

The Regents of the University of California

**COMMITTEE ON GROUNDS AND BUILDINGS**

September 15, 2015

The Committee on Grounds and Buildings met on the above date at the Student Center, Irvine Campus.

Members present: Regents Davis, Makarechian, Oved, Ruiz, Sherman, and Zettel; Ex officio member Lozano; Advisory member Schroeder; Staff Advisor Richmond

In attendance: Regents-designate Brody and Ramirez, Secretary and Chief of Staff Shaw, General Counsel Robinson, Executive Vice President and Chief Financial Officer Brostrom, Vice President Sakaki, Chancellors Blumenthal, Hawgood, Katehi, and Wilcox, and Recording Secretary McCarthy

The meeting convened at 3:00 p.m. with Committee Chair Makarechian presiding.

1. **PUBLIC COMMENT**

There were no speakers wishing to address the Committee.

2. **APPROVAL OF MINUTES OF PREVIOUS MEETING**

Upon motion duly made and seconded, the minutes of the meeting of July 21, 2015 were approved.

Executive Vice President and Chief Financial Officer Brostrom commented that during the presentation on UCSF's capital strategy at the July 21, 2015 meeting, in response to a question, he had said that three of UCSF's projects would be financed on the medical center lien. In fact, the three projects would be financed on the general revenue lien and one, the Precision Cancer Medicine Building, would not involve external financing.

3. **APPROVAL OF PRELIMINARY PLANS FUNDING, PRECISION CANCER MEDICINE BUILDING AT MISSION BAY, SAN FRANCISCO CAMPUS**

The President of the University recommended that the 2015-16 Budget for Capital Improvements and the Capital Improvement Program be amended to include the following project:

San Francisco: UCSF Precision Cancer Medicine Building at Mission Bay – preliminary plans – \$16.6 million to be funded from campus funds.

[Background material was provided to Regents in advance of the meeting, and a copy is on file in the Office of the Secretary and Chief of Staff.]

Executive Vice President and Chief Financial Officer Brostrom commented that the projects in this item and the one following had been discussed at the July meeting. This item requested approval of preliminary plans funding of \$16.6 million from campus funds for UCSF’s Precision Cancer Medicine Building at Mission Bay. The 170,000-gross-square-foot building would house facilities for cancer outpatient care, including cancer specialty clinics, an infusion center, and radiation oncology therapy. The proposed project was included as the Cancer Outpatient Building in the UCSF Medical Center at Mission Bay’s 2008 Environmental Impact Report along with the four other buildings that comprise Phase 1 of the Medical Center at Mission Bay. The Precision Cancer Medicine Building would complete Phase 1. The key driver for this project is the increasing demand for cancer services and the Precision Cancer Medicine Initiative that would redefine clinical care and research for patients diagnosed with cancer and those at high risk for developing cancer. Crucial to the success of that Initiative would be the ability to attract a diverse population of patients who seek access to clinical trials and the latest advances in care from the leading providers. The total project budget was estimated to be \$250 million funded through gifts, hospital reserves, and an equity contribution by the campus. It is anticipated that no external funding would be used for the project.

Upon motion duly made and seconded, the Committee approved the President’s recommendation and voted to present it to the Board.

4. **APPROVAL OF PRELIMINARY PLANS FUNDING, MISSION BAY EAST CAMPUS PHASE 1 (BLOCK 33) BUILDING, SAN FRANCISCO CAMPUS**

The President of the University recommended that the 2015-16 Budget for Capital Improvements and the Capital Improvement Program be amended to include the following project:

San Francisco: UCSF Mission Bay East Campus Phase 1 Building (Block 33) – preliminary plans – \$11 million to be funded from campus funds.

[Background material was provided to Regents in advance of the meeting, and a copy is on file in the Office of the Secretary and Chief of Staff.]

