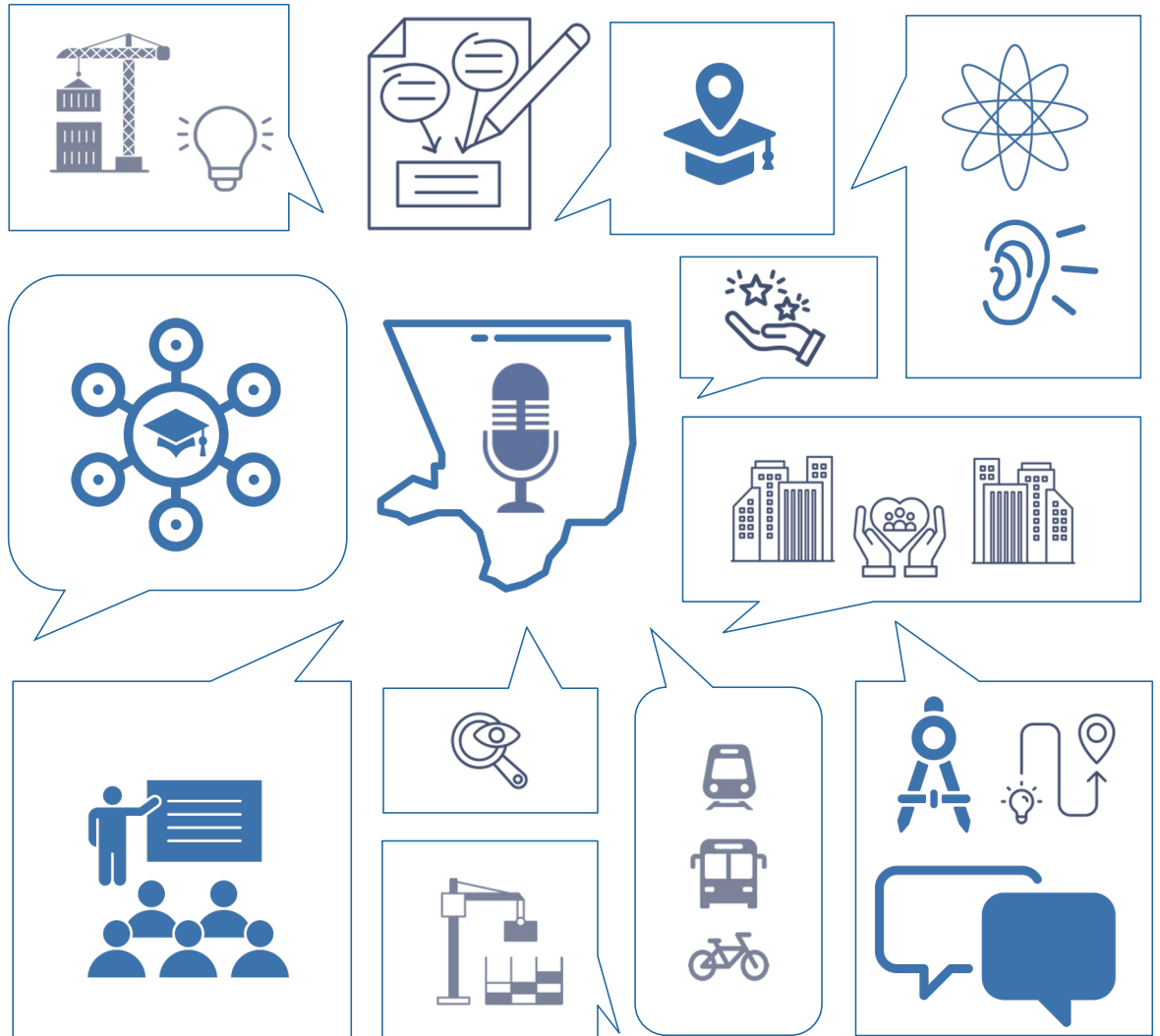




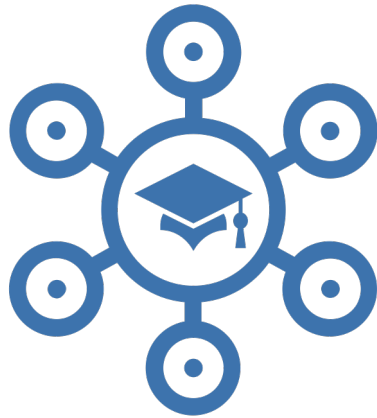
# LACCD HOUSING STRATEGY

Committee of the Whole – Housing Strategy Presentation

March 5th, 2025



# Collaborative Effort



## Housing Strategy Consultants

- Jenna Hornstock (Hornstock Strategies), Ava Bromberg (Creative Urban Solutions), Edgar Baek (Beacon Rose Partners)

## PMO

- Edwin Van Ginkel, Rod Hamilton, Deborah Wylie, Maricela Gomez

## LACCD Leadership Team

- Chancellor Roman, VC Sata, VC Gordon, VC Albo-Lopez, AVC Quijada de Franke, GC Prieto, DGC Diga, AGC Victoria, CAO King

# Incorporating Prior Work



## **Housing Surveys and Reports**

- Brailsford & Dunlavey, Sheppard Mullin, SOMOS

## **Review of Meeting Minutes**

- Student Basic Needs Committee, FMPOC

## **Review of Presentations**

- Board of Trustees and Committee meetings

## **LACCD Site Studies**

- HPI Architecture (LACC)
- Gensler (WLAC)
- NAC Architecture (Pierce)

# Review of Policies & Legislation



- **Education Code** related to Joint Occupancy, Field Act, Classified Employees, Affordable Housing Program, Fitness of Occupancy
- **LACCD Board Policies** on acquisition and property management
- **Documents** related to utilization of Measure LA bonds
- **State legislation** regarding student housing
- **Basic Needs Survey / The Real College Survey**
- **District and College Level data**

# Program North Star – Value Proposition



**Purpose:** Housing to support LACCD students in their ability to meet their educational goals.

**Financial Sustainability:** Seek cost neutrality by identifying alternative revenue sources to sustain long-term success.

**Affordability:** Meet affordability needs for students while seeking long-term financial sustainability for LACCD.

