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4-17-2024

Campus Housing Finance Authority Board of Directors Meeting - Open Session Book 04/17/2024

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HASTINGS CAMPUS HOUSING FINANCE AUTHORITY

BOARD OF DIRECTORS OF HASTINGS CAMPUS HOUSING FINANCE AUTHORITY

MINUTES OF MEETING

August 24, 2023 at 2:00 p.m.

AGENDA

[Pursuant to Government Code §Section 54954
and Government Code §6592.1]

1. Roll Call

The Chair called the meeting to order at 2:00 p.m., and the Secretary called the roll.

Directors Present:

- Director Chip Robertson, Chair
- Director Donald Bradley, Vice-Chair
- Director David Seward, Treasurer and Secretary
- Director Simona Agnolucci
- Director David L. Faigman
- Director Tom Gede
- Director Sandra Thompson

UC Law SF Staff Participating:

- Rhiannon Bailard, Chief Operating Officer
- Laura Wilson-Youngblood, Deputy General Counsel
- John DiPaolo, General Counsel
- Sandra Plenski, Chief Financial Officer (HCHFA) and Controller
- Flora Li, Director of Construction Management
- Jenny Kwon, Chief of Staff and Assistant Chancellor and Dean
- Katarzyna Pacura, Senior Financial Analyst for Capital Projects

2. Public Comment Period

No public comments.

3. Approval of the Minutes – May 11, 2023

The minutes of the meeting of May 11, 2023, were presented. The chair called for a motion to approve. Motion made and motion seconded. The minutes were approved.

4. 198 McAllister Campus Housing Project – Final Construction Update

Director of Construction Flora Li provided an update on the opening of Academe at 198 and the remaining construction schedule of the building schedule.

5. The Academe at 198 – Campus Housing Project – Licensing Update

Chief Operating Officer Rhiannon Bailard provided the current leasing data for Academe at 198. She expects that the building will be filled 60% in the 2023-24 academic year.

6. 100 McAllister –McAllister Tower Project Overview

Director Seward provided a brief overview of the McAllister Tower project, tracing its evolution from 2015 to the present. The plan, as explained by Director Seward, is to fully leverage the success of 198 and move ahead with subsequent phases. Notably, all leases in the residential element are for one year, while retail leases will have longer terms, pertaining to Director Thompson's question. Director Robertson inquired about the tower's revenue-generating potential during the construction phase. In response, Director Seward clarified that the tower would be inactive in generating revenue until tenant improvement work is completed. When asked about funding for phase two, Director Seward mentioned that they would rely on the historic tax credit, which would cover 20%, and conventional financing.

7. Local 2/Unite Here 201-247 Golden Gate Avenue Project Update

Chief Operating Officer Bailard presented the status of plans to incorporate a combination of housing, academic programmatic space, and a union hall for Local 2 in accordance with the option agreement. Since the last meeting, the Scoping Period has passed, and the Public Scoping Meeting on June 26, 2023, brought back positive feedback. Chief Operating Officer Bailard expects the EIR Certification and project approval in the Spring/Summer of 2024.

8. Name Change for Hastings Campus Housing Finance Authority

Further discussion was had concerning the desirability of changing the name of the Hastings Campus Housing Finance Authority in light of the removal of the Hastings name under AB 1936. Chief Financial Officer (HCHFA) Plenski recommended that the Board approve the name change to San Francisco Higher Education Finance Authority. The directors shared their opinions and proposed additional adjustments to the three name options. The matter was discussed, and the item was tabled for future determination in December.

9. Adjournment

There being no further business before the Board of Directors, the Open Meeting was adjourned at 3:10 p.m.

Action Item: Adjournment

Respectfully submitted,

David Seward, Secretary



HASTINGS CAMPUS HOUSING FINANCE AUTHORITY

BOARD OF DIRECTORS OF HASTINGS CAMPUS HOUSING FINANCE AUTHORITY

MINUTES OF MEETING

December 1, 2023, at 2:00 p.m.

AGENDA

[Pursuant to Government Code §Section 54954
and Government Code §6592.1]

1. Roll Call

The Chair called the meeting to order at 2:06 p.m., and the Secretary called the roll.

