



Chabot Las Positas Community College District

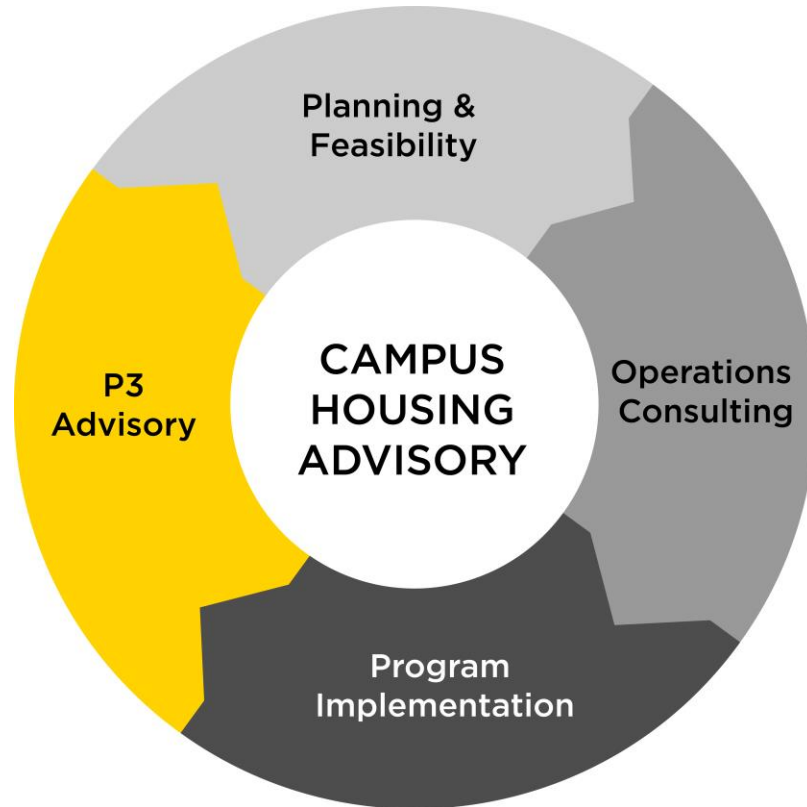
Student Housing Study

September 8, 2020

Introduction



The Scion Group



- Campus housing – **Only focus** since 1999
- Experience with **250+ campus markets** throughout North America; **34 community colleges nationwide** and **12 in California**
- Approximately, **30% of our current clients are two-year colleges** and/or institutions considering **housing for the first time**
- **Own and manage 58,00 student housing beds** allowing the use of **real-time operational data** and benchmarks
- Scion is **not a developer**
- **Collaborative** approach that utilizes **appropriate market data** and **precise analyses** so that our clients can make the most informed decisions
- **Interdisciplinary resources** of Scion’s professionals include backgrounds in finance and economics, on-campus residence life and operations, planning, research and owner’s representation
- Offices in **Irvine, California**; Chicago, Illinois; Washington, D.C.; Dallas, Texas & Toronto, Canada

Housing Study Goals

Determine student demand for housing & unit preferences

Understand student cost tolerances

Analyze off-campus market

Gauge College and District readiness

Evaluate financial feasibility

Implementation Plan

District & Chabot College Participation

- Owen Letcher, Vice Chancellor
Facilities, Bond Programs & Operations
- Dr. Theresa Fleischer Rowland, Vice
Chancellor, Educational Services &
Student Success
- Dr. Susan Sperling, Chabot College
President
- Dr. Matthew Kritscher, Vice President,
Student Services
- Ron Billy, Security Supervisor
- Dr. Jeanne Wilson, Dean of Special
Programs & Services
- Dr. Stacy Thompson, Vice President,
Academic Services
- Christine Herrera, Senior
Administrative Assistant
- Kirti Reddy, Executive Assistant
- Dale Wagoner, Vice President,
Administrative Services & Dean of
Health, PE & Athletics
- Student Senate representatives
- Robert Pinkney, Alumnus of Chabot
and SBBC (Striving Black Brothers
Coalition)

