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July 14, 2023

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State Capitol, Room 319
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RE: CSU Higher Education Student Housing Grant Program Report

This report provides details on the California State University projects funded through the Higher Education Student Housing Grant Program. The report includes a comparison of and explanation for any variation between the initially submitted applications and the current project status.

This report is submitted in accordance with the requirements set out in Education Code 17201 (i)(1)(B). The report is required to be submitted annually on or before July 1 and includes projects that have received funding and have not completed construction. This year's report includes information on the nine projects that were funded from the 2021-2022 and 2022-2023 California State Budgets.

CSU Campuses
Bakersfield
Channel Islands
Chico
Dominguez Hills
East Bay

Fresno
Fullerton
Humboldt
Long Beach
Los Angeles
Maritime Academy

Monterey Bay
Northridge
Pomona
Sacramento
San Bernardino
San Diego

San Francisco
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San Luis Obispo
San Marcos
Sonoma
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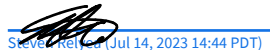
CSU Report: Higher Education Student Housing Grant Program

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Should you have any questions about this report, please contact Nathan Dietrich, Assistant Vice Chancellor, Advocacy and State Relations at (916) 445-5983.

Sincerely,


Steve Relyea (Jul 14, 2023 14:44 PDT)

Steve Relyea
Executive Vice Chancellor and
Chief Financial Officer

SR:PG:mc

Attachments: Annual HESHGP Report
Supplemental Information

Full report posted to:

<https://www.calstate.edu/impact-of-the-csu/government/Advocacy-and-State-Relations/Pages/legislative-reports.aspx>.

- c: Members, California State Legislature
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Paul Gannoe, Chief, Planning and Design

California State University - Annual HESHGP Report

	Project Cost		Funding by Source		Bed Count & Rent For Low-Income Students		Standard Bed Count & Associated Rent		Building Square Footage (GSF)		Construction Completion Date	
	Proposed	Updated	Proposed	Updated	Proposed	Updated	Proposed	Updated	Proposed	Updated	Proposed	Updated
CSU Dominguez Hills Student Housing, Phase 4	\$ 75,000,000	\$ 83,760,000	CSU: \$ 26,250,000 HESHGP: \$ 48,750,000	CSU: \$ 35,010,000 HESHGP: \$ 48,750,000	238 beds \$ 700.00	238 beds \$ 788.00	127 beds N/A	118 \$ 1,100.00	84,600	77,500	Apr-25	Mar-26
Fresno State New Affordable Student Housing	\$ 47,768,000	\$ 59,110,000	CSU: \$ 16,718,000 HESHGP: \$ 31,050,000	CSU: \$28,060,000 HESHGP: \$31,050,000	250 \$ 700.00	175 beds \$ 787.00	N/A N/A	N/A N/A	88,750	91,881	Jun-25	Jul-26
Cal State Fullerton Student Housing, Phase 5	\$ 136,897,000	\$ 150,245,568	CSU: \$ 47,997,000 HESHGP: \$ 88,900,000	CSU: \$ 61,345,568 HESHGP: \$ 88,900,000	390 beds \$ 933.00	390 beds \$ 1,237.00	202 N/A	110 \$ 1,549.00	200,000	139,150	Jul-24	Jul-26
Cal Poly Humboldt 8th Street Arcata Student Housing	\$ 41,703,000	\$ 221,698,000	CSU: \$ 14,603,000 HESHGP: \$ 27,100,000	CSU: \$194,591,000 HESHGP: \$ 27,107,000	138 beds \$ 630.00	138 beds \$ 630.00	N/A N/A	796 \$ 780.00	70,256	303,000	Jun-24	Dec-25
Cal State Long Beach Hillside North Student Housing	\$ 82,000,000	\$ 105,327,596	CSU: \$ 28,700,000 HESHGP: \$ 53,300,000	CSU: \$ 52,027,596 HESHGP: \$ 53,300,000	403 beds \$ 700.00	412 beds \$ 797.00	N/A N/A	N/A N/A	97,351	108,100	Dec-24	Mar-26
CSU Northridge Student Housing Building #22 & #23	\$ 57,748,000	\$ 73,000,000	CSU: \$ 20,248,000 HESHGP: \$ 37,500,000	CSU: \$ 35,500,000 HESHGP: \$ 37,500,000	200 beds \$ 700.00	198 beds \$ 721.00	N/A N/A	N/A N/A	61,704	61,704	May-24	Apr-25
San Diego State Calexico Off-Campus Center Housing	\$ 13,630,000	\$ 17,028,000	CSU: \$ 4,780,000 HESHGP: \$ 8,850,000	CSU: \$ 7,920,000 HESHGP: \$ 9,108,000	78 beds \$ 618.00	80 beds \$ 867.46	N/A N/A	N/A N/A	16,000	16,000	Mar-25	Jun-26
San Francisco State West Campus Green Affordable Housing and Student Health Center	\$ 178,991,000	\$ 178,991,000	CSU: \$ 62,691,000 HESHGP: \$ 116,300,000	CSU: \$ 62,691,000 HESHGP: \$ 116,300,000	750 beds \$ 845.00	750 beds \$ 1,100.00	N/A N/A	N/A N/A	180,000	156,029	Jul-24	Jul-24
CSU San Marcos University Village Housing and Dining	\$ 140,023,000	\$ 120,000,000	CSU: \$ 49,023,000 HESHGP: \$ 91,000,000	CSU: \$ 29,000,000 HESHGP: \$ 91,015,000	390 beds \$ 832.00	390 beds \$ 936.00	210 beds N/A	150 \$ 1,044.00	224,681	137,000	Jun-24	Jun-26
Totals	\$ 773,760,000	\$ 1,009,160,164	\$ 773,760,000	\$ 1,009,175,164								

