



Memorandum

TO: Robert S. Derico, R.A., Director, Office of Environmental Affairs

FROM: Emma Lanahan, Environmental Affairs Specialist, Office of Environmental Affairs *E.C.L.*

DATE: May 14, 2025

RE: *State Environmental Quality Review (SEQR) Type II Determination for the State University of New York's SUNY Dormitory Facilities Revenue Bonds Program (SUNY Dormitory Facilities Revenue Bonds)*

Description of Proposed Action and Proposed Project. The Dormitory Authority of the State of New York ("DASNY") has received a funding request from the State University of New York ("SUNY") for the issuance of bonds under DASNY's State University of New York Dormitory Facilities Revenue Bonds Program ("SUNY Dorm Program"). DASNY's authorization of the issuance of one or more series of fixed and/or variable rate, tax-exempt and/or taxable bonds in an amount not to exceed \$955,000,000, are to be sold at one or more times through a negotiated offering. The term of the refunding bonds would not exceed the term of the bonds being refunded.

Based on a review of the attached *Transaction Report – Single Approval*, dated May 6, 2025, the proceeds of the bond issuance would be used for the financing of the design, construction, and/or rehabilitation costs relating to residential facilities located on various SUNY campuses (approximately \$175 million). In addition, the bond proceeds would be used to refund all or a portion of the DASNY Series 2015A and Series 2015B bonds issued for the SUNY Dorm Program (approximately \$49.5 million). Bond proceeds would also be used to pay the purchase price of various SUNY Dorm Program bonds accepted for tender, including the tax-exempt Series 2017A, 2018A, and 2019A bonds, as well as the taxable Series 2019B and 2021A bonds, which qualifies as a current refunding (up to \$735 million).

About the Institution. SUNY was created in 1948, operating within the State Education Department under the Board of Regents. Today, SUNY is comprised of 37 campuses, including four University Centers, four Health Sciences Centers, thirteen University Colleges, two Specialized Colleges, eight Colleges of Technology, five Statutory Colleges operating under contract on the campuses of independent universities, and one Agricultural Experimental Station. In addition, SUNY administration has certain oversight responsibilities for the 30 locally sponsored Upstate Community Colleges established throughout the State. A Board of Trustees consisting of 18 members, 15 of whom are appointed by the Governor with the consent of the New York State Senate, governs SUNY. While each campus of SUNY is administered locally, they are subject to overall review and supervision by SUNY's Board of Trustees.

SUNY operates over 450 residential facilities across 25 campuses. Each campus has its own unique mix of housing options. Pursuant to the Enabling Act, SUNY assigned to DASNY all rights in revenues received as Dormitory Facilities revenues. As an agent for DASNY, SUNY is required to immediately deposit such revenues, without appropriation, to the Commissioner of Taxation and Finance for deposit to the Dormitory Facilities Revenue Fund (the "Fund").

The Fund is held separate and apart from the State Treasury. Moneys are used to pay the principal of and interest on SUNY Dorm Program bonds, to fund operations and maintenance, and repair and replacement reserve funds. Any moneys remaining in the Fund after payment for such purposes vests in SUNY and becomes the absolute property of SUNY to fund SUNY budgeted operating expenses, maintenance and repair expenses on SUNY residence halls, and any other lawful purpose of SUNY.

SEQR Determination. DASNY completed this review pursuant to the *State Environmental Quality Review Act* (“SEQRA”), codified at Article 8 of the *New York Environmental Conservation Law* (“ECL”), and its implementing regulations, promulgated at Part 617 of Title 6 of the *New York Codes, Rules and Regulations* (“N.Y.C.R.R.”), which collectively contain the requirements for the SEQR process.

Based on review of the previously referenced *Transaction Report – Single Approval*, it has been determined that a portion of the funding would be used, in part, for the authorization of the issuance of DASNY Bonds to finance eligible capital projects under the SUNY Dorm Program. This action is a matter of DASNY’s routine agency administration and management pursuant to 6 N.Y.C.R.R. 617.5(c)(26). In this program, DASNY typically issues bonds to finance a variety of projects on a cash-flow basis. Prior to the expenditure of bond proceeds, a SEQR review is completed. DASNY is not committed to any particular project that has not undergone the appropriate reviews, including SEQR. The bond proceeds would only be utilized to fund projects that have been reviewed pursuant to SEQR once project details are known, at the earliest possible point in the planning process.

