning grant shall not apply for a construction grant for the same project in the same application cycle.
- (e) For purposes of this section, the following definitions apply:
- (1) "Affordable student rental housing" means housing for students that would be charged at below market rate that would be consistent with the requirements of paragraph (2) of subdivision (f) of Section 17201.
 - (2) "Feasible" means that a project may be accomplished in a successful manner within a reasonable period of time, taking into account economic, environmental, social, and technological factors.

SEC. 4. Section 17203 of the Education Code is amended to read:

17203. It is the intent of the Legislature that all laws applicable to an applicant related to the acquisition, design, construction, or renovation of a capital outlay project apply to any student housing project receiving funding under this chapter. This includes, but is not limited to, Section 92495 and applicable provisions of the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code), the Public Contract Code, and this code, including any applicable workforce and labor requirements within those codes.

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SEC. 5. Section 17203.5 is added to the Education Code, to read:

17203.5. (a) The office of the Chancellor of the California State University and the office of the Chancellor of the California Community Colleges shall, and the office of the President of the University of California is requested to, collect data on student housing insecurity at each of their respective campuses and submit a report on that data to the Department of Finance and all relevant policy committees on or before March 1, 2023.

(b) The collected data shall include all of the following information:

(1) The number of students who receive housing assistance for on-campus or off-campus housing disaggregated by all of the following:

(A) Gender.

(B) Ethnicity.

(C) The percentage of students who have dependents.

(D) The percentage of students who are first-generation college students.

(E) The percentage of students who are current or former foster youth.

(F) The percentage of students who meet the requirements Section 68130.5.

(G) The distribution of students by age group, income level, gender identity, and LGBTQI+ identity.

(H) The percentage of students who are students with disabilities as identified by the campus.

(I) The percentage of students who are current or former homeless youth.

(J) The percentage of students who identify as LGBTQI+.

(2) The number of students who live on campus and the number of available beds on campus.

(3) The average rental rate for a two-bed dorm room and a two-bedroom apartment on campus.

(4) The average rental rate for a two-bedroom apartment in city or county where the campus is located, if available.

(c) The requirement for submitting a report imposed under subdivision (a) is inoperative on March 1, 2027, pursuant to Section 10231.5 of the Government Code.

(d) This section shall remain in effect only until January 1, 2028, and as of that date is repealed.

SEC. 6. Section 17204 of the Education Code is amended to read:

17204. (a) The Higher Education Capacity Expansion Grant Program is hereby established to provide one-time grants for capacity expansion projects to support increased California resident enrollment.

(b) To be eligible for a grant for a capacity expansion project, an applicant shall demonstrate that the project will increase future California resident enrollment capacity, either by increasing instructional space for students or improving students' time-to-degree, or will otherwise support the applicant's ability to provide accessible higher education options to more students. Projects may include, but are not necessarily limited to, all of the following:

(1) New construction.

(2) Land or building acquisition.

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(3) Modernization of existing buildings for improving the learning environment, improving equipment, increasing classroom capacity, or accommodating more students in high-demand majors and fields.

(c) Proposals for projects to be considered pursuant to this section shall be submitted to the Department of Finance by an established proposal deadline.

(d) The Department of Finance shall provide the Joint Legislative Budget Committee information on all submitted project proposals, and a list of projects proposed for inclusion in the annual Budget Act or other legislation, no later than four months following any proposal deadline established pursuant to subdivision (c).

(e) The University of California and the California State University shall not use a public-private partnership to construct, operate, maintain, or any combination thereof, a project.

(f) As a condition of receiving funding for a project, the University of California shall comply, with respect to the project, with the requirements of Section 92495 applicable to capital outlay projects.

(g) Project selection criteria may include any of the following:

(1) The timeline for project construction, with priority given to projects that can begin the earliest.

(2) The campus' unmet demand for California resident California resident demand.

(3) The availability of a local match, with priority given to campuses with a local match.

(4) When considered as a whole, the applications approved pursuant to this section are fairly representative of the various geographical regions of the state and the campuses of the University of California and the California State University.

(5) The campus' efforts to construct, acquire, or develop collaboratively with its local communities, including other public postsecondary educational institutions, capacity expansion projects.

(h) Proposals for capacity expansion projects submitted to the Department of Finance pursuant to this section shall be considered for inclusion in the annual Budget Act or other legislation, subject to an available and sufficient appropriation.