District & Las Positas College Participation

- Owen Letcher, Vice Chancellor Facilities, Bond Programs & Operations
- Dr. Theresa Fleischer Rowland, Vice Chancellor, Educational Services & Student Success
- Dr. Dyrell Foster, President
- Diane Brady, Vice President of Administrative Services
- Dr. Kristina Whalen, Vice President of Academic Services
- William Garcia, Vice President of Student Services
- Angela Lopez, Director, Child Development Center
- Amy Mattern, Dean of Academic Services, Arts & Humanities
- Nan Ho, Dean of Academic Services, Science, Technology, Engineering & Mathematics
- Ken Cooper, Executive Director, LPC Foundation
- Steve Gunderson, Manager, College Technology Services
- Dr. Stuart McElderry, Dean of Academic Services, Business, Social Science, and Learning Resources
- Vicki Shipman, Project Manager, Certificate Programs
- Tamica Ward, Dean of Enrollment Services
- Rajinder Samra, Director, Research, Planning & Institutional Effectiveness
- Student Senate representatives

The Colleges

Strategic Objectives

Chabot College

Las Positas College



Inclusion & Access



Diversity & Transculturalism



Student Retention



Student Engagement



Financial Accessibility



Student Recruitment



Community Engagement



Student Retention



Innovation & Problem Solving



Financial Accessibility

Why Housing, Why Now?



Housing Costs

- High housing costs, because of proximity to San Francisco
- Low vacancy rates, limited supply of housing for students
- 40% of Chabot students & 38% of LP students report challenges finding housing within a reasonable commute to campus
- All students indicated cost is their number one priority when determining where to live



Recruitment & Retention

- 95% of Chabot students and 93% of LP students believe offering student housing is important for *attracting* future students
- 93% of Chabot and 91% of LP students believe offering housing is important for *retaining* future students
- 8% of single students and 10% of students with families at Chabot and 7% of single and 8% of students with families at LP indicated they planned to leave their College because of high housing costs

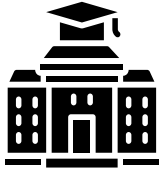


Engagement

- Increase student and faculty/staff engagement in campus activities
- Increase opportunities and strengthen relationship with community stakeholders
- 64% of part-time single students & 49% of part-time students with families at Chabot and 53% and 59% respectively at LP indicated some level of interest in enrolling full-time if housing were available

¹ Students with families are those who indicated they live with a partner and/or dependent(s). **Note:** Fair Housing prohibits restricting access to housing based on familial status. Any of the housing programs would be available to students regardless of their familial status. Scion organizes demand as an acknowledgement of the how living experiences and housing needs of single students generally differs from students with families as well as the operational differences between by-the-bed and by-the-unit leasing. **Survey:** Based on 812 Chabot College student responses the margin of error was $\pm 3.3\%$, within the target margin of error of $\pm 5\%$. **Survey:** Based on 713 Las Positas College student responses the margin of error was $\pm 3.5\%$, within the target margin of error

Readiness for Housing



Institutional Readiness

- Student housing would advance strategic objectives
- Faculty & staff are dedicated to supporting the whole student and believe housing would support their efforts
- Stakeholders expressed support of housing and acknowledgement of the transformative impact it would have on campus



Chabot Student Readiness

- 3% of students reported some level of housing insecurity¹
- 68% of single students and 77% of students with families indicated interest in living on campus
- 8% of single students (11% of students with families) who expressed some level of interest in housing also shared they plan to leave campus because of local housing costs

¹ Chabot Collage: 2% couch surfing & 1% experience homelessness/housing insecure.



Las Positas Readiness

- 2% of students reported some level of housing insecurity²
- 67% of single students and 83% of students with families indicated interest in living on campus
- 8% of single students (9% of students with families) who expressed some level of interest in housing also shared they plan to leave campus because of local housing costs

² Las Positas Collage: 2% couch surfing & 1% experience homelessness/housing insecure.

Demand Analysis

Interest in Housing



I think this would be a wonderful opportunity and experience for those students that come from low income families. Living expenses in the Bay Area are super high. It would be such a relief if Chabot helps students by encouraging them to continue studying by supporting them with affordable housing.

- Chabot College Student



If one of the unit types you ranked had been available for the 2019-20 academic year, would you have lived there?

