CSU The California State University

AGENDA

JOINT COMMITTEE ON FINANCE AND CAMPUS PLANNING, BUILDINGS AND GROUNDS

Meeting: **12:45 p.m., Wednesday, November 18, 2026**
Glenn S. Dumke Conference Center

Committee on Finance

Julia I. Lopez, Chair
Jack McGrory, Vice Chair
Larry L. Adamson
Raji Kaur Brar
Carson Fajardo
Wenda Fong
Mark Ghilarducci
Leslie Gilbert-Lurie
Jackson A. Martinez
Sam Nejabat

Committee on Campus Planning, Buildings and Grounds

Larry L. Adamson, Chair
Jack McGrory, Vice Chair
Raji Kaur Brar
Andrea C. Evans
Carson Fajardo
Mark Ghilarducci
Doug Hendrickson
Sam Nejabat

Consent

1. Approval of Minutes, *Action*
2. California State University, Bakersfield Solar Field Public-Private Partnership Final Approval, *Action*
3. San Diego State University Mission Valley Private Student Housing Public-Private Partnership Final Approval, *Action*
4. California State University, East Bay Public-Private Partnership Mixed-Use Development Project Conceptual Approval, *Action*

Discussion

5. California State University Facilities Funding and Advocacy Strategies, *Information*

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

March 10, 2026

Members Present

Committee on Finance
Julia Lopez, Chair
Jack McGrory, Vice Chair
Larry L. Adamson
Carson Fajardo
Christopher Steinhauser
Darlene Yee-Melichar

Committee on Campus Planning, Buildings and Grounds
Larry L. Adamson, Chair
Jack McGrory, Vice Chair
Diego Arambula
Jazmin Guajardo
Mildred García, Chancellor
Jack B. Clarke, Jr., Chair of the Board

Trustee Larry Adamson called the meeting to order.

Consent Agenda

The minutes of the November 19, 2025, meeting of the Joint Committee on Finance and Campus Planning, Buildings and Grounds were approved as submitted.

Item 2, San Diego State University Evolve Student Housing, Phase 2 Schematic Design Approval and Financing, was approved as submitted (RCPBG 03-26-01).

The consent agenda was approved as submitted by roll call vote with 10 in favor (Trustees Adamson, Arambula, Fajardo, Guajardo, Lopez, McGrory, Steinhauser, Yee-Melichar, Chair Clarke, and Chancellor García), zero opposed and zero abstentions.

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

California State University, Bakersfield Solar Field Public-Private Partnership Final Approval

Presentation By

Mary Ann Rodriguez
Special Advisor to the Chancellor
Division of Business and Finance

Vernon B. Harper Jr.
President
California State University, Bakersfield

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

Paul Gannoe
Assistant Vice Chancellor
Capital Planning, Design and Construction

Summary

This agenda item requests that the California State University (CSU) Board of Trustees approve the following actions with regard to the Solar Field (the "Project") development at California State University, Bakersfield (CSUB or the "University"):

- Approval of the key terms of the final site license power purchase (SLPPA) agreement
- Adoption of the Mitigated Negative Declaration (MND) for the Project
- Approval of the revision of the University's Master Plan (Attachments A and B)
- Approval of an amendment to the 2026-2027 Capital Outlay Program to include the Project

Background

The Project has been developed as "advanced shovel-ready" utilizing a procurement process through a design-bid-build delivery method, with developed design documents, interconnection approvals, and permitting work substantially advanced before initiating public solicitation of construction bids.

In March 2026, the Board of Trustees approved the conceptual plan authorizing the campus to pursue a private-public partnership to develop the Solar Field (#107[1]), a solar panel and battery microgrid field on approximately 15 acres of University land on the eastern side of the campus. The primary purpose of the Project is to reduce the University's long-term electricity costs while improving the reliability of campus power supply. The battery component of the microgrid will provide the capability to maintain operations during broader electrical outages or emergency events.

On July 15, 2026, the University initiated a competitive Request for Proposal (RFP) to evaluate interested development teams. On September 28, 2026, four interested firms submitted proposals that were thoroughly reviewed by the University committee. On October 5, 2026, the University selected ForeFront Power, a national developer of renewable energy and a wholly owned subsidiary of Mitsui & Co. Ltd., a global energy and investment leader, as the development partner on the Project, based on its diverse expertise in financing, development, and management of solar and battery storage systems; flexible in-house financing solution given solid financial backing and balance sheet strength of its parent company; and long-term commitment to maintaining Project ownership and operation, equity investment, and partnership with the University.

Project Description

The Project will develop a ground-mounted solar photovoltaic and a battery energy storage system on approximately 15 acres of University land on the eastern side of the campus. The solar array will provide approximately 4.55 Megawatts direct current (MWdc)/3.5 Megawatts alternating current (MWac) of on-site renewable generation. The 2.93-megawatt (MW)/11.75-megawatt-hour (MWh) battery energy storage system will support peak load management, energy shifting, and limited islanding capability for enhanced campus resilience.

The Project will improve energy reliability, reduce electricity costs, and advance the University's sustainability and resiliency goals. By generating and utilizing clean, renewable energy on campus, the Project is projected to save the University approximately $22 million in electricity costs over a 20-year period and reduce carbon emissions by more than 2,100 metric tons annually.

In its first year of operation, the Project is expected to generate approximately 8,709,609 kilowatt-hours (kWh) of electricity, offsetting approximately 41% of the University's annual electricity consumption and substantially reducing the amount of electricity purchased from Pacific Gas and Electric Company **(**PG&E). The battery energy storage system will further reduce utility costs by shifting energy use from lower-cost to higher-cost periods, minimizing demand and time-of-use charges while maximizing the use of on-site renewable energy.

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

Summary of Key Agreement Terms

- The Project will be delivered through a 20-year Site License Power Purchase Agreement (SLPPA).
- The CSU shall grant to the developer a limited, non-exclusive 20-year license to use 15 acres of campus land for certain permitted use, including the construction, installation, operation, and maintenance of the Project, and sale of electricity to the CSU.
- The Project is well positioned to qualify for substantial Investment Tax Credit (ITC) incentives, estimated to be 40%, which will materially reduce the effective project cost and directly lower electricity pricing for the University.
- The developer shall be responsible for the costs and expenses in connection with the design, building, financing, operating, and maintenance of the Project.
- The total cost of the Project is estimated at $24,725,000 of which about $9,890,000 (40%) will be funded by investment tax credit, $10,384,500 (42%) will be funded by debt, and $4,450,500 (18%) will be equity capital.
- The debt will be nonrecourse to the CSU and not expected to pose any adverse risk to the CSU credit profile.
- The developer will sell electricity to the University at an agreed-upon rate set forth in the SLPPA.
- The developer's proposed electricity price must be an all-inclusive $/kWh rate, with any annual price escalator limited to 2% per year.
- The developer shall assume certain costs previously incurred by the University, consisting of approximately $2,000,000 in pre-notice-to-proceed development costs and $3,750,000 in procurement and vendor obligations. These costs are included in the developer's financial model, total project cost, and PPA pricing, and are not intended to be paid separately by the University.
- The developer is subject to performance requirements, including but not limited to:
    - Annual solar production guarantees throughout the 20-year term; and
    - A minimum of 98% battery availability requirement.
- The developer shall compensate CSU for the shortfall if the actual annual solar production is less than the applicable contractual production guarantees.
- California prevailing wage requirements shall apply to the development.
- At the end of the 20-year term, the University will have the option to purchase the system at fair market value or elect to not to purchase the system in which case the developer shall, at its sole cost and expense, be responsible for removing the equipment and restoring the site in accordance with the agreement.