(i) It is the intent of the Legislature to appropriate funds for the Higher Education Capacity Expansion Grant Program in a future fiscal year.

Table: 2022-23 Investments in Student Housing in the Community Colleges

District	Campus	Grant Funding
Construction Grants		
State Center CCD	Fresno City College	\$34,080,000
Siskiyou Jt CCD	College of the Siskiyous	\$32,613,000
Ventura County CCD	Ventura College	\$62,923,000
Sierra Jt CCD	Sierra College	\$80,497,000

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District	Campus	Grant Funding
Napa Valley CCD	Napa Valley College	\$31,000,000
Sonoma County JCD	Santa Rosa Junior College	\$15,000,000
Los Rios CCD	Cosumnes River College	\$44,144,000
Compton CCD	Compton College	\$80,389,000
Lake Tahoe CCD	Lake Tahoe Community College	\$39,369,000
Kern CCD	Bakersfield College	\$60,245,000
Santa Clarita CCD	College of the Canyons	\$61,858,000
Imperial Valley CCD	Imperial Valley College/CSU San Diego	\$4,554,000
	Total, Construction Grants	\$546,672,000
Planning Grants		
Chabot-Las Positas CCD	Chabot College	\$155,000
Chabot-Las Positas CCD	Las Positas College	\$155,000
Contra Costa CCD	Contra Costa College	\$180,000
Contra Costa CCD	Diablo Valley College	\$180,000
Contra Costa CCD	Los Medanos College	\$180,000
Foothill-DeAnza CCD	De Anza College	\$132,000
Foothill-DeAnza CCD	Foothill College	\$132,000
Ohlone CCD	Ohlone College (2 projects)	\$580,000
Peralta CCD	Berkeley City College	\$110,000
Peralta CCD	College of Alameda	\$110,000
Peralta CCD	Laney College	\$110,000
Peralta CCD	Merritt College	\$110,000

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District	Campus	Grant Funding
San Jose-Evergreen CCD	Evergreen Valley College	\$235,000
San Jose-Evergreen CCD	San Jose City College	\$235,000
San Mateo County CCD	College of San Mateo	\$200,000
Solano CCD	Solano Community College	\$150,000
Kern CCD	Cerro Coso Community College	\$314,000
Kern CCD	Porterville College	\$314,000
Merced CCD	Merced College	\$145,000
Merced CCD	Merced College/UC Merced	\$564,000
State Center CCD	Fresno City College	\$449,000
State Center CCD	Madera College	\$449,000
West Hills CCD	West Hills College Coalinga	\$150,000
Copper Mountain CCD	Copper Mountain College	\$70,000
Mt. San Jacinto CCD	Mt. San Jacinto College	\$155,000
Riverside CCD	Moreno Valley College	\$540,000
Riverside CCD	Norco College	\$590,000
Riverside CCD	Riverside City College	\$470,000
San Bernardino CCD	Crafton Hills College	\$845,000
San Bernardino CCD	San Bernardino Valley College	\$845,000
Antelope Valley CCD	Antelope Valley Community College	\$200,000
Cerritos CCD	Cerritos College	\$225,000
El Camino CCD	El Camino College	\$110,000
Long Beach CCD	Long Beach City College	\$120,000
Los Angeles CCD	East Los Angeles College	\$110,000

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District	Campus	Grant Funding
Los Angeles CCD	Los Angeles City College	\$110,000
Los Angeles CCD	Los Angeles Harbor College	\$110,000
Los Angeles CCD	Los Angeles Mission College	\$110,000
Los Angeles CCD	Los Angeles Pierce College	\$110,000
Los Angeles CCD	Los Angeles Southwest College	\$110,000
Los Angeles CCD	Los Angeles Trade Technical College	\$110,000
Los Angeles CCD	Los Angeles Valley College	\$110,000
Los Angeles CCD	West Los Angeles College	\$110,000
North Orange County CCD	Cypress College	\$150,000
Pasadena CCD	Pasadena City College	\$50,000
Rancho Santiago CCD		\$500,000
Rio Hondo CCD	Rio Hondo City College	\$522,000
Santa Monica CCD	Santa Monica College	\$110,000
South Orange County CCD	Irvine Valley College	\$323,000
South Orange County CCD	Saddleback College	\$483,000
Butte CCD	Butte College/CSU Chico	\$500,000
Feather River CCD	Feather River College	\$349,000
Los Rios CCD	American River College	\$110,000
Los Rios CCD	Cosumnes River College	\$110,000
Los Rios CCD	Folsom Lake College	\$110,000
Los Rios CCD	Sacramento City College	\$110,000
Mendocino-Lake CCD	Mendocino College	\$250,000

