

FINANCE AND CAPITAL STRATEGIES COMMITTEE

January 23, 2025

TO THE REGENTS OF THE UNIVERSITY OF CALIFORNIA

1. CONSENT ITEM: 5210 PACIFIC CONCOURSE DRIVE TENANT IMPROVEMENTS, UCLA HEALTH, LOS ANGELES CAMPUS: PRELIMINARY PLANS FUNDING

The Committee recommends that the 2024-25 Budget for Capital Improvements and the Capital Improvement Program be amended to include the following project:

Los Angeles: 5210 Pacific Concourse Drive Tenant Improvements – preliminary plans – \$6.5 million to be funded with hospital reserves.

Committee vote: Regents Chu, Cohen, Drake, Elliott, Kounalakis, Makarechian, and Reilly voting “aye.”

Board vote: Regents Anguiano, Batchlor, Beharry, Chu, Cohen, Drake, Elliott, Guber, Hernandez, Kounalakis, Leib, Pack, Reilly, Salazar, Sarris, and Sures voting “aye.”

2. UNIVERSITY HILLS AREA 12-2, IRVINE CAMPUS: BUSINESS TERMS FOR GROUND LEASE AMENDMENT, DESIGN FOLLOWING CONSIDERATION OF AN INITIAL STUDY AND MITIGATED NEGATIVE DECLARATION, AND DELEGATION OF AUTHORITY TO THE IRVINE CAMPUS CHANCELLOR FOR IRVINE CAMPUS HOUSING AUTHORITY BOARD OF DIRECTORS APPOINTMENTS

The Committee recommends that:

- A. The President of the University or his designee be authorized to approve and execute, after consultation with the General Counsel and following appropriate action pursuant to the California Environmental Quality Act, an amendment to the Ground Lease and any related documents between the Regents, as Lessor, and the Irvine Campus Housing Authority (ICHA), as Lessee, to add land to the existing land covered by the Ground Lease as follows:

Add approximately 4.4 gross acres (Area 12-2) of the Irvine Campus Inclusion Area, for a total Ground Lease area of approximately 311 acres (Property).

- B. All costs associated with the future development of Area 12-2 and ongoing operation of the Property, including maintaining the landscaped area and road improvements, shall be the obligation of the Ground Lessee during the term of the Ground Lease.

- C. The Regents' reversionary interest in the land shall not be subordinated, and no encumbrances of the Ground Lessee's interest in Area 12-2 shall extend beyond the term of the Ground Lease.
- D. The President or his designee, after consultation with the General Counsel, shall be authorized to approve and execute any additional documents necessary to implement the Ground Lease amendment and to facilitate the development of Area 12-2 by ICHA.
- E. The scope of the University Hills Area 12-2 project shall consist of demolition of 50 existing apartment units followed by construction of approximately 82 for-sale townhomes to support recruitment and retention of faculty and staff. Homes will include three to five bedrooms, and three to 4.5 bathrooms. The Project includes supporting streets, utilities, trails, and other community infrastructure.
- F. Following review and consideration of the environmental consequences of the proposed Project design, as required by the California Environmental Quality Act (CEQA), including any written information addressing this item received by the Office of the Secretary and Chief of Staff no less than 48 hours in advance of the beginning of this Regents meeting, testimony or written materials presented to the Regents during the scheduled public comment period, and the item presentation, the Regents:
 - (1) Make a condition of approval the implementation of applicable mitigation measures within the responsibility and jurisdiction of UC Irvine as identified in the Mitigation Monitoring and Reporting Program adopted in connection with approval of the University Hills Area 12-1 and Long Range Development Plan (LRDP) Amendment #4 project.
 - (2) Adopt the CEQA Findings for the University Hills Area 12-2 project, having considered the Initial Study and Mitigated Negative Declaration for the University Hills Area 12 and LRDP Amendment #4 project (IS/MND), and Addendum No. 2 to the IS/MND.
 - (3) Approve the revised design of the University Hills Area 12-2 project, Irvine campus.
- G. Approve the delegation of authority to the Irvine campus Chancellor for approval of ICHA board member appointments.

Committee vote: Regents Chu, Cohen, Drake, Elliott, Kounalakis, Makarechian, Reilly, and Sures voting "aye."

Board vote: Regents Anguiano, Batchlor, Beharry, Chu, Cohen, Drake, Elliott, Guber, Hernandez, Kounalakis, Leib, Pack, Reilly, Salazar, Sarris, and Sures voting "aye."

