

Riverside Community College District

Districtwide Student Housing Strategic Framework



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Background

The Riverside Community College District is committed to doing its part to provide the next generation of students with the housing resources they need to further succeed at Moreno Valley College, Norco College and Riverside City College.

As the cost of attending California State or University of California becomes more expensive, many students, especially those from middle class and lower income families, an increasing number are starting their education at community colleges. Nearly 40% of local high school graduates rely on our local community colleges for higher education. RCCD is committed to providing the best facilities so students can succeed. There is a growing demand across the State for Community Colleges to provide student housing. Many of these efforts surround homeless, foster youth, and other underserved student populations. The Student Housing Strategic Framework will assist RCCD in meeting many aspirations for student housing across the Districts facilities master plans and off-campus investments.

Creating ancillary facilities that house supportive campus resources in a 7-day a week learning environment allows students to explore and grow beyond the formal collegiate walls. Every dollar invested in RCCD has a \$2.20 economic return. Supporting students is just one-way RCCD provides economic growth and sustainability to the region.

The Districtwide Student Housing Strategic Framework will provide affordable and accessible housing for students from all walks of life, including veterans, foster youth, single parents, international students, athletes, and more. On-campus and off-campus student housing will allow students at our three colleges to actively engage with the campus and local community, and will serve as a key economic driver in the region for years to come.

The goal is to create a “living lab” to enhance the student learning environment. Living on-campus or close to campus will be a transformative experience for students by enhancing student development and academic success. Studies have shown that students who live on campus have a higher GPA than those that do not, are more academically and socially engaged, are more persistent, and graduate at a higher rate.

Initial Goal

At a starting point, RCCD is looking to have a total of 400 beds as a phase 1 initiative: 200 at Riverside City College, 100 at Moreno Valley College and 100 at Norco College. The on-campus student housing projects would fit within the colleges' 2018 and 2019 developed Facilities Master Plans. In addition, the district is looking into an off-campus land development adjacent to each of its three colleges in collaboration with its regional cities and the county for potential affordable student housing as well as private properties.

Student Housing Strategic Framework/Plan

The intent is to establish a set of strategic goals and objectives that addresses student basic needs, institutional mission, and financial viability. One of the key aspects to the Districtwide Strategic Framework is to create the Districtwide Strategic Plan, decision-making criteria and driving factors for student housing whether on-campus or off-campus. This process, utilizing a Strategic Asset Value (SAV) analysis, enables the district and all three colleges to develop an understanding of how the mission and vision of the educational institutions combines with the attributes of student housing assets to enhance and advance our objectives.

This plan will address the District interest in addressing housing insecurity and student homelessness, students' retention, bridging the equity gap, as well as a focus on revenue generation or international student recruitment. Answering the “why” through the start of the Plan will enable the District to effectively plan how to engage campuses, students, community members, and external developers that may have an

interest in student housing. It will place RCCD as a strong owner and party in any potential development opportunity.

The Student Housing Strategic Plan is envisioned to achieve four fundamental objectives. The plan will deliver clarity as to how RCCD can:

- i. Define the anticipated impact of these strategic priorities on future housing facilities, programs, and services, as well as resulting impacts to other campus programs;
- ii. Maximize the financial and strategic value of its housing assets;
- iii. Procure and deploy the required capital most advantageously; and
- iv. Operate housing in a way that maximizes RCCD's strategic financial interests.

The Districtwide Student Housing Strategic Plan will serve as a living document that guides the District through fulfillment of the strategic priorities outlined as a part of this Plan.

The Districtwide Student Housing Strategic Framework/Plan development will introduce five (5) phases:

1. **Priority Confirmation:**

The objective of the priority confirmation phase is to further understand the goals and objectives of the District with respect to residence life and to establish the decision-making criteria for the direction of the housing strategic plan.

2. **Project Definition:**

Project Definition establishes the detailed specifications for housing to be created and defines the subject of the development arrangement. The subsequent phases move projects further along the approvals process towards implementation. They are contingent on decisions made during Project Definition and the associated details are an essential deliverable of this phase.

3. **Selection Management Services:**

The District to engage a subject-matter expert consultant that will utilize its expert knowledge of the design and development of on-campus housing facilities to manage the selection process of key project partners, including the design team and potential development partner. The consultant, in close coordination with RCCD, will create procurement materials designed to both maximize interest for qualified teams and provide the college and District with the information to select project partners. As part of the process, the consultant will participate in the shortlisting and interview process, as well as coordinate the college and District's internal working committee.

4. **Partner Engagement**

Following the successful identification of a potential development partner, the consultant would help the District maximize its financial interests and campus community objectives through the facilitation of an effective negotiations process. The consultant would help RCCD establish advantageous contractual terms and will support the drafting of all of the development agreements.

5. **Implementation Support & Oversight**

Based on the District's objectives for a specific project, the consultant should be equipped to ensure successful oversight of the construction process. The District will engage owner's representative or Project Manager to ensure that the design and construction activities are consistent with strategic and financial objectives in order to maximize the value of the District's investment.

Student Housing Survey/Demand Market Study

The District plans to conduct a student housing market study and demand analysis for its three colleges in the Spring (or Fall) Semester of 2021. The report will be finalized by June (or December) of 2021. The

study will be outline the baseline for the defined strategic objectives for student housing at each college to include: student demand, housing preferences, rent tolerances, off-campus student rental markets, acceptable room rates, analysis of desired mix of room types to be offered based on demand and housing options at competing institutions.

Housing demand for community colleges throughout the nation has been dramatically increasing over the past 10 years. Today 28% of community colleges in the US offer on-campus and off-campus housing. In California 13 community colleges offer student housing and a 13th Orange Coast Community College opened its 840 beds new student-housing complex in the spring of 2020.

This effort will include four major tasks:

1. **Enrollment Studies:**

Review historical enrollment data and student enrollment projections, the current campus master plan and/or strategic plans (as they relate to housing), data from previous housing surveys or studies, and any other information related to the study.

2. **Peer Analysis & Trend Research:**

The market trends in housing have become a more rapidly changing environment than ever before, therefore the District needs to know what its peers offer (unit types, amenities, and prices), as well as the current industry trends that best contribute to the recruitment and retention of students. This also includes:

- a. gathering data related to quantity of existing housing, unit types, and amenities offered, housing rates, occupancy rates, percentage of enrollment housed on campus, relevant policies, and any new housing/renovation plans;
- b. determining which peers' programs, development approaches, units, or other housing concepts serve as useful lessons for the RCCD in developing housing; and
- c. comparing the RCCD's housing offering at the library/terminal site to its peers and assess *the RCCD's competitive position with respect to student housing*.

3. **Off-Campus Market Analysis:**

As higher education residential facilities face competition from the off-campus rental market, which can threaten the occupancy goals of the institution and therefore the financial viability of housing. For college facilities to be successful, the institution must understand the alternatives students evaluate when making the on-campus housing vs. off campus purchasing decision. This requires an analysis of:

- a. **Off-campus offerings:** Where do students live off campus? What types of units are offered? What are the rents? What amenities are offered? How welcome are students in off-campus housing?
- b. **General market conditions:** What are the trends in the local area multifamily rental market? What are vacancy rate trends? Have rental rates been increasing, decreasing, or remaining flat? What (if any) projects are being planned in the area that might increase the level of competition?

4. **Stakeholder Engagement:**

To quantify generalizations from the early stage of the market analysis, it is important that the District administer a student survey as well as the conceptual input from focus groups. The focus groups and survey seek to answer important questions about need, type, pricing, amenities, etc.

- a. **Survey Methodology:** Several important factors must be considered to effectively conduct an interactive survey. The District will hire a specialized consultant that has the technical expertise to conduct such surveys and advise the District regarding important decisions

related to pre-survey planning, instrument design, target population considerations, implementation, follow-up, analysis, reporting, and beyond. The survey will be web-based.