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District	Campus	Grant Funding
Shasta-Tehama-Trinity Jt CCD	Shasta College	\$155,000
Grossmont-Cuyamaca CCD	Cuyamaca College	\$155,000
Grossmont-Cuyamaca CCD	Grossmont College	\$155,000
MiraCosta CCD	MiraCosta College	\$155,000
Palomar CCD	Palomar College	\$820,000
San Diego CCD	San Diego City College	\$344,000
Southwestern CCD	Southwestern College(5 projects)	\$618,000
Allan Hancock Jt. CCD	Allan Hancock College	\$185,000
Cabrillo CCD	Cabrillo Community College	\$242,000
Hartnell CCD	Hartnell College	\$325,000
Santa Barbara CCD	Santa Barbara City College	\$150,000
Ventura County CCD	Moorpark College	\$250,000
Ventura County CCD	Oxnard College	\$249,000
	Total, Planning Grants	\$17,979,000

Agenda Item 4.

Adapting Facilities-Related Regulations and Policies to Support CCC Affordable Student Housing

Introduction

This document examines current regulations, budget language provisions, and policies that prohibit community college districts from using state funding to support affordable student housing facilities. The enactment of Senate Bill 169 (2021) (SB 169) and implementation of the Higher Education Student Housing Grant Program have provided California Community Colleges with state resources to begin planning and constructing affordable student housing. However, current regulations, budget language, and policies for the construction and maintenance of campus facilities must be modified so that districts may develop their housing facilities and maintain them long-term. Recommendations to adapt these rules to allow for the planning, construction, maintenance, and improvement of affordable student housing facilities are provided below.

Modifying Regulation and Budget Language Provisions

COMMUNITY COLLEGE CONSTRUCTION ACT OF 1980

The Community College Construction Act of 1980 is codified in Education Code sections 81800 – 81839 and California Code of Regulation, title V (Title 5), sections 57000-57034. These provisions offer the regulatory framework that, in part, guides California Community Colleges Capital Outlay Grant program as well as the Physical Plant and Instructional Support Block Grants (PPIS). Title 5, section 57001.5(a-d) provides the following to describe a “project” that is eligible for state funding:

(a) As used in this chapter "project" means the purpose for which a community college district has applied for assistance under chapter 4 of part 49 of the Education Code for one or more institutions under its authority or for district wide facilities. A project may include the planning, acquisition, and improvement of community college sites; the planning, construction, reconstruction or remodeling of any permanent structure necessary for use as a classroom, a laboratory, a library, a performing arts facility, a gymnasium, the basic outdoor physical education facilities, the basic food service facilities, or child development centers, pursuant to section 79120 of the Education Code; related facilities necessary for the instruction of students or for administration of the educational program; maintenance or utility facilities essential to the operation of the foregoing facilities and the initial acquisition of equipment. A project may also include the initial furnishing of, and initial acquisition of equipment for, any facility leased or lease-purchased by a community college district as of August 1, 1987, for educational purpose or purposes.

(b) A project may also include the reconstruction or remodeling of any facility leased or lease-purchased for educational purposes. The Chancellor's Office shall require transfer to the community college district of title or any other interest considered sufficient by the district, in and to facilities presently leased or to be leased in the future by the district, to the extent of the funds appropriated for reconstruction or remodeling of leased facilities. When sufficient title or interest has not been transferred, the term of the lease shall be of sufficient duration to completely amortize the reconstruction or remodeling cost. Such amortization shall be determined by utilizing current interest rates and normal accounting practices. If

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the lease is terminated prior to amortizing the reconstruction or remodeling costs the district shall repay the state for any unamortized state costs.

A project consisting of the construction of any facilities listed in subdivision (a) on property that conforms to subdivision (b) of section 81530 of the Education Code shall be eligible for state funding. For any project that is constructed under this paragraph, the term of the lease shall be of sufficient duration to completely amortize the cost of the project and the governing board of the community college district shall provide in the lease agreement a hold harmless clause satisfactory to the lessor. The amortization shall be determined by utilizing current interest rates and normal accounting practices. If the lease is terminated prior to amortizing the project, the district shall pay the state for any unamortized state costs.

