



Item: AF: A-1

**AUDIT AND FINANCE COMMITTEE**  
Tuesday, October 21, 2014

**SUBJECT: REQUEST FOR APPROVAL OF THE 2015-16 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 proposing rate increases for the 2015-16 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. The proposed increases are necessary to meet these requirements.

With the exception of an increase of 10% for Algonquin Hall, increases range from 1.4% to 6.3%

**IMPLEMENTATION PLAN/DATE**

Fall 2015.

**FISCAL IMPLICATIONS**

Rate proposal will increase contract revenue by approximately \$1,840,000.

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**Supporting Documentation:** PowerPoint Presentation on Proposed 2015-16 Housing Rental Rates  
FAUFC Housing FY 15-16 Budget Summary

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

**Phone:** 561-297-3988

# FAU Finance Corporation

## Housing FY 15-16 Budget

### SUMMARY

	Total FY16
<b>OPERATING REVENUES:</b>	
Resident Housing Fees	32,575,892
Student Repair Fees	199,560
Conference/Guest Housing Fees	469,270
Interest Income	78,000
<b>TOTAL OPERATING REVENUES</b>	<b>33,322,722</b>
<b>TOTAL EXPENSES</b>	<b>12,853,856</b>
<b>TOTAL DEBT SERVICE</b>	<b>17,086,086</b>
<b>NET REVENUE OVER EXPENSE</b>	<b>3,382,780</b>

October 2014



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

**Proposed 2015-2016  
Housing Rental Rates**

*Making Waves*



## **Actions Taken as Interim VP for Student Affairs**

1. Retain Capstone On-campus Management as a consultant for housing occupancy management
2. Restructure occupancy database to reflect “real-time data”
3. Increase frequency of processing room assignments (improving efficiency in communication to students)
4. Developed a marketing strategy involving direct visibility at new student orientation, personal phone calls to new and returning students, and a social media campaign for students regarding housing availability
5. Staffing and Budget modifications to streamline assignments/contract processes

**These immediate actions resulted in increasing occupancy for Fall 2014 from 73% (2,960) in May to the current occupancy at 86.6% (3,512).**

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## Capstone On-Campus Management



Capstone On-Campus Management is a group of housing professionals clearly focused on providing management and consulting services for student housing owned by non-profits, colleges, universities, and foundations, with corporate headquarters in Birmingham, Alabama. As a result of their focus, Capstone has become the leading provider of third-party management services to non-profit owners, currently managing 23,780 beds, serving 25 campuses nationwide.

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## Strategies for 2015-2016

The following strategies are a direct result of consultation with, and recommendations by, Capstone:

- Strategy #1:** Confirm housing rates for 2015-2016 by November 2014
- Strategy #2:** Conversion of UVA Studio Doubles to Studio Singles (graduate students)
- Strategy #3:** Eliminate \$300 housing deposit and create a non-refundable \$100 administrative processing charge
- Strategy #4:** Establishment of 12 month contracts in UVA (graduate/international)
- Strategy #5:** Installation of Washers/Dryers in Innovation Village South
- Strategy #6:** Bundle laundry services costs into the housing rate
- Strategy #7:** Redesign re-contracting process (returning student friendly)
- Strategy #8:** Repurpose IRT to house 1<sup>st</sup> and 2<sup>nd</sup> year students
- Strategy #9:** Eliminate a housing “buy-out option”

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# Occupancy Evaluation

	2012-2013	2013-2014	2014-2015	2015-2016 (est.)
Total Revenue (available beds)	3,542	4,102	4,055	4,037
4 <sup>th</sup> week of classes	3,251	3,617	3,512	3,634
% Occupancy	91.8%	88.2%	86.6%	90.0%

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# 2015-2016 Rate Changes

Boca Housing Facilities	Current 2014-15	Proposed 2015-16	\$ Change 14-15 vs. 15-16	% Change 14-15 vs. 15-16
<b>Algonquin Hall</b>				
Single	3,000	3,300	300	10.0%
<b>Indian River Towers</b>				
Double	3,300	3,365	65	2.0%
Single	4,500	4,600	100	2.2%
<b>University Village Apartments</b>				
4-Bedroom (Single)	4,100	4,200	100	2.4%
4-Bedroom (Single, 12 months)		4,330	4,330	
Double (Studio)	3,100	*		
1-Bedroom (Single, Efficiency)	4,500	4,600	100	2.2%
Studio (12 months)		5,100	5,100	
<b>Heritage Park Towers</b>				
Double (Suite A)	3,000	3,050	50	1.7%
Double (Suite C)	3,600	3,650	50	1.4%
Single (Suite B)	4,100	4,160	60	1.5%
<b>Glades Park Towers</b>				
Double (Suite A)	3,000	3,050	50	1.7%
Double (Suite C)	3,600	3,650	50	1.4%
Single (Suite B)	4,100	4,160	60	1.5%
<b>Innovation Village Apartments North</b>				
4-Bedroom (Single)	5,100	5,180	80	1.6%
2-Bedroom (Single)	5,400	5,480	80	1.5%
1-Bedroom (Single)	5,600	5,680	80	1.4%
<b>Innovation Village Apartments South</b>				
4-Bedroom (Single)	4,800	5,100	300	6.3%
1-Bedroom (Single)	5,600	5,680	80	1.4%
<b>Parliament Hall</b>				
Double	3,300	3,365	65	2.0%
Single	4,500	4,600	100	2.2%

\* Rate type eliminated per Capstone recommendation (Strategic Plan item #2).

<b>Jupiter Campus Residence Halls</b>				
4-BEDROOM SUITE	4,300	4,370	70	1.6%

(One resident per bedroom, four per suite)

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# 2015-2016 Rate Changes

## On-Campus Rates - Summer

Current 2014-2015	Proposed 2015-2016	\$ Change 14-15 vs. 15-16	% Change 14-15 vs. 15-16
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### Summer I

Boca

UVA - Single	\$ 3,250	\$ 3,330	\$ 80	2.5%
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Jupiter

4 bedroom Suite	\$ 3,409	\$ 3,460	\$ 51	1.5%
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### Summer II & III

Boca

GPT - Single	\$ 1,736	\$ 1,760	\$ 24	1.4%
GPT - Double	\$ 1,270	\$ 1,290	\$ 20	1.6%
GPT - Super Double	\$ 1,524	\$ 1,550	\$ 26	1.7%
UVA - Single	\$ 1,736	\$ 1,780	\$ 44	2.5%

Jupiter

4 bedroom Suite	\$ 1,821	\$ 1,850	\$ 29	1.6%
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