**Partnerships:** Seek strategic partnerships to increase viability.

**Risk Management:** Develop risk strategy with a lens towards governance and operational effectiveness.

**Performance:** Track data and pivot when necessary.

# Data Gathering - Interviews



- **Board members**
- **Chancellor and College Presidents** (including Leadership Teams)
- **Student Trustee and ASO Presidents**
- **Community Colleges**
- **Additional Experts**
  - LACCD Bond Counsel, Morgan Stanley, Brailsford Dunlavey, UCSF College of Law CFO, SJ State University CFO, Good River Partners (TAY Housing Voucher Program), others

# LACCD Student Data

## Understanding Demand & Student Populations To Serve



### Fall 2023

- Student Enrollment (headcount 100,774)
  - 29,207 (29%) take 12+ units (Tier 1)
  - 38,497 (43.6%) take 9+ units (Tier 2)
  - 60,695 (63.7%) take 6+ units (Tier 3)
- Over 11% of non-financial aid students take 9+ units (>11K students)
- 871 Foster Youth with 52% taking 9+ units, prioritize this cohort - potential to think bold
- LA College Promise students with full-time load matriculate at more than double the rate of Non-Promise students
- International students demonstrate ability to pay market rates and 83% take 12+ units - potential headwinds

# Proposed Strategies



## **Think at Portfolio Scale**

- Program in total is financially sustainable
- Leverage G.O. bond proceeds with 3<sup>rd</sup> party capital

## **Build the Student Life Infrastructure**

- Consider impacts to in-house staff, regardless of method

## **Lease or purchase buildings, build a dorm**

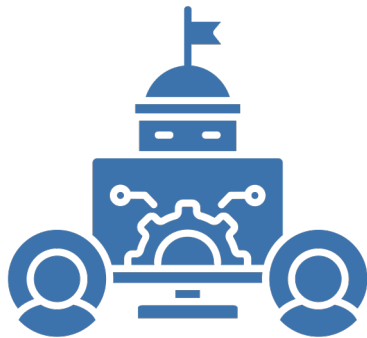
- Continue the pilot program while developing other options