Additional components of the financing include the refunding of outstanding DASNY SUNY Dorm Program bonds, which are currently callable, and the refunding of additional bonds through a tax-exempt tender. These actions would be included as the refunding of existing debt. The “...refunding of existing debt...” is a Type II action under SEQRA, as specifically designated by 6 N.Y.C.R.R. § 617.5(c)(29). Type II “...actions have been determined not to have a significant impact on the environment or are otherwise precluded from environmental review under Environmental Conservation Law, article 8...” (6 N.Y.C.R.R. § 617.5[a]). Therefore, no further SEQR determination or procedure is required for any component of the Proposed Project identified as Type II.

SHPA Determination. The Proposed Project was also reviewed in conformance with the *New York State Historic Preservation Act of 1980* (“SHPA”), especially the implementing regulations of section 14.09 of the *Parks, Recreation and Historic Preservation Law* (“PRHPL”), as well as with the requirements of the Memorandum of Understanding (“MOU”), dated March 18, 1998, between DASNY and the *New York State Office of Parks, Recreation and Historic Preservation* (“OPRHP”). In compliance with Article III, Section 3.0 of the MOU, OPRHP would be notified of the Proposed Project being funded with bond proceeds. It is the opinion of DASNY that the Proposed Project would have no impact on historical or cultural resources in or eligible for inclusion in the National and/or State Registers of Historic Places.

Attachment

cc: Frederick W. Clark, III, Esq.
Stephen J. Kosier
Sara E. Stein
SEQR/OPRHP File

Transaction Report – Single Approval

State University of New York

May 6, 2025

PROGRAM:

SUNY Dormitory Facilities
Revenue Bonds

PURPOSE:

New Money
Refunding (Including Tender)

NOT TO EXCEED AMOUNT:

\$955,000,000

NOT TO EXCEED TERM:

30 Years from the July 1 next
succeeding the date of issuance

INTEREST RATE TYPE:

Fixed and/or Variable

BOND TAX STATUS:

Tax-Exempt and/or Taxable

SALE TYPE:

Negotiated Offering

RATINGS: Aa3/A+/A+

SECURITY:

First Lien on Dormitory Rentals

Proposed New Issue Overview

The Board is being asked to adopt the necessary documents for the SUNY Dormitory Facilities Revenue Bond program ("SUNY Dorm Program"), for one or more series of fixed and/or variable rate, tax-exempt and/or taxable bonds in an amount not to exceed \$955,000,000 with maturities not to exceed 30 years from the July 1 next succeeding the date of issuance, to be sold at one or more times, through a negotiated offering.

Financing Team:

- Senior Managers – BofA Securities, Inc. and Siebert Williams Shank & Co., L.L.C.
- Co-Bond Counsel – Nixon Peabody LLP and BurgherGray LLP
- Co-Underwriter's Counsel – Katten Muchin Rosenman LLP and the Law Offices of Joseph C. Reid, P.A.

Purpose:

- Financing the design, construction, and/or rehabilitation costs relating to residential facilities located on various State University of New York ("SUNY") campuses (\$175 million).
- Refunding all or a portion of the DASNY Series 2015A and Series 2015B bonds issued for the SUNY Dorm Program (\$49.5 million).
- Pay the purchase price of various SUNY Dorm Program bonds accepted for tender (up to \$735 million).

Security:

- First lien on Dormitory Rentals that are deposited to the Commissioner of Taxation and Finance Dormitory Facilities Revenue Fund.