Chabot College

Las Positas College

Housing Interest ¹	Chabot College		Las Positas College	
	Single Students	Students with Families	Single Students	Students with Families
Yes	68%	78%	67%	83%
Maybe	22%	13%	20%	10%
No	10%	10%	13%	8%

Note: these figures *exclude* students who indicated they are not interested in any of the housing unit types they viewed

Demand Factors



I think housing would be a great opportunity for people to learn to be on their own and also succeed at school.



- Las Positas College Student

Scion considered several factors when calculating demand, including but not limited to:

- Enrollment status
- Students living with a partner and/or dependent(s)
- Current living situation
- Student age
- Cost tolerance and affordability
- Off-campus market conditions
- Quantifiable interest in campus housing, as demonstrated in student survey

Demand Calculation Revision

Completion of the preliminary demand calculation and financial analysis determined the survey tested rates would likely not produce a financially feasible project.

Scion adjusted the demand to be reflective of the required rents for a feasible project. This lowered the demand from the original calculation.

Demand Summary

Chabot College

Students with 6+ units are most likely the primary audience for the housing. However, Scion calculated demand for students enrolled in 5.5 or fewer units to show the depth of potential residents.

Enrollment Status	Single Student Housing Demand (Beds)		Family Housing Demand (Units)
	Traditional Housing Scenario	Apartment Housing Scenario	
Full-Time (12+ units)	414	377	93
Part-Time (6 - 11.5 units)	359	279	106
<i>Full-Time (12+ units) AND Part-Time (6 - 11.5 units)</i>	<u>773</u>	<u>656</u>	<u>199</u>
Part-Time (0.5 - 5.5 units)	168	120	50
<i>Total - All Students</i>	941	776	249

Note: Housing intended for students with families is usually leased by-the-unit versus housing for single students, normally leased by-the-bed.

Demand Summary

Las Positas College

Students with 6+ units are most likely the primary audience for the housing. However, Scion calculated demand for students enrolled in 5.5 or fewer units to show the depth of potential residents.

