AGENDA

JOINT COMMITTEE ON FINANCE AND CAMPUS PLANNING, BUILDINGS AND GROUNDS

Meeting: **8:00 a.m., Wednesday, January 25, 2023**
Glenn S. Dumke Auditorium

Committee on Finance
Jack McGrory, Chair
Julia I. Lopez, Vice Chair
Larry L. Adamson
Diana Aguilar-Cruz
Leslie Gilbert-Lurie
Lillian Kimbell
Anna Ortiz-Morfit
Romey Sabalius
Christopher Steinhauser

Committee on Campus Planning, Buildings and Grounds
Larry L. Adamson, Chair
Anna Ortiz-Morfit, Vice Chair
Diana Aguilar-Cruz
Douglas Faigin
Maria Linares
Romey Sabalius
Lateefah Simon
Jose Antonio Vargas

Consent
1. Approval of Minutes of the Meeting of November 17, 2020, *Action*

Discussion
2. San Francisco State University West Campus Green Student Housing and Health Center, *Action*

MINUTES OF THE JOINT MEETING OF THE COMMITTEES ON FINANCE AND CAMPUS PLANNING, BUILDINGS AND GROUNDS

Trustees of the California State University
Office of the Chancellor
Glenn S. Dumke Auditorium
401 Golden Shore
Long Beach, California

November 17, 2020

Committee on Finance

Jack McGrory, Chair
Peter J. Taylor, Vice Chair
Larry L. Adamson
Jane W. Carney
Rebecca D. Eisen
Wenda Fong
Maryana Khames
Hugo N. Morales
Krystal Raynes
Lateefah Simon

Committee on Campus Planning, Buildings and Grounds

Jane W. Carney, Chair
Lateefah Simon, Vice Chair
Larry L. Adamson
Rebecca D. Eisen
Krystal Raynes
Romey Sabalius
Peter J. Taylor

Lillian Kimbell, Chair of the Board
Timothy P. White, Chancellor

Trustee Jane W. Carney called the meeting to order.

Public Comment

Due to the virtual format of the July 21, 2020 meeting all public comment took place at the beginning of the meeting's open session, prior to all committees.

Consent Agenda

The minutes of the July 21, 2020 joint meeting of the Committees on Finance and Campus Planning, Buildings and Grounds were approved as submitted.
Agenda item two, San José State University Spartan Athletics Center – Approval to Amend the 2020-2021 Capital Outlay Program, Schematic Design, and Issuance of Trustees of the California State University Systemwide Revenue Bonds and Related Debt Instruments was presented as a consent action item.

The committee recommended approval of the proposed resolution (RFIN/CPBG 11-20-04).

Trustee Carney adjourned the joint meeting of the Committees on Finance and Campus Planning, Buildings and Grounds.

**JOINT COMMITTEE ON FINANCE AND
CAMPUS PLANNING, BUILDINGS AND GROUNDS**

San Francisco State University West Campus Green Student Housing and Health Center

Presentation By

Steve Relyea
Executive Vice Chancellor and
Chief Financial Officer

Lynn Mahoney
President
San Francisco State University

Elvyra F. San Juan
Assistant Vice Chancellor
Capital Planning, Design, and Construction

Robert Eaton
Assistant Vice Chancellor
Financing, Treasury, and Risk Management

Summary

This agenda item requests approval of the following actions for the San Francisco State University West Campus Green Student Housing and Health Center Project:

- Approval of the Schematic Design
- Approval to Issue Trustees of the California State University Systemwide Revenue Bonds and related debt instruments (housing component only)

Schematic Design - West Campus Green Student Housing and Health Center Project
Collaborative Design-Build Contractor: McCarthy Building Companies, Inc.
Project Architect: ehdd

Background and Scope
San Francisco State University (SFSU) proposes to design and construct the West Campus Green Student Housing and Health Center project located on the west side of campus on the site of the

existing West Campus Green (#204), a recreational sports field. The existing 2.5-acre is ideal for first-year student housing as it is close to the Village at Centennial Square (#23) housing complex and the Mashouf Wellness Center (#69). The 120,000 gross square foot (GSF) six-story housing building (#104[1]) will include 750 beds. As part of this project, a second three-story 49,900 GSF building (#104A) will be constructed next to the housing building to provide space for dining and allow for replacement of the Student Health Center (#27), located in the center of campus.

SFSU is a lively, diverse campus community of 26,620 students in the San Francisco Bay Area. Forty percent of SFSU students come from traditionally underserved communities, and 38% of SFSU undergraduate students (10,283) received federal Pell grant assistance. The median family income of a student from SFSU in 2022 is $44,700 which is $3,800 less than 50% of Area Median Income (AMI) for San Francisco.

