

**FINANCE AND CAPITAL STRATEGIES COMMITTEE**

March 15, 2018

TO THE REGENTS OF THE UNIVERSITY OF CALIFORNIA

**1. APPROVAL OF DESIGN FOLLOWING ACTION PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT FOR THE NORTH TORREY PINES LIVING AND LEARNING NEIGHBORHOOD AND RIDGE WALK ACADEMIC COMPLEX PROJECTS, SAN DIEGO CAMPUS**

Following review and consideration of the environmental consequences of the proposed North Torrey Pines Living and Learning Neighborhood and Ridge Walk Academic Complex Projects, 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 24 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 Committee recommends that the Regents:

- A. Certify the North Torrey Pines Living and Learning Neighborhood Project Environmental Impact Report (EIR) for the projects.
- B. Adopt the Mitigation Monitoring and Reporting Program, CEQA Findings, and Statement of Overriding Considerations based on the analysis of environmental impacts presented in the EIR for the North Torrey Pines Living and Learning Neighborhood and Ridge Walk Academic Complex Projects.
- C. Approve the design of the North Torrey Pines Living and Learning Neighborhood Project.
- D. Approve the design of the Ridge Walk Academic Complex Project.

Committee vote: Regents Anguiano, Kieffer, Lemus, Makarechian, Napolitano, Park, Sherman, and Zettel voting “aye.”

Board vote: Regents Anguiano, Elliott, Guber, Kieffer, Lansing, Lemus, Mancina, Monge, Napolitano, Newsom, Park, Pérez, Sherman, Tauscher, and Zettel voting “aye.”

**2. APPROVAL OF BUDGET, EXTERNAL FINANCING, AND DESIGN FOLLOWING ACTION PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT, EMERSON HALL REPLACEMENT, DAVIS CAMPUS**

The Committee recommends that:

- A. The 2017-18 Budget for Capital Improvements and the Capital Improvement

Program be amended as follows:

From: Davis: Emerson Hall Housing Replacement – preliminary plans – \$3,396,000 to be funded from housing reserves.

To: Davis: Emerson Hall Replacement – preliminary plans, working drawings, and construction – \$109.3 million to be funded from external financing (\$98.3 million) and housing reserves (\$11 million).

- B. The scope of the Emerson Hall Replacement project shall provide approximately 197,859 gross square feet of space in three structures. The buildings will include approximately 374 units to house approximately 809 students, as well as community and building support spaces.
- C. The President of the University be authorized to obtain external financing not to exceed \$98.3 million plus additional related financing costs. The President shall require that:
- (1) Interest only, based on the amount drawn down, shall be paid on the outstanding balance during the construction period.
  - (2) As long as the debt is outstanding, general revenues from the Davis 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.
- D. Following review and consideration of the environmental consequences of the proposed Emerson Hall Replacement 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 no less than 24 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 Committee recommends that the Regents:
- (1) Adopt the Initial Study/Negative Declaration.
  - (2) Adopt the CEQA Findings in support of the project.
  - (3) Approve the design of the Emerson Hall Replacement project, Davis campus.
- E. The President be authorized, in consultation with the General Counsel, to execute all documents necessary in connection with the above.

Committee vote: Regents Anguiano, Kieffer, Lemus, Makarechian, Napolitano, Park, Sherman, and Zettel voting “aye.”

Board vote: Regents Anguiano, Elliott, Guber, Kieffer, Lansing, Lemus, Mancina, Monge, Napolitano, Newsom, Park, Pérez, Sherman, Tauscher, and Zettel voting “aye.”

**3. APPROVAL OF UNDERGRADUATE NONRESIDENT SUPPLEMENTAL TUITION AND ADJUSTMENTS OF THE EMPLOYER CONTRIBUTION TO THE UNIVERSITY OF CALIFORNIA RETIREMENT PLAN**

The Committee recommends that the Regents:

- A. Approve the increase in undergraduate Nonresident Supplemental Tuition shown in Display 1, to be effective with the 2018-19 academic year.
- B. Rescind the prior Regents’ approval in the July 2017 action, *Authorization to Increase the University Employer Contribution Rate and Make Additional Contributions to the University of California Retirement Plan*, to increase the University’s contribution rate for the Campus and Medical Centers segment of the University of California Retirement Plan (“UCRP” or “Plan”), effective July 1, 2018, to 15 percent (from 14 percent) for all member classes and tiers, other than Tier Two and 7.5 percent (from seven percent) for Tier Two members.<sup>1</sup>
- C. Rescind an increase in the employer assessment to seven percent (from six percent) for Savings Choice Participants in the Defined Contribution Plan.

**DISPLAY 1: Proposed Increases to Undergraduate Nonresident Supplemental Tuition**

	2017-18 Charges	<i>Proposed Adjustment</i>	<i>Proposed % Change</i>	Charges Effective 2018-19
<b>Nonresident Supplementation Tuition</b>				
Undergraduate	\$28,014	\$978	3.5%	\$28,992

Committee vote: Regents Anguiano, Kieffer, Lemus, Makarechian, Napolitano, Park, Sherman, and Zettel voting “aye.”

<sup>1</sup> The UCRP member class known as “Tier Two” is a frozen group. As of July 1, 2017, it had three active members.

The Regents approved the recommendation as amended and shown below.

- A. Approve the increase in undergraduate Nonresident Supplemental Tuition shown in Display 1, to be effective with the 2018-19 academic year. The University will advocate to the State that the 2018-19 State budget provide funding to buy out this increase, over and above the University’s other funding requests, in which case the Regents will vote on rescission of the increase. The University will also advocate to the State that the University be allowed to offer financial aid to nonresident students in need as defined by the University.
- B. Rescind the prior Regents’ approval in the July 2017 action, *Authorization to Increase the University Employer Contribution Rate and Make Additional Contributions to the University of California Retirement Plan*, to increase the University’s contribution rate for the Campus and Medical Centers segment of the University of California Retirement Plan (“UCRP” or “Plan”), effective July 1, 2018, to 15 percent (from 14 percent) for all member classes and tiers, other than Tier Two and 7.5 percent (from seven percent) for Tier Two members.<sup>2</sup>
- C. Rescind an increase in the employer assessment to seven percent (from six percent) for Savings Choice Participants in the Defined Contribution Plan.

**DISPLAY 1: Proposed Increases to Undergraduate Nonresident Supplemental Tuition**

	2017-18 Charges	Proposed Adjustment	Proposed % Change	Charges Effective 2018-19
<b>Nonresident Supplementation Tuition</b>				
Undergraduate	\$28,014	\$978	3.5%	\$28,992

Board vote: Regents Anguiano, Elliott, Guber, Kieffer, Lansing, Lemus, Mancina, Napolitano, Park, Sherman, Tauscher, and Zettel voting “aye,” and Regents Monge, Newsom, and Pérez voting “no.”

**4. APPROVAL OF BUDGET AND DESIGN FOLLOWING ACTION PURSUANT TO CALIFORNIA ENVIRONMENTAL QUALITY ACT, NORTHERN REGIONAL LIBRARY FACILITY PHASE 4 EXPANSION, SYSTEMWIDE**

The Committee recommends that:

- A. The 2017-18 Budget for Capital Improvements and the Capital Improvement Program be amended as follows:

<sup>2</sup> The UCRP member class known as “Tier Two” is a frozen group. As of July 1, 2017, it had three active members.

From: Systemwide: Northern Regional Library Facility Phase 4 Expansion – preliminary plans – \$600,000 to be funded from the UCOP Strategic Priority Fund resulting from one-time budget savings in prior year(s).

To: Systemwide: Northern Regional Library Facility Phase 4 Expansion – preliminary plans, working drawings, construction, and equipment – \$32.5 million to be funded from the UCOP Strategic Priority Fund (\$2.5 million) and external financing supported by State appropriations under the process described in Sections 92493 through 92496 of the California Education Code (\$30 million).

- B. The scope of the Northern Regional Library Facility Phase 4 Expansion project shall consist of constructing an approximately 27,500-gross-square-foot, 24,750-assignable-square-foot addition to the existing Northern Regional Library Facility at the UC Richmond Field Station. The project has a one-story stack area utilizing a high bay storage system, a staff work area, and associated site work (including infrastructure, limited exterior landscaping, and site improvements).
- C. Following review and consideration of the environmental consequences of the proposed Northern Regional Library Facility Phase 4 Expansion, 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 24 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 Committee recommends that the Regents:
- (1) Find the project to be in conformance with CEQA as indicated in Addendum #1 to the Richmond Bay Campus 2014 Long Range Development Plan Final Environmental Impact Report.
  - (2) Adopt the CEQA Findings in support of the project.
  - (3) Approve the design of the Northern Regional Library Facility Phase 4 Expansion project.
- D. The President of the University be authorized, in consultation with the General Counsel, to execute all documents necessary in connection with the above.

Committee vote: Regents Anguiano, Kieffer, Lemus, Makarechian, Napolitano, Park, Sherman, and Zettel voting “aye.”

