California Competes's Analysis of the Higher Education Student Housing Grant Program

Students consistently name the cost of college as a main barrier to enrollment and completion. To enable current students, along with a critical mass of the Californians with no college degree to attend college (3.9 million of whom have children), the state must help them with their greatest college cost—housing.[1] Housing accounts for 43% of UC, 57% of CSU and 68% of CCC students' anticipated cost of attendance.[2] Investments in affordable student housing must be designed for current and potential students who stop out or forgo higher education because they lack housing that meets their needs, such as apartment-style units over shared dormitories. Further, building affordable housing allows campuses to better control student's out-of-pocket costs and better integrate campus-based services to help them succeed.

California Competes analyzed the 35 approved project applications in the Higher Education Student Housing Grant Program (HESHG) to assess how they will help meet the needs of current and prospective students. Once occupied, the projects will provide affordable student housing to more than 11,200 low-income students each year, including at least 195 student parents and their families. Based on our analysis and findings, we encourage action to ensure these historic investments propel student enrollment and success:

Right Now: Ensure state investments meet the design needs of current and future students, many of whom have families and may attend more than one college on their degree journey.

Ongoing Operation: Drive efficient implementation of all student housing investments, such as by providing technical assistance to colleges in developing and operating college housing and analyzing the offerings and impact of new housing investments.

Looking to the Future: Review annual legislative housing reports and make a plan to address unmet housing needs that leverages campus, local, state, federal, and philanthropic resources.

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[1] California Competes. (2021, February). *Untapped Opportunity: Understanding and Advancing Prospects for Californians without a College Degree.*
www.californiacompetes.org/wp-content/uploads/2022/12/Untapped-Opportunity-Report-final.pdf
[2] U.S. Department of Education, National Center for Education Statistics. (2023). Integrated Postsecondary Education Data System, 2021–22 Institutional Characteristics and 12-month Enrollment components.

California's Recent Investments in Affordable Student Housing

Building new affordable student housing is one of the most effective ways to make college more affordable for Californians and to end student homelessness.[3] Recognizing the need, the governor and legislature established the Higher Education Student Housing Grant Program (HESHG) in 2021 to provide colleges with grants to build new affordable housing for low-income students.[4,5] They also awarded nearly $18 million to 70 community colleges for planning grants to enable them to develop proposals for affordable student housing (Table 1). Due to revenue shortfalls, the 2023-24 California budget shifts the original $2.25 billion in HESHG grants to institutional, state, or local revenue bond funding. Now, instead of grants, the state plans to cover the cost of the debt service, providing $164 million in ongoing general funds to pay institutions' financing costs and maintain affordability of the units.[6]

In the first two rounds of a three-round process, the state approved 35 projects to build affordable student housing for 39 campuses (Table 2). When construction is completed, more than 11,200 new affordable beds on or near campus will be made available to low-income postsecondary students. The Legislative Analyst's Office provides tables of each approved project and CalMatters developed a helpful searchable table. The legislative timeline is as follows:

- In 2021, the legislature established the HESHG program. The UCs and CSUs administered their portion of the program, and the California Department of Finance (DOF) administered the program for community colleges. Districts submitted planning and construction grant applications by October 2021.
- In 2022, 70 planning grants were awarded state funding in the 2022-23 state budget in Assembly Bill 183 and Assembly Bill 190.[7] The state approved 25 projects to build affordable student housing.
- In 2023, the state approved 10 projects to build affordable student housing, allocating the full UC and CSU award budgets.
- In July 2023, 30 community college campuses submitted proposals for consideration in the third and final round of the program.
- In the 2024-25 budget, the state may approve the remaining $81 million left in the community college portion of funding, likely enough for one project.

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[3] California Homeless Youth Project and the ACLU Foundations of California. *Supporting Students Experiencing Homelessness: Perspectives from California's Community Colleges.* (2019, April). www.library.ca.gov/wp-content/uploads/2021/08/SupportingStudentsExperiencingHomelessness.pdf

[4] California Community Colleges. *Affordable Student Housing Grant Information and Resources.* www.cccco.edu/About-Us/Chancellors-Office/Divisions/College-Finance-and-Facilities-Planning/Affordable-Student-Housing/Grant-Information-and-Resources

[5] A qualifying low-income student is defined as a student who is eligible to receive one or more of the Pell Grant, a Cal Grant, an exemption from paying nonresident tuition provided that the student also meets income criteria applicable to the California Dream Act application, a fee waiver from a California Community College.