Educational Benefit

The Project supports the educational mission of the University and the CSU by connecting campus-based clean-energy infrastructure with teaching, applied research, and student learning. Faculty have identified several potential research opportunities, including a soil-moisture study. The data generated by the solar and battery systems could support faculty and student research

and help prepare students for careers in the energy industry. ForeFront Power has expressed support for these research interests and a willingness to incorporate appropriate opportunities into the project. As the CSU campus serving Kern County, the University is strengthening its focus on clean energy and STEM research in the region. The Project can advance these priorities by giving the University community opportunities to study the operation and performance of clean-energy systems in a real-world campus setting.

California Environmental Quality Act (CEQA) Action

A Draft Initial Study/Mitigated Negative Declaration (IS/MND) was prepared to evaluate the environmental effects of the Project. The Draft IS/MND was made available to the public for review and comment for 30 days from June 15, 2026 to July 15, 2026. The IS/MND has been completed in compliance with CEQA (Public Resources Code §§ 20180(c), (d) and (f)) and the CEQA Guidelines Section 15074. The Final MND confirms that the Project will not result in new significant impacts that cannot be mitigated, pursuant to the requirements of CEQA (Public Resources Code Section 21000 et seq.) and the CEQA Guidelines.

Summary of Public Review of the Draft Initial Study/ Mitigated Negative Declaration

When the Draft IS/MND public comment period closed, four comment letters had been received by CSUB, including three letters from public agencies (California Department of Fish and Wildlife [CDFW], California Department of Conservation Geologic Energy Management Division [CalGEM] and San Joaquin Valley Air Pollution Control District [SJVAPCD]) and one letter from a non-profit organization (Defenders of Wildlife). The issues raised in public comments are summarized below. CSUB considered all comments received during public review and prepared written responses, which have been incorporated into the finalized MND. Revisions and clarifications to the Initial Study/Mitigated Negative Declaration, based on input received in public comments, were incorporated as warranted prior to Project approval. None of the comments changed impact determinations, required additional environmental analysis or necessitated recirculation of the Draft IS/MND.

California Department of Fish and Wildlife Concerns Regarding Special-Status Species and Biological Mitigation

The California Department of Fish and Wildlife (CDFW), acting as both a Trustee Agency and Responsible Agency under CEQA, provided comments regarding the Project's biological resource analysis and proposed mitigation measures. CDFW commented on the adequacy of mitigation for San Joaquin kit fox, western burrowing owl, Swainson's hawk, Crotch's bumble bee, western spadefoot, Bakersfield legless lizard, San Joaquin coachwhip, and other special-status species and plants. The agency recommended additional species-specific surveys, avoidance buffers, mitigation and agency consultation, wildlife-friendly fencing, and reporting biological survey data.

In response, CSUB clarified that a previously mapped kit fox den is no longer present and revised Mitigation Measure BIO-4 to clarify that consultation with and approval from CDFW and the U.S. Fish and Wildlife Service is required if a den is identified. CSUB also added requirements for

additional burrowing owl surveys and avoidance and a new mitigation measure for potential impacts on Crotch's bumble bee; expanded clearance and avoidance provisions for Bakersfield legless lizard and San Joaquin coachwhip; and revised the proposed fencing design to improve wildlife mobility through the area. CSUB maintained that existing nesting bird surveys and biological monitoring adequately address potential Swainson's hawk impacts and that the site lacks suitable western spadefoot breeding habitat. CSUB also committed to reporting future special-status species detections to the California Natural Diversity Database.

California Geologic Energy Management Division Advisory Comments Regarding Abandoned Oil and Gas Wells

The California Geologic Energy Management Division (CalGEM) provided general advisory comments regarding previously abandoned oil and gas wells that could potentially affect future development. CalGEM recommended construction avoidance over abandoned wells, maintenance of well servicing access, evaluation of wells encountered during development, and conducting leak testing where appropriate. CalGEM also summarized statutory responsibilities for well re-abandonment. However, CalGEM's enclosure summarizing their evaluation of the Project site indicated that no oil or gas wells have been identified within or near the Project parcel.

CSUB acknowledged these comments for the record and no further response or Project revision was necessary.

San Joaquin Valley Air Pollution Control District Comments Regarding Construction Emissions and Regulatory Compliance

The San Joaquin Valley Air Pollution Control District (District) provided comments concerning construction emissions and applicable District permitting requirements. The District recommended use of the cleanest available off-road construction equipment and identified potential stationary source permitting, Indirect Source Review, and fugitive dust requirements.

In response, CSUB stated that modeled construction emissions would remain below District thresholds and that the Project would not create or modify new stationary emission sources. Although CSUB questioned the applicability of the Indirect Source Review rule to the solar and battery installation, CSUB committed to coordinating with the District and submitting an Air Impact Assessment application. CSUB also committed to submitting a Dust Control Plan for District review and approval before construction and to providing the District with receive at least 48 hours' notice before earthmoving activities.

Defenders of Wildlife Concerns Regarding San Joaquin Kit Fox, Burrowing Owl, and Biological Mitigation

Defenders of Wildlife expressed support for renewable energy development while emphasizing the importance of avoiding and minimizing impacts to biological resources. The organization questioned reliance on a future Incidental Take Permit for San Joaquin kit fox mitigation and requested species-specific surveys, stronger den protection and agency approval requirements, construction best management practices, wildlife-friendly fencing, and evaluation of the long-term effects of solar development on occupied habitat.

In response, CSUB clarified that the previously mapped kit fox den is no longer present and confirmed that Mitigation Measure BIO-4, which requires coordination with CDFW in the event a sensitive species is encountered on the Project site, would apply regardless of whether an Incidental Take Permit has been issued. CSUB's responses to the comments described clarifications and revisions to mitigation measures that address the need for agency consultation and approval if kit fox dens are identified, additional burrowing owl surveys, a reduced daytime vehicle speed limit, inspections and escape provisions for open trenches, restrictions on firearms and certain chemicals, and updated fencing provisions.

CSUB also responded that grassland vegetation is expected to regrow beneath the solar panels and that the Project would continue to provide kit fox habitat and would not permanently convert the site to an industrial land use.

Master Plan Revision

The University's Master Plan will be revised to include the following changes:

- Remove the proposed Retention Basin (#72d)
- Remove the proposed Outdoor P.E. Storage/Restroom (#80a)
- Remove the proposed Intramural Baseball Field No. 4 (#93)
- Remove the proposed Intramural Softball Field No. 5 (#95)
- Remove the proposed Competition Sports Field No. 2 (#96)
- Add the proposed Solar Field (#107)

Attachment A is the proposed campus Master Plan. Attachment B is the existing campus Master Plan, which was last revised and approved by the Board of Trustees in September 2014. This revision was the final in a series of revisions based on the last comprehensive physical plan process, which took place in September 2014.

Amendment of the 2026-2027 Capital Outlay Program

The University wishes to amend the 2026-2027 capital outlay program to include the $24,725,000 Solar Field Project.

Recommended Action

The following resolution is recommended for approval:

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

1. The development of the Solar Field Project through a public-private partnership at California State University, Bakersfield, as described in this Agenda Item 2 of the November 17-18, 2026, meeting of the Joint Committees on Finance and Campus Planning, Buildings and Grounds is approved, and that the Chancellor, the Vice Chancellor and Chief Financial Officer, and their designees are authorized to execute the agreements necessary to complete the transaction.

2. An Initial Study/Mitigated Negative Declaration (IS/MND) for the California State University, Bakersfield Solar Field Project was prepared to evaluate the environmental effects of the Project and confirmed that the Project will not result in significant impacts that cannot be mitigated, pursuant to the requirements of the California Environmental Quality Act (CEQA) (California Public Resources Code [Cal. Pub. Res. Code] Sections 21000 et. seq. and the CEQA Guidelines Section 15070 et. seq.)

3. This resolution is adopted pursuant to the requirements of Cal. Pub. Res. Code Section 21081 and the CEQA Guidelines Section 15091, which require that the Board of Trustees make findings regarding significant project effects prior to the approval of a project.