Directors Present:

Director David Seward, Treasurer and Secretary
Director David L. Faigman
Director Tom Gede
Director Sandra Thompson

Directors Absent:

Director Chip Robertson, Chair Director
Director Donald Bradley, Vice-Chair
Director Simona Agnolucci

UC Hastings Staff Participating:

- Rhiannon Bailard, Chief Operating Officer
- Laura Wilson-Youngblood, Deputy General Counsel
- John DiPaolo, General Counsel
- Sandra Plenski, Chief Financial Officer (HCHFA) and Controller
- Flora Li, Director of Construction Management

2. Approval of the Minutes – August 24, 2023

The minutes of the meeting of April 24, 2023, were presented. The chair called for a motion to approve. Motion made and motion seconded. The minutes were approved.

3. Authorization to Invest Cash Balances in the Bank of New York Mellon Cash Reserve Fund

Chief Financial Officer Plenski provided an update on the excess cash funds remaining in accounts related to the construction of 198 Academe project, now in its final stages. The funds are currently sitting in accounts with no interest rate, prompting Chief Financial Officer Plenski to request the Board's authorization to invest the funds in the BNYM Cash Reserve Fund, which offers a rate of 5.1%. Based on projections, the earnings from this investment are estimated to reach \$216,424.23

per month by 12/27/2023. Director Seward added that investing the funds would lead to excess earnings above the required amount specified in the indenture agreement, thereby increasing the college's flexibility in meeting its obligations with investors. A motion was made by Director and Treasurer David Seward, Director Tom Gede seconded, and the Board unanimously agreed.

4. The Academe at 198 – Financial & Leasing Status – 2023-24

Director Seward provided an in-depth analysis of the financial and leasing status of Academe at 198 for the 2023-2024 year. This analysis included the approved budget for 2023-24, which was formulated based on the assumption of a 60% occupancy rate and includes \$1.4 million for rent support of UC Law's lease payment share, as well as the official statement budget and the projected actual budget for 2023-24, based on current revenues and expenditures. In response to Director Gede, Director Seward pointed out that the College has a capitalized interest reserve fund, which provides us with \$8.8 million available for debt service. Therefore, we will have sufficient funds to meet our debt service obligations for the current year.

5. The Academe at 198 – Projected Occupancy 2024-25

Director Seward gave insight into the projected occupancy levels for Academe at 198 in the 2024-25 academic year. With a total of 656 units available, the pro forma occupancy level needs to reach 95%, which is equivalent to 623 units. Assuming a 75% retention rate from 2023-24, the college anticipates an even higher occupancy level for the upcoming academic year. Furthermore, Chief Financial Officer Plenski stated that starting in the fall of 2024, UCSF will pay for 230 units. Director Thompson inquired about the pricing model in the current market, and Director Seward clarified that the units are being priced at the market rate, the rate at which students would pay. Another important point made by Chief Operating Officer Bailard was that the college is implementing a marketing refresh, which includes updating the website with new images, planning Google ads in the future, organizing events with neighboring schools, and more.

6. Update – Long Range Campus Plan and Academic Village

Chief Operating Officer Bailard gave a high-level update on the long-range campus plan and academic village that was also presented to the SF City and County Planning Commission. The big updates are that two of the proposed projects are now complete, and we will be incorporating 201-247 Golden Gate Avenue, the Unite Care Local 2 site, into the academic village. Local 2 will continue to own the property, but it will be subject to a master ground lease, and we will build a new union hall and additional academic and residential space for them. Regarding 100 McAllister – the tower is now shut down, and starting Monday, investigative exploratory work investigation will begin. Chief Operating Officer Bailard expects the tower to reopen in the fall of 2027.

7. Adjournment

There being no further business to come before the Board of Directors, the Open Meeting was adjourned at 3:00 p.m.

Action Item: Adjournment

Respectfully submitted,

David Seward, Secretary

ACTION ITEM

- 1. REPORT BY:** Chief Operating Officer Rhiannon Bailard
- 2. SUBJECT:** The Academe at 198 Campus Housing Project – Rental Rate, Marketing & Operations Update
- 3. RECOMMENDATION:**

That the Board of Directors approves the second-year rent structure and accompanying rent subsidy outlined below for residential rental rates for the non-UCSF units at the Academe at 198 for 2024-25.