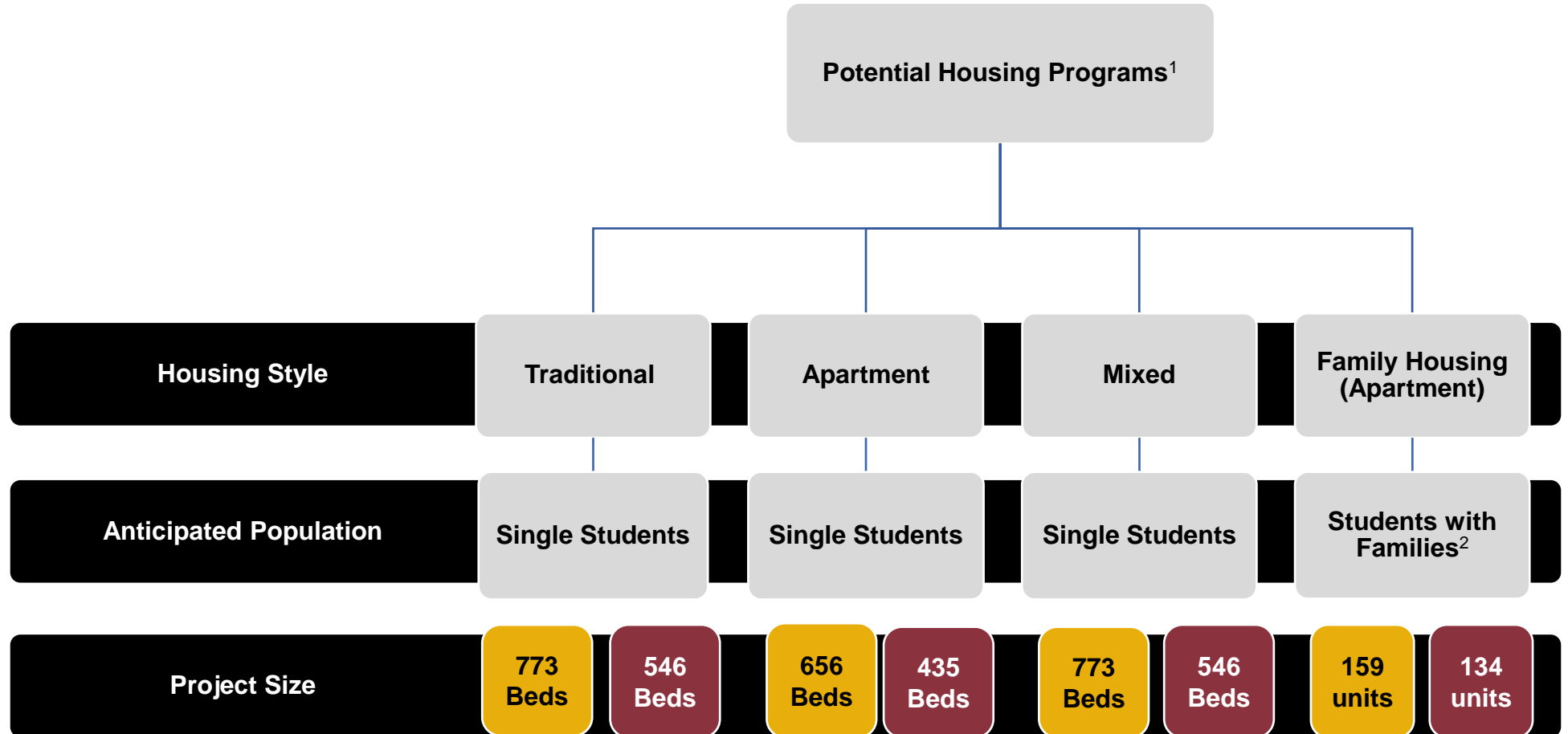
Enrollment Status	Single Student Housing Demand (Beds)		Family Housing Demand (Units)
	Traditional Housing Scenario	Apartment Housing Scenario	
Full-Time (12+ units)	330	259	62
Part-Time (6 - 11.5 units)	216	176	71
<i>Full-Time (12+ units) AND Part-Time (6 - 11.5 units)</i>	<u>546</u>	<u>435</u>	<u>133</u>
Part-Time (0.5 - 5.5 units)	55	51	8
<i>Total - All Students</i>	<i>601</i>	<i>486</i>	<i>141</i>

Note: Housing intended for students with families is usually leased by-the-unit versus housing for single students, normally leased by-the-bed.

Financial Analysis

Potential Housing Programs

These programs projected financial feasibility through a public-private partnership.

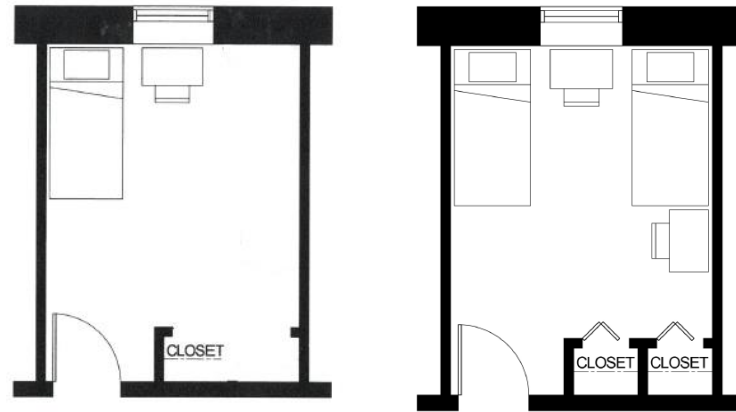


¹ Students with families are respondents who indicated they live with a spouse, dependent(s) and/or someone else for whom they are responsible.

² These programs are examples of viable programs that meet student demand preferences and should serve as a planning guide for next steps. This is not an exhaustive list of viable programs and Scion anticipates programs may evolve during a collaborative design process.

