Santa Monica College

Student Housing Grant Updates

May 2023

Agenda

1 Overview

2 Cost Estimate

3 Next Steps

4 Appendix

1.
Overview

Strategic Objectives

Increase student retention

Provide cost effective housing and basic needs and concerns for student's financial viability

Support financial viability (break-even) for SMC

Improve financial accessibility for students

Planning Process

MARKET DEMAND ANALYSIS

Number of beds
Student cohorts
Unit types
Rent tolerances
Grant competitiveness

Establish Advisory Committee
Strategic Objective Identification
Web-Based Student Survey

Student Focus Group Sessions
Stakeholder Interviews

Off-Campus Market Analysis
Program Development (number and types of housing and beds)

FINANCIAL ANALYSIS

Financial Modelling
Scenario Planning
Financing and Ownership Options
Delivery Method Options
Implementation Strategies

Due Date: July 2023

HOUSING GRANT APPLICATION

PRELIMINARY DESIGN

Site Plans
Diagrammatic Floor Plans
Interior and Exterior Elevations
Preliminary Cost Estimate
Preliminary Timeline

Project Program

100% SB 169 Funding – 291 Beds

4.19.2022

Project Program

PROGRAM

Residential Program

Unit	# of Units	# of Beds	Unit Beds
Residential Program			
Traditional Double	117	2	234
Traditional Single	57	1	57
Housing Director Apartment	1	2 -	
Totals	**175**		**291**

Rental Schedule – Average FY 2024 Bed Rent per Month $687

100% SB 169 Funding – 291 Beds

4.19.2022

RENTAL SCHEDULE

95%	= % of Rent Max for Traditional Double
100%	= % of Rent Max for Traditional Double
$717	*Rent Cap at 10% less*
$797	Rent Cap

FY 2023 Rates

Unit Description	Units	Beds/Unit	Total Beds	Monthly Rent per Bed/Unit	Term (Months)	Annual Unit Revenue	Total FY Revenue
Single Student Program							
Traditional Double	117	2	234	$680	12.00	$16,320	$1,909,440
Traditional Single	57	1	57	$717	12.00	$8,604	$490,428
			-		12.00	$0	$0
Housing Director Apartment	1	2					
Academic Year Subtotal	**175**		**291**				**$2,399,868**

Gross Revenue: **$2,399,868**

Average FY 2024 Bed Rent per Month **$687**

Operating Expenses

Payroll Expenses

Property Management Expenses

Personnel	AY 2024 $/FTE	Quantity	Total
General Manager	120,000	0.50	60,000
(Oversees all property staff and operations; main point-of contact)			
Residence Director (live-on)	90,000	1.00	90,000
(Student Engagement, Residential Education Programming, Marketing, and supports the General Manager, oversees the Resident Advisors)			
Project Accountant	157,075	0.50	78,538
(Tracks and inputs all project financials; i.e. rents, delinquencies, bank tranfers, etc.)			
Residence Advisors	16,640	6.00	99,840
(Lives on site at no charge, available to Students on a daily basis, typically 1 per 50 beds)			
Community College Police Officer Recruit	123,072	2.00	246,144
Maintenance Worker	135,686	1.00	135,686
Custodians	89,664	2.00	179,328
Shuttle Van Drivers	106,310	1.50	159,465
Property Management Payroll			**$1,049,001**

Non-payroll Expenses

Controllable	Per Bed Per Year
Repairs & Maintenance	185
Resident Amenities	100
student expenses to run engagement spaces)	
Turnover (typically below NOI)	200
(Expenses related to resident turnover; i.e. painting, cleaning, repairs)	
General & Administrative	100
(printers, paper, license agreements, legal)	
Marketing and Resident Relations/Programmi	75
(Student Resident Events: i.e. popcorn night, am doughnuts, book clubs)	
Capital Reserve Fund	200
(Intended as a set aside for major capital	
Controllable	**$860**

Non-Controllable	
Taxes	-
Utilities	700
Management Fees (4% of Gross Revenue)	330
Insurance	400
Non-Controllable	**$1,430**

