

The Regents of the University of California

FINANCE AND CAPITAL STRATEGIES COMMITTEE

March 18, 2026

The Finance and Capital Strategies Committee met on the above date at the UCSF Mission Bay Conference Center, San Francisco campus.

Members present: Regents Chu, Cohen, Komoto, Kounalakis, Makarechian, and Robinson; Ex officio members Milliken and Reilly; Advisory members Craven and Scott; Chancellors Assanis, Hawgood, Khosla, Lyons, and Muñoz; Staff Advisor Hanson

In attendance: Regents Anguiano, Batchlor, Brooks, Hernandez, Park, and Wang, Regents-designate Melton and Tokita, Faculty Representative Palazoglu, Secretary and Chief of Staff Lyall, General Counsel Robinson, Chief Compliance and Audit Officer Bustamante, Provost Newman, Executive Vice President and Chief Financial Officer Brostrom, Executive Vice President and Chief Operating Officer Nava, Executive Vice President Rubin, Senior Vice President Turner, Vice Presidents Brown and Kao, Chancellors Frenk, Gillman, Hu, and Larive, and Recording Secretary Johns

The meeting convened at 1:15 p.m. with Committee Chair Cohen presiding.

1. APPROVAL OF MINUTES OF PREVIOUS MEETING

Upon motion duly made and seconded, the minutes the meeting of January 21, 2026 were approved, Regents Chu, Cohen, Komoto, Kounalakis, Makarechian, Milliken, Reilly, and Robinson voting “aye.”¹

2. CONSENT ITEM: BIG SHIFT PROJECT #2, DAVIS CAMPUS: AMENDMENT OF BUDGET, SCOPE, EXTERNAL FINANCING, LONG RANGE DEVELOPMENT PLAN AMENDMENT #3, AND DESIGN FOLLOWING CONSIDERATION OF AN ADDENDUM TO THE UC DAVIS CAMPUS 2018 LONG RANGE DEVELOPMENT PLAN ENVIRONMENTAL IMPACT REPORT PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT

The President of the University recommended that:

A. The 2025–26 Budget for Capital Improvements and the Capital Improvement Program be amended as follows:

From: Davis: Big Shift #2/a/b – preliminary plans, working drawings, and

¹ Roll call vote required by the Bagley-Keene Open Meeting Act [Government Code §11123(b)(1)(D)] for all meetings held by teleconference.

construction – \$69,958,000 to be funded from external financing.

To: Davis: Big Shift #2/a/b/c – preliminary plans, working drawings, and construction – \$124.99 million to be funded from external financing.

- B. The scope of Big Shift #2/a/b be amended to include #2/c via the construction of heat recovery chillers, advanced pumping systems, and hot-water Thermal Energy Storage tank.
- C. The President be authorized to obtain additional external financing of \$55,032,000 in a total amount not to exceed \$124.99 million plus additional related financing costs to finance Big Shift #2/a/b/c and declare that external financing may be used to reimburse prior expenses. The President shall require that:
- (1) Interest only, based on the amount drawn, shall be paid on the outstanding balance during the construction period.
 - (2) As long as the debt is outstanding, the general revenues of the 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.
 - (4) Any reimbursements will meet all requirements set forth in Treasury Regulations Section 1.150-2.
- D. Following review and consideration of the environmental consequences of the Big Shift #2/c project, as required by the California Environmental Quality Act (CEQA), including any written information addressing this item received by the Office of the Secretary and Chief of Staff to the Regents no less than 48 hours in advance of the beginning of the Regents meeting, testimony or written materials presented to the Regents during the scheduled public comment period, and the item presentation, the Regents:
- (1) Adopt the CEQA Findings for the Big Shift #2/c project, having considered the 2018 Long Range Development Plan (LRDP) Environmental Impact Report (EIR) for the Davis Campus and the September 2023 Addendum.
 - (2) Make a condition of approval the implementation of applicable mitigation measures within the responsibility and jurisdiction of UC Davis as identified in the Mitigation Monitoring and Reporting Program adopted in connection with the 2018 LRDP EIR.
- E. Long Range Development Plan Amendment #3 to redesignate 0.71 acres of Academic and Administrative land use to Campus Utilities land use be approved.

- F. The design of the Big Shift Phase #2/c, Davis campus be approved.

