



HOWARD UNIVERSITY

WASHINGTON, DC



HOWARD UNIVERSITY AND CORVIAS ARE PARTNERS IN THE CREATION OF A LONG-TERM SOLUTION TO STUDENT SUCCESS THROUGH HOUSING AND RESIDENCE LIFE.

40 YEARS
2016-2056



Corvias and Howard University (Howard) have jointly developed a plan to add 69 additional beds to the housing portfolio to address the high demand for housing in Fall 2018.

DEVELOPMENT SCOPE

Under the terms of the 40-year partnership, Corvias is financing, renovating, managing, operating, and maintaining four residential facilities on the Central Campus of Howard University, in the heart of Washington, DC. Corvias and Howard worked together to create a partnership structure that addressed both the short- and long-term housing needs. The initial scope of the program included the renovation and management of Howard Plaza Towers (East and West), two 11-story apartment-style residence halls designated for upperclassmen and graduate students with a total of 777 units, 1,753 end-state beds, and a basement with 368 parking spaces. The total estimated cost of renovation is \$73 million.

\$144 MILLION
CAPITAL RAISE



OPERATIONAL CLOSE

Corvias and Howard agreed to enact an "operational close" to the program. Therefore, Corvias took over the operations, management, and maintenance of housing and residence life functions, before finalizing the partnership agreements or completing the financing which would have funded development and construction. Corvias performed at-risk prior to the financial close because it was in the best interest of Howard University to immediately improve the housing options for students while a complicated financing structure was completed.

2,275 BEDS
(641,643 GSF)



FINANCING SOLUTION

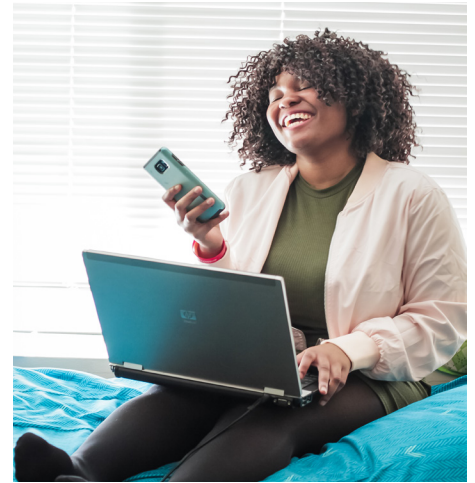
Corvias financed approximately \$39.5 million to complete the development work and defease outstanding debt. This allowed Howard to balance its goals to improve credit challenges, keep the debt of the capital raise off its balance sheet, and ensure the partnership was bankruptcy remote from the University. Joint governance structures maintained independent management of funds.

\$1.6 BILLION
TOTAL LOCAL ECONOMIC IMPACT



\$39.5 MILLION
DEBT DEFEASANCE





REINVESTMENT RESERVES

The partnership offered Howard structural enhancements to create the most value for the University. The Howard Special Purpose Entity (SPE) entered into key agreements that ensured the benefits of the program are maintained and that the University maintains control of key decisions about their students and the physical assets. Rental rates and other key decisions are made annually by a joint partnership committee and reinvestment reserves are maintained in the best interest of the program. Operations and Management (O&M) and working capital are maintained in reserves, as well as Capital Repair and Replacement (CR&R) and other critical funds for long-term improvements.

RESIDENT-FACING SERVICES

Corvias assumed responsibility for the Residence Life Program and hired 65 new team members. The residential education programs are hosted by Resident Assistants and Graduate Resident Assistants ensuring the consistent application of industry-leading service standards.

In January 2018, three days before the semester was set to start, Washington DC suffered record cold temperatures and the buildings across Howard’s campus suffered significant damage. Since that time, Corvias has made their student gathering spaces and live-learn areas in the Howard Plaza Towers available for more than a dozen classes and housed students in available residential rooms.

EXPANDED PROGRAM

The Corvias partnership with Howard was initiated, created, and finalized in 13 months. Just before Corvias assumed responsibility for the Howard Plaza Towers on August 1, 2016 (through the operational close), Howard University officials requested that Corvias include Charles R. Drew Hall (322 beds) and George W. Cook Hall (201 beds) into the program, effectively adding another 10% of the University’s housing inventory to the partnership. In order to accommodate this request, Corvias’ on-site team, with help from our other offices across the state, turned over 230 rooms in just two days.

PARTNERSHIP DETAILS <ul style="list-style-type: none"> • Performance of all O&M, as well as some student-facing activities, such as Residence Life and training and oversight of all RAs • On-campus student housing improvements in urban environment • Provide day-to-day O&M and long-term repair and replacement 	DURATION	40 years, 2016–2056
	CAPITAL RAISE	\$144 million
	FINANCING STRUCTURE	Taxable bonds
	PLACEMENT AGENT	Goldman Sachs
	PROGRAM SIZE	2,275 beds/641,643 GSF/10 acres
	INITIAL DEVELOPMENT	\$73 million
	LONG TERM DEVELOPMENT	\$147 million in ongoing replacement/renovation/modernization
	TOTAL LOCAL ECONOMIC IMPACT	\$1.6 billion
	O&M / CAPITAL IMPROVEMENTS	\$712 million in O&M spending including CR&R and capital improvements

06/18

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