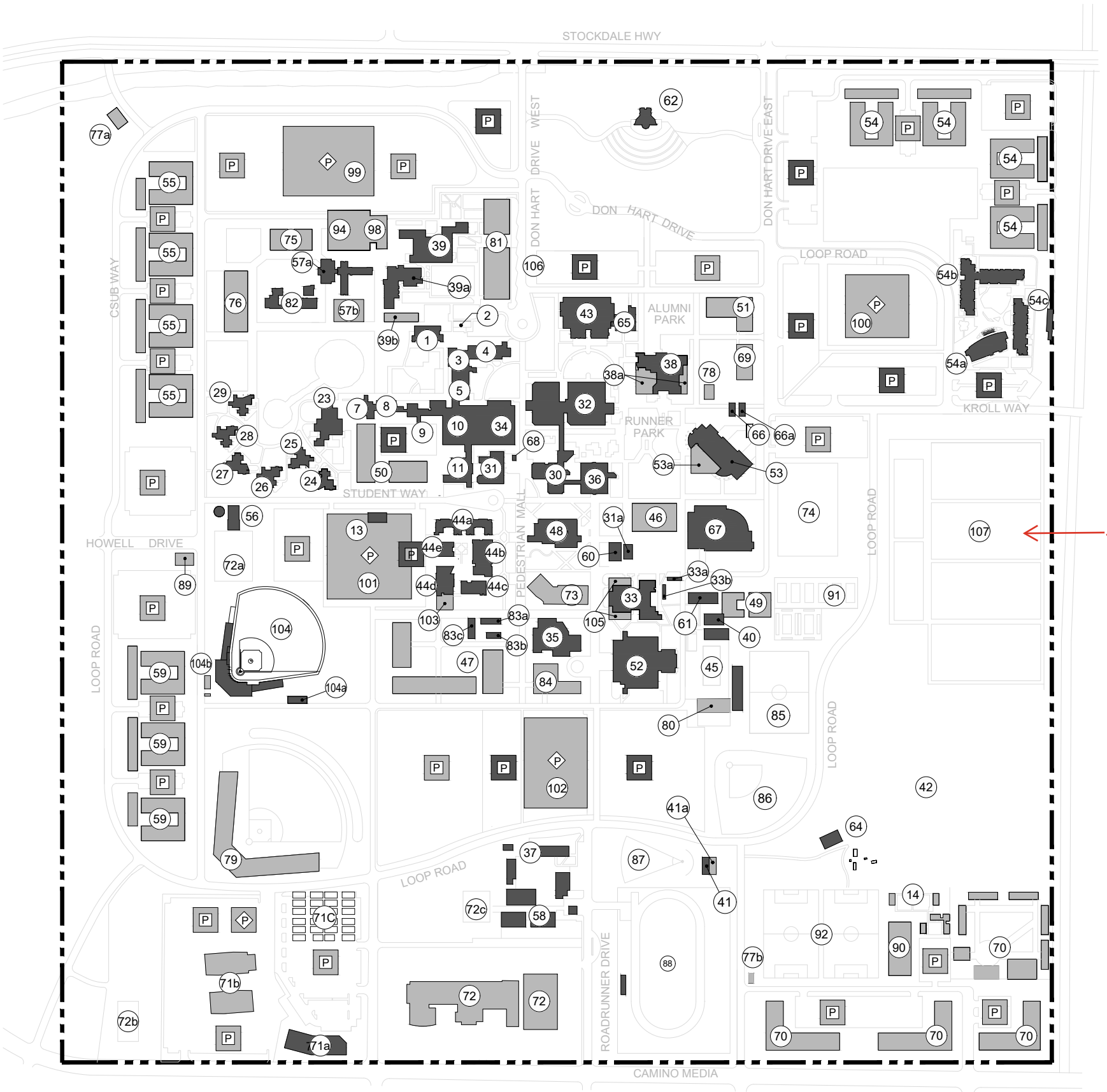
4. The Board of Trustees finds that the MND reflects its independent judgment and analysis and hereby adopts the MND and approves the Project.

5. The Board of Trustees hereby adopts the mitigation measures prepared in conjunction with the MND. These measures, and other applicable mitigation measures previously adopted in conjunction with the Campus Master Plan Update EIR certified in 2007, shall be implemented, monitored, and reported in accordance with the requirements of CEQA (Cal. Pub. Res. Code Section 21081.6).

6. The revision of the California State University, Bakersfield Master Plan as described in the Agenda Item 2 of the November 17-18, 2026, meeting of the Joint Committees on Finance and Campus Planning, Buildings and Grounds is approved.

7. The 2026-2027 Capital Outlay Program is amended to include the $24,725,000 Solar Field Project at California State University, Bakersfield.

8. The Project will benefit the California State University.



California State University, Bakersfield

Campus Master Plan
Master Plan Enrollment: 18,000 FTE
Main Campus Acreage: 376 Acres

Original Approval Date: September 1968
BOT Approved Comprehensive Update: September 2014
Proposed Revision Date: November 2026

N

0 250' 500' 1000'

Buildings	Campus Boundary	Parking
EXISTING BUILDING	EXISTING	EXISTING LOT
FUTURE BUILDING	FUTURE	FUTURE LOT
TEMPORARY BUILDING		FUTURE STRUCTURE

California State University, **Bakersfield**

Master Plan Enrollment: 18,000 FTE

Master Plan approved by the Board of Trustees: September 1968

Master Plan Revision approved by the Board of Trustees: September 1970, January 1971, January 1973, May 1974, July 1975, February 1980, November 1980, January 1984, March 1984, September 1985, March 1987, January 1988, September 2007, September 2014

Last Comprehensive Master Plan Revision approved by the Board of Trustees: September 2014
Last Minor Master Plan Revision: March 2025

Proposed Revision: November 2026

1. Classroom Building
2. Fine Arts
3. Lecture Building
4. Performing Arts
5. Administration East
7. University Advancement
8. Administration West
9. Administration
10. Student Services
11. Plant Operations
13. Modular West
14. Children's Center
23. Dining Commons
24. Residence Hall A
25. Residence Hall B
26. Residence Hall C
27. Residence Hall D
28. Residence Hall E
29. Residence Hall F
30. Science I
31. Paul F. Romberg Nursing Education Center

31a. EOC/Testing Center

32. Dorothy Donohoe Hall
33. Physical Education

33a. P.E. Modular A
33b. P.E. Modular B

34. Education
35. Student Health Center
36. Science II
37. Corporation Yard/Warehouse
38. Runner Café

38a. *Runner Café Addition*

39. Doré Theatre and Todd Madigan Art Gallery and Music Building Complex

39a. Music Building Addition
39b. *Music Expansion Phase II*

40. Handball Courts
41. Outdoor P.E. Storage Building

41a. *Outdoor P.E. Storage Addition*

42. Environmental Studies Area
43. Walter W. Stiern Library

44a. Business Development Center Offices
44b. Business Development Center Classrooms
44c. Extended University
44d. Rayburn S. Dezember Leadership Development Center
44e. Administration

45. J.R. Hillman Aquatic Center
46. *Natural Sciences*
47. *Classroom/Office Complex*
48. Science III
49. *Health Science and Physical Education*
50. *Behavioral Sciences*
51. *Administration North*
52. Jimmie and Marjorie Icardo Activities Center
53. Student Union/Bookstore

53a. *Student Union/Bookstore Addition*

54. *Student Housing – Northeast*

54a. Student Housing Northeast, Phase I
54b. Pinyon Hall
54c. Juniper Hall

55. *Student Housing – Northwest*
56. Satellite Plant

57a. Humanities Complex, Phase I
57b. *Humanities Complex, Phase II*
58. Well Core Repository
59. *Student Housing – Southwest*
60. University Police
61. John Antonino Sports Center
62. Amphitheater
64. Facility for Animal Care and Treatment (F.A.C.T.)
65. Computing/Telecom Center
66. Chemistry/Biology Greenhouse