[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 Cohen briefly introduced the item.

Upon motion duly made and seconded, the Committee approved the President's recommendation and voted to present it to the Board, Regents Chu, Cohen, Komoto, Kounalakis, Makarechian, Milliken, Reilly, and Robinson voting "aye."

3. **5210 PACIFIC CONCOURSE DRIVE TENANT IMPROVEMENTS, UCLA HEALTH, LOS ANGELES CAMPUS: BUDGET, SCOPE, EXTERNAL FINANCING, AND DESIGN FOLLOWING ADOPTION OF A MITIGATED NEGATIVE DECLARATION PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT**

The President of the University recommended that:

- A. The 2025–26 Budget for Capital Improvements and the Capital Improvement Program be amended as follows:

From: Los Angeles: 5210 Pacific Concourse Drive Tenant Improvements – preliminary plans – \$6.5 million from hospital reserves.

To: Los Angeles: 5210 Pacific Concourse Drive Tenant Improvements – preliminary plans, working drawings, construction, and equipment – \$298.2 million funded from external financing supported by revenues of the UCLA Hospital System (\$293.2 million) and grant funds (\$5 million).

- B. The scope of the 5210 Pacific Concourse Drive Tenant Improvements project be approved. The project shall renovate and reconfigure an approximately 170,000-gross-square-foot, two-story life sciences building to establish a Sports Medicine Institute, relocate the off-campus UCLA Clinical Microbiology Laboratory, and create a community fill pharmacy and a specialty pharmacy.
- C. The President be authorized to obtain external financing in an amount not to exceed \$293.2 million, plus additional related financing costs to finance the 5210 Pacific Concourse Drive Tenant Improvements project and declare that external financing may be used to reimburse prior expenditures. The President shall require that:
- (1) Interest only, based on the amount drawn, shall be paid on the outstanding balance during the construction period.

- (2) As long as the debt is outstanding, the general revenues of UCLA Health shall be maintained in amounts sufficient to pay the debt service and to meet the related requirements of the authorized financing.
 - (3) The general credit of the Regents shall not be pledged.
 - (4) Any reimbursements will meet all requirements set forth in Treasury Regulations Section 1.150-2.
- D. Following review and consideration of the environmental consequences of the 5210 Pacific Concourse Drive Tenant Improvements project, as required by the California Environmental Quality Act (CEQA), including any written information addressing this item received by the Office of the Secretary and Chief of Staff to the Regents no less than 48 hours in advance of the beginning of this Regents meeting, testimony or written materials presented to the Regents during the scheduled public comment period, and the item presentation, the Regents:
- (1) Adopt the Mitigated Negative Declaration for the 5210 Pacific Concourse Drive Tenant Improvements project.
 - (2) Adopt the Mitigation Monitoring and Reporting Program prepared for the 5210 Pacific Concourse Drive Tenant Improvements project and make as a condition of approval the implementation of all applicable programs, practices, and procedures as well as mitigation measures identified therein that are within the responsibility and jurisdiction of UCLA.
 - (3) Adopt the CEQA Findings for the 5210 Pacific Concourse Drive Tenant Improvements project.
- E. The design of the 5210 Pacific Concourse Drive Tenant Improvements project, UCLA Health be approved.

[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.]

UCLA Associate Vice Chancellor for Design and Construction for Capital Programs and Campus Architect Peter Hendrickson introduced this item for the 5210 Pacific Concourse Drive Tenant Improvements project. In October 2024, UCLA Health acquired an approximately 170,000-gross-square-foot, two-story life sciences building on a 9.2-acre campus with 621 surface parking spaces near the Los Angeles International Airport and the 405 and 105 Freeway interchange in order to address the need to relocate an existing microbiology clinical laboratory program that was in a seismically deficient space. The building was built in 2002, with floor plates of approximately 80,000 gross square feet, 15-foot ceilings, two passenger elevators, and a freight elevator. The building was currently vacant, and approximately 40 percent was laboratory space. Renovations completed in 2020 included the creation of a two-story lobby, cafe, and small outdoor amenity space.

