



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

**Virtual Meeting Minutes**

**Wednesday, April 23, 2025**

**Time Convened: 9:00 a.m.**

**Time Adjourned: 9:49 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 9:00 a.m.

**2.0 Verification of Quorum**

Associate Secretary Melissa Orth verified a quorum with all members present.

**3.0 Discussion Items**

• **Financial Update**

University Treasurer Bill Starkey summarized the subcommittee's goal to identify options for graduate and family housing and shared some financial modeling to understand what we can accomplish. Financial modeling comes down to a couple of things: what is the cost of the building, what is the interest rate, what is the coverage and how long will you issue that for. How much money do you need to generate in excess of debt service and then those funds are used to pay O&M. Chair Brandon noted that debt service coverage ratio is 1.2 per statute. There is not a common credit for graduate housing. A list of project assumptions for three funding alternatives were reviewed. The cost for the first phase, \$67-69M, includes \$10M cost to demo existing Maguire site which has to be repaid.

**Project Assumptions**

- Site: Existing UVS and Maguire Site
- Construction Type: Stick Frame Construction, Expected Useful Life – 20-30 years
- Facility constructed in 2 phases to replace 600 beds previously taken off-line: 300 beds in first phase, 120,000-140,000 sq ft, 100 One-Bedroom (~450 sq ft), 100 Two-Bedroom (~700 sq. ft), Community space consisting of 15,000-20,000 sq ft, Cost of constructing first phase = \$67-69 million
- Operations: Room rates sensitized based on development/financing alternatives, Revenues assume 99% occupancy declining to 95% over time, O&M at \$5/sq ft increasing at 4%

## Financing Scenarios

For each scenario, rental rates were solved based on identified coverage requirements.

- **Scenario 1a – University financed and owned**

- Traditional 30-year amortizing UF Housing System debt. Assumes 4.75% cost of capital.
- Rental rates on new facility solved to produce 1.2x coverage such that Housing System debt capacity is not diluted.
- Compares to estimated \$1000/single and \$1650/double market rates.

	Operating Year			
	1	5	10	20
<b>Expenditures</b>				
O&M	661,250	773,569	941,165	1,393,154
Operator Profit	-	-	-	-
Financing Charges	4,386,651	4,386,651	4,386,651	4,386,651
Total	5,047,901	5,160,220	5,327,816	5,779,805
<b>Room Rates Required at 1.2x Coverage</b>				
Single	1,882	1,918	1,971	2,115
Double	3,105	3,164	3,252	3,489

- **Scenario 1b – University financed and owned with incremental charge on existing graduate housing**

- Traditional 30-year amortizing UF Housing System debt. Assumes 4.75% cost of capital.
- Rental rates on new facility solved to produce 1.2x coverage after graduate housing surcharge such that Housing System debt capacity is not diluted.
- Compares to estimated \$1000/single and \$1650/double market rates.
- \$150 surcharge on graduate one-bedroom - average rate from \$772 to \$922. \$250 surcharge on graduate two-bedroom – average rate from \$941 to \$1,191.

	Operating Year			
	1	5	10	20
<b>Incremental Revenues</b>				
Existing Grad Hsg Surcharge	1,515,000	1,515,000	1,515,000	1,515,000
<b>Expenditures</b>				
O&M	661,250	773,569	941,165	1,393,154
Operator Profit	-	-	-	-
Financing Charges	4,386,651	4,386,651	4,386,651	4,386,651
Total	5,047,901	5,160,220	5,327,816	5,779,805
<b>Room Rates Required at 1.2x Coverage</b>				
Single	1,401	1,437	1,490	1,633
Double	2,311	2,370	2,458	2,695

Chair Brandon noted no buildings currently on campus are stick frame with an expected useful life of 20-30 years.

- **Scenario 2 – P3 financed, owned and operated**

UT Starkey advised one of the reasons P3s are used in the public sector is it allows them to build a different type of building. Comparing UF building vs. stick frame construction, the difference would be a lot bigger. In this case, it does not make sense.

- Assumes 6.75% developer required rate of return.
- Near-term financing charges capitalized to lower initial rental rates.
- Operator profit assumed \$1/sqft increasing at 4%.
- Rental rates solved for 1.3x coverage of required developer return.
- No impact on Housing System.

	Operating Year			
	1	5	10	20
<b>Expenditures</b>				
O&M	661,250	773,569	941,165	1,393,154
Operator Profit	132,250	154,714	188,233	148,763
Financing Charges	3,919,981	4,908,981	5,537,525	7,201,705
Total	4,713,481	5,837,263	6,666,923	8,743,622
<b>Room Rates Required to Meet Developer Return</b>				
Single	1,746	1,854	2,139	2,894
Double	2,881	3,059	3,530	4,776

- **Scenario 3 – Purchase of Existing Facility**

UT Starkey advised another option would be to purchase an existing building off campus meeting the same assumptions – not impact undergraduate housing credit and still have enough money for O&M. Current market rates, if building is \$26M, we could use it for graduate and family housing.

- Traditional UF Housing System debt – maturity limited to remaining life.
- Acquisition cost limited to market

Chair Brandon asked if this option, assuming \$26M is the cost, does it include renovation or reoutfitting units. UT Starkey advised it does not. Chair Brandon added this option is beyond what graduate students have answered in the survey they can pay.

UT Starkey advised three things could move the needle 1. if we can figure out a way to build a cheaper building, 2. interest rates lowers, or 3. subsidize the existing housing credit or increase rents on the whole system. Chair Brandon asked how these rents compare to the proposed rents on the new undergraduate housing, noting sizes are different and we can adjust per square footage. UT Starkey advised the private market rentals are \$1000 single \$1650 double. Most of those have multiple students in each of those units so not what we need for the graduate student housing. The other ways to help, as discussed in a previous meeting, include a subsidy or something similar.