(c) The projects defined by subdivisions (a) and (b) of this section shall not be construed as a commitment by the Board of Governors as to the type or possible number of projects that may be considered during any fiscal year.

(d) A project shall not include the planning or construction of dormitories, student centers other than cafeterias, stadia, the improvement of sites for student or staff parking, or single-purpose auditoriums.

Draft Language for Consideration #1

Historically, the Chancellor's Office and the California Department of Finance have interpreted Title 5 57001.5(d) as reflecting an intention not to fund revenue-generating project proposals, particularly with tax-exempt general obligation bond dollars. In its current form, this provision identifies student housing as ineligible for state funding.

With the enactment of SB 169 and the codification of California Education Code (EDC), sections 17200-17204, these regulations must be modified so that they support the construction or renovation of affordable student housing facilities. The following language would need to be added to Title 5 57001.5¹:

(e) A project may also include an affordable student housing facility funded through a Senate Bill 169 program grant or other source. An affordable student housing project can include new construction, reconstruction, or renovation of a purchased facility.

The recommended provisional language would allow affordable student housing facilities to be eligible for state funding and distinguish them from other ineligible revenue generating projects.

BUDGET ACT PROVISIONS FOR PHYSICAL PLANT AND INSTRUCTIONAL SUPPORT

As depicted in the most recent California Budget Act, Assembly Bill 183 (2022) (AB 183), the provisions in section 55 must be modified to allow affordable student housing facilities to be maintained and

¹ Like Title 5, EDC sections 81800-81839 also provides guidance on the Community College Construction Act of 1980. However, these provisions do not include language concerning the ineligibility of revenue-generating facilities as provided in Title 5 section 57001.5.

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improved with state funding. The budget language below is from AB 183 and only minor updates have been made through the years. This budget language is paired with Physical Plant and Instructional Support (PPIS) funding:

- (a) *For the 2022-23 fiscal year, the sum of eight hundred forty million six hundred fifty-five thousand dollars (\$840,655,000) is hereby appropriated from the General Fund to the Board of Governors of the California Community Colleges for allocation to the community college districts for all of the purposes described in subdivisions (b) and (c).*
- (b) (1) *Scheduled maintenance and special repairs of facilities. As a condition of receiving and expending these funds for maintenance and special repairs, a community college district shall certify that it will increase its operations and maintenance spending from the 1995–96 fiscal year by the amount it allocates from this appropriation for maintenance and special repairs. A community college district’s compliance with its certification shall be reviewed under the annual audit of the community college district.*
- (2) *Hazardous substances abatement, cleanup, and repairs.*
- (3) *Architectural barrier removal projects that meet the requirements of the federal Americans with Disabilities Act (42 U.S.C. Sec. 12101 et seq.) and seismic retrofit projects limited to nine hundred twenty-nine thousand dollars (\$929,000).*
- (4) *Water conservation projects to reduce water consumption in cooperation with the Governor’s Executive Order B-37-16. Projects may include any of the following:*
 - (A) *Replacement of water intensive landscaping with drought tolerant landscaping, synthetic turf, provided that the turf is used only in nonathletic areas, and other nonplant materials.*
 - (B) *Drip or low-flow irrigation systems.*
 - (C) *Building improvements to reduce water usage.*
 - (D) *Installation of meters for wells to allow for monitoring of water usage.*
 - (5) *Support for energy efficiency projects.*
- (c) *Replacement of instructional equipment and library materials. The funds provided for instructional equipment and library materials shall not be used for personal services costs or operating expenses.*
- (d) *The Chancellor of the California Community Colleges shall allocate funds appropriated in subdivision (a) to community college districts on the basis of actual reported full-time equivalent students, and may establish a minimum allocation per community college district.*
- (e) *Funds appropriated pursuant to this section shall be shall be available for encumbrance or expenditure until June 30, 2027.*

Draft Language for Consideration #2

To allow for state physical plant (i.e., scheduled maintenance, deferred maintenance, special repairs) funding to be used for affordable student housing facilities, the following provisional language would need to be added to the California Budget in section 55:

- (b) (1) *Scheduled maintenance and special repairs of facilities, including affordable student housing facilities funded through the SB 169 Higher Education Student Housing Grant Program, or meeting the affordable rent threshold outlined in EDC 17201 (f)(2). As a condition of receiving and expending these funds for maintenance and special repairs, a community college district shall certify that it will increase its operations and maintenance spending from the 1995–96 fiscal year by the amount it allocates from*

this appropriation for maintenance and special repairs. A community college district's compliance with its certification shall be reviewed under the annual audit of the community college district.