Executive Vice President and Chief Financial Officer Brostrom introduced this item involving construction of a 340,000-gross-square-foot building on UCSF’s Mission Bay East Campus Block 33 site. This building would provide academic and administrative office space, clinical space, and other necessary support spaces for various dry research, clinical, and administrative units. These units and functions were currently distributed at multiple UCSF sites including Parnassus Heights, the Laurel Heights site currently being vacated, the Mission Bay campus, the Mission Center Building, and leased spaces throughout San Francisco. The preliminary estimate for the project, including the cost of building construction, site improvements, infrastructure, and financing, is \$237 million to be funded from campus funds, external financing, medical center funds, and gift funds. If external financing were needed, it would be issued under the general revenue credit. The

Regents were being asked to approve preliminary plans funding in the amount of \$11 million from campus funds.

Upon motion duly made and seconded, the Committee approved the President's recommendation and voted to present it to the Board.

**5. OVERVIEW OF CAPITAL STRATEGY, RIVERSIDE CAMPUS**

[Background material was provided to Regents in advance of the meeting, and a copy is on file in the Office of the Secretary and Chief of Staff.]

Committee Chair Makarechian introduced the discussion of the overview of UC Riverside's capital strategy. Associate Vice President Sandra Kim commented that the Riverside campus was actively engaged in transforming the campus to be a national model for high academic achievement, student access, and optimal administrative effectiveness. Over time, the campus would propose several projects to improve the quality of learning and research, and address space deficiencies associated with enrollment growth.

Chancellor Wilcox expressed appreciation for the opportunity to discuss broad planning efforts at UC Riverside to fulfill its aspirations through strategic investment in people, programs, and world-class facilities. In September 2010, UCR's new strategic plan, which continued to guide the campus' work, was presented to the Regents. In addition, UCR's Long Range Development Plan called for Riverside to increase enrollment to 25,000 students by 2020. The campus has the ambitious goal of using cluster hires aligned with strategic planning to increase faculty and improve faculty diversity. The campus was evaluating interdependent campus processes and structures, with the goal of becoming better and more innovative in its classrooms and laboratories, physical plant, budgeting, performance evaluation, and research administration.

A key element of UC Riverside's planning was to increase the size of its faculty to better serve its students and society, and to enhance its national and international research stature. UCR currently had one of the highest student/faculty ratios in the UC system, at 29:1, compared with the UC systemwide average of 23:1. Over the past several years, UCR's student population had increased, but its faculty population had not. Adding 300 new faculty would lower the student faculty ratio to the UC average, while enhancing the learning environment for UCR students.

The prior year, *Time* magazine proposed a set of university measures based on graduation rates, accessibility, and affordability. When those measures were equally weighted, UC Riverside ranked first in the nation. In 2015 *Washington Monthly* ranked UC Riverside second in the nation in university rankings based on social mobility, research, and service. The *CWTS Leiden Ranking*, measuring scientific and research impact on a per capita basis, ranked UC Riverside 17th in the world in physical science and engineering research and 44th overall in scientific impact. UCR ranks 26th in the world in papers published per capita in the journals *Nature* and *Science*. These rankings on a per capita

basis demonstrate UCR's excellence. However, the campus' overall rankings were lower, because of its relatively small size.

If UCR added 300 faculty without adding research space, the campus would be 36 percent below UC's systemwide average of 1,140 assignable square feet (asf) of research space per faculty member. Its proposed development plans would result in 1,030 asf of research space per faculty member. The campus would use a multi-pronged strategy to reach its goal. First, improved utilization of existing campus space would contribute one-third of the campus' projected need. Another ten percent would come from renovation of existing laboratories and 13 percent from off-site leases, primarily by moving administrative personnel to leased off-site space, freeing up core campus space for research and instruction. The Multidisciplinary Research Building would provide 17 percent of needed space, to be followed by another similar building in the next few years. Lastly, an Engineering Building Number Three would provide ten percent of the need.

Chancellor Wilcox displayed a campus map, highlighting the campus' academic core, which has many buildings more than 40 years old. The campus planned to renovate four of its older research buildings, build out more shelled space in the relatively new School of Medicine Research Building, and construct three new research buildings. Other parts of UCR's long-term capital strategy include a new student health center, new professional schools, and updates to its student housing. This strategy would result in the physical infrastructure UC Riverside needs to accomplish its path to preeminence as a model for the new American university.