- **Stipend Information**

Trustee Sarah Lynne advised she and Dean Stedman gathered graduate student stipend information at UF as well as our top ten public peers. The typical graduate stipends are .5 FTE, 20 hours a week half time, and on a 9- month contract during the academic calendar. She noted separate appointments for summer can also be made but that is not a part of the data shared. In the data shared, there is a mix of master's and doctoral students.

Trustee Lynne shared an evaluation of the graduate stipend minimum amounts, adjusted for cost of living (COLA). She noted places like LA will be more expensive than Florida so COLA were included. The values in purple are those where the total dollar amount goes down when you adjust for cost of living. If the number stays black, it is because the cost-of-living increases when you make the adjustment.

<u>Institution</u>	<u>Location</u>	<u>Minimum Stipend (9-mo, 0.5 FTE)</u>	<u>Minimum COLA Adj</u>
UCLA	Los Angeles, CA	\$36,500	\$31,719
UC San Diego	San Diego, CA	\$25,923	\$22,164
UNC	Chapel Hill, NC	\$27,747	\$28,690
Michigan	Ann Arbor, MI	\$27,539	\$28,172
Illinois	Champaign, IL	\$23,000	\$25,001
UC Davis	Davis, CA	\$25,923	\$23,357
UC- Berkeley	Berkeley, CA	\$28,196	\$23,149
UC Irvine	Irvine, CA	\$25,500	\$22,160
UF	Gainesville, FL	\$20,600	\$21,342
Gtech	Atlanta, GA	\$20,619	\$20,866
UV	Charlottesville, VA	\$12,500	\$12,800
UT Austin	Austin, TX	\$12,480	\$12,630

Trustee Lynne then provided summaries of the UF graduate appointments into three groups Research Assistantship, Teaching Assistantship, and Other Assistantships and how categories have shifted over time from 2015-2016 to 2024-2025. She highlighted the first-year minimum cash salary, average cash salary, max cash salary to show stipend trends over time. Member Kevin Senior noted the 2021-2023 information was missing. Trustee Lynne noted she will get the information. Chair Brandon asked if the top 25% average stipend of our peers was adjusted to mean, with COLA, that may be \$3-4K, which still would not support a new building financial option but may help them offset residence in the private sector. UT Starkey agreed this is a safe assumption. Trustee Lynne will do some calculations and share. Interim Vice President Colt Little advised we would need to consider the disparity between the students who live on campus and those who don't adding the percentage of the whole it's not a large number. Chair Brandon agreed and added we would need to look long term at our existing housing units rates relative to an accrual for capital maintenance.

- **Survey Update**

Vice President for Student Life Heather White provided an update on the graduate housing survey results. This was a partnership with Trustee Lynne, Dean Stedman and Member Senior. The survey was sent to all graduate students not fully online in the system, approximately 20,000, and 339 responded. The survey was open for several weeks and well publicized with at least four reminders sent out via email along with social media and other outreach messaging.

Of the 339 responders, 234 lived off campus, 89 lived in UF Graduate and Family Housing, and fifteen lived on or near a UF IFAS Research Education Center. Trustee Lynne advised that in her work as a science methodology person, this was a good sample size to be able to draw larger generalizations to the population from. There was a decent number of responses from those off campus which is a high priority group for us to get information from because those are the students that were the most interested in understanding what they would need to want to be moving on campus right. Chair

Brandon clarified that 234 of approximately 20,000 graduate students or 1% who were sent the survey replied they lived off campus and seemingly be interested in living on campus. Trustee Lynne confirmed that was accurate.

VP White advised the key survey takeaways included 1. Cost is the most important factor, with the top 5 responses including price, availability, quality, safety and proximity to campus, 2. Students indicated their max price point for living on campus is \$1,000 or less, and 3. Preferred unit type was one- and two-bedroom apartments. It was noted top priorities for those who did write-in responses included affordability, availability, pets, amenities and stipends. VP White reviewed the percentages that stood out for those considering moving next year, 52% considered moving on campus, 6% of which indicated in residence halls, the preferred unit type being a two-bedroom apartment (36%) and a one-bedroom apartment (34%). Chair Brandon asked of the 20,000 survey, how many are married or married with children. VP White advised we have metrics for only those living on campus. Trustee Lynne added the survey did ask if participants were looking for housing for themselves, themselves and adult, or themselves and children. There were a small number who advised they were looking for housing for themselves and children.

- **Recommendations and Next Steps**

Chair Brandon advised a report should be presented at the June UF Board of Trustees (BOT) meeting. Compile the information the subcommittee has gathered including SEC and top ten peer graduate benchmarking on housing rental numbers and stipends, survey results on what students can afford, demand, and location. We will present the report and get feedback from the BOT for the next steps. If we have a recommendation, we can include what to explore.

Trustee Marsha Powers advised the Board needs to understand the options to 1. increase the subsidy and 2. build inexpensive to make this financially feasible and find a clear path for success. We've got to figure out what that is and then determine how to do it within the guidelines and law at competitive market rates. Chair Brandon agreed and advised the answer may be a blended hybrid approach to meet graduate student needs. Trustee Powers thanked UT Starkey for providing financials that give all a clear picture of where we are. Chair Brandon suggested the subcommittee meet in May for a final meeting. All agreed on May 7, 2025 at 2:30pm. He thanked everyone for their hard work and research.

#### **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 9:49 a.m.