OPEX per Bed per Year - Non-payroll Expens	**$2,290**

Operating Expenses–Continued

District Overhead Expenses Personnel	AY 2024 $/FTE	Quantity	Total
Academic Advisor	192,235	0.10	19,224
(Coordinates enhanced academic & learning opportunities; i.e. organize guest lecturer at facility)			
Financial Aid Analyst	126,144	0.20	25,229
Basic Needs	136,028	0.10	13,603
Veterans Resources	136,028	0.10	13,603
Student Services Coordinator	117,216	0.25	29,304
(Main point-of-contact for student programming and compliance)			
Senior Accountant	157,075	0.10	15,708
Title IX	228,307	0.20	45,661
Legal	300,000	0.10	30,000
District Manager - main point-of-contact for all business matters *(Decision making)*	225,000	0.05	11,250
District Payroll			**$203,581**
Payroll per Bed per Year			**$4,304**
Total Expense per Bed Per Year			**$6,594**
Total Operating Expense for 291 Beds/Year			**$1,918,936**

Effective Gross Revenue	**2,264,309**
Total Operating Expenses	**(2,159,779)**
Net Operating Income	**104,530**

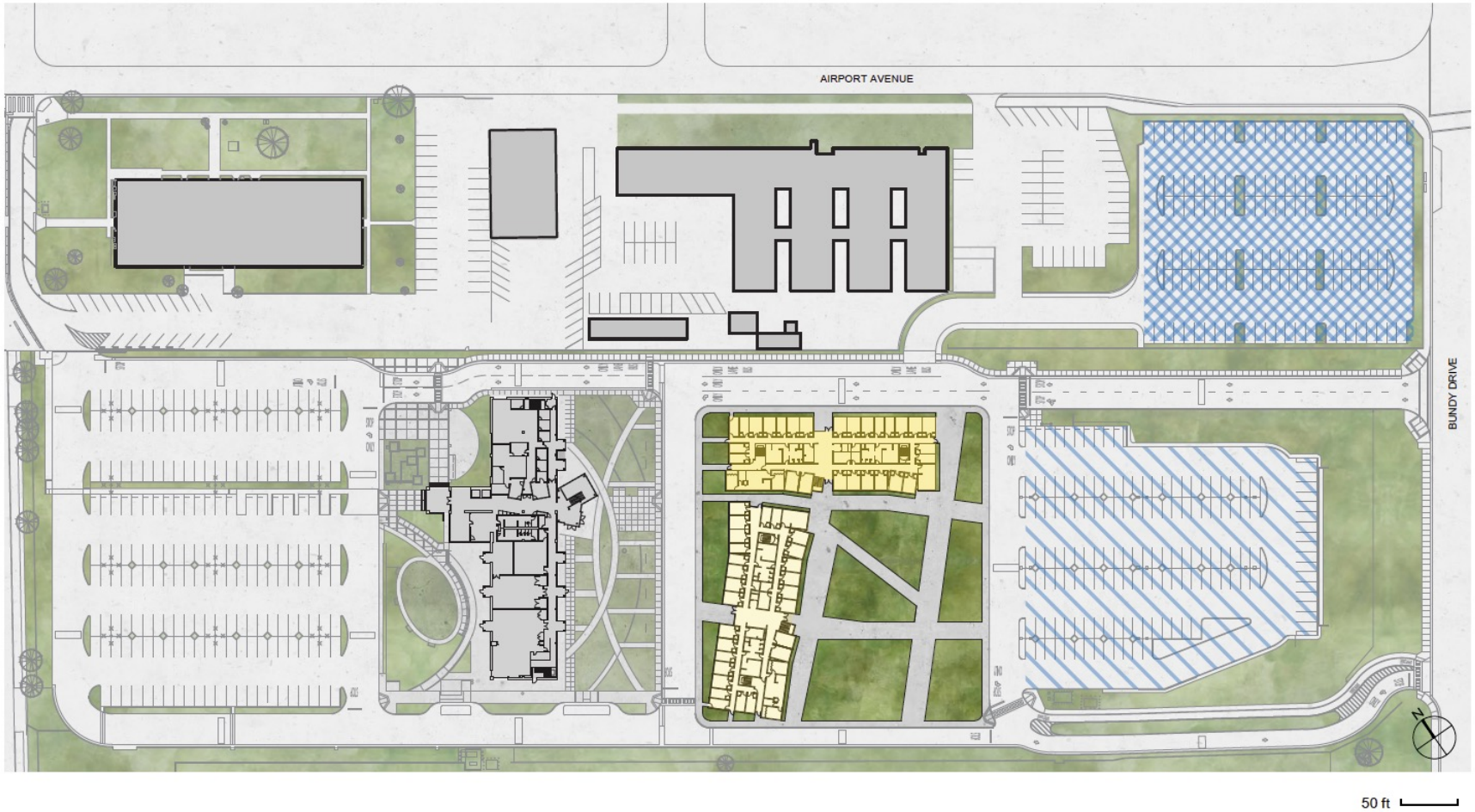
Cash Flow

On-Campus
100% SB 169 Funding – 291 Beds

4.19.23

Cash Flow Analysis			FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Project Year			1	2	3	4	5
	Revenue Escalation		3.0%	3.0%	3.0%	3.0%	3.0%
	Expense Escalation		3.0%	3.0%	3.0%	3.0%	3.0%
Revenue							
	Gross Potential Rent		2,701,073	2,782,105	2,865,568	2,951,535	3,040,081
1.0%	Other Income		27,011	27,821	28,656	29,515	30,401
15.0%	Residential Vacancy		(409,212)	(421,489)	(434,134)	(447,158)	(460,572)
2.0%	RA Beds		(54,562)	(56,199)	(57,884)	(59,621)	(61,410)
