

Congress of the United States
Washington, DC 20510

August 18, 2020

Mr. John G. Picerne
Founder & Chief Executive Officer
Corvias Group
1405 S County Trail #530
East Greenwich, RI 02818

Dear Mr. Picerne:

We write to request information regarding recent reports of Corvias putting profits above public health during the COVID-19 pandemic as the company reportedly seeks to “influence return-to-campus plans during the coronavirus pandemic” for the colleges and universities at which it owns and manages student housing.¹ Institutions of higher education within the University System of Georgia (USG) and Wayne State University – both of which have student housing agreements with Corvias – have been “moving to bring students back to campus and to hold in-person instruction this fall,”² like colleges and universities across the country, grappling with how to do so safely. But reports that Corvias has been pushing for a less restricted reopening of on-campus housing that would be inconsistent with Centers for Disease Control and Prevention (CDC) guidelines raise serious questions about the nature of these partnerships and the private sector influences affecting campuses as they make important public health decisions for the Fall.

In 2014, Corvias entered into a decades-long \$517 million Service Concessionaire Agreement with USG to manage and operate nearly 6,200 beds and construct over 3,600 new beds across nine institutions of higher education.³ A review of this and similar agreements presented at a meeting of the American College of Real Estate Lawyers reported that under this agreement, the institutions and the Board of Regents – the centralized governing and management authority of USG – would “serve as primary stakeholders,”⁴ retaining “exclusive authority over setting residency requirements for students at each institution,” with “no minimum occupancy levels”

¹ Business Insider, “A student-housing developer is facing backlash after pressuring schools to bring college kids back to campus so it could keep its revenues up,” Meghan Morris, August 10, 2020, <https://www.businessinsider.com/corvias-faces-questions-over-return-to-campus-influence-georgia-michigan-2020-8>.

² Inside Higher Ed, “Housing Developer Pressured Universities on Fall Plans,” Rick Seltzer, August 7, 2020, <https://www.insidehighered.com/news/2020/08/07/housing-developer-reminded-universities-about-project-debt-they-mulled-fall-plans>.

³*Id.*

⁴ University System of Georgia, “Terms of the Deal: Highlights,” accessed on August 11, 2020, https://www.usg.edu/assets/usg/docs/USG_Corvias_2014.pdf.

guaranteed.⁵ And Corvias indicates that its agreements with colleges and universities allow these institutions “control of strategic decisions” and “flexibility to change as campus evolves.”⁶

However, in a recently revealed May 29, 2020 letter from Corvias to the USG Board of Regents, Corvias asserts that the Board does not have “the unilateral right” to prohibit students from living on campus or to reduce housing fees and concludes that “limiting the occupancy of on-campus student housing will not ultimately benefit students or the University community.”⁷ Corvias reportedly sent a similar letter to Wayne State University – another institution with which it has a decades-long agreement to manage and operate student housing.⁸

CDC guidelines indicate that residence halls should be closed where feasible and that residence halls opened at lower capacity with closed shared spaces still present more risks.⁹ In the letter however, Corvias notes that while it supports following CDC guidelines that call for “reducing density in student housing,” and taking into consideration the location, size, and structure of each institution, it does not support a reduction in “the number of students that can be housed in a given building” and believes “a more appropriate course of action would be ... [to] limit the occupancy and use of common areas, shared bathrooms, and elevators.”¹⁰ In fact, the letter appears to indicate that Corvias does not support – and will not necessarily follow – all CDC guidelines: “while the CDC said reducing density in student housing – making double rooms into singles, for example – could reduce infection, Corvias said it wasn’t required to shift roommate numbers or overall building numbers.”¹¹

The May 29 document also revealed how, after the closure of campus housing at USG institutions earlier during the pandemic, the Board of Regents “provided \$13.4 million in rent refunds, depleting its reserves” but that “Corvias did not cover or share in responsibility for this refund nor indicated a willingness to do so for Fall 2020.”¹²

⁵ Ulmer & Berne LLP, “Cool Pools Rule: Development and Financing of 21st Century Student Housing; Public Private Partnerships and Other Private Housing Development,” Bill J. Gagliano, October 2015, https://www.ulmer.com/wp-content/uploads/2016/02/21638131_Fall-2015-ACREL-Student-Housing-Seminar-Materials-B.-Gagliano.pdf.

⁶ Corvias, “Maintain ownership and control,” accessed on August 13, 2020, <https://www.corvias.com/higher-education-partnerships/maintain-ownership-and-control>.

