

Office of the President

TO MEMBERS OF THE FINANCE AND CAPITAL STRATEGIES COMMITTEE:

ACTION ITEM

For Meeting of July 21, 2021

DESIGN FOLLOWING ACTION PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT AND ACCEPTANCE OF GIFT OF REAL PROPERTY, ANCHOR HOUSE STUDENT HOUSING, BERKELEY CAMPUS

EXECUTIVE SUMMARY

A donor (“Donor”) has offered to design, construct, and donate to the Berkeley campus a student residential building on Regents-owned land in downtown Berkeley. The Anchor House Student Housing (“Project”), formerly the Gateway Student Housing Project, includes 772 student beds within apartment-style units targeted to transfer students and upper division undergraduate students. The building includes a number of lounge, meeting, and activity spaces for residents, students commuting via downtown Berkeley, and other UC Berkeley affiliates; ground floor community- and student-serving commercial space; and events spaces for use by the campus and community. The Project would accompany a unique program at UC Berkeley where net operating revenues from the Project would go towards providing scholarships for students. The proposed project would increase the Berkeley campus’s much-needed student housing stock, provide high-quality living experiences to transfer and upper-division undergraduate students, and expand the campus’s scholarship program. The project was presented as an information item in January 2020.

The Regents are being asked to: (1) adopt as conditions of approval of Housing Project #1 all applicable Mitigation Measures and Continuing Best Practices within the responsibility and jurisdiction of the University; (2) adopt the Mitigation Monitoring and Reporting Program for Housing Project #1; (3) adopt the CEQA Findings and Statement of Overriding Considerations for Housing Project #1; (4) approve the project design; (5) approve acceptance of the gift of the Project by the Donor to UC Berkeley and (6) authorize the President of the University, or designee, in consultation with the Office of General Counsel, to execute all documents necessary in connection with the above.

RECOMMENDATION

The President of the University recommends that, following review and consideration of the environmental consequences of the Anchor House Student Housing project (“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

COMMITTEE

July 21, 2021

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 Finance and Capital Strategies Committee recommend that the Regents:

- A. Adopt as conditions of approval of Housing Project #1 all applicable Mitigation Measures and Continuing Best Practices within the responsibility and jurisdiction of the University.
- B. Adopt the Mitigation Monitoring and Reporting Program for Housing Project #1.
- C. Following review and consideration of the previously certified Environmental Impact Report for the UC Berkeley 2021 Long Range Development Plan and Housing Projects #1 and #2, determine that no further environmental analysis pursuant to CEQA is required and adopt CEQA Findings specific to the Anchor House Student Housing Project, referred to as Housing Project #1 in the EIR.
- D. Approve the Project design.
- E. In accordance with Regents Bylaw 22.2(d) and Regents Policy 8103, Policy on Capital Project Matters, approve the acceptance of the gift of the Project pursuant to the terms of a gift agreement between the Donor and UC Berkeley.
- F. Authorize the President of the University, or designee, in consultation with the Office of the General Counsel, to execute all documents necessary in connection with the above and to take all further action necessary and desirable to effectuate the acceptance of the gift and the implementation of the Anchor House Student Housing Project.

BACKGROUND

The shortage of available and affordable housing for UC Berkeley's students is a matter of urgent concern for the campus. The Donor for the Project envisions that the Project would prioritize housing for UC Berkeley's transfer students. Significantly more transfer students come from underprivileged backgrounds as compared to freshmen entrants. In 2020-21, UC Berkeley admitted 4,779 transfer students predominantly from California. Of this transfer student cohort¹:

- 45 percent are first-generation college students.
- 43 percent are Pell Grant-eligible.
- 33 percent are from underrepresented minority groups (African American, Chicanx, Latinx, and Native American).
- More than 95 percent are from California Community Colleges.

The Project would help meet the campus's goal of providing one year of housing for entering transfer students.

¹ Source: UC Berkeley Office of Planning and Analysis.

PROJECT DESCRIPTION

Project Site

The site is located immediately adjacent to the western edge of the Berkeley campus (see Attachment 1) and is on a block consisting of six Regents-owned parcels totaling approximately 0.92 acres. The Project site is located in the City of Berkeley, bounded by University Avenue, Oxford Street, Walnut Street, and Berkeley Way (see Attachment 2). The six parcels consist of four vacant buildings, a parking lot, and a partially occupied eight-unit residential building at the corner of Berkeley Way and Walnut Street.

