

**FINANCE AND CAPITAL STRATEGIES COMMITTEE**

January 25, 2018

TO THE REGENTS OF THE UNIVERSITY OF CALIFORNIA

1. **APPROVAL OF AMENDMENT #6 TO THE UCLA 2002 LONG RANGE DEVELOPMENT PLAN FOR ADDITIONAL ON-CAMPUS STUDENT HOUSING FOLLOWING ACTION PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT, LOS ANGELES CAMPUS**

The Committee recommends that, following review and consideration of the environmental consequences of the proposed Amendment #6 to the UCLA 2002 Long Range Development Plan (LRDP), 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 Regents:

- A. *Certify the UCLA Long Range Development Plan Amendment (2017) and Student Housing Projects Subsequent Environmental Impact Report.*
- B. Adopt the CEQA Findings, Statement of Overriding Considerations, and Mitigation Monitoring and Reporting Plan.
- C. Approve Amendment #6 to the UCLA 2002 LRDP to add 1.5 million gross square feet to the campus development allocation.

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

Board vote: Regents Anguiano, De La Peña, Elliott, Guber, Kieffer, Lansing, Lemus, Makarechian, Mancina, Monge, Napolitano, Ortiz Oakley, Park, Pérez, Tauscher, Varner, and Zettel voting “aye.”

2. **APPROVAL OF BUDGET, EXTERNAL FINANCING, AND DESIGN FOLLOWING ACTION PURSUANT TO CALIFORNIA ENVIRONMENTAL QUALITY ACT, LOT 15 RESIDENCE HALL, LOS ANGELES CAMPUS**

The Committee recommends that:

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

From: Los Angeles: Lot 15 Residence Hall – preliminary plans – \$3 million to be funded from housing reserves.

- To: Los Angeles: Lot 15 Residence Hall – preliminary plans, working drawings, construction, and equipment – \$237,449,000 to be funded from external financing (\$193,449,000) and housing reserves (\$44 million).
- B. The Lot 15 Residence Hall project shall construct approximately 343,600 gross square feet (gsf) of housing space, supplying approximately 1,781 beds, related commons space, and site improvements. The scope includes demolition of Ornamental Horticultural Buildings J and M, totaling approximately 12,000 gsf, to create the site for the proposed residential facility.
- C. The President of the University be authorized to obtain external financing not to exceed \$193,449,000, 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 Los Angeles 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 previously certified *LRDP Amendment (2017) and Student Housing Projects Subsequent Environmental Impact Report* of which the proposed Lot 15 Residence Hall project is a part, 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 Regents:
- (1) Determine that no further environmental analysis pursuant to the California Environmental Quality Act is required and re-adopt and affirm the Findings for the UCLA LRDP Amendment (2017) and Student Housing Projects.
  - (2) Approve the design of the Lot 15 Residence Hall project, Los Angeles campus.
- E. The President, or designee, be authorized, in consultation with the General Counsel, to execute all documents necessary or appropriate in connection with the above.

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

Board vote: Regents Anguiano, De La Peña, Elliott, Guber, Kieffer, Lansing, Lemus, Makarechian, Mancina, Monge, Napolitano, Ortiz Oakley, Park, Pérez, Tauscher, Varner, and Zettel voting “aye.”

3. **APPROVAL OF BUDGET, EXTERNAL FINANCING, AND DESIGN FOLLOWING ACTION PURSUANT TO CALIFORNIA ENVIRONMENTAL QUALITY ACT, 10995 LE CONTE APARTMENTS, LOS ANGELES CAMPUS**

The Committee recommends that:

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

From: Los Angeles: 10995 Le Conte Apartments – preliminary plans – \$3.1 million to be funded from housing reserves.

To: Los Angeles: 10995 Le Conte Apartments – preliminary plans, working drawings, construction, and equipment – \$209.64 million to be funded from external financing (\$156.64 million) and housing reserves (\$53 million).

- B. The 10995 Le Conte Apartments project shall construct approximately 301,900 gross square feet (gsf) of housing space, supplying approximately 1,159 beds, related commons space, and site improvements. The scope includes demolition of the University Extension Building, a 93,500-gsf seismically deficient structure, to create the site for the proposed residential facility.

- C. The President of the University be authorized to obtain external financing not to exceed \$156.64 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 Los Angeles 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 previously certified *LRDP Amendment (2017) and Student Housing Projects Subsequent Environmental Impact Report* of which the proposed 10995 Le Conte Apartments project is a part, 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 Regents:

- (1) Determine that no further environmental analysis pursuant to the California Environmental Quality Act is required and adopt and affirm the Findings for the UCLA LRDP Amendment (2017) and Student Housing Projects.
  - (2) Approve the design of the 10995 Le Conte Apartments project, Los Angeles Campus.
- E. The President, or designee, be authorized, in consultation with the General Counsel, to execute all documents necessary or appropriate in connection with the above.

