

West Valley-Mission Community College District

Mission College and West Valley College Housing Initiatives

Board of Trustees Retreat

December 3, 2022

Strategic Objectives

The distance between each Strategic Objective reflects the differences between the relative scores.



Most Important



Least Important

- Increase student retention
- Provide cost-effective housing
- Foster diverse and inclusive communities
- Address basic needs concerns
- Enhance student recruitment

- Provide cost-effective housing
- Address basic needs concerns
- Foster diverse and inclusive communities
- Enhance student recruitment

The objectives were identified during a virtual Strategic Objectives Alignment workshop with stakeholders in the West Valley Executive Cabinet meeting on October 5, 2021 and the Mission President's Cabinet on October 12, 2021.

Demand Findings



At both Colleges, demand for housing for single students and students with families at a range of price points is **sufficient** to test **financial feasibility**.



The survey tested only apartment-style student housing to ensure adequate access to kitchens for food preparation.



Mission College demand starts at **~550 beds/units** and increases to **~1,760 beds/units** as rates decrease.

West Valley College demand starts at **~540 beds/units** and increases to **~1,960 beds/units** as rates decrease.

Programs Modeled

Options	Bed Count	Unit Types	Populations Served	Notes
SRJC Approach	352 beds	Traditional singles & doubles, semi-suites & apartments	Single students	Same program as SRJC, provides “dorm-style” option
1	300 beds	2BR & 4BR apartments	Single students	Well-sized for SB169 application
2	500 beds	2BR & 4BR apartments	Single students	Likely too large / too expensive to receive SB169 funding
3	200 units	Studios, 1BR & 2BR apartments	Students with families	SB169 scoring methodology discourages family housing (by-the-unit)
4	50 units	Studios, 1BR & 2BR apartments	Employees with families	Not eligible for SB169 funding

SRJC Program Summary

Feature	Assumption
<i>Building Size</i>	95,281 GSF
Total Cost	\$81,085,884 (\$230,358/student)
Total SB169 Cost	\$56,085,884 (\$159,335/student)
Rents	
Traditional Double	\$475
Traditional Single	\$625
2BR Semi-Suite Single	\$700
4BR Apartment Single	\$750
4BR Apartment Double	\$500

Note: Santa Clara County SB169 Rent Ceiling = \$1,474 per month

The SRJC program offered the most value for the dollar but it did not provide students with a convenient way to prepare their own meals.

#1 Program Summary

Option #1 offered the best balance of cost and convenience for students.

Feature	Assumption
<i>Building Size</i>	100,870 GSF
Total Cost	\$93,756,861 (\$312,523/student)
Total SB 169 Cost	\$68,756,861 (\$229,190/student)
Rents	
2BR Apartment Double	\$737
4BR Apartment Single	\$885

Note: Santa Clara County SB169 Rent Ceiling = \$1,474 per month

#2 Program Summary

Feature	Assumption
<i>Building Size</i>	175,500 GSF
Total Cost	\$160,945,973 (\$321,892/student)
Total SB 169 Cost	\$135,945,973 (\$271,891/student)
Rents	
2BR Apartment Double	\$737
4BR Apartment Single	\$1,032

Option #2 cost materially more per student than Option #1.

Note: Santa Clara County SB169 Rent Ceiling = \$1,474 per month

#3 Program Summary

Option #3 resulted in significantly more expensive for students and likely too expensive to receive SB169 funding.

Feature	Assumption
<i>Building Size</i>	166,205 GSF
Total Cost	\$153,287,827 (\$766,439/student)
Total SB 169 Cost	\$128,287,827 (\$641,439/student)
Rents	
Studio	\$1,032
1BR	\$1,179
2BR	\$1,327

Note: Santa Clara County SB169 Rent Ceiling = \$1,474 per month

#4 Program Summary

Feature	Assumption
<i>Building Size</i>	45,721 GSF
Total Cost	\$43,007,718 (\$860,184/employee)
Total SB 169 Cost	\$18,007,718 (\$360,154/employee)
Rents	
Studio	\$1,032
1BR	\$1,179
2BR	\$1,327

The employee program was very expensive and not eligible for SB169.