4. BACKGROUND:

The Occupancy Agreement with UCSF provides that 230 units of the building's total of 656 be allocated to UCSF at stipulated rents. The Development Agreement and supporting financing indenture require stipulated revenue levels to support debt service and achieve a requisite debt service coverage ratio.

UC Law SF is finalizing preparations for the lease-up of the Academe at 198 McAllister for the second year of occupancy. The attached presentation, which was shared at an investor meeting for 198 McAllister on January 17, 2024, provides an overview of the 198 McAllister project summary, construction closeout, and the project fund status as of that date. The attached presentation also includes a leasing status update, as well as an overview of year two marketing strategies, and finally a leasing renewal timeline.

In the project's inaugural year of operations, a rent subsidy of approximately 10%, on average, was applied to reduce amounts charged to non-UCSF residents. In year two of operations, the pro forma requires a 3% increase over year one pro forma rental rates for all units. For the second year of operations, the College is proposing to apply a rent subsidy of approximately 13%, on average, to the year two pro forma rents. On average, this results in rental rates remaining flat relative to pro forma rental rates (i.e., year two pro forma rental rates, which reflect a 3% increase over year one pro forma rental rates, decreased by 13% equate to year one pro forma rental rates decreased by 10%). However, based on refinements to the rental rate structure as described below, the proposed rental rates for certain units reflect an increase over the in-place 2023-2024 rental rates. As a result of this calibration, to the extent that an in-place resident elects to renew their unit license, the renewal rental rate is proposed to be the lower of the proposed rental rate and a 5% increase over the in-place 2023-2024 rental rate.

Based on the residential rental rates described above and assuming a 75% renewal rate, a 95% occupancy rate, and assuming available Golden Gate Avenue retail space and academic classroom/office space remains vacant in 2024-2025, the estimated subsidy required to be

provided by the College to achieve the 1.2 DSCR target contained in the indenture agreement is \$2.6 million.

The \$2.6 million in nonstate funds used to finance the rent subsidy would be treated as an expense funded from the upcoming 2024-25 nonstate budget.

Rent Structure for 2024-25 – The Academe at 198

The College, working with the College’s real estate advisors, revised the rental rates for the Academe at 198 to better reflect the distinctions between units considering location, size, amenities, and view rather than only distinguishing between floors in the building as was done in year one of operations (i.e., zone 1 vs. zone 2 as shown in the 2023-24 rates below). The resulting 2024-25 rental rates, which are subject to further refinement, more closely align with the value provided by each unit type while also considering market value.

The recommended rental structure for 2024-25 for non-UCSF units is listed below:

| Unit Type | Min Rate | Max Rate |
|------------|----------|----------|
| Efficiency | \$1,880 | \$2,185 |
| Studio | \$2,200 | \$2,455 |
| 1 Bedroom | \$3,105 | \$3,170 |
| 2 Bedroom* | \$2,075 | \$2,265 |

*Note, price per bed rather than per unit.

**All utilities are included in rental rates.

Rent Structure for 2023-24 – The Academe at 198

For purposes of comparison, the rent structure for 2023-24 follow.

| Level Unit Count | Efficiency 224 | Studio 411 | 1-Bedroom 10 | 2-Bedroom 11 |
|-------------------------------|-------------------|---------------|-----------------|-----------------|
| Zone 1 - Floors 3-5 | 1,850 | 2,200 | 2,800 | 3,400 |
| Zone 2 - Floors 6-14 | 2,200 | 2,500 | 3,150 | 3,700 |
| UCSF Units (230 units) | 2,021 | 2,400 | 3,164 | N/A |
| UCH Pro Forma Rent | 2,276 | 2,640 | 3,425 | 3,850 |
| * All utilities are included. | | | | |

5. RESOLUTION:

That the Board of Directors of the HCHFA approves the tentative fee structure and rent subsidy outlined above for 2024-25.

