

# 2017 CITY OF MADISON

## HOUSING REPORT

STUDENT HOUSING

PREPARED FOR THE CITY OF MADISON HOUSING STRATEGY COMMITTEE

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## STUDENT HOUSING - PRIORITIES

For the student housing market it is clear that for a variety of reasons, proximity to campus is a top demand driver for students and increasing the opportunities for students to live close to campus should be a primary goal. To achieve this goal, this report identifies two main priorities:

1. Provide options for all students who want to live near campus to have access to well maintained housing at a variety of price points
  - a. **Allow for the development of student focused rental housing at greater density** to increase affordability and the number of units in prime locations close to campus
    - i. Allow for the creation of smaller units (sub 200 sqft micro units) and greater density in areas around campus through modifications to the building code (minimum unit size) and zoning (lot area and open space requirements)
    - ii. Remove regulatory barriers in zoning rules restricting the creation/redevelopment of buildings that utilize a shared common space/cooperative model
  - b. **Actively encourage the development of affordable rental housing** for students from low-income households through the creation of public-private partnerships
    - i. Partner with the University of Wisconsin Student Financial Aid Office to create screening criteria to identify students from low income households for referral to affordable units
    - ii. Modify TIF policy to allow for use in student housing developments that reserve units for referred students from low-income households
    - iii. Develop public-private partnerships that leverage City, University of Wisconsin, and UW Alumni Association resources to create affordable housing for students from low-income households
2. For neighborhoods located further from campus where the student rental market is softening, facilitate a transition of the housing to serve a wider variety of household types and incomes. Because of the deteriorated condition of the housing stock and difficult economics of converting rental housing to ownership, greater density, or subsidy are needed to bridge the gap.
  - a. **Identify areas** that have a large number of buildings originally constructed as single family homes that have been converted to multi-unit and/or student rental housing and have a high incidence of Building Inspection violations
  - b. **Remove regulatory barriers** in zoning, demolition, and subdivision rules restricting middle scale/density housing types (condominiums, town houses, small lots)
    - i. Create staff team to identify code and process challenges
    - ii. Research national models and best practices
    - iii. Create a set of recommended code and process solutions
    - iv. Allow project specific rezoning for middle scale/density housing in the identified areas
  - c. **Create/amend TIF districts** to support housing conversion and redevelopment in these areas
    - i. Create new TIF districts to capture increment from new hi-rise student housing developments
    - ii. Modify Small Cap TIF programs to allow for new construction of medium scale developments
    - iii. Expand Small Cap TIF to encompass more of the identified areas

## OVERSIGHT AND IMPLEMENTATION RESPONSIBILITIES

	1a	1b	2a	2b	2c
<b>Building Inspection/Zoning</b>	x		x	x	
<b>Common Council</b>		x			x
<b>Economic Development</b>		x			x
<b>Planning</b>	x			x	

On the surface, the market for student housing does not seem that different from the overall rental housing market, and in parts of the city it is not uncommon to have students and non-students renting identical units next door to one another. However, there are clear supply and demand factors that make the market for student housing act very differently in practice than the larger rental market. Given the fact that roughly 20% of Madison's population is enrolled in higher education, this is a market that deserves special attention.

The core of the student housing market is the UW-Madison full-time undergraduate student body, with nearly 30,000 students. Unlike renters in the general housing market, demand from this population is most clearly driven by geography. Campus acts as a center of gravity pulling student renters towards it because it is often their school, employer, and entertainment destination. Moreover, the combination of limited parking and low rates of student car ownership increase the importance of proximity to allow for walking, biking, or transit for their commute. The result of this is a relatively tight clustering of students in neighborhoods surrounding campus and a willingness to accept a cost premium for the location.

What is more difficult to assess is the relationship between income and rent to determine affordability. For students, income is comprised of loans, grants, assistantships, cash transfers from family members, and wage income. Unfortunately, many of these sources are not captured by publicly available data sources. What does appear in the data and in anecdotes is a trend towards a student body from higher income families on average with more students from out of state (paying higher tuition). It is therefore not surprising that there is a growing preference and financial capacity to pay for more expensive rental housing. What cannot be forgotten is that there is still a significant portion of the student body that does not receive financial assistance from their families and struggles to afford their housing in addition to the expense of college. **The changes in demand for student housing are largely driven by the changing preferences and composition of the student body rather than increasing numbers as UW Madison enrollment has been flat for over fifteen years.**

The supply of student housing has been steadily shifting towards hi-rise apartments located close to campus for decades. This trend has only increased in recent years with the rise of projects that combine premium locations close to campus with high-end amenities. These new developments are fueled by deep pools of capital and national developers who are employing this model around the county at large universities. While the resulting rents are higher than those in the existing stock, the location and included amenities (furniture, cable, internet, onsite gym, etc) deliver a value and convenience that attracts a segment of the market. The other side of the equation is the effect on the market for existing student housing stock. There is some loss of well-located older units that are naturally more affordable that are being replaced by newer more expensive units, which presents a challenge for students with less means. There is also a softening in the market for units that are older but located farther from campus as students move into newer units, which presents a challenge for transitioning these units into a new use.

The challenge is therefore not about ensuring an adequate number of rental units like in the general rental market, but to balance the housing mix in areas near campus to serve the breadth of the student body.

## STUDENT HOUSING - DEMAND

While the US Census tracks the number of student enrolled in higher education and the institutions themselves release enrollment data, **neither of these sources can give an accurate estimate of the number of households that are composed primarily of students.** This presents a distinct challenge since a household where a student lives at home, a single student in a one bedroom unit, five students cohabitating, and a full-time worker with a family who is enrolled in night school all have very different factors driving their housing decisions. Because of this diversity, **this chapter will focus primarily on full-time students enrolled at our largest institution, the University of Wisconsin - Madison.**

