

GOVERNMENT CODE

TITLE 2. GOVERNMENT OF THE STATE OF CALIFORNIA

DIVISION 3. EXECUTIVE DEPARTMENT

PART 10b. STATE BUILDING CONSTRUCTION

CHAPTER 3.15. Financing of Community College District Student Housing—[15820.200 - 15820.206]

15820.200. (a) For purposes of this chapter, “participating college” means a community college or community college district identified in paragraphs (1) through (13) of this subdivision. For purposes of this Chapter community college includes its governing district.

- (1) Fresno City College
- (2) College of the Siskiyous
- (3) Ventura College
- (4) Sierra College
- (5) Consumnes River College
- (6) Compton College
- (7) Lake Tahoe Community College District
- (8) Bakersfield College
- (9) College of the Canyons
- (10) San Diego City College
- (11) Cerritos College
- (12) College of San Mateo
- (13) College of the Redwoods.

(b) For purposes of this chapter, “department” means the Board of Governors of the California Community Colleges.

(c) For purposes of this chapter, a student housing project may include construction of student housing, or the acquisition and renovation of commercial properties into student housing. These facilities may include, but are not necessarily limited to, dining, laundry, parking, academic and student support service spaces, basic needs centers, student health care services, student family housing, childcare spaces, and other necessary and usual attendant and related facilities and equipment. In order to be eligible for financing under this chapter, the participating college shall certify to the board that the student housing project (1) is designed or will be designed to include, at a minimum, the number of beds for low-income students specified in a participating college’s application submitted pursuant to section 17201 of the Education Code, as may be adjusted pursuant to Section 15820.201(f) and (2) the rent for such beds shall not exceed 30 percent of 50 percent of the area median income for a single-room occupancy unit type, as may be adjusted pursuant to Section 15820.202(c).

(d) Prior to any disposition of a site for purposes of a financing under this chapter, the participating college shall record a covenant or restriction against the student housing project, in a form acceptable to the board, stating, in substance, that the affordability restrictions in subdivision (c) of this section shall run with the land and be enforceable against the participating college who violates the affordability restriction and each successor in interest who continues the violation. The covenant or restriction shall expressly provide that the affordability restrictions shall be enforceable for the life of the student housing project and shall survive the termination of the leases, subleases, or other agreements entered into by the participating college pursuant to Section 15820.202 of this chapter.

(e) For purposes of this chapter, “disposition” means entering into leases, subleases or agreements for any property or approved student housing project pursuant to Section 15820.202 of this chapter.

15820.201. (a) The department, a participating college, and the board are authorized to acquire, design, construct and equip a student housing project, and to acquire the site or sites upon which a student housing project is located. For the purposes of this chapter, acquisition shall include, but is not limited to, acquisition of completed facilities through a build-to-suit purchase. In order for a student housing project to be eligible for financing under this Chapter, the ownership interest of a participating college in the site or sites leased with respect to the financing shall be determined by the board to be adequate for purposes of its financing. The board may either approve the student housing project as the property to be leased with respect to the financing or may require a participating college to lease other property of the participating college pursuant to Section 15820.202 for purposes of financing the student housing project.

(b) The Department of General Services shall approve plans and specifications for student housing projects constructed pursuant to this Chapter upon the request by a participating college. A participating college may assign an inspector during the construction of the student housing project.

(c) The State Fire Marshal shall enforce the building standards and other regulations of the State Fire Marshal on student housing projects constructed pursuant to this Chapter. For each student housing project constructed by a participating college pursuant to this Chapter, the State Fire Marshal may delegate that responsibility to a person identified by the participating college who shall be known as the Designated Participating College Fire Marshal.

(d) The department, a participating college, and the board shall enter into an agreement for each student housing project that shall include, at a minimum:

(1) Performance expectations of the parties related to the acquisition, design, and construction or renovation of the student housing project.

(2) The student housing project's scope, schedule, and budget that indicates a project contingency of not less than 10 percent of construction costs.