The proposed project would renovate and reconfigure most of the building's interior spaces, upgrade the building systems to support the new program of an ambulatory surgery center with operating rooms, physical therapy, the UCLA Clinical Microbiology Laboratory, a community fill pharmacy and specialty pharmacy, and additional support spaces. The project would address compliance with the Americans with Disabilities Act and improve safety and security. Minor seismic improvements, roof strengthening, and modifications to the existing parking and landscaping were also included. The construction cost for the project was about \$155 million, or \$913 per gross square foot. The project would achieve a minimum Leadership in Energy and Environmental Design (LEED) certification of Silver and strive to achieve Gold certification and use the "construction manager at risk" delivery model. UCLA has already received bids for the construction manager/general contractor selection. The bid of the successful bidder was 48 percent below the pre-bid estimate, while all others were at least 36 percent below that estimate.

Upon motion duly made and seconded, the Committee approved the President's recommendation and voted to present it to the Board, Regents Chu, Cohen, Komoto, Kounalakis, Makarechian, Milliken, Reilly, and Robinson voting "aye."

4. **901 LEVERING STUDENT HOUSING, LOS ANGELES CAMPUS: BUDGET, SCOPE, EXTERNAL FINANCING, AND DESIGN FOLLOWING ADOPTION OF A MITIGATED NEGATIVE DECLARATION PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT**

The President of the University recommended that:

- A. The 2025–26 Budget for Capital Improvements and the Capital Improvement Program be amended as follows:

From: Los Angeles: 901 Levering Student Housing – preliminary plans – \$8,752,000 funded from housing reserves.

To: Los Angeles: 901 Levering Student Housing – preliminary plans, working drawings, construction, and equipment – \$351 million funded with external financing supported by housing revenues (\$280,876,000) and housing reserves (\$70,124,000).

- B. The scope of the 901 Levering Student Housing project be approved. The project shall provide approximately 297,000 gross square feet (gsf), including approximately 1,130 new beds in a high-rise (19-story) building. The scope includes the demolition of five existing buildings (52 beds).

- C. The President be authorized to obtain external financing in an amount not to exceed \$280,876,000, plus additional related financing costs to finance the 901 Levering Student Housing project and declare that external financing may be used to reimburse prior expenditures. The President shall require that:

- (1) Interest only, based on the amount drawn, shall be paid on the outstanding balance during the construction period.
 - (2) As long as the debt is outstanding, the general revenues 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.
 - (4) Any reimbursements will meet all requirements set forth in Treasury Regulations Section 1.150-2.
- D. Following review and consideration of the environmental consequences of the 901 Levering Student Housing project, as required by the California Environmental Quality Act (CEQA), including any written information addressing this item received by the Office of the Secretary and Chief of Staff to the Regents no less than 48 hours in advance of the beginning of this Regents meeting, testimony or written materials presented to the Regents during the scheduled public comment period, and the item presentation, the Regents:
- (1) Adopt the Mitigated Negative Declaration for the 901 Levering Student Housing project.
 - (2) Adopt the Mitigation Monitoring and Reporting Program prepared for the 901 Levering Student Housing project and make as a condition of approval the implementation of all applicable programs, practices, and procedures as well as mitigation measures and a project design feature identified therein that are within the responsibility and jurisdiction of UCLA.
 - (3) Adopt the CEQA Findings for the 901 Levering Student Housing project.
- E. The design of the 901 Levering Student Housing project, Los Angeles campus be approved.

[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.]

UCLA Administrative Vice Chancellor Michael Beck introduced the item, noting continued extraordinary demand for student housing. Over the past three decades, UCLA has expanded its undergraduate student housing program from 4,300 beds to more than 20,000, including nearly 5,200 beds added in the last five years. Despite this significant expansion, UCLA was projecting a 92 percent triple occupancy rate in on-campus housing for the fall term. To uphold the campus' housing guarantee of four years for first-year undergraduate students and two years for transfer students, while reducing the triple occupancy rate in dormitory-style properties, UCLA must continue to grow its housing capacity.

The 901 Levering Student Housing project was a timely and strategic opportunity to help meet the demand for UC-owned and operated undergraduate student housing. The project called for replacing five aging, seismically deficient residential structures with a 19-story, high-rise apartment building that would provide 1,134 new beds in predominantly four-bedroom, eight-bed apartment-style units. This inventory type has proven to be popular with undergraduate students and provides building efficiencies which help reduce construction and operating costs and rent for students. The project included 13,000 square feet of study and social spaces, a large outdoor deck, and a wellness and fitness courtyard. The site was acquired in 2024 and was ideally located a short distance from campus. It was adjacent to several existing UCLA housing properties and a few blocks from a future Metro D Line subway station.