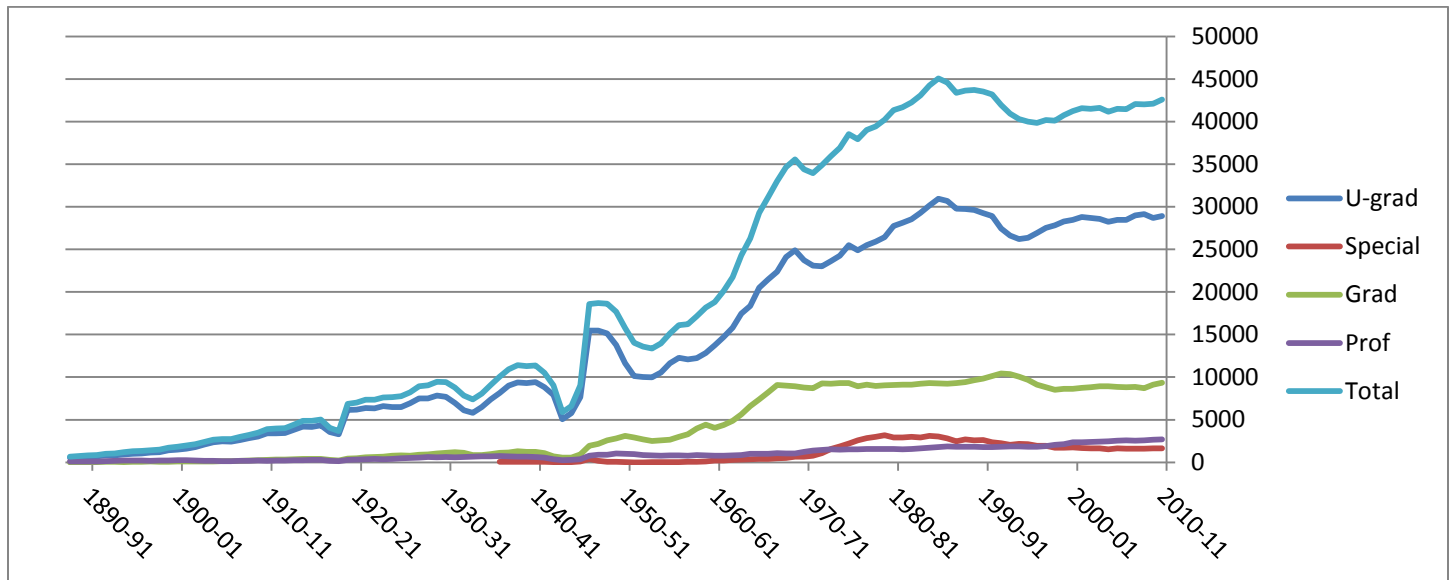
### ENROLLMENT

	Total	Percent of enrolled population	
		In public school	In private school
College, undergraduate	35,595	92.20%	7.80%
Graduate school	12,011	90.10%	9.90%
Percent of age group in school --			
18 and 19 years	94.70%	94.50%	5.50%
20 to 24 years	64.90%	93.60%	6.40%
25 to 34 years	21.50%	89.80%	10.20%
35 years and over	4.10%	78.90%	21.10%
Population 18 years and over	197,262		
Enrolled in college or graduate school	24.10%	91.70%	8.30%
Population 18 to 24 years	49,053		
Enrolled in college or graduate school	68.80%	93.90%	6.10%

Source: 5-year American Community Survey

- UW Madison
  - Undergraduate: 29,580
  - Graduate: 9,002
  - Special: 2,082
  - Professional: 2,725
  - On-Campus Residents: 7,400 undergraduate and 3,000 graduate students
- Edgewood College
  - Full-Time Undergraduate: 1600
  - Part-Time Undergraduate: 300
  - Graduate: 900
  - On-Campus Residents: 550
- Madison College
  - Full-Time: 5,392
  - Part-Time: 10,747
- Madison Media Institute
  - 480
- Total: ~60,996
- Total Full-Time ~47,000
- Total On-Campus ~11,000

UW-Madison students make up over 50% of the students housing market with over 40,000 students. This number grew steadily from the school's founding through World War II, which caused a dip and then subsequent boom as the GI Bill brought an influx of new students. Enrollment jumped again in the 1960s as the Baby Boomer generation hit college age. While graduate and professional enrollment then leveled, undergraduate enrollment peaked in the 1980s before leveling off. **Total UW-Madison enrollment has been relatively level since 2000, meaning that aggregate demand is essentially flat.**

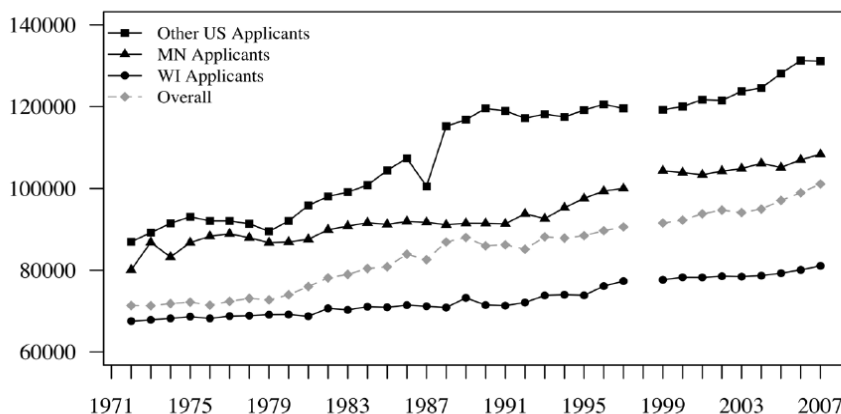


In 2015, UW–Madison policy was changed to accept more out-of-state undergraduates. The new rules guarantee that the incoming freshman class enrolls at least 3,600 Wisconsin residents, which would roughly maintain the university's in-state averages in recent years. Previously, UW-Madison's out-of-state enrollment could not exceed 27.5 percent of total enrollment.

## INCOME

Unlike most of the housing market, the income of student households does not tell us much about that household's ability to afford housing. Students often have little to no wage income. Rather, their source of funds to pay for housing come from support from their families, student loans, and grants. These sources do not reliably show up in Census data. What is clear is that **the income of student's families has been going up steadily for the last thirty years, implying that many students may have greater access to funds to afford more expensive housing.**

Figure 2. Real Median Family Income of Applicants: 1972-2007, (2009 dollars)



Source: "Is University of Wisconsin Education Becoming More Elite? A Partial Answer" Witte, Wolfe, Da-Hill Brown

Moreover, out-of- state students typically have much higher family incomes and they now comprise over a quarter of incoming undergraduates, representing a growing group of students with even greater potential to afford more expensive housing.

While there appears to be a clear trend towards a student body with higher family income on average, it cannot be forgotten that a significant portion of students do not receive financial assistance from their families and instead rely on student loans and wage income to pay for tuition and housing. They are thus more price sensitive than the average student. According to the University of Wisconsin Office of Student Financial Aid, approximately 4,700 undergraduate students are from families with incomes under 80% of Area Median Income and approximately 2,800 are from families with incomes under 50% of Area Median Income. It is very unlikely that these families are able to provide significant ongoing financial assistance to these students.