Along with providing access to PPIS funding, the recommended language references the Higher Education Student Housing Grant Program's enabling legislation, SB 169. This language indicates that PPIS funding would be invested back into state or locally funded affordable student housing facilities. Additionally, the language of the proposed language underscores the intent of EDC 17200-17204 to support low-income students through rental fees that are reduced relative to regional average income. In EDC 17201, affordable rent "shall be calculated at 30 percent of 50 percent of the area median income for a single-room occupancy unit type."

Title 5 and California Community Colleges Policies and Practice

The Chancellor's Office, with approval by the Board of Governors, must also adapt its capital outlay and PPIS programmatic policies, guidance, and practice to accommodate affordable student housing. The information below provides specific programmatic elements as well as code and regulations that need to be adapted to include affordable student housing.

PHYSICAL PLANT AND INSTRUCTIONAL SUPPORT GUIDELINES

The Chancellor's Office programmatic policies and guidance for PPIS are provided in the *California Community Colleges Physical Plant and Instructional Support Guidelines*. These guidelines are updated when there is PPIS funding, and they reflect programmatic requirements provided in Title 5 57000-57034 and 57200-57205 as well as EDC 84660². The Chancellor's Office must also modify the PPIS guidelines and accompanying programmatic documentation to indicate that affordable student housing facilities are eligible to receive PPIS funding. These guidelines must also provide guidance and information specific to affordable student housing, wherever necessary.

CAPITAL OUTLAY PROGRAM'S UTILIZATION AND SPACE STANDARDS

The California Community Colleges' Capital Outlay Grant program uses the *Board of Governor's Policy on Utilization and Space Standards* (utilization and space standards) to guide the planning and development of campus facilities.³ These standards contribute budgetary planning and space efficiency tools that measure existing and future need for academic and student support spaces according to their specific Title 5 space category: lecture, laboratory, library, audio visual (AVTV), and office.

² Title 5 section 57200-57205 and EDC 84660 provide programmatic guidance for deferred maintenance and special repairs, which are under the umbrella of PPIS. However, none of these provisions currently exclude affordable student housing.

³ Title 5 section 57020 permits the Board of Governors to adopt and incorporate into this provision of regulation the California Community Colleges *Policy on Utilization and Space Standards* as established September 2010. Any revision to the space standards after September 2010 are considered incorporated by reference into this provision when they have been adopted by the Board of Governors.

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Additionally, these utilization and space standards help districts and the Chancellor's Office understand the capacity-to-load ratio (cap/load ratio), which measures space utilization efficiency among the Title 5 space categories. The cap/load ratio is a calculation that takes the total capacity of a space type and divides it by the actual or projected usage of the space – ratios above 100% of a space type indicate an excess of space while ratios below 100% indicate a deficiency of space. Cap/load ratios are applied to both college- and district-level planning, and these ratios are the primary space efficiency metric for determining if a capital outlay project is eligible to receive state funding.

Critically, any Title 5 space that is added to affordable student housing facilities could impact campus or districts' cap/load ratio for the Title 5 space categories, which could also affect the eligibility of other projects prioritized within a district's facilities master plan. It is important to determine if the Title 5 space category spaces that are added to affordable housing facilities ought to be included in the campus and districts' capacity/load ratio formula or exempt altogether.

Since districts may seek to co-locate select student support services, and/or add residential services, space to their affordable student housing facilities, the Chancellor's Office recommends that each campus with affordable student housing facilities receive a limited amount of office space that is exempt from the campus and district cap/load ratio formula.

Draft Space Standard for Discussion

This recommendation has not yet been discussed with ACBO's Facilities Advisory Committee, as the next scheduled meeting for this committee is September 2022. For each dedicated office space, a maximum of 100 assignable square feet is recommended for supporting co-located student services and residential services. To determine the number of exempt offices dedicated to student housing, a ratio of one counselor and one resident advisor is recommended per X beds provided by the facility.