66a. Greenhouse

67. Student Recreation Center
68. Peet's Coffee House
69. *Foundation Office Building*
70. Soccer Field Service Building

71a. *Office Park Public/Private Partnership - Phase 1*
71b. *Office Park Public/Private Partnership - Phase II*

72. *Hotel & Conference Center Public/Private Partnership*

72a-c. *Retention Basin*

73. *Energy Innovation Building*
74. *Intramural Sports Field No. 3*
75. *Nursing Center*
76. *Department of Nursing*

77a. *Information Center North*
77b. *Information Center South*

78. Food Pantry and Basic Needs Hub
79. *NCAA Baseball Stadium*
80. *Outdoor P.E. Storage/Restroom*
81. *Classroom/Office Building*
82. Visual Arts

83a. Engineering Complex I
83b. Engineering Complex II
83c. Engineering Complex III

84. *Student Health Center Expansion*
85. Competition Sports Field
86. Competition Softball Field
87. *Competition Throwing Area/Field Events*
88. Competition Track and Field
89. *Police Department*
90. *Education Building*
91. *Sand Volley Ball and Tennis Courts*
92. *Intramural Sports Field No. 1*
94. *Performing Arts II*
98. *Black Box Theater*
99. *Parking Structure No. 1*
100. *Parking Structure No. 2*
101. *Parking Structure No. 3*
102. *Parking Structure No. 4*
103. *Business Development Center Addition*
104. Hardt Field

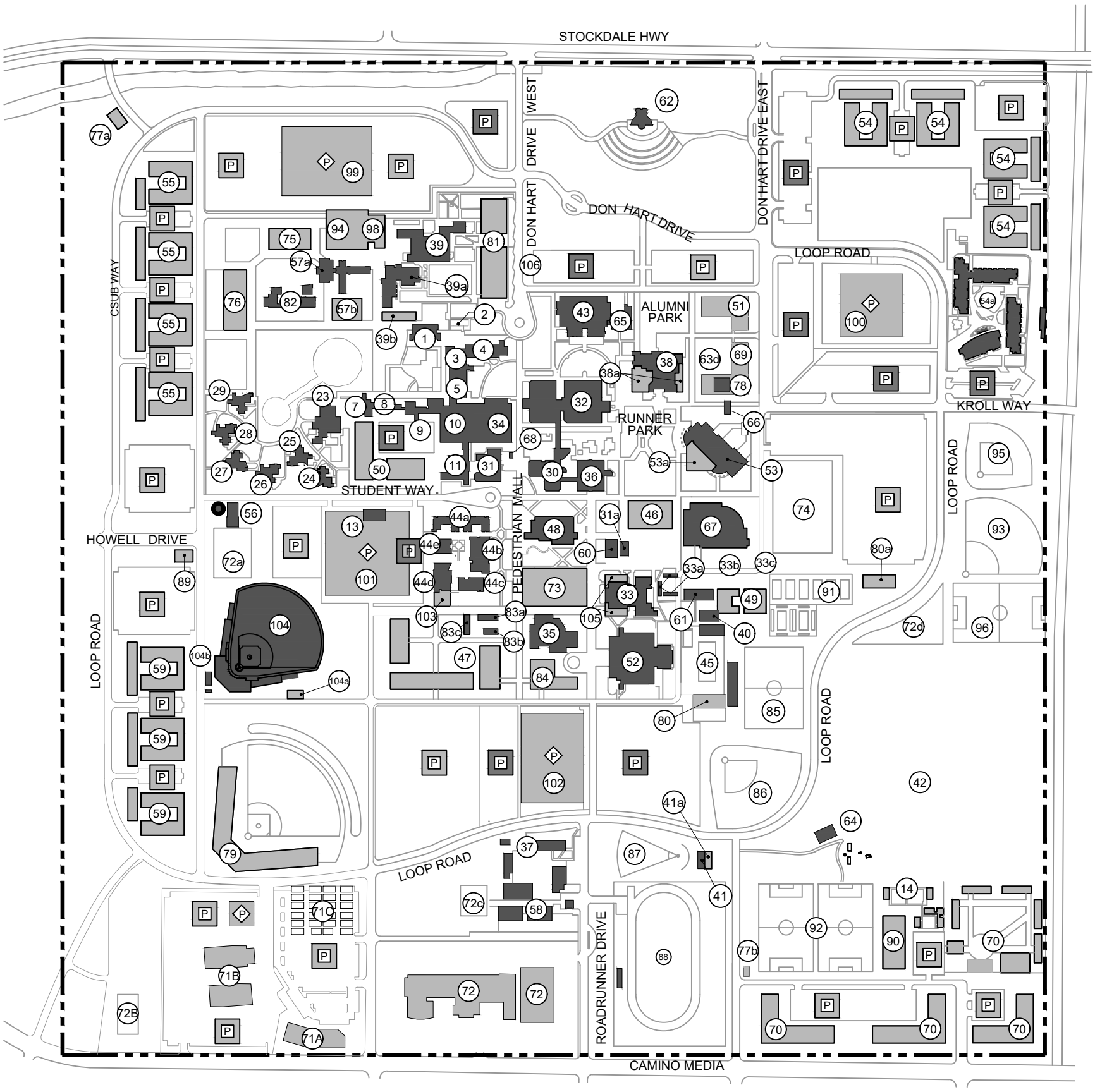
104a. Temporary Clubhouse

104b. *Fan Center*

105. *Physical Education Addition*
106. Bus Transit Center
107. *Solar Field*

LEGEND:
Existing Facility / *Proposed Facility*

NOTE: Existing building numbers correspond with building numbers in the Space and Facilities Data Base (SFDB)



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California State University, **Bakersfield**

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66. Chemistry/Biology Greenhouse

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67. Student Recreation Center
68. Peet's Coffee House
69. *Foundation Office Building*
70. Soccer Field Service Building
70. *Public/Private Development*

71a-b. *Office Park Public/Private Partnership*

71c. Kern Community College (Temporary Modulars)
72. *Hotel & Conference Center Public/Private Partnership*

72a-d. *Retention Basin*

73. *Engineering*
74. *Intramural Sports Field No. 3*
75. *Nursing Center*
76. *Department of Nursing*

77a. *Information Center North*
77b. *Information Center South*

78. *Student Services Center No. 2*
79. *NCAA Baseball Stadium*
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104a. Temporary Clubhouse

105. *Physical Education Addition*
106. Bus Transit Center

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Existing Facility / *Proposed Facility*

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JOINT COMMITTEE ON FINANCE AND CAMPUS PLANNING, BUILDINGS AND GROUNDS

San Diego State University – Mission Valley Private Student Housing Public-Private Partnership Final Approval

Presentation By

Mary Ann Rodriguez
Special Advisor to the Chancellor
Division of Business and Finance

Adela De La Torre
President
San Deigo State University

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

Paul Gannoe
Assistant Vice Chancellor
Capital Planning, Design and Construction

Summary

This agenda item requests approval of the following actions for the Mission Valley Private Student Housing project (the "Project"), a public-private partnership development at San Diego State University (SDSU) Mission Valley.

- Amendment of the 2026-2027 Capital Outlay Program
- Approval of the Schematic Design for the Project
- Approval of the final key terms of the ground lease agreement

Background

At its January 2020 meeting, the Board of Trustees authorized the acquisition of the approximately 135-acre Mission Valley site on behalf of SDSU. Concurrent with this authorization, the Board of Trustees also approved the Campus Master Plan, certified the Final Environmental Impact Report (EIR) for SDSU Mission Valley, and approved financing for the site acquisition and infrastructure improvements through the California State University's (CSU) Systemwide Revenue Bond program. The site plan authorized development of approximately 1.6 million square feet of

research and innovation uses, more than 80 acres of parks and open space, up to 4,600 housing units, 95,000 square feet of retail space, a 35,000-capacity multi-use stadium, and a hotel.