Floor Plans

Traditional Program



Single Occupancy

Double Occupancy

Apartment Program



Studio Apartment

One-Bedroom Apartment



Two-Bedroom Apartment

Financial Analysis Assumptions

Element	P3 Scenarios
Loan Term	40 years
Interest Rate	4.5%
Hard Cost PSF	\$450 PSF – Escalated to \$493 PSF
New Construction Start	10/1/2022
Construction Duration	23 months
Management Fee	4.0%
District Support	Subordinated between 22% and 25% of operating expenses for all tested programs. ¹
Effective Occupancy	92.5% - Single Student Program 94% - Family Student Program
Summer Revenue	5% of Gross Potential Rent of Single Student Program ² 0% - Family Student Program
Debt Service Coverage Ratio Requirement	1.20
Revenue YoY Escalation	3.0%
Expense YoY Escalation	2.0%

¹Subordination was modeled for 10 years but may be shorter based on project performance.
²Only based on the 34%-60% (depending on program) of beds with a 9-month contract

Rate Comparison

Chabot College

Unit Type	Median Adjusted ¹ Off-Campus Market Rates – Per Bed	Single Student Programs P3 Rates – Per Bed		
		Traditional	Mixed	Apartments
Traditional (Single Occupancy, 12 Month)		\$1,041	\$1,057	
Traditional (Double Occupancy, 12 Month)		\$917	\$931	
Traditional (Single Occupancy, 9 Month)		\$1,141	\$1,157	
Traditional (Double Occupancy, 9 Month)		\$1,017	\$1,031	
Studio Apartment (12 Month)	\$1,457		\$1,729	\$1,703
1BR Apartment (12 Month)	\$2,160		\$1,995	\$1,965
2BR Apartment (12 Month)	\$1,298			
2BR (Double Occupancy, 12 Month)			\$1,330	\$1,310

Unit Type	Median Adjusted Off-Campus Market Rates – Per Unit	Family Housing Program P3 Rates – Per Unit
		1BR Apartment (12 Month)
2BR Apartment (12 Month)	\$2,596	\$3,330

¹ All off-campus market rates include adjustments for utilities and furniture. Single student units show rent by the bed. Family Housing units show rent by the unit. All per month. Conventional market includes traditional multifamily units. Shadow market properties are private homes/townhomes available for rent.

Rate Comparison

Las Positas College

Unit Type	Median Adjusted ¹ Off-Campus Market Rates – Per Bed	Single Student Programs P3 Rates – Per Bed		
		Traditional	Mixed	Apartments
Traditional (Single Occupancy, 12 Month)		\$1,073	\$1,073	
Traditional (Double Occupancy, 12 Month)		\$945	\$945	
Traditional (Single Occupancy, 9 Month)		\$1,173	\$1,173	
Traditional (Double Occupancy, 9 Month)		\$1,045	\$1,045	
Studio Apartment (12 Month)	N/A		\$1,755	\$1,762
1BR Apartment (12 Month)	\$2,177		\$2,025	\$2,033
2BR Apartment (12 Month)	\$1,406			
2BR (Double Occupancy, 12 Month)			\$1,350	\$1,355
Unit Type	Median Adjusted Off-Campus Market Rates – Per Unit	Family Housing Program P3 Rates – Per Unit		
1BR Apartment (12 Month)	\$2,177	\$2,590		
2BR Apartment (12 Month)	\$2,811	\$3,330		

¹ All off-campus market rates include adjustments for utilities and furniture. Single student units show rent by the bed. Family Housing units show rent by the unit. All per month. Conventional market includes traditional multifamily units. Shadow market properties are private homes/townhomes available for rent.