[6] California Legislative Analyst's Office. *EdBudget Figures.* (2023, July). www.lao.ca.gov/Education/EdBudget/2023/July

[7] California Community Colleges. *Affordable Student Housing Grant Information and Resources.* www.cccco.edu/About-Us/Chancellors-Office/Divisions/College-Finance-and-Facilities-Planning/Affordable-Student-Housing/Grant-Information-and-Resources

Analysis of the 35 State-Funded Student Housing Projects

California Competes analyzed the first two rounds of approved project applications, the third and final round (submitted in July 2023) are undergoing scoring and are not available for analysis. We summarize our findings by region, number of beds or units, intersegmental projects, adult learners, designated student parent units, student services offered, and time to occupancy next.

How were projects scored? UC and CSU applications were scored and evaluated by their systemwide offices in both years. CCC applications were submitted to DOF in year one and staff developed a rubric and scored proposals based on the prescribed ranking and scoring metrics from the housing program authorizing legislation, Senate Bill 169. Metrics including unmet demand for student housing, timeline for construction, geographic region, impact on enrollment growth, and interest in intersegmental housing to enable students to transfer across institutions without needing to change residences. In years two and three, the California Community College Chancellor's Office (CCCCO) staff used the rubric to score and evaluate submitted applications. The rubric does not include points or incentives for projects meeting the needs of students most at risk of homelessness or most likely to be excluded from available traditional campus housing. Specifically, there were no metrics for student parents, adult learners, or for units dedicated to students experiencing homelessness.

What was approved? The state approved 35 projects totaling an estimated $2.15 billion to construct affordable student housing on or near 39 campuses (Table 2). Not all applications were approved because there were more requests for housing project funds than available funding allocated in the budget. Several campuses resubmitted projects the following year for consideration. The CCCCO is currently scoring 30 submissions for consideration in the third and final round of funding for 2024.

Where are the approved projects located? Eight projects are in the San Francisco Bay Area (23%), seven in Los Angeles (20%), seven in the North/Far North (20%), five in Central Valley and Mother Lode (14%), four in San Diego/Imperial (11%), two in Orange County (6%), one in South and Central Coast (3%), and one in Inland Empire Desert (3%) (Table 3).

How many low-income students will be housed from these projects each year? When occupied, more than 11,200 new affordable beds will be provided to low-income students each year. The program creates 4,380 CCC (37%), 3,658 CSU (32%), and 3,528 UC (31%) affordable beds.[8,9]

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[8] These numbers may change slightly as projects are constructed or adjusted.

[9] Note: the number of beds differ for some projects in the LAO, CalMatters, and submitted applications likely due to modified construction plans.

How many intersegmental projects, which stabilize students as they transfer from two-year to four-year colleges, were approved? Four projects (11%) are intersegmental with the goal of supporting transfer students with on-time degree completion.

    a. **Imperial Valley College and San Diego State University Imperial Valley Campus** will provide 78 housing units. Students will pay $618 per month for a single occupancy apartment and will have access to additional supportive services.

    b. **Merced College and UC-Merced** will build 488 affordable beds that may also be made available to Fresno City College students who will transfer to Merced as part of the Merced Promise program.

    c. **Riverside City College and UC-Riverside** will build 652 affordable apartment style beds and offer transfer student support services onsite.

    d. **Cabrillo College and UC-Santa Cruz** will build 624 mixed-style units, including 60 units for student parents, and the building will offer day care and study spaces.

How will the approved projects support housing insecurity for student parents? Five projects (14%) mention some level of support for student parents. Of those, three projects specifically designate housing for student parents, for a total of 195 known dedicated units (<2% of all approved units).

    a. **Napa Valley College** dedicates 90 units for student parents (17% of the total project's 528 beds).

    b. **Cabrillo College and UC-Santa Cruz's** intersegmental project includes a family wing with 60 units for student parents (9.6% of the total project's 624 beds).

    c. **College of San Mateo** dedicates 45 apartments for student parents (9% of the total project's 495 beds).

    d. **Fresno City College** highlights studio, two-bedroom, and three-bedroom rent options for students with children. Their plan does not specify how many units are for student parents.

    e. **San Diego City College** mentions the importance of connecting single mothers to CalWORKs benefits in their application but does not specify how or student parent units.

Were approved projects designed to meet the needs of adult learners, who make up a growing percent of college students? One project mentioned the housing needs of adult learners (ages 25 and older): the intersegmental project between Imperial Valley College (IVC) and San Diego State University Imperial Valley (SDSU-IV). This project will provide 78 single occupancy housing units total (39 each) to SDSU–IV and IVC students with access to additional supportive services and direct aid, such as case management, emergency grants, technology devices, transportation, and book grants. The application states that students will likely experience increased levels of academic success, better retention and persistence rates, higher graduation rates, and strengthened transfer pathways. IVC will prioritize housing units for students experiencing housing insecurity or homelessness, noting they received over 300 requests for housing through their Tiny Home Housing Community at its launch.

