



Mr. Evans explained that having a mix of open market units and faculty staff units is important for the financial viability of the project. The open market units at market rate will provide the ability to subsidize CSUN employees with attainably priced rents. Without open market tenants, CSUN employees would pay market rate thereby losing the benefit of attainably priced housing for faculty and staff. As time progresses, the ratio between open market units and CSUN faculty/staff will decrease depending on the market condition and fiscal health of the project. The project will be marketed to faculty, staff, working professionals and their families. Marketing directly to students will not be part of this program.

Mr. McCarron recommended using taxable system-wide revenue bonds (SRBs), rather than tax exempt bonds, to allow more financing flexibility. Taxable bonds come with fewer restrictions, they can be pre-paid more easily than non-taxable bonds, and can be refinanced as often as needed to take advantage of changes in market rates. Mr. Donahue agreed and added that with the current cost of capital being very low, it is worth the small premium to fund with taxable bonds.

Mr. Evans stated that TUC has contracted with JLL to complete the next two tasks for this project which will take place in the two few months.

- Task one: updating the proforma and market assumptions, looking at development costs, local market demand, comparative financing costs, and developing several financial model simulations.
- Task two: working with an architect to update the site planning study and develop a preliminary program with regard to unit mix, unit configurations, and project densities.

Mr. Evans discussed that an NCDC Board meeting is scheduled for December 16 to update on JLL's recommendations and discuss next steps in moving the project forward. The goal is to do the project as a "design-build" project.

Mr. William Watkins, Vice President of Student Affairs and Dean of Students, added that he appreciated the continued attention on the need for affordable employee housing. Mr. Watkins stated that, as stated by Mr. Evans, although no direct marketing to students planned in this project, the students can still rent as part of open market tenancy. Therefore, consideration around messaging with regard student tenancy will require some careful consideration.

Mr. Ray Calnan, CSUN Faculty, asked about the mix in unit size. Mr. Evans reported that a survey was done two years earlier, which informed the recommended mix in unit size. However, that would be relooked at as part of the project.

Mr. Evans added that the project will include the design of the exteriors and interiors of the buildings as well as the appropriate amenities to make the housing an attractive community. Mr. Donahue commented on the importance of certain interior amenities and finishes. He further stated that durability in anything that is built is important to avoid expensive maintenance and replacement costs when the tenants turn over.

Mr. Evans introduced Ms. Linda Turner, Associate Director of Real Estate. Ms. Turner recounted that College Court was built in 1982, it has required several upgrades. Modern amenities expected from the current housing market include granite countertops, stainless-steel sinks, and plank flooring.

President Beck indicated her support for the self-development approach for this project. Dr. Beck encouraged all be very thoughtful about the relationship between equity, the length of debt service, and the ideal subsidy. Additionally, to be mindful to the point on messaging; the interplay between student housing and faculty staff housing needs.

Mr. Evans said that this project will require working with the Chancellor's office. The Chancellor's Office review will go to the Housing Development Proposal Review Committee (HPRC), and then to the Board of Trustees. The self-development approach will help move the project through more expeditiously. Currently this project is at the starting gates. Today's meeting was informational and not an action item.

President Beck thanked all the committee members for the great thinking and expressed enthusiasm to see how the project unfolds.

Being no further business, the meeting was adjourned at 11:47am.

Respectfully submitted

Colin Donahue, Secretary