In November 2020, the Board of Trustees approved the utilization of public-private partnership structures to finance the development plan, the ground lease revenues from which would be used to repay the principal and interest on the debt issued to acquire and improve the site. These public-private partnerships will be developed over time and are expected to be completed in 2039.

In 2025, SDSU solicited bids and received proposals from three student housing developers to develop private housing on the Mission Valley site that will mainly serve SDSU upper-division and graduate students. A committee including colleagues from the university and Chancellor's Office conducted a thorough review of proposals, held meetings and interviews with the respective development teams, and completed final scoring of the proposals.

In June 2026, the committee selected Greystar (the "Developer"), a fully integrated for-profit student and conventional housing developer with experience in financing and executing student housing transactions in partnership with public entities, encompassing more than 9,911 beds and $1.9 billion in development since 2021.

Amendment of the 2026-2027 Capital Outlay Program **PWCE[1] $117,700,000**

San Diego State University wishes to amend the 2026-2027 Capital Outlay Program to accommodate the development of the Project (#519[2]). The project will be located at the intersection of Innovation Parkway and Cottonwood Street at the SDSU Mission Valley site.

Mission Valley Private Student Housing Project Schematic Design

The Project will provide 315 units totaling 511 beds for eligible residents, which include students, faculty, and staff of public and nonprofit colleges and universities in the City of San Diego, with priority to SDSU students. The Project is designed primarily to meet the housing needs of upper-division and graduate students, recognizing that many universities, including SDSU, require lower-division students to live on campus. The unit mix will include 103 studios, 104 one-bedroom units, 93 two-bedroom units, and 15 four-bedroom units, ranging from approximately 365 to 1,186 square feet.

The building will consist of a two-story concrete podium, including parking, and five stories of wood-framed upper floors. Units will be fully furnished and will generally include private bedrooms and bathrooms, with housing offered on a per-bed basis. The accessible building will include indoor and outdoor community spaces designed to create an open and welcoming

[1] Project phases: P – Preliminary Plans, W – Working Drawings, C – Construction, E-Equipment
[2] The facility number is shown on master plan map and recorded in Space and Facilities Database.

residential environment. The Project is also designed to promote resource efficiency and occupant health and wellness and is expected to achieve Leadership in Energy and Environmental Design (LEED) Gold certification.

Total development costs associated with the Project are estimated to be approximately $117,700,000, which includes all direct and indirect costs, financing costs, impact and permit fees, and infrastructure improvements.

Development Team

Developer: Greystar
501(c)(3) Owner: Provident Resources Group
Architect: JWDA Architects, Inc.
Contractor: GS Construction California, LLC

Timing (Estimated)

Preliminary Plans Completed	November 2026
Working Drawings Completed	February 2027
Construction Start	March 2027
Occupancy	August 2029

Basic Statistics

<u>Residential Housing</u>	
Gross Building Area	206,477 square feet
Net Rentable Area	165,214 square feet
Efficiency	80.02%
<u>Parking Structure</u>	
Gross Building Area	118,268 square feet
Net Area	115,447 square feet
Parking Spaces	306

Cost Estimate - California Construction Cost Index (CCCI) 10633[3]

Building Cost		$65,943,000
Building Breakdown		
a. Residential Building *($150,896/Unit)*	$46,325,000	
b. Parking Garage *($32,794/Parking Space)*	$10,035,000	
c. Amenities and Other Finishes *($23,531/Unit)*	$ 7,224,000	
d. General Requirements *($7,684/Unit)*	$ 2,359,000	
Site Development		$3,649,000
General Conditions/Contingency/Other GC Fees		$14,616,000
Total Construction Cost		$84,208,000
Fees & Services		$29,524,000
Fixtures, Furniture, & Movable Equipment		$3,968,000
Total Project Cost		$117,700,000

California Environmental Quality Act (CEQA) Action

The Board of Trustees certified the Final Environmental Impact Report (FEIR) for the San Diego State University Mission Valley Campus Master Plan in January 2020.

FEIR Project Design Feature AQ/GHG-6 provides: "Naturally Ventilated Parking Structures. All structured parking on the project site shall be naturally ventilated." The Project would deviate from this Project Design Feature by providing a single level of mechanically ventilated structured parking. However, additional air quality-improving and greenhouse gas emission-reducing features included in the Project design—such as achieving LEED Gold, above EIR-required solar paneling, and above code-required electric vehicle stalls—neutralize any incremental effects of the Project's deviation from PDF-AQ/GHG-6. Therefore, this project is consistent with the FEIR.

Financing Structure

The Developer will utilize a project-based conduit financing structure to fund the total Project cost with tax-exempt bonds. Under this structure, a public agency created for such a purpose will serve as a conduit to issue tax-exempt bonds to investors and provide the proceeds to a separate 501c3 nonprofit organization (the "501c3") created by the Developer for purposes of developing the Project. The bonds will be debt secured by the revenue and assets of the Project only, with no recourse to the Developer or the CSU.

[3] The August 2026 *Engineering News-Record* California Construction Cost Index (CCCI). The CCCI is the average Building Cost Index for Los Angeles and San Francisco.

Summary of Key Agreement Terms

- The CSU will lease the land to the 501c3 for a term that is coterminous with the term of the tax-exempt bonds (up to a 40-year amortization term) plus a tail period that may not exceed 10 years. The ground lease will automatically expire once all outstanding bonds have been retired and the Project improvements will revert to CSU at no cost.
- The 501c3, in partnership with the Developer, will be responsible for financing, designing, constructing, operating, and maintaining the Project for the lease term.
- Annual ground rent will be 100% of net available cash flow after debt service and other agreed upon reserves, and once a 1.20 debt service coverage ratio has been achieved.
- At the time a building permit is issued, SDSU will be paid certain fees related to traffic mitigation, park development, and affordable housing, as well as ongoing common area maintenance fees.
- SDSU will market the Project in a manner that is materially the same as SDSU's marketing of other upper-division student housing facilities at SDSU.
- SDSU agrees not to pursue a competing student housing facility within a two-mile radius of the Project unless the construction of such a facility is supported by a demand study from an independent consultant concluding that sufficient demand exists for additional beds. This provision does not prevent SDSU from pursuing any other housing types on the SDSU Mission Valley site, including other market-rate multi-family housing, nor does it impact any student housing being developed on SDSU's main campus.
- SDSU will have representation on both the Project Operating Committee (advisory) and Governing Board.

Educational Benefits

At full build-out of the site development plan, SDSU Mission Valley will help support an enrollment expansion of up to 15,000 Full-time Equivalent Students (FTES) at SDSU over time. Upon repayment of systemwide revenue bonds previously issued for the initial site development and infrastructure, excess ground lease revenue can be used to support SDSU Mission Valley and other university research and educational priorities. Additionally, the residential units developed according to the SDSU Mission Valley master plan will help bring relief to the current San Diego housing crisis which impacts SDSU students, faculty, and staff.

Recommended Action

The following resolution is recommended for approval:

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

1. The development of the Mission Valley Private Student Housing project through a public-private partnership at San Diego State University, as described in this Agenda Item 3 of the November 17-18, 2026, meeting of the Joint Committees on Finance and Campus Planning, Buildings and Grounds is approved, and that the Chancellor, the Vice Chancellor and Chief Financial Officer, and their designees are authorized to execute the agreements necessary to complete the transaction.

2. The development of private student housing at San Diego State University Mission Valley is consistent with the Mission Valley Campus Master Plan approved by the Board of Trustees in January 2020.

3. The Project will benefit the mission of the California State University.

4. The 2026-2027 Capital Outlay Program is amended to include $117,700,000 for preliminary plans, working drawings, and construction for the Private Student Housing project at SDSU Mission Valley.