1. **REPORT BY:** Chief Financial Officer Sandra Plenski
2. **SUBJECT:** The Academe at 198 Campus Housing Project – Investor Report
3. **RECOMMENDATION:**

A presentation was made by HCHFA Board Secretary David Seward, HCHFA Chief Financial Officer Sandra Plenski, and Chief Operating Officer Rhiannon Bailard to the investors of the Series 2020A and Series 2020B bonds on January 17, 2024.

Attachment:

- Series 2020A and Series 2020B Investor Presentation – January 17, 2024

Hastings Campus Housing Finance Authority

198 McAllister Campus Housing Project

Investor Presentation

Series 2020 A & 2020 B

January 17, 2024



UC Law San Francisco

Meeting Agenda

1. Introductions
2. Project Summary and Construction Closeout
3. Leasing Updates – 2023-24 and 2024-25 Forecast
4. Financial Status – 2023-24
5. Financial & Operational Outlook - 2024-25
6. Questions

Project Summary & Construction Closeout

- **Sponsor:** UC Law San Francisco (formerly Hastings)
- **Issuer:** Hastings Campus Housing Finance Authority (the Authority), a Joint Powers Authority (JPA) whose members are UC Law SF (formerly UC Hastings) and the California Public Finance Authority. UC Law SF has effective control of the JPA, as it has sole power to appoint the seven Directors that constitute the Governing Board.
- **The Project:** 656 units of student housing (667 beds), 7,764 square feet retail/café, 44,390 square feet Academic Space (for which UC Law SF is making lease payments under a Space Lease), 301,000 GSF Residential and Resident amenities.
- **Site:** 198 McAllister Street/50 Hyde Street, San Francisco
- **Tenants:** Professional and Graduate students at UC Law SF (law) and University of California San Francisco (health sciences). Other potential tenants include students from other local, not-for-profit institutions of higher education.
- **Developer:** Greystar
- **Contractor:** Build Group
- **Bond Term:** 41 years

Project Summary & Construction Closeout

| | |
|--------------------------------|--------------------|
| • Total Net Proceeds | \$360,998,216 |
| • Date of Sale | August 27, 2020 |
| • All Inclusive Interest Cost | 5.24% |
| • Debt Rating | Unrated |
| • Average Maturity | 29 Years |
| • Construction Start | September 14, 2020 |
| • Project Move-in – Contracted | July 1, 2023 |
| • Project Completion – Amended | July 31, 2023 |
| • Resident Move-in | August 4, 2023 |