Advancement

Next Steps

Advance, Pause or Stop

Site & Partnership Considerations

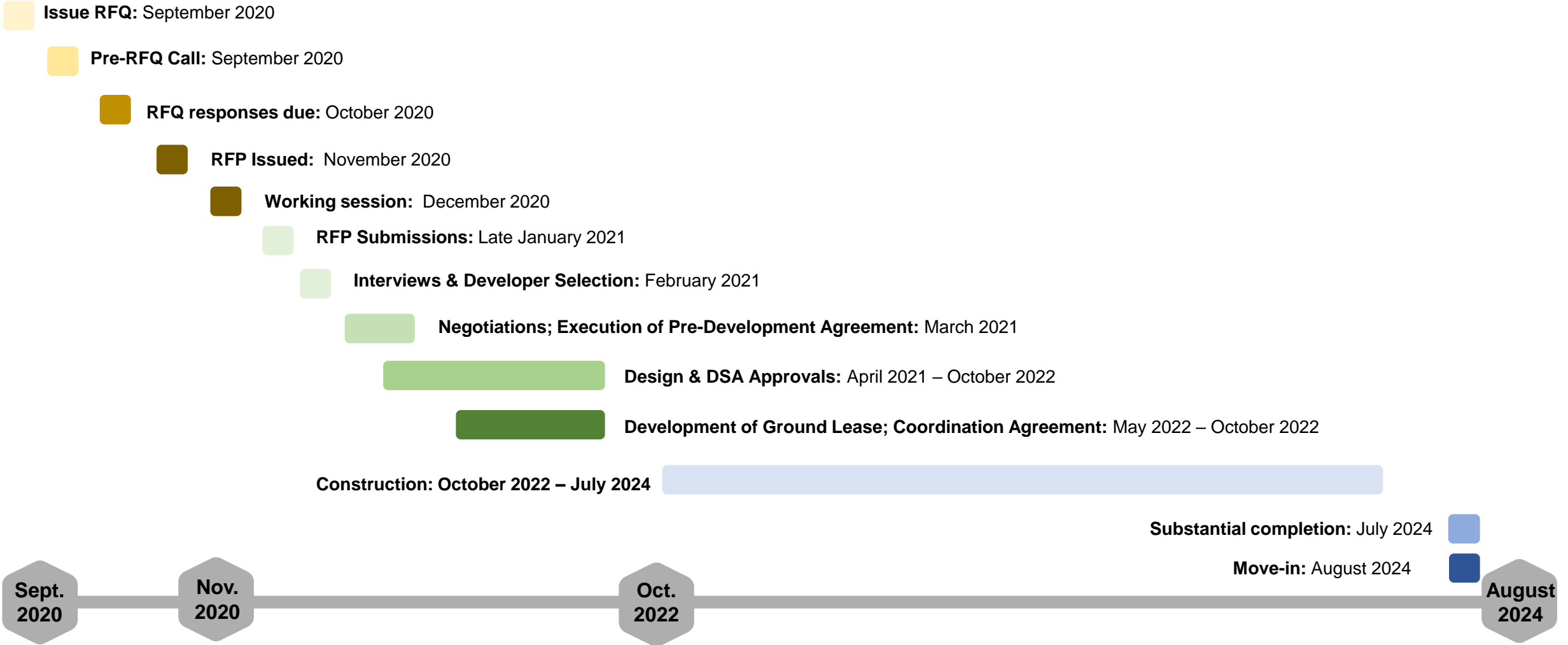
Preferred Program

Approvals

Delivery Method

Timeline

Example Project Timeline (Hypothetical Fall 2024 Move-in)