- b. Focus Group Discussion:** Quantitative data analysis is important, but gathering real perceptions of constituents on the ground is an invaluable part of any program evaluation. These discussions help the District understand and tell the story of the impact of a given program. Focus groups are qualitative data gathering/analysis and an ideal way to get feedback from a broad spectrum of individuals, but in a personal and nuanced way.

Alignment with Long-Term Capital Facilities Program

Any and all District's student housing projects shall require a comprehensive review of California Environmental Quality Act (CEQA), Division of the State Architects (DSA) compliance, American with Disability Act (ADA) plan, Field Act "Title 24" compliance, fire marshal approval, district safety and security standards and plans, facility maintenance and operation plan, space inventory assessment impacts, ALTA Title Land Survey, college design guidelines and aesthetic synergy with campus environment, efficient space programming options, student services, counseling, and budgetary oversight. It will integrate a total cost of ownership (TCO) methodology and sustainability strategies when planning and developing proposed student housing projects.

Integrated Planning

It is the process of which a sustainable approach to planning that builds relationships, aligns the organization, and emphasizes preparedness for change. Thus, the student housing strategic plan will integrate with the colleges educational and facilities master plans, District strategic plan, districtwide solar/battery planning initiative, districtwide sustainability and climate action planning effort, and board policies and administrative policies.

Property Management

The intent of this initiative is to serve its students at MVC, NC, and RCC and to not add any extra burden to the college administration. Thus, the District proposes to deploy a third party property management firm who will be committed to customizing its property management services towards the unique characteristics of two-year community colleges and specifically to its colleges' students. The property manager services also will be tailored to entail all aspects of a turnkey operation and/or a blend with District and/or developer expertise.

Conceptual "Preliminary" Schedule Milestone

This takes into consideration the process from the market study and needs analysis through occupancy of the project depending on the funding availability. This milestone schedule will be tailored on project-by-project basis. The different phases include the following:

- Market Study and Demand Analysis
- Land Acquisition or On-Campus location
- Environmental Studies
- Engineering and Entitlement
- Building Permits (Division of the State Architects)
- Earth Work Preparations and Underground Utilities
- Facility Construction and Fit-out
- Landscaping, Parking and Permits
- Occupancy and Property Management

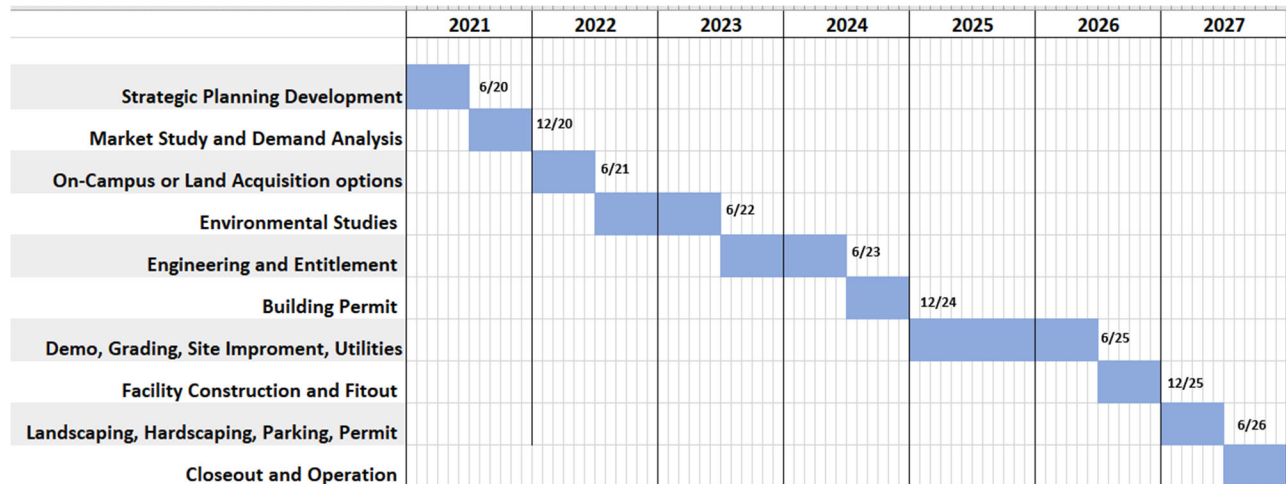


Figure 1 - Conceptual Schedule Milestone

Conceptual “Preliminary” Project Development Budget

The preliminary budget has many assumptions and includes the following factors:

- Land acquisition Fees (off-campus only)
- Entitlement and Architectural/Engineering Fees
- Building Survey, Permit and Environmental Fees
- Site Improvements onsite Surface Parking Fees
- Building Construction Fees (prevailing wages)
- Building Amenities (off-campus)
- Tenant Improvements and Fit-out
- Furniture and Equipment, Low Voltage, IT Fees
- Landscaping and Hardscaping Fees
- Management/Geotechnical/Testing/Inspection Fees
- Utilities Connection Fees
- Secondary effects associated with relocating or demolition
- Direct Construction Oversight Cost
- Legal Counsel Fees
- Developer Fees of 4%.

For a minimum 100 bed facility, the total gross square footage (GSF) allocation is 350 GSF per bed with an efficiency factor close to 78%.

Development Costs is in the range of \$225,000 to \$250,000 per bed depends on the number of beds, design configuration and site conditions with an additional 20%-25% for site development, parking needs, utilities availability/services and other secondary effects, bringing it to \$250,000-\$300,000 per bed.

Total Project Development Budget for a 100 beds facility is estimated at \$27 - \$32 million.

Conceptual “Preliminary” Operation Budget

\$3,000 - \$3,500 per bed annually for a 400 bed facility.

Operator/Management Fees are typically 3% to 3.5% of annual revenue.

Conceptual “Preliminary” Affordable Rent

This will vary by unit size (privacy costs more). Rents will also vary depending on program size, development costs, and institutional financial supports. Rents should include a mix of 12-month and shorter term lease options with premiums for shorter term. Rents typically include furniture and utilities, i.e., gas, electric, cable television, Internet access, trash, and sewer. The market study in the Spring or Fall of 2021 will provide rent tolerance for affordable housing.

On-Campus vs. Off-Campus Student Housing

Any off-campus housing will require the following criteria:

- Investigation of publicly-owned buildings with City and County officials to explore a long-lease land use development;
- Consideration of land acquisitions surrounding the campuses' boundaries within walking distance or acceptable or close proximity to the campus where it provides synergies for a 24/7 college/residence environment;
- Exploration of opportunities for public-private-partnerships (P3) with new developments located in the potential locations.

On-Campus student housing will be on the District owned properties at Moreno Valley College, Norco College and Riverside City College.

Funding Opportunities

The District will be looking into different funding opportunities and resources to fund the feasible student housing projects including federal, state, philanthropic resources to assist with these facilities as well as private developers under a public-private partnership deal structures.

Land Use Development Policies

The District is in the process of developing a draft set of policies such as land use development, real estate property in external partnership and public-private partnership.

Public-Private Partnership, Project Delivery & Deal Structure

A public-private partnership (P3) is a cooperative arrangement between two or more public and private sectors, typically involving a private entity financing, constructing, and/or managing a project. P3 delivery may be used for projects in which the revenue creates a “realistic opportunity for positive return” (e.g. student housing, food services/retail, parking structures, athletic/event space). P3 can cover hundreds of different types of contracts with a wide range of risk allocation, funding arrangements, and statutory requirements. Various forms of P3 compensation include a fee contract, in which the P3 firm receives its compensation through a fee charged to the owner, and a concession contract, in which the P3 firm receives its compensation directly from the consumers rather than the owner. Thus, leveraging a strong Government Bond Rating can significantly reduce the financing costs and financial viability of the project. Typically, the private entity will be comprised of a design-build team, a maintenance firm, and a lending firm.