The design of the housing building is based on a pod concept, where a collection of triple-occupancy rooms will be clustered around a common lounge/learning space and shared bathrooms. The building will also include associated study space, office space for the residence hall administration, meeting rooms, recreational areas, and counselor-in-residence apartments.

The dining hall will be located on the first floor of the second building. A separate entrance to the Student Health Center will be located on the first floor adjacent to the dining hall, along with a pharmacy and wellness education space. The upper two floors will provide space for Health Promotion and Wellness, Psychological Services and Counselling, and Student Health Services.

The housing building will consist of a concrete structure with concrete sheer walls covered by a single-ply PVC-type roof. The exterior concrete finish will be clad with a rain screen, and windows to provide daylighting for building occupants. The health center component of the second building will consist of a steel structure with moment frames. A seismic joint will separate the three-story volume from the single-story dining hall, which will consist of a steel structure using braced frames.

The project is currently designed to achieve Leadership in Energy and Environmental Design (LEED) Gold certification. Sustainable strategies include 100% all-electric buildings with an active mechanical heat recovery system, a 25 percent reduction of storm water runoff from the existing site, high-reflectivity cool roof, high-performance glazing, low-flow plumbing fixtures, and advanced lighting controls.

[1] The facility number is shown on the master plan map and recorded in the Space and Facilities Database.

Timing (Estimated)

Preliminary Plans Completed	February 2023
Working Drawings Completed	March 2023
Construction Start	May 2023
Occupancy	December 2024

Basic Statistics

Gross Building Area (Student Housing)	120,000 square feet
Assignable Building Area (CSU[2])	82,800 square feet
Net Usable Building Area (FICM[3])	101,504 square feet
Efficiency (CSU)	69 percent
Efficiency (FICM)	85 percent
Gross Building Area (Dining and Health Center)	49,900 square feet
Assignable Building Area (CSU)	30,900 square feet
Net Usable Building Area (FICM)	45,500 square feet
Efficiency (CSU)	62 percent
Efficiency (FICM)	91 percent

Cost Estimate – California Construction Cost Index (CCCI) 8287[4]

Student Housing Building Cost ($760 per GSF)	$91,238,000

Systems Breakdown	*($ per GSF)*
a. Substructure (Foundation)	$ 32.30
b. Shell (Structure and Enclosure)	$ 219.13
c. Interiors (Partitions and Finishes)	$ 86.46
d. Services (HVAC, Plumbing, Electrical, Fire)	$ 213.78
e. Built-in Equipment and Furnishings	$ 5.99
f. Special Construction & Demolition	$ 2.07
g. General Requirements	$ 48.41
h. General Conditions and Insurance	$ 152.19

[2] Assignable building area is based on CSU policy.
[3] Net useable building area is based on the Postsecondary Education Facilities Inventory & Classification Manual (FICM)
[4] The July 2022 *Engineering News-Record* California Construction Cost Index (CCCI). The CCCI is the average Building Cost Index for Los Angeles and San Francisco.

Dining and Health Center Building Cost ($867 per GSF)		$43,221,000
Systems Breakdown	*($ per GSF)*	
a. Substructure (Foundation)	$ 59.77	
b. Shell (Structure and Enclosure)	$ 252.22	
c. Interiors (Partitions and Finishes)	$ 97.42	
d. Services (HVAC, Plumbing, Electrical, Fire)	$ 255.91	
e. Built-in Equipment and Furnishings	$ 6.24	
f. Special Construction & Demolition	$ 1.12	
g. General Requirements	$ 20.44	
h. General Conditions and Insurance	$ 173.45	
Site Development		6,213,000
Construction Cost		$140,672,000
Fees, Contingency, Services		32,694,000
Total Project Cost ($1,023 per GSF)		$173,366,000
Fixtures, Furniture & Moveable Equipment		5,625,000
Grand Total		$178,991,000

Cost Comparison

The student housing building's cost of $760 per GSF is higher than the $551 per GSF for the Student Housing project at Cal Poly Humboldt, the 648 per GSF for the Student Housing Phase 4 and Dining Commons project at CSU Dominguez Hills, the $716 per GSF for the Housing Expansion Phase I project at CSU Long Beach approved in July 2019, the $604 per GSF for the Student Housing Phase 4 project at CSU Fullerton approved in July 2020, and the $688 per GSF for the Affordable Student Housing Building #22 and #23 at CSU Northridge, all adjusted to CCCI 8287. The higher cost reflects the nature of the structural system and the soil conditions, in addition to the continued construction escalation, particularly in the San Francisco Bay Area region.