Board vote: Regents Anguiano, Elliott, Guber, Kieffer, Lansing, Lemus, Mancina, Monge, Napolitano, Newsom, Park, Pérez, Sherman, Tauscher, and Zettel voting “aye.”

5. **AUTHORIZATION TO APPROVE FORMATION OF CELL CAPTIVE INSURANCE COMPANIES**

The Committee recommends that the Regents authorize the President, in consultation with the General Counsel, to form a core incorporated cell captive insurance company and authorize the President, the Chief Financial Officer, the Chief Operating Officer, the Chief Risk Officer, and the General Counsel as members of the board of directors of the core incorporated cell captive insurance company to approve the creation and use of an incorporated cell insurance company by the California State University.

Committee vote: Regents Anguiano, Kieffer, Lemus, Makarechian, Napolitano, Park, Sherman, and Zettel voting “aye.”

Board vote: Regents Anguiano, Elliott, Guber, Kieffer, Lansing, Lemus, Mancina, Monge, Napolitano, Newsom, Park, Pérez, Sherman, Tauscher, and Zettel voting “aye.”

6. **CONSENT AGENDA**

A. ***Regents Policies on Capital, External Financing, and Employee Housing Assistance Program Matters***

The Committee recommends that the Regents:

- (1) Adopt a Regents Policy on Capital Project Matters, as shown in Attachment 1.
- (2) Adopt a Regents Policy on External Financing, as shown in Attachment 2.
- (3) Adopt a Regents Policy on Borrowing from Combined Investment Portfolios of the Short Term Investment Pool and the Total Return Investment Pool, as shown in Attachment 3.
- (4) Amend Bylaw 22.2 (c) to reference the Regents’ authority for approving University of California Employee Housing Assistance Program Policies, following service of appropriate notice, as shown in Attachment 4.
- (5) Amend the Charter of the Finance and Capital Strategies Committee (Section D) to include the University of California Employee Housing Assistance Program in Oversight Responsibilities, as shown in Attachment 5.
- (6) Adopt Regents Policy on the University of California Employee Housing Assistance Program, as shown in Attachment 6.
- (7) Rescind Standing Orders: 100.4 (o), (q)(1), (q)(2), (y), (z), (aa), (cc), (dd)(1), (dd)(8), (ff), (gg), (hh), (jj)(1), (jj)(2), (kk), (ll)(1), (ll)(2), (ll)(3),

(nn)(1), and (nn)(2), following service of appropriate notice, as shown in Attachment 7.

- (8) Rescind Regents Policies: 5302 - Policy on Interest Rates for Loans from Regents' Funds; 5303 - Policy on Borrowing from Combined Investment Portfolios of STIP and TRIP; 5304 - Policy on the Administration of UC Housing Facilities; 5305 - Policy on University of California Mortgage Origination Program; 5306 - Policy on University of California Supplemental Home Loan Program; 5503 - Policy on Bonding Requirements for Construction Contracts; 8101 - Policy on Campus and Community Planning and Development; and 8102 - Policy on Approval of Design, Long Range Development Plans, and Administration of the California Environmental Quality Act, as shown in Attachment 7.

**B. *Amendment of the Budget and Approval of External Financing, Joan and Sanford I. Weill Neurosciences Building, San Francisco Campus***

The Committee recommends that:

- (1) The 2017-18 Budget for Capital Improvements and the Capital Improvement Program be amended as follows:
- From: San Francisco: The Joan and Sanford I. Weill Neurosciences Building – preliminary plans, working drawings, construction, and equipment – \$357.6 million, to be funded from external financing (\$141.6 million), gifts (\$175 million), and campus funds (\$41 million).
- To: San Francisco: The Joan and Sanford I. Weill Neurosciences Building – preliminary plans, working drawings, construction, and equipment – \$447 million, to be funded from external financing (\$272 million) and gifts (\$175 million).
- (2) The President of the University be authorized to obtain external financing not to exceed \$272 million plus additional related financing costs, for the project. The President shall require that:
- a. Interest only, based on the amount drawn, shall be paid on the outstanding balance during the construction period.
  - b. As long as the debt is outstanding, the general revenues of the San Francisco campus shall be maintained in amounts sufficient to pay the debt service and to meet the related requirements of the authorized financing.
  - c. The general credit of the Regents shall not be pledged.

- (3) The President be authorized, in consultation with the General Counsel, to execute all documents necessary in connection with the above.

C. ***Approval of Preliminary Plans Funding, Franklin Antonio Hall, San Diego Campus***

The Committee recommends that the 2017-18 Budget for Capital Improvements and the Capital Improvement Program be amended to include the following project:

San Diego: Franklin Antonio Hall – preliminary plans – \$8 million to be funded from campus funds.

Committee vote: Regents Anguiano, Kieffer, Lemus, Makarechian, Napolitano, Park, Sherman, and Zettel voting “aye.”

Board vote: Regents Anguiano, Elliott, Guber, Kieffer, Lansing, Lemus, Mancina, Monge, Napolitano, Newsom, Park, Pérez, Sherman, Tauscher, and Zettel voting “aye.”



**Regents Policy [NUMBER]: POLICY ON CAPITAL PROJECT MATTERS**

**POLICY SUMMARY/BACKGROUND**

The Finance and Capital Strategies Committee (Committee) of the Board of Regents (Board) provides strategic direction and oversight and makes recommendations to the Board on, among other things, matters pertaining to the University’s capital projects including capital budget requests, real estate transactions, and Long Range Development Plans (LRDP). This Policy on Capital Project Matters (Policy) is intended to work in conjunction with Bylaw 22.2 (d), which reserves to the Board the authority to approve or take action on certain capital project matters.

As amended on March 16, 2017, the Charter of the Finance and Capital Strategies Committee charges the Committee with reviewing and making recommendations to the Board regarding, among other things: capital planning and capital budget requests; state budget requests for capital; the Capital Financial Plan; sales, purchases, leases, and licenses of real estate and real property interests acquired or used for University-related purposes; Physical Design Frameworks; project design; and Long Range Development Plans (collectively, Capital Project Matters).

**POLICY TEXT**

For this Policy, University-related purposes means real estate and real property interests acquired for or used by the University for teaching, research, or public service. It specifically excludes real estate and real property interests held for investment purposes and managed by the Chief Investment Officer. All significant Capital Project Matters are reserved to the Committee and Board under Bylaw 22.2 (d). However, in the interest of operational efficiency of the University, the authority to approve or act on certain Capital Project Matters is deemed best exercised by the President and designees rather than the Board or its Committees. As provided by the California Environmental Quality Act (CEQA), the certification or adoption of environmental documents is undertaken at the level of the associated project approval. A project cannot be divided into separate phases for independent consideration. Phased work includes, but is not limited to, using the same contractor to perform similar modifications on multiple buildings, performing multiple projects over a period of years on the same building, constructing multiple buildings in a complex or separating work into several projects. In such cases, separate projects or phases will be considered part of the same budget, subject to the stated budget thresholds below. The Regents hereby delegate authority for certain Capital Project Matters and ancillary actions to the President of the University, as follows:

	<b>Transaction Type</b>	<b>President’s Maximum Authority</b>
1.	Acquisition of real property <u>consistent</u> with the approved Capital Financial Plan. Acceptance of gifts of real property	Approve transactions and execute agreements related to acquisitions and gifts of real property valued up to and including \$70 million

	<b>Transaction Type</b>	<b>President's Maximum Authority</b>
2.	Acquisition of real property <u>not consistent</u> with the approved Capital Financial Plan	Approve transactions and execute agreements related to acquisitions of real property valued up to and including \$20 million
3.	Budget or design for capital projects <u>consistent</u> with the approved Capital Financial Plan, accepted Physical Design Framework (PhDF), and approved Long Range Development Plan (LRDP). Consistency with PhDF and LRDP not required for off-campus projects for which there is no applicable PhDF or LRDP	Approve budget and design for capital projects up to and including \$70 million
4.	Budget or design for capital projects <u>not consistent</u> with the approved Capital Financial Plan or accepted Physical Design Framework (PhDF), but <u>consistent</u> with the approved Long Range Development Plan (LRDP). Consistency with PhDF and LRDP not required for off-campus projects for which there is no applicable PhDF or LRDP	Approve budget and design for capital projects up to and including \$20 million
5.	Augmentation and scope change for acquisition of real property and budget for capital projects - original approval by the <u>President</u>	Approve cumulative augmentations and scope changes up to \$20 million, but in no event exceeding a total project cost (as augmented) of \$70 million
6.	Augmentation and scope changes for acquisition of real property and budget for capital projects - original approval by the <u>Regents</u>	Approve cumulative augmentations and scope changes up to 15% of the original approval, but in no event exceeding a total augmentation of \$20 million
7.	Dispositions of real property	Approve transactions and execute disposition agreements related to real property valued up to and including \$70 million
8.	Leases (including ground leases) and, if necessary, to the extent applicable, design of buildings developed pursuant to a lease	Approve and execute leases that: <ul style="list-style-type: none"> <li>(i) have a term of up to and including 20 years, excluding options when UC is Tenant but including options when UC is Landlord, and</li> <li>(ii) have an initial base annual consideration up to and including \$5 million.</li> </ul> Approve design for buildings developed pursuant to such leases