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## PREFERENCES

Nationwide there has been a measurable shift in demand as students have indicated a willingness to pay more for housing that is closer to campus and has on-site amenities (fitness center, community spaces, high speed internet). In many ways this preference shift mirrors what is happening in the rest of the rental market as renters place a premium on location and proximity to amenities.

Locally, this preference shift can be seen in the fact that newer, closer, more amenity rich student housing fills most quickly and older farther out product is slower to lease despite being less expensive according to student housing providers. While students have always had a preference to be close to campus, there has been a gradual shift for students to be even closer to campus. The areas that they are leaving, Mansion Hill, Bassett, and Greenbush, are slowly transitioning to market rate rental and homeownership.

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## TRENDS

- Enrollment at UW-Madison is flat, limiting demand for additional units
- The students being admitted are generally from higher income families and can afford higher cost housing on average
  - Family income of incoming students has been steadily rising
  - Out of state students with higher family income make up a greater proportion of income students
- There is a portion of the student body that likely does not receive financial assistance from their family, instead relying largely on student debt to finance their tuition and housing
  - Approximately 4,700 undergraduate students (~16%) are from families with incomes under 80% of Area Median Income
  - Approximately 2,800 undergraduate students (~10%) are from families with incomes under 50% of Area Median Income
- Students are demanding housing that is close to campus and amenity rich



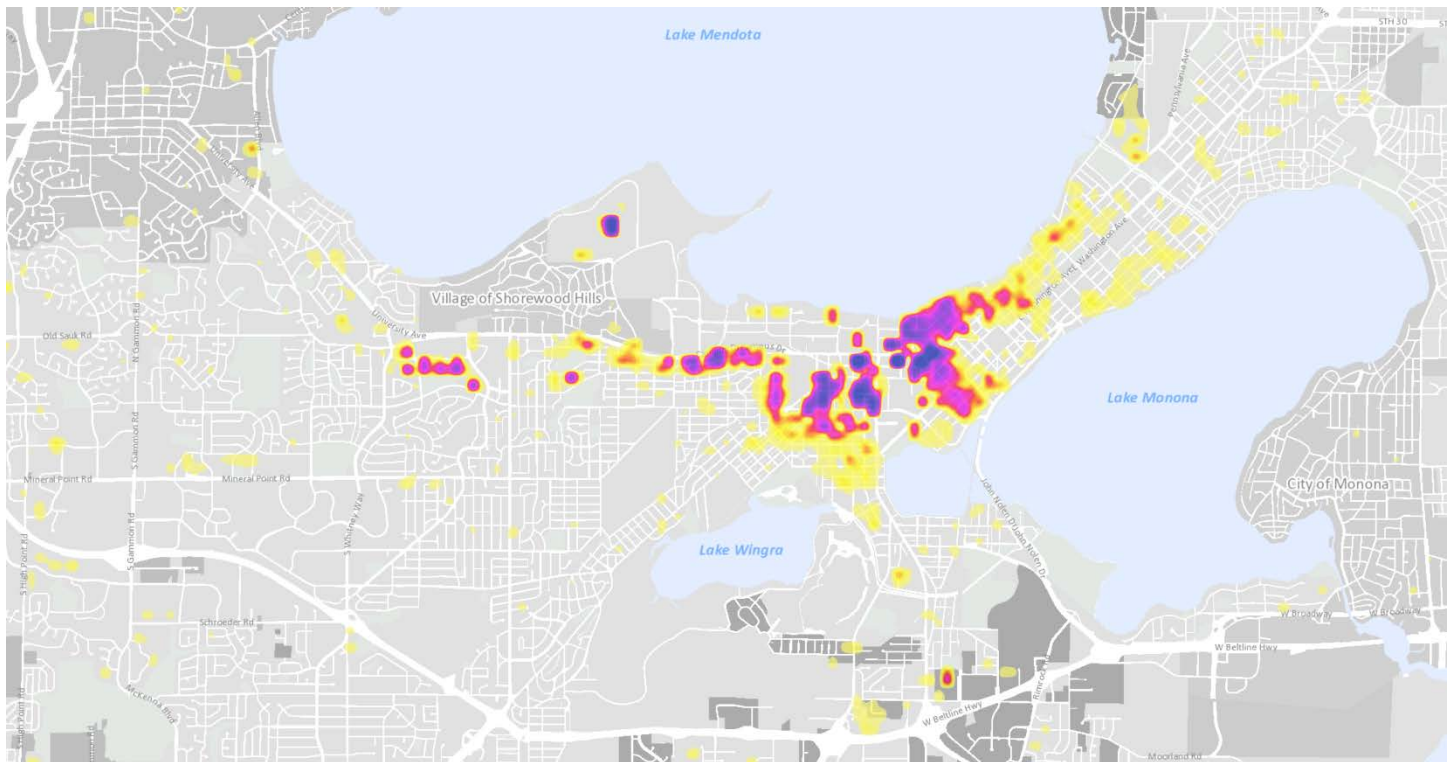
## STUDENT HOUSING - SUPPLY

The supply of student housing can be divided into three categories that operate in very different ways:

1. On-Campus Housing
  - a. Owned and operated by the college or university
  - b. Limited to renting units to only enrolled students
  - c. Primarily driven by University policy and budgets rather than market forces
2. Off-Campus Market
  - a. Owned and operated by private landlords
  - b. Student renters compete with non-students
  - c. Can be affirmatively marketed to students, but cannot discriminate
  - d. Driven by market factors (supply, demand, capital markets)
3. Other
  - a. A number of students have housing options that essentially let them opt out of the Student Housing Market
    - i. Living with parents
    - ii. Living with non-student significant other
    - iii. Living in a “Non-student” neighborhood

This report will focus primarily on the On-Campus and Off Campus markets, as the “Other” category is too diverse and driven by other forces beyond the scope of the report. Again, UW-Madison represent by far the largest source of students and will be the emphasis of the report.