Description of the Bonds:

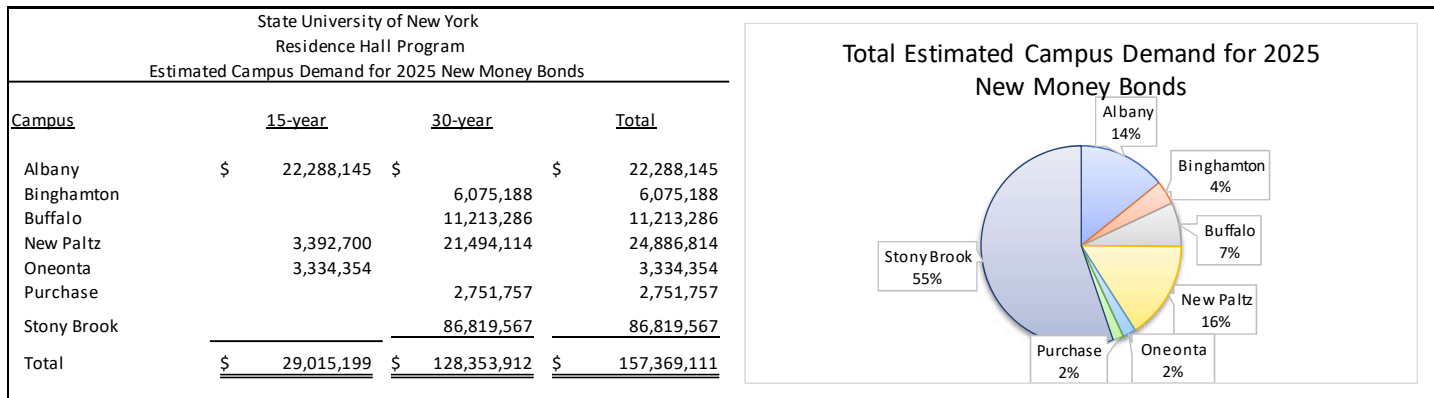
- The Bonds are special obligations of DASNY.
- The Bonds are payable from Dormitory Rentals deposited in the Fund. The Bonds are also secured by the funds and accounts established under the Resolution.

Financing Details:

New Money: The legislation governing bond issuance for the SUNY Dorm Program currently sets a cap of \$1.394 billion on new money issuances. This cap does not apply to the refunding of bonds, which remain unrestricted. Currently, approximately \$540.2 million remains available under this cap.

The SUNY Board has approved the issuance of up to \$175 million in bonds for additional new money projects under the SUNY Dorm Program and has authorized the refinancing of existing bonds where beneficial. The table below outlines the estimated capital project expenditures from the proposed issuance, which includes

approximately \$157.4 million allocated for the design, construction, and rehabilitation of residential facilities across various SUNY campuses. SUNY may expend its available funds for certain of these capital expenditures before the bond issuance closes. SUNY requested that DASNY include the declaration of intent to reimburse such expenditures with proceeds of the Series 2025 Bonds within the Series Resolution(s) to be adopted by the DASNY Board.



Refunding: SUNY may refund all or a portion of its outstanding Series 2015A and 2015B bonds, which are currently callable. These bonds have approximately \$98.4 million outstanding, of which approximately \$48.3 million may generate modest savings. The inclusion of these bonds in the refunding will be based on market conditions at the time of pricing. Under current market conditions, the refunding would generate approximately \$847,000 of savings or 1.8% of the bonds being refunded.

Savings Analysis

	Date	Existing Debt Service	New Debt Service	Gross Savings
	2026	25,991,250	25,522,850	468,400
	2027	25,987,500	25,520,250	467,250
	Total	51,978,750	51,043,100	935,650

PRESENT VALUE ANALYSIS SUMMARY

NET PRESENT VALUE BENEFIT	847,386
NPV BENEFIT OF BONDS BEING REFUNDED	1.75%
NPV BENEFIT OF REFUNDING PRINCIPAL	1.79%

Tender Refunding: In addition to the refunding above, SUNY may refund additional bonds through a tax-exempt tender. There are approximately \$735 million of bonds that are tender candidates. Subject to bond counsel review and confirmation, the tax-exempt Series 2017A, 2018A, and 2019A bonds, as well as the taxable Series 2019B and 2021A bonds, are eligible for tax-exempt tender. A tender offer allows an issuer to repurchase bonds from existing holders at either a predetermined fixed price, fixed spread, or a price set through an auction process. Recent increases in interest rates have caused certain bonds to trade below par in the secondary market, creating an opportunity to repurchase them through a tender offer. Investor participation will determine the success of the tender. Estimated investor participation ranges from 15% to 30%. Bond proceeds may be used to purchase bonds offered through the tax-exempt tender. The purchase price of the tendered bonds will be funded by issuing new tax-exempt bonds as a current refunding, with the final maturity not exceeding that of the refunded bonds.