5. The schematic plans for the Private Student Housing project at SDSU Mission Valley are approved at a project cost of $117,700,000 at CCCI 10633.

JOINT COMMITTEE ON FINANCE AND CAMPUS PLANNING, BUILDINGS AND GROUNDS

California State University, East Bay Public-Private Partnership Mixed-Use Development Project Conceptual Approval

Presentation By

Mary Ann Rodriguez
Special Advisor to the Chancellor
Division of Business and Finance

Cathy A. Sandeen
President
California State University, East Bay

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

Paul Gannoe
Assistant Vice Chancellor
Capital Planning, Design and Construction

Summary

This item requests conceptual approval to pursue a public-private partnership for a mixed-use development at California State University, East Bay's Concord Center (the "Center").

Background

In 1986, the California State University Board of Trustees approved the approximately 380-acre Concord Center site in Concord, Contra Costa County. The Center opened in 1992. Although the university offered several academic programs there, most were not sustained because of limited faculty availability and insufficient student demand. Enrollment peaked at approximately 1,600 students in 2006, but full-time-equivalent enrollment remained low because most students were working adults enrolled in one or two evening courses. Despite subsequent efforts to activate the site, nursing is the only academic program that has achieved sustained success at the Center.

In 2025, the campus partnered with the Office of the Chancellor's Real Estate Services division to conduct a market analysis of the site. The analysis identified potential for a mixed-use public-private partnership that could include multi-family housing, senior housing, neighborhood-serving retail, and housing for adults with Intellectual and Developmental Disabilities (IDD). These uses

could help address community needs while creating long-term assets and revenue opportunities that support the university.

Project Description

The project proposes ground leasing land to a master developer, though it could be subdivided into multiple ground lessees and/or a phased approach. Regardless of which approach is adopted, the goal is to monetize and develop the site at the highest and best use for maximum financial gain while maintaining a long-term public-private partnership that aligns with the university's educational mission and requirements. Previous studies of the land preliminarily determined approximately 95 acres as developable around the existing educational buildings. The north side, which encompasses the current Center's buildings, totals approximately 63 acres and is initially contemplated to be developed partially as neighborhood-serving retail to generate foot traffic and create a community feel around the Center. Development will potentially activate the ground floors of existing buildings with retail and other outward-facing uses, add infill development around existing campus core, transition to lower-density housing moving outwards and include a mix of housing types across densities, including market-rate and senior housing, as well as housing for individuals with IDD. The south side will border existing low-density single-family homes and will total approximately 32 acres. The plan does not interfere with the longstanding relationship with the City of Concord regarding use of the Boatwright Sports Complex, nor the Galindo Creek Field Station, an on-campus outdoor preserve that is part of the Mount Diablo Watershed. Through site design and trail placement, the project will also further link the university community with hiking trails to adjacent uses, including the Sports Complex, the Field Station, and retail locations. The project will complement adjacent development by providing new uses and will demonstrate the university's commitment to cutting-edge sustainable and smart growth development principles.

In May 2026, the university received support from the Land Development Review Committee for the project concept.

Budget and Financing

The university anticipates leasing the site under a long-term ground-lease structure to a development team selected through competitive processes. The lease will be structured to ensure that the university receives ground-lease rent based upon fair market value of the land, at minimum. The university may initially fund necessary consultants, environmental, and entitlement costs to advance the project. These costs are expected to be reimbursed by the selected developer and will not constitute a commitment to fund construction, permanent improvements, or ongoing operations. The developer will be responsible for financing, designing, constructing, operating, maintaining, and funding required reserves for the project during the term of the ground lease.

Educational Benefits

The project benefits the university by providing expanded academic and research opportunities, internships, and employment opportunities, particularly with departments in the College of Health—most notably nursing. The academic learning opportunity for students in the College of Health would be amplified by the ability to intern, receive clinical training or employment at senior housing centers, and IDD housing centers on the property, creating a much welcome nexus for both students and the community.

The university fully intends to strongly engage with the selected development partner to create the most desirable environment to foster these educational benefits.

Approval of the Final Development Plan

Per Board of Trustees policy, as the project moves forward, all related master plan revisions, amendments of the capital outlay program, proposed schematic plans, financial plans, proposed key business points of the finalized development plan, and the required environmental documents will be presented at future meetings for final approval by the Board of Trustees prior to execution of any commitments for development and use of the property.

Recommended Action

The following resolution is recommended for approval:

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

1. Approve the concept of pursuing a public-private partnership for mixed-use development at the California State University, East Bay Concord Center and authorize the release of a Request for Proposals.

2. Authorize the Chancellor and the University to solicit, evaluate, and negotiate with prospective development partners and to negotiate the business and legal terms necessary to prepare a final development plan.

3. Authorize the Chancellor and the University to enter into a limited-term due diligence access and option agreement that permits the selected developer to conduct due diligence and prepare a proposed development plan, schematic designs, environmental analyses, and related studies, subject to terms approved by the Chancellor.

4. Confirm that any final development plan or related commitment will be subject to future board approval, including, as applicable:

    a) Certification of the final CEQA documentation;

b) Approval of the negotiated development and financial plan;
c) Approval of any amendment to the Non-State Capital Outlay Program;
d) Approval of schematic plans; and
e) Approval of the definitive agreements governing development and use of property.

JOINT COMMITTEE ON FINANCE AND CAMPUS PLANNING, BUILDINGS AND GROUNDS

California State University Facilities Funding and Advocacy Strategies

Presentation By

Greg Saks
Vice Chancellor, External Relations and Communications

Mark Martin
Assistant Vice Chancellor, Budget Planning and Advocacy

Summary

This information item provides an overview of the California State University's facilities funding challenges, current investments, and potential state and systemwide advocacy strategies. It describes the scale of deferred maintenance and capital needs, the CSU's commitment to utilize operating and investment resources, and near-and long-term opportunities to establish more sustainable funding for facilities.

Background

Aging facilities affect the CSU's ability to provide safe, accessible, and modern learning environments and to meet California's workforce needs. Out-of-date infrastructure threatens CSU Forward objectives to increase the CSU's statewide impact and provide students with accessible, affordable higher education that prepares them for today's jobs.

Entering 2026–2027, the CSU reported a deferred maintenance backlog of approximately $9.6 billion, including at least $2 billion in fire, life and safety projects. The backlog grows by $407 million annually. In addition, the Board of Trustees approved in September the Five-Year Capital Outlay Plan, which identifies more than $26.5 billion in proposed academic and self-support investments through 2031-2032. The first year includes approximately $4.23 billion in projects. Currently, there is no ongoing state support to address these needs.

State funding for the CSU's facilities can be viewed in two eras: before 2014 and after 2014. For decades, the state provided funding for CSU capital through routine general obligation or lease revenue bonds, which led to stable and strong funding. This structure generated about $330 million per year for the CSU between 2001 and 2008, for example. Support for bond funding for universities began to fade in the mid 2000s, however, as there were increasing demands for other bond funding priorities and growing concern about the state's debt service costs. The last successful general obligation bond in 2006 provided the CSU and the University of California a combined $1.5 billion to address facilities needs.

In 2014, the state shifted capital financing responsibilities onto the CSU and transferred ongoing General Fund debt service support into the CSU's principal budget item. Legislation also granted the CSU expanded authority to issue debt to support its facilities needs.

Recent State Funding and CSU Facilities Advocacy

Since then, dedicated state facilities appropriations for the CSU have been minimal and episodic. The CSU has struggled to address its facilities needs while also meeting rising fixed costs, supporting enrollment growth, improving student support programs and meeting other state-mandated obligations.

The CSU has received $784 million in one-time state funding since 2014 to address deferred maintenance, which equates to approximately $65 million per year, but which has never been consistent and is far less than what the CSU has requested. During that period, the CSU has requested approximately $7.8 billion in one-time funding to address its deferred maintenance backlog.