With eight multifamily apartment buildings in the immediate two block radius, in addition to a robust downtown retail environment, the development will complement the existing context of the city. The Project would be a part of an emerging residential neighborhood where several new privately-developed multifamily buildings are currently in planning or under construction.

Program

The campus proposes to deliver a total of 244 apartment units and 772 beds on the 0.92-acre site, for a density of 839 beds per acre. The floor area ratio of the Project is 13.15. There would be 47 studio apartments, 30 two-bedroom apartments, three three-bedroom apartments and 164 four-bedroom apartments. Student-serving amenity spaces, campus life areas, and courtyard and terraced patio open space total 87,000 gross square feet (gsf). The Project’s ground floor includes 15,000 gsf of retail/commercial space. The Project would include 21 commercial employee structured parking spaces. No parking for student occupants is provided, consistent with the campus’s goal of reducing the impact of car ownership for housing adjacent to campus. The program is summarized in Table 1.

**Table 1
 PROPOSED USES**

Proposed Uses	Gross Square Feet (GSF)
Upper-Floor Residential	
Apartments	230,000
Amenities	17,000
Open Space/Rooftop Garden	17,000
Housing Services & Maintenance	7,000
Subtotal Upper-Floor Residential Uses	271,000
Campus Life	
Fitness	6,000
Commuter Lounge and Amenities	12,000
Events Center	4,000
Restrooms	4,000
Subtotal Campus Life Uses	26,000

COMMITTEE

July 21, 2021

Retail/Commercial Suites	15,000
Employee Parking (within garage, 21 spaces)	10,000
Long-term Bicycle Parking (250 spaces)	5,000
Circulation, Back of House & Misc.	168,000
Subtotal Retail, Parking & Back of House & Misc.	198,000
Grand Total	495,000

Student Rents

Student rental rates at the building would be determined based on other on-campus UC Berkeley housing options. The Berkeley campus strives to offer affordable and high-quality accommodation while maintaining an equitable parity between student housing options across its portfolio. The net operating income from the building would fund enhanced living experiences for transfer and upper division students and meet the operational goals of the building, which include creating a special reserve fund to ensure that the building is maintained to a high level and providing scholarships to UC Berkeley students, as discussed below.

Scholarship program

The Donor's vision for the Project includes investment in a scholarship program that amplifies and extends the impact of the Project and the gift. Pell Grant-eligible transfer students would be selected for scholarships on a basis of academic and personal achievement. As a subset of the overall scholarship program funded through the project, the Donor's goal is to award 50 scholarships every ten years to transfer students through the Fiat Lux Scholarship Program. The Fiat Lux program focuses on students from underrepresented populations and first-generation college students.

Regents Policy 5402

Once construction is complete, the building will be owned and operated by the University. As a campus-operated building, the Project will comply with Regents Policy 5402, Policy Generally Prohibiting Contracting for Services, and Article 5 of the AFSCME Collective Bargaining Agreement.

DESIGN ELEMENTS

The Project would be 14 stories above street level and approximately 180 feet above the sidewalk on average, with two basement levels below grade. The site slopes heavily from the northeast corner to the southwest. At the main entrance at the midpoint of the block along Oxford Street, the building roofline would be 165 feet above the sidewalk, with rooftop equipment, architectural screening and enclosures, and parapet walls extending in varying places above the roofline up to a maximum of approximately 190 feet. The building's brick-clad exterior would be designed as a textured architectural expression that responds both to downtown Berkeley's evolving urban character and the campus core's classical architectural heritage (refer to Attachment 3). The building would also create strong street frontages along Oxford Street, University Avenue, and Berkeley Way.

Anchor House seeks to set a new standard for student residential living, designed to foster

COMMITTEE

July 21, 2021

independent and healthy living skills vital for students after they graduate. Each fully-furnished apartment features private, single bedrooms, non-recirculated air, operable windows for natural ventilation, and large windows that allow natural light into bedrooms and living spaces. Each apartment in Anchor House includes a full kitchen with major appliances, as well as an in-unit washer and dryer.

Guiding principles of Anchor House are well-being and education. In addition to incorporating large windows and natural light, the project design promotes well-being through an expansive 6,000-square-foot indoor/outdoor fitness center, a yoga/meditation room, bicycle storage and repair, a maker space for creativity in partnership with the Berkeley Arts Studio (a campus art education program administered through the Berkeley Student Union), and a variety of spaces for social interaction that include lounges, meeting rooms, a central landscaped courtyard, and multiple terraces and balconies.