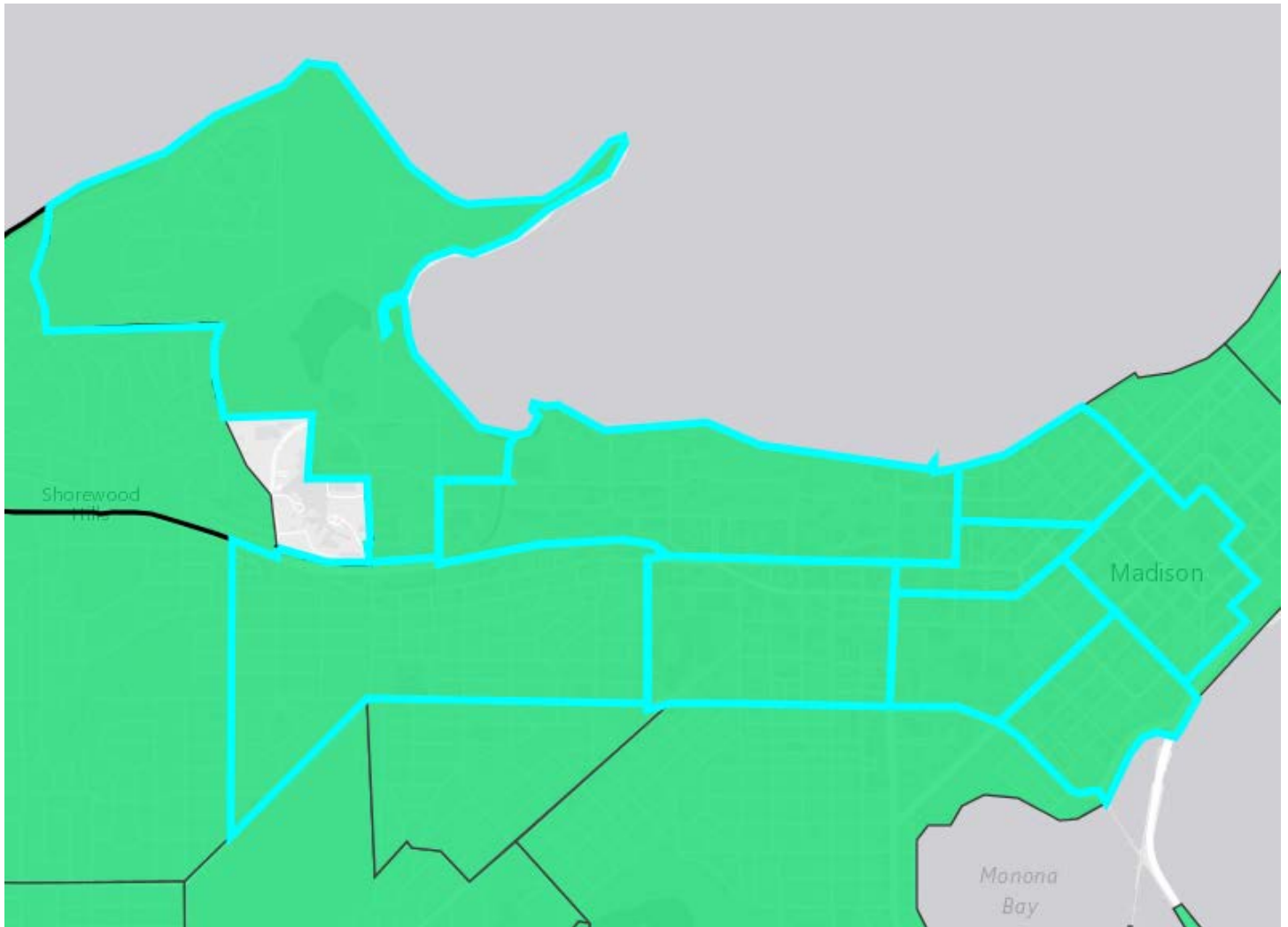
UW-Madison students are tightly concentrated in the areas between the Capital Square to the east, Greenbush Neighborhood to the south, and along University Avenue heading west. However, there are students scattered in throughout all corners of the city in the “Other” market.



Source: University of Wisconsin

The highest concentrations exist in the nine Census tracts closest to campus (highlighted in blue below). These tracts all demonstrate:

- Close proximity to the UW Madison campus
- High concentrations of renters with incomes under 30% of AMI
- High incidence of housing cost Burden



These tracts represent approximately:

- 12,000 Households
- 10,700 Households are renters
- 8,000 Households make less than 30% of AMI
- **6,500 Households are housing cost burdened renter households making less than 50% of AMI**



Likely  
Students

## HOUSING COST

While it is impossible to accurately measure housing costs as a portion of a student's financial means, UW-Madison does track housing cost as a portion of the total cost of living (over a 9-month school year). For an in-state student living on campus, housing is estimated to make up 30% of expenses, while Off Campus housing is estimated to be less expensive to rent but have higher food costs to make up the difference. For an out of state student, tuition is \$20,000 higher, driving down relative portion spent on housing to only 16%. **Therefore, while the absolute cost of housing for students may seem high, it comprises a relatively small portion of the cost of living for students, especially out of state students.**

	Wisconsin Resident		Non Resident		Minnesota Resident	
	On Campus	Off Campus	On Campus	Off Campus	On Campus	Off Campus
<b>Tuition &amp; Fees</b>	\$10,436.26*	\$10,436.26*	\$32,685.94*	\$32,685.94*	\$13,402.90*	\$13,402.90*
<b>Books &amp; Supplies</b>	\$1,200.00	\$1,200.00	\$1,200.00	\$1,200.00	\$1,200.00	\$1,200.00
<b>Room</b>	\$7,796.00	\$6,814.00	\$7,796.00	\$6,814.00	\$7,796.00	\$6,814.00
<b>Board</b>	\$2,650.00	\$3,632.00	\$2,650.00	\$3,632.00	\$2,650.00	\$3,632.00
<b>Miscellaneous</b>	\$2,296.00	\$2,296.00	\$2,296.00	\$2,296.00	\$2,296.00	\$2,296.00
<b>Travel</b>	\$800.00	\$800.00	\$1,400.00	\$1,400.00	\$1,100.00	\$1,100.00
<b>Loan Fees</b>	\$64.00	\$64.00	\$64.00	\$64.00	\$64.00	\$64.00
<b>Total</b>	\$25,242.26	\$25,242.26	\$48,091.94	\$48,091.94	\$28,508.90	\$28,508.90

Source: University of Wisconsin Office of Student Financial Aid – Cost of Attendance 2016-17

Compared to peer institutions, housing costs at UW-Madison are also relatively inexpensive.

UW - Madison	UC-Berkeley	UM-Ann Arbor	UM-Twin Cities	UNC-Chapel Hill	UT-Austin	UI-Urbain Champagne	Ohio State
<b>\$8,804</b>	\$15,562	\$10,246	\$8,920	\$10,902	\$11,456	\$11,010	\$9,850

Source: College Board 2015-2016 Room and Board

## ON CAMPUS HOUSING

At UW Madison, approximately 92% of incoming freshman opt to live in on-campus housing operated by UW Housing. This housing is marketed directly to students through the admissions process based on location, amenities, the “transition” to college, and the “college experience.” For this housing, there is virtually no vacancy and no waiting list. This housing has about a 15% retention rate after the first year, as students typically choose to move into off-campus citing cost as the primary driver.