Regent Davis expressed appreciation for Chancellor Wilcox's comments about criteria for college rankings.

Regent Ruiz complimented Chancellor Wilcox on the tremendous progress at UC Riverside in recent years and its aspirations.

Committee Chair Makarechian asked about the graph Chancellor Wilcox had shown of UC campuses' asf of research space per faculty member. He asked if UC San Diego's 1,800 asf per faculty member indicated that UC San Diego was wasting space. Chancellor Wilcox responded that data sometimes did not represent various campuses accurately. In this instance, UC San Diego's research space included its medical center, while UC Riverside's research square footage did not include its agricultural land.

Committee Chair Makarechian asked about UC Riverside's ideal student housing ratio. Chancellor Wilcox responded that currently UC Riverside housed about one-third of its undergraduate students on campus. Since all national studies agree that students do better when they live on campus, especially during their first and second years, UC Riverside would like to house more students on campus, but had not set a specific goal yet.

Committee Chair Makarechian asked about campus plans to rationalize its information technology (IT). Chancellor Wilcox said that UCR student enrollment had increased very

quickly, but many of its internal processes had not increased commensurately. The campus planned to move toward more distributed IT support in its research centers, institutes, and colleges.

Regent Zettel asked if the campus planned to renovate existing student housing or build additional housing. Chancellor Wilcox said the campus' northernmost student housing, originally a wartime housing development, would be demolished and the space used to build new housing. Some of the other current student housing consisted of apartment buildings developed privately and purchased by the University. Those buildings were approaching the end of their life cycles as well. The campus was considering replacing these low-density buildings with higher density towers, opening up vistas and green space for student playing fields.

Chairman Lozano complimented Chancellor Wilcox for the comprehensive vision presented for UC Riverside and asked about UC Riverside's long-term capital plan. Chancellor Wilcox responded that the campus had a long-range master plan that it had fulfilled in some aspects. Research space was the campus' biggest current need. In the future, the campus would focus on campus life facilities such as housing and dining. The future residence halls would be funded through student room and board payments, and the new student health center would be funded primarily through a student fee. The campus would seek public-private partnerships for the other life amenities in the student housing part of campus. Committee Chair Makarechian suggested that the campus present its overall capital plans for student life facilities to the Regents at a future meeting. Vice Chancellor Maria Anguiano added that the campus was currently developing its master plan study, which would include amenities, environmental concerns, sustainability, and transportation. That report should be completed in December. Mr. Brostrom said the University has a 10-year systemwide capital plan, but expressed his belief that presentations by the individual campuses were more informative. Chancellor Wilcox mentioned that proceeds from Century Bonds have been a boon for the campus.

Regent-designate Ramirez commented that UCR student life was very vibrant. She supported increasing the number of faculty, which would lead to an increase in the number of graduate students.

**6. APPROVAL OF PRELIMINARY PLANS FUNDING, MULTIDISCIPLINARY RESEARCH BUILDING 1, RIVERSIDE CAMPUS**

The President of the University recommended that the 2015-16 Budget for Capital Improvements be amended to include the following project:

Riverside: Multidisciplinary Research Building 1 – preliminary plans – \$6.89 million to be funded from campus funds.

Chancellor Wilcox observed that UC Riverside had long been engaged in multidisciplinary research, and experienced a ten percent increase in federal research

funding in each of the last three years. However, the campus lacked the facilities to fulfill its future research plans. Only three of the campus' present research buildings had open laboratory designs. As the campus adds 300 new faculty, the lack of research space would become more critical. The Multidisciplinary Research Building 1 (MRB1) would be a key element in achieving campus goals. To gain cost efficiencies and build on past UC success, the MRB1 was modeled on UC San Diego's Biomedical Research Facility. The building would contain research neighborhoods, allowing scholars from various disciplines to interact in a dynamic environment. The MRB1 would be constructed to the highest feasible LEED standard. The building would be constructed on the north side of UC Riverside's academic core, on a site with existing underground utilities, bringing strong multidisciplinary focus to that part of campus. The building would support 50 faculty members or principal investigators along with research teams of six to eight people, in total as many as 400 researchers, working in clusters on research areas identified in UCR's strategic plan, including human health, material science, genomics, energy, and environment. Faculty who occupy the building would be expected to maintain a minimum level of external funding and contribute meaningfully to the campus' multidisciplinary research efforts.