Education is brought into the project's design through an innovative cooking classroom. The classroom would be a partnership with the Rausser College of Natural Resources and include modern facilities for undergraduate and graduate classes, as well as DeCal and Basic Needs cooking classes.

In addition to its residents, Anchor House will provide on-site features to support UC Berkeley's students commuting by transit. The Project location is ideal for supporting commuting students because it is located between the Downtown Berkeley BART Station and the campus, and on major transit lanes along University Avenue and Oxford Street. The Project's design would include a commuter's lounge with lockers, restrooms, and workstations.

Sustainable Features

This project will comply with the University of California Sustainable Practices Policy. The Sustainable Practices Policy establishes goals for green building, clean energy, transportation, climate protection, facilities operations, zero waste, procurement, food service, and water systems. A full range of sustainability practices for building design and operations is included in the budgeting, programming, and design effort for the project. The Project is designed to achieve or exceed the U.S. Green Building Council's LEED™ Gold certification. The building also incorporates electrification and would not utilize natural gas for building heat or hot water generation to comply with the fossil-fuel free provision of the policy.

Seismic Safety Policy

The Project would comply with the University of California Seismic Safety Policy, including independent seismic peer review.

Small and Minority-Owned Businesses

The Donor's general contractor "Build Group, Inc." is committed to providing a good faith effort to increase participation of minority, women-owned, and disabled veteran business enterprises

COMMITTEE

July 21, 2021

(MBE/WBE/DVBEs) throughout project procurement. The general contractor will endeavor to provide qualified MBE/WBE/DVBEs with the maximum opportunity to participating suppliers and subcontractors. To meet this commitment, the general contractor will seek and solicit bids from MBE/WBE/DVBE suppliers and subcontractors for all prescriptive scopes of work and will endeavor to provide the same requirements of its subcontractors.

Anticipated Project Schedule

Project construction would begin in fall 2021. Building occupancy is expected by fall 2024.

REAL PROPERTY TRANSACTIONS**Gift of Real Property**

The Donor has committed to designing and constructing the Project and subsequently making a gift of the Project to UC Berkeley. In order to effectuate the gift, the Donor and the University would execute a short-term Construction License granting the Donor the right to construct the building on Regents property. The Construction License provides that (i) the Donor would construct the Project as agreed to and permitted by UC Berkeley, (ii) the Donor would be responsible for the entire cost of the planning, design, and construction of the Project, and (iii) the Donor would be responsible for following all Regental and campus standards, policies, and procedural requirements applicable to the Project. Further conditions of the gift agreement between the Donor and UC Berkeley include that:

- The Donor would construct and then donate to UC Berkeley the Project contingent on the Board of Regents' approval of the Project;
- UC Berkeley would maintain and operate the Project subject to the terms of a separate management agreement with the Donor; and
- Revenues from the Project would provide for scholarships.

CALIFORNIA ENVIRONMENTAL QUALITY ACT COMPLIANCE

Pursuant to the California Environmental Quality Act (CEQA), an Environmental Impact Report (EIR) has been prepared for the UC Berkeley 2021 Long Range Development Plan (LRDP) and Housing Projects #1 and #2 (SCH# 2020040078) (Attachment 6). In addition to functioning as a program EIR for the potential overall enrollment and development proposed in the 2021 LRDP, the 2021 LRDP EIR functions as a project EIR for two housing projects on the UC Berkeley campus. The Anchor House Housing Project is referred to as Housing Project #1 in the EIR. With the completed certification of the 2021 LRDP EIR, no further CEQA evaluation is required. A summary of the CEQA process and the environmental impacts of the proposed project is provided in Attachment 4. Findings and Statement of Overriding Considerations have been prepared to support the University's determination regarding project impacts, mitigation measures, and CEQA alternatives (Attachment 5).

KEY TO ACRONYMS

CEQA	California Environmental Quality Act
EIR	Environmental Impact Report
GSF	Gross Square Feet
LEED™	Leadership in Energy and Environmental Design
LRDP	Long Range Development Plan