	<b>Transaction Type</b>	<b>President's Maximum Authority</b>
9.	Licenses	Approve and execute licenses pertaining to capital project matters
10.	Reimbursement agreements and stipend agreements ancillary to real property transactions	Approve and execute such agreements where the University assumes an obligation to pay up to a cost of and including \$20 million
11.	Third Party Indemnification (where the University assumes liability for conduct of persons other than University officers, agents, employees, students, invitees, and guests)	In consultation with the General Counsel, approve and execute indemnification provisions in favor of state or federal permitting agencies where providing indemnification is a necessary condition to secure the relevant permit in order to proceed with the capital project matter
12.	Other Real Estate matters	Approve and execute: easements; rights of way; covenants, conditions, and restrictions; encumbrances; mineral rights; geothermal resources; documents required under the Subdivision Map Act or with respect to Subdivided Lands Act; miscellaneous real property documents; and other contracts and ancillary documents as necessary to implement real estate transactions
13.	Minor Long Range Development Plan (LRDP) amendments	Approve Minor LRDP amendments. Minor LRDP amendments are defined as those that modify but preserve the fundamental planning principles and objectives of the previously adopted LRDP, and are limited to: <ul style="list-style-type: none"> <li>(i) modifying up to and including 30,000 gross square feet of allocated building space,</li> <li>(ii) changing land use boundaries or designations for up to and including 4 acres of land, or</li> <li>(iii) administrative corrections or changes</li> </ul>
14.	Minor Physical Design Framework (PhDF) amendments	Accept Minor PhDF amendments. Minor PhDF amendments are defined as those that modify but preserve the fundamental planning principles and objectives of the previously adopted PhDF
15.	Modification of previously adopted or certified environmental document pursuant to the California Environmental Quality Act (CEQA)	Modify an environmental document certified or adopted by the Regents pursuant to CEQA so long as the modification does not result in new or increased significant environmental impacts
16.	Capital project matters approved by the Regents	In consultation with the General Counsel, execute documents necessary in connection with Regents-approved capital project matters

## **COMPLIANCE/DELEGATION**

Compliance with this Policy, including the University's compliance with CEQA, shall be administered by the Office of the Chief Financial Officer (or successor), or as otherwise determined by the President. Authority for the negotiation, approval, and execution of certain Capital Project Matters may be further delegated to other University officials at the President's discretion.

## **NO RIGHT OF ACTION**

This policy is not intended to, and does not, create any right or benefit, substantive or procedural, enforceable at law or in equity by any party against the University of California, or its Board of Regents, individual Regents, officers, employees, or agents.

## **PROCEDURES AND RELATED DOCUMENTS**

N/A

**Regents Policy [NUMBER]: EXTERNAL FINANCING**

**POLICY SUMMARY/BACKGROUND**

This policy is intended to work in conjunction with Bylaw 22.2(c) of The Regents of the University of California, which provides that authorizing University external financing is reserved to the Board and/or its Committees for approval or other action within parameters specified by Committee Charter or Regents Policy.

**POLICY TEXT**

The President of the University of California is the manager of all University related external financings. The President of the University of California is authorized to obtain external financing as specified in the table below.

<b>Approval</b>	<b>President’s Maximum Authority</b>
External financing for any University-related purpose, including, but not limited to, capital projects or working capital needs	Up to and including \$20 million
External financing for capital projects consistent with the approved Capital Financial Plan, accepted Physical Design Framework, and approved Long Range Development Plan <sup>1</sup>	Up to and including \$70 million
External financing for real estate purchases consistent with the approved Capital Financial Plan	Up to and including \$70 million
Augmentations to external financing originally approved by the Board or by action by concurrence	Up to and including \$20 million
Refinancing existing external financing for the purpose of realizing lower interest expense	Unlimited

The President of the University of California’s external finance authority shall include, but not be limited to, the authority to (1) obtain interim financing for any external financing, (2) structure, issue, and sell revenue bonds or other types of external financing, (3) issue variable rate or fixed rate debt, and execute interest rate swaps to convert fixed or variable rate debt, if desired, into variable or fixed rate debt, respectively, subject to the requirements of the Interest Rate Swap Guidelines, (4) provide for reserve funds and for the payment of costs of issuance of such external financing, (5) guarantee the repayment of indebtedness, (6) obtain letters of credit or similar instruments, (7) perform all acts reasonably necessary or appropriate in connection with the foregoing, and (8) approve and execute all documents in connection with the foregoing,

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<sup>1</sup> Consistency with approved Physical Design Framework and Long Range Development is not required for off-campus projects for which there is no applicable Physical Design Framework or Long Range Development Plan

including documents with indemnity provisions, provided that the general credit of The Regents shall not be pledged for any form of external financing.

### **COMPLIANCE/DELEGATION**

The University's Office of the Chief Financial Officer (or any successor office based on a change of title) shall be responsible for overseeing compliance with this policy.

### **NO RIGHT OF ACTION**

This policy is not intended to, and does not, create any right or benefit, substantive or procedural, enforceable at law or in equity by any party against the University of California or its Board of Regents, individual Regents, officers, employees, or agents.

### **PROCEDURES AND RELATED DOCUMENTS**

Regents Policy 5307: University of California Debt Policy  
Regents Policy [NUMBER]: [Capital Project Matters]

Changes to procedures and related documents do not require Regents approval, and inclusion or amendment of references to these documents can be implemented administratively by the Office of the Secretary and Chief of Staff upon request by the unit responsible for the linked documents

**Regents Policy [NUMBER]: POLICY ON BORROWING FROM COMBINED INVESTMENT PORTFOLIOS OF THE SHORT TERM INVESTMENT POOL AND THE TOTAL RETURN INVESTMENT POOL**

**POLICY SUMMARY/BACKGROUND**

This Policy authorizes the use of the University's Short Term Investment Pool and Total Return Investment Pool for liquidity support for the Commercial Paper Program, medical centers' working capital borrowings, Mortgage Origination Program loans, and contributions to the University of California Retirement Plan.

**POLICY TEXT**

The President is authorized to utilize the combined Short Term Investment Pool and Total Return Investment Pool portfolios for the following:

A. The Commercial Paper Program:

The President is authorized to either utilize a portion of Short Term Investment Pool/Total Return Investment Pool (STIP/TRIP) as liquidity support for the Commercial Paper (CP) Program or, if necessary, negotiate standby letters of credit, lines of credit or other liquidity agreements to provide additional liquidity support for the CP Program. Repayment of advances under any such liquidity facility shall be repaid from revenue sources identified by the President so that the general credit of The Regents is not pledged.

B. Medical Centers' Working Capital Borrowing:

The President is authorized to utilize the combined investment portfolios of STIP/TRIP for medical centers' working capital borrowings. A hospital's working capital borrowings from STIP/TRIP for a month shall not exceed 60 percent of the hospital's total accounts receivable for that same month (total accounts receivable being defined as patient accounts receivable, net of allowances).

C. Mortgage Origination Program Loans:

The President is authorized to utilize the liquidity available in the combined investment portfolios of STIP/TRIP for the Mortgage Origination Program (MOP) Loans.

D. University of California Retirement Plan

The President is authorized to utilize the liquidity available in the combined investment portfolios of STIP/TRIP to make contributions to the University of California Retirement Plan as authorized by The Regents.

## **COMPLIANCE/DELEGATION**

The University's Office of the Chief Financial Officer and Office of the Chief Investment Officer (or any successor office based on a change of title) shall be responsible for overseeing compliance with this policy.

## **NO RIGHT OF ACTION**

This policy is not intended to, and does not, create any right or benefit, substantive or procedural, enforceable at law or in equity by any party against the University of California or its Board of Regents, individual Regents, officers, employees, or agents.

## **PROCEDURES AND RELATED DOCUMENTS**

Regents Policy 6108: Total Return Investment Pool (TRIP) Policy Statement

Regents Policy 6109: Short Term Investment Pool (STIP) Investment Guidelines

Changes to procedures and related documents do not require Regents approval, and inclusion or amendment of references to these documents can be implemented administratively by the Office of the Secretary and Chief of Staff upon request by the unit responsible for the linked documents.



**Bylaw 22. Authority of the Board**

22.1 Authority/Delegation.

Pursuant to Article IX Section 9 of the Constitution of the State of California, the full powers of organization and government of the University inhere in and originate with the Board, which has the authority to delegate those powers as it determines to be in the best interest of the University. Any authority delegated by the Board may be rescinded by action of the Board. The Regents hereby delegate authority to the President of the University to oversee the operation of the University, in accordance with policies and directives adopted by the Board, and as further specified in Bylaw 30 (President of the University). This delegation is subject to the powers specifically reserved to the Regents in Bylaw 22.2 below (Reserved Powers), in Committee Charters, and in Regents Policies requiring that matters be approved or otherwise acted on by the Board.