Project Fund – Fiscal Status

As of December 31, 2023

| Line # | Description of Work | Original Budget | Total Changes | Revised Budget | Total Costs To Date | % Complete | Remaining Costs to Complete |
|--------|---------------------------------|-----------------|-----------------|----------------|---------------------|------------|-----------------------------|
| 1 | UCH Managed Costs | 11,204,650.00 | (3,519,846.16) | 7,684,803.84 | 7,683,044.94 | 100.0% | 1,758.90 |
| 2 | Hard Costs | 229,995,058.00 | 15,195,465.61 | 245,190,523.61 | 239,893,645.98 | 97.8% | 5,296,877.63 |
| 2.1 | Owner Managed Hard Costs | 3,797,630.00 | (1,956,177.74) | 1,841,452.26 | 1,841,452.26 | 100.0% | - |
| 2.2 | Construction in Progress | 225,936,958.00 | 17,151,643.35 | 243,088,601.35 | 237,803,943.72 | 97.8% | 5,284,657.63 |
| 2.3 | Insurance | 260,470.00 | - | 260,470.00 | 248,250.00 | 95.3% | 12,220.00 |
| 3 | Furniture, Fixtures & Equipment | 2,722,806.00 | (645,815.21) | 2,076,990.79 | 2,076,990.79 | 100.0% | - |
| 4 | Design & Consulting Fees | 12,442,112.00 | 2,991,039.74 | 15,433,151.74 | 15,409,185.37 | 99.8% | 23,966.37 |
| 4.1 | Architect | 8,862,391.00 | 1,818,131.34 | 10,680,522.34 | 10,680,522.34 | 100.0% | - |
| 4.2 | Engineering & Surveying | 3,579,721.00 | 1,172,908.40 | 4,752,629.40 | 4,728,663.03 | 99.5% | 23,966.37 |
| 5 | Development/Legal/Closing Costs | 2,762,420.00 | 307,023.52 | 3,069,443.52 | 3,068,723.52 | 100.0% | 720.00 |
| 5.1 | Legal | 315,000.00 | 10,472.80 | 325,472.80 | 325,472.80 | 100.0% | - |
| 5.2 | Municipal Fees | 1,497,420.00 | 453,134.37 | 1,950,554.37 | 1,949,834.37 | 100.0% | 720.00 |
| 5.3 | Other Development Costs | 200,000.00 | (156,583.65) | 43,416.35 | 43,416.35 | 100.0% | - |
| 5.4 | Preleasing | 500,000.00 | (500,000.00) | - | - | 0.0% | - |
| 5.5 | Construction Management Costs | 250,000.00 | 500,000.00 | 750,000.00 | 750,000.00 | 100.0% | - |
| 6 | Project Contingency | 12,396,120.00 | (12,364,172.62) | 31,947.38 | - | 0.0% | 31,947.38 |
| 7 | Development Fee | 10,412,741.00 | 36,305.12 | 10,449,046.12 | 10,449,046.12 | 100.0% | 0.00 |
| | TOTAL CASH REQUIREMENT | 281,935,907.00 | 2,000,000.00 | 283,935,907.00 | 271,589,214.44 | | 12,346,692.56 |
| 100% | 91.28% Less: Bond, Series 2020A | 257,351,095.91 | - | 257,351,095.91 | 247,906,634.93 | 96.3% | 9,444,460.98 |
| | 8.72% Less: Bond, Series 2020B | 24,584,811.09 | - | 24,584,811.09 | 23,682,579.51 | 96.3% | 902,231.58 |
| | UC Law Funding | - | 2,000,000.00 | 2,000,000.00 | - | 0.0% | 2,000,000.00 |

Key Points:

- General Contractor's final contract amount is \$243.1 million. All outstanding construction change orders have been fully resolved.
- Cash required to closeout the project: \$12.3 million, including \$5.3 million to be billed and \$7 million retention to be released.
- Cash required for project closeout (\$12.3 million) to be funded by:
 - Remaining balance from the Project Fund – Series 2020A&B - \$10.3million
 - UC Law Funding - \$2 million (\$1.4 million from excess earnings from Project Fund and \$600,000 from UC Law external funding)









Leasing Status: 2023-24 & 2024-25 Forecast

| Unit Count | |
|---------------------------------|-----|
| Total Units | 656 |
| Vacancy Rate (5%) | -33 |
| Pro Forma Occupancy Level (95%) | 623 |

| Institution | | 2023-24* | 2024-25 | % | Comments |
|------------------------------------|---|----------|---------|-------|---|
| UC Law San Francisco | | | | | |
| First Year Students | | 162 | 162 | 0% | Assumes same entering class as 2023-24. |
| Second Year Students | | 40 | 122 | 204% | Assumes 75% retention rate from prior year |
| Third Year Students | | 17 | 30 | 76% | Assumes 75% retention rate from prior year |
| Others (LLM, MSL, Staff, etc.) | | 18 | 18 | 0% | Assumes same size cohort as 2023-24. |
| Office uses | | 22 | 0 | -100% | Temporary allocation of units for staff offices |
| <i>Sub-Total</i> | | 259 | 382 | 47% | |
| UCSF | 1 | 110 | 230 | 109% | Occupancy Agreement - UCSF Obligation (35%) |
| UC Davis | 3 | 8 | 8 | 0% | Assumes same size cohort as 2023-24. |
| UC Berkeley | 3 | 0 | 5 | NA | Conservative growth estimate |
| <i>Sub-Total</i> | | 118 | 243 | 106% | |
| University of the Pacific - Dugoni | 2 | 7 | 14 | 100% | No housing availability; Marketing Priority |
| University of San Francisco | 3 | 2 | 2 | 0% | Assumes same size cohort as 2023-24. |
| Golden Gate University | | 2 | 2 | 0% | Assumes same size cohort as 2023-24. |
| San Francisco State University | | 0 | 3 | NA | Conservative growth estimate |
| <i>Sub-Total</i> | | 11 | 21 | 91% | |
| <i>Grand Total</i> | | 388 | 646 | 66% | |
| <i>Occupancy Rate</i> | | 59% | 98% | | |

Notes:

* Data for 2023-24 is as of 10-19-2023.

