

February 23, 2026

Honorable John Laird, Chair
Joint Legislative Budget Committee
Senate Budget and Fiscal Review Committee

Honorable Jesse Gabriel, Vice Chair
Assembly Budget Committee

Honorable Sabrina Cervantes, Chair
Senate Appropriations Committee

Honorable Buffy Wicks, Chair
Assembly Appropriations Committee

**Board of Governors of the California Community Colleges—San Mateo County
Community College District, College of San Mateo: Affordable Student Housing
Project—Augmentation**

Pursuant to the provisions of section 13332.11(g) of the Government Code, the following report is respectfully submitted.

The Board of Governors of the California Community Colleges requests an augmentation of \$11,114,000 in lease revenue bond authority from the Public Buildings Construction Fund (19.9 percent of total state project costs) to proceed with the construction phase of the College of San Mateo's affordable student housing project in San Mateo County. This augmentation request will address unforeseen increased costs associated with the higher-than-estimated contract bids. Approval of this augmentation is necessary for the district to begin construction and support timely delivery of the project.

The 2023 Higher Education Student Housing Grant Program included \$55,854,000 General Fund authority for this project which was pulled back as a 2023 General Fund solution prior to the district's receipt of funds. The Legislature and Administration included \$55,854,000 in lease revenue bond authority in the 2024 Budget Act as a financing mechanism to replace the reverted General Fund authority and support the continuation of the project. At the time of this project's inclusion in the 2024 Budget Act, total project costs were estimated at \$65,853,000 (\$55,854,000 state and \$9,999,000 local community college district).

Current total project costs are estimated at \$85,393,000 (an increase of \$19,540,000 or 29.7 percent). In the period since this project's inclusion in the 2024 Budget Act, actual escalation has outpaced projected escalation due to unforeseen factors such as inflation, tariffs, and regional labor shortages, resulting in construction phase costs that were \$19,540,000 higher than previous estimates.

This project consists of the construction of a two-story affordable student housing facility including 316 affordable beds and two additional residential director beds. Pursuant to Government Code Section 15820.203, the College of San Mateo will not charge rental rates in excess of 30 percent of 50 percent of the area median income for a single-room occupancy unit type for the affordable beds except as may be adjusted annually as specified in statute.

Finance concurs with this request for an augmentation pursuant to Government Code section 13332.11(g) and will be recommending approval of the to the State Public Works Board at the March 18, 2026 meeting, upon the expiration of the 20-day legislative review period.

If you have any questions or need additional information regarding this matter, please call Michael McGinness, Principal Program Budget Analyst, at (916) 445-9694.

JOE STEPHENSHAW

Director

By:



ERIKA LI

Chief Deputy Director

cc: On following page

cc: Honorable David Alvarez, Chair, Assembly Budget Subcommittee No. 3
Honorable Sasha Renée Pérez, Chair, Senate Budget and Fiscal Review
Subcommittee No. 1
Honorable Roger W. Niello, Vice Chair, Senate Budget and Fiscal Review
Committee
Honorable David Tangipa, Vice Chair, Assembly Budget Committee
Honorable Juan Carrillo, Assembly Member, Advisor to the State Public Works Board
Honorable Jessica Caloza, Assembly Member, Advisor to the State Public Works
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Honorable Liz Ortega, Assembly Member, Advisor to the State Public Works Board
Honorable Maria Elena Durazo, Senator, Advisor to the State Public Works Board
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