The California State University

AGENDA

JOINT COMMITTEE ON FINANCE AND CAMPUS PLANNING, BUILDINGS AND GROUNDS

Meeting: **2:15 p.m., Wednesday, March 11, 2026**
Glenn S. Dumke Conference Center

Committee on Finance

Julia I. Lopez, Chair
Jack McGrory, Vice Chair
Larry L. Adamson
Carson Fajardo
Mark Ghilarducci
Leslie Gilbert-Lurie
Sam Nejabat
Christopher Steinhauser
Darlene Yee-Melichar

Committee on Campus Planning, Buildings and Grounds

Larry L. Adamson, Chair
Jack McGrory, Vice Chair
Diego Arambula
Mark Ghilarducci
Jazmin Guajardo

Consent

1. Approval of Minutes, *Action*
2. San Diego State University Evolve Student Housing, Ph. 2 Schematic Design Approval and Financing, *Action*

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

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

November 19, 2025

Committee on Finance
Julia I. Lopez, Chair
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Committee on Campus Planning, Buildings and Grounds
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Mark Ghilarducci
Jazmin Guajardo

Mildred García, Chancellor
Jack B. Clarke, Jr., Chair of the Board

Trustee Adamson called the meeting to order.

Consent Agenda

The minutes of July 22, 2025, meeting of the Joint Committee on Finance and Campus Planning, Buildings and Grounds were approved as submitted.

Item 2 – Moving the CSU's Capital Program Forward

This presentation focused on moving the CSU's capital program forward amid severe state funding cuts and growing backlog in deferred maintenance and facilities needs. The current deferred maintenance backlog for the CSU is approximately $8.4 billion (growing by $400 million per year) and total facilities need is over $30 billion. It was shared that prior to 2014 academic building projects were funded through state general obligation bonds or state-paid lease revenue bonds. However, since 2014, when responsibility for capital funding shifted from the state to CSU, the system has relied on a mix of inconsistent, one-time, or internal funding sources including restructuring older debt, limited operating budget set-asides, one-time state funds, investment earnings, philanthropy, and public-private partnerships. The state has only provided $784 million in one-time funding since 2014 which is far short of CSU's requests.

Strategies underway were shared and include several efforts to manage costs and pursue alternative funding. A few efforts are life-cycle cost analysis, third-party cost reviews, Systemwide energy contracts, public-private partnerships, and pursuit of 2026 statewide bond measures for higher education facilities, student, faculty, and staff housing. It was reported that the CSU will continue to advocate for and pursue additional funding for capital needs via the annual budget requests, one-time deferred maintenance funds requests, and legislative partnerships to secure bond opportunities.

Following the presentation several trustees expressed frustration with the lack of consistent support from the state. They discussed concerns with deteriorating facilities that could pose safety risks and emphasized the need for more aggressive, visible advocacy—including storytelling tools like a visual “facilities conditions book” to illustrate deteriorating buildings. They expressed support for pursuing statewide bond measures, expanding partnerships with private-sector and community partners, and pursuing structural legal changes to allow CSU to issue local bonds. They agreed that a multifaceted, long-term strategy combining state partnership, advocacy, private partnerships, and internal prioritization is essential.

Trustee Adamson adjourned the meeting of the Joint Committee on Finance and Campus Planning, Buildings and Grounds.

JOINT COMMITTEE ON FINANCE AND CAMPUS PLANNING, BUILDINGS AND GROUNDS

San Diego State University Evolve Student Housing, Phase 2 Schematic Design Approval and Financing

Presentation By

Patrick J. Lenz
Interim Executive Vice Chancellor and
Chief Financial Officer

Adela de la Torre
President
San Diego State University

Paul Gannoe
Assistant Vice Chancellor
Capital Planning, Design and Construction

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

Summary

This item requests that the California State University (CSU) Board of Trustees approve the following actions with regard to San Diego State University (San Diego State) Evolve Student Housing, Phase 2 (the "Project"):