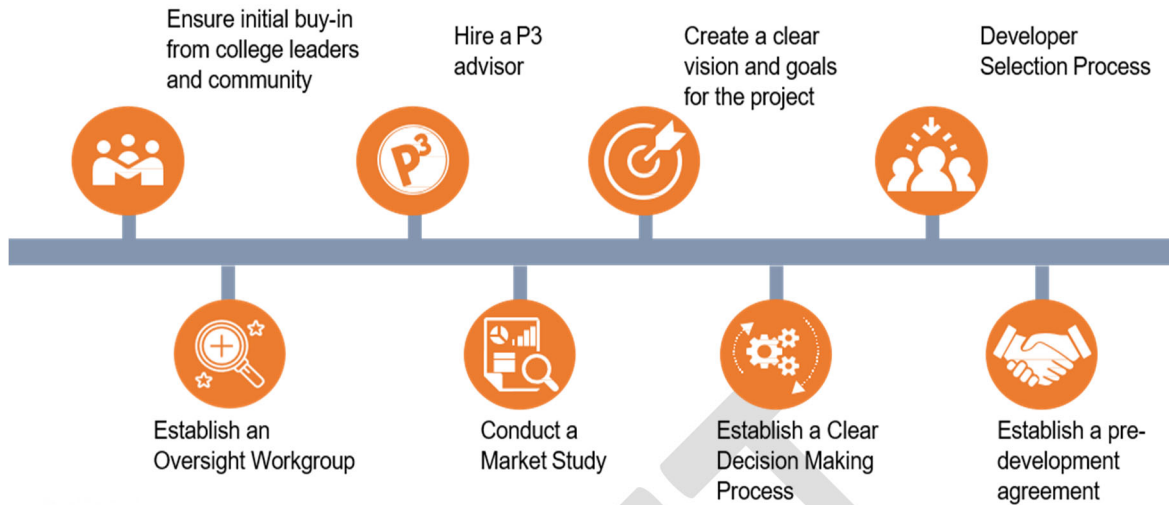


Figure 2 – Public-Private Partnership Typical Process

Tax-Exempt Financing Structure Description

Under a tax-exempt financing structure, RCCD leases the land to the Borrower, who in turn borrows money through an entity that has the authority to issue tax-exempt bonds. The financing is structured in this manner to eliminate the legal liability of RCCD to pay the debt service on the bonds.

Under this structure, the bonds will provide all the funds needed for the project.

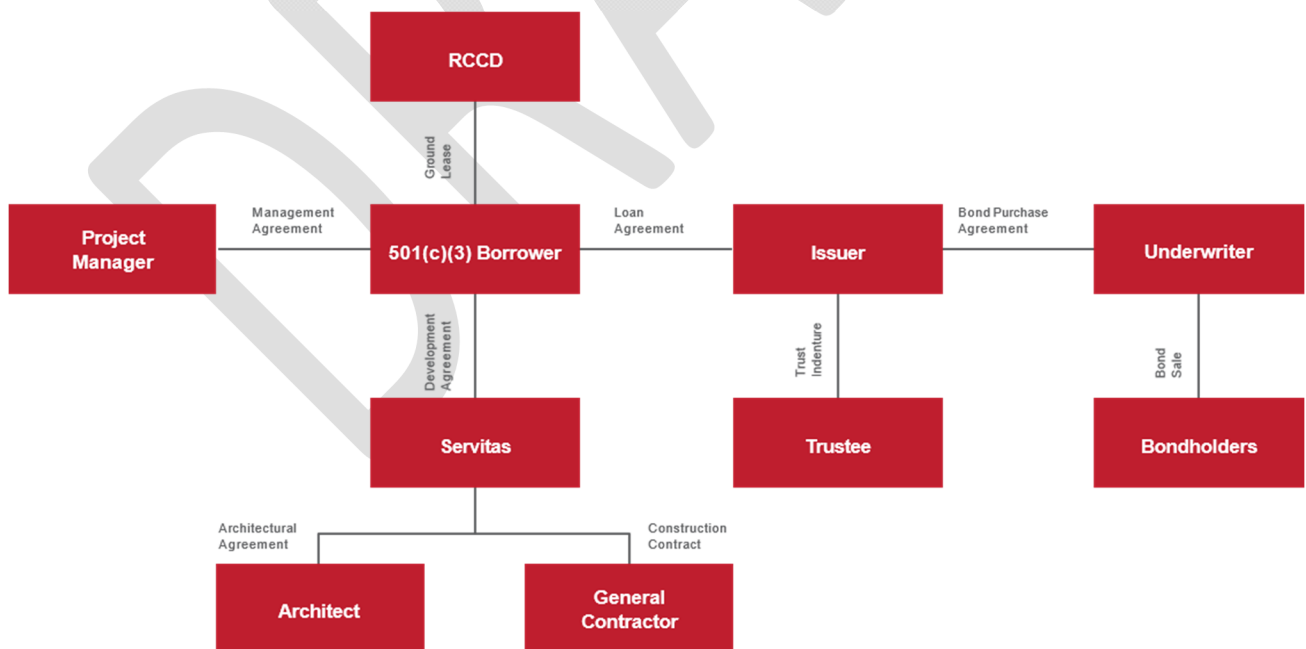


Figure 3 – Tax-Exempt Financing Structure

Primary Parties

Issuer: The Issuer will be a local issuer that is organized under state statute and can issue tax exempt debt for the benefit of a 501(c)(3) entity. The Issuer will issue the Bonds and lend the proceeds to the Borrower, pursuant to a Loan Agreement between the Issuer and the Borrower.

RCCD: RCCD will enter into a long-term ground lease agreement and a Cooperation Agreement with the Borrower.

Borrower: A 501(c)(3) organization will serve as owner of the project and borrower of the bond proceeds from the issuer of the bonds.

Underwriter: The underwriter will sell bonds to investors. Those proceeds fund total costs of the project, and the ongoing revenues from the project will repay the investors.

Trustee: The trustee will hold all funds and mortgages for the benefit of the bondholders. The trustee will receive project revenues and provide the funds to the manager to pay all expenses of the project. Monthly, the trustee will fill funds as provided in the Indenture. Trustee-held funds include Revenue Fund, Bond Fund, Debt Service Reserve Fund, Repair and Replacement Fund, Project Fund, Rebate Fund and Surplus Fund.

Bond Counsel: The bond counsel will review the deal structure to ensure that it is fair to investors and complies with regulations. Bond counsel typically drafts the Trust Indenture and Loan Agreement.

RCCD's Counsel: RCCD's counsel represent the interests of the College. RCCD's counsel typically drafts the Ground Lease and Cooperation Agreement.

Borrower's Counsel: The Borrower's counsel represents the interests of the Borrower. Borrower's counsel typically drafts the resolutions needed for Borrower approvals and helps coordinate any local legal issues.

Underwriter's Counsel: Underwriter's counsel typically drafts the offering documents (Preliminary Official Statement and Official Statement) and the Bond Purchase Agreement.

Documents between RCCD and the Developer

Pre-Development Agreement: RCCD will agree to compensate the developer if RCCD cancels the project or otherwise makes it un-financeable. The Developer agrees to work on behalf of RCCD to design, permit and achieve financing for the development. General specifications regarding cost, schedule, rents, financing and building program are memorialized in this document.

Documents between RCCD and the Borrower (and how they protect RCCD)

Ground Lease: RCCD will lease the land upon which the Project is to be built to the Borrower for a term that typically extends ten years past the final maturity of the Bonds. RCCD will not be required to subordinate its interest in the land. The land and the student housing facility will revert to RCCD upon the earlier of full payment of the Bonds or the end of the ground lease. RCCD will have the option of buying the project at any time during the life of the issue at a purchase price equal to the amount of debt outstanding.

Cooperation Agreement: RCCD agrees to (a) use commercially reasonable efforts to market the Project to its students and (b) only undertake similar projects when, in the opinion of a mutually agreed upon independent consultant, such project(s) will not impair the Project from attaining its occupancy

and coverage requirements. Neither RCCD nor the Borrower will be required to guarantee student demand, occupancy, rents, or incomes for the project. RCCD will have to agree that it will not give a leasing priority to any other project or future project to keep all housing on parity. Leasing of the project will be restricted to students and those attending RCCD sponsored programs such as camps and continuing education classes. This restriction is based on the rules associated with tax-exempt financing.