(3) The participating college's agreement that it will pay for any costs of a student housing project financed pursuant to this Chapter in excess of the dollar amount identified in paragraphs (3) and (4) of subdivision (m) of section 17201 of the Education Code as amended by chapters 54 and 572 of Statutes 2022, and subparagraph (B) of paragraph (2) of subdivision (n) of section 17201 of the Education Code as amended by chapter 195 of Statutes 2023 for each respective participating college.

(4) A detailed description of the source or sources of the funds to be used for the student housing project, other than funds received pursuant to this Chapter, and a certification by the participating college that such funds are lawfully available for use to pay costs related to, or necessary for, the student housing project.

(5) Guidelines and criteria for use and application of the proceeds of any interim loan and any revenue bonds, notes, or bond anticipation notes issued by the board to pay for the cost of a student housing project.

(6) Ongoing maintenance and staffing responsibilities of the participating college for the student housing project and, if applicable, the other property leased pursuant to Section 15820.202, for the term of the financing.

(e) The agreement entered into pursuant to subsection (d) shall include a provision that the participating college agrees to indemnify, defend, and hold harmless the State of California for any and all claims and losses arising out of the acquisition, design, construction, equipping and financing of the student housing project. The agreement may also contain additional terms and conditions that facilitate the financing by the board.

(f) The scope and cost and any change to the scope and cost of a student housing project shall be subject to approval and administrative oversight by the board. Notwithstanding anything in this Chapter, the board may approve a reduction in the number of beds for low-income students in a student housing project if there is a change in the scope of the student housing project. Additionally, notwithstanding

anything in this Chapter, the board may approve a reduction in the number of beds for low-income students in a student housing project if necessary to ensure the completion of the student housing project with the funds made available from the board and the participating college in accordance with this Chapter. Reductions in excess of 10 percent of the number of beds for low-income students identified in a participating college's application submitted pursuant to 17201 of the Education Code shall be reported by the board to the Chairperson of the Joint Legislative Budget Committee, or his or her designee, not less than 20 days prior to board approval, or at such fewer days prior to board approval as the chairperson, or his or her designee, may in each instance determine.

(g) For purposes of compliance with the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code), the board, the department, and the Department of Finance are not a lead or responsible agency; the participating college is the lead agency.

15820.202. The board and the department and a participating college, with the consent of the board, are authorized to enter into leases or subleases, as lessor or lessee, for any property or approved student housing project in connection with the financing authorized by this Chapter and are further authorized to enter into contracts or other agreements for the use, maintenance, and operation of the student housing project in order to facilitate the financing authorized by this Chapter. In those leases, subleases, or other agreements, the participating college shall agree:

(a) To indemnify, defend, and hold harmless the State of California, the board, and department for any and all claims and losses accruing and resulting from or arising out of the participating college's use and occupancy of the student housing project and any other property leased or subleased pursuant to this section.

(b) To provide all insurance coverage determined necessary by the board during construction of the student housing project and after completion of the student housing project and for any other property leased or subleased pursuant to this subsection.

(c) That it will not charge rental rates for beds identified for low-income students in excess of 30 percent of 50 percent of the area median income for a single-room occupancy unit type, except such rental rates may be adjusted each year based on the lesser of 30 percent of 50 percent of the area median income for a single-room occupancy unit type for a given year 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.

(d) That the student housing project will include, at a minimum, the number of beds for low-income students specified in a participating college's application submitted pursuant to Section 17201 of the Education Code as may be adjusted pursuant to Section 15820.201(f).

(e) To first offer the housing available from the student housing project to low-income students.

(f) To require any students renting housing in a student housing project to take a minimum of 12 degree-applicable units per semester per term, or the quarterly equivalent, to facilitate timely degree completion, however, students renting housing in the student housing project shall be permitted to live in the student housing project for the full academic or calendar year so long as the student remains enrolled in the applicable campus.