		Effective Gross Revenue	2,264,309	2,332,238	2,402,206	2,474,272	2,548,500
Operating Expenses							
$6,594 per bed	*Includes Capital Reserve Fund*		(2,159,779)	(2,224,573)	(2,291,310)	(2,360,049)	(2,430,851)
$203,581 Annual FTE Cost FY '23	*Include (Yes or No)*	*No*	-	-	-	-	-
		Total Operating Expenses & Reserves	(2,159,779)	(2,224,573)	(2,291,310)	(2,360,049)	(2,430,851)
Net Operating Income			**104,530**	**107,666**	**110,896**	**114,222**	**117,649**

Site Plan



Building A:
(1) 3 Story 140 Bed traditional Residence Hall Style Building (Single and Double Occupancy Rooms, Mental Wellness Offices, RD Apartment)

Building B:
(1) 3 Story 151 Bed traditional Residence Hall Style Building (Single and Double Occupancy Rooms)

291 Beds in total, 0.99 Parking Spots/ Bed

Available Surface Parking: 288 Parking Spots in total

154 regular Parking Spots

134 regular Parking Spots

Concept Design – Ground Floor

	Description	Level 1 ASF	Level 2 ASF	Level 3 ASF	Total ASF
310	Leasing Office/ Mental Wellness Office	389.00	-	-	389.00
410	Tutoring/ Workshop/ Study Room	-	614.00	614.00	1,228.00
630	Shared Kitchen	676.00	676.00	676.00	2,028.00
650	Lounge	344.00	774.00	774.00	1,892.00
910	1 BR Suite Single - 1 Bed @ 143.50 ASF	2,439.50	2,870.00	2,870.00	8,179.50
910	1 BR Suite Double - 2 Beds @ 194.50 ASF	7,196.50	7,780.00	7,780.00	22,756.50
919	Shared Showers/ Restroom	2,554.00	2,554.00	2,554.00	7,662.00
935	Mail/ Shared Laundry	454.00	152.00	152.00	758.00
950	Apartment - 2 Beds each @ 861.00 ASF	861.00	-	-	861.00
	Totals	14,914.00	15,420.00	15,420.00	45,754.00
					GSF 68,433.00