Other Key Documents

Trust Indenture: The Trust Indenture is an agreement between the issuer and the trustee that details the characteristics of the Bonds and includes a detailed flow of funds. The trustee will follow the provisions in the Trust Indenture to manage and disburse the funds of the project. The Trust Indenture will also contain default provisions on the bonds and remedies of default.

Loan Agreement: The Loan Agreement is between the Issuer and the Borrower. It takes provisions of the Trust Indenture and passes them along to the Borrower. It will also contain requirements of the Borrower including a rate covenant that will require the project to generate revenues to meet an annual 1.20 coverage ratio test.

Management Agreement: An agreement between the Borrower and the Manager of the project. This document will detail the requirements of the Manager.

Security for the bondholders – How are funds raised and how are they repaid?

The Borrower will undertake to design, construct and own the Project, for the benefit of RCCD, through a full service (design, construct, operate) partnership agreement with a development and management team. Project revenues will flow through the Manager, on behalf of the Borrower, and will be directed through the Trust Indenture, pursuant to which the Bonds are issued, and the Loan Agreement into specific accounts under the control of the Bond Trustee.

The Loan Agreement will be a non-recourse obligation of the Borrower secured solely by a pledge of Project revenues and by a leasehold mortgage on the Project. The trust estate under the Trust Indenture will consist of all funds and accounts held by the Bond Trustee, including a debt service reserve fund and liquidity reserve fund. As additional security for the Bonds, the issuer will assign to the Bond Trustee the issuer's interest in the Leasehold Mortgage.

Gross project revenues will be deposited with, and pledged to, the Bond Trustee as security for the Bonds. The Bond Trustee will distribute monthly allotments to the manager for operating and maintenance costs, pursuant to a pre-established annual budget. Residual revenues will be used first to fill other funds and accounts as required under the Trust Indenture and then distributed to the Borrower (assuming certain coverage tests are met).

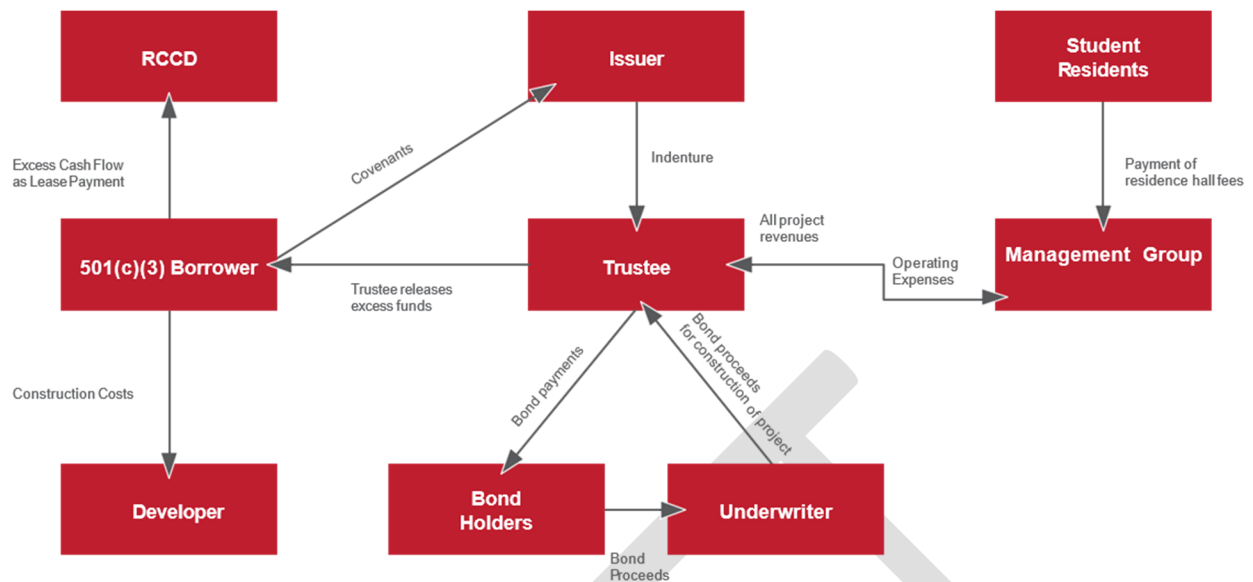


Figure 4 – Financing Structure Flow Chart

Additional Bondholder Protection

Coverage Ratio: The transaction will be structured so that expected net revenues cover the annual debt service requirement on the Bonds by at least 1.20 times. If the coverage tests (established in the Loan Agreement) are not met, RCCD, the Borrower and the Manager will agree to cooperate in selecting an independent consultant and in implementing such consultant’s recommendations regarding the operation, management, and promotion of the Project.

Capitalized Interest Fund: Equal to the amount necessary to fund interest due on the Bonds through the completion of construction and start-up of the Project, often six months after construction completion. This additional “cushion” is required by the credit enhancers and rating agencies. If the project opens on time and is leased to the pro forma occupancy, significant cash flow will be generated.

Debt Service Reserve Fund: Equal to the lesser of (i) maximum annual debt service on the Bonds, (ii) 10% of the proceeds of the Bonds and (iii) 125% of average annual debt service on the Bonds. The money held in this fund will be available to pay debt service in the event the revenues from the project are insufficient.

Reserve for Replacement: Sufficient reserves will be required and retained by the Trustee for maintenance and replacement costs throughout the life of the Project.

Liquidity Enhancement: In addition to the Debt Service Reserve Fund and the Reserve for Replacement, investors will want the 501c3 to fund an additional reserve from excess revenues. This reserve will be funded in the first year of operations. This will remain in place for the life of the bond issue.

Proposed Student Housing at Moreno Valley College (MVC)

Existing Campus: The Main Campus is adjacent to a natural open space with an extensive hillside, the Russell Mountains serve as the backdrop to this campus. Nestled at the base of the mountains, the campus is easily accessed via hiking and community trails. The Main Campus sits on 136-acres of land surrounded by single family homes and multi-unit buildings along the west edge and a large mountainous area along the east edge. The campus boundary is defined by Lasselle Street and Cahuilla Drive and includes the mountainous areas.

The topography of the site is significant, with roughly a 200-foot elevation change from the low point at the Campus entry at Lasselle Street and College Drive, to the top of the hill east of the Humanities Building. The challenging topography results in a built environment that is multi-leveled. The campus core is set back from and elevated above the street frontage, campus gateways, and parking lots.