The CSU has received some additional state funding for specific capital projects, including $433 million in 2021 to support Cal Poly Humboldt's polytechnic transition and funding to support debt-service costs related to the Higher Education Student Housing Grant Program in 2022, but this funding has not addressed systemwide needs.

During the post-2014 period, there have been only three statewide general obligation education bonds placed before voters. In 2016, K-12 supporters placed a $9 billion bond on the ballot via an initiative, and it passed with 55% of the vote. In 2020, the Legislature placed a $15 billion bond for K-12 and higher education (including $2 billion for CSU) on the ballot as Proposition 13. It was not approved by the voters and secured only 47% of the vote. The CSU (and the UC) was left out of a successful education-related bond in 2024 (Proposition 2, which passed with 58% of the vote).

The CSU has advocated for facilities funding during budget deliberations in Sacramento each Spring, and made a concerted effort in Spring 2026 to focus on capital and deferred maintenance needs. The Budget Office, the Office of Advocacy and State Relations (ASR) and campuses worked together to increase legislative awareness of facilities issues by conducting briefings in the Capitol for legislators and legislative staff, hosting legislators and staff on campuses for tours and briefings, and distributing fact sheets, videos and other communications depicting facilities needs. The advocacy led to increased awareness of the issue, and the CSU was included in two GO bonds placed on statewide ballots by the Legislature:

- The Veterans and Affordable Housing Bond Act of 2026, placed on the November ballot, provides $175 million in support for CSU affordable student housing projects.

- The California Science and Health Research Bond Measure, placed on the March 2028 ballot, provides $750 million in support of the construction or modernization of CSU

facilities related to science, health care, technology, engineering, or other facilities that support research.

A third bond under discussion this year in Sacramento focused more broadly on higher education facilities and was approved by the state Assembly but did not advance.

Current CSU Facilities Investments

The CSU is currently addressing its facilities needs in several ways.

The CSU distributes investment earnings from its Total Return Portfolio (TRP) for capital renewal and deferred maintenance. The TRP is an investment fund that seeks higher long-term returns through expanded investment options. The Board of Trustees approved a $125.6 million distribution in 2025–26 and the system has recorded cumulative distributions of $439 million since 2018.

Additionally, the CSU budget has typically included funding for the maintenance of new facilities each year, and beginning in 2026-27 has begun utilizing some of this funding for deferred maintenance. This expenditure item was $13 million in ongoing support in the Board's 2026-27 budget plan and is proposed for $22 million in 2027-28.

And the CSU added a significant new investment in facilities this year. Strong state funding provided through the 2026 Budget Act allowed the CSU to support the 2026-27 Board of Trustees budget priority to commit $50 million in ongoing operating resources to support systemwide revenue bonds. The investment is expected to generate approximately $600 million in bond proceeds, split between deferred maintenance and capital outlay. Funding will support about 90 deferred maintenance projects throughout the system, and two capital projects that were ranked the highest priority in the Capital Outlay Plan: the Peterson Hall 1 Replacement at California State University, Long Beach and the Engineering Replacement Building at California State University, Sacramento.

Aside from TRP funding, these other expenditures are part of the CSU's operational budget, which relies on state General Fund and tuition revenue.

Facilities Proposals in the 2027-28 Budget Plan

The Board of Trustees' 2027-2028 budget plan, approved in September, includes another $50 million set-aside to support systemwide revenue bonds, which would be utilized in the same manner as 2026-2027: it would generate about $600 million in bond funds, to be split between systemwide deferred maintenance projects and support of academic projects in the Five-Year Capital Outlay Plan. This funding is part of the expenditure plan that would increase CSU funding by $618 million, combining $396 million in new state General Fund with $222 million in new tuition revenue. Additionally, the 2027-2028 proposed budget includes $22 million for maintenance of new facilities, including a portion for deferred maintenance.

In addition to these ongoing funds that are part of the operational budget plan, the Board of Trustees' budget includes a new proposal for a partnership with the state on facilities. As recommended by the state Legislative Analyst's Office in a 2023 report on university facilities, the CSU proposal calls for a multi-year partnership with the state in which both the state and the CSU commit to facilities funding. The Board's proposal asks the state to commit $407 million per year for three years, as $407 million is the amount that the CSU deferred maintenance backlog grows each year. To match this state funding, the CSU would commit to continue earmarking $50 million for debt service on systemwide bonds that would be used for facilities, and continue to use earnings from the TRP to support capital renewal and deferred maintenance needs. If this plan were to be fully funded, it could generate about $3.3 billion during this three-year period, supporting about 100 deferred maintenance projects per year and 12 major academic projects. This would begin to bend the curve on the deferred maintenance backlog for the first time in decades.

While advocating for these budget proposals, the CSU can consider numerous other options to advance the cause of stable, strong facilities funding. The following are options developed by staff with input from some Board of Trustees.

Statewide Education Bond

There is the potential for a specific statewide education facilities general obligation bond for the 2028 ballot. The CSU could partner with the UC and California Community Colleges to advocate for a higher education bond, as all three systems report significant deferred maintenance needs and the UC, like the CSU, has no ability to seek voter-approved bonds on its own. This would likely allow the CSU to seek significant funding and allow CSU stakeholders to partner with other systems' stakeholders to manage the costs of a campaign.

Another option is to partner with K-12 schools, who also seem likely to pursue a GO Bond in 2028. A broader education coalition may increase the viability of a ballot measure, and K-12 schools have numerous stakeholders accustomed to requiring more negotiation over the allocation of bond proceeds by educational segment. However, a broader education bond could mean less funding for CSU facilities.
Both ASR and the Budget Office will be working with different CSU stakeholders in Sacramento to determine possible ways forward on a 2028 bond.

Intersegmental and Public Partnerships

CSU campuses have pursued agreements on facilities with a number of partners to share costs and advance educational or other goals. Advantages to this strategy include:

- Leveraging funding available to other education or governmental agencies. For example, K-12 and California Community Colleges have about $81 billion in approved local bonds

that have yet to be issued, according to a recent report by the California Debt and Investment Advisory Committee.

- Developing closer relationships and pathways with local educational partners that support students. For example, San Diego State's partnership with San Diego Community College District, which is developing a community college-funded academic building at SDSU's Mission Valley project, includes an agreement to expand transfer pathways.

- Attracting more state funding. In recent years, the Legislature has provided specific, additional funding that seeks to bring educational segments together, such as the Higher Education Student Housing Grant Program, which gave priority to intersegmental housing projects that serve students from multiple segments, or the Regional K-16 Education Collaboratives, which provided grants to partnerships of UC, CSU, community colleges, K-12, and workforce partners, built around career pathways.

Current examples of partnerships include:

- **Academic Building at San Diego State University Mission Valley Innovation District.** The proposed academic building at San Diego State University's (SDSU) Mission Valley Innovation District will be a shared facility developed in partnership with the San Diego Community College District (SDCCD). The STEM-focused facility is expected to include teaching and research laboratories, classrooms, advising and student support spaces, and shared faculty and administrative offices. By co-locating academic programs and student services from both institutions, the project will create a collaborative learning environment that expands access to higher education, strengthens transfer pathways, and supports student success and degree completion. This partnership represents an innovative collaboration between a California State University campus and a large community college district to jointly develop and co-locate academic programs and student services within an innovation district.

- **Sacramento State University - Placer Forensic Science Center.** This project will construct a two-story, 30,000-square-foot forensic center, which will be the first building on the Sacramento State Placer Center campus. Through a public-public partnership, the facility will serve as both a fully functional forensic laboratory for Placer County and an educational learning environment for Sacramento State students. The proposed Placer Science Center will provide Placer County with laboratory capabilities to analyze evidence samples and conduct forensic DNA testing under a contract with the California Department of Justice. The partnership will also connect Sacramento State's forensic science academic programs with real-world applications through student internships, hands-on learning, and career pathways in a growing field. Placer County will fully fund the project, while the CSU will provide project management throughout the design, construction, and closeout phases. The current plan is for the university to own, operate, and maintain the facility, with Placer County paying a nominal lease fee and sharing the costs of utilities and custodial services.