What services and support will be provided to students? Fifteen out of 35 projects (42%) mentioned ancillary or onsite services in their project plan (Table 4). Services offered include increased library hours, study spaces, dining halls, food pantries or grab-and-go cafes, staff support services including basic needs, health and mental health, transfer services, emergency grants, and childcare. Twenty applications (58%) did not mention any services or support.

How long will projects take from start to finish? According to the information from 21 projects listing both the estimated start of construction and occupancy date, it will take an average of 1.7 years (646 days) to complete. Most projects plan for students to move in between 2024 and 2027. Students at Santa Rosa Junior College are already living in the new units because their housing project was already underway.

Recommendations for Policymakers and Higher Education Leaders to Enhance the Impact of Affordable Student Housing

Ensure state investments meet the design needs of current and future students, many of whom have families and may transfer colleges on their degree journey.

Integrate support services into housing services. Three in five approved projects did not identify any supportive services offered in conjunction with the housing project and only one offers childcare (Table 4). Perhaps these services were implied, but it is worth being intentional at the design phase about how services and supports align to best ensure student success. With a 1.7-year average construction timeline, campuses can identify and connect supportive services to further assist low-income student residents. For example, the Village at Cerritos College is designed to house students experiencing homelessness and offers support for basic needs, wraparound services, educational planning, and financial literacy. Forty percent of students housed in The Village received a degree or certificate in their first two years, compared to 15 percent among the general student population.[10] Higher education leadership can leverage housing to align services and support to low-income students living on campus including basic needs and childcare.

Encourage intersegmental projects. Transferring from a community college to a four-year institution can be a cost-effective way to earn a bachelor's degree.[11,12] Many students, particularly older students and parents of school-age children, are rooted in their community, and the challenges of moving housing after transferring in a hopeful two years may be a large

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[10] According to Cerritos College Office of Institutional Effectiveness, Research, Planning and Grants, Cerritos College's housing project is 2023 Excelencia Award finalist - 2UrbanGirls

[11] Public Policy Institute of California. (2021, December). *Keeping College Affordable for California Students.* www.ppic.org/publication/keeping-college-affordable-for-california-students/

[12] The California State University. *Legislative Report RE: 2022 CSU Systemwide Housing Plan* (2022, September 08). www.calstate.edu/impact-of-the-csu/government/Advocacy-and-State-Relations/legislativereports1/Legislative-Report-CSU-Systemwide-Housing-Plan.pdf

enough barrier to lead community college students to opt out of campus housing. To this end, HESHG emphasizes funding intersegmental projects, yet only four intersegmental projects were approved in the first two rounds. Administrators scoring the program stated this is likely due to the quick timeline for projects submitted in round one, which only had one intersegmental project approved, and the need for greater collaboration between UCs, CSUs, and community colleges. Policymakers should encourage and approve intersegmental housing projects in future investments to improve student transfer and completion.

Enhance future program design and applications. After three rounds of applications, the state and segment administrators can integrate lessons learned from the process to better target funds and improve future student housing applications. Efforts can be taken to incentivize affordable student housing for students facing greater housing insecurity. For example, the program scoring design smartly incentivized building the greatest number of beds for the least money, however this unintentionally disincentivized the construction of housing suitable for students with dependents, as family-friendly housing is calculated as serving one student and dorm-style housing can be occupied by two or more. These lessons should be used to sharpen other state investments soon to be implemented, like the California Student Housing Revolving Loan Fund (SB 117). Policymakers can revise program parameters and scoring metrics to enable the development of affordable units suitable for student parents and students most likely to experience homelessness.

After projects are completed, there will still be more demand from low-income students for affordable housing than available units. As such, policymakers and higher education leaders can meet the supply needs by investing in more housing.

Conduct a regional needs assessment to understand where to best address remaining unmet affordable student housing need statewide. In rounds one and two, Orange County, Inland Empire, and South Central Coast received fewer approved projects than other regions in the state. While each of the other regions had at least four projects approved, these three regions combined had four projects approved (Table 3). Just like other regions, these areas of the state have experienced increasing rents and have documented housing shortages. This raises questions about why these regions had fewer projects approved and if the state needs to be more attentive to regional equity or regional demand. To make investments to further by serving multiple institutions, policymakers with financial constraints can consider intra- and intersegmental regional needs for affordable housing supply when setting up application review criteria.