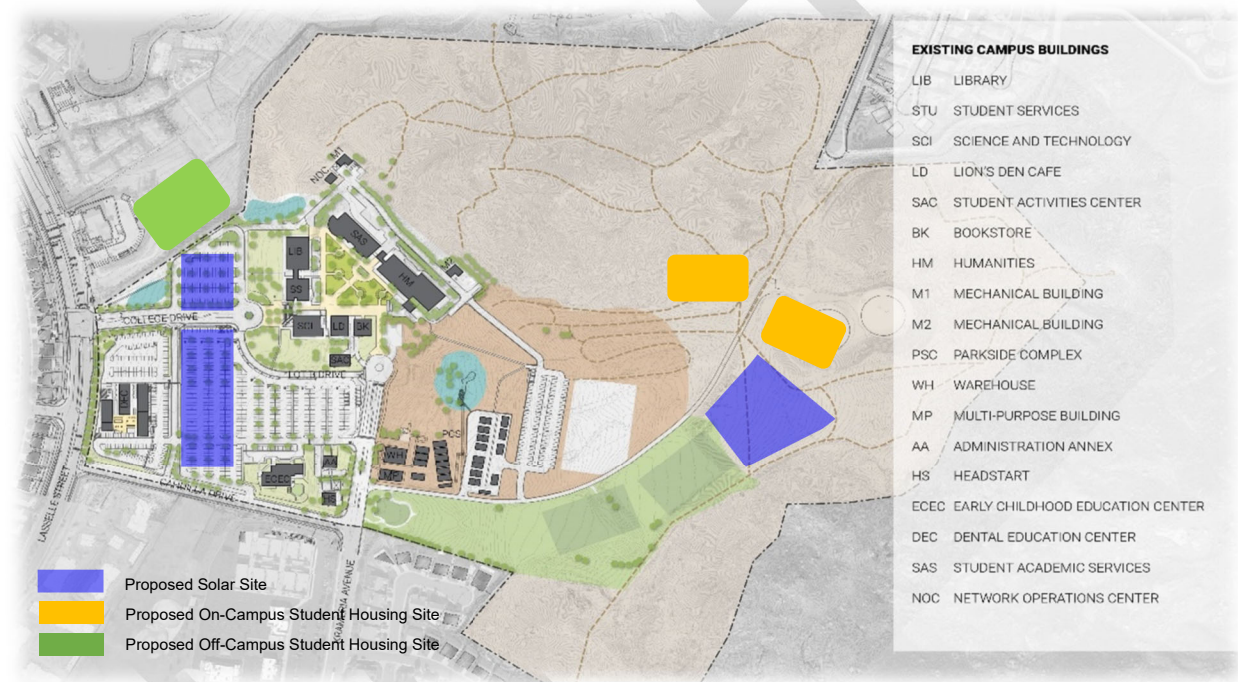


Figure 5 - Moreno Valley College - Existing Campus

Campus 2030 Vision Plan (2019 FMP)

The 2030 Campus Vision Plan was developed based upon listening to the needs of campus and community stakeholders, an analysis of campus space needs and the physical campus conditions, and the intent to address each of the planning principles and planning objectives. This site plan organization creates a larger campus core that promotes collaboration and activity on a grander scale.

Each building has access to open space which integrates and contains indoor and outdoor space, as well as opens up view corridors, creating more visibility to programs. With the framework of Guided pathways as an organizing factor, the development of the campus is organized around a central green space that provides access to the outdoors for each of the buildings.

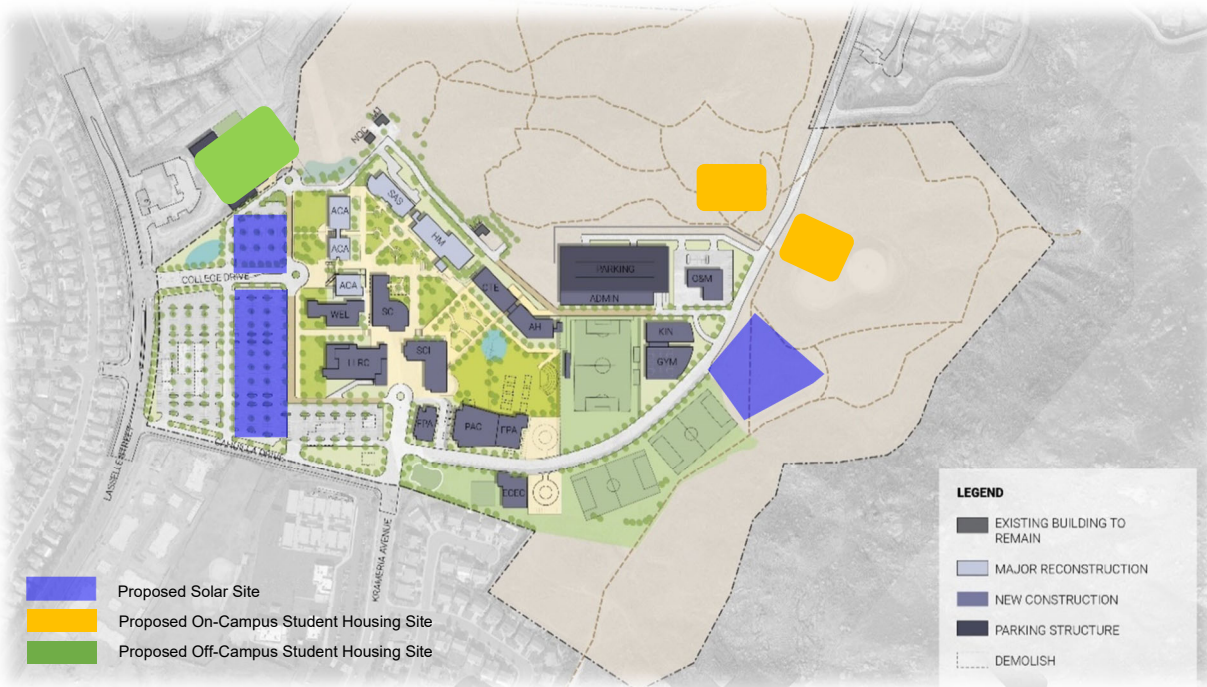


Figure 4 - Moreno Valley College - 2030 Facilities Master Plan

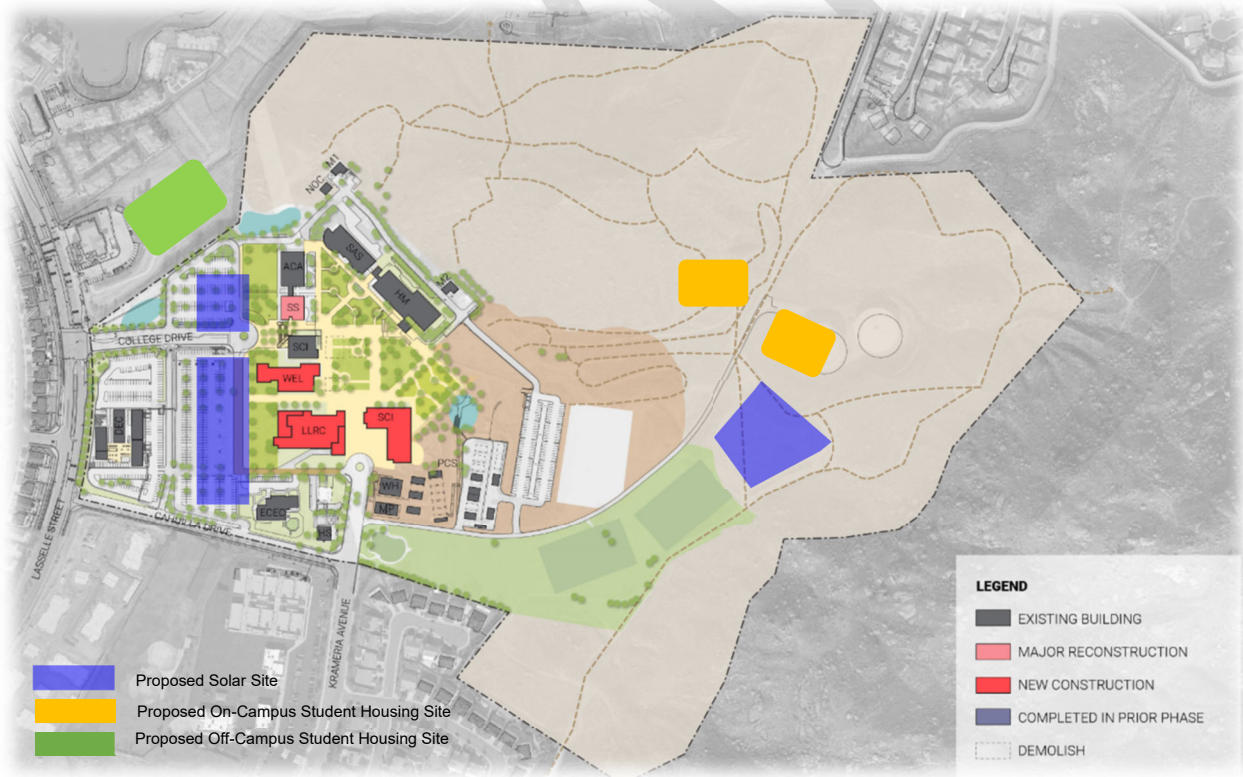


Figure 5 - Moreno Valley College - Phase I Facilities Master Plan

Proposed Student Housing for MVC

The proposed student housing at MVC takes into consideration the proposed buildings and infrastructure projects that are outlined in the 2030 facilities master plan vision as well as solar planning initiative. A collaborated effort between the District and MVC has identified the following proposed student housing locations:

- a. On-Campus: Highlighted in yellow. These locations need further site assessment to determine their economic viability and constructability.
- b. Off-Campus: Highlighted in green where the early college high school facility and parking structure are proposed to be built as outlined in the 2030 FMP vision in Phase 4. This location provides high viability for its adjacency to the campus and the possibility to obtain a dedicated entrance to the site without interrupting the day-to-day activities of campus operation.