Concept Design – Second Floor

	Description	Level 1 ASF	Level 2 ASF	Level 3 ASF	Total ASF
310	Leasing Office/ Mental Wellness Office	389.00	-	-	389.00
410	Tutoring/ Workshop/ Study Room	-	614.00	614.00	1,228.00
630	Shared Kitchen	676.00	676.00	676.00	2,028.00
650	Lounge	344.00	774.00	774.00	1,892.00
910	1 BR Suite Single - 1 Bed @ 143.50 ASF	2,439.50	2,870.00	2,870.00	8,179.50
910	1 BR Suite Double - 2 Beds @ 194.50 ASF	7,196.50	7,780.00	7,780.00	22,756.50
919	Shared Showers/ Restroom	2,554.00	2,554.00	2,554.00	7,662.00
935	Mail/ Shared Laundry	454.00	152.00	152.00	758.00
950	Apartment - 2 Beds each @ 861.00 ASF	861.00	-	-	861.00
	Totals	14,914.00	15,420.00	15,420.00	45,754.00
					GSF 68,433.00

Concept Design – Third Floor

	Description	Level 1 ASF	Level 2 ASF	Level 3 ASF	Total ASF
310	Leasing Office/ Mental Wellness Office	389.00	-	-	389.00
410	Tutoring/ Workshop/ Study Room	-	614.00	614.00	1,228.00
630	Shared Kitchen	676.00	676.00	676.00	2,028.00
650	Lounge	344.00	774.00	774.00	1,892.00
910	1 BR Suite Single - 1 Bed @ 143.50 ASF	2,439.50	2,870.00	2,870.00	8,179.50
910	1 BR Suite Double - 2 Beds @ 194.50 ASF	7,196.50	7,780.00	7,780.00	22,756.50
919	Shared Showers/ Restroom	2,554.00	2,554.00	2,554.00	7,662.00
935	Mail/ Shared Laundry	454.00	152.00	152.00	758.00
950	Apartment - 2 Beds each @ 861.00 ASF	861.00	-	-	861.00
	Totals	14,914.00	15,420.00	15,420.00	45,754.00
					GSF 68,433.00

2.

Cost Estimate

Cost Estimate

All Midpoint Values

Total Project Cost:
$67,808,225

Total State Request:
$51,090,769

College Contribution:
$16,717,456 (25% match)

Cost per Student Housed:
$175,569.65

Total Hard Construction/GSF
= $772

COST ESTIMATE SUMMARY AND ANTICIPATED TIME SCHEDULE - JCAF 32:

District: Santa Monica Community College District **Campus:** Santa Monica College **CFIS Ref. #:** 40.33.XXX
Project Title: Affordable Student Housing Project **Date:** 7/3/2023 **CCI:** 8823 **Budget Ref #:**
Request For: PP, WD, C, E (ESCALATED TO MP) **EPI:** 5455 **Prepared by:** ALMA Strategies

			Total Cost	State Funded	District Funded	
					State-Supportable	Non State-Supportable
1. Site Acquisition	Acres:					
2. Plans	Budget CCI:	8823	**$2,477,437**	**$1,858,077**	**$619,359**	**$0**
A. Architectural Fees (for preliminary plans)			$1,479,311			
B. Project Management (for preliminary plans)			$528,325			
C. Office of the State Architect, Plan Check Fee			$0			
D. Preliminary Tests *(soils, hazardous materials)*			$220,500			
E. Other Costs *(for preliminary plans)*			$249,300			
3. Working Drawings	Budget CCI:	8823	**$2,293,103**	**$1,719,827**	**$573,276**	**$0**
A. Architectural Fees (for working drawings)			$1,690,641			
B. Project Management (for working drawings)			$0			
C. Office of the State Architect, Plan Check Fee			$383,412			
D. Community College Plan Check Fee			$150,950			
E. Other Costs *(for working drawings)*			$68,100			
(Total PW may not exceed 13% of construction)						
4. Construction	Budget CCI:	8823	**$52,832,542**	**$39,859,007**	**$12,973,535**	**$0**
A. Utility Service			$1,941,077			
B. Site Development, Service			$769,795			
C. Site Development, General			$2,263,197			
D. Other Site Development			$0			
E. Reconstruction			$0			
F. New Construction *(building) (w/Group I equip)*			$46,920,072			
G. BOG Energy Allowance			$938,401			
H. Other: Non-State Supportable			$0			
5. Contingency			$5,283,254	$3,962,441	$1,320,814	$0
6. Architectural and Engineering Oversight			$1,056,651	$792,488	$264,163	$0
7. Tests and Inspections			$851,587	$638,691	$212,897	$0
A. Tests			$528,325			
B. Inspections			$323,262			
8. Construction Management *(if justified)*			$1,056,651	$792,488	$264,163	$0
A. Construction Management			$1,056,651			
9. Total Construction Costs *(items 4 through 8 above)*			***$61,080,685***	***$46,045,114***	***$15,035,571***	***$0***
10. Furniture and Group II Equipment	Budget EPI:	5455	**$1,957,000**	**$1,467,750**	**$489,250**	**$0**
11. Total Project Cost *(items 1, 2, 3, 9, and 10)*			**$67,808,225**	**$51,090,769**	**$16,717,456**	**$0**