22.2 Specific Reservations.

The matters in the following areas are specifically reserved to the Board and/or its Committees for approval or other action, within parameters that may be specified in a Committee Charter or Regents Policy:

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(c) Finance Matters

- Approving the University budget and requests for state appropriations
- Approving the annual budget for the Office of the President
- Accepting the reports of the independent financial auditor
- Approving non-audited related services by the University's independent financial auditor
- Approving tuition, registration fees, education fees, and compulsory student government fees within parameters specified by Committee Charter or Regents Policy
- Authorizing University external financing within parameters specified by Committee Charter or Regents Policy
- Approving overall policies for the University of California Employee Housing Assistance Program.
- Approving loans by the University to other parties, other than loans from established student, faculty, and staff loan funds, and subject to exceptions and parameters specified by Committee Charter or Regents Policy
- Approving agreements to indemnify third-parties, subject to exceptions and parameters specified by Committee Charter or Regents Policy
- Approving alliances and affiliations involving University financial commitments, use of the University's name, research resources, and the University's reputation, within parameters specified by Committee Charter or Regents Policy
- Approving University participation in non-health-related corporations, partnerships and other entities, except for investment purposes, and within parameters specified by Committee Charter or Regents Policy
- Adopting UC Retirement plans and approving plan amendments

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(d) Capital Project Matters

- Approving capital budget requests and augmentation requests within parameters specified by Committee Charter or Regents Policy
- Approving purchases, sales, leases or gifts of real estate within parameters specified by Committee Charter or Regents Policy
- Approving Long Range Development Plans (LRDPs) and amendments to LRDPs within parameters specified by Committee Charter or Regents Policy
- Approving Capital Financial Plans (e.g., 10-year Capital Financial Plans)

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## Charter of the Finance and Capital Strategies Committee

D. **Other Oversight Responsibilities.** In addition to the authority delegated to the Committee described above, and to the extent not otherwise within such authority, the charge of the Committee shall include reviewing and making recommendations to the Board with regard to the following matters and/or with regard to the following areas of the University's business:

- Annual financial statements
- Expenditures and appropriation of funds
- Cash management
- Bank accounts and banking relationships
- External financing
- Capital Financial Plans (e.g. 10 Year Capital Financial Plan)
- Capital planning and capital budget requests
- University Budget and planning
- State Budget requests
- Review of operating and capital budgets on a campus by campus basis
- Indirect cost recovery
- Financial Performance of Insurance programs
- Captive insurance affiliates and programs
- Procurement
- Significant financial programs (e.g. Fiat Lux, Procurement, asset management)
- Large-scale enterprise systems (e.g. UC PATH)
- Annual valuations for UCRP and the retiree health program
- University Investments
- University of California Employee Housing Assistance Program
- Real estate sales, purchases and leases, easements, licenses, mineral rights
- Physical design framework
- Design approvals
- Facilities Operations
- Long Range Development Plans (LRDPs) and environmental policy matters
- Energy matters
- Sustainability matters

The delegation and assignment of responsibilities to this Standing Committee under Paragraphs C and D signifies that it is the Committee to which matters otherwise appropriate for Board consideration generally will be referred and does not create an independent obligation to present a matter to this Standing Committee or its Subcommittee, to the Board or to any other Committee.

**Regents Policy [NUMBER]: POLICY ON THE UNIVERSITY OF CALIFORNIA  
EMPLOYEE HOUSING ASSISTANCE PROGRAM**

**POLICY SUMMARY/BACKGROUND**

This policy is intended to work in conjunction with Bylaw 22.2 (c) of the Regents of the University of California (Regents), which provides the Regents with the approval authority for the University of California Employee Housing Assistance Program (Program) policies. The Program is administered by the University of California Home Loan Program Corporation (Corporation).

**POLICY TEXT**

**A. University of California Housing Assistance Program**

Program loans provide financing using deeds of trust secured on real property to assist faculty and other eligible employees with the purchase of a primary residence. Program loans are available for eligible employees at the University of California (University) campuses, Lawrence Berkeley National Laboratory, UC Hastings College of the Law (UC Hastings) and the University's Office of the President and Division of Agriculture and Natural Resources.

**B. Eligibility**

The eligible population for Program participation consists of full-time University appointees with positions in the following categories:

1. Academic Senate members.
2. Academic titles equivalent to titles held by Academic Senate members as defined in University policy.
3. Acting Assistant Professors.
4. Senior Management Group employees.
5. UC Hastings faculty members.
6. University or UC Hastings employees who will be appointed to any of these eligible categories effective no more than 180 days after loan closing.
7. Other appointees who have received required additional approvals to be eligible for participation.

**C. Eligible Properties**

1. Properties financed using a Program loan must be used primarily for residential, non-income producing purposes.
2. Eligible properties are limited to Single Family Residences, Condominiums and properties located in a Planned Unit Development.

3. The subject property must be the principal place of residence for the participant throughout the term of the loan, other than during absences for sabbatical leave or other approved leaves of absence.

**D. General Loan Parameters**

1. The sum of monthly mortgage payments (principal and interest) of the Program loan and all other loans secured by the subject property may not exceed 40% of the participant's household income.
2. Program loan payments shall be made by payroll deduction while a participant is on salary status, unless it is not administratively feasible.
3. Program loans are not assumable.
4. Program loans carry no prepayment penalty.
5. Program loans carry no balloon payments.
6. Program loans are condition of employment loans.
7. Program participation may continue during the term of the participant's employment, as long as the subject property continues to meet the requirements for an eligible property. If the subject property no longer meets these specifications, the Program loan shall be reviewed for appropriate disposition.

**E. Loan Options**

1. The University of California Employee Housing Assistance Program is comprised of the following loan options:
  - a) Mortgage Origination Program (MOP)
  - b) Graduated Payment Mortgage Origination Program (GP-MOP)
  - c) 5/1 Mortgage Origination Program (5/1-MOP)
  - d) Supplemental Home Loan Program (SHLP)
  - e) Centrally-Funded Supplemental Home Loan Program (CF-SHLP)
  - f) Interest-Only Supplemental Home Loan Program (IO-SHLP)
2. Detailed descriptions of the available loan options are included in the Program Implementation Guidelines that are incorporated into Presidential guidance.

**COMPLIANCE/DELEGATION**

1. All housing loans issued by the University are governed by Program policies. The President is authorized to take all appropriate actions associated with the administration of the Program that are in conformance with standard mortgage industry procedures for the origination and servicing of mortgage loans. Specific procedures for administering the Program are included in the Program Implementation Guidelines that are incorporated into Presidential guidance. The President is also authorized to administer the periodic sale of selected Program loan pools.

2. Implementation and compliance with this policy shall be administered by the Office of the Executive Vice President - Chief Financial Officer (or any successor position based on a change of title). The Office of the Executive Vice President - Chief Financial Officer is authorized to represent the University in administrative transactions with financial institutions, lenders, and governmental and other agencies in matters related to the day-to-day operation of the Program.
3. The President is required to report to the Regents annually on the status of the Program.

### **NO RIGHT OF ACTION**

This policy is not intended to, and does not, create any right or benefit, substantive or procedural, enforceable at law or in equity by any party against the University of California or its Board of Regents, individual Regents, officers, employees, or agents.

### **PROCEDURES AND RELATED DOCUMENTS**

1. University of California Housing Assistance Program – Implementation Guidelines.
2. University of California Home Loan Program Corporation Master Note Agreement.
3. University of California Home Loan Program Corporation Services Agreement.

Changes to procedures and related documents do not require Regents approval, and inclusion or amendment of references to these documents can be implemented administratively by the Office of the Secretary and Chief of Staff upon request by the unit responsible for the linked documents.

## ATTACHMENT 7

### **Regents Policies and Standing Orders on Capital, External Financing, and Employee Housing Assistance Matters Recommended for Rescission**

**The following Regents Policies will be rescinded and incorporated into new Policies as shown in the Attachments.**

Policy 5303: Policy on Borrowing from Combined Investment Portfolios of STIP and TRIP (see Attachment 4 for new Policy)

Policy 5305: Policy on University of California Mortgage Origination Program (see Attachment 7 for new Policy and Attachment 8 for new Implementation Guidelines)

Policy 5306: Policy on University of California Supplemental Home Loan Program (see Attachment 7 for new Policy and Attachment 8 for new Implementation Guidelines)

Policy 8102: Policy on Approval of Design, Long Range Development Plans, and Administration of the California Environmental Quality Act (see Attachment 2 for new Policy on Capital Project Matters)

**The Regents Standing Orders, below, will be rescinded and incorporated into new Regents Policies as shown in the Attachments.**

Standing Order 100.4(nn)(1) and (2): External financing (see Attachment 3 for new Policy on External Financing Matters)

Standing Order 100.4(ll)(1), (2) and (3): Actions regarding approved home loan programs (see Attachment 7 for new Policy on UC Employee Housing Assistance Program)

Standing Order 100.4(dd)(1): No fund source, unapproved construction (see Attachment 2 for new Policy on Capital Project Matters)