Proposed Student Housing at Norco College (NC)

Existing Campus: The College's 141-acre property sits within a larger section of land that includes the California Rehabilitation Center (CRC), Lake Norconian, and the Lake Norconian Club. Along the northern edge of the campus property is the U.S. Navy's Naval Surface Warfare Center, Corona Division. Both southern and western edges of the property are adjacent to residential subdivisions aligned with wide multi-use trails for equestrian use.

A majority of the 141-acres is undeveloped due to the circulation inaccessibility and steep topography; approximately 55-acres of is developed today. The campus contains approximately 238,000 gross square footage (GSF) as of 2019. According to the State facility condition assessment as of 2017, all of the existing buildings are in satisfactory condition.

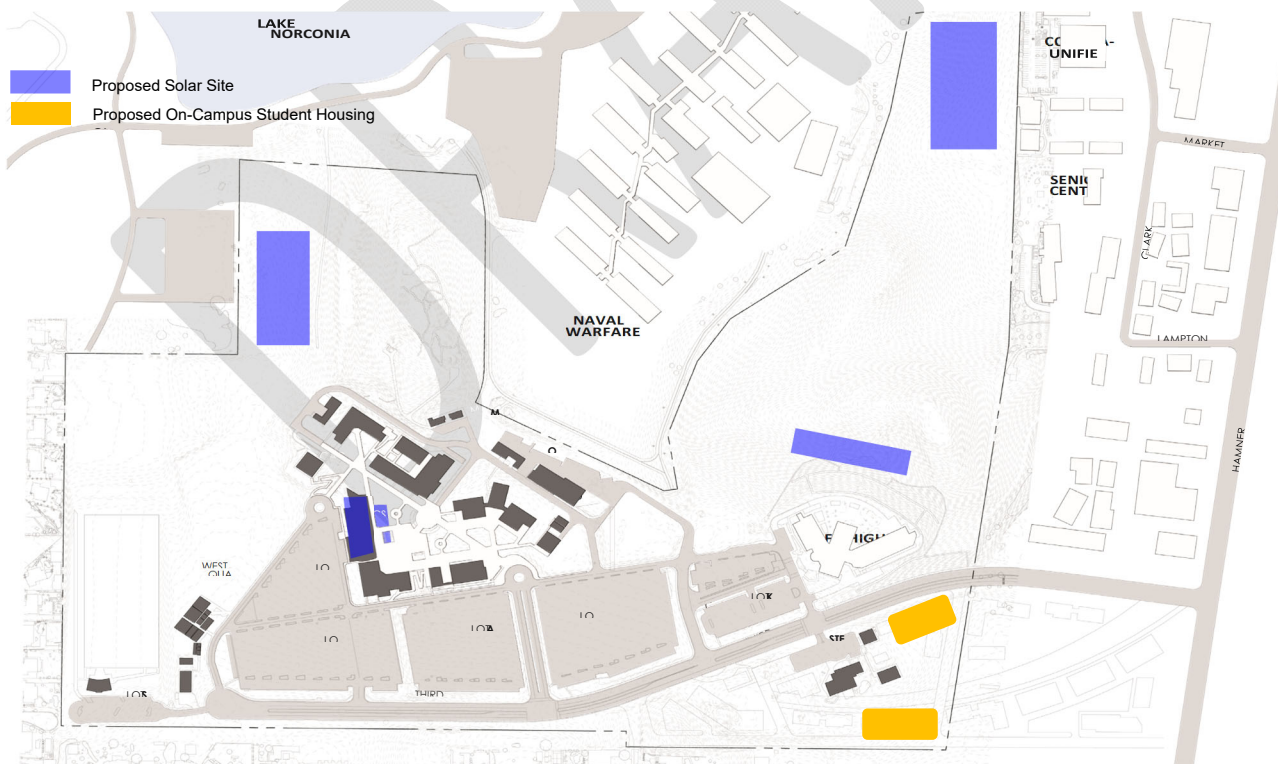


Figure 6 - Norco College - Existing Campus

Campus 2030 Vision Plan (2019 FMP)

The 2030 Campus Vision Plan outlines the approach for the development over the next 15+ years. In addition to buildings and facility projects, open space, pedestrian circulation, and vehicular circulation projects are also identified to enhance the physical environment and experience for campus users. The framework of the plan seeks to honor the natural settings of the campus and region while creating an active, urban environment with use buildings lining through Third Street, transitioning of vast surface parking lots into dense parking structures, and creating a pedestrian-focused environment with lush open space and pathways that knit the campus together.



Figure 7 - Norco College – Short-Term Vision Plan Facilities Master Plan



Figure 8 – Norco College – Long-Term Vision Master Plan

Proposed Student Housing for NC

The proposed student housing at NC takes into consideration the proposed buildings and infrastructure projects that are outlined in the 2030 facilities master plan vision as well as solar planning initiative. A collaborated effort between the District and NC has identified the student housing highlighted in yellow on-campus. This location provides high viability for being on campus footprint, right of the campus main entrance through Third street and contained on an area that are not planned for future development.

CEQA/DTSC Background for NC

- 1920: NC site was first developed as part of a luxury resort and golf course
- 1941: Site was sold to the US Government “U.S. Naval Fleet Analysis Center Corona Annex”. Site activities included incinerator operations, landfill operations, and operation of burn pits for management and disposal of wastes generated at the facility
- 1980: State acquired a portion of the Corona Annex
- 1984: State transferred 141 acres to RCCD for the construction of a college campus
- 2006: 6.45-acre were leased for Corona-Norco Unified School District “JFK-HS”
- 2016: A Land Use Covenant was recorded due to the prior military activities and the lack of comprehensive investigations necessary to evaluate potential impacts at the site, a Land Use Covenant

was recorded in 2016. The Land Use Covenant sets forth the deed restrictions for the site and general steps for obtaining permission from the DTSC prior to proceed with projects

DTSC Land Use Covenant Restrictions

- Prohibited Uses
 - a) A residence and housing, residential human habitation;
 - b) A hospital for humans;
 - c) A public or private school for persons under 18 years of age, except CHS ...
 - d) A day care center for children.
- Prohibited Construction
 - Construction of any new enclosed structure for any purpose without the DTSC's written approval
- Soil Management
 - No activities that will disturb the soil at or below 4 feet below grade such as excavation, drilling for water, oil, groundwater extraction, etc.

Proposed Student Housing at Riverside City College (RCC)

Existing Campus: The Campus sits on 125 acres of land, includes 81 buildings, (permanent, temporary and vacated) and contains close to 1.5 million gross square footage (GSF). The majority of the buildings are clustered on the upper campus, the lower campus is dedicated mostly to parking and athletic fields.

The majority of original buildings were constructed in the 1950's and 1960's and have high FCI scores (>50%). This indicates that the cost to renovate would be very high and that replacement should be considered. Since 2000, four new buildings were constructed to the west of the Quad, extending to the corner of Magnolia and City College Drive. Surface parking lots were removed and a new parking structure was constructed. In 2016, RCC's Culinary Academy and Coil Schools of Arts facilities opened in downtown Riverside, adjacent to the new District Offices.