Although this was a challenging infill development site with added costs, UCLA believed that having undergraduates living as close to campus as possible created stronger connections to campus life and contributed to student success. UCLA continues to look for acquisition opportunities close to campus, but newly built apartments in Westwood that meet UC seismic safety requirements do not frequently become available for purchase, and when they do, the costs tend to be exorbitant. A seller had recently offered a newly constructed building at a cost equating to almost \$600,000 per bed.

The topography of the site would add development challenges. There was no space for a laydown or staging area for equipment or supplies during construction. The project was designed to be fully electric and would target Leadership in Energy and Environmental Design (LEED) Gold certification or higher and would exceed California Building Code Title 24 energy efficiency standards. This would add to the overall cost of the project.

The typical unit would consist of four bedrooms and two bathrooms for eight students, with shared kitchen, living, and dining spaces. Roughly 41 percent of UCLA undergraduate students were living in units of this type. Consistent with UCLA's other undergraduate housing facilities, 901 Levering Student Housing would be fully furnished. Rent would include utilities, cable, and internet connectivity. Students living at this location would have access to support services through the Residential Life Program, including resident assistants living on site. Mr. Beck expressed UCLA's confidence in the strength and merit of this important project and in its alignment with the campus' long-term commitment to provide access to high-quality undergraduate housing to more students.

Student observer Isha Khirwadkar expressed support for the project as an important and necessary investment in expanding undergraduate housing capacity, especially because it would add about 1,100 beds in an area of high demand and support UCLA's ability to maintain its housing guarantee. This was also at a time when all UC campuses were facing increased enrollment pressures and a constrained housing supply. She acknowledged UCLA's efforts to keep rents below private market rates, which demonstrated a commitment to affordability. Nevertheless, she encouraged the Regents to consider how the University defines "affordable" in practice. Even at below-market rates, this price point would represent a financial burden for many students. Affordability should be measured not only against the private market but against a realistic assessment of what students can

pay. While increasing density in the project would allow UCLA to maximize the use of limited land and deliver more beds, one must remain attentive to the student experience within these spaces. Design decisions should prioritize student well-being, and this was reflected in the inclusion of dedicated study and social spaces. A significant portion of the project budget would be funded by housing revenues. Student rent carried the burden of UC capital expansion. Ms. Khirwadkar encouraged the University to explore other funding strategies and increased investment in housing reserves to help reduce long-term cost pressures on students.

Mr. Beck expressed agreement on the importance of incorporating student well-being into the design. UCLA seeks to allow its rental rates to be as low as possible. Over the last ten years, annual increases have been less than 2.5 percent on average. Because UCLA has added so many beds over the last five years, this has exerted downward pressure on rate increases for private sector housing in the area. Even though UCLA was housing only about 25,000 of its nearly 48,000 students, the expansion of UCLA's housing program was also benefiting students not in UCLA housing. UCLA was trying to identify as many efficiencies as possible to keep student rental rates lower.

With respect to project financing, Executive Vice President and Chief Financial Officer Brostrom observed that UC typically required all projects to contribute 20 percent equity and use 80 percent debt. This kept rental rates lower with lower debt service over 30 years. This requirement was relaxed to some degree during the COVID-19 pandemic, when campuses spent down their housing reserves, but the requirement was being imposed again. Mr. Beck underscored the value of State grant funding, for which students and the Regents should advocate, and which has helped subsidize some projects and has allowed UC to provide housing at lower cost.