Standing Order 100.4(o): Funds for capital improvements (see Attachment 2 for new Policy on Capital Project Matters)

Standing Order 100.4(q)(1) and (2): Amendments to capital improvement program (see Attachment 2 for new Policy on Capital Project Matters)

Standing Order 100.4(cc): Execute contracts, leases for real estate (see Attachment 2 for new Policy on Capital Project Matters)

Standing Order 100.4(ff): Negotiate disposition of real property (see Attachment 2 for new Policy on Capital Project Matters)

Standing Order 100.4(gg): Disposition of real property (see Attachment 2 for new Policy on Capital Project Matters)

Standing Order 100.4(hh): Execute real estate documents (see Attachment 2 for new Policy on Capital Project Matters)

Standing Order 100.4(jj)(1) and (2): Execute licenses, easements (see Attachment 2 for new Policy on Capital Project Matters)

Standing Order 100.4(kk): Leases for mineral rights (see Attachment 2 for new Policy on Capital Project Matters)

**The Regents Policies and Standing Orders, below, will be rescinded because they either are obsolete or the authority is provided to the President pursuant to Bylaw 30.**

Policy 5302: Policy on Interest Rates for Loans from Regents' Funds

Policy 5304: Policy on the Administration of UC Housing Facilities

Policy 5503: Policy on Bonding Requirements for Construction Contracts

Policy 8101: Policy on Campus and Community Planning and Development

Standing Order 100.4(aa): Siting Buildings

Standing Order 100.4(y): Appoint architects and engineers

Standing Order 100.4(z): Approve building plans, solicit bids

Standing Order 100.4 (dd)(8): construction contracts and appropriated funds



#### 100.4: Duties of the President of the University

~~(o) The President is authorized to approve transfers or allocations of University operating funds and transfers of funds designated for Capital Improvement purposes, subject to any limitations which might be imposed by the terms of said funds, provided:~~

~~—That no such transfer or allocation shall result in the establishment of a new policy, program, or project involving a continuing commitment;~~

~~—That no transfer shall be made from a reserve fund for a purpose other than that for which the reserve fund was established.~~

~~(q)(1) Except as provided in paragraph (q)(2) below, the President is authorized to approve amendments to the Capital Improvement Program for projects not to exceed \$10 million. The President is also authorized to approve amendments to the Capital Improvement Program for projects exceeding \$10 million up to and including \$20 million, provided that concurrence is obtained from the Chairman of the Board and the Chairman of the Finance and Capital Strategies Committee, and also provided that all actions taken in excess of \$10 million up to and including \$20 million under this authority be reported at the next following meeting of the Board. However, the following shall be approved by the Board: (1) projects with a total cost in excess of \$20 million, (2) for projects in excess of \$20 million, any modification in project cost over standard cost rise augmentation in excess of 25%, or (3) capital improvement projects of any construction cost when, in the judgment of the President, a project merits review and approval by The Regents because of special circumstances related to budget matters, external financing, fundraising activities, project design, environmental impacts, community concerns, or substantial program modifications.~~

~~(q)(2) This paragraph shall apply exclusively to capital projects for those campus entities approved by the Finance and Capital Strategies Committee for inclusion in the pilot phase of the Delegated Process for Capital Improvement Projects.~~

~~The President is authorized to approve amendments to the Capital Improvement Program for projects not to exceed \$70 million. However, the following shall be approved by the Board: (1) projects with a total cost in excess of \$70 million, (2) capital improvement projects of any construction cost when, in the judgment of the President, a project merits review and approval by The Regents because of special circumstances related to budget matters, external financing, fundraising activities, project design, environmental impacts, community concerns, or substantial program modifications. The President is authorized to approve an increase in project cost as long as the total augmented project cost remains under \$70 million; for augmented projects resulting in a total project cost in excess of \$70 million, the augmented project shall be approved by the Board.~~

~~This paragraph shall become inoperative and is repealed on March 31, 2018, unless a later Regents' action, that becomes effective on or before March 31, 2018, deletes or extends the date on which it becomes inoperative and is repealed.~~

~~(y) The President is authorized to appoint and to execute necessary agreements with executive architects, executive landscape architects, and executive and consulting engineers for approved projects.~~

~~(z) The President is authorized to approve building plans and to solicit bids in connection with approved projects, except that the President shall not approve the design of such projects as the Board has specifically designated as requiring design approval by the Committee on Grounds and Buildings.~~

~~(aa) The President is authorized to approve the siting of individual buildings or projects, provided that their locations are generally in accordance with a long-range development plan previously approved in principle by the Board, and to approve the siting of individual buildings or projects on University properties, such as field stations and research stations, which may not be covered by approved long-range development plans.~~

~~(cc) Except as otherwise specifically provided in the Bylaws and Standing Orders:~~

~~The President is authorized to approve and execute on behalf of the Corporation contracts, real property rental agreements, leases, ground leases and other documents pertaining to the use of real property for University related purposes with a term of not more than twenty years (excluding options when the University is the lessee but including options provided by the University as lessor).~~

~~As used in these Standing Orders, the term University related purposes refers to real property and interests therein held and/or used by the University in furtherance of its mission, but excluding real property held for investment purposes.~~

~~(dd) Except as otherwise specifically provided in the Bylaws and Standing Orders, the President is authorized to execute on behalf of the Corporation all contracts and other documents necessary in the exercise of the President's duties, including documents to solicit and accept pledges, gifts, and grants, except that specific authorization by resolution of the Board shall be required for documents which involve or which are:~~

~~—1. Exceptions to approved University programs and policies or obligations on the part of the University to expenditures or costs for which there is no established fund source or which require the construction of facilities not previously approved.~~

~~—8. Construction contracts in excess of appropriated funds.~~

~~(ff) The President is authorized to negotiate the sale, purchase, receipt by gift, or lease of all interests in real property used or to be used for University related purposes, and to administer all such properties and interests~~

~~(gg)~~ The President is authorized to approve the sale, purchase, receipt by gift, or other acquisition of all interests in real property used or to be used for University related purposes when the consideration does not exceed \$20 million. The President is also authorized to approve the sale, purchase, receipt by gift, or other acquisition of all such interests in real property when the consideration exceeds \$20 million up to and including \$60 million, provided that concurrence is obtained from the Chairman of the Board and the Chairman of the Committee on Finance, and also provided that all actions taken for these amounts under this authority be reported at the next meeting of the Board. Such transactions with consideration exceeding \$60 million require Board approval.

~~(hh)~~ In furtherance of the authorities set forth in (ff) and (gg) above, the President is authorized to execute all documents, except those conveying title; provided, however, that any such documents executed prior to approval required in accordance with (gg) above, shall be conditioned upon obtaining such approval.

~~(jj)~~ The President is authorized to approve and execute licenses, easements, and rights-of-way with respect to ~~(1) real property used or to be used for University related purposes or (2) University related real property to be used by others.~~

~~(kk)~~ The President is authorized to approve leases, assignments of leases or subleases, and related amendments of such documents for mineral rights, including gas, oil, and other hydrocarbons, or geothermal resources as to real property used or to be used for University-related purposes if the land rent does not exceed \$500,000 per year during the primary lease term.

~~(ll)~~ The President is authorized to take all appropriate action incident to the administration of University home loan programs as approved by The Regents, including (1) receiving and administering promissory notes, mortgages, deeds of trust, grant deeds, and deeds in lieu of foreclosure, (2) executing releases and satisfactions of mortgages and requests for reconveyances of deeds of trust when the University home loan program notes secured by such mortgages and deeds of trust have been paid in full or otherwise satisfied, and (3) accepting title to real property through foreclosure, deed in lieu of foreclosure, or other similar actions.

~~(nn)(1)~~ Except as provided in paragraph ~~(nn)(2)~~ below, the President shall be the manager of all external financing of the Corporation. The President is authorized to obtain external financing for amounts up to and including \$10 million for the planning, construction, acquisition, equipping, and improvement of projects. The President is also authorized to obtain external financing for amounts in excess of \$10 million up to and including \$20 million, provided that concurrence is obtained from the Chairman of the Board and the Chairman of the Finance and Capital Strategies Committee, and also provided that all actions taken to obtain external financing for amounts in excess of \$10 million up to and including \$20 million be reported at the next following meeting of the Board. External financing in excess of \$20 million requires Board approval. The President shall have the authority to (1) negotiate for and obtain interim financing for any external financing, (2) design, issue, and sell revenue bonds or other types of external financing, (3) issue variable

~~rate or fixed rate debt, and execute interest rate swaps to convert fixed or variable rate debt, if desired, into variable or fixed rate debt, respectively, (4) refinance existing external financing for the purpose of realizing lower interest expense, provided that the President's authority to issue such refinancing shall not be limited in amount, (5) provide for reserve funds and for the payment of costs of issuance of such external financing, (6) perform all acts reasonably necessary in connection with the foregoing, and (7) execute all documents in connection with the foregoing, provided that the general credit of The Regents shall not be pledged for the issuance of any form of external financing.~~