- **Cal Poly Humboldt - Health Education Hub.** Developed through a partnership between Cal Poly Humboldt and the College of the Redwoods, the Health Education Hub project is transforming Cal Poly Humboldt's Stewart Building into a modern health education center serving California's North Coast region. The Stewart Building renovation will transform a 100-year-old schoolhouse into the new Health Education Hub, a state-of-the-art center designed to support health sciences programs and workforce development for Cal Poly Humboldt and College of the Redwoods. The facility will include high-fidelity simulation labs that replicate pre-hospital, hospital, and home-care environments, along with classrooms and conference space. The $36 million project is currently under construction with estimated completion in August 2027, and is jointly funded by Cal Poly Humboldt and the College of the Redwoods.

- **CSUMB – Taylor Science and Engineering Building.** The proposed project will design and construct a new academic building, Edward (Ted) Taylor Science and Engineering Building (#52), to support the growing programs in the College of Science, such as Marine Science and the new Mechatronics (Engineering) academic program. California State University, Monterey Bay (CSUMB) is partnering with the Monterey Bay National Marine Sanctuary (MBNMS), under the National Oceanic and Atmospheric Administration (NOAA), to provide approximately 4,400 assignable square feet (ASF) space in the new building. The Edward (Ted) Taylor Science and Engineering Building will serve as a hub for interdisciplinary collaboration, consolidating teaching labs, research facilities, and administrative offices under one roof. The ground floor will house the new Marine Science (wet teaching lab and wet capstone lab tank lab) laboratories, Mechatronics Engineering (General Mechatronics Lab and Machine Shop/Senior Design Lab) laboratories, and a shared computer lab. Offices of the National Oceanographic and Atmospheric Administration, Mechatronics Engineering suite, and a Marine Science graduate student space will be located on the second floor. The $38.5 million project will be funded with donor funding, federal funding from the National Oceanic and Atmospheric Administration (NOAA) ($7,000,000), and campus and systemwide bond fund.

ASR and the Budget Office will work with CSU stakeholders to advocate for partnership funding in Sacramento, while CSU campuses can work to identify potential joint projects with their local educational and governmental partners.

Joint Powers Authorities Agreements with Local Taxing Entities

The CSU as a state agency does not have local taxing authority like K-12 or community college districts, or local governments. Existing state law, however, allows for the formation of joint powers authorities that bring together public agencies for a specific purpose, and allow the authority to utilize powers granted to one of the partnering agencies.

The CSU could explore opportunities to establish joint powers authorities with local K-12 or community college districts, or other eligible public agencies to support the development and

financing of university facilities. Under this approach, the CSU and participating local agencies could jointly pursue capital improvements that advance both university academic priorities and regional economic, workforce development, and community needs.

California's existing Joint Exercise of Powers Act (Government Code 6502) and the Marks-Roos Local Bond Pooling Act provide mechanisms through which qualifying public agencies may collaborate and finance public capital improvements. However, these laws do not automatically provide CSU with independent local taxing authority. Additional legislation could be necessary to authorize particular local revenue mechanisms or expand the use of locally approved bonds for CSU facilities. The CSU does have prior experience with joint powers financing arrangements, including the financing authority established for CSU Channel Islands.

A key drawback to this concept is that it might be more politically feasible in some regions of the state than others, thus providing a tool that could be used by some campuses, but not others.

Borrowing Against Total Return Portfolio Earnings

Education Codes 89724-89726 authorize CSU to invest eligible funds in a broader range of financial instruments while establishing oversight requirements and restrictions on the use of investment earnings. The statutes have allowed CSU to create the Total Return Portfolio, with additional earnings from expanded investment authority dedicated to capital outlay and maintenance. As noted earlier, TRP earnings have provided more than $400 million in facilities funding.

CSU could consider whether a portion of these distributions may be used to support debt service on systemwide revenue bonds issued for eligible facilities improvements. This approach could generate significantly more facilities funding than the current structure, which provides annual one-time funding. Any such strategy might require legislation, and consideration of the financial risks associated with relying on variable investment returns to support fixed debt-service obligations. TRP earnings are not guaranteed, but any debt-service obligation would be required to be repaid regardless of TRP earnings.

Pursuing Other State Funding Sources for CSU Facilities

The CSU could pursue funding through existing state infrastructure, energy, climate resilience, and financing programs. Potential sources include the California Energy Commission, California Infrastructure and Economic Development Bank, State Water Resources Control Board.

While these programs generally cannot address the full scope of CSU's deferred maintenance and capital outlay needs, they may provide financing or grants for eligible components of campus projects, reducing the amount of unrestricted university funding required. A significant review effort would be required to identify opportunities for state agency funding.

Constitutional Amendment

The CSU cannot independently place a state general obligation bond measure on the ballot. Article XVI, Section 1 of the California Constitution establishes the framework for state general obligation bonds. Under the conventional legislative process, a state GO bond requires a two-third vote of both houses of the Legislature, or a signature-gathering process, then approval by a majority of statewide voters, and a legally specified purpose and repayment mechanism.

Thus, a constitutional amendment would likely be required to allow the CSU to submit future facilities bonds to voters. Such an amendment could specify that the Trustees may submit a statewide bond proposal for CSU capital facilities directly to voters, subject to voter approval and defined fiscal safeguards. It is important to note that while the CSU, as a state government entity, may use public funds before a measure is placed on a ballot to research and draft the measure, the CSU is bound by prohibitions against using public funds to engage in electioneering or campaigning. Campaigns would need to be organized and supported by stakeholders, not the CSU itself.

There are significant political issues to consider regarding this idea, as well as state fiscal implications. CSU seeking its own ability to place bonds on the ballot would require a substantial campaign, just to gain the authority. Future campaigns would then be needed to seek voter approval for projects. Recent conversations with political consultants indicate signature-gathering efforts can cost between $3 million to $7 million, and statewide campaigns can cost about $20 million. Additionally, this effort would likely provoke concern from the Legislature and Administration, particularly if the structure required the state General Fund to support debt service.

A preliminary legal analysis indicates another option could be considered. The CSU could consider sponsoring a bill that would amend the Education Code to give CSU similar rights that school districts and community college districts already have (such as an amendment to Education Code Section 15100.) The measure could be for a bond to repair buildings at a particular CSU university and the tax measure could be applicable to the university's service area.

Considerations and Next Steps

Given the overwhelming need, fully addressing the CSU's facilities needs will require pursuing multiple strategies at once. In the short term, advocacy for the Board of Trustees' 2027-2028 budget plan will include focus on the parts of the plan that support deferred maintenance and capital outlay projects. In addition to this budget advocacy, the CSU will continue to vet and pursue all of the proposals mentioned in this item and continue to engage CSU stakeholders, potential educational and local government partners, and the Legislature and Administration regarding facilities needs.

Nearly every proposal reviewed will require sustained public and legislative support to become reality. That support cannot be assumed. The Public Policy Institute of California (PPIC) reports

that, as recently as 2016, 20% of Californians identified higher education as the state's top spending priority. By 2026, that figure had fallen to just 6%. This decline underscores the need for a sustained, coordinated effort to ensure policymakers and the public understand that higher education is not simply a state expenditure, but an essential investment in California's future. The CSU drives economic growth, expands social mobility, and prepares the workforce on which the state's communities and industries depend. Modern facilities are critical to the CSU and student success. The Division of External Relations and Communications and the Division of Business and Finance will continue to work with all 22 universities and the CSU's many stakeholders to strengthen the understanding of the university's vital role and position the CSU for continued support across California.