Note: Santa Clara County SB169 Rent Ceiling = \$1,474 per month

Notional Program for WVMCCD

200 double beds and 100 single beds in the two apartment configurations are well within the demand profile established by the market and demand analysis.

Space	Area
50 2BR Apartments Double Occupancy at 849 NSF	42,450 NSF
25 4BR Apartments Single Occupancy at 904 NSF	22,600 NSF
Programming Area	5,000 NSF
Building Support	2,000 NSF
Circulation/Core Area	28,820 NSF
Total Building Area	100,870 GSF

Note: Santa Clara County SB169 Rent Ceiling = \$1,474 per month

Financial Analyses Approach

Approaches (All approaches include \$25M District contribution)

- (1) 100% P3
- (2) 50% P3 – 50% SB 169
- (3) 100% SB169

Housing Programs Modeled

Program is modeled after Option #1

Replicable at both campuses.

	Single-Student Focused Program
Primary Population	Single Students
Total Number of Beds / Students Served	300
Per Bed / Per Unit Totals	\$229k/bed w/Contribution
Unit Types	2BR Apartment Doubles and 4BR Apartment Singles

Model Assumptions

Conservative cost escalation assumptions and financing terms.

District or College(s) pay 25% of the total annual operating expenditures to help debt service coverage in all financed scenarios.

Models assume \$640K in additional District/College FTE costs to support project.

Sources and Uses

100% P3	
Sources & Uses	Amount \$2026
Sources	
1 st Lien Debt	\$75,777,491
2 nd Lien Debt	\$17,000,000
SB 169 Funds	\$0
District Contribution	\$25,000,000
Total Sources	\$117,777,491
Uses	
Hard Costs	\$75,681,864
Soft Costs	\$21,877,195
Financing Costs	\$20,208,433
Total Uses	\$117,777,491

50% P3/50% SB 169	
Sources & Uses	Amount \$2026
Sources	
1 st Lien Debt	\$51,409,201
2 nd Lien Debt	\$11,000,000
SB 169 Funds	\$23,784,529
District Contribution	\$25,000,000
Total Sources	\$111,193,730
Uses	
Hard Costs	\$75,681,864
Soft Costs	\$21,877,195
Financing Costs	\$13,624,671
Total Uses	\$111,193,730

100% SB 169	
Sources & Uses	Amount \$2026
Sources	
1 st Lien Debt	\$0
2 nd Lien Debt	\$0
SB 169 Funds	\$68,845,511
District Contribution	\$25,000,000
Total Sources	\$93,845,511
Uses	
Hard Costs	\$75,681,864
Soft Costs	\$18,163,647
Financing Costs	\$0
Total Uses	\$93,845,511

Rents

100% P3

2BR Apartment Double P3

\$1,725 (includes all utilities & internet)

4BR Apartment Single P3

\$2,250 (includes all utilities & internet)

50% P3/50% SB 169

2BR Apartments Double P3

\$1,725 (includes all utilities & internet)

2BR Apartment Double SB 169

\$737 (includes all utilities & internet)

4BR Apartment Single P3

\$2,250 (includes all utilities & internet)

4BR Apartment Single SB 169

\$885 (includes all utilities & internet)

100% SB 169

2BR Apartment Double SB 169

\$737 (includes all utilities & internet)

4BR Apartment Single SB 169

\$885 (includes all utilities & internet)

The average rent of \$786/month represents 53% of the maximum annual rent of \$1,474 for Santa Clara County.

Total Cost of Ownership

Capital Repair and Replacement (CR&R) reserve estimate continues to be refined and is expected to decrease.