~~(nn)(2) This paragraph shall apply exclusively to capital projects for those campus entities approved by the Finance and Capital Strategies Committee for inclusion in the pilot phase of the Delegated Process for Capital Improvement Projects.~~

~~The President shall be the manager of all external financing of the Corporation. The President is authorized to obtain external financing for amounts up to and including \$70 million for the planning, construction, acquisition, equipping, and improvement of projects. The President shall have the authority to (1) negotiate for and obtain interim financing for any external financing, (2) design, issue, and sell revenue bonds or other types of external financing, (3) issue variable rate or fixed rate debt, and execute interest rate swaps to convert fixed or variable rate debt, if desired, into variable or fixed rate debt, respectively, (4) refinance existing external financing for the purpose of realizing lower interest expense, provided that the President's authority to issue such refinancing shall not be limited in amount, (5) provide for reserve funds and for the payment of costs of issuance of such external financing, (6) perform all acts reasonably necessary in connection with the foregoing, and (7) execute all documents in connection with the foregoing, provided that the general credit of The Regents shall not be pledged for the issuance of any form of external financing.~~

~~This paragraph shall become inoperative and is repealed on March 31, 2018, unless a later Regents' action, that becomes effective on or before March 31, 2018, deletes or extends the date on which it becomes inoperative and is repealed.~~

**Regents Policy 5302: Policy on Interest Rates for Loans from Regents' Funds**

*Approved September 16, 1988*

~~That effective October 1, 1988, any new loans from Regents' funds for University projects be at an interest rate equal to the Short Term Investment Pool's quarterly rate of return in effect for the quarter immediately preceding the date when the first drawdown occurs, with the loan's interest rate to be adjusted each succeeding quarter when a new quarterly STIP rate is calculated.~~

**Regents Policy 5303: Policy on Borrowing from Combined Investment Portfolios of the Short-Term Investment Pool and the Total Return Investment Pool**

~~Approved May 19, 1989~~

~~Revised March 18, 1999~~

~~Amended November 2008 and November 2009~~

~~A. The Commercial Paper Program:~~

~~The President is authorized to either utilize a portion of Short Term Investment Pool/Total Return Investment Pool (STIP/TRIP) as liquidity support for the Commercial Paper (CP) Program or, if necessary, negotiate standby letters of credit, lines of credit or other liquidity agreements to provide additional liquidity support for the CP Program. Repayment of advances under any such liquidity facility shall be repaid from revenue sources identified by the President so that the general credit of The Regents is not pledged.~~

~~B. Medical Centers' Working Capital Borrowing:~~

~~The President is authorized to utilize the combined investment portfolios of STIP/TRIP for medical centers' working capital borrowings. A hospital's working capital borrowings from STIP/TRIP for a month shall not exceed 60 percent of the hospital's total accounts receivable for that same month (total accounts receivable being defined as patient accounts receivable, net of allowances).~~

~~C. Mortgage Origination Program Loans:~~

~~The President is authorized to utilize the liquidity available in the combined investment portfolios of STIP/TRIP for the Mortgage Origination Program (MOP) Loans.~~

## **Regents Policy 5304: Policy on the Administration of UC Housing Facilities**

*Approved January 21, 1994*

~~A. The President shall establish an annual net earnings target for the University of California Housing System (UCHS), which amount shall be at least sufficient to comply with all relevant covenants of The Regents pertaining to debt service coverage and maintenance obligations which are contained in loan documents applicable to UCHS facilities and to otherwise assure the continuing financial viability of the UCHS.~~

~~B. The President shall establish rents and other fees for use of UCHS facilities at levels which are adequate to generate the net revenues necessary to comply with such covenants and financial objectives.~~

~~C. The President shall also establish rents and other fees for use of University-operated housing facilities that are not part of the University of California Housing System (Campus Housing Facilities) which are at least sufficient to comply with debt service coverage and maintenance obligations contained in loan documents applicable to those facilities.~~

~~D. The President shall provide The Regents annually with a summary of rents to be charged in the next succeeding fiscal year for all University-operated housing facilities.~~

## **Regents Policy 5305: Policy on University of California Mortgage Origination Program**

*Approved July 2010*

*Amended November 14, 2013*

*Amended November 20, 2015*

*Amended November 17, 2016*

### **A. ELIGIBILITY AND PARTICIPATION POLICIES**

In all eligibility and participation policies described herein, it is understood that any appointee in a position specifically designated by the Regents as requiring Regents' approval for compensation-related matters, must be approved for Mortgage Origination Program participation by the Regents.

All references to MOP loan eligibility, participation policies, and loan policies also apply to GP MOP and 5/1 MOP loans unless otherwise described herein.

1. The eligible population for the Mortgage Origination Program (MOP) consists of full-time University appointees with positions in the following categories:

- Academic Senate members;
- Academic titles equivalent to titles held by Academic Senate members as specified in Section 105.1 and 103.3 of the Standing Orders of the Regents of the University of California or in successor Regents Policy;
- Acting Assistant Professors;
- Senior Management Group members;
- UC Hastings College of the Law (UC Hastings) faculty members;
- University or UC Hastings employees who will be appointed to any of these eligible categories effective no more than 180 days after loan closing;
- Other appointees who have received required additional approvals to be eligible for participation.

2. From the eligible population, the Chancellor, Lawrence Berkeley National Laboratory (LBNL) Director, or the Dean of UC Hastings shall designate eligible individuals for participation in MOP based on each location's determination of its requirements for recruitment and retention. Additionally, the President is authorized to approve individuals



~~not in the eligible population defined in Section A.1 for participation in MOP, based upon the essential recruitment and retention needs and goals of the institution. The University of California Delegation of Authority (DA) 2587, dated July 18, 2015, delegates this authority from the President to the Chancellors, LBNL Director, Executive Vice President Chief Operating Officer, and the Agriculture and Natural Resources Vice President for specific titles as outlined in an Appendix to the University of California Home Loan Program Corporation—Program Lending and Administrative Manual.~~

~~3. A minimum of 60% of funds allocated for MOP is designated for participants who are purchasing their first principal place of residence within a reasonable distance of their work location. These loans are further designated for participants who have not owned a principal place of residence within a reasonable distance of their work location within the 12-month period preceding the closing date of their MOP loan.~~

~~4. Up to 40% of the allocation is available to address essential recruitment or retention needs for otherwise eligible appointees for one or more of the following purposes (Limited Purpose loans):~~

~~—to refinance existing qualifying housing related debt secured on a participant's principal residence, including related loan transaction expenses included in the prior loan balance or related to the MOP loan. MOP loans may not be used to pay off loans, secured or not secured, used for non-housing related expenses or for any mortgages on other properties. For any debt secured on a participant's principal residence that was incurred during the five years prior to loan closing, the participant must document the purpose and use of funds as qualifying housing related indebtedness associated with the subject property.~~

~~—to provide a new MOP loan to a current or prior MOP participant at the same work location; or~~

~~—to provide a MOP loan to a participant who has owned a home within a reasonable distance of the work location within a 12-month period prior to the funding of a MOP loan.~~

~~5. MOP participation may continue for the term of employment by the University of California or UC Hastings, as long as the property securing the loan continues to meet the specifications outlined in Section B.1, it being understood that:~~

~~—if the property securing the loan no longer meets the specifications outlined in Section B.1, the MOP loan shall be reviewed for appropriate disposition; and~~

~~—if University or UC Hastings employment is terminated or, in the case of academic appointees, there is a permanent change to an appointment status not considered to be in full-time service to the University or UC Hastings, the MOP loan is to be repaid within 180 days of such date of separation or change in status, with the understanding that:~~

~~— participation can continue when separation is due to disability or retirement under the provisions of the University of California Retirement Plan or other retirement plan to which the University or UC Hastings contributes on behalf of the participant; or~~

~~— in the event of the death of the participant, participation can continue for a surviving spouse or surviving Domestic Partner or, in the absence of a surviving spouse or surviving Domestic Partner, for a surviving Eligible Child (as the terms Domestic Partner and Eligible Child are defined by the University of California Retirement Plan); or~~

~~— in hardship cases, reasonable forbearance beyond the required repayment period may be granted, provided all other terms and conditions of the loan are satisfied.~~

## **B. MOP LOAN POLICIES**

**1. MOP loans shall be secured, using a recorded deed of trust for residences that are:**

~~— owner occupied single family residences, including planned unit development and condominium units, which may include one secondary unit that does not comprise more than one third of the total living area of the home;~~

~~— the principal place of residence for the participant, other than during absences for sabbatical leave or other approved leaves of absence;~~

~~— used primarily for residential, non income producing purposes; and~~

~~— 50% or more participant owned.~~

**2. MOP loans may not be used for direct construction loans; however, MOP loans may be used to refinance commercial construction loans upon completion of a new residence or the completion of the renovation of an existing residence.**

**3. The maximum loan to value ratio (LTV) of a MOP loan is to be determined as follows:**

~~— for loans up to (including) \$910,000 (indexed limit as of April 2016), the maximum LTV is 90% when the loan does not include any financing of closing costs and 92% with financing of documented closing costs;~~