Key design elements of MRB1 include laboratories that could support either wet or dry laboratory research, projected to be 80 percent wet and 20 percent dry, or computational, research space. Open bay laboratory design would allow nimble reassignment of laboratories and reallocation of space based on grant activity and programmatic needs. All laboratory space in MRB1 would be built to Biosafety Level 2 criteria, allowing flexibility. The campus determined that a design-build delivery model would be most effective. Chancellor Wilcox displayed a graph showing MRB1's cost per gross square foot (gsf) compared with other similar projects. The MRB1 projected cost of \$750 to \$850 per gsf would be below the average for wet laboratory facilities. Components of the wet laboratories, such as specialized air handling systems, environmental controls, laboratory plumbing, vivarium, fume hoods, and vibration control would increase the cost per gsf compared with an office building. The project's construction budget would be \$112 million and the total budget would be \$150 million. Chancellor Wilcox displayed a graph showing the ratio of assignable square feet to gsf, or the proportion of the building that would be utilized. The campus targeted a ratio of 0.6; the actual figure would not be known until design was complete. Chancellor Wilcox discussed the project's debt service and financial assumptions, affirming that UCR could afford the project. The project would be financed entirely by indirect cost recovery associated with grants, projected to increase by seven to eight percent per year. The campus anticipated completion of the project in the fall of 2018, aligning with the campus' expansion plans.

Regent Zettel asked how much savings had been achieved by adopting plans for a building that had been successful at UC San Diego. Chancellor Wilcox said the chief savings would be in time saved through efficiency of planning.

Upon motion duly made and seconded, the Committee approved the President's recommendation and voted to present it to the Board.

**7. APPROVAL OF THE BUDGET AND APPROVAL OF EXTERNAL FINANCING, NORTH ADDITION OFFICE BUILDING, UC DAVIS HEALTH SYSTEM, SACRAMENTO, DAVIS CAMPUS**

The President of the University recommended that:

- A. The 2015-16 Budget for Capital Improvements and the Capital Improvement Program be amended as follows:

From: UC Davis Health System (Sacramento): North Addition Office Building – preliminary plans – \$3.71 million – to be funded from Hospital Reserves.

To: UC Davis Health System (Sacramento): North Addition Office Building – preliminary plans, working drawings, construction, and equipment – \$87.5 million – to be funded from external financing.

- B. The President be authorized to obtain external financing not to exceed \$87.5 million to finance the North Addition Office Building project. 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 debt is outstanding, the gross revenues of the UC Davis Health System 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.

- C. The scope of the North Addition Office Building project shall include the construction of approximately 130,000 gross square feet of office and conference space, and site utilities.

- D. The President, in consultation with the General Counsel, be authorized to execute all documents necessary in connection with the above and to make changes in the terms that do not materially increase the cost of the project or the obligations of The Regents.

[Background material was provided to Regents in advance of the meeting, and a copy is on file in the Office of the Secretary and Chief of Staff.]

Associate Vice President Sandra Kim explained that the proposed 130,000-gross-square-foot North Addition Office Building at the UC Davis Health System (UCDHS) Sacramento campus would provide space to relocate critical hospital administrative units from two seismically deficient structures: the North/South Wing of the Main Hospital and

the nearby Housestaff Facility. The new facility would be located by the Main Hospital and linked by a single-story passage to an existing corridor in the Davis Tower. This project is one of a series of projects that the UCDHS must complete to address seismic safety mandates required by State law under Senate Bill 1953. The North/South Wing needed to be upgraded to resist a major seismic event, or vacated and disconnected from the adjoining Main Hospital by 2020. The UCDHS would vacate and disconnect the North/South Wing from the adjoining Main Hospital complex prior to 2020. The Regents were being asked to approve the project budget of \$87.5 million to be funded from external financing against the medical center lien and to approve external financing of the \$87.5 million. The UCDHS was also requesting that the \$3.71 million funded from hospital reserves as part of the project's preliminary plans funding approved by the Regents in January 2015 be included in the external financing.