Sources and Uses: The new money portion of the proposed bond issue may require a deposit to the project fund of approximately \$180.3 million. Under current market conditions, the refunding of a portion of the Series 2015A and 2015B bonds may require refunding escrow deposits of approximately \$49.5 million. Costs of issuance, including the State Bond Issuance Charge and the Underwriter's Discount, are estimated at approximately \$2.3 million. Below is an estimated Sources and Uses of Funds for the new money and refunding of the Series 2015A and Series 2015B bonds.



Sources of Funds:	New Money	2015AB Refunding	Total
Bond Proceeds:			
Par Amount	\$ 175,000,000	\$ 47,430,000	\$ 222,430,000
Premium	<u>7,248,620</u>	<u>1,229,653</u>	<u>8,478,273</u>
	182,248,620	48,659,653	230,908,273
Other Sources of Funds:			
Accrued Interest	-	1,208,125	1,208,125
Total Sources:	\$ 182,248,620	\$ 49,867,778	\$ 232,116,398

Uses of Funds:			
Project Fund Deposit	\$ 180,303,602	\$ -	\$ 180,303,602
Refunding Escrow Deposits	-	49,533,125	49,533,125
Costs of Issuance	525,000	144,933	669,933
State Bond Issuance Charge	610,364	-	610,364
Underwriter's Discount	809,654	189,720	999,374
Total Uses	\$ 182,248,620	\$ 49,867,778	\$ 232,116,398

* The Sources and Uses do not include amounts associated with the tender as the investor participation is unknown at this time.

The Board is being asked to approve an amount not to exceed \$955 million to accommodate the new money, refunding, and all tender candidates. Actual issuance is expected to be much lower than the amount not to exceed, based on investor participation in the tender.

Approvals

SEQR Filing (anticipated) – May 12, 2025

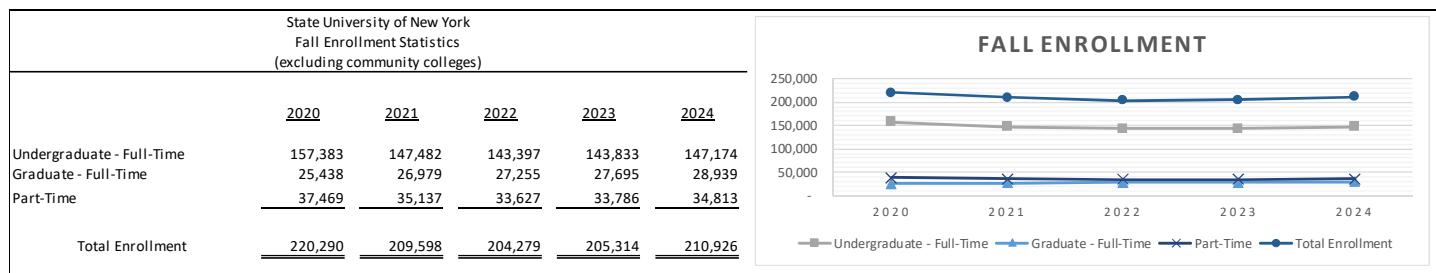
PACB Approval (anticipated) – May 28, 2025

