



CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY

Higher Education Student Housing Program

OVERVIEW OF CEFA

The **California Educational Facilities Authority (CEFA)** mission is to provide students with better access and broader opportunities in higher education by providing qualified higher educational institutions with the assistance needed to reduce their capital costs of financing academic related facilities through a tax-exempt revenue bond program.

CEFA is developing strategies to assist the University of California (UC) and the California State University (CSU) systems to develop housing for students and/or staff and faculty through a revolving loan fund.

STUDENT HOUSING NEEDS ¹

- California has experienced raising housing costs and low or declining rental vacancy rates with additional rent increases on the horizon.
- Off-campus rent is the largest expense for UC students. Students appear to share housing with more housemates and/or roommates to defray the high costs of rent.
- CSU can only accommodate about 11% of its full-time students in on-campus housing.
- Grant aid at UCs and CSUs covers about half of the total cost of attendance; however, the Cal Grant B is the only state aid program that covers living expenses.

WORKFORCE HOUSING NEEDS

- Many teachers working in coastal or metro areas of the state are spending more than 30 percent of their salary on rent – the federal cut-off for affordable housing. (*EdSource*)
- UCs and CSUs can attract and retain qualified instructors, faculty and staff by offering affordable housing.
- Redevelopment or up-zoning of underutilized properties owned by UCs and CSUs can generate income for the colleges and address student and workforce housing needs.

NEW REVOLVING LOAN FUND PROGRAM

- The **California Student Housing Revolving Loan Fund (RLF or Fund)** provides zero-interest loans for affordable student housing and affordable faculty and staff housing. It was enacted in 2022 under AB 190, the 2022 Education Budget Trailer Bill, (See *Education Code, Chapter 14.28, commencing with Section 67329.1*).
- SB 117, the 2023 Education Budget Trailer Bill, appropriates \$200 million (\$150 million for UCs and CSUs through CEFA) in fiscal year 2024 into the Fund and specifies the intent of the Legislature to appropriate \$300 million each year in fiscal years 2025 through 2029 for RLF (\$225 million each year for UCs and CSUs through CEFA).
- CEFA is designated to administer the RLF program for UC and CSU applicants. The first application forms for projects seeking RLF assistance will be available no later than April 1, 2024, and initial preliminary applications will be due no later than July 1, 2024 (with subsequent application rounds made available, as needed).
- Structural options are under consideration, such as bridge loans, gap financing and full project financing. Assistance will be available to SB 169 recipients, as well as other UCs and CSUs.

AVAILABLE FINANCING TOOLS

- Bridge loans and working capital financing
- Long-term project financing through revenue bonds

JOIN THE CONVERSATION

We are seeking input from UCs, CSUs, and housing development organizations as we prepare to administer the Fund. Please contact us to join these conversations.

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¹ CRHH (College Ready, Hungry, and Homeless: An Overview of Basic Needs Insecurity in California's Public Higher Education System, July 2018)