California State University – Annual HESHGP Report July 2023 Supplemental Information

General Comments:

Several factors have contributed to changes in the California State University's (CSU) housing projects funded through the Higher Education Student Housing Grant Program (HESHGP). The first impact is extreme upward pressure on construction costs. Original applications were submitted by each university to the Chancellor's office on October 1, 2021, in preparation for the submittal to Department of Finance on October 29, 2021. The project budgets were established based on current market conditions with the expectation that construction could begin on many of the projects by December 2022.

Between the time the projects were submitted to the Chancellor's Office (October 1, 2021) and the time that there was certainty around project approval and funding (July 1, 2022) the California Construction Cost Index (CCCI) reflected an increase of roughly 13%. Once funding was secure, project budgets were adjusted to reflect that increase and a corresponding increase in the escalation to the midpoint of construction.

University staff was also reluctant to proceed with design efforts until there was certainty around funding availability. This delay, coupled with the increases in cost, added to the budget impacts.

The rents for affordable units were initially established based on the Area Median Income (AMI) levels in October 2021. Current rates are higher in some instances and comply with the methodology outlined in Education Code 17200.

All nine of the CSU's projects were originally structured with a 65% contribution from the HESHGP and a 35% contribution from CSU Systemwide Revenue Bonds. This funding strategy was intended to stretch the HESHGP dollars by further increasing housing capacity, and was effective in doing that. With the unexpected cost increases, the universities had to reevaluate their pro-formas and determine how to fund cost overruns. This review of university resources also led to some project delays, and associated increase in cost. However, the CSU has been able to deliver the same number of low-income beds across the nine projects.

Project-specific details are provided below.

CSU Dominguez Hills – Student Housing, Phase Four

Project costs have increased from the initial application due to high levels of inflation in the construction market. The university is contributing additional resources to offset the increase in cost. Additionally, to address inflation pressures, they're providing a slightly smaller building and slightly fewer standard beds but are maintaining the proposed low-income bed count. Estimated rental rates for affordable beds have been adjusted based on projected increases to the AMI.

Fresno State – New Affordable Student Housing

Project cost has increased from the initial application due to high levels of inflation in the construction market. The university will contribute additional resources to offset the increase in costs. The original proposal contemplated building 225 additional units and demolishing 50 units for a net increase of 175 units. The current proposal now will construct 175 new beds, and will keep the 50 on-line, resulting in 225 affordable beds. Estimated rental rates have increased slightly based on a projected increase in AMI.

Cal State Fullerton – Student Housing, Phase Five

Project costs have increased from the initial application due to high levels of inflation in the construction market. The university is contributing additional resources to offset the increase in costs. Additionally, to address inflation pressures, they're providing a slightly smaller building and slightly fewer standard beds but are maintaining the proposed low-income bed count. Estimated rental rates for affordable beds have been adjusted based on projected increases to the AMI.

Cal Poly Humboldt – 8th Street Arcata Student Housing

Cal Poly Humboldt is leveraging the proposed project by combining it with another student housing project. This unique approach allows the university to address the critical shortage of available housing, provide the number of low-income beds in their initial proposal, and add 796 standard rate beds.

Cal State Long Beach – Hillside North Student Housing

Project costs have increased from the initial application due to high levels of inflation in the construction market. The university is contributing additional resources to offset the increase in cost. The project will provide nine additional low-income beds. The building footprint is slightly larger than originally proposed. Estimated rental rates have increased slightly based on a projected increase in AMI.

CSU Northridge – Student Housing Building #22 and #23

Project costs have increased from the initial application due to high levels of inflation in the construction market. To save time and reduce the cost of design, the campus re-used the design documents and plans from a previously constructed student housing project. The estimated savings is over \$1 million and helps to mitigate construction cost escalation. The university is also contributing additional resources to offset the increase in cost. The project will provide two fewer low-income beds than originally proposed. Rental rates will increase slightly and will remain below any projected increase in AMI.

San Diego State – Callexico Off-Campus Center Housing

Project costs have increased from the initial application due to high levels of inflation in the construction market. The university is contributing additional resources to offset the increase in cost. The project will include two additional low-income beds. Estimated rental rates have increased slightly based on a projected increase in AMI.

San Francisco State – West Campus Green Affordable Housing and Student Health Center

The project remains largely unchanged since the initial application with only a slight decrease in total square footage. Estimated rental rates have increased slightly based on a projected increase in AMI.

CSU San Marcos – University Village Housing and Dining

Project costs have decreased slightly due to a reduction in scope in the number of standard beds and associated square footage, however, the affordable student housing bed count remains the same. Estimated rental rates have increased slightly based on a projected increase in AMI.