SUNY Overview

The State University of New York ("SUNY") was created in 1948, operating within the State Education Department under the Board of Regents. In 1949, it assumed control of the 29 existing State-supported institutions, many of which were professional and technical schools with an emphasis on applied arts and sciences and teacher training. Between 1957 and 1962, four University Centers were established: Stony Brook, Albany, Binghamton, and Buffalo. In 1964, the six two-year Agricultural and Technical Institutes became Agricultural and Technical Colleges and in 1987 were designated either Colleges of Technology or Colleges of Agriculture and Technology. In 1968, two additional colleges of arts and science were opened. Today, SUNY is comprised of 37 campuses, including four University Centers, four Health Sciences Centers, thirteen University Colleges, two Specialized Colleges, eight Colleges of Technology, five Statutory Colleges operating under contract on the campuses of independent universities, and one Agricultural Experimental Station. In addition, SUNY administration has certain oversight responsibilities for the 30 locally sponsored Upstate Community Colleges established throughout the State.

A Board of Trustees consisting of 18 members, 15 of whom are appointed by the Governor with the consent of the NYS Senate, governs SUNY. The Student Assembly president serves as a voting member, and the presidents of the SUNY Faculty Senate and Faculty Council of Community Colleges serve as non-voting members. The Governor also appoints the Chairman and Vice-Chairman of the Board. The Board of Trustees appoints its own officers, the Chancellor, the Senior Administration staff, and campus Presidents. While each campus of SUNY is administered locally, they are subject to overall review and supervision by SUNY's Board of Trustees.

Enrollment:



- Total enrollment at SUNY, including full-time undergraduate and graduate students and part-time students, decreased to 204,279 in the Fall of 2022, an 8.9% decline from its peak enrollment of 224,178 in the Fall of 2018. Total enrollment increased in Fall 2023 and Fall 2024. Fall 2024 Total Enrollment was 210,926, a 3.3% increase over Fall 2022 enrollment.
- The increase since Fall 2022 consisted of 3,777 more full-time undergraduate students (2.6%), 1,684 more full-time graduate students (6.2%), and 1,186 more part-time students (3.5%).

Residence Hall Program:

SUNY operates over 450 residential facilities across 25 campuses (the “Residence Hall Program”). Each campus has its own unique mix of housing options. These options include some single occupancy rooms, standard double occupancy rooms, quads, which are two to four-bedroom suite-type housing that share a “suite” and bathroom, and apartment-style housing with a kitchen, common area, and more than one bathroom.

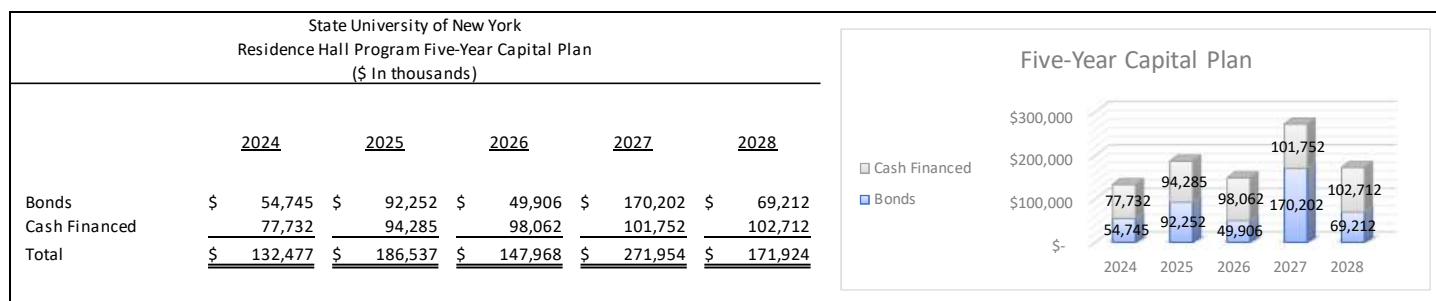
SUNY operates the Residence Hall Program using room rent revenue to pay for all operating expenses and capital improvements. Each campus can set its own room rental rates. SUNY Residence Hall Program Operation Policy and Guidelines state: “Campuses are responsible for developing a residence hall budget and determining all room rental rates”. Each campus is responsible for setting room rates sufficient to cover debt service, residence hall operating expenditures, and to maintain reserve requirements. Campuses are required to submit the budget and rental rate schedule to the SUNY System Administration for review. The individual campus budgets are applied consistently throughout the System.