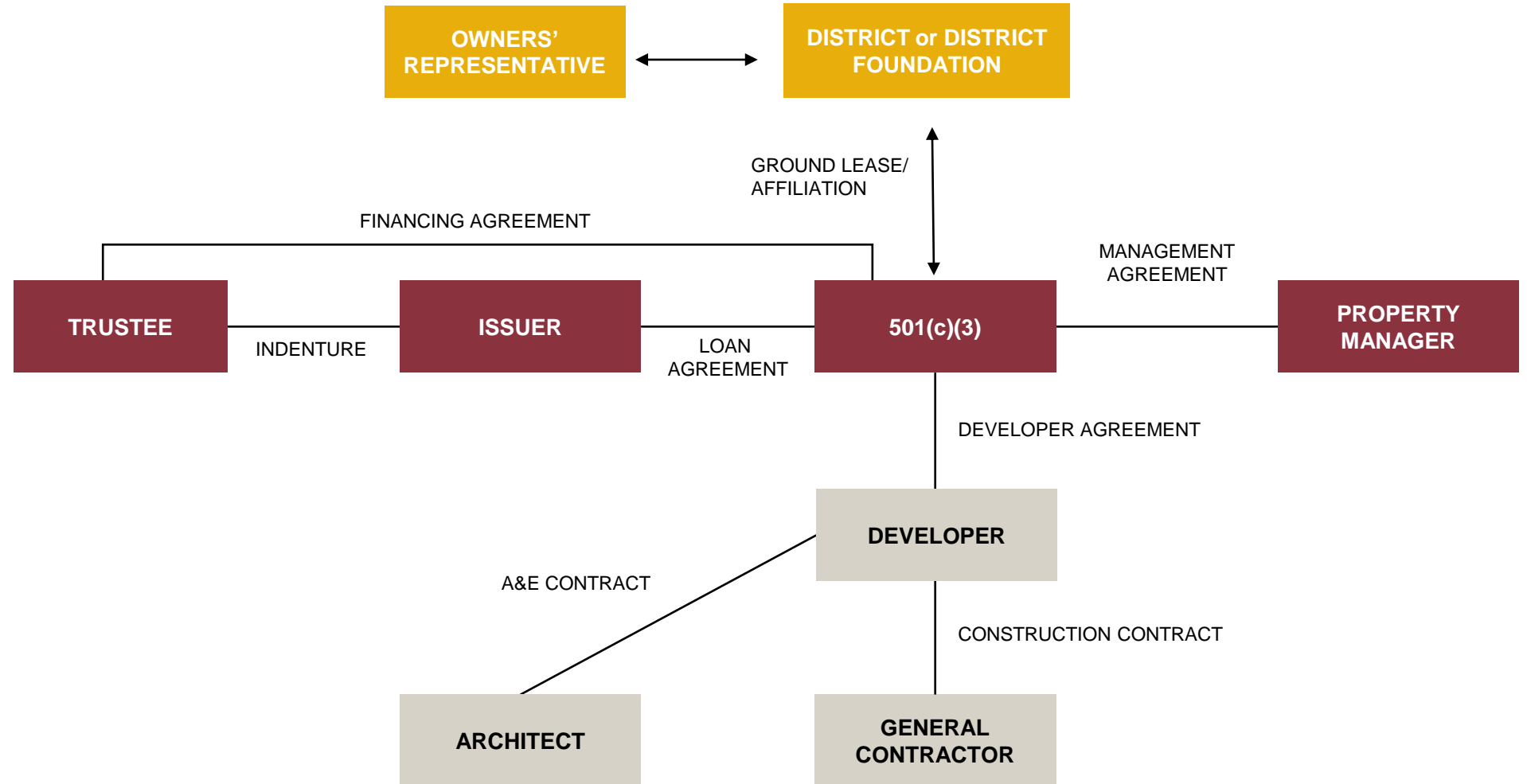


P3 Overview

Public Private Partnership

- A P3 development partner primarily consists of a **developer, architect, builder, financing entity.**
- **Ownership** of the Project (campus housing improvements on the land) is **transferred to a not-for-profit entity 501(c)(3) on a ground lease.**
- A **management entity or the College or a blend of both holds an agreement with the Owner to provide residential life programming and facilities management.** This agreement is typically **from 3 – 5 years.**
- Upon repayment of the capital debt and expiration of the ground lease (approximately 30 – 40 years), **ownership of the Project will be transferred to the College.**

Example P3 Structure



P3 Financing Structure

P3 Feature	P3 – 501(c)3 Owned Tax Exempt Financing
Project Control & Risk	Varying levels of control and risk are shared between owner and District throughout the process; District maintains control over major project decisions
Cost of Funds	Mid-range ¹
Project Security	Project revenue
Project Term	30-40 years (length of ground lease, which is tied to term of bonds)
Access to Residual Cash Flow	District
Construction Period Liability	Developer
Operational Liability	Owner (residual cash flow at risk to performance)
Balance Sheet Impact	Depends on support extended by District
Credit Impact	Dependent on project performance and mission enhancement
Delivery and Operational Efficiency	Stand-alone operations with District participation in major decision-making enhances efficiency
Project Recapitalization	Project funds 100% of CAPEX needs

Note: Debt Service Coverage Ratio represents the amount of cash (net operating income) available for debt service obligations. A 1.20 DSCR is typically required by investors for similar projects.

¹Mid-range relative to tax-exempt financing (low range) and developer owned (high range).

Process Milestones

Market and Demand Analysis

Financial Feasibility Analysis

Go/No-Go Decision

RFI

RFQ

RFP Interviews

Negotiations

Implementation

Ongoing Management and Residence Life



Thank you!