Regent Makarechian echoed Ms. Khirwadkar's concerns about affordability and cost. For students, housing affordability or non-affordability and food insecurity were interrelated. The UCLA neighborhood had especially high rental rates. He described the project design as a "cookie cutter" design, a simple structure with the same floor plan on each floor. There were no special features on the façade or the roof. He criticized the idea of having eight students sharing two bathrooms, which would lead to overcrowding and students arriving late for morning classes. One of the bathrooms in this plan could only be used by one person at a time; instead, the area with sinks should be made separate from the toilet and shower. It would not be difficult to make this change to the design. Regarding affordability and cost, Regent Makarechian referred to a building purchased by UCLA in November 2025, 6401 Wilshire Boulevard, in the mid-Wilshire area, and compared the numbers of stories, units, and gross square feet in that purchase to the 901 Levering Student Housing project. Considering the cost per square foot, the cost of the 901 Levering Student Housing project seemed excessively high. Student rental rates should be at least 30 percent below market rates. Mr. Beck responded that the 6401 Wilshire building was purchased in a distressed sale, at a price below the amount paid by the developer. It was UCLA's preference to purchase housing properties rather than to build them, which cost more. UCLA seeks to have undergraduate housing on or near campus. There were generally no properties for sale near the campus. He acknowledged that the design for this project was

a cookie cutter design. UCLA made a significant effort to achieve as much efficiency as possible to lower the cost per square foot and per bed. In the design of the bathrooms, he noted that one bathroom would have a sliding door, while the other bathroom could not have a sliding door in order to comply with Americans with Disabilities Act (ADA) requirements.

Regent Makarechian stated his view that there was never such a thing as a distressed sale in the mid-Wilshire area of Los Angeles. He noted that not every unit in the 901 Levering Student Housing project would have to be compliant with the abovementioned ADA requirements, only a certain percentage of the units. Associate Vice Chancellor Peter Angelis responded that if an opportunity such as the 6401 Wilshire acquisition were to arise again, the campus would pursue it. It was purchased from the seller and was in fact a distressed sale, due to the unit type, which was a co-living type. This unit type was good for graduate students but not for private sector apartments. It would be difficult to have four non-affiliated renters in a unit, while UCLA could house four UCLA-affiliated graduate students in a unit. Graduate students welcomed the opportunity to have their own private space and a shared living room. The seller was not able to achieve more than 40 percent occupancy for almost two years. It was hard to attract and retain renters who do not know each other. The 6401 Wilshire acquisition followed three other apartment building acquisitions in the Santa Monica/Venice area, which UCLA was able to purchase at a cost far lower than the cost of construction. With respect to the livability of the 901 Levering Student Housing project, Mr. Angelis recalled that 42 percent of UCLA's current apartment inventory was of the unit type with four bedrooms and eight beds. This unit type was in high demand and has proven to be successful.

Regent Makarechian countered that this unit type was not necessarily desirable, but that students had no other choices. He urged UCLA to improve the unit design.

Regent Brooks expressed approval of UCLA's efforts to acquire property, especially for student housing. Student basic needs were staggering. There was no UCLA graduate student housing on the campus, but only five to eight miles away. Living further from campus was more difficult for students experiencing food insecurity and for international students. She asked UCLA to consider the housing needs of graduate students. Mr. Beck responded that the last five buildings UCLA has acquired were for graduate students. He acknowledged that these buildings were not near the campus.

Regent Hernandez referred to the proposed 19-floor height and asked if neighbors had been consulted. He recalled opposition in Berkeley to UC Berkeley's construction of student housing on the People's Park site, and the argument that students noise was a pollutant. Mr. Beck responded that UCLA has met with the project neighbors a number of times. Their preference would be for a lower building. Community members had earlier had concerns about another UCLA building nearby with 17 stories but felt differently after seeing the finished product. There have been no complaints after that property was built. There were no significant objections to the 901 Levering Student Housing project, and he did not anticipate that there would be objections such as there had been in Berkeley. Mr. Brostrom recalled that the lawsuit which argued that student noise was a pollutant

under the California Environmental Quality Act led to a change in State legislation. Mr. Angelis added that the Westwood Community Council has written a letter in support of this project.

Committee Chair Cohen asked that the campus consider Regent Makarechian's design concerns regarding the types of bathroom spaces and doors raised in the discussion and report back to the Committee in the coming weeks. UCLA Associate Vice Chancellor for Design and Construction for Capital Programs and Campus Architect Peter Hendrickson confirmed that the project was in the design development phase and that the campus would review these considerations.

Upon motion duly made and seconded, the Committee approved the President's recommendation and voted to present it to the Board, Regents Chu, Cohen, Komoto, Kounalakis, Makarechian, Milliken, Reilly, and Robinson voting "aye."

The meeting adjourned at 2:00 p.m.

Attest:

Secretary and Chief of Staff