FY 2028 Cash Flow Element	Cost
Gross Revenue	\$3,281,673
Effective Gross Revenue (Less Vacancy)	\$3,084,773
Project Expenses	(\$1,014,871)
4 District/College FTEs	(\$813,088)
Bed Reserves	(\$60,000)
Net Operating Income	\$1,196,813
Capital Repair & Replacement Reserves	(\$1,251,292)
Residual Cash Flow	(\$54,478)

SB169 Updates & Schedule

SB169 Schedule

- January 25, 2023 – Round 2 construction applications due.
- July 15, 2023 – Round 2 construction applications awarded in the 2023-2024 California budget.
- July 3, 2023 – Round 3 construction applications due.
- July 15, 2024 – Round 3 construction applications awarded in the 2024-2025 California budget.

SB169 Application Outline

1. Title Page
2. Student Housing Checklist
3. Approval Page – Student Housing Proposal
4. DF-151 Capital Outlay Budget Change Proposal
 - a. Project description and scope
 - b. Justification
5. Higher Education Housing Grant Program Supplemental Application Form
6. Project costs set at California Construction Cost Index (CCCI) 8903 and Equipment Price Index (EPI) 4671
7. JCAF 31 or similarly formatted document – Analysis of Building Space Use
8. Quantities and Unit Costs (architect’s project costs)
9. JCAF 32 or similarly formatted document – Cost Summary
10. JCAF 33 or similarly formatted document – Equipment Cost
11. Board of Governors Energy and Sustainability Policy
12. Pre-schematic Plans – Campus plot, site, and floor plans and exterior elevations
13. CEQA – California Environmental Quality Act
 10. Provide documentation to demonstrate that the project will meet the requirements of SB 886 (2022) for CEQA exemption
14. Justification of Additional Costs exceeding Guidelines (as needed)
15. Provide an exhibit that demonstrates that the district has assessed the total cost of ownership of developing and maintaining affordable student housing facilities as well as developing and operating the program for students. (Recommended)

SB169 Scoring Rubric (Round 2)

#	Scoring Metric	Authority	Proposed Points	Notes
1	State funding per bed for low-income students.	EDC § 17201(g)(1)	15	
2	Rental fees for low-income students that are lower than the rental computation provided in California Education Code § 17201(f)(2)(A).	EDC §§ 17201(g)(2), 17201(f)(2)(A)	10	
3	Prepared to begin project construction by December 31 in the year the grant is awarded, or earliest possible date thereafter in the subsequent calendar year.	EDC § 17201(g)(3), EDC §§ 17201(f)(1)	10	
4	Geographic location.	EDC § 17201(g)(4)	10	
5	Reapplication with a project proposal that was previously deemed ineligible.	EDC § 17201(g)(5)	5	
6	Unmet demand for housing as determined by number of students waitlisted for student housing OR unmet demand for housing as determined by county rental vacancy rates.	EDC § 17201(g)(6)(a)(i), EDC § 17201(g)(6)(a)(ii)	15	
7	Has indicated that the project will be implemented in partnership with another California public postsecondary institution.	SB 169 (2021), EDC § 17201(g)(2)(D)	10	
8	Augments the cost of constructing a housing project and student housing program through partnership(s) or securing additional funding.	CCCO- Administrative Agency	10	
9	Ancillary services will be included in the scope of the housing project.	CCCO- Administrative Agency	5	
10	Regions of high need.	CCCO- Administrative Agency	5	
11	Cost of living (rent).	CCCO- Administrative Agency	5	
TOTALS			100	

Next Steps

Schedule to July 2023 Submission

Jul-23	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23
Project Initiation									
Program Refinement									
Procure Architect/CEQA/Cost Estimation									
Site Selection & Characterization									
CEQA Process									
Project Concept Development									
Program and Pro Forma Refinement									
Total Cost of Ownership Analysis									
Preparation of Draft Application									
<i>BoT Materials Due</i>									
Application Review / Finalize									
Application Submission									

Next Steps

- Approve development of SB169 application.
- Execute supplemental survey (if applicable).
- Retain architect, CEQA consultant, cost estimator, etc.
- Develop, refine, and finalize project program, design, and underwriting.
- Finalize cost of ownership.
- Present to Board of Trustees for final approval.
- Submit application.

Thank You!