



BOARD OF DIRECTORS SPECIAL MEETING #1 MINUTES

Tuesday, August 13, 2024, at 1:00 PM

Virtual

Public Zoom

<https://calpoly.zoom.us/j/89005042138>

Fiscal Year 2024-25

Present: Joe Cleary, Damon Fleming, Bill Hendricks, Sean Hurley, Geri LaChance, Patrick Mullen, Stan Nosek, Cyrus Ramezani, Ashleigh Spragins, Cynthia Villa, Toby Walpole, Dean Wendt, Cara Wright.

Absent: Cynthia Jackson-Elmore

Staff: Dan Banfield, Holly Clark, Pearl Castro, Jim Dunning, Cody VanDorn

I. CALL TO ORDER AND INTRODUCTIONS

The meeting was called to order at 1:01 p.m. Stan asked the board to introduce themselves.

II. PUBLIC COMMENT

There is no written or person requesting comment.

III. DISCUSSION

- A. (M/S) (MULLEN/ WALPOLE) THAT THE BOARD APPROVE THE ATTACHED RESOLUTION 25-01 PROVIDING FOR THE FINANCING OF THE ACQUISITION OF REAL PROPERTY. THAT THE BOARD ALSO AUTHORIZE THE CHIEF EXECUTIVE OFFICER OR HIS DESIGNEE(S) TO NEGOTIATE AND EXECUTE ALL DOCUMENTS NECESSARY TO FACILITATE THE PURCHASE OF AND FINANCING FOR THE ACQUISITION OF REAL PROPERTY LOCATED AT 845 MADONNA ROAD IN SAN LUIS OBISPO, CA.**

None opposed.

Cody VanDorn presented the item of Real Property Acquisition of Harvest Lofts. He explained the need for additional housing to recruit and retain faculty and staff. He referenced the demand analysis performed by JLL in 2022 identifying the need for 700 – 1,100 additional units or houses. Today's request is for rental housing. The opportunity at Harvest Lofts is 120 units each encompassing 436 – 516 square feet of living space in the master planned community of San Luis Ranch at 845 Madonna Road.

Jim Dunning, Associate Executive Director for Real Estate Development and Services presented the search for off-site locations to purchase as a housing solution for faculty and staff. A new construction project, Harvest Lofts, is located 3 miles from campus. This location provides a community for faculty and staff. Dunning provided maps of the location, floorplans, and amenities of the units. This product is intended for a short-term housing option from 1-2 years. Each unit has its own APN and could be sold separately if desired. Lease rates are currently \$2,250- \$2,645 per month as well as an HOA fee.

Dan Banfield, CFO discussed the financial benefits and risks associated with the project. This option of housing enhances recruitment of faculty and staff by addressing challenges in finding housing as well as giving a supportive environment for new recruits. A few risks include unexpected vacancies, and the future debt capacity of CP Partners being reduced by this purchase.

The project would be financed through CSU systemwide revenue bonds. The total issuance is \$46.2 million. This is a tax-exempt financing; it would be a 30 – year term and carry estimated annual debt service payments of \$3.16 million. This would require approval from CSU Board of Trustees and Wells Fargo, our banking partner. Wells Fargo has expressed a willingness to support this acquisition.

Cody explained the two items to be approved are Resolution 25-01 and authorization for the CEO to negotiate and execute all necessary documents for the acquisition of the property.

Board members discussed the \$650,000 the University will be paying for the first seven years to help fund the purchase, which is part of the formula to keep rents as low as possible. Also, the rental price per month was discussed and how many employees could afford this price. It was explained to the board the process of prioritizing the housing units, which would follow the priority system found in the Bella Montana ground sublease. The faculty tenured new recruits have the highest priority followed by primary retention employees. When interest rates fall, there is an ability to refinance for a lower rate. The Chancellor's office will not secure the bond financing until the summer of 2025, which may be lower at that time than estimated in the summary. There are expected to be approximately 50 new faculty hires in the fall. The year-round operations transition will also bring additional faculty and staff.

X. ADJOURNMENT

The board adjourned at 2:10 pm

Respectfully submitted,

Holly Clark

Holly Clark, Recording Secretary