(g) This Chapter provides a complete, additional, and alternative method for performing the acts authorized by this Chapter, and any sale or lease of any property or approved student housing project to or by the department or any participating college for purposes of this chapter need not comply with the requirements of any other law applicable to sale, purchase, or lease, as the case may be, by the department, a community college or community college district.

15820.203. After the board has determined the participating college has sufficient control over the student housing project site or any property to be leased pursuant to Section 15820.202, through either fee simple ownership of the site or other property or comparable long-term possession of the site or other property, and right of access to the site or other property sufficient to ensure undisturbed use and possession, and the participating college has entered into a lease and any other agreements to transfer sufficient rights to the student housing project site or other property being leased to facilitate the financing authorized by this Chapter, the board and the department may borrow funds for project costs from the Pooled Money Investment Account pursuant to Sections 16312 and 16313, the General Fund pursuant to Section 15849.1, or from any other appropriate source. In the event any of the revenue bonds, notes, or bond anticipation notes authorized by this Chapter are not sold, the department shall commit a sufficient amount of its support appropriation to repay any loans made for an approved student housing project.

15820.204. (a) The board may issue up to eight hundred four million seven hundred twenty-five thousand dollars (\$804,725,000) in revenue bonds, notes, or bond anticipation notes, pursuant to Chapter 5 (commencing with Section 15830), to finance the acquisition, design, construction, including, without limitation, renovation and equipping of the approved student housing projects described in Section 15820.200, a reasonable construction reserve, and any additional amount authorized under Section 15849.6 to pay for the cost of financing.

(b) Proceeds from the revenue bonds, notes, or bond anticipation notes may be used to reimburse a participating college for costs incurred prior to the enactment of this Chapter including the costs of acquisition, design, and construction, including, without limitation, renovation and equipping of the approved student housing projects. Such costs may include the repayment of loans obtained pursuant to Section 15820.203 which have been applied to repay allocations to the General Fund pursuant to subparagraph (A) of paragraph (2) of subdivision (n) of Section 17201 of the Education Code as amended by chapter 195 of Statutes 2023.

(c) Notwithstanding Section 13340, funds derived pursuant to this section and Section 15820.203 are continuously appropriated for purposes of this Chapter.

(d) The board may augment the amount identified in subdivision (a) pursuant to the provisions of Sections 13332.11 and 13332.19. Additionally, notwithstanding paragraph (3) of subdivision (d) of Section 15820.201, the board may issue bonds to pay for costs of a student housing project in excess of the dollar amount identified in paragraphs (3) and (4) of subdivision (m) of section 17201 of the Education Code as amended by chapters 54 and 572 of Statutes 2022, and subparagraph (B) of paragraph (2) of subdivision (n) of section 17201 of the Education Code as amended by chapter 195 of Statutes 2023 for each respective participating college if:

(1) The board determines that financing of such excess costs is necessary; and

(2) The financing of such costs does not cause the total amount financed under this subdivision to exceed the amount identified in subdivision (a) as such amount may be augmented pursuant to this subdivision.

15820.205. It is the Legislature's intent that the authority provided under this Chapter is separate and independent from the Higher Education Student Housing and Capacity Expansion Grant Program established by sections 17200 et. seq. of the Education Code. Any mention of the Higher Education Student Housing and Capacity Expansion Grant Program, including Section 17201 of the Education Code, is for purposes of reference only and not intended to incorporate the provisions of the Higher Education Student Housing and Capacity Expansion Grant Program into this Chapter.

15820.206. In support of this state financing, the Legislature finds and declares all of the following:

- (a) The California Community College system provides important educational opportunities for the people of the state.
- (b) Students attending colleges within the California Community College system need increased affordable housing options.
- (c) The participating colleges have shown a need and ability to construct affordable housing for students attending their colleges.
- (d) Providing funding to the participating colleges will serve a critical state purpose facilitating the construction of affordable student housing.
- (e) This purpose represents valuable consideration in exchange for this state action.