- (1) UCSF 20-year Occupancy Agreement tolls to 2024-25 due to late project delivery (August 4, 2023 instead of July 1, 2023 per agreement)
- (2) UOP Dugoni estimated demand at 80 units prior to pandemic; campus located 0.6 miles from Academe at 198 (15 minute walk).
- (3) University/UC Davis program markets housing opportunity on their website.

Leasing Status: 2024-25 Marketing

1. Marketing consultant and strategic advisor: **Scion Advisory Group***
 - *One of the largest campus housing owners and operators in US
2. Website Strategies: **academe198sf.com**
 - Website updated with photos of exterior, interiors, and units
 - Virtual tour of building and units
3. Social Media & Internet Strategies
 - Facebook
 - Instagram
 - Google Ads: Targeted to young professionals in greater SF Bay Area
 - Student housing websites: e.g., student.com, rentable.com, apartments.com
4. In-Person Strategies
 - Physical tours with model units
 - On-site open houses with Academic Village partners (e.g., UCSF, UOP, USF)
5. Partnership Opportunities
 - Outreach to higher education programs with Bay Area footprint
 - Law firm, corporate, and judicial clerkship programs

Leasing Status: 2024-25 Renewal Timeline

- February 2024:
 - Campus housing survey sent to all residents

- 2024-2025 rental rates published & commence 2024-25 leasing efforts
- March 2024:
 - Renewal offers sent to existing residents
 - Housing offers sent to new applicants with July 2024 move-in, which will continue on rolling basis
- April 2024:
 - Housing offers sent to new applicants with August 2024 move-in, which will continue on rolling basis
- June 2024
 - Primary move-in month for UOP Dugoni residents
 - Anticipate majority of leasing status completed by end of month
- July 2024: Primary move-in month for UCSF residents
- August 2024:
 - Primary move-in month for UC Law SF residents
 - Majority of move-ins and move-outs complete

Leasing Status: Retail Spaces

➤ **Lobby Retail Tenant: Spro Café**

- Size of café: 460 sq. ft.
- Lease executed on August 5, 2023
- Term of 8 years
- \$5,750 per month with 3% annual increase
- Hours: Mon. – Fri. 7 a.m. – 5 p.m.; Sat. & Sun. 8 a.m. – 3 p.m.
- Opening estimated February 2024 (subject to Public Health permit)

➤ **Golden Gate & Hyde Retail Tenant: Under Pursuit**

- Space available: 4,500 sq. ft.
- Accessible via separate entrance located on Golden Gate
- Retail Broker: Maven, commercial real estate broker, specializing in San Francisco market

Financial Status: 2023-24

Budget to Actual Expenses as of December 31, 2023

| | Approved Budget 2023-2024 | Official Statement Budget | Projected Actual 2023-24* |
|---|------------------------------|---------------------------------|------------------------------|
| Total Income | \$14,450,995 | \$21,489,348 | \$12,606,757 |
| Total Expenses | \$2,280,216 | \$2,227,761 | \$2,236,362 |
| Net Revenues Available for Debt Service | \$12,170,779 | \$19,261,587 | \$10,370,395 |
| Interest | \$16,555,000 | \$16,655,500 | \$16,655,500 |
| Principal | \$0 | \$0 | \$0 |
| Capitalized Interest | (\$8,903,988) | (\$8,327,750) | (\$8,917,706) |
| Total Debt Service | \$7,651,012 | \$8,327,750 | \$7,737,794 |
| Debt Service Coverage | 1.59 | 2.31 | 1.34 |
| *Actuals as of December 31, 2023 plus projected for January 1, 2024 - June 30, 2024 | | | |
| NOTE: See appendix for detailed information | | | |