## **Invest in natural partnerships, including HEIs (UC, CSU, private 4-year universities)**

## **Operational capabilities & partnerships to reduce District risk profile (P3)**



# P3 Delivery Method



## Capital Project

- Hire 3<sup>rd</sup> party Developer. Developer may finance, design, construct, operate/maintain).
- Example: Developer builds an on-campus student housing building

## Acquire Existing Building

- Buy building and hire 3<sup>rd</sup> party operator. Operator will operate/maintain building.
- Example: Call for properties

## Lease Building / Units

- Hire 3<sup>rd</sup> party Operator or Operator will operate/maintain.
- Explore leasing beds from other universities
- Example: Call for properties, Lease from CSUs

## Invest in a Project

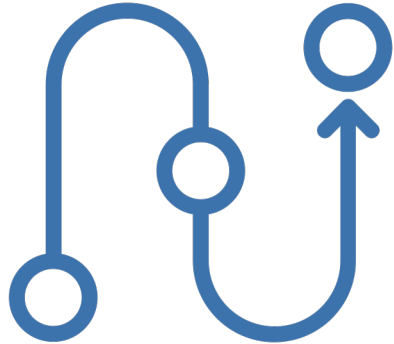
- Partner with a nonprofit or for-profit entity to construct or lease a building. Nonprofit or for-profit entity will operate/maintain.

# LACCD Housing Strategy

Process / Procurement	RFP for Properties for Delivery of Housing to LACCD Students <i>Submission Deadline - April 4, 2025</i>		
Transaction	<b>CLASS 1</b> Purchase building from property owner	<b>CLASS 2</b> Lease building or units from property owner	<b>CLASS 3</b> Invest Capital to Co-Develop Housing Project with proportional beneficial ownership
Time-to-Market	Shortest Timeframe 1-2 years	Shortest Timeframe 1-2 years	Medium to Long Timeframe 2-5 years
Execution Complexity	Requires only deal level due diligence	Requires asset owner <u>and</u> deal level due diligence	Requires sponsor <u>and</u> deal level due diligence
Building Ownership	100% District Ownership	District does not own building. Full or partial building lease by the District	Full or Partial District Ownership
On LACCD Land?	No	No	No
DSA Review Required?	Licensed structural engineer opinion submitted to DSA for review and approval	Licensed structural engineer opinion submitted to DSA for review and approval	Depends on development strategy (DSA or City Review)
Property Management/ Operations	3rd Party Property Manager	Owner or 3rd Party Property Manager	Sponsor or 3rd Party Property Manager
Project/Site Status	Constructed or at 90% completion with identified Certificate of Occupancy date	Constructed or at 90% completion with identified Certificate of Occupancy date	May or may not have site control. If new construction, project concept may or may not be developed

Future RFP
District enters into ground lease with developer and executes Joint Use Agreement
Longest Timeframe 4-7 years
Requires sponsor <u>and</u> deal level due diligence
District retains ownership of the land. 501(c)3 entity owns the building
Yes
Depends on development strategy (DSA or City Review)
Sponsor or 3rd Party Property Manager
To be developed on-campus site

# Timeline of Activity



- 1. Data Gathering & Review of Documents – October to November 2024***
- 2. Recommendations and presentation to FMPOC – November 2024***
- 3. RFP Development – December 2024***
- 4. RFP Release – February 2025***
- Next Steps (March – June 2025)
  - Contact CSUs and other local 4-year institutions
  - Lessons learned from other community college peers
  - Development of operational guidelines
  - Financial analysis across the four tracks
  - Site selection of on-campus student housing location
  - Regular updates to FMPOC and Board of Trustees



# Questions & Discussion

Committee of the Whole – Housing Strategy Presentation

March 5, 2025