Drive efficient implementation of student housing investments by providing technical assistance to colleges and analyzing the impact of new investments.

Provide technical assistance and guidance to approved project campuses. The legislature made a significant investment in affordable student housing. The success of the state's first effort to fund campus housing requires legislative oversight, guidance, and technical assistance. As such the legislature, administration, and higher education system offices should work together to:

- Ensure the system offices to develop and adopt system-wide policies and provide oversight, guidance, and technical assistance to assist campuses implementing the program as recommended by the California Community Colleges Board of Governors' Affordable Student Housing Taskforce.[13] Clear campus protocols will both ensure affordable beds are being used for the neediest students, many of whom are parents with children.
- Encourage campuses to develop housing policies that ensure students most likely to experience homelessness are prioritized for affordable units.
- Ensure campuses with an approved project have:
  - adequate financing,
  - timely construction,
  - compliant campus housing policies and student selection practices, and
  - consistent impact reporting.
- Review affordable housing occupancy and waitlists to assess for needed adjustments in the design and supply of student housing.
- Explore available local, state, federal, philanthropic, and campus resources to address remaining demand. For example,
  - convert unoccupied market-rate housing to affordable rate units with greater demand,
  - leverage housing benefits for low-income students, like federal housing vouchers or cash assistance which can help cover monthly rent, and
  - adjust the state debt servicing agreement to allow for a portion of apartment-style approved project units with bathrooms and kitchenettes to be dedicated to student parents

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[13] The California Community Colleges Chancellor's Office. *Affordable Student Housing Taskforce Report & Recommendations* (2023, March 10). www.cccco.edu/-/media/CCCCO-Website/docs/report/cccco-report-affordable-housing.pdf?la=en&hash=0B36F37D6CA97B7FFCCE9EE0D8D8627381FCFAD7

Appendix

TABLE 1. SUMMARY OF AFFORDABLE STUDENT HOUSING PLANNING GRANTS AWARDED IN 2021-22 BY COMMUNITY COLLEGE DISTRICT REGION

Community College Campuses Receiving A Planning Grant By Region Bolded campuses received both a planning grant and had their project approved in 2022–23 or 2023–24.	Planning Grants In Region	Percent Of All Grants	State Award Allocation	Percent Award Allocation	Planning Grant Awardees Housing With No Project Approved	Percent Planning Grant Awardees With No Project Approved
San Francisco/Bay Area: Alameda, Berkeley City, **Cabrillo**, Chabot, Contra Costa, Diablo Valley, De Anza, Evergreen Valley, Hartnell, Foothill, Laney, Las Positas, Los Medanos, Merritt, Ohlone (2 projects), San Jose City, **San Mateo**, Solano	18	26%	$3,521,000	20%	16	88%
Los Angeles: Cerritos, East LA, El Camino, LA City, LA Harbor, LA Mission, LA Pierce, LA Southwest, LA Trade Tech, LA Valley, Long Beach, Pasadena, Rio Hondo, Santa Monica, West LA	14	20%	$2,127,000	12%	13	93%
North/Far North: American River, Butte, Cosumnes River, Feather River, Folsom Lake, Mendocino, Sacramento City, Shasta	8	11%	$1,694,000	9%	8	100%
Inland Empire Desert: Copper Mountain, Crafton Hills, Moreno Valley, Mt. San Jacinto, Norco, **Riverside**, San Bernardino	7	10%	$3,515,000	20%	6	86%
Central Valley and Mother Lode: Cerro Coso, **Fresno City**, Madera, **Merced** (2 projects), Porterville, West Hills Coalinga	7	10%	$2,385,000	13%	5	71%
San Diego/Imperial: Cuyamaca, Grossmont, Mira Costa, Palomar, **San Diego City**, Southwestern	6	9%	$2,242,000	12%	5	83%
Orange County: Cypress, Irvine, Rancho Santiago Community College District, Saddleback	5	7%	$1,456,000	8%	5	100%
South Central Coast: Allan Hancock, Antelope Valley, Moorpark, Oxnard, Santa Barbara	5	7%	$1,034,000	6%	5	100%
All Regions	**70**	**100%**	**$17,974,000**	**100.00%**	**63**	**90%**

Appendix (continued)