- Approval of an amendment to the 2025-2026 Capital Outlay Program to include the Project.
- Approval of the schematic design for the Project.
- Approval to Issue Trustees of the California State University Systemwide Revenue Bonds (SRB) and related debt instruments for the Project. Following the debt issuance for the Project, and based upon the projected debt service presented here, the estimated percentage of CSU revenues dedicated to debt service will be 4.9%.
- Approval of the amendment to the capital outlay program and the schematic design for Phases 3 and 4 of the Evolve Student Housing project is delegated to the chancellor, as the budget exceeds the $40,000,000 threshold for delegated authority. The university will return to the board for the approval of project financing for these subsequent phases of the development.

Amendment of the 2025-2026 Capital Outlay Program

San Diego State wishes to amend the 2025-2026 Capital Outlay Program to include $140,000,000 for the design and construction of the Evolve Student Housing, Phase 2 project. The Project will include approximately 760 student beds in addition to two live-in units for on-site property managers, communal laundry, and outdoor spaces.

Schematic Design

Evolve Student Housing, Phase 2 **PWCE[1] $140,000,000**
Project Architect: Gensler
Collaborative Design-Build Contractor: Swinerton

Background and Scope

San Diego State is a vibrant, diverse university community with more than 41,000 students in fall 2025. The university has maintained its two-year live-on campus requirement for non-local first-year and sophomore students, contributing to consistently high demand for on-campus housing. Beyond this requirement, an increasing number of students who are not required to live on campus are actively seeking the benefits of on-campus living, further driving demand. As a result, on-campus housing facilities have operated over designed capacity for over a decade. Additionally, San Diego's rental market has seen significant increases over the years, making it one of the most expensive cities in the country.

The Evolve Student Housing project is designed to respond to these challenges by delivering approximately 5,170 student beds, resulting in a net increase of about 4,470 beds across two main-campus sites through a multi-phased development. The project will be constructed on the Peninsula and University Towers East sites, both owned by Aztec Shops, Ltd., a recognized auxiliary organization of the university.

Construction of the Evolve Student Housing project will occur in multiple phases. Phases 1A and 1B of the housing development were approved by the Board of Trustees in their May 2025 meeting and are currently under construction. Once complete, Phases 1A and 1B will provide approximately 1,370 student beds as well as an amenity building to support students residing in all phases of the Evolve Student Housing project.

The Project proposed here is Phase 2 of the Evolve Student Housing development and will be located adjacent to Phase 1A on the Peninsula site in the northwest portion of campus, just south of Interstate 8 and west of Canyon Crest Drive.

[1] Project phases: P – Preliminary Plans, W – Working Drawings, C – Construction, E – Equipment

Phase 2 of the Evolve Student Housing project will involve demolishing an existing housing building (#776[2]) and replacing it with an 11-story, 116,500 assignable square foot (ASF)/ 174,200 gross square foot (GSF) apartment-style Student Housing Building 2 (#918), with approximately 760 student beds. The new building will comprise 95 apartment-style units, each designed to house eight residents. Each unit will include four double-occupancy bedrooms, a fully adaptable kitchen, a combined living and study area, two toilet rooms (including one fully accessible), and two shower rooms (including one fully accessible). The ground floor will include student housing, two live-in units for on-site property managers, and laundry facilities, while the upper floors will provide student housing apartments.

The building is designed as an 11-story, flat-roof structure with a concrete-framed system organized around a central core containing utility spaces and vertical circulation. Two residential wings extend from the core and are juxtaposed at a slight angle to enhance pedestrian flow along 55th Street and to define an outdoor gathering area at the ground-level entry. This articulated footprint establishes a strong architectural edge along the Peninsula when viewed from the eastern campus and provides residents with varied exterior vistas. The exterior design will feature cementitious finishes, exposed concrete, and glazing assemblies, visually connecting the new residences to the campus architecture and responding to the building's vertical nature.