12. Project Data	Outside GSF	Assignable Square Feet	Ratio ASF/GSF	Unit Cost Per ASF	Unit Cost Per GSF	14	State Funded	District Funded Supportable	District Funded Non Supportable	District Funded Total
Construction	68,433	45,754	66.86%	$1,025	$686	Acquisition	$0	$0	$0	$0
Reconstruction						Preliminary Plans	$1,858,077	$619,359	$0	$619,359
13. Anticipated Time Schedule						Working Drawings	$1,719,827	$573,276	$0	$573,276
Start Preliminary Plans		1/1/2023	Advertise Bid for Construction		10/1/2024	Construction	$46,045,114	$15,035,571	$0	$15,035,571
Start Working Drawings		7/1/2023	Award Construction Contract		12/1/2024	Equipment	$1,467,750	$489,250	$0	$489,250
Complete Working Drawings		1/1/2024	Advertise Bid for Equipment		12/1/2025	**Total Costs**	**$51,090,769**	**$16,717,456**	**$0**	**$16,717,456**
DSA Final Approval		8/1/2024	Complete Project		5/1/2026	% of SS Total	75.35%	24.65%	**SS Total:**	**$67,808,225**

Number of Beds (State Supportable): **291**
State Funded $$ / Low Income Student Bed: **$175,569.65**

DRAFT

3.

Next Steps

Application Packet (Submission due July 3, 2023)

- Title Page
- Student Housing Checklist
- Approval Page – Student Housing Proposal
- DF-151 Capital Outlay Budget Change Proposal
- Supplemental Application form
- Project Costs
- JCAF 31
- Quantities and Unit Costs
- JCAF 32
- JCAF 33
- BOG Energy and Sustainability Policy
- Pre-schematic Plans – campus plot, site, floor plans, elevations
- CEQA or SB 886 exemption
- Justification of additional costs
- Total Cost of Ownership Exhibit (recommended)

Next Steps

- Submission: July 3, 2023
- Recommend engaging local governmental representative as advocates-Monitor which Districts are approved and withdraw and revert funds
- Perform financial analysis, site concepts, and entitlement planning for housing not included in the grant submission and through alternative financing that may include the grant
- If applicable, procure a public-private development partner

4.

Appendix

Demand and Unit Preference – Single SB169 (Bundy)

Demand at Bundy		2022	2023	2024	2025	2026
Full-Time	**83%**	**1,019**	**1,030**	**1,040**	**1,050**	**1,061**
Part-Time/Half-Time	**87%**	**1,130**	**1,142**	**1,153**	**1,164**	**1,176**
Total Demand		**2,150**	**2,171**	**2,193**	**2,215**	**2,237**
UNIT TYPE PREFERENCE - FULL-TIME (BED COUNT)						
Traditional Single	27.6%	281	284	287	290	293
Traditional Double	9.3%	95	96	97	98	98
2BR Semi-Suite Single	15.4%	157	158	160	162	163
2BR Semi-Suite Double	8.0%	81	82	83	84	84
2BR APT Single	26.0%	265	268	270	273	276
2BR APT Double	4.5%	46	46	47	47	48
4BR APT Single	9.3%	95	96	97	98	98
UNIT TYPE PREFERENCE - PART-TIME/HALF-TIME (BED COUNT)						
Traditional Single	33.2%	376	379	383	387	391
Traditional Double	4.6%	52	52	53	53	54
2BR Semi-Suite Single	16.0%	180	182	184	186	188
2BR Semi-Suite Double	5.9%	66	67	68	68	69
2BR APT Single	26.1%	295	297	300	303	306
2BR APT Double	6.2%	70	71	71	72	73
4BR APT Single	8.1%	92	93	94	95	96

