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April 22, 2025



Senator Scott Wiener, Chair Senate Budget Committee 1021 O Street, Room 8620 Sacramento, CA 95814













Assemblymember David Alvarez, Chair Assembly Budget Subcommittee No. 3 1021 O Street, Suite 5320 Sacramento, CA 95814









Dear Legislative Budget Chairs:

California's affordable housing crisis is forcing too many of our more than 2.1 million community college students to decide between paying for education or providing food and shelter for themselves and their families. Nearly three in five community college students have experienced housing insecurity and one in four indicate being homeless—more than any other higher education segment. Far too often, our students, especially those from marginalized communities, are forced to put their educational aspirations on hold as they seek housing stability. Affordable student housing is essential not only to student success but also to California's economic future. By

removing barriers like housing, transportation, and access to social services, we support student persistence and completion while stimulating local economies. Investing in student housing a moral and economic imperative. For every \$1 billion of public infrastructure investment, we estimate that between 13,000 and 29,000 jobs are created, spurring economic growth and mobility through increased earnings and apprenticeship opportunities.

Building on the funding provided for affordable student housing under <u>Senate Bill 155</u> (2024), this coalition of districts and system leaders respectfully request the following investments:

Fully Fund Approved Affordable Student Housing Projects

We urge the Legislature to use remaining funds from the 2024 statewide lease revenue bond to ensure completion of the 11 affordable housing projects still moving forward under Senate Bill 155. While we are very grateful for the Legislature's and Administration's robust investments, it appears that at least two of the 13 student housing projects will not be moving forward as originally indicated. Several colleges have also experienced cost overruns due to the timing of the statewide lease revenue bond, construction delays, and inflationary factors. We have undertaken great strides to cover these funding shortfalls through local general obligation bonds and district resources, but challenges remain. We recommend the Legislature fully fund the existing approved projects, to ensure they remain completed as planned and on schedule. Let's prioritize the completion of these 11 housing projects, which will result in nearly 3,000 low-income beds for students.

Reallocate Remaining Funding to Shovel-Ready and Highly Scored Projects

To the extent resources remain available under the statewide lease revenue bond, we respectfully request that the Legislature fund student housing projects that were submitted and scored but not included in Senate Bill 155. We recommend priority to be given to the proposals that are shovel-ready and scored the highest according to the Chancellor's Office Affordable Student Housing Construction Program application process. These shovel-ready projects can break ground quickly, and in turn, this will quickly stimulate local economies by creating jobs, driving construction activity, and supporting students with stable, affordable housing. As a reminder, the final ranking of all housing proposals, according to the criteria approved by the Legislature in Senate Bill 169, is available on the Chancellor's Office website.

Authorize a New \$1.1 Billion Statewide Lease Revenue Bond for Student Housing

\$1.1 billion in affordable student housing construction. This approach mirrors the successful model used in 2024, which maximized return on investment with a relatively small General Fund outlay. An investment of \$60 to \$70 million annually could net \$1.1 billion in bond revenues that would be paid back over time and more than covered by the increased economic activity generated by the construction. A second \$1.1 billion bond could fund as many as 35 projects, more than doubling the State's current stock of affordable housing for community college students. The Chancellor's Office would ensure applicants resubmit their proposals to ensure they are adequately adjusted to account for our current economic context, creating an additional layer of oversight and accountability.

As the State continues to explore creative solutions to stimulate economic growth, ensuring our students can remain enrolled while enhancing career opportunities for construction workers and building trades is a valuable investment. Together, these three investments will build a lasting foundation for student success, workforce development, and statewide economic resilience.

Addressing the community college housing crisis is a commitment to the educational success of our students. It removes obstacles to allow students to achieve their educational and career goals in a safe environment that cultivates their well-being and belonging.

Let's finish off what we started, fund what's ready, and build what's next.

Sincerely,

California Community College Coalition Partners

cc:

Members, Senate Budget and Fiscal Review Subcommittee No. 1 on Education Members, Assembly Budget Subcommittee No. 3 on Education Finance Michael Wiafe, Office of Governor Newsom Nicole Munoz Murillo, Office of Governor Gavin Newsom Jessica Holmes, Department of Finance Jessica Deitchman, Department of Finance Michelle Nguyen, Department of Finance Justin Hurst, Department of Finance Lisa Qing, Legislative Analyst's Office Monica Henestroza, Special Assistant, Office of the Assembly Speaker Andrew Medina, Policy Consultant, Office of the Senate President pro Tempore Diego Lopez, Principal Consultant, Senate Budget and Fiscal Review Committee Mark Martin, Principal Consultant, Assembly Budget Committee Sarah Haynes, Assembly Republican Consultant Megan De Sousa, Senate Republican Consultant