The dining and health center building's cost of $867 per GSF is higher than the $700 per GSF for the dining component of the Cal Poly Pomona Student Housing Replacement, Phase 1 project approved in January 2017, the $750 per GSF for the Cal Poly San Luis Obispo Vista Grande Replacement Building approved in November 2015, and the $559 per GSF for the San José State Student Health and Counseling project approved in November 2012, all adjusted to CCCI 8287. The reason for the higher cost is the nature of the structural system, with a moment- and brace-framed structure designed to withstand the geologic conditions at the site.

California Environmental Quality Act (CEQA) Action

The project has been determined to have no significant environmental impacts and a Notice of Exemption (NOE) was filed in November 2022 as part of a minor master plan revision to relocate the project from the northeast corner of campus to its current location.

Project Funding and Financing

The housing and dining/health center project was awarded funding from the State's Higher Education Student Housing Grant Program ($116,300,000) and will be co-funded with CSU Systemwide Revenue Bonds and campus designated capital reserves. In this joint committee meeting, the campus is only seeking financing approval for the housing component of the project. The health center and dining component of the project will be brought before the Board for financing approval at a subsequent meeting.

For the housing component, consisting of the six-story housing building described above, the not-to-exceed principal amount of the proposed bonds is $49,300,000, based on a total housing component budget of $127,559,000 (which includes $91,238,000 in building costs and $36,321,000 in site prep, soft costs, and furnishing and equipment costs) and a share of the grant funding of $82,882,000. Additional net financing costs, such as capitalized interest and cost of issuance (estimated at $4,623,000), are expected to be funded from bond proceeds. For purposes of the financing approval requested herein, the housing building component project name shall be the San Francisco State University West Campus Green Student Housing Component. The housing building component is scheduled to start construction in May 2023 with completion expected in fall 2024.

The following table summarizes key information about this financing transaction relating to the housing building component only.

Not-to-exceed principal amount	$49,300,000
Amortization	Approximately level debt service over 30 years
Projected maximum annual debt service	$3,393,577
Projected debt service coverage including the new project: Net revenue – San Francisco pledged revenue programs: [1] Net revenue – Projected campus housing program:	 1.92 1.37

1. Combines 2025-26 information for campus pledged revenue programs with 2025-26 projections for housing program.

The not-to-exceed principal amount for the housing component, the maximum annual debt service, and the financial ratios above are based on an estimated all-in true interest cost of 5.72 percent, which includes a cushion for changing financial market conditions that could occur before the permanent financing bonds are sold. The financial plan assumes level amortization of debt service, which is the CSU program standard. The campus financial plan projects a housing program net revenue debt service coverage of 1.37 in fiscal year 2025-26, the first full year of operations, which is better than the CSU benchmark of 1.10 for the program. When combining the housing program with information for all campus pledged revenue programs, the campus' overall net revenue debt service coverage for the first full year of operations is projected to be 1.92, which is better than the CSU benchmark of 1.35 for a campus.

Recommendation

The following resolution is presented for approval:

RESOLVED, by the Board of Trustees of the California State University, that:

1. The project will benefit the California State University.

2. The project has been determined to be exempt from CEQA.

3. The schematic plans for the San Francisco State University West Campus Green Student Housing and Health Center project are approved at a project cost of $178,991,000 at CCCI 8287.

4. The financing resolutions for the San Francisco State University West Campus Green Student Housing Component project as described in this Agenda Item 2 of the Joint Committees on Finance and Campus Planning, Buildings and Grounds at the January 24-25, 2023, meeting of the CSU Board of Trustees are approved. Orrick, Herrington & Sutcliffe LLP, as bond counsel and in coordination with CSU's Office of General Counsel, has prepared resolutions to be presented at this meeting that authorize interim and permanent financing for the project described in this agenda item. The proposed resolutions will be distributed at the meeting and will achieve the following:

    a. Authorize the sale and issuance of the Trustees of the California State University Systemwide Revenue Bonds, and/or the sale and issuance of

related Systemwide Revenue Bond Anticipation Notes, and/or the issuance of related debt instruments, including shorter term debt, variable rate debt, floating rate loans placed directly with banks, or fixed rate loans placed directly with banks, in an aggregate amount not-to-exceed $49,300,000 and certain actions relating thereto.

b. Provide a delegation to the chancellor; the executive vice chancellor and chief financial officer; the assistant vice chancellor, Financial Services; and the assistant vice chancellor, Financing, Treasury, and Risk Management; and their designees to take any and all necessary actions to execute documents for the sale and issuance of the revenue bonds, bond anticipation notes, or related debt instruments.