



October 19, 2022

Eric Reed
Facilitator – Affordable Housing Task Force
Foothill – De Anza Community College District
12345 El Monte Road
Los Altos Hills, CA 94022

Re: Foothill – De Anza Community College District Affordable Student Housing Market Analysis

Dear Mr. Reed:

Thank you for our reaching out to Brailsford & Dunlavey regarding the potential student housing planning for the Foothill – De Anza Community College District. B&D is excited to assist the District in investigating the market and options for affordable student housing. We previously worked with the district on initial thoughts on student housing and a land use analysis for the campus edge at De Anza College. B&D has assisted many UCs, community colleges, CSUs and colleges & universities across the country in this type of planning. We are well versed in the steps necessary to implement a housing project and the myriad of challenges facing our students and today. With the continued housing crises in the state, housing affordability has become one of the greatest barriers to students' academic success – particularly for our most vulnerable student populations.

We have generated a proposal that is based on our submission to the Community College League of California in addition to your email correspondence. We will integrate the current knowledge of the SB169/AB183 process into our analysis and documentation to position FHDACCD for a potential construction grant. The analysis will also look at financials, optimal delivery methods, and potential timelines.

From our understanding, the analysis will focus the development of housing on both college sites that would look at potential renovations as well as new construction for affordable student housing. The analysis would include as assessment of other potential impacts or unique elements of the campuses including Foothill College's relative isolation to the surrounding community and elements like retail. B&D's process will include analyses of the need for housing from your students like we have conducted with City College of San Francisco and Los Angeles Community College District. It will be important to work with District and College leadership to understand the range of considerations and risk tolerance present with the available options for housing your students. While funding through state grants or your local bonds can address the capital costs, operational costs, programming, resident requirements, resident time living in units, maintenance and upkeep, will all have an impact on the ongoing operating costs and our financial modeling for the projects.

The following pages provide our scope and the proposed schedule. We look forward to a more detailed conversation to meet all of your objectives.



WORK PLAN

- ◆ **Project Initiation:** Getting the plan right requires a detailed understanding of the college's vision and objectives for the proposed developments, and integration of our team into the district's priorities, in order to develop the best recommendations for successfully planning and implementing the ideal solutions for student housing. B&D will initiate the effort with a tour of the campus as well as the off-campus housing market to gain an understanding of the unique strengths and challenges of the market. B&D will also work with the college to establish the steering committee and schedule of meetings throughout the work effort to maintain the schedule and drive the process forward.
- ◆ **Document & Data Review:** The project team will review documentation, such as enrollment management objectives, enrollment history and projections, student demographics and the campuses' master plans. B&D will provide the district with a list of information necessary for this analysis including items beyond what is listed above. Typically, we coordinate with a district's institutional research departments to identify the needed data and preferred format for receipt.
- ◆ **Demographic Analysis:** As part of the initial effort, a detailed demographic and enrollment trends analysis will be conducted in an effort to define and size the primary target market for any new housing project(s). This analysis is instrumental as it relates to potential project financing. This effort will take into consideration the anticipated changes in enrollment over time and will allow B&D to analyze how any fluctuations in a particular sub-demographic group could impact demand for housing facilities in the next ten years.
- ◆ **Stakeholder Engagement (up to 6 meetings):** B&D is very familiar with the system of shared governance at community colleges within the state. Our initial campus visits will include meetings with stakeholders who will be engaged through the process and have direct connections to the potential project's development and operation. We will also meet with the necessary representative leadership and committees to inform groups of this planning effort, objectives, and timelines.
- ◆ **Strategic Asset Value Analysis ("SAV" / Criteria Setting):** In order for the district to advance a targeted new reality for the campus, the criteria and objectives for success must be defined according to the district's own values and culture. To that end, B&D will facilitate its Strategic Asset Value work session with key project stakeholders and administrators from the district and campus to identify the strategic objectives of the plan. The session will establish how to align the district's culture, mission, and vision with plans for housing if demand is present within the analysis. By placing institutional mission at the forefront of any decision, B&D offers a process that will create an implementable plan that enhances the student life experience while advancing the district's broader strategic plan.
- ◆ **Off-Campus Rental Housing Analysis:** It is important to understand the competitiveness of the options currently available as well as the risk that the competitive framework might shift and introduce increased risk for proposed projects in the future. B&D will use the college's student demographic information to identify where students currently live, and then study the neighborhood attributes and specific price points surrounding areas in the district. This information will be used with survey data to project capture rates for students that may indicate an interest in living in campus housing or college sponsored housing options.