~~— for loans greater than \$910,000 up to (including) the Indexed Program Loan Amount (\$1,430,000 as of April 2016), the maximum LTV is 90%;~~

~~— for loans greater than the Indexed Program Loan Amount, the maximum LTV is 80%; and~~

~~—MOP loan amounts greater than the Indexed Program Loan Amount shall require the approval of the President and the concurrence of the Chair of the Finance and Capital Strategies Committee.~~

~~An increase to the 80% maximum LTV for loans in excess of the Indexed Program Loan Amount to no more than 85% may be approved upon recommendation by the President, with concurrence of the Chair of the Finance and Capital Strategies Committee. The value of the residence is, in all cases, defined as the lesser of the purchase price or current appraised value. The above dollar threshold amounts for determining the maximum LTV and for the Indexed Program Loan Amount reflect applicable levels in effect as of April 2016, which shall be adjusted annually each April, based upon any increases in the All-Campus Average Sales Price determined by the annual zip code study performed by the Office of Loan Programs.~~

~~4. The maximum term of a MOP loan shall be 40 years. Authorization by the Chancellor or other designated official is required when offering a loan with a term greater than 30 years.~~

~~5. The standard mortgage interest rate (Standard MOP Rate) will be equal to the most recently available average rate of return earned by the Short Term Investment Pool (STIP) for the four quarters preceding the issuance of a loan commitment letter for the mortgage loan, plus an administrative fee component of 0.25%:~~

~~—the Standard MOP Rate will be adjusted annually on the anniversary date of the loan;~~

~~—the maximum amount of adjustment up or down of the Standard MOP Rate will be 1% per year;~~

~~—for MOP and GP MOP loans made on or after January 1, 2014, the overall cap on the adjustment of the interest rate over the term of the loan will be 10% above the initial interest rate for the loan;~~

~~—effective with loans approved on or after February 1, 2017, the minimum initial Standard MOP Rate shall be 2.75%, and the annual rate adjustment on these loans will have a floor rate of 2.75%;~~

~~—in the event a loan commitment letter is issued for a MOP or GP MOP loan and the Standard MOP Rate subsequently decreases prior to the loan funding, the participant will receive the more favorable rate; and~~

~~—the difference between the earnings of the UC Owned MOP and GP MOP mortgage portfolios versus the comparable earnings if the funds had been invested in STIP will be calculated monthly, with any earnings shortfall in the combined MOP and GP MOP portfolios being covered by the Faculty Housing Program Reserve. The 5/1 MOP earnings will not be included in this calculation during the Fixed Rate Term, as defined in this document. Following the Fixed Rate Term, the 5/1 MOP loans will be considered MOP loans for the purposes of the monthly calculation. Any earnings excess will be retained in~~

the Faculty Housing Program Reserve. The Faculty Housing Program Reserve will reimburse STIP for any principal losses resulting from portfolio loan losses.

~~6. Each Chancellor, the LBNL Director, and the Dean of UC Hastings is authorized to designate eligible participants for participation in the Graduated Payment Mortgage Origination Program (GP-MOP) option, which provides for a reduction in the Standard MOP Rate in the manner described below:~~

~~—the maximum rate reduction in the Standard MOP Rate is 3.0% and the minimum resulting mortgage interest rate for such loans shall be 2.75%;~~

~~—the rate reduction amount will be decreased by a predetermined annual adjustment (ranging from 0.25% to 0.50%) until the mortgage interest rate equals the Standard MOP Rate;~~

~~—for the time period in which the rate reduction is in effect for each GP MOP loan, the work location shall provide for a monthly transfer of funds (from available funds, including discretionary funds, as well as unrestricted and appropriate restricted gift funds) to STIP or to a third party investor, if the loan has been sold, to provide the same yield that would have been realized under the Standard MOP Rate; and~~

~~—the President is authorized to approve an initial rate reduction greater than 3.0% and an annual adjustment amount outside the standard range of 0.25% to 0.50% based upon the essential recruitment and retention needs and goals of the institution.~~

~~7. Participants may request a 5/1 ARM product (5/1 MOP) that has a temporary fixed rate period (Fixed Rate Term), after which the loan converts to a standard MOP loan.~~

~~—The initial interest rate (Initial Rate) will remain fixed until the date that the 60th payment is due, resulting in a fixed payment amount for the first 60 monthly payments.~~

~~—The minimum Initial Rate will be 3.25%.~~

~~—The overall cap on the adjustment of a 5/1 MOP loan's interest rate over the term of the loan will be 10% above the Initial Rate for the loan.~~

~~—After the Fixed Rate Term, the interest rate will adjust to the Standard MOP Rate in effect at that time, subject to a 5% interest rate adjustment cap, and a 2.75% minimum interest rate.~~

~~—After the Fixed Rate Term and the initial rate adjustment at the end of the Fixed Rate Term, the maximum annual adjustment is 1%.~~

~~—The Fixed Rate Term is not renewable beyond 5 years.~~

~~8. The sum of monthly mortgage payments (principal and interest) of the MOP loan and all other loans secured by the residence may not exceed 40% of the participant's household income.~~

~~9. When administratively feasible, MOP loan payments shall be made by payroll deduction while on salary status.~~

~~10. MOP loans are not assumable.~~

~~11. MOP loans carry no prepayment penalty.~~

~~12. MOP loans carry no balloon payments.~~

## **Regents Policy 5306: Policy on University of California Supplemental Home Loan Program**

*Approved July 2010*

*Amended November 20, 2015*

*Amended November 17, 2016*

Generally, Supplemental Home Loan Program (SHLP) loans are funded from available campus resources, which may include discretionary funds, as well as unrestricted and appropriate restricted gift funds. State funds (19900) cannot be used to fund SHLP loans.

The President is authorized to designate a portion of the Faculty Housing Programs Reserve Fund (Reserve) as a centrally available pool of funds to make SHLP loans that comply with the parameters outlined in Section C. below.

### **A. ELIGIBILITY AND PARTICIPATION POLICIES**

In all eligibility and participation policies described herein, it is understood that any appointee in a position specifically designated by the Regents as requiring Regents' approval for compensation-related matters, must be approved for SHLP participation by the Regents.

1. The eligible population for SHLP consists of full-time University appointees with positions in the following categories:

- Academic Senate members;
- Academic titles equivalent to titles held by Academic Senate members as specified in Section 105.1 and 103.3 of the Standing Orders of the Regents of the University of California or in successor Regents Policy;
- Acting Assistant Professors;
- Senior Management Group members;
- UC Hastings College of the Law (UC Hastings) faculty members;
- University or UC Hastings employees who will be appointed to any of these eligible categories effective no more than 180 days after loan closing;
- Other appointees who have received required additional approvals to be eligible for participation.

2. From the eligible population, the Chancellor, Lawrence Berkeley National Laboratory (LBNL) Director, or the Dean of UC Hastings shall designate eligible individuals for participation in SHLP based on each location's determination of its requirements for recruitment and retention. Additionally, the President is authorized to approve individuals not in the eligible population defined in Section A.1 for participation in SHLP, based upon the essential recruitment and retention needs and goals of the institution. The University of California Delegation of Authority (DA) 2587, dated July 18, 2015, delegates this authority from the President to the Chancellors, LBNL Director, Executive Vice President Chief Operating Officer, and the Agriculture and Natural Resources Vice President for specific titles as outlined in an Appendix to the University of California Home Loan Program Corporation Program Lending and Administrative Manual.

3. SHLP participation may continue for the term of employment by the University of California or UC Hastings, as long as the property securing the loan continues to meet the specifications outlined in Section B.2, it being understood that:

—if the property securing the loan no longer meets the specifications outlined in Section B.2, the SHLP loan shall be reviewed for appropriate disposition; and

—if University or UC Hastings employment is terminated or, in the case of academic appointees, there is a permanent change to an appointment status not considered to be in full-time service to the University or UC Hastings, the SHLP loan is to be repaid within 180 days of such date of separation or change in status, with the understanding that:

—— participation can continue when separation is due to disability or retirement under the provisions of the University of California Retirement Plan or other retirement plan to which the University or UC Hastings contributes on behalf of the participant; or

—— in the event of the death of the participant, participation can continue for a surviving spouse or surviving Domestic Partner, or, in the absence of a surviving spouse or surviving Domestic Partner, for a surviving Eligible Child (as the terms Domestic Partner and Eligible Child are defined by the University of California Retirement Plan); or

—— in hardship cases, reasonable forbearance beyond the required repayment period may be granted, provided all other terms and conditions of the loan are satisfied.

