

**COMMITTEE ON FACILITIES AND CAPITAL INVESTMENTS
SUBCOMMITTEE ON GRADUATE STUDENT HOUSING**

Virtual Meeting Minutes

Friday, March 7, 2025

Time Convened: 9:01 a.m.

Time Adjourned: 10:02 a.m.

Subcommittee members present:

David L. Brandon (Chair), Rafael Cruzado, Tina Horvath, Colt Little, Sarah D. Lynne, Cydney McGlothlin, Marsha D. Powers, Kevin Senior, Bill Starkey, Nicole Stedman, and Heather White.

Others present:

Members of the University of Florida community, and the public.

1.0 Call to Order and Welcome

Subcommittee Chair David Brandon welcomed everyone in attendance and called the meeting to order at 9:01 a.m.

2.0 Verification of Quorum

Vice President Heather White verified a quorum with all members present.

3.0 Discussion Items

• **Financial Update**

University Treasurer Bill Starkey outlined the university's potential goals (cost, safety, access, location, etc.) and the potential hurdles (cost, risks, impact on graduate housing plan, ability to borrow, limitations of fund types, etc.) for graduate student housing. Prioritizing and narrowing down our goals will positively impact our success rate. He summarized UF's five potential financial and delivery options, noting the funding source, cost of capital, complexity, and key considerations for each:

	UF Build, Own, Operate, Maintain	UF purchases existing off-campus facility	Developer designs, builds, finances, and operates	UF master leases existing facility	Direct subsidies to Graduate Students
Financing Source	* Traditional tax-exempt Housing System financing		* Partnership funded (P3)	* University sources	* Unrestricted university funds (direct stipend)
Cost of Capital	Low	Low	High	High	Low – Moderate
Complexity	Moderate	Moderate	High	High	Low
Key Considerations	* Crowd out other initiatives due to ABT and Housing System financing limitations	* Opportunistic acquisitions if consistent with housing program/plan	* Limitations due to existing continuum agreement and financial viability concerns		* Inflation exposure, no financial upside * Negatively impact academy finances

UT Starkey advised rental rates for graduate and family student housing will be essential. We can do anything if we charge a high enough rate, but that is not what we are trying to accomplish. We want to help our graduate and family students obtain reasonably priced housing. Subcommittee Chair Brandon concurred with this overall goal.

Discussion ensued regarding all options. Topics included the need for rental rates to cover a bond payment as well as some of the operating costs, potential rental rates for a new building, impact on the graduate housing plan, opportunity to purchase a building and financial feasibility, limitations of ways university funds can be used, the university's ability to borrow, interest rates on bonds and real estate, potential impacts on the undergraduate housing plan, cost capital and interest rates, equity returns, building a new facility that does not reach capacity (like The Continuum at only 84% occupancy), and the potential of indirectly impacting rental rates for off-campus housing with stipend increases for not only graduate students, but undergraduate students and the entire Gainesville community.

For the UVS McGuire site, Assistant Vice President for Design, Construction, and Planning Cydney McGlothlin noted the cost for demolition is less than \$10 million, which includes the EH&S risk factors. Interim Vice President for Construction, Facilities, and Real Estate Colt Little added the site was returned to the university for its use and the university is funding the demolition for potentially something long term there. If the site were returned to Housing, per state financial rules, the Housing system would have to essentially refund the university for the cost of the demolition. We need to keep this in mind and factor it into the total project costs.

Member Sarah Lynne stated she often receives questions about renovating UVS McGuire or whether partial renovation is feasible, instead of demolishing the facility. Subcommittee Chair Brandon stated the cost to bring the building up to code and the abatement of asbestos and lead paint does not make renovation a viable option. He indicated that those buildings are so derelict, structurally and environmentally, that the only thing that makes sense is to raze them. He informed the subcommittee that we 100% vetted the idea of renovation and if it had made financial sense, they would already be halfway renovated by now.

- **Benchmarking Data**
- **Current Rental Market Rates**

Senior Director of Housing Tina Horvath shared market rental rates and benchmarking data to assist the committee with making informed decisions. The average off-campus market rental rates are:

	2 miles or less from campus	3 miles or more from campus
Studio	\$1,457	N/A
1 Bedroom	\$1,663	\$1,424
2 Bedrooms	\$1,105 / per bed	\$962 / per bed

There are currently 1,073 applicants on our internal wait list and that number continues to evolve. Majority of applicants do not have a preference of where they would like to live and the preference of layout is split evenly between efficiency, 1 bedroom, 2 bedrooms, and a 2 bedroom townhouse. 74% of applicants need graduate housing and 26% need graduate and family housing. Our Top 10 peer universities use several different rental rate structures, including per month/per unit, per month/per bed, and per semester/per unit. We comparatively continue to remain very affordable

overall. Subcommittee Chair Brandon asked if we could gather data as to whether any of these universities provide stipends to find the true net cost versus our peers and Ms. Horvath agreed. Member Rafael Cruzada suggested reaching out to the Graduate School for the data since they did a study on the stipend structures for all the other schools. Member Marsha Powers asked if we could gather data on the occupancy rates and if buildings are owned and operated by the universities and Ms. Horvath agreed. In comparison to our SEC peer universities, we are relatively the same in total units and beds. The graduate and family housing units are confirmed full at these institutions. Surprisingly, only 6 of 14 SEC universities offer graduate housing.

- **Survey Update**

Vice President for Student Life Heather White provided an update on the graduate housing survey. A draft has been created and is focused on housing demographics, pricing, and amenities. The survey will be sent out at the end of March, after spring break, and open for several weeks in April. Marketing the survey via social media, email, etc. will help us receive as many responses as possible. Our goal is to have the results and report ready to present at the June Board of Trustees meeting.

4.0 New Business

There was no new business to come before the committee.

5.0 Adjourn

The committee discussed their next meeting date and Subcommittee Chair Brandon adjourned the meeting at 10:02 a.m.