

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Facilities Committee
January 24, 2023**

SUBJECT: Florida Agricultural and Mechanical University – Housing System Progress Report

PROPOSED COMMITTEE ACTION

For information.

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution.

BACKGROUND INFORMATION

In 2018, the Board authorized Florida Agricultural and Mechanical University (FAMU) to issue debt totaling \$125M, consolidating its existing housing system debt (several bond series) and funding construction of a new 700-bed residency hall and adjacent dining facility completed in 2020 and 2021, respectively. The debt restructuring and favorable financing terms (via Federal HBCU Capital Finance program) improved housing system cash flow, thus allowing it to address a backlog of maintenance and capital renewal needs totaling approximately \$21M. To that extent, the debt was forgiven in full (by the Federal government) in late 2020, further improving the system's financial capacity.

The Board's 2018 authorizing resolution stipulated the following:

- It required the University to annually report progress in addressing items reflected in the Housing System Deferred Maintenance plan.
- It prohibited requests of additional housing system debt or approval of housing-related public private partnership arrangements until a facility condition assessment is performed indicating the University is making substantial progress in addressing housing deferred maintenance.

As to the first bullet point, FAMU's progress report is attached.

As to the second bullet point, FAMU engaged a 3rd-party architectural firm to help assess the condition of the three oldest housing facilities; together, they represent most of the housing system's maintenance/renewal backlog, as well as estimate the cost of renovation versus replacement of the facilities. Based on this information, FAMU has concluded that renovation is cost prohibitive, and the facilities will be demolished once replacement housing is in place. To that extent, the university is in preliminary planning for new debt-financed housing facilities to 1) replace inventory lost from demolition of the existing aged facilities, 2) address growing demand for on-campus housing, and 3) eliminate the maintenance/capital renewal backlog.

Supporting Documentation Included:	FAMU Housing System Deferred Maintenance Progress Report
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