Pursuant to the Enabling Act, SUNY assigned to DASNY all rights in revenues received as Dormitory Facilities revenues. As an agent for DASNY, SUNY is required to immediately deposit such revenues, without appropriation, to the Commissioner of Taxation and Finance for deposit to the Dormitory Facilities Revenue Fund (the “Fund”). The Fund is held separate and apart from the State Treasury. Moneys are used to pay the principal of and interest on SUNY Dorm Program bonds, to fund operations and maintenance, and repair and replacement reserve funds. Any moneys remaining in the Fund after payment for such purposes vests in SUNY and becomes the absolute property of SUNY to fund SUNY budgeted operating expenses, maintenance and repair expenses on SUNY residence halls, and any other lawful purpose of SUNY.

Financing History:

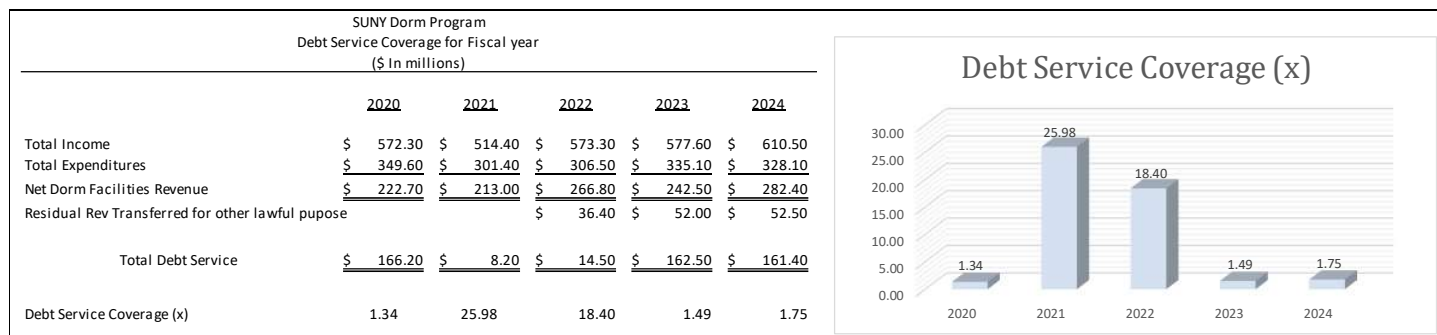
DASNY has issued approximately \$3.2 billion through 13 series of bonds under the SUNY Dorm Program since its inception in 2013. As of March 31, 2025, there were approximately \$1.8 billion of bonds outstanding.

Capital Planning:



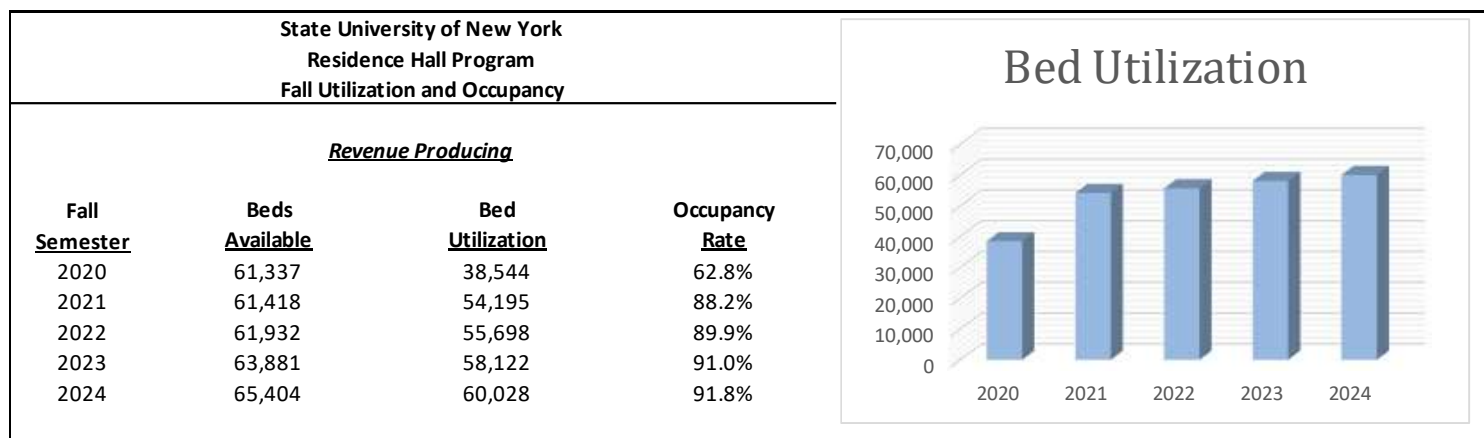
- The basis for the SUNY Residence Hall Program capital plan is the annual five-year capital requests submitted by each campus.
- These capital plans are submitted each year and provide a multi-year forecast of projects along with a cash flow analysis demonstrating that each campus can operate its individual program in an effective and solvent manner.
- The project portion of the plans submitted by the campuses is substantiated by a condition assessment survey of campus facilities. SUNY utilizes a software system (AIM-integrated work management system) that includes real-time life cycle modeling for all residence halls.
- This system is currently being utilized in the capital planning process. SUNY typically finances the capital cash flow needs on a year-to-year basis.