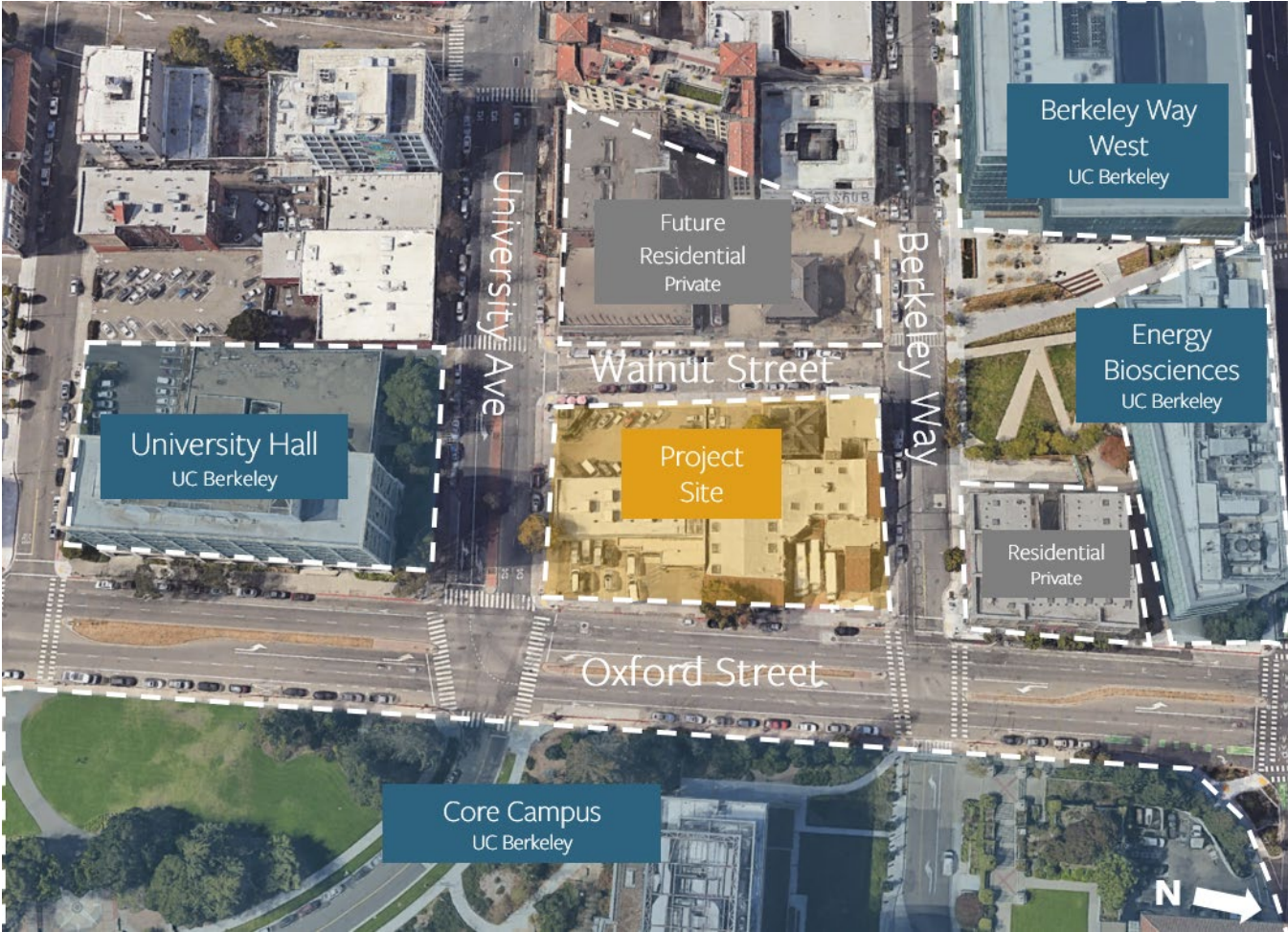
ATTACHMENTS

Attachment 1	Project Location Map
Attachment 2	Project Site
Attachment 3	Design Graphics
Attachment 4	Environmental Impact Summary
Attachment 5	CEQA Findings and Statement of Overriding Considerations
Attachment 6	2021 Long Range Development Plan Environmental Impact Report and Mitigation Monitoring and Reporting Program, including Housing Project #1: https://lrpd.berkeley.edu/environmental-review

PROJECT LOCATION MAP



PROJECT SITE



ENVIRONMENTAL IMPACT SUMMARY

Environmental Review Process

Pursuant to State law and University procedures for implementation of the California Environmental Quality Act (CEQA), the Environmental Impact Report (EIR) for the UC Berkeley 2021 Long Range Development Plan and Housing Projects #1 and #2 (SCH# 2020040078) (Attachment 6), was prepared and certified under the Board of Regents of the University of California's (The Regents) direction. The EIR includes a program-level analysis of the 2021 LRDP and project-level analyses of Housing Projects #1 and #2; Housing Project #1 is also known as the Anchor House Student Housing project. The Draft EIR was circulated to the Governor's Office of Planning and Research, State Clearinghouse, Responsible Agencies, and interested agencies, organizations, and individuals for a 45-day public review period beginning March 8, 2021 and ending April 21, 2021. The Draft EIR was made available at the Downtown Berkeley Library located at 2090 Kittredge Street, Berkeley, California, 94704 and at <https://lrpd.berkeley.edu>. A copy of all comments received and the University's responses are included in the Final EIR and further discussed in the *Public Comments* section below.