On campus graduate student housing and housing for undergraduates with families is provided through UW Housing’s University Apartments. This housing serves approximately 1,200 student households, 65% of which are international students. Again these units are marketed directly to students through the admission process with a, emphasis on student success and high graduation rates. This housing has a very high retention rate and very long wait lists, implying demand that far exceeds supply.

As part of UW Housing’s Master Plan calls for major renovations of the largest developments in their portfolio but does not call for the creation of additional units.

## OFF CAMPUS HOUSING

While we know which neighborhoods have high concentrations of students, it is more difficult to determine which buildings and units are “student housing” because there is nothing stopping a non-student household from renting there. The neighborhood with the greatest concentration of students is the Miffland neighborhood and the adjacent parts of the Bassett neighborhood. Even here, it is difficult to separate housing targeting students rather than young professionals, especially in new construction.

Taking a snapshot of units listed for rent in May of 2016, a few clear trends appear in this market.

- Newer units are more expensive than older units
- Apartments are more expensive than houses
- Units with fewer bedrooms are more expensive on a per bedroom basis

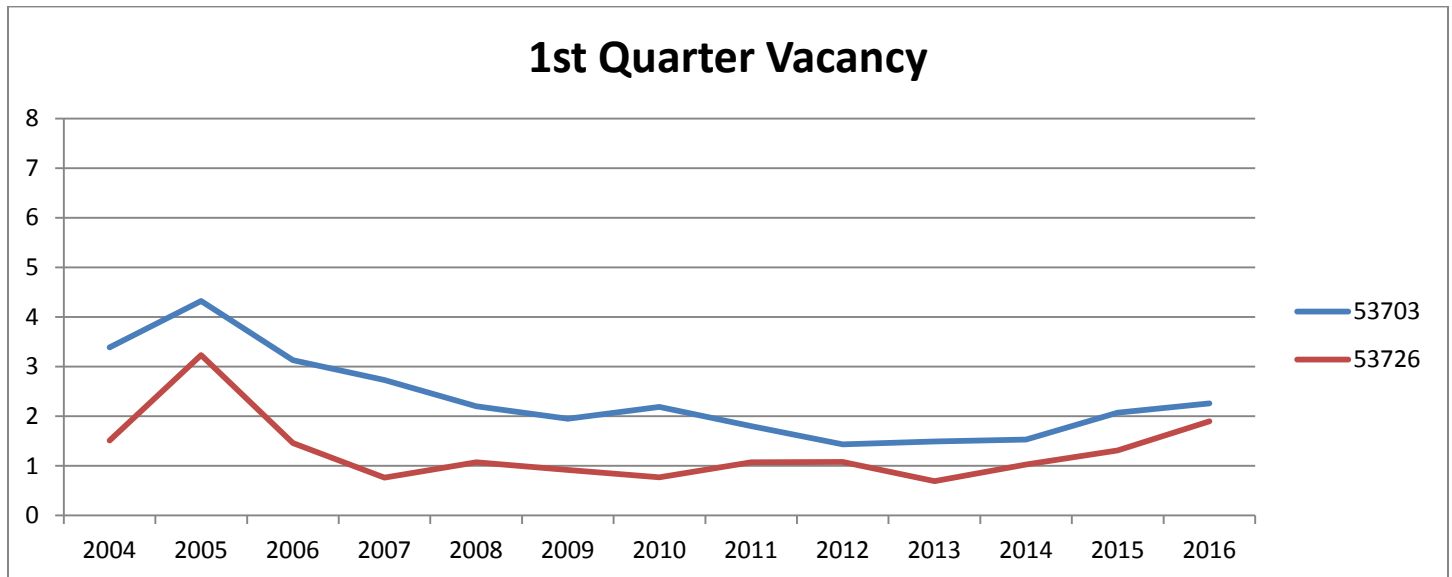
These trends build on one another as old homes with many bedrooms get demolished to create new construction apartment building comprised primarily of small units, which has the effect of raising the average rent.

Miffland-Basset Rents	
Average Per Bedroom for New Apartments	\$1,041
Average Per Bedroom for Old Apartments	\$694
Average Per Bedroom for Old Houses	\$512
Average Per Bedroom for Studio Units	\$884
Average Per Bedroom for 1 Bedroom Units	\$1,105
Average Per Bedroom for 2 Bedroom Units	\$789
Average Per Bedroom for 3 Bedroom Units	\$585
Average Per Bedroom for 4 Bedroom Units	\$657
Average Per Bedroom for 5 Bedroom Units	\$588

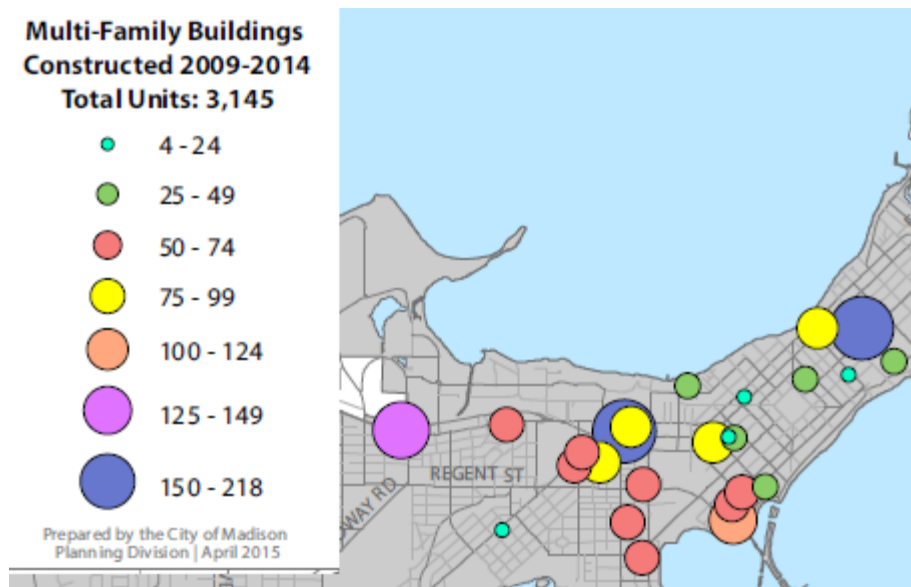
## VACANCY

While it is impossible to cleanly separate the vacancy rate of buildings that primarily serve students compared to non-students, we can measure the vacancy rate of zip codes with large numbers of student renters. Specifically, the 53703 (downtown) and 53726 (west of Camp Randall) areas have large concentrations of student renters. Both have seen their vacancy rates slowly ticking up, but both are below the 5% threshold typically considered healthy in the United States.