The proposed Project will meet the CSU Sustainability Policy by using site planning and building massing orientation to optimize outdoor space, mitigating solar heat gain, and optimizing energy performance, as well as the inclusion of water reduction strategies, operable windows, drought tolerant landscaping, and energy-efficient insulation and fixtures. Increasing on-campus housing will significantly reduce vehicle miles traveled and lower greenhouse gas emissions.

Future phases of the Evolve Student Housing development are planned for the Peninsula site and will include the demolition of a total of 534 beds across 7 existing aging housing buildings (#774, #775, #777, #778, and #779a–c) and construction of 4 new apartment-style buildings (#919, #920, #921, and #922). Each building is designed to reflect the architectural character and program established in Phase 2 Student Housing Building 2 (#918), with a maximum height of 13 stories and approximately 760 student beds.

Timing (Estimated)

Preliminary Plans Completed	March 2026
Working Drawings Completed	May 2026
Construction Start	May 2026
Occupancy	January 2028

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

Basic Statistics

Gross Building Area	174,200 square feet
Assignable Building Area (CSU[3])	116,500 square feet
Net Useable Building Area (FICM[4])	147,600 square feet
Efficiency (CSU)	67%
Efficiency (FICM)	85%

Cost Estimate – California Construction Cost Index (CCCI) 10418[5]

Building Cost ($564 per GSF)		$98,294,000
Systems Breakdown	*($ per GSF)*	
a. Substructure (Foundation)	$ 11.97	
b. Shell (Structure and Enclosure)	$ 191.10	
c. Interiors (Partitions and Finishes)	$ 57.22	
d. Services (HVAC, Plumbing, Electrical, Fire)	$ 160.80	
e. Built-in Equipment and Furnishings	$ 15.03	
f. Special Construction and Demolition	$ 20.77	
g. General Requirements/Conditions and Insurance	$ 107.47	
Site Development		$7,858,000
Construction Cost		$106,152,000
Campus Project Contingency (CSU)		$5,145,000
Fees and Services		$25,865,000
Total Project Cost ($787 per GSF)		$137,162,000
Fixtures, Furniture and Movable Equipment		$2,838,000
Grand Total		$140,000,000

Cost Comparison

The building cost of $564 per GSF is lower than the $730 per GSF for the Evolve Student Housing, Phases 1A and 1B project approved in May 2025, the $689 per GSF for the Cal Poly San Luis Obispo Student Housing, Phase 1 project approved in July 2024, and the $729 per GSF for the University Village Housing and Dining project at CSU San Marcos approved in May 2023,

[3] Assignable building area is based on CSU policy.

[4] Net usable building area is greater than assignable building area by including corridors, restrooms, mechanical rooms, etc., based on the definitions of the Postsecondary Education Facilities Inventory & Classification Manual (FICM).

[5] The October 2025 *Engineering News-Record* California Construction Cost Index (CCCI). The CCCI is the average Building Cost Index for Los Angeles and San Francisco.

all adjusted to CCCI 10418. The lower cost is primarily driven by the larger scale of this development and the fact that many site utility and infrastructure costs, and project amenities were previously included in Phase 1A of the Evolve Student Housing development.

San Diego State's collaborative design-build pursuit process for the Evolve Student Housing project Phase 1 through Phase 4 resulted in over $200 million in projected savings through the selection of a team offering the lowest cost per bed through durable Type I concrete construction. This approach enabled a two-year schedule acceleration.

California Environmental Quality Act (CEQA) Action

The Project is consistent with the multi-phased project described and analytical parameters evaluated in the Evolve Student Housing project Environmental Impact Report (EIR) certified by the CSU Board of Trustees in May 2025. A Finding of Consistency for the Project was prepared in February 2026. No further CEQA review is necessary.

Project Funding and Financing

The financing approval requested herein is for the San Diego State University – Aztec Shops, Ltd., Evolve Student Housing, Phase 2 project (for purposes of the financing documents, the "Phase 2 Project") to be undertaken by Aztec Shops, Ltd. (the "Corporation"), a recognized auxiliary organization in good standing at the university, on behalf of and for the benefit of the university. Subsequent phases of the development will be separately presented to the Board of Trustees for financing approval.