Chancellor Katehi confirmed the importance of the new addition to the Main Hospital to address a major seismic need. In the past 20 years, the hospital had grown from being the county hospital to one of the best-known health systems in California and the nation. This project was being undertaken to resolve seismic needs and also to increase the effectiveness of the Hospital, which had an occupancy rate of over 90 percent for the past year.

UCDHS Manager of Facilities Design and Construction Director Joel Swift commented that this project was a part of UCDHS' long-range planning to meet seismic needs. The North/South Wing, built in 1928 as the original portion of the Main Hospital, had been scheduled to be replaced by 2008; extensions were obtained to January 1, 2020 when it must be replaced in order to retain the hospital's license. Clinical functions had been addressed by other projects. The North Addition would provide space for non-clinical office functions critical to the operation of the Hospital. An aggressive schedule would be needed to complete the project prior to 2020. Mr. Swift provided information about movement of staff from the North/South Wing and the Housestaff Facility. In the longer term, UCDHS would develop an East Wing replacement, as provided for in the 2010 Long Range Development Plan. Capacity exists to add yet another tower in the more distant future. A design-build delivery method would be employed for the North Addition.

Regent Zettel congratulated the UCDHS on its plans to comply with seismic requirements. She noted that the Medical Center was in a densely populated neighborhood and asked about cooperation with the community, particularly during demolition and construction. Mr. Swift responded that the UCDHS was working closely with the local community, meeting about four times a year. The UCDHS shares the community's concerns about demolition of the North/South Wing, since it is adjacent to the Main Hospital, which would remain in operation.

Committee Chair Makarechian asked if any philanthropy would support this project. Mr. Swift responded that fundraising efforts had been directed to other UCDHS projects. UCDHS Chief Financial Officer Timothy Maurice added that since this project would provide office space rather than clinical space it was not targeted for fundraising.



A number of other UCDHS projects were considered better opportunities for fundraising, such as UCDHS’ children’s hospital within its Main Hospital and oncology services.

Regent Davis expressed support for the project, which would replace seismically deficient, older buildings.

Regent Sherman asked if the planned building would provide sufficient square footage. Mr. Swift responded that the project was within the campus budget and would provide space for office staff who needed to be adjacent to the Main Hospital. Other staff would be moved to less expensive space farther away.

Committee Chair Makarechian asked why the UCDHS unfunded pension expense was included in the project’s financial feasibility analysis. Executive Vice President and Chief Financial Officer Brostrom responded that the Governmental Accounting Standards Board (GASB) required expensing the UC Retirement Plan’s unfunded liability for the University and it could be included in separate projects’ financial analyses. Chancellor Katehi explained that those figures were included intentionally to increase awareness of the cost of UCRP’s unfunded liability to the campuses, to give a realistic view of costs that have to be contributed by all campus units including the health system. Mr. Maurice said that the campus identified the GASB adjustment specifically as an issue of volatility, since actuarial estimates could change from year to year, making campus forecasting difficult. However, he assured the Regents that, even if the GASB adjustment were volatile, it would not affect cash flow for payment of debt service.

Committee Chair Makarechian commented that, if approved, this project would be without an automatic 25 percent budget augmentation. The project already contained a four percent contingency.

Upon motion duly made and seconded, the Committee approved the President’s recommendation and voted to present it to the Board.

**8. APPROVAL OF DESIGN FOLLOWING ACTION PURSUANT TO CALIFORNIA ENVIRONMENTAL QUALITY ACT, GRADUATE AND PROFESSIONAL STUDENT HOUSING – EAST CAMPUS, SAN DIEGO CAMPUS**

The President of the University recommended that, following review and consideration of the environmental consequences of the proposed Graduate and Professional Student Housing – East Campus project, as required by the California Environmental Quality Act, 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:

- A. Adopt the Mitigated Negative Declaration.
- B. Adopt the Mitigation Monitoring and Reporting Program and Findings.
- C. Approve the design for the Graduate and Professional Student Housing – East Campus project, San Diego.