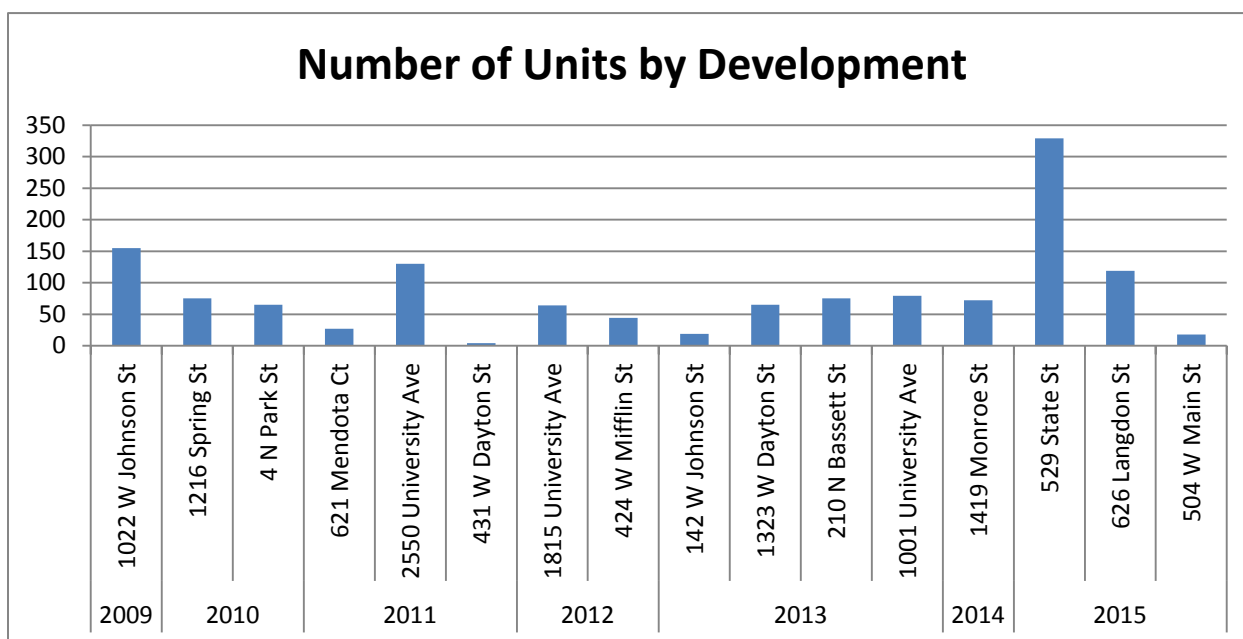
From interviews with student housing providers there appears to be two areas of the market that are experiencing higher vacancy rates, older units that are located farther from campus and new construction units that are priced at the very top of the market. For the older units, this trend can result in sustained vacancies or renting units to non-students. For the new construction units priced at the top of the market, a number of units have seen price reductions, lease signing bonuses, and greater marketing aimed at doubling up in bedrooms.



Source: Madison Gas and Electric Multifamily Vacancy



Source: City of Madison Planning Department



In these areas close to campus, there have been roughly 1,300 new units added since 2009 that are at least partially marketed towards students. An additional 550 units are under construction at the Uncommon and the James, both amenity rich apartment buildings located close to campus being developed by out of state developers, which mirror national trends.





The Hub is an example of a recent student housing project that combines all of the market trends.

### PROJECT

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313 unit new construction apartment building with units ranging from studio to 5 bedroom with 5 bathrooms

### OWNERSHIP

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Core Campus LLC, a subsidiary of Core Spaces, a Chicago based real estate development and management company that specializes in student housing. Core Spaces has completed six projects totaling 3,339 beds, and has nearly 4,650 beds either under construction or in various stages of pre-development as of 2015.

### AMENITIES

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Common spaces: Rooftop pool, sand volleyball court, clubhouse, media room, billiards and games room, recording studio, business center, fitness center, yoga studio, sauna, spa, tanning beds

Units: Fully furnished, 50" smart TVs, quartz countertops, walk-in showers, private laundry, HD Cable, broadband internet, private hot tub on balcony

## LOCATION

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Located on State Street one block from campus (Memorial Library), closer than most existing student housing units.

## PRICE

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Leased on a per room basis.

- Studio \$1,205
- 1 Bedroom \$1,425
- 2 Bedroom \$1,115
- 3 Bedroom \$1,005
- 4 Bedroom \$875
- 5 Bedroom \$969

## TRENDS

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- Increased construction of new apartment buildings that:
  - Are closer to campus
  - Have a high level of common amenities (pools, communities rooms, fitness centers)
  - Have a high level of in-unit amenities (laundry, furnished, high speed internet)
  - Are developed by large national developers (with access to large pools of capital)
- Softening of market for older units and units farther from campus in surrounding neighborhood



### NATIONAL

The majority of funding for student rental housing is in the form of traditional mortgages and owner equity. Large amounts of the student housing stock is owned by local developers and investors. However, there is a growing national trend for large national investment funds to own a portfolio of large student housing developments across a variety of cities.

- Real Estate Investment Trusts (REITs)
  - Publicly or privately owned investment fund that focuses on real estate investment
  - Often focus on a single asset class (student housing, industrial, retail)
  - National or regional portfolio of projects, but may use local management
  - Able to raise much larger amounts of capital than a typical local investor
  - Typically target larger developments

Many of the federal sources of funds typically used to support development are not allowed for student housing such as Section 42 tax credits.