Environmental Impacts

UC Berkeley's 2021 LRDP and Housing Projects #1 and #2 EIR found Housing Project #1 would have a less than or no significant impact on the environment in regard to Air Quality, Energy, Geology and Soils, Greenhouse Gas Emissions, Hazards and Hazardous Materials, Hydrology and Water Quality, Land Use and Planning, Population and Housing, Public Services, Parks and Recreation, Utilities and Service Systems, and Wildfire; a less-than-significant impact on the environment with mitigation measures incorporated in regard to Biological Resources and Tribal Cultural Resources; and significant and unavoidable impacts with mitigation related to Cultural Resources, Noise, and Transportation. Pursuant to Public Resources Code Section 21099, the EIR did not consider aesthetics in determining the significance of the impacts of Housing Project #1.

Incorporation of project revisions and mitigation measures will avoid or reduce potentially significant impacts to less-than-significant levels to the extent feasible. The Final EIR is accompanied by a Mitigation Monitoring and Reporting Program to assure that all mitigation measures are implemented in accordance with CEQA (Attachment 6). Impacts that remain significant and unavoidable have been fully analyzed and mitigation measures are identified to lessen impacts; however, there are no feasible mitigation measures to reduce the impacts to less than significant (see Findings section below).

Public Comments

During the comment period, 128 comment letters were received, including four from local public agencies or special districts, and 124 from private organizations and individuals. In addition, a

public hearing on the Draft EIR was held on March 29, 2021, and UC Berkeley received 18 comments that were read at the hearing. Comments concerning Housing Project #1 included support of the project, opposition to displacing residents at the site, and requests to preserve historic buildings. The comment letters did not raise any new issues that were not adequately analyzed in the UC Berkeley 2021 LRDP and Housing Projects #1 and #2 EIR pursuant to CEQA. Responses are included as Chapter 5, Comments and Responses, in the Final EIR. Therefore, while text revisions, including typographical corrections, insignificant modifications, amplifications, and clarifications of the Draft EIR were made to the UC Berkeley 2021 LRDP and Housing Projects #1 and #2 EIR based on public comments and staff-directed changes, recirculation of the document was not required. Revisions are included in Chapter 3, Revisions to the Draft EIR, of the Final EIR. The Final EIR contains all of the comments received during the public comment period, together with written responses to those comments which were prepared in accordance with CEQA and the CEQA Guidelines.

UC Berkeley acquired 1921 Walnut Street in mid-2020. The purchase was made to ensure that redevelopment unaffiliated with the campus would not jeopardize a key part of campus planning on the rest of the UC-owned block to address an urgent student housing crisis. Then, after careful consideration and analysis, it became clear that, in order to maximize the project's benefits for UC Berkeley students, the entire site would need to be utilized. The inclusion of the 1921 Walnut site enables the campus to add 75 beds to the building, providing urgently needed housing.

Comments received after the close of the Draft EIR comment period suggested an alternative that would preserve the 8-unit apartment building at 1921 Walnut Street, proposed for demolition as part of Housing Project #1. This proposed alternative was not considered in the Draft EIR as it would result in approximately 75 fewer beds, substantially reduce the Project's ability to attain basic project objectives, and it would not avoid or lessen any of the project's significant effects (See CEQA Findings and Statement of Overriding Considerations (SOC), Attachment 5).

Findings

CEQA Findings for the UC Berkeley 2021 LRDP are provided in Attachment 5. Based on the analysis in the EIR, it has been determined that significant and unavoidable impacts would result from Housing Project #1, even with the incorporation of project-specific mitigation measures; therefore, the University acting as Lead Agency must prepare and adopt a "Statement of Overriding Considerations" before it can approve the project. The SOC states that the decision-making body has balanced the benefits of the proposed project against its unavoidable significant environmental effects and determined that the benefits of the project outweigh the adverse effects and, therefore, the adverse effects are considered acceptable. The SOC is included in the CEQA Findings.