

STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Facilities Committee
January 29, 2026

SUBJECT: Authorization to Issue Debt – FIU Student Housing

PROPOSED COMMITTEE ACTION

Adopt a resolution authorizing the issuance of bonds in an amount not to exceed \$238.5M by the Division of Bond Finance, on behalf of Florida International University, to finance the construction of a new student residence facility on the university's main campus.

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution; Section 1010.62, Florida Statutes; State University System Debt Management Guidelines.

BACKGROUND INFORMATION

The Project will be a 17-story, 486,000 gsf, student residence hall, located on the university's Modesto A. Maidique (main) campus. It will provide 1,174 beds in a mixture of 277 4-BR/2-Bath apartment-style units and 64 1-BR/1-Bath 'studios', with kitchenettes and common areas, as well as some single-occupancy bedrooms.

The Project is expected to increase FIU's housing system capacity by 24.1% to 4,851 beds, a 'net' increase of 942 beds after razing several aged housing facilities in Spring 2026.

It will primarily target non-first-year students, but will ultimately be made available for all students, if necessary, and is expected to address the current estimated demand for over 2,300 beds

Project cost is estimated at \$248.1M, including design, construction, and contingencies. Based on bed count, the Project will have a **per-bed cost of \$211.3K; the highest to date** among SUS student housing projects, and cost per square foot of over \$530/sf. FIU attributes this to the following: post-Covid (2020) inflation; current market conditions in the Miami-Dade area; and the Project's location, which requires a significant relocation of utilities (i.e., an additional cost factor).

In July 2025, FIU's Board of Trustees approved an increase in student housing rental rates of up to 4.75% for FY25, and 6% annually for FY26-FY28.

The Project is not viable on its own. However, the Bonds will be issued on parity with the University's other Housing System debt. existing housing system, thus the Project's operating deficits will be effectively subsidized by the existing housing system's cash flow. Based on this structure, debt service coverage is estimated to be at least 1.22x, which meets (slightly exceeds) the minimum 1.20x coverage required by the SUS Debt Management Guidelines.

Supporting Documentation Included:

1. Authorizing Resolution
2. Project Summary
3. Estimated Source & Uses
4. Projected Debt Service Coverage –
Project Only
5. Projected Debt Service Coverage –
Housing System
6. Debt Service Schedule – Project Only
7. Debt Service Schedule –
Consolidated
8. Internal Rate of Return
9. DBF Memorandum

Facilitators/Presenters:

Kevin Pichard