Debt Service Coverage:



- The SUNY Dorm Program has a net Debt Service Coverage requirement of 1.2 times.
- From 2013, when the SUNY Dorm Program began, to 2020, Debt Service Coverage ranged from 1.30 times to 1.54 times.
- Uncertainty due to COVID-19 led to a July 2020 bond issuance to provide temporary debt service relief to SUNY by refunding and restructuring all the debt service due and payable by SUNY in fiscal years 2021 and 2022. SUNY received Federal stimulus funds in 2021 and 2022, which helped offset lost revenues due to the pandemic. These combined factors led to higher-than-normal Debt Service Coverage ratios in 2021 and 2022.
- With the return to more normal operations and debt service obligations in 2023, Debt Service Coverage was 1.49 times in 2023 and 1.75 times in 2024.

Utilization:



- SUNY Residence Hall Program utilization declined from 65,384 beds in the Fall of 2019 to 38,544 beds in the Fall of 2020 due to COVID-19.
- Fall 2024 utilization was 60,028 beds, a 56% increase over fall 2020 utilization. However, Fall 2024 utilization is 5,356 beds (- 8.2%) below Fall 2019 (pre-COVID-19) utilization.
- In the Fall of 2019, the SUNY Residence Hall Program had 69,667 available beds. Beds available were reduced to 61,337 in the Fall of 2020 due to COVID-19. The lower utilization has enabled campuses to reduce some double/triple occupancy rooms to single/double occupancy rooms and, in certain cases, take residence halls offline.
- Beds available have since increased to 65,404 beds available in the Fall of 2024.
- The Fall 2024 occupancy rate was 91.8%.

Recommendation

- Staff recommends that the Board approve and adopt the necessary documents under the State University of New York Dormitory Facilities Revenue Bond Program for one or more series of bonds in an amount not to exceed \$955,000,000. Nixon



Peabody LLP and BurgherGray LLP, Co-Bond Counsel, will provide the Board with an overview of certain bond document provisions at the May 14, 2025 Board meeting.

This report was prepared solely to assist DASNY in its review and approval of the proposed financing described therein and must not be relied upon by any person for any other purpose. DASNY does not warrant the accuracy of the statements contained in any offering document or any other materials relating to or provided by the Institution in connection with the sale or offering of the Bonds, nor does it directly or indirectly guarantee, endorse or warrant (1) the creditworthiness or credit standing of the Institution, (2) the sufficiency of the security for the Bonds or (3) the value or investment quality of the Bonds.

The Bonds are special limited obligations of DASNY that are secured only by the amounts required to be paid by the Institution pursuant to the Loan Agreement, certain funds established under the Resolution and other property, if any, pledged by the Institution as security for the Bonds.