Financial Status: 2023-24

Rent Comparison to Institutional Market Rate Benchmarks

| | | | | | | CoStar Data | Website Data |
|--------------|----------------|---------------|-----------|-------|------|-------------|--------------|
| Property | Address | Units | Avg. Size | Built | | Avg. Rent | Avg. Rent |
| 1 | Fifteen Fifty | 1550 Mission | 78 | 543 | 2020 | 2,822 | 2,490 |
| 2 | The George | 434 Minna | 107 | 423 | 2022 | 2,346 | 2,150 |
| 3 | The Civic | 101-103 Polk | 30 | 453 | 2015 | 2,848 | 3,017 |
| 4 | Prism | 1028 Market | 86 | 432 | 2022 | 2,525 | 2,062 |
| 5 | AVA 55 Ninth | 55 9th Street | 40 | 558 | 2014 | 2,304 | NA |
| 6 | 50 Jones | 1066 Market | 88 | 446 | 2013 | 1,926 | 1,675 |
| 7 | 1188 Mission | 1188 Mision | 2 | 377 | 2009 | 1,793 | NA |
| 8 | 1190 Mission | 1190 Mission | 3 | 448 | 2013 | 1,586 | NA |
| Wgt. Average | | 434 | 465 | NA | \$ | 2,405 | \$ 2,158 |
| | | | | | | | |
| The Academe | 198 McAllister | 635 | 260 | 2023 | \$ | 2,178 | \$ 2,178 |

vs. Comps 91% 101%

- Rents at the Academe at 198 are below or near market for comparable units
- Differentiators - the Academe at 198
 - All units are fully furnished and include 24-hour security
 - Rents include all utilities
 - Residents have access to all campus amenities regardless of institutional affiliation
 - UC and UC Law residents are served by the UCSF shuttle bus system

Financial & Operational Outlook: 2024-25

Rent Structure* & Gross Revenue

| 2024-2025 Residential Revenue Comparison | | | | | |
|--|--------------|-------------------------|-------------------------|-----------------------|--|
| | Pro Forma | Projected | Variance \$ | Variance % | |
| Gross Residential Revenue | \$19,785,904 | \$18,652,055 | (\$1,133,849) | -5.73% | |
| Bond Investor Response Pro Form | \$18,670,132 | \$18,652,055 | (\$18,077) | -0.10% | |
| | | | | | |
| 2024-2025 Pro Forma Average Rental Rates | | | | | |
| | Units | Unadjusted 2023-2024 | Unadjusted 2024-2025 | Adjusted 2024-2025 | |
| <u>UCH</u> | | | | | |
| Efficiency | 194 | \$2,340 | \$2,410 | \$2,217 | |
| Studio | 218 | \$2,704 | \$2,785 | \$2,562 | |
| 1 Bedroom | 3 | \$3,499 | \$3,604 | \$3,316 | |
| 2 Bedroom | 11 | \$3,914 | \$4,031 | \$3,709 | |
| Total/Average | 426 | \$2,575 | \$2,652 | \$2,440 | |

- Rent subsidy to be reduced from \$1.4 million (10%) to \$1.1 million (8%) for non-UCSF units
- List rents for 2024-25 to increase by 5% for both license renewals and vacant units
- UCSF Occupancy Agreement
 - Obligates UCSF for 230 units (35%) effective 7-1-24 for twenty-year term
 - Payment cap of \$5 million in initial year (indexed)
- Break-even occupancy is 76% based on Pro Forma operating expense and UC Law subsidy (85% without).