DATA COLLECTION FOR AFFORDABLE STUDENT HOUSING

Building the adequate infrastructure for a statewide affordable student housing program will require districts to submit comprehensive data about their project, including details from the district's capital outlay budget change proposals and FUSION⁴. Consistent with EDC 17200-17204, the following data is required to be collected for affordable student housing projects:

1. District
2. Campus
3. Project name
4. Point of contact
5. Construction grant or planning grant
6. Does the district/campus have a project partner?
7. State funding request
8. Local funding

⁴ California Community Colleges use the Facilities Utilization Space Inventory Options Network (FUSION) as their primary facilities planning, project management, integrated data management, and reporting tool.

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9. Total project cost
10. Rental rate
11. For construction projects, what is the purpose of the funds
 - a. New construction
 - b. Building acquisition/remodel
12. For planning grants, what is the purpose of the funds
 - a. Feasibility studies
 - b. Engineering studies
 - c. Financing studies
 - d. Environmental impact studies
 - e. Architectural plans
 - f. Application fees
 - g. Legal services
 - h. Permitting costs
 - i. Bonding
 - j. Site preparation
13. Cost per bed
14. Construction project schedule
15. Local funding spent on planning
 - a. What were the funds spent on?
16. Does the district/campus have any non-state funds to contribute to the project?
17. Does the district/campus currently have housing?
18. Percent of students enrolled full-time
19. Percent of students that are Pell grant eligible
20. Percentage of students that are Pell grant recipients
21. Percent of students reporting housing insecurity
22. Rental vacancy rate in the community
23. Average rental rate (1 bedroom)
24. Number of individuals who are homeless in the community
25. Commitment to first offer to low-income students
26. Why does the district/campus believe it can offer housing that is more affordable than what is available in the community?

Consistent with the recently enacted AB 183, the Higher Education Budget Trailer Bill of 2022, included new data collection requirements for affordable student housing proposals. Under these provisions, the Chancellor's Office is required to collect data on housing insecurity at each campus and submit a report on that data to the Department of Finance and all relevant policy committees on or before March 1, 2023:

1. The number of students who receive housing assistance for on-campus or off-campus housing disaggregated by all of the following:
 - a. Gender
 - b. Ethnicity

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- c. The percentage of students who have dependents.
 - d. The percentage of students who are first-generation college students.
 - e. The percentage of students who are current or former foster youth.
 - f. The percentage of students who meet the requirements Section 68130.5.
 - g. The distribution of students by age group, income level, gender identity, and LGBTQI+ identity.
 - h. The percentage of students who are students with disabilities as identified by the campus.
 - i. The percentage of students who are current or former homeless youth.
 - j. The percentage of students who identify as LGBTQI+.
2. The number of students who live on campus and the number of available beds on campus.
 3. The average rental rate for a two-bed dorm room and a two-bedroom apartment on
 4. campus.
 5. The average rental rate for a two-bedroom apartment in city or county where the campus is located, if available.

ADAPTING FUSION TO SUPPORT AFFORDABLE STUDENT HOUSING

On an annual basis, districts' space inventory reports provide statistical legal record of gross and assignable square feet used for evaluating, planning and administering all community college facilities under district ownership or control. Guidance for space inventory is provided in the *California Community Colleges Space Inventory Handbook*, and this data is reported in FUSION and integrated within FUSION's database.

Currently, the room use definitions and room use codes for residential facilities are provided in the 900 series of the handbook. The Chancellor's Office recommends that the following series of room use code, as well as the Taxonomy of Programs (TOP) code related to residential facilities, be adapted to accommodate spaces dedicated to affordable student housing:

Room Use Code – Residential Facilities (900 – 999)

1. 910 – Sleep/Study without Toilet/Bath
2. 919 – Toilet/Bath
3. 920 – Sleep/Study with Toilet/Bath
4. 935 – Sleep/Study Service
5. 950 – Apartment
6. 955 – Apartment Service
7. 970 – House

Taxonomy of Programs

TOP Code – 6970 Student Housing (Dormitories)

Appendix

Taskforce Report Focus Areas

DRAFT REPORT AREAS

Background

Senate Bill/Assembly Bill 169, the postsecondary education budget cleanup trailer bill of 2021, appropriated funding for the Higher Education Student Housing Grant Program. The program, with the purpose of providing affordable, low-cost housing options for public postsecondary students in California, was designed to provide one-time grants for construction of student housing, the acquisition and renovation of commercial properties into student housing, potential inclusion into facilities dining, academic and student support service spaces, basic needs centers, student healthcare services, and other necessary facilities and equipment.