⁷ Letter from Corvias to the Board of Regents of the University System of Georgia, May 29, 2020, https://www.insidehighered.com/sites/default/server_files/media/Georgia-Corvias-Letter_0.pdf.

⁸ Inside Higher Ed, “Housing Developer Pressured Universities on Fall Plans,” Rick Seltzer, August 7, 2020, <https://www.insidehighered.com/news/2020/08/07/housing-developer-reminded-universities-about-project-debt-they-mulled-fall-plans>.

⁹ Centers for Disease Control and Prevention, “Considerations for Institutions of Higher Education,” accessed on August 11, 2020, <https://www.cdc.gov/coronavirus/2019-ncov/community/colleges-universities/considerations.html>.

¹⁰ Letter from Corvias to the Board of Regents of the University System of Georgia, May 29, 2020, https://www.insidehighered.com/sites/default/server_files/media/Georgia-Corvias-Letter_0.pdf.

¹¹ Business Insider, “A student-housing developer is facing backlash after pressuring schools to bring college kids back to campus so it could keep its revenues up,” Meghan Morris, August 10, 2020, <https://www.businessinsider.com/corvias-faces-questions-over-return-to-campus-influence-georgia-michigan-2020-8>.

¹² Business Insider, “A student-housing developer is facing backlash after pressuring schools to bring college kids back to campus so it could keep its revenues up,” Meghan Morris, August 10, 2020, <https://www.businessinsider.com/corvias-faces-questions-over-return-to-campus-influence-georgia-michigan-2020-8>.

These revelations present serious concerns regarding Corvias's role in addressing the student housing issues and funding problems that campuses are dealing with during this pandemic, and raise questions about the nature of its public-private partnerships with public institutions of higher education and their governing bodies. An investigation of privatized housing in the military has revealed potential concerns about these public-private partnerships and about your company in particular. The Department of Defense's privatization initiative that provided Corvias and other private housing developers the opportunity to "own, operate, maintain, improve, and assume responsibility for military family housing" on bases across the country has resulted in deeply flawed and decades-long agreements that guaranteed private providers large profits and sizeable incentive fees, earned at the expense of the health and safety of servicemembers and their families.¹³

It would be troubling if Corvias was once again prioritizing its profits over the health and safety of its residents. To ensure that this is not the case, we ask that you provide a response to the following question no later than September 1, 2020.

1. Please provide a list of all partners with which Corvias has an agreement to manage, operate or construct student housing for institutions of higher education.
2. Please provide copies of all written communication between Corvias and these partners regarding the status of student housing for the upcoming academic year.
3. Has Corvias taken any actions or communicated any advice or legal opinion to its student housing partners indicating that they cannot or should not reduce occupancy levels of student housing?
4. CDC has assessed risks for on-campus housing at institutions of higher education as follows: "**Lowest Risk:** Residence halls are closed, where feasible. **More Risk:** Residence halls are open at lower capacity and shared spaces are closed (e.g., kitchens, common areas). **Highest Risk:** Residence halls are open at full capacity including shared spaces (e.g., kitchens, common areas)."¹⁴ Does Corvias agree with these CDC risk assessments? If so, what actions are you taking to reduce risks or the residences you manage under contract with higher education partners?
5. Did Corvias consult public health experts or local and state officials to determine that a reduction in "the number of students that can be housed in a given building" is not necessary for the all campuses for which it operates and manages housing?

¹³ Letter from Senator Elizabeth Warren to Chairman and Ranking Member of the Senate Committee on Armed Services, April 30 2019, <https://www.warren.senate.gov/oversight/letters/senator-warren-releases-her-investigation-of-the-pentagons-substandard-military-base-housing-program>, Letter from Senator Elizabeth Warren to military housing developers, February 08, 2020, <https://www.warren.senate.gov/oversight/letters/senator-warren-questions-military-housing-developers-on-defense-dept-partnership-agreements>.

¹⁴ Centers for Disease Control and Prevention, "Considerations for Institutions of Higher Education," accessed on August 11, 2020, <https://www.cdc.gov/coronavirus/2019-ncov/community/colleges-universities/considerations.html>.

6. Please provide full copies of all original agreements and amendments under which Corvias has assumed responsibility for developing, operating, or providing any other service to and for institutions of higher education.
7. Are the profits Corvias receives from constructing, managing or operating housing for institutions of higher education set in or otherwise outlined in these agreements? If so, how are these profits set?

Thank you for your attention to this matter.

Sincerely,



Elizabeth Warren
United States Senator



Rashida Tlaib
Member of Congress