Note: Numbers displayed are rounded for clarity but may total unexpectedly.

Affordable Student Housing Update

- **21 CCD Applications Submitted in January for 2023-24 Budget Cycle**
  - CCDs have about $545M left for allocation (based on prior budget commitments)
  - 3 L.A. Region Submittals: Cerritos, Long Beach, El Camino
  - Highest Scoring Applications = 69-72 Points (Top 5)
  - 2 of the top 5 were Intersegmental applications with UC/CSU
  - 4 of the top 5 include some level of local cost match
  - Average State Cost/Bed = $182,000 (Top 5)

Affordable Student Housing Update

- **Prior Budget committed the FINAL installment of funding (ALL $750M) to be allocated in 2023-24**
  - Governor proposes to only allocate $500M of funding in 2023-24 and delay $250M for 2024-25
  - CCCCO would like to have $250M available for funding Round 3 applications
  - Legislative Advocates would like to see ALL remaining funds allocated in 2023-24

Jury is out on how much funding (# of projects) will be funded for CCDs from Round 2 submittals

- Assuming $277M = Top 5 projects would be approved (Cerritos, Merced, Redwoods, Riverside, San Mateo)

Governor also proposes to delay funding to the zero-interest Revolving Loan Fund (RLF) for student/ workforce housing.

Affordable Student Housing Update

GOAL:

Make SMC the most competitive application in the 2024-25 Budget Cycle

Who's our Regional Competition?

- Long Beach, El Camino, LACCD, others?

Estimated SMC Application Scoring:

1. State Cost/Bed – 15 points
2. Rent 10% Below Max – 10 points
3. Construction Start Dec. 2024 – 10 Points
4. Most Competitive in Region – 10 Points
5. County Rental Vacancy Rate – 15 Points
6. Intersegmental – 0 Points
7. Local $ Match (25%) – 10 Points
8. Student/Ancillary Svc. Space (5) – 5 Points
9. Region of High Need – 0 Points
10. County Cost of Living – 4 Points

TOTAL = 79 POINTS

Pre-Opening Expenses (Assume 2027 Opening, 2023 Dollars)

Description	Total	
Property		
Digital Marketing	21,000	
Traditional Marketing	20,000	
Printing	10,000	
Leasing Promotional Collateral	18,072	
Promotional Events	20,000	
General and Administrative	20,000	
Website creation and maintenance	40,000	
General Manager (9 months)	90,000	
Resident Life Director (12 months)	90,000	
Resident Life Director Housing	48,000	
Resident Advisors (6)	2,773	
Project Accountant	6,545	
Training and Orientations	30,000	
Leasing Office	91,900	
Community College Police Officer (2)	22,563	
Maintenance Worker	6,784	
Custodians	4,483	
TOTAL PROPERTY		$ 542,121

District		
Academic Advisor	28,835	
Financial Aid Analyst	22,075	
Basic Needs	20,404	
Veterans Resources	20,404	
Student Services Coordinator	21,490	
Senior Accountant	26,179	
Title IX	26,636	
Legal	60,000	
District Manager - main point-of-contact for all business matters	270,000	
24/7 campus advisor/project manager (outside)	180,000	
TOTAL DISTRICT		$ 676,023
	1,218,144	

Potential Pre-Opening Cost Offsets

- Internal Workload Allocations (~$200,000)
- Private Contributions (~$200,000)

Thank you!