### LOCAL SOURCES

City of Madison TIF policy prohibits the use of tax incremental financing on student housing in most cases. City TIF Policy states:

#### *2.2 Student Housing*

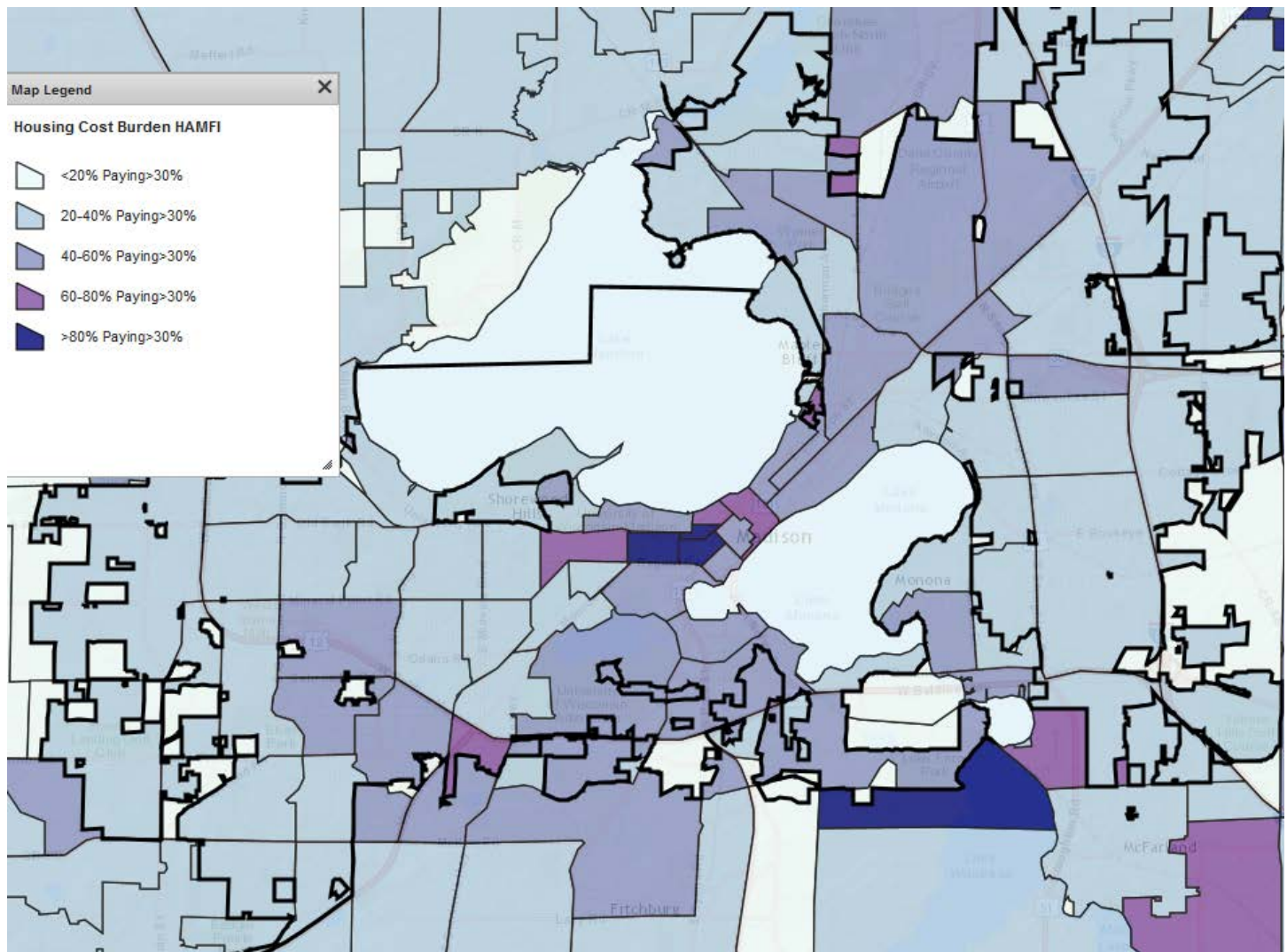
*Student housing, defined as multi-unit residential structures, whether publicly or privately owned, that are leased whole or in part to students attending post-secondary educational institutions, shall not be funded with TIF except if it has a significant affordable component.*

TIF policy does allow for the creation of programs to fund the conversion of rental housing back to ownership through Small Cap TIF. These programs have been targeted towards neighborhoods that were developed as single family owner occupied homes, but with expansion of UW Madison were converted to student rentals. After 40+ of being rented many are in poor shape and require renovations of over \$100,000 to make them code compliant, remove lead and asbestos, and bring them up to modern standards. Additionally, the economics of converting from rental to ownership results in a loss of cash flow that reduces the value of the building.

- Small Cap TIF
  - Program to encourage the rehabilitation and conversion of old rental housing back to ownership
  - Combined Down Payment and Rehabilitation Assistance
  - Forgivable loan
  - Up to \$80,000 with an addition \$10,000/ unit
  - Geographically restricted to relevant TID
  - Not income restricted
  - Requires a land use restriction to ensure that properties remain owner occupied for 10 years

## AFFORDABILITY

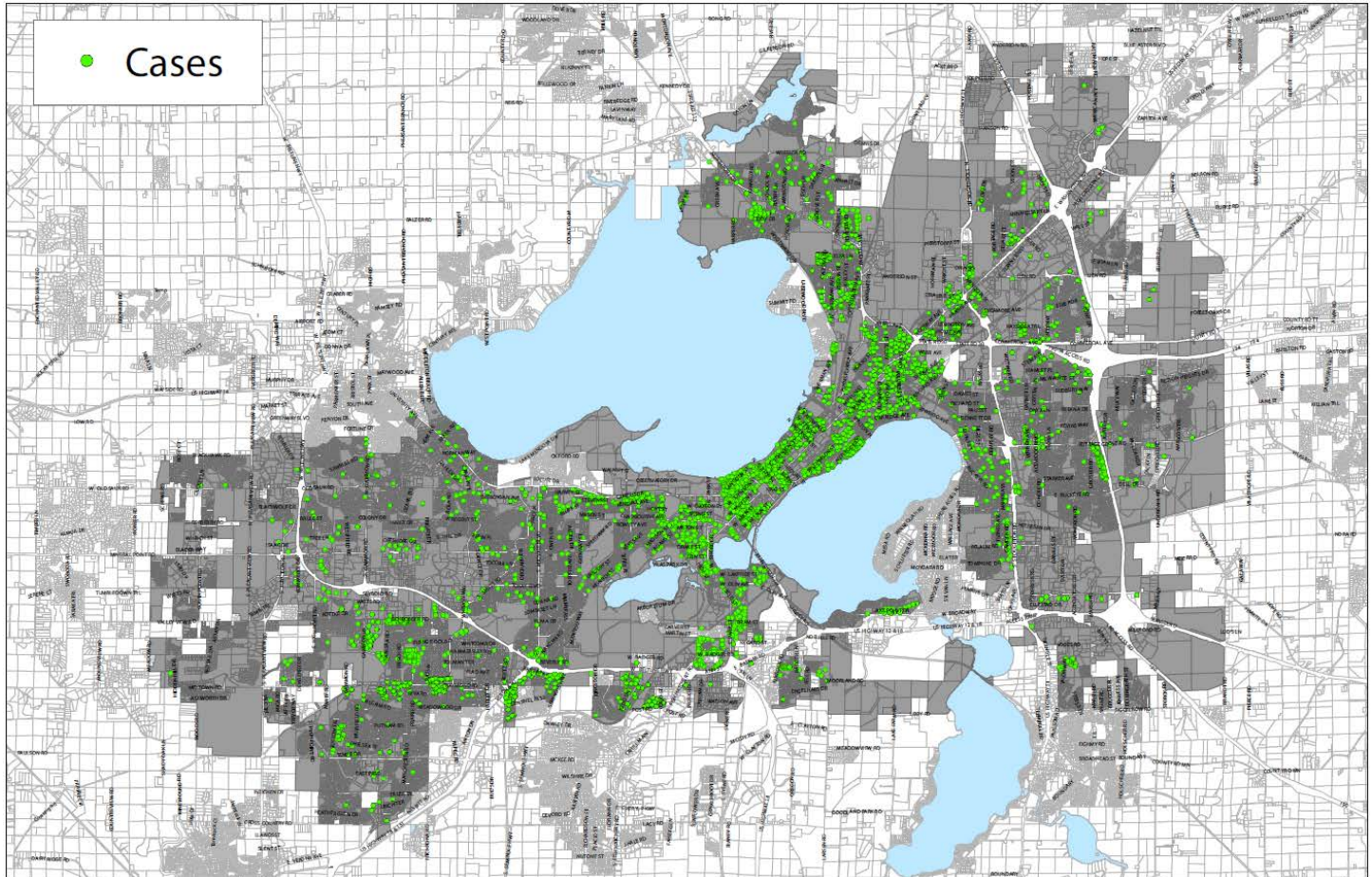
Typically, challenges to the affordability of housing are viewed through the lens of what percentage of household income goes to pay for housing costs. Paying more than 30% results in being “Cost Burdened” and paying more than 50% in household income results in “Severe Housing Cost Burden.” In general, households comprised of students have little to no income from wages but live in areas of the city with relatively high housing costs. As a result, student households have extremely high levels of severe housing cost burden. Areas near campus have rates of housing cost burden that dwarf even our most challenged neighborhoods.