## B. SHLP LOAN POLICIES

1. SHLP loans shall be used primarily for the purchase of a participant's primary principal residence. At the discretion of the authority designating participation, SHLP loans may also be used to refinance existing qualifying housing related debt secured on a participant's principal residence, including related loan transaction expenses included in the prior loan balance or related to the SHLP loan. SHLP loans may not be used to pay off loans, secured or not secured, used for non-housing related expenses or for any mortgages on other properties. For any debt secured on a participant's principal residence that was incurred during the five years prior to loan closing, the participant must document the purpose and

~~use of funds as qualifying housing-related indebtedness associated with the subject property.~~

~~2. SHLP loans shall be secured, using a recorded Deed of Trust for residences that are:~~

~~—owner-occupied single-family residences, including planned-unit development and condominium units, which may include one secondary unit that does not comprise more than one-third of the total living area of the home;~~

~~—the principal place of residence for the participant, other than during absences for sabbatical leave or other approved leaves of absence;~~

~~—used primarily for residential, non-income-producing purposes; and~~

~~—50% or more participant-owned.~~

~~3. The maximum loan-to-value ratio (LTV) of a SHLP loan, either alone or in combination with other loans, is to be determined as follows:~~

~~—for loans totaling up to (including) the Indexed Program Loan Amount (\$1,430,000 as of April 2016), the maximum combined LTV is 95%;~~

~~—for loans totaling more than the Indexed Program Loan Amount, the maximum combined LTV is 90%;~~

~~—SHLP loan amounts greater than the Indexed Program Loan Amount shall require the approval of the President and the concurrence of the Chair of the Finance and Capital Strategies Committee.~~

~~The value of the residence is in all cases defined as the lesser of the purchase price or current appraised value. The above dollar threshold amounts for determining the maximum LTV and for the Indexed Program Loan Amount reflect applicable levels in effect as of April 2016, which shall be adjusted annually each April, based upon any increases in the All-Campus Average Sales Price determined by the annual zip code study performed by the Office of Loan Programs.~~

~~4. The maximum term of a SHLP loan shall be 40 years, with repayment schedules designed to accommodate the needs of SHLP participants as well as any requirements of the funding source. Authorization by the Chancellor or other designated official is required when offering a loan with a term greater than 30 years.~~

~~5. Each location shall determine the mortgage interest rate to be charged on a given loan, with the understanding that maximum rates may be established to comply with federal and State lending and tax laws and regulations. All SHLP interest rates must include a service~~



~~fee component of .25%. The minimum SHLP interest rate shall be equal to the most recently available average rate of return earned by the Short Term Investment Pool (STIP) for the four quarters preceding the issuance of a loan commitment letter for the mortgage loan, plus a margin of 25 basis points (.25%).~~

~~6. For adjustable rate SHLP loans approved on or after February 1, 2017, the overall cap on the adjustment of the interest rate over the term of the loan will be 10% above the initial interest rate for the loan.~~

~~7. The sum of monthly mortgage payments (principal and interest) of the SHLP loan and all other loans secured by the residence may not exceed 40% of the participant's household income.~~

~~8. When administratively feasible, SHLP payments shall be made by payroll deduction while on salary status.~~

~~9. SHLP loans are not assumable.~~

~~10. SHLP loans carry no prepayment penalty.~~

#### ~~C. CENTRALLY FUNDED SHLP LOAN PROGRAM~~

~~The parameters of the loans made from the Reserve will fall within the guidelines as outlined in Sections A. and B. with the following additional restrictions:~~

~~1. Loans must be in second position.~~

~~2. The maximum loan amount will be the lesser of 5.0% of the purchase price or \$75,000. The maximum loan amount will be indexed to any increase in the All Campus Average Sales Price determined by the annual zip code study performed by the Office of Loan Programs.~~

~~3. The maximum term is 15 years (180 months).~~

~~4. The loans will have a fixed interest rate equal to the most recently available 4 quarter average rate of return of STIP, plus a .25% servicing fee. The minimum interest rate will be 2.75%.~~

#### ~~D. INTEREST ONLY SHLP (IO SHLP) LOAN PROGRAM~~

~~The Campuses have the option to offer IO SHLP loans using authorized Campus funding sources. There are no central funds available for the IO SHLP loans. All loan parameters~~

~~must fall within the guidelines outlined in Sections A. and B., with the following additional terms:~~

~~1. The Interest Only Term (IO Term) is available for 5, 7, or 10 years. Following the IO Term, the loan will convert to a fully amortizing loan with an overall term as follows:~~

~~—5 year IO Term: 15 year fully amortizing (20 year total amortization)~~

~~—7 year IO Term: 23 year fully amortizing (30 year total amortization)~~

~~—10 year IO Term: 30 year fully amortizing (40 year total amortization)~~

~~2. The Chancellor or other designated official will be required to acknowledge and accept any regulatory risk or potential litigation associated with making IO SHLP loans, which are non-Qualified Mortgages, according to the CFBP's definition.~~

**~~Regents Policy 5503: Policy on Bonding Requirements for Construction Contracts~~**

*~~Approved June 15, 1973~~*

*~~Amended October 21, 1977~~*

~~That the President be authorized to set requirements for bid bonds or other forms of bid security, performance bonds, and payment bonds for construction contracts unless such requirements would be inconsistent with the requirements of a funding agency for a funded project or with mandatory requirements established by State law.~~

## **Regents Policy 8101: Policy on Campus and Community Planning and Development**

*Approved October 22, 1965*

*Amended November 12, 1970*

*Updated September 22, 2005*

The Regents of the University of California have adopted and maintain for each campus a Long Range Development Plan, as a guide to orderly development, and every effort is being made to develop campuses of academic distinction and physical beauty;

Each campus and its surrounding community are highly interdependent with respect to housing, traffic, commercial services, community facilities, and environmental design, and

The success of the University's efforts is greatly affected by the compatibility of the community development.

The Regents declare as policy an objective to secure the development of each campus community to the highest and best standards of contemporary planning and design responsible to and compatible with unique campus requirements.

In implementation of the above, the administration requests that appropriate community authorities strive vigorously and continuously for the development of a distinctive community in the environs of each campus compatible with the requirements of that campus.

The Regents acknowledge concern with social and economic conditions in the environs of the several campuses and encourage appropriate consultations with community interests and offer campus resources and leadership for community planning and development.

**Regents Policy 8102: Policy on Approval of Design, Long Range Development Plans, and the Administration of the California Environmental Quality Act**

*Approved July 16, 1993;*

*Amended and Renamed January 16, 2003;*

*Amended September 18, 2008, January 21, 2010, January 20, 2011, January 23, 2014, January 22, 2015, and January 26, 2017*

(1) ~~The Regents designate the following categories of projects as requiring design approval by the Finance and Capital Strategies Committee:~~

~~—Building projects with a total project cost in excess of \$10,000,000, except when such projects consist of the following:~~

~~—alterations or remodeling where the exterior of the building is not materially changed;~~

~~—buildings or facilities located on agricultural, engineering, or other field stations; or~~

~~—agriculture related buildings or facilities located in areas of a campus devoted to agricultural functions.~~

~~—Capital improvement projects of any construction cost when, in the judgment of the President, a project merits review and approval by the Regents because of budget matters, fundraising activities, environmental impacts, community concerns, or other reasons.~~

~~(2) This paragraph shall apply exclusively to eligible projects for those campus entities approved by the Finance and Capital Strategies Committee for inclusion in the pilot phase of the Delegated Process for Capital Projects. The President of the University is authorized to approved the project's design. This subparagraph shall become inoperative and is repealed on March 31, 2018, unless a later Regents' action, that becomes effective on or before March 31, 2018, deletes or extends the date on which it becomes inoperative and is repealed.~~

~~(3) The approval of building projects other than those subject to approval by the Finance and Capital Strategies Committee as set forth above is governed by applicable Bylaws, Standing Orders, and delegations.~~

~~(4) Consistent with applicable Bylaws and Standing Orders, the President shall determine the responsibility for unique project approvals and other actions significantly affecting land use that, given their nature, do not involve a design approval.~~

~~(5) All building project approvals shall be generally in accordance with an applicable Long Range Development Plan. Adoption by the Regents is required for new and substantially~~

updated LRDPs. All LRDP amendments or actions having the practical effect of an LRDP amendment shall be approved at the following level:

~~—The Finance and Capital Strategies Committee shall consider for approval all LRDP amendments except those delegated in b. below;~~

~~—The President is authorized to approve minor LRDP amendments, provided that the amendment preserves the fundamental planning principles of the LRDP and is limited to:~~

~~——siting a building project of \$10,000,000 or less;~~

~~——shifting less than 30,000 gross square feet of allocated building space; and/or~~

~~——changing land use boundaries and designations for 4 acres or less of land.~~

~~(6) The President has the responsibility for the administration of the University's compliance with the California Environmental Quality Act. As provided by CEQA, the certification or adoption of environmental documents is undertaken at the level of the associated project approval. The modification of environmental documents, including mitigation measures, may occur at the same level as the original certification or adoption, provided that the President is authorized to modify an environmental document certified or adopted by the Regents so long as the modification does not result in new or increased significant impacts.~~

~~(7) Notwithstanding the foregoing, the approval of the Finance and Capital Strategies Committee, or in appropriate circumstances the Regents, may be required for any project or other action addressed by this policy when, in the judgment of the President, an action merits review and approval by the Regents because of budget matters, fundraising activities, environmental impacts, community concerns, or other reasons.~~