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

Board vote: Regents Anguiano, De La Peña, Elliott, Guber, Kieffer, Lansing, Lemus, Makarechian, Mancina, Monge, Napolitano, Ortiz Oakley, Park, Pérez, Tauscher, Varner, and Zettel voting “aye.”

4. **APPROVAL OF BUDGET, EXTERNAL FINANCING, AND DESIGN FOLLOWING ACTION PURSUANT TO CALIFORNIA ENVIRONMENTAL QUALITY ACT, SOUTHWEST CAMPUS APARTMENTS, LOS ANGELES CAMPUS**

The Committee recommends that:

- A. The 2017-18 Budget for Capital Improvements and the Capital Improvement Program be amended as follows:
- From: Los Angeles: Southwest Campus Apartments – preliminary plans – \$4.3 million to be funded from housing reserves.
- To: Los Angeles: Southwest Campus Apartments – preliminary plans, working drawings, construction, and equipment – \$383.29 million to be funded from external financing (\$303.29 million) and housing reserves (\$80 million).
- B. The Southwest Campus Apartments project shall construct approximately 591,100 gross square feet (gsf) of housing space, supplying approximately 2,279 beds, related commons space, and site improvements. The scope includes demolition of Warren Hall (102,200 gsf) and a modular research building (7,200 gsf), to create the site for the proposed residential facility.

- C. The President of the University be authorized to obtain external financing not to exceed \$303.29 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 Los Angeles 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 previously certified *LRDP Amendment (2017) and Student Housing Projects Subsequent Environmental Impact Report* of which the proposed Southwest Campus Apartments Project is a part, 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 Regents:
- (1) Determine that no further environmental analysis pursuant to the California Environmental Quality Act is required and adopt and affirm the Findings for the UCLA LRDP Amendment (2017) and Student Housing Projects.
  - (2) Approve the design of the Southwest Campus Apartments project, Los Angeles campus.
- E. The President, or designee, be authorized, in consultation with the General Counsel, to execute all documents necessary or appropriate in connection with the above.

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

Board vote: Regents Anguiano, De La Peña, Elliott, Guber, Kieffer, Lansing, Lemus, Makarechian, Mancina, Monge, Napolitano, Ortiz Oakley, Park, Pérez, Tauscher, Varner, and Zettel voting “aye.”

5. **ADOPTION OF REGENTS POLICY ON A CENTRAL OPERATING RESERVE FOR THE UNIVERSITY OF CALIFORNIA OFFICE OF THE PRESIDENT AND DISCUSSION OF GUIDELINES GOVERNING THE CENTRAL OPERATING RESERVE**

The Committee recommends that the Regents adopt the Policy on a Central Operating Reserve for the University of California Office of the President, as shown in Attachment 1.

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

Board vote: Regents Anguiano, De La Peña, Elliott, Guber, Kieffer, Lansing, Lemus, Makarechian, Mancina, Monge, Napolitano, Ortiz Oakley, Park, Pérez, Tauscher, Varner, and Zettel voting “aye.”

## **Regents Policy on a Central Operating Reserve for the University of California Office of the President (UCOP)**

### **POLICY SUMMARY/BACKGROUND**

This policy was developed in response to the recommendation made by the California State Auditor in April 2017 that the Regents adopt a policy governing the size of the reserve funds of the University of California Office of the President and the purposes for which they can be used.

### **POLICY TEXT**

The Regents require that the University of California Office of the President (UCOP) maintain a Central Operating Reserve to support operations in the event of an unanticipated disruption in planned funding. The reserve funds may be used to cover ongoing budgeted expenses such as payroll and other operating expenses. The Central Operating Reserve shall not be used for other purposes. The President shall have the authority to establish and amend guidelines that specify the size and funding source(s) for the Central Operating Reserve. Access to reserves above the threshold stipulated in the Central Operating Reserve Guidelines shall require approval from a majority of the Chair of the Board, the Chair of the Finance and Capital Strategies Committee, and the Chair of the Compliance and Audit Committee.

### **COMPLIANCE/DELEGATION**

Transactions that result in the flow of funds out of the Central Operating Reserve must be approved by the President or his / her designate. The President will notify the Chair of the Board of Regents, the Chair of the Finance and Capital Strategies Committee, and the Chair of the Compliance and Audit Committee before funds are drawn.

### **PROCEDURES AND RELATED DOCUMENTS**

Presidential Guidelines Governing the UCOP Central Operating Reserve [Link to be included upon posting]

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.