



Item: AF: A-1

**AUDIT AND FINANCE COMMITTEE**

**Tuesday, October 20, 2015**

**SUBJECT: REVIEW AND APPROVAL OF THE 2016-17 PROJECTED HOUSING BUDGET AND PROPOSED RENTAL RATES.**

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**PROPOSED COMMITTEE ACTION**

Review and recommend to the Board of Trustees approval of the proposed Housing rental rates and budget for the next fiscal year.

**BACKGROUND INFORMATION**

The Department of Housing and Residential Life is not proposing rate increases for the 2016-17 fiscal year. FAU Housing operates as an auxiliary operation and must maintain a positive cash flow and meet minimum debt service coverage ratio as required under bond covenants.

**IMPLEMENTATION PLAN/DATE**

Fall 2016.

**FISCAL IMPLICATIONS**

Not Applicable.

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**Supporting Documentation:** PowerPoint Presentation on Housing FY 16-17 Budget Summary

**Presented by:** Dr. Corey King, Vice President for Student Affairs

**Phone:** 561-297-3988

**FAU Finance Corporation  
Housing FY 16-17 Budget  
SUMMARY**

	<b>Total FY17</b>
<b>OPERATING REVENUES:</b>	
Resident Housing Fees	34,450,894
Student Repair Fees	203,551
Conference/Guest Housing Fees	418,450
Application Fees	175,000
Interest Income	78,000
<b>TOTAL OPERATING REVENUES</b>	<b>35,325,894</b>
<b>TOTAL EXPENSES</b>	<b>14,186,365</b>
<b>TOTAL DEBT SERVICE</b>	<b>17,112,976</b>
<b>NET REVENUE OVER EXPENSE</b>	<b>4,026,553</b>

October 2015



**Division of Student Affairs  
Department of Housing and  
Residential Life**

**FAUFC Meeting  
Housing Updates/  
Budget Proposal**

*Making Waves*



# Occupancy Evaluation

Inventory	Actual FY13-14	Actual FY14-15	Actual To Date FY15-16	Budgeted FY16-17
Total Economic Design			4,178	4,172
Less:			(139)	(11)
Staff Beds			(2)	(16)
Tour Rooms				
Total Revenue Beds	4,102	4,055	4,037	4,145
Total Occupancy (4 <sup>th</sup> week of classes)	3,617	3,512	3,998	3,880
Economic Occupancy Rate	88%	87%	96%	93%

Economic Design – Total beds: Revenue Producing and Other  
 Total Occupancy – Renewal/Transfer + FTIC / Freshman  
 Economic Occupancy Rate – Total Occupancy / Economic Design

# FY17 Proposed Rates

No Proposed Rate Increases for FY17 are recommended

Fall/Spring Rates	Proposed
Housing Facilities	2016-17
<b>Algonquin Hall</b>	
Single	3,300
<b>Indian River Towers</b>	
Double	3,365
Single	4,600
<b>University Village Apartments</b>	
4-Bedroom (Single)	4,200
4-Bedroom (Single, 12 months)	4,330
Double (Studio)	*
1-Bedroom (Single, Efficiency)	4,600
Studio (12 months)	5,100
<b>Heritage Park Towers</b>	
Double (Suite A)	3,050
Double (Suite C)	3,650
Single (Suite B)	4,160
<b>Glades Park Towers</b>	
Double (Suite A)	3,050
Double (Suite C)	3,650
Single (Suite B)	4,160
<b>Average Rate (Tier I)</b>	<b>3,940</b>

Fall/Spring Rates	Proposed
Housing Facilities	2016-17
<b>Innovation Village Apartments North</b>	
4-Bedroom (Single)	5,180
2-Bedroom (Single)	5,480
1-Bedroom (Single)	5,680
<b>Innovation Village Apartments South</b>	
4-Bedroom (Single)	5,180
1-Bedroom (Single)	5,680
<b>Average Rate (Tier II)</b>	<b>5,440</b>
<b>Parliament Hall</b>	
Double	3,365
Single	4,600
<b>Average Rate (Tier III)</b>	<b>3,983</b>

Summer Rates	Proposed
Housing Facilities	2016-17
<b>Boca</b>	
Single - Summer 1	3,250
Single - Summer 2 & 3	1,736
Double - Summer 2 & 3	1,270
Super Double - Summer 2 & 3	1,524

# Revenue & Expense Analysis

**FAU Finance Corporation**  
**Housing FY 16-17 Budget Summary**

	Actual	Actual	Budgeted	Proposed
	Total FY14	Total FY15	Total FY16	Total FY17
<b>OPERATING REVENUES:</b>				
Resident Housing Fees	30,047,974	30,026,721	32,575,892	34,450,894
Student Repair Fees	188,266	85,865	199,560	203,551
Application Fees	-	-	-	175,000
Conference/Guest Housing Fees	465,046	720,315	469,270	418,450
Interest Income	<u>76,659</u>	<u>52,287</u>	<u>78,000</u>	<u>78,000</u>
<b>TOTAL OPERATING REVENUES</b>	<b>30,777,945</b>	<b>30,885,188</b>	<b>33,322,722</b>	<b>35,325,894</b>
<b>TOTAL OPERATING EXPENSES</b>	10,268,496	10,746,562	11,441,876	12,589,342
<b>TOTAL NON-OPERATING EXPENSES</b>	<u>1,005,654</u>	<u>913,415</u>	<u>1,411,979</u>	<u>1,597,024</u>
<b>TOTAL EXPENSES</b>	<b>11,274,150</b>	<b>11,659,977</b>	<b>12,853,856</b>	<b>14,186,365</b>
<b>TOTAL DEBT SERVICE</b>	<u>14,147,445</u>	<u>13,342,818</u>	<u>17,086,086</u>	<u>17,112,976</u>
<b>NET REVENUES OVER EXPENSES</b>	<b>5,356,350</b>	<b>5,882,393</b>	<b>3,382,780</b>	<b>4,026,553</b>
Economic Occupancy Rate	<b>88%</b>	<b>87%</b>	<b>91%</b>	<b>93%</b>
Debt Service Coverage Ratio	<b>10.24 *</b>	<b>2.29</b>	<b>2.27</b>	<b>2.37</b>

\*Includes Capitalized Interest



# FY17 Maintenance - \$3 Million

	HPT	GPT	IRT	UVA	IVA-N	IVA-S	Parliament	Admin
HVAC Replacement	✓	✓	✓					
Security Camera Upgrade	✓	✓						
Elevator Upgrade				✓				
Shower/Wall Replacement			✓					
Furniture/Bed Frames/Mattresses	✓	✓			✓	✓		✓
Windows/Blinds					✓			
Paint				✓	✓		✓	
Carpet/LVT Flooring					✓		✓	
Recreation Equipment				✓			✓	