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2023 Board of Directors Agenda and Materials

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12-1-2023

### Campus Housing Finance Authority Board of Directors Meeting - Open Session Book 12/01/2023

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**ACTION ITEM**

- 1. REPORT BY:** HCHFA Chief Financial Officer Sandra Plenski  
Treasurer David Seward
  
- 2. SUBJECT:** Authorization to Invest Cash Balances in BNYM  
Cash Reserve Fund
  
- 3. RECOMMENDATION:**

That the Board of Directors approve the investment of cash balances currently in no-interest bank accounts into the Bank of New York Mellon Cash Reserve Fund.

**4. BACKGROUND:**

In September 2020, the Hastings Campus Housing Finance Authority issued its Series 2020A and 2020B bonds for the construction of the Academe at 198. Bank of New York Mellon is the trustee for the bond funds. Construction of the Academe at 198 was completed in August 2023. Current balances in the cash accounts at Bank of New York Mellon are significant and warrant investment particularly considering the current high yield return environment.

In December 2020, the Board of Directors of the HCHFA awarded a Guaranteed Investment Contract (GIC) to Société Générale after considering proposals for a total of eight firms. Listed below are the amounts invested from the proceeds of the \$360 million Series 2020A and Series 2020B bonds. These amounts are subsequent to the initial \$17 million withdrawal and subsequent to the \$7.2 million October 2020 requisition and other small amounts held outside the GIC. The scheduled maturity dates of the GIC was April 15, 2023 for the 2020A and Series 2020B Project Funds and December 27, 2023 for the Series 2020A Capitalized Interest Account, Senior Debt Service Reserve Fund, and Subordinate Debt Service Reserve Fund.

Sub Account	Amount Invested	Earnings Assumption
2020A and 2020B Project Fund	\$256,587,000**	0.15%
2020A Capitalized Interest Fund	\$54,945,636.92	0.15%
Series 2020A DSRF	\$20,981,000	N/A*
Series 2020B DSRF	\$2,760,000	N/A*

\* No rate was assumed on either the Series 2020A DSRF or Series 2020B DSRF because of the anticipated final project completion date in 2023 or the Series 2020B 2029 conversion date.

While the project was underwritten with an earnings assumption of 0.15%, the GIC locked in interest rates equal to 0.425% for the 2020A Project Fund, 0.425% for the 2020B Project Fund, 0.711% for the Series 2020A Capitalized Interest Account, 0.711% for the Senior Debt Service Reserve Fund and 0.711% for the Subordinate Debt Service Reserve Fund. Excess earnings have benefited the project. Earnings more than the amounts required under the indenture have been transferred into the Revenue Fund by the trustee.

After discussion of the various investment vehicles with the trustee, it has been determined that the BNYM Cash Reserve Fund is most appropriate for these funds, as most of the funds in the cash accounts will be expended for short-term needs.

Below is a listing of cash accounts at BNYM on November 9, 2023, along with projected balances as of December 27, 2023, assuming these funds are invested in the BNYM Cash Reserve Fund at their current rate of 5.17%. The amounts listed below exclude \$8,171,441 held by Société de General for the capitalized interest payment set for January 1, 2024.

Account Number	Account Name	11/09/2023 Cash Balance	12/27/2023 Cash Balance
913928	HASTINGS CHFA 20A PROJECT ACCT	\$ 22,331,579.64	\$ 22,331,579.64
913921	HASTINGS CHFA 20B SUB PROJECT ACCT	\$ 2,012,720.85	\$ 2,012,720.85
913930	HASTINGS CHFA 20AB REVENUE FUND	\$ 1,951,045.13	\$ 1,951,045.13
913932	HASTINGS CHFA 20A SR CAP INTEREST	\$ 737,227.37	\$ -
913936	HASTINGS CHFA 20AB OPER EXP FUND	\$ 186,256.39	\$ 186,256.39
913935	HASTINGS CHFA 20A SR DS RESERVE FD	\$ 25,612.49	\$ 20,981,000.00
913937	HASTINGS CHFA 20AB REPAIR REPL FUND	\$ 11,261.00	\$ 11,261.00
913925	HASTINGS CHFA 20B SUB DS RESERVE FD	\$ 3,823.08	\$ 2,760,000.00
		\$ 27,259,525.95	\$ 50,233,863.01
	Projected Monthly Earnings	\$ 117,443.12	\$ 216,424.23

## 5. PROPOSED RESOLUTION:

Resolved that the Hastings Campus Housing Finance Committee Board of Directors approves the investment of the cash accounts listed above into the Cash Reserve Fund of BNYM.

**REPORT ITEM**

- 1. REPORT BY:** Treasurer David Seward  
HCHFA Chief Financial Officer Sandra Plenski
- 2. SUBJECT:** Academe at 198 - Financial and Leasing Status – 2023-24
- 3. REPORT:**

Attached is the Academe at 198 Financial and Leasing Status for 2023-24.