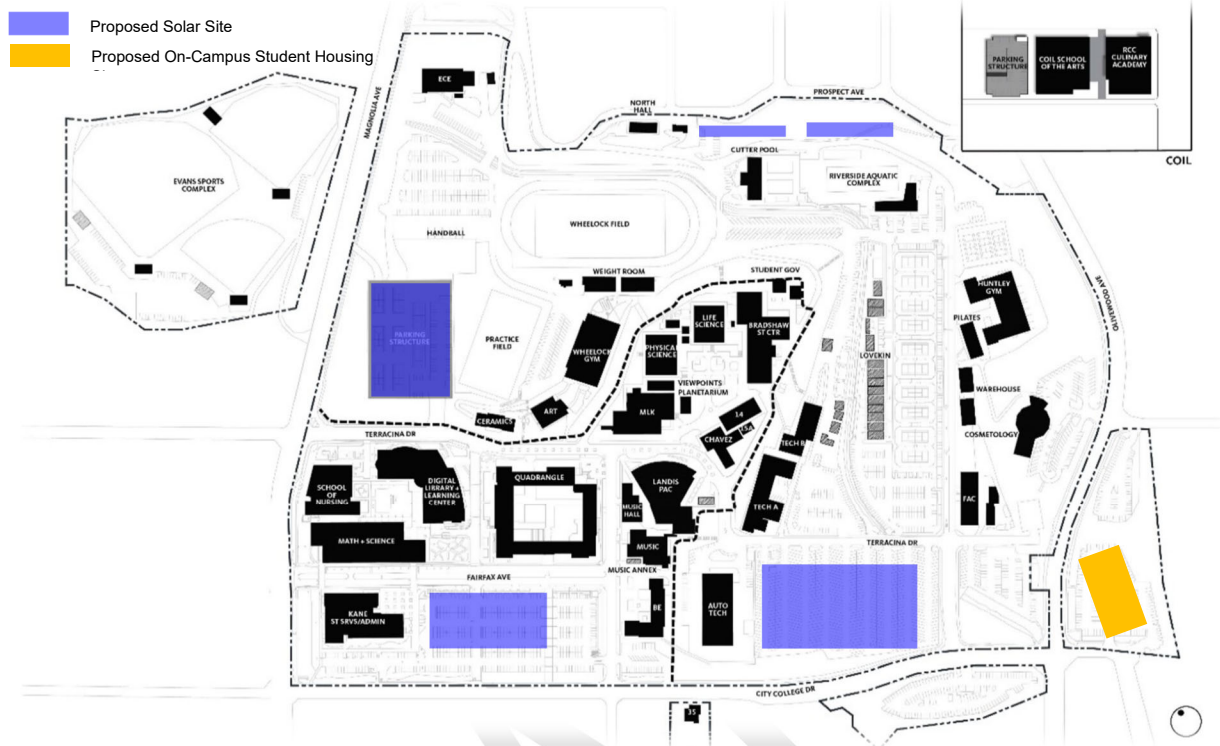


Figure 9 - Riverside City College - Existing Campus

Campus Vision Plan (2019 FMP)

The 2018 Facilities Master Plan for RCC presents an overall picture of the future developed campus. It includes recommendations for a series of site and facilities projects that are described in the FMP vision plan.

RECOMMENDED FACILITIES MASTER PLAN

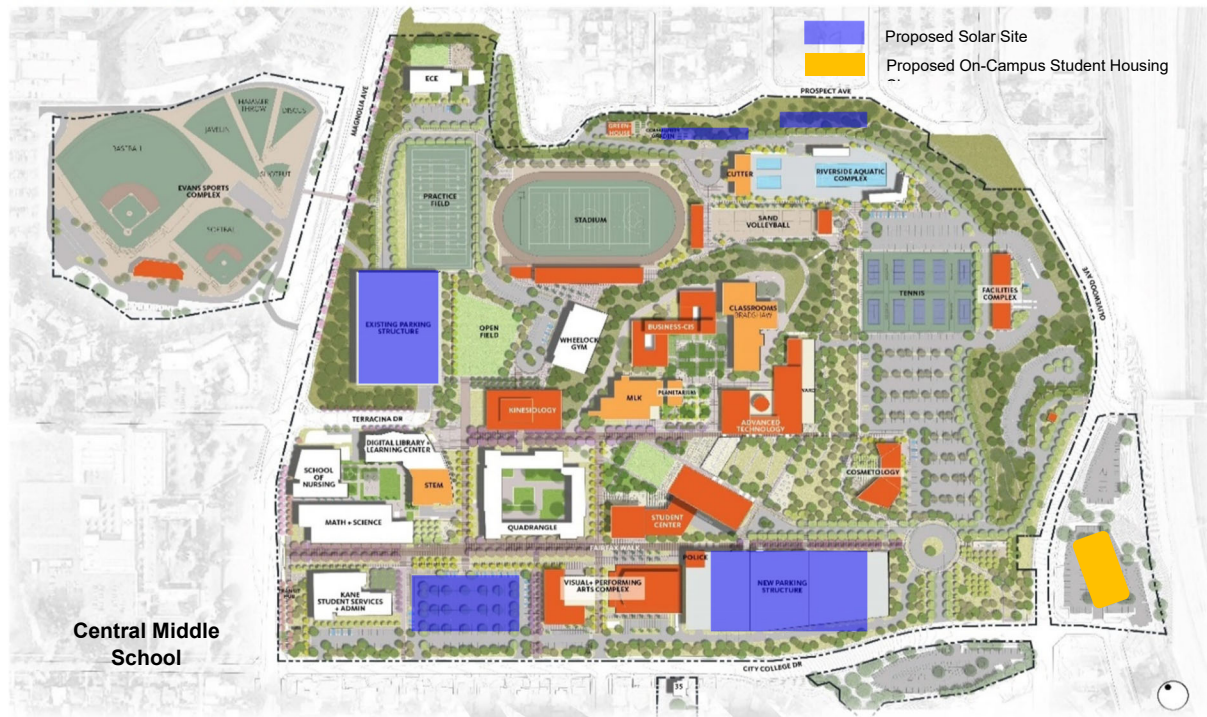


Figure 10 - Riverside City College - 2030 Facilities Master Plan

Proposed Student Housing at RCC

A collaboration effort between the District and RCC has identified the following proposed student housing locations:

- On-Campus: In the 2018 Facilities Master Plan, RCC has identified a potential future opportunity for housing and/or mixed-use development on the corner of City College and Olivewood as highlighted on yellow. This location provides high viability for being underutilized parking lot by the college’s stakeholder, isolated area and close to a residential area. The student housing can provide the housing on the lower level and parking on the upper level. However, the District and College are working on the potential student housing in Downtown Riverside by the old Greyhound terminal site, across Culinary Art Academy and Coil School of Arts, which if it comes to a fruition will be a great asset of the District in the Downtown that serve the students of RCC.
- Off-Campus: The District has entered into a non-binding letter of intent with a private developer, Overland Pelican Riverside (OPR), to explore an off-campus student housing opportunity for Riverside City College in the Riverside Downtown at the Old Greyhound Terminal Site. The District collaborated with OPR and submitted a proposal in response to the City of Riverside surplus property including AB 1486 and AB 1763.

Proposal Executive Summary: OPR is a private limited liability joint venture between Overland Development Company and Pelican Communities. Overland has 30 years’ experience in the City of Riverside. Pelican specializes in building mixed-use infill communities in suburban downtowns.

After studying the City’s Request for Proposal ("RFP") and the site characteristics OPR has concluded that the site would be a great opportunity for a mixed-use retail, office and residential

building. The residential would be in the form of student housing for Riverside Community College District ("RCCD").

Since OPR's April 2019 RFP submission, OPR has been working with RCCD to tailor the proposed solution to meet the requirements of AB 1486 as well as City and RCCD goals. The project program determined by the development team is as follows: Retail: 12,000 sq-ft; Office: 16,700 sq-ft; Student Housing: 392 beds (100,000 sq-ft); Library Plaza Café: 1,950 sq-ft; Police Station: 1,225 sq-ft; Parking: 396 parking stalls

The project's most important design criteria was the site's interface with the new City Library. The proposed design solution placed special emphasis on the project's northern face as seen from Mission Inn Avenue and Library. The proposed design places 60 public parking spaces adjacent to the Library for convenient access to the Library elevators entrance.