- ◆ **Peer Benchmarking Analysis:** Only a handful of community colleges within California provide housing to students although more than 300 community colleges across the country do. B&D will work with the district to identify four to six peer institutions to conduct a benchmarking analysis of the programs, services, lease rates, and costs associated with their housing programs. Of key interest will be the lessons learned as it relates to supporting affordable housing options for students and the ability to enhance student success.
- ◆ **Focus Groups (6 sessions total – 3 student sessions at each college):** Because the district must get the plan right in the minds of current and future users of the housing, B&D will conduct a series of focus groups with students to understand what they desire in terms of housing and their rental rate sensitivities within the context of the area rental market. The findings will be used to evaluate demand preferences, amenity expectations, costs, and other critical issues, as well as help inform the survey instrument development. Additionally, B&D will use these sessions to identify competing housing options to understand how they impact future campus housing developments.
- ◆ **Survey Development, Survey Hosting, and Survey Analysis:** The project team will work in conjunction with project stakeholders to develop a web-based survey to be distributed to all students. The survey will measure demand and gauge the sensitivity to rental rates, and identify specific services, amenities, and resources that would attract students to live in on-campus housing or in college sponsored housing. The survey will also provide data on current living situation and experience at the college. B&D will host the survey and would require the college to distribute a link to the survey or provide email addresses for students for B&D to distribute the survey invitation. Costs for hosting the survey are included in this fee.
- ◆ **Demand Analysis and Projections:** B&D's proprietary demand-based programming ("DBP") model is a predictive platform that outlines the ideal program unit mix based on each survey respondent's unique preferences. Our methodology will look at a variety of factors to generate the program recommendations related to unit types, occupancy configurations, and price points by sub-populations identified within the survey. The DBP model will incorporate enrollment projections provided by the district to look at housing needs over the next 10 years.
- ◆ **Best Practices and Outline Programming:** B&D will provide the district with a preliminary program of space needs aligning with demonstrated demand. This outline program will summarize, numerically, all assignable spaces to be included in the plan. The outline program will lead into the development of preliminary concepts for student housing in conjunction with the demand and feasibility assessments. Based on the detailed analytics that B&D will gather from the market analysis, as well as B&D's experience on more than 650 higher education housing projects, the project team will develop concepts that align with the district's SAV criteria and Facilities Master Plans to ensure adherence to each plan's objectives. Concept development will include, but not limited to, the following: recommended number of beds and units, unit types and configurations, types of community and common spaces, building sizes, and site location. B&D will utilize best practices related to the programming of housing which are geared towards addressing student success, community generation, safety and security, and balancing revenue and non-revenue generating program elements.
- ◆ **Financial Model Development:** Because a range of potential ownership and management options exists for each proposed facility, the district must understand how its decisions will impact its



financial health. B&D's financial model is a flexible tool that will model how various district policies, enrollment changes, and phasing strategies will impact the district's current and future financial positions, with the intention of developing an actionable implementation strategy. The model will overlay existing conditions with future construction and site demolition plans to achieve a real-time understanding of how the plan's recommendations will impact the district's financial health. DSA considerations will be taken into account. Specifically, this effort will include preliminary capital and operating cost projections, as well as debt capacity calculations (if needed).

- ◆ **Decision Support & Documentation:** B&D will carefully manage the decision-making process as the plan is elaborated. In order to graduate to the next phase of the project, it is imperative that decisions are made—and B&D will provide the documentation that records the rationale for each of those decisions. B&D will conduct twice monthly web meetings with key campus and district contacts to manage the process and information needs from all parties. These meetings are critical to determining action items, the critical path needs, and maintain our project schedule. A briefing document will be provided, and a presentation of findings given, summarizing all decision making and analysis from the affordable student housing market analysis.



PROPOSED FEE AND EXPENSES

Brailsford & Dunlavey strives to provide fees that are aligned with the value we create. We would like to emphasize that there is a clear and fair rationale to our fees. You should feel that you have received great value, and B&D should have had ample resources to deliver our best effort through an efficient process.