TABLE 2. SUMMARY OF THE HIGHER EDUCATION STUDENT HOUSING GRANT PROGRAM APPROVED PROJECTS

Year	Approved projects	Campuses	Affordable beds as listed on the application#	Projects discussing adult learners	Projects discussing student parents	Units dedicated to student parents	Inter-segmental projects
2022	25	26	7,436	1 (4%)	2 (8%)	90 (1.2%)	1 (4%)
2023	10	13	3,782	0 (0%)	3 (30%)	105 (2.7%)	3 (30%)
Totals	35	39	11,218	1 (3%)	5 (14%)	195 (1.7%)	4 (11%)

TABLE 3. SUMMARY OF THE HIGHER EDUCATION STUDENT HOUSING GRANT PROGRAM APPROVED PROJECTS BY COMMUNITY COLLEGE DISTRICT REGION

Region (using CCC Regions)	Approved Projects in Region	Percent of All Projects	State Award Allocation in Region	Percent Award Allocation
San Francisco/Bay Area	8	23%	$608,041,000	28%
Los Angeles	7	20%	$384,792,000	18%
North/Far North	7	20%	$293,485,000	14%
Central Valley and Mother Lode	5	14%	$244,225,000	11%
San Diego/Imperial	4	11%	$275,108,000	13%
Orange County	2	6%	$153,900,000	7%
Inland Empire Desert	1	3%	$126,000,000	6%
South Central Coast	1	3%	$62,923,000	3%
All Regions	35	100%	$2,148,474,000	100%

Appendix (continued)
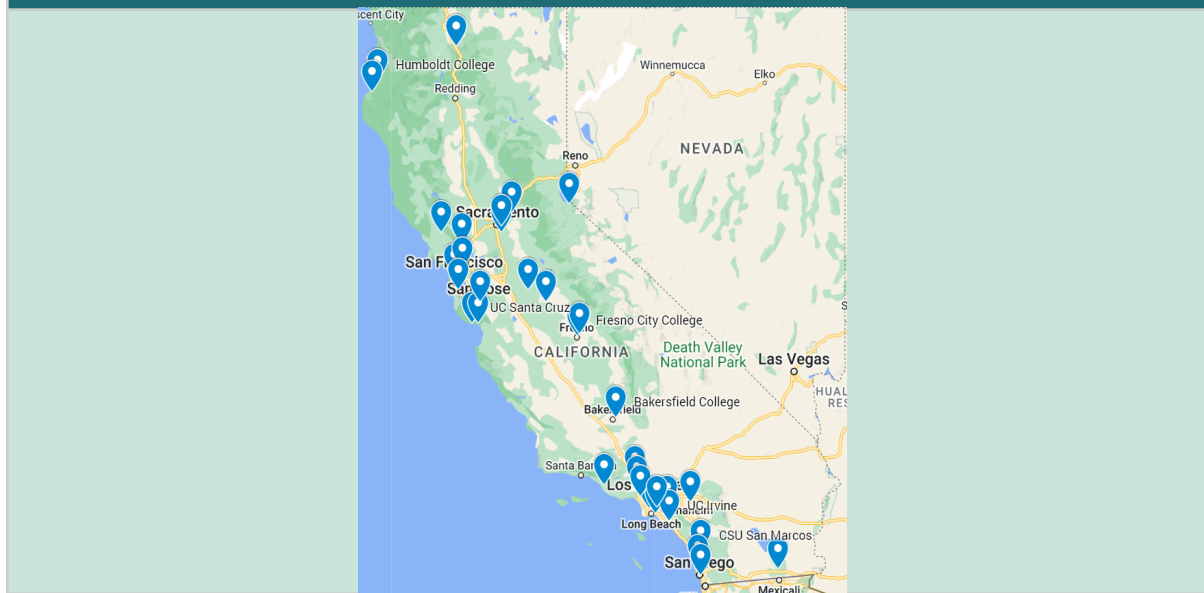
FIGURE 1. MAP OF HESHG APPROVED PROJECTS

TABLE 4. SUMMARY OF ANCILLARY SERVICES NAMED IN THE PROJECT APPLICATION

Service	Project applications naming this service	Percent of all projects
No services specified	20	58%
Library hours or study spaces	6	17%
Food pantry	6	17%
Dining hall or cafe	5	14%
Basic needs staff or services	5	14%
Mental health counselors	5	14%
Case management or social services	3	9%
Multi-purpose room for staff or student	2	6%
Health center	2	6%
Emergency grants	2	6%
Transportation	2	6%
Tutoring	2	6%
Exercise facility	1	3%
Transfer support	1	3%
Project Rebound	1	3%
Dietician, Cooking, and Nutrition	1	3%
Bilingual staff	1	3%
Technology	1	3%
Childcare and Head Start	1	3%