[The Mitigated Negative Declaration Summary, California Environmental Quality Act findings, the Mitigated Negative Declaration, and the Long Range Development Plan Environmental Impact Report were provided to Regents in advance of the meeting, and a copy is on file in the Office of the Secretary and Chief of Staff.]

Associate Vice President Deborah Wylie introduced the item. The proposed Graduate and Professional Student Housing – East Campus project would include construction of five new residential buildings that would provide approximately 442,000 assignable square feet of housing. In November 2014, the Regents approved preliminary plans funding of \$4.8 million from housing auxiliary reserves. In May 2015, the Regents approved the project budget of \$208,584,000 to be funded by external financing and housing auxiliary reserves. The proposed action was to adopt the Mitigated Negative Declaration, the Mitigation Monitoring, and Reporting Program and Findings, and to approve the design.

Regent Zettel noted San Diego community concern about the aesthetics of buildings at UC San Diego. She expressed her view that, from the drawings, the aesthetics of the proposed building could be improved. Assistant Vice Chancellor and Campus Architect Joel King responded that the drawings did not accurately convey the buildings' colors. Regent Zettel expressed her view that the complex appeared institutional. She asked about the concrete boxes projecting from the side of the buildings. Mr. King said they were exterior patios for a few gathering spaces, and would provide articulation in the building form. Regent Zettel encouraged the campus to consider making construction projects more attractive. Regent Ruiz suggested that changing the red accent color might help.

Regent-designate Brody asked about employment of workers from underrepresented groups on campus construction projects. Mr. King commented that UC San Diego has an outreach program through which it hosts on-campus events twice a year to work with contractors on how to do business with UC San Diego. The mix of contractors on UC San Diego building projects should be the same as in the surrounding community. The campus continually strives to meet this goal.

Vice Chancellor Gary Matthews added that in addition to the capital program, a great deal of renovation was occurring at UC San Diego. The campus conducts outreach to contractors in underrepresented communities, whose numbers working on UC San Diego projects had grown steadily over the past several years. Executive Vice President and Chief Financial Officer Brostrom confirmed that similar programs exist throughout the UC system.

Upon motion duly made and seconded, the Committee approved the President's recommendation.

9. **REPORT ON IMPLEMENTATION OF THE 2005-2020 LONG RANGE DEVELOPMENT PLAN, SANTA CRUZ CAMPUS**

[Background material was provided to Regents in advance of the meeting, and a copy is on file in the Office of the Secretary and Chief of Staff.]

Executive Vice President and Chief Financial Officer Brostrom introduced this five-year update required by the Regents on the status of implementation of UC Santa Cruz's Long Range Development Plan (LRDP). The update would provide information on the status of campus enrollment, academic programs, and physical development in the context of the 2005-2020 LRDP. This would be the campus' third update to the Regents and Mr. Brostrom would propose that future updates be through written reports.

Regent Oved asked about development of on-campus student housing at UC Santa Cruz. He noted that students' housing insecurity and homelessness was an increasing issue systemwide, and was a problem at UC Santa Cruz. Regent Oved expressed concern that, given UC Santa Cruz's projected enrollment growth from its current 16,300 to 19,500 by 2020, there was no mention in the current update of the development of additional on-campus student housing. Chancellor Blumenthal responded that the LRDP enrollment projections were only planning targets or upper limits rather than a commitment to enroll that number of students. The LRDP and the Comprehensive Settlement Agreement UC Santa Cruz subsequently reached with its surrounding community committed UC Santa Cruz to housing two-thirds of additional students. The campus had been in compliance with that requirement since 2006 and has future plans to build housing and replace some existing housing. Regent Oved asked about the campus' current student housing capacity in relation to its student population. Chancellor Blumenthal responded that the campus currently housed approximately 50 percent of its student population. Regent Oved asked if the campus kept data about the number of students who requested but did not receive housing, and what accommodations were made for those students. He expressed hope that on-campus housing would be priced below market, which he characterized as currently soaring in Santa Cruz.