Attachments:

- Financial and Leasing Status for 2023-24

HASTINGS CAMPUS HOUSING FINANCE AUTHORITY  
**FINANCIAL FORECAST 2023-24**

November 28, 2023

	Approved 2023-24 Budget	Official Statement Budget	Projected Actual 2023-24	Notes
Rental Revenue	\$10,599,968	\$18,249,135	\$8,895,407	59% occupancy, incl. 22 units for offices, based on rent roll for Oct-2023
Rental Support from UC Law SF	\$1,400,000	\$0	\$1,400,000	
Hastings Space Lease Payment	\$2,157,630	\$1,855,000	\$2,157,445	Includes UC Law CAM Charges
Hastings Space Lease CAM Expenses	\$0	\$232,580	N/A	Included in UC Law lease payment.
Retail Lease Income	\$73,605	\$304,583	\$25,000	Lobby coffee shop leased
Office - Reading/Class Conv. Sublease Incremental Revenue	\$0	\$70,050	\$0	
Louis B. Mayer Auditorium	\$100,000	\$103,000	\$45,000	
Utility Recovery From Tenants	\$0	\$675,000	N/A	Rent charges include utilities.
Other Income	\$119,792	\$116,792	\$0	Laundry, miscellaneous.
<b>Total Income</b>	<b>\$14,450,995</b>	<b>\$21,489,348</b>	<b>\$12,522,851</b>	
G&A Payroll/Benefits (Incl. Leasing)	\$394,171	\$321,600	\$382,940	Based on full staffing for 3 FTE.
Marketing (Computer Software)	\$10,000	\$30,000	\$116,267	Incl. one-time software (\$73K); events.
Custodial Services	\$252,000	\$396,000	\$252,000	
Engineering Services	\$200,000	\$228,000	\$200,000	Costs a based on est. charge-backs.
Building Systems - Maint. & Testing	\$25,000	\$18,500	\$85,758	Includes one-time moving (\$30K)
Building Maint. - Other	\$25,000	\$18,000	\$28,276	
Elevator Maintenance	\$100,000	\$56,000	\$107,907	Warranty Year 1; includes Special Repairs
Window Washing	\$95,000	\$22,000	\$47,500	Once per year.
Landscaping	\$0	\$19,200	\$15,000	
Pest Control	\$45,000	\$18,000	\$27,878	
Supplies	\$20,009	\$10,800	\$24,784	Includes Printing & Equipment (Noncapital)
Miscellaneous	\$53,900	\$9,600	\$21,397	Incl. Fees, Travel, Permits, Fees
Utilities	\$745,000	\$675,000	\$550,971	Water, electric, gas, trash & steam
Insurance	\$180,000	\$180,000	\$210,064	Based on actual full-year.
TL Community Benefits District Assessment	\$0	\$36,000	N/A	Consolidated into campus-wide account.
Issuer / Audit	\$0	\$53,925	N/A	Cost not included; borne by HCHFA.
Replacement Reserves	\$135,136	\$135,136	\$135,136	
<b>Total Expenses</b>	<b>\$2,280,216</b>	<b>\$2,227,761</b>	<b>\$2,205,878</b>	
<b>Net Revenues Available for Debt Service</b>	<b>\$12,170,779</b>	<b>\$19,261,587</b>	<b>\$10,316,974</b>	
Interest	\$16,555,000	\$16,655,500	\$16,555,000	
Principal	\$0	\$0	\$0	
Capitalized Interest	(\$8,903,988)	(\$8,327,750)	(\$8,889,624)	BNY Mellon statement as of 10-31-2023
<b>Total Debt Service</b>	<b>\$7,651,012</b>	<b>\$8,327,750</b>	<b>\$7,665,376</b>	
<b>Debt Service Coverage</b>	<b>1.59</b>	<b>2.31</b>	<b>1.35</b>	

**Note:**

Excludes \$576,238 excess earnings from DS reserve

<b>Unit Count</b>	
Total Units	656
Vacancy Rate (5%)	-33
Pro Forma Occupancy Level (95%)	<b>623</b>

Institution	2023-24*	2024-25	%	Comments	
<b>UC Law San Francisco</b>					
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%		
<b>UCSF</b>					
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%		
<b>University of the Pacific - Dugoni</b>					
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%		
<b>Grand Total</b>					
<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.

**REPORT ITEM**

1. **REPORT BY:** HCHFA Treasurer and Secretary David Seward
  
2. **SUBJECT:** Academe at 198 – Projected Occupancy – 2024-25
  
3. **REPORT:**

Attached is the Academe at 198 Projected Occupancy for 2024-25. Please note that the 75% lease renewal rate for current residents is a projection that is not supported by data at this juncture. Surveys will be distributed to residents in Spring 2024 soliciting housing preferences for the upcoming academic year.

Attachments:

- Projected Occupancy for 2024-25

<b>Unit Count</b>	
Total Units	656
Vacancy Rate (5%)	-33
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**REPORT ITEM**

1. **REPORT BY:** Chief Operating Officer Rhiannon Bailard
2. **SUBJECT:** Update – Long Range Campus Plan and Academic Village
3. **REPORT:**

Chief Operating Officer Rhiannon Bailard will give a verbal update regarding the UC Law SF Long Range Campus Plan and Academic Village.

The Planning Commission of the City and County of San Francisco received this presentation at its meeting of November 30 with where representatives of UC Law were joined by leadership from Unite Here/Local 2 concerning the partnership to develop the 201-242 Golden Gate parcels.