

freshman requirement

CU Denver freshman housing limits challenged in court

By David Migoya
The Denver Post

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Erin Trinkka, 18, makes a call Tuesday from the bedroom she shares at Campus Village. Three women live in the apartment, which she called "overpriced."
(Kathryn Scott Osler, The Denver Post)

A housing provider for Auraria campus students

alleges a rival operator's arrangement to provide exclusive accommodations for University of Colorado Denver freshmen amounts to a monopoly of the city's student-housing market.

Auraria Student Housing at The Regency LLC filed the lawsuit Oct. 14 in U.S. District Court, alleging Campus Village at Auraria violated antitrust laws by conspiring with UCD to put a stranglehold on housing for its freshmen.

That arrangement was signed in 2004 — two years before Campus Village was built by the University of Colorado Real Estate Foundation, known as CUREF — according to bond documents issued to finance the project.

UCD and CUREF agreed that all incoming freshmen who live more than 50 miles away — and all first-time international students — must live at Campus Village. The policy wasn't enacted until 2006, when Campus Village opened its 685-bed complex on Walnut Street on Auraria's west side.

"If you didn't have this live-in requirement, you'd have three student-housing apartment communities competing fairly for all three schools," said Tom McMahon, an attorney for The Regency who filed the lawsuit.

Students who live at Campus Village also pay more for their apartments — freshmen must live four to a two-bedroom apartment — and for their required meal plans, though every unit has a kitchen, according to the lawsuit.



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Many public colleges across the country — though not all — require freshmen to live in on-campus housing. It's unclear whether that's ever withstood a court challenge.

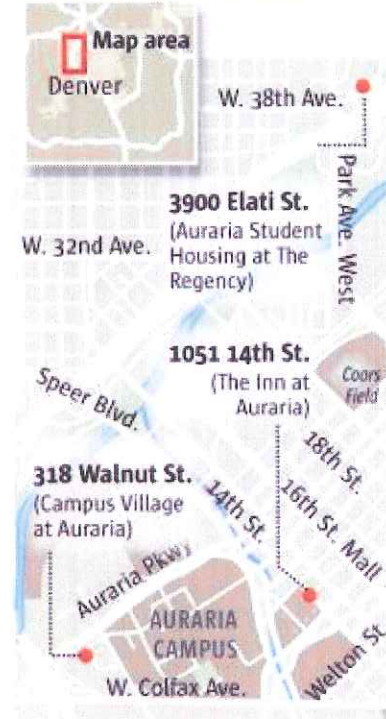
Nevertheless, the lawsuit against Campus Village is unique in that the complex is not actually on the Auraria campus — it's adjacent — and UCD students aren't the only ones who live there.

Auraria is home to three schools — UCD, Metropolitan State College of Denver and Community College of Denver — and about 36,000

students. A 2004 study commissioned by the Auraria Higher Education Center found a strong need for student housing.

Student housing

Students at the Auraria campus downtown can live at one of three housing complexes. Only freshmen at the University of Colorado Denver are required to live at one of them, Campus Village at Auraria. The restriction is the subject of a federal lawsuit.



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As a result, the campus today is served by three

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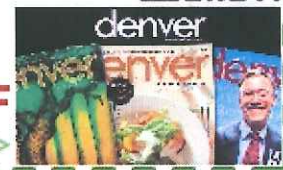


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complexes built or rehabbed specifically to meet that need: The Regency, Campus Village and The Inn at Auraria, which is the top 13 floors of the Executive Tower in downtown Denver.

The Regency had been a run-down hotel on the west side of Interstate 25 at West 38th Avenue, just north of the old Mile High Stadium. Denver officials closed it in April 2004 due to repeated fire-code violations. It was purchased by its current owners, Regency Realty Investors LLC, in September 2004, rehabbed and opened to students in 2005.

The Regency can house 600 students and is about 85 percent occupied.

Campus Village was built on a former metals transport site and financed with a \$50.36 million bond issue put together by the Colorado Education and Cultural Facilities Authority (CECFA). Those bonds were retired in 2008 with a subsequent \$54 million 30-year bond issue.

McMahon alleges the residency requirement was needed to ensure CUREF could pay off the bonds.

Similarly, when the Auraria Foundation — an arm of Auraria Higher Education Center — contracted to turn the upper floors of the Executive Tower into 439 beds of student housing and financed it with \$37.2 million in bonds issued through CECFA, it contained agreements with UCD and Metro State to refer its students there for housing — though not UCD freshmen — bond documents show.

However, there is no requirement for students to live at The Inn at Auraria as there is for UCD freshmen to live at Campus Village.

"This restriction, plain and simple, is to service the bond obligation, cutting an inside deal to make sure their pockets were protected while the others were exposed," McMahon said.

Spokespersons for CUREF and the University of Colorado would not comment on the lawsuit or its allegations.

Today, Campus Village is more than full, according to CUREF assistant secretary David Chadwick, with 691 students in residence. Of those, 365 are freshmen, he said.

UCD favors the residency requirement, spokeswoman Jacque Montgomery said, because "tracking shows freshman who live on campus are more likely to return as sophomores."

Some UCD students, however, feel they should be able to decide for themselves where to live.

"It's overpriced," freshman Erin Trinkka, 18, said of Campus Village. "I can get such a better rent deal pretty much anywhere in the city."

She lives there, she said, because her parents agreed to pay the rent.

Said UCD senior Shelby Tucker, who was classified a freshman even as a transfer student and was required to live at the complex: "I don't think it's fair at all."

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The lawsuit says a Campus Village apartment costs a freshman up to \$4,800 a semester for room and board. For a similar plan, the Regency charges up to \$3,700 a semester.

Staff writer Rita Wold contributed to this report.

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