3. **UC MERCED/MERCED COMMUNITY COLLEGE DISTRICT “PROMISE” INTERSEGMENTAL STUDENT AFFORDABLE HOUSING BUILDING, MERCED CAMPUS: BUDGET, SCOPE, EXTERNAL FINANCING AND DESIGN FOLLOWING ADOPTION OF A MITIGATED NEGATIVE DECLARATION PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT**

The Committee recommends that:

- A. The 2024-25 Budget for Capital Improvements and the Capital Improvement Program be amended as follows:

From: Merced: UC Merced/Merced Community College District “Promise” Intersegmental Student Affordable Housing Building – preliminary plans – \$10.05 million to be funded from external financing supported by State General Fund appropriations (\$9.68 million) and 2022-23 General Funds for the Higher Education Student Housing Grant Program appropriated to “Merced College for an intersegmental project with the University of California, Merced” (\$370,000).

To: Merced: UC Merced/Merced Community College District “Promise” Intersegmental Student Affordable Housing Building – preliminary plans, working drawings, construction, and equipment – \$108,557,000 to be funded from external financing supported by State General Funds for the Higher Education Student Housing Grant Program (\$108,557,000).

- B. The scope of the UC Merced/Merced Community College District “Promise” Intersegmental Student Affordable Housing Building project be approved. The project shall provide a new approximately 130,000-gross-square-foot building with approximately 488 beds, a Transfer Student Resource Center, and residential amenities.
- C. The President of the University be authorized to obtain additional external financing of \$98,877,000 in a total amount not to exceed \$108,557,000 plus related interest expense and additional related financing costs to finance the UC Merced/Merced Community College District “Promise” Intersegmental Student Affordable Housing Building project and declare that external financing may be used to reimburse prior expenditures. The President shall require that:
- (1) The primary source of repayment shall be from State General Fund appropriations. Should State General Fund appropriation funds not be made available, the President shall have authority to use any legally available funds to make debt service payments.
 - (2) The general credit of the Regents shall not be pledged.

- (3) Any reimbursements will meet all requirements set forth in Treasury Regulations Section 1.150-2.
- D. Following review and consideration of the environmental consequences of the UC Merced/Merced Community College District (UCM/MCCD) “Promise” Intersegmental Student Affordable Housing Building project, as required by the California Environmental Quality Act (CEQA), including any written information addressing this item received by the Office of the Secretary and Chief of Staff to the Regents no less than 48 hours in advance of the beginning of the Regents meeting, testimony or written materials presented to the Regents during the scheduled public comment period, and the item presentation, the Regents:
- (1) Adopt the Initial Study and Mitigated Negative Declaration for the UCM/MCCD “Promise” Intersegmental Student Affordable Housing Building project.
 - (2) Adopt the Mitigation and Monitoring Program prepared for the UCM/MCCD “Promise” Intersegmental Student Affordable Housing Building project and make a condition of approval the implementation of applicable mitigation measures within the responsibility and jurisdiction of UC Merced.
 - (3) Adopt the CEQA Findings for the UCM/MCCD “Promise” Intersegmental Student Affordable Housing Building project.
 - (4) Approve the design of the UCM/MCCD “Promise” Intersegmental Student Affordable Housing Building project, Merced campus.

Committee vote: Regents Chu, Cohen, Elliott, Kounalakis, Makarechian, and Reilly voting “aye.”

Board vote: Regents Anguiano, Batchlor, Beharry, Chu, Cohen, Drake, Elliott, Guber, Hernandez, Kounalakis, Leib, Pack, Reilly, Salazar, Sarris, and Sures voting “aye.”

4. **SAN BENITO STUDENT HOUSING, SANTA BARBARA CAMPUS: BUDGET AND EXTERNAL FINANCING**

The Committee recommends that:

- A. The 2024-25 Budget for Capital Improvements and the Capital Improvement Program be amended as follows:

From: Santa Barbara: San Benito Student Housing – preliminary plans – \$32,076,000 to be funded from campus funds.

To: Santa Barbara: San Benito Student Housing – preliminary plans, working drawings, construction, and equipment – \$624.4 million to be funded from external financing.

- B. The President of the University be authorized to obtain external financing in an amount not to exceed \$624.4 million plus additional related financing costs to finance the San Benito Student Housing project and declare that external financing may be used to reimburse prior expenditures. The President shall require that:
- (1) Interest only, based on the amount drawn, shall be paid on the outstanding balance during the construction period.
 - (2) As long as the debt is outstanding, the general revenues of the Santa Barbara campus shall be maintained in amounts sufficient to pay the debt service and to meet the related requirements of the authorized financing.
 - (3) The general credit of the Regents shall not be pledged.
 - (4) Any reimbursements will meet all requirements set forth in Treasury Regulations Section 1.150-2.

Committee vote: Regents Chu, Cohen, Elliott, Kounalakis, Makarechian, Reilly, and Sures voting “aye.”

Board vote: Regents Anguiano, Batchlor, Beharry, Chu, Cohen, Drake, Elliott, Guber, Hernandez, Kounalakis, Leib, Pack, Reilly, Salazar, Sarris, and Sures voting “aye.”