The Corporation will enter into a master lease with the university's Office of Housing Administration, which will manage the Project as part of its housing portfolio, including rental rate setting and collection of rental revenues from the students. The Corporation will maintain the housing facilities under a management agreement with the university.

The master lease and management agreement provide a structure through which the Corporation's financial debt and cost exposures under the proposed SRB financing and the project operations will be fully covered and funded by the university.

On December 5, 2025, the Board of Directors of the Corporation adopted a resolution authorizing the development of the Project and related financing through the SRB program.

The not-to-exceed principal amount of the proposed bonds is $157,415,000 based on a total project budget of $140,000,000. Additional net financing costs, such as capitalized interest and costs of issuance (estimated at $17,415,000), are expected to be funded from bond proceeds.

The following table summarizes key information about this financing transaction.

Not-to-exceed principal amount	$157,415,000
Amortization	Approximately level debt service over 30 years
Projected maximum annual debt service	$10,905,284
Projected debt service coverage[1]: Projected campus housing program: Aztec Shops, Ltd.: Campus aggregate:	 1.12 1.38 1.45

[1] Based on campus projections of 2028-2029 operations of the Project with expected full debt service.

The not-to-exceed principal amount for the Project, the maximum annual debt service, and the financial ratios above are based on an estimated all-in true interest cost of 5.77%, 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. In fiscal year 2028-2029, the first full year of project operations, the financial plan projects debt service coverages of 1.12 for the university's housing program and 1.38 for the Corporation, both of which are better than the CSU benchmark of 1.10. When combining the Project financial plan information with information for all university pledged revenue programs, the university's overall net revenue debt service coverage ratio for the first full year of operations is projected to be 1.45, which is better than the CSU benchmark of 1.35.

Recommended Action

The following resolution is recommended for approval:

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

1. The Project is within the scope of the project description and the analytical parameters evaluated in the Evolve Student Housing project EIR certified by the Board of Trustees of the California State University in May 2025 (State Clearinghouse No. 2024080979).

2. Applicable mitigation measures adopted in conjunction with Evolve Student Housing project EIR certification in May 2025 shall be implemented, monitored, and reported in accordance with the requirements of CEQA (Cal. Pub. Res. Code § 21081.6).

3. The Project will benefit the California State University.

4. The 2025-2026 Capital Outlay Program is amended to include $140,000,000 for preliminary plans, working drawings, and construction for the San Diego State University Evolve Student Housing, Phase 2 project.

5. The schematic plans for the San Diego State University Evolve Student Housing, Phase 2 project are approved at a project cost of $140,000,000 at CCCI 10418.

6. Approval of the amendment to the capital outlay program and the schematic design for Phases 3 and 4 of the Evolve Student Housing project is delegated to the chancellor, as the budget exceeds the $40,000,000 threshold for delegated authority. The university will return to the board for the approval of project financing for subsequent phases of the development.

7. The financing resolutions for the San Diego State University – Aztec Shops, Ltd., Evolve Student Housing, Phase 2 project as described in this Agenda Item 2 of the Joint Committee on Finance and Campus Planning, Buildings and Grounds at the March 9-11, 2026, meeting of the CSU Board of Trustees are approved. In coordination with the CSU's Office of General Counsel, Orrick, Herrington & Sutcliffe LLP, as bond counsel, has prepared resolutions to be distributed to the Board of Trustees prior to this meeting that authorize interim and permanent financing for the Project described in this agenda. The proposed resolutions 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 commercial paper 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 principal amount not-to-exceed $157,415,000 and certain actions relating to it.

    b. Provide a delegation to the chancellor; the executive vice chancellor and chief financial officer; the assistant vice chancellor, Budget Administration and Finance; and the assistant vice chancellor, Financing, Treasury, and Risk Management; and their designees to take all necessary actions to execute documents for the sale and issuance of the commercial paper notes, the revenue bonds, and related debt instruments.