When we set a fixed fee, we:

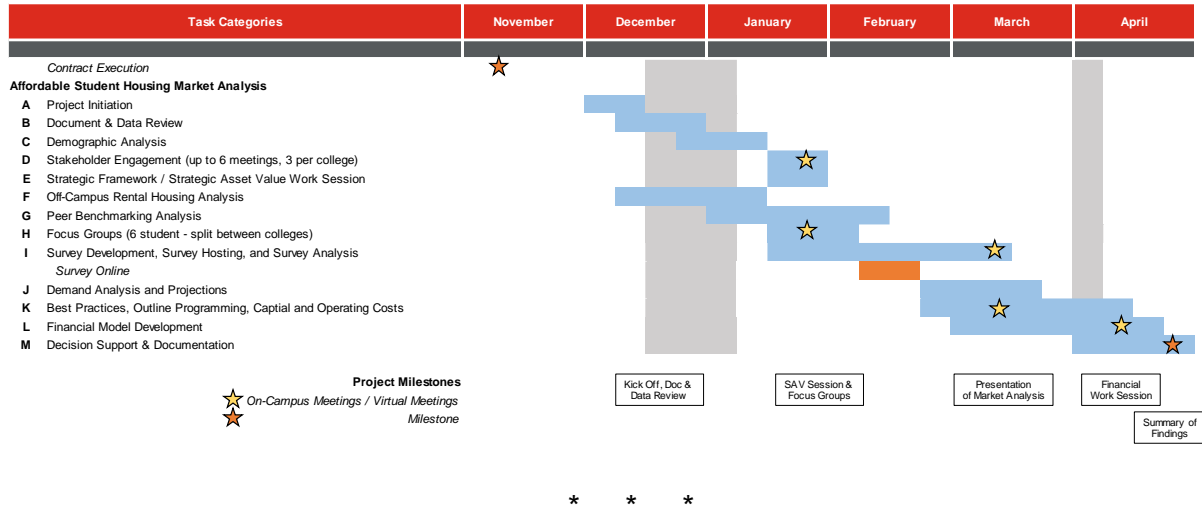
1. Estimate the cost of completing the effort in terms of team member hours to the best of our ability; and
2. Consider the extent to which there is uncertainty around our key assumptions or whether we lack the ability to control key circumstances.

For this project, we feel there is sufficient clarity to propose \$45,160 in fees and \$1,780 in expenses per college – for a total of \$90,320 in fees, and \$3,560 in not to exceed reimbursable expenses that include travel to the colleges. In essence this planning effort is looking at six groups across two college campuses. We have working synergies of timing into our scope to combine services and analysis where possible (a single survey for example) but needs of students by college will be analyzed individually. We look forward to discussing this scope with you in greater detail to be sure we meet all of your objectives.

Task Categories	Foothill College	De Anza College	Total
Affordable Student Housing Market Analysis	\$45,160	\$45,160	\$90,320
A Project Initiation			
B Document & Data Review			
C Demographic Analysis			
D Stakeholder Engagement (up to 6 meetings, 3 per college)			
E Strategic Framework / Strategic Asset Value Work Session			
F Off-Campus Rental Housing Analysis			
G Peer Benchmarking Analysis			
H Focus Groups (6 student - split between colleges)			
I Survey Development, Survey Hosting, and Survey Analysis			
J Demand Analysis and Projections			
K Best Practices, Outline Programming, Capital and Operating Costs			
L Financial Model Development			
M Decision Support & Documentation			
Total Professional Fees			\$90,320
Projected Reimbursable Expenses	\$1,780	\$1,780	\$3,560
Total Professional Fees and Reimbursable Expenses			\$93,880

PROPOSED SCHEDULE

The schedule below highlights the timeline of the Affordable Student Housing Market Analysis. The overall schedule is approximately 5 months although it is dependent on accessing the campus community and the available windows for a survey to students. Our plan focuses on the majority of engagement to occur during the winter quarter.



Eric, thank you again for the opportunity to present this proposal. If you have any questions or need additional information, please feel free to call me at (949) 236-4001. I look forward to talking with you soon.

Sincerely,



Matthew Bohannon
 Vice President