Housing cost burden is a poor measurement of the affordability housing to students because it does not factor the financial resources of the student’s family or their ability to use student loans to pay for living expenses at a relatively low subsidized interest rate. While the data does point to higher amounts of family income and greater access to student debt over time for UW Madison households which likely has allowed them to “afford” ever more expensive housing, there are certainly student households that are still struggling with cost of housing. The struggle with cost is part of what drives students to accept more roommates than are typical in the general rental market, willingness to living in lower quality housing than is typical in the market, and to live farther away from campus than is typical for other student renters.

## HOUSING QUALITY

While the vast majority of rental housing in the City of Madison is safe and well maintained, there are instances of landlords that do not adequately maintain their properties. The City of Madison Building Inspection Division maintains records of cases of building code violations that are related to the quality of housing. While there are violations across the city, there is a particularly large concentration around campus on the downtown. This is not surprising given the concentration of older housing stock, but it also correlates with the concentration of student renters.



Source: City of Madison Building Inspection

This link between older student rental housing and violations is supported by interviews with the Tenant Resource Center and UW Working Class Student Union, who both have numerous examples of landlords who do not adequately maintain or promptly repair their student rental properties. Moreover, it is often the case the students do not know their rights as tenants or the resources that are available to them when dealing with a landlord.

In many cases, these student rental properties were built as single-family homes, which were then converted to multifamily student rentals to absorb the swelling enrollment of the University of Wisconsin in the 1960s. The results have been houses with awkward additions, dining rooms and porches converted to bedrooms, and decades of deferred maintenance in many cases. Conversion of these properties back into single-family homes can be extremely expensive with projects costing hundreds of thousands of dollars to bring them up to modern standards.



## NATIONAL MODELS

- Co-op Housing
  - A housing cooperative is a legal entity that owns real estate, consisting of one or more residential buildings. The corporation is membership-based, where members are granted the right to occupy a housing unit or bedroom and share the communal resources of a house that is owned by a cooperative organization.
  - For student housing co-ops, houses are often specifically designed to lower housing costs while providing an educational and community environment for students.
  - Ex. Madison Community Coop
    - Charges rent of \$300-\$500 per bedroom in large historic homes with 12-24 bedrooms near campus
- Housing Choice Voucher Program Modifications
  - Modified criteria for Housing Choice Vouchers to allow them to be used for homeless/at risk students
  - Requires a housing authority to have “Move to Work” designation, which the CDA does not
  - Ex. The Tacoma Washington Housing Authority has a partnership with Tacoma Community College to pilot vouchers for 25 homeless/at risk students as long as they stay enrolled as full time students
- Micro Units
  - Densely configured very small studio units designed to serve single adults
  - The density and small size allows developers to build units in markets with high land costs at a lower cost than traditional apartments
  - Gaining popularity in New York, San Francisco, and Seattle where land costs are very high
  - Typically defined as studio units under 400 square feet, but can be as small as 150 square feet
  - Difficult to build in Madison because of restrictions on unit density (not minimum square footage requirements) in the zoning code
  - Ex. University of British Columbia is piloting the creation of a 70 unit building with 140 square foot fully furnished apartments renting at \$500 compared to the campus average of \$750 to address their affordability challenges
- Public Private Partnerships
  - A partnership between universities and private to developers to create student housing
  - Universities often contribute land to the deal while private developers construct and manage the property
  - As a condition, institutions can set affordability guidelines
    - Texas A&M University is partnering with Servatis, LLC to develop and manage the \$360 million, 3,400-bed Park West apartment property on campus, which is scheduled to open by Fall 2017. A newly created non-profit will own the development for the first 30 years of its life, after which ownership will revert back to the university. The project is expected to comprise three multistory buildings.
    - The University of South Florida and Capstone-Harrison Street are combining to build a \$133 million “residential village” that will replace several 1960s-era residence halls with 2,171 new beds. The net addition would be about 1,132 beds. Completion is slated for Fall 2018.
    - Eastern Kentucky University is establishing a partnership to build a \$75 million, 1,110-bed project. Grand Campus Properties and F2 Companies will split the private part of the partnership.
- Tax Incremental Financing (TIF)
  - Financing program that uses projected future increases in the property taxes from a defined area (TID) to subsidize redevelopment in that TID
  - Project must be located in a TID with a “generator” property that is sufficient to increase the tax base
  - Project must prove that “but for” the subsidy the development would not occur
  - Can be used for capital costs but not for operating expenses
  - Project must pay property taxes
  - Ex. Lincoln, Nebraska is committing \$2.6 million towards parking for a 624 bedroom student housing development