Provost Alison Galloway commented that at the beginning of each academic year UC Santa Cruz usually had extra space in its student housing to accommodate a few more students on campus. Many students choose to live off campus, but the cost of housing in the community was becoming astronomical. The campus used its emergency funding to assist students. Chancellor Blumenthal observed that virtually all incoming freshmen live on campus. The campus guarantees no increase in housing cost for students who choose to stay on campus for their second year. Most students choose to move off campus by their third year. Regent Oved asked if pricing for Ph.D. students' housing was in relation to their income rather than market value. Ms. Galloway answered in the negative, commenting that the campus was currently trying to cover the debt services on its housing. Certain programs within the campus' family student housing allow students to

stay in those facilities at a reduced rate if they continue their residency. Committee Chair Makarechian asked that Regent Oved be provided with a ratio of the price of on-campus housing to off-campus housing. UC has the advantage of owning land on which it could develop student housing. Students could have difficulty finding off-campus housing as a result of limited supply or high cost. It would be important for UC campuses to focus on reducing the cost of on-campus housing. Chancellor Blumenthal added that six or seven years prior, UC Santa Cruz had the highest cost for on-campus housing among UC's undergraduate campuses. Currently, the campus' housing cost was third and it was trying to reduce housing costs further. UC Santa Cruz is in a relatively small city, which contributes to the volatility of off-campus housing costs. Committee Chair Makarechian commented that UC Santa Cruz would appear to have land on which it could develop more student housing. He agreed with Regent Oved as to the importance of planning to develop student housing. UC Santa Barbara currently offered student housing at prices 45 percent lower than private housing adjacent to campus.

Mr. Brostrom noted that UC Santa Cruz had been working with him and Associate Vice President Sandra Kim regarding the possibility of using a private-public partnership to develop student housing on off-campus land in Santa Cruz owned by UC. That land could be developed without the issues of infrastructure and water presented by developing more on-campus housing.

Regent Oved commented that students could not receive a high-quality education if their most basic needs were not being met. Homelessness is a problem for a surprising number of UC students.

Committee Chair Makarechian requested ongoing data from each campus aggregated into one table regarding the ratio of the number of students living on campus to the number living off campus, and the ratio of rental rates on campus to off campus rates, with the goal of decreasing on-campus housing costs and increasing the number of beds. This data could be reviewed annually by the Committee on Grounds and Buildings. Mr. Brostrom agreed that student housing was a challenge at all UC campuses. Committee Chair Makarechian pointed out that developing student housing is profitable for UC campuses.

Regent Ruiz referred to Mr. Brostrom's earlier comment that future updates on UC Santa Cruz's LRDP would be through written reports rather than presentations to the Regents. He expressed his view that presentations to the Committee were much more valuable than written reports. He commented that UC Santa Cruz enrollment had increased from 4,500 in 2006, but had increased only 700 in the past year and had decreased in some years, even though demand for a UC education is so great. Regent Ruiz asked Chancellor Blumenthal what obstacles the campus faced to increasing enrollment. Chancellor Blumenthal reiterated that the LRDP enrollment target was not the same as an enrollment plan. Actual campus enrollment is determined not by the LRDP, but rather by the budget and whether funding was available from the State to support additional students. The campus must have the classrooms and laboratories necessary to teach additional students. Mr. Brostrom agreed with Regent Ruiz that it was important for each campus to deliver its strategic academic plans and long-range capital plans in a comprehensive and

thoughtful manner. The ministerial requirement that UC Santa Cruz provide an update on the status of implementation of its LRDP was added in 2005. He added that UC Santa Cruz had grown by 2,000 students at a time when UC's budget was cut \$1 billion by the State, a remarkable accomplishment. State funding had returned, but not nearly to the extent necessary, still at a lower level than in 2007-08. Regent Ruiz commented that these reports were valuable in helping the Regents advocate for the support the campuses need.

The meeting adjourned at 4:30 p.m.

Attest:

Secretary and Chief of Staff