Mission

SECTION OVERVIEW

This report section will introduce the taskforce approved mission for California Community Colleges Affordable Student Housing.

For California Community Colleges, the Affordable Student Housing agenda is grounded in principles of student equity, affordability, access, student-centered design, holistic supports, and district adaptability to student needs. Guided by these principles, the mission of the Affordable Student Housing program is to advance:

- Equity. Examine disproportionate impacts and design to meet the needs and long-term success of students most adversely affected.
- Affordability. Commit to housing that advances college access and affordability for students with the greatest economic need.
- Address Housing Shortages. Community colleges are an important partner and can play a key role in reducing state- and community-wide housing shortages that hinder social and economic progress.
- Fiscal Sustainability. Plan for and support the long-term quality and viability of affordable student housing at colleges and communities where a need exists and can be supported.
- Student-Success Design. Recognize that affordable student housing cannot exist in isolation from holistic supports and interventions – such as basic needs, financial aid, transportation, social services, campus culture, and learning supports for success.

Affordability

SECTION OVERVIEW

This report will discuss affordability provision in the Higher Education Student Housing Grant program, as well as recommendations by the taskforce around maintaining and operationalizing the commitment to low-cost rents and affordable access to students.

Total Cost of Lifetime Ownership

SECTION OVERVIEW

This report section will discuss the importance of planning for the Total Cost of Lifetime Ownership of student housing. As a resource, the report will include a checklist which could become the basis of a technical assistance and planning tool - total lifetime cost of housing estimate spreadsheet.

TOTAL COST OF LIFETIME OWNERSHIP

To ensure fiscal resiliency, each district should consider the total cost of lifetime ownership which may include the following:

MAINTENANCE AND REPAIRS

1. General building maintenance
2. Plumbing and sewer issues
3. Heating, Ventilation, and Air Conditioning
4. Fire and safety equipment
5. Locks, doors, windows
6. Campus Infrastructure: parking, landscaping, outdoor spaces
7. Pest control

UTILITIES

8. Electricity
9. Gas
10. Water/sewer
11. Garbage pickup and disposal
12. Internet

STUDENT SAFETY

13. Security Staffing Levels
14. Security Training for response to residential life issues

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15. Training for Title IX concerns
16. Security cameras: installation and maintenance

STUDENT SERVICES

17. Dining Facilities
18. Recreation and Fitness Facilities
19. Health Services
20. Counseling
21. Administration

STUDENT SUPPORT STAFFING

22. Resident Advisors- Available at all times including weekends and holidays
23. Counsellors
24. Cleaning staff
25. Janitorial staff
26. Facilities staff
27. Training for staff on mental health issues, suicide prevention, alcohol/drug abuse, and sexual assault
28. Referral services (ex: child care, basic needs)

INSURANCE

29. Flood, Fire, Earthquake
30. Damage/Theft
31. Title IX

LEGAL AND OTHER COSTS

32. Legal review of housing handbook and housing contract
33. Development of eviction process
34. Debt Service, if financing is in place for preliminary phases

EQUIPMENT AND FURNITURE

35. New or replacement equipment and furniture

OCCUPANCY RISKS

The following items do not represent direct or indirect costs, however these are considerations that colleges should keep in mind as they explore the possibility of providing affordable student housing.

36. Regional demographics

- 37. K-12 enrollment
- 38. Housing demand
- 39. Budget considerations: Whether projected revenue is sufficient to cover maintaining affordable housing costs

Integrated Support Services

SECTION OVERVIEW

The section of the report will provide an overview of the Social Determinants for Educational Success. It will go into further detail about effective practices for integrated and holistic student support services, and highlight key partnerships and structures that can better ensure affordable housing leads to quality student experiences and success. Further, this section will surface opportunities and needs for technical assistance.

Data

SECTION OVERVIEW

This section of the report will discuss key community college student housing data that should be reported, collected, and analyzed. The taskforce will provide recommendation around ways to seamlessly integrate data needs into existing facilities, student services, and capital outlay process and infrastructure. Further, this section will surface opportunities and needs for technical assistance.

Regulations

SECTION OVERVIEW

This section of the report will provide background on existing student housing or related facilities regulations. Specifically, the purpose of the section is to provide recommendation around necessary regulations or where updates and amendments may be needed.

Glossary of Terms

SECTION OVERVIEW

Unhoused

Social Determinants