Proposed deal structure options includes OPR as the project builder/developer and purchasing the land from the City after entitlement. OPR would build the project with ownership alternatives including, but not limited to, private ownership and a Public Private Partnership arrangement. An external professional student housing property manager would manage student housing.

This site creates a great synergistic opportunity for: 1) addressing 40% of community college population that is housing insecure; and 2) a pedestrian oriented mixed-use community that will further 24/7 activities and spending in downtown Riverside. The project will also be a great addition to RCCD's downtown footprint, which already includes the District Office, the Culinary Academy, the Coil School for the Arts, and the Center of Social Justice and Civil Liberties.

Development Narrative: In April 8, 2019, the City of Riverside issued an RFP for Mixed-use Development Opportunity on 1.5 acres in Downtown Riverside adjacent to the now under construction state-of-the-art Riverside Main Library. OPR responded to the RFP and was recommended for approval by city staff. Subsequently AB 1486 required the city to amend the RFP. In response to the revised RFP and HCD notice (collectively "RFP") OPR is proposing a mixed-use residential, office, restaurant, arts project set within a pedestrian-oriented environment. The residential element will be in the form of housing for students within RCCD, at least 20% of whom will meet affordable guidelines. The privately-owned project would be developed and built by OPR in affiliation with RCCD.



Figure 11 - Proposed Student Housing Overview in Downtown Riverside

State Chancellor Office and RCC Pilot Program

In February 2020, Riverside City College received a three-year \$2.1 million grant from the California Community College Chancellor’s Office in order to participate in the College Homeless and Housing Insecure Pilot Program.

RCC was one of 14 California community colleges to receive the \$700,000 per year award. The College Homeless and Housing Insecure Pilot Program is funded through a \$9 million allocation included in the state’s 2019-20 budget. The program supports rapid rehousing services for California community college students. The pilot program will build upon existing infrastructure and resources, and local housing services in order to implement a sustainable program for homeless and housing insecure students. RCC has built relationships with community-based housing organizations. Through these partnerships, a plan for rehousing services RCC students will be developed.

Process Recommendation

It is recommend that the District start to develop the student housing strategic plan by identifying mission, vision, goals and objective, decision-making process and identify various student housing locations, conduct a districtwide study housing survey and market demand studies, assess financial viabilities and funding opportunities and provide final determination about go or no go for the project.

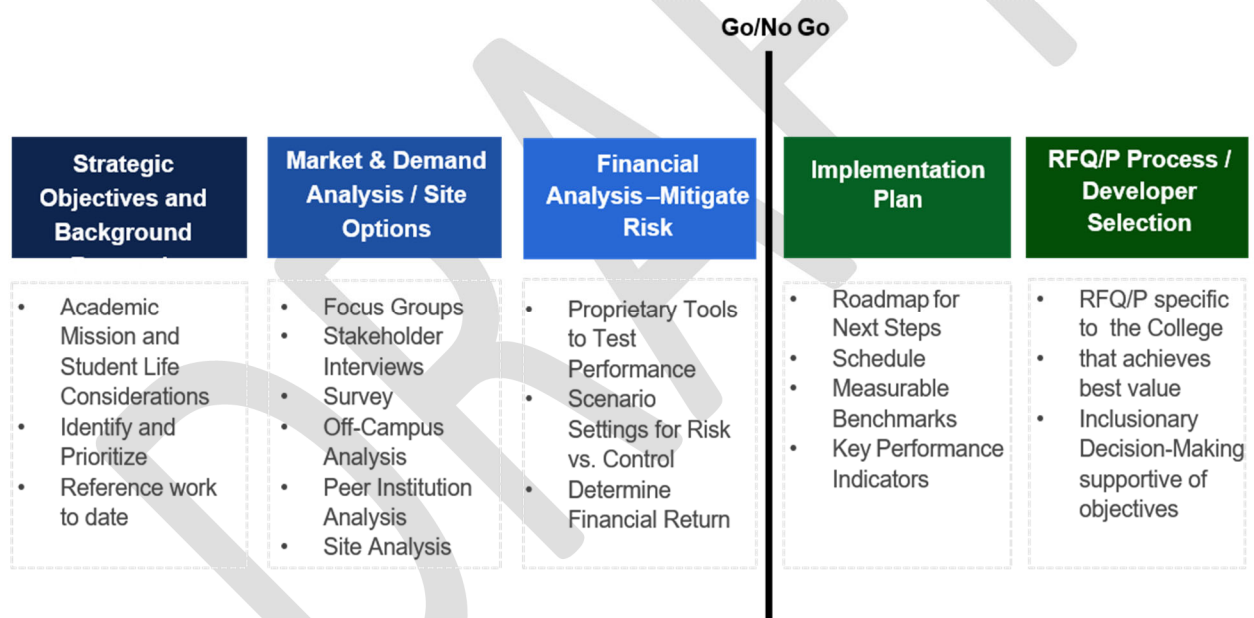


Figure 12 - Public Private Partnership & Student Housing Process

Campus Housing Policies

The strategic planning framework will identify a set of policies and procedures to maintain a standard of conduct appropriate to their status as college students, per the Title 5 California Code of Regulations, Section 41301 Standards for Student Conduct. The campus policies would supplement Title 5 and students living in Student Housing are required to abide by both sets of policies. Some examples of student housing policies are the following: accessory to misconduct, eligible age, inability to care, presence of alcohol, alterations, appliances, bicycles, business operation, cleanliness, cooperation with university staff, decorating and posting, disruption, doors and screens, double occupancy, drones, drugs, fire safety, furniture removal, gambling, guests, hammocks, harassment: including intimidation and bullying, harm to self and/or others, hoverboards, keys, meal plan hold, minors, open flames, patios and balconies, pets,

posting, projectiles, quiet hours and noise, roofs, safety and security, skateboards and skates, slacklining, smoking, solicitation, sporting activities, subletting, theft, trash removal and littering, unauthorized entry, vandalism, water play, weapons and explosives, student housing covid-19 policies, etc.

Strategic Drivers

The strategic planning framework will identify a set of principles and objectives that align with the District Strategic Plan and new specifics for the student housing. Example of these are the following:

- Create a 7-day a week campus;
- Maintain affordability within the local market;
- Increase pedestrian and bicycle access (“active transportation”);
- Minimize risk to the District’s operating budget and obligations;
- Attract new students and retain existing students through enhanced experience;
- Create a financing mechanism that enables a ground lease between 20 and 30 years
- Create programmatic ties to academic and student services to support student development;
- Provide a positive cash flow for OCC to support indirect costs of on-campus housing operation;

California Student Housing Projects

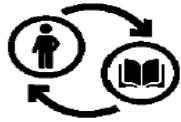
For the last decade or so, the student housing needs and facilities for community college districts have increased remarkably. Here is a list of facilities that are currently in commission and new projects that are in the pipeline at different stages.

Legacy Housing Campuses

- Cerro Coso Community College – Mammoth Lakes, CA
- College of the Redwoods – Eureka, CA
- College of Siskiyou – Weed, CA
- Columbia College – Sonora, CA
- Feather River College – Quincy, CA
- Lassen College – Susanville, CA
- Reedley College Redding, CA
- Shasta College – Redding, CA
- Sierra College, Rocklin, CA
- Taft College, Taft, CA
- West Hills College Coalinga – Coalinga, CA
- Cerritos College, Cerritos, CA

New Housing Campuses

- Santa Rosa Junior College – Santa Rosa, CA
- Orange Coast College – Costa Mesa, CA
- Sierra College (expansion) – Rocklin, CA
- Rio Honda College, Whittier, CA
- Palomar College - San Diego, CA
- Napa Valley College – Napa, CA
- Los Angeles Community College District – Los Angeles, CA
- The Aspire, near Riverside Community College District – Riverside, CA



Persistence and retention rates



Average GPAs



Levels of academic and social engagement



Graduation rates

DRAFT