Appendix

Budget to Actual 2023-2024

| | Approved Budget 2023-24 | Official Statement Budget | Projected Actual 2023-24 * |
|---|----------------------------|------------------------------|-------------------------------|
| Rental Revenue | \$10,599,968 | \$18,249,135 | \$8,978,627 |
| Rental Support from UC Law SF | \$1,400,000 | \$0 | \$1,400,000 |
| Hastings Space Lease Payment | \$2,157,630 | \$1,855,000 | \$2,157,630 |
| Hastings Space Lease CAM Expenses | \$0 | \$232,580 | \$0 |
| Retail Lease Income | \$73,605 | \$304,583 | \$25,000 |
| Office - Reading/Class Conv. Sublease Incremental Revenue | \$0 | \$70,050 | \$0 |
| Auditorium Rental | \$ 100,000 | \$103,000 | \$45,000 |
| Utility Recovery From Tenants | \$0 | \$675,000 | \$0 |
| Other Income | \$119,792 | \$116,792 | \$500 |
| Total Income | \$14,450,995 | \$21,489,348 | \$12,606,757 |
| G&A Payroll/Benefits (Incl. Leasing) | \$394,171 | \$321,600 | \$382,940 |
| Marketing (Computer Software) | \$10,000 | \$30,000 | \$116,267 |
| Custodial Services | \$252,000 | \$396,000 | \$252,000 |
| Engineering Services | \$200,000 | \$228,000 | \$200,000 |
| Building Systems - Maint. & Testing | \$25,000 | \$18,500 | \$99,071 |
| Building Maint. - Other | \$25,000 | \$18,000 | \$28,276 |
| Elevator Maintenance | \$100,000 | \$56,000 | \$107,907 |
| Window Washing | \$95,000 | \$22,000 | \$47,500 |
| Landscaping | \$0 | \$19,200 | \$15,000 |
| Pest Control | \$45,000 | \$18,000 | \$27,878 |
| Supplies | \$20,009 | \$10,800 | \$39,221 |
| Miscellaneous | \$53,900 | \$9,600 | \$24,132 |
| Utilities | \$745,000 | \$675,000 | \$550,971 |
| Insurance | \$180,000 | \$180,000 | \$210,064 |
| TL Community Benefits District Assessment | \$0 | \$36,000 | \$0 |
| Issuer / Audit | \$0 | \$53,925 | \$0 |
| Replacement Reserves | \$135,136 | \$135,136 | \$135,136 |
| Total Expenses | \$2,280,216 | \$2,227,761 | \$2,236,362 |
| Net Revenues Available for Debt Service | \$12,170,779 | \$19,261,587 | \$10,370,395 |
| Interest | \$16,555,000 | \$16,655,500 | \$16,655,500 |
| Principal | \$0 | \$0 | \$0 |
| Capitalized Interest | (\$8,903,988) | (\$8,327,750) | (\$8,917,706) |
| Total Debt Service | \$7,651,012 | \$8,327,750 | \$7,737,794 |
| Debt Service Coverage | 1.59 | 2.31 | 1.34 |

*Actuals as of December 31, 2023 plus projected for January 1, 2024 - June 30, 2024

NOTE: Figures exclude \$1.18M in institutional funds transferred into the project to support the cost of rental improvements for retail use.

Questions?

ACTION ITEM

1. **REPORT BY:** HCHFA Chief Financial Officer Sandra Plenski
2. **SUBJECT:** Name Change for Hastings Campus Housing Finance Authority
3. **RECOMMENDATION:**

That the Board of Directors of the Hastings Campus Housing Finance Authority approves Academic Village Finance Authority as the new name for the HCHFA joint powers authority.

BACKGROUND:

On September 23, 2022, the Governor of the State of California signed Assembly Bill 1936 into law, changing the name of UC Hastings College of the Law to UC College of the Law, San Francisco. This change necessitates a change of the name of the Hastings Campus Housing Finance Authority.

The Hastings Campus Housing Finance Authority (the “Authority”) is a joint exercise of powers authority created in 2019 pursuant to a Joint Exercise of Powers Agreement between UC Hastings and California Public Finance Authority. The Authority is authorized to issue bonds for, among other things, financing public capital improvements, working capital, liability and other insurance needs, or projects whenever there are significant public benefits, as determined by UC Law. The Authority has a broad mandate to operate, construct and finance project facilities and other activities undertaken in furtherance of the Long Range Campus Plan in December 2017.

It is recommended that the Board of Directors of the Hastings Campus Housing Finance Authority rename the joint powers authority “Academic Village Finance Authority”.

Upon approval of the new name, the Office of General Counsel will begin the process of modifying the bylaws, articles of incorporation, and related documents that lead to the establishment of the JPA.

4. PROPOSED RESOLUTION

That the Board of Directors of the Hastings Campus Housing Finance Authority approves the name Academic Village Authority for the joint powers authority.