

Office of the President

TO MEMBERS OF THE FINANCE AND CAPITAL STRATEGIES COMMITTEE:

## ACTION ITEM

*For Meeting of March 19, 2025*

**2200 BANCROFT STUDENT HOUSING, BERKELEY CAMPUS: BUDGET, SCOPE, EXTERNAL FINANCING, AND DESIGN FOLLOWING CONSIDERATION OF AN ADDENDUM TO THE 2021 LONG RANGE DEVELOPMENT PLAN ENVIRONMENTAL IMPACT REPORT PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT**

## **EXECUTIVE SUMMARY**

The 2200 Bancroft Student Housing project would construct approximately 583 units with approximately 1,625 new residence hall-style beds for first-year undergraduate students, a dining commons, and other student-serving amenities at the Berkeley campus. The project would be located on a Regents-owned parcel adjacent to the Berkeley Campus Park in the Southside neighborhood, where an existing one-story campus administrative building and parking lot would be demolished as part of the project. The project addresses an urgent student housing deficit, mitigating its impact on the Berkeley campus and surrounding community. The project advances UC values by expanding the availability of accessible campus-owned housing that is welcoming, convenient, and affordable.

The Regents approved preliminary plans funding (\$7.06 million) for the project in September 2023. The Regents are now being asked to (1) approve a total project budget of \$443,503,000; (2) approve the project scope; (3) approve external financing not to exceed \$441,503,000 to be supported by housing revenue; (4) adopt the California Environmental Quality Act Findings; and (5) approve the design of the project.

## **RECOMMENDATION**

The President of the University recommends that the Finance and Capital Strategies Committee recommend to the Regents that:

- A. The 2024-25 Budget for Capital Improvements and the Capital Improvement Program be amended as follows:

From: Berkeley: 2200 Bancroft Housing Project – preliminary plans – \$7.06 million, to

be funded from campus funds.

- To: Berkeley: 2200 Bancroft Student Housing Project – preliminary plans, working drawings, construction, and equipment – \$443,503,000, to be funded from external financing supported by housing revenues (\$441,503,000) and auxiliary reserves (\$2 million).
- B. The scope of the 2200 Bancroft Student Housing project be approved. The project shall provide approximately 583 units containing approximately 1,625 residence hall-style beds and student-focused amenities (approximately 312,000 gross square feet); and a dining commons with a capacity of approximately 500 seats (approximately 41,000 gross square feet).
- C. The President be authorized to obtain external financing in an amount not to exceed \$441,503,000 plus additional related financing costs to finance the Bancroft 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 of the Berkeley 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 Bancroft 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 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 Bancroft Student Housing Project, having considered both the 2021 Long Range Development Plan (LRDP) Environmental Impact Report (EIR) for the Berkeley campus and Addendum #7 to the 2021 LRDP EIR for the Bancroft Student Housing project.
  - (2) Make a condition of approval the implementation of applicable mitigation measures within the responsibility and jurisdiction of the Berkeley campus, as

identified in the Mitigation Monitoring and Reporting program adopted in connection with the 2021 LRDP EIR.

- (3) Approve the design of the 2200 Bancroft Student Housing Project, Berkeley campus.

## BACKGROUND

The 2200 Bancroft Student Housing project (project) is essential to advancing the Berkeley campus's housing objectives, particularly in expanding guaranteed housing for incoming first-year students for two years. The project will increase the availability of welcoming, convenient, and affordable campus-owned housing for undergraduates. By adding capacity, the project enables the future renovation or redevelopment of other older campus housing stock needing significant restoration and renewal. The Regents approved preliminary plans funding for the project in September 2023, and the project drivers remain consistent with those described in the previous Regents materials.<sup>1</sup>

### *Project Drivers*

The proposed project addresses critical needs related to student housing, including affordability, student well-being, and long-term renewal of campus residential facilities and infrastructure.

Housing Demand and Affordability: Despite adding more than 2,400 beds through four new housing developments since 2018, the Berkeley campus provides housing for only about 24 percent of its student body—the lowest percentage within the UC system. Given the Bay Area's expensive and competitive housing market, additional affordable student housing is needed to meet demand, support enrollment growth, and maintain campus control over housing availability.

Student Cost Sensitivity, Preferences, and Well-being: UC Berkeley students repeatedly report that cost is the biggest driver when selecting housing and an influential factor in their decision to attend UC Berkeley. The project provides a cost-effective housing solution by providing well-designed triple-occupancy rooms with optimal access to space, natural light, and air. The project will also support student well-being by providing a variety of in-building amenities that create a strong sense of community, convenience, and student safety. UC Berkeley students living in triples report consistent overall satisfaction and slightly greater personal wellness compared to other residents living in doubles.<sup>2</sup> The project would provide higher-quality triples (e.g., larger units, equitably proportioned to fit furniture for three students) compared to the campus's existing triple inventory, which is largely converted doubles housing three students.

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<sup>1</sup> Link to Preliminary Plans Funding approval item: <https://regents.universityofcalifornia.edu/regmeet/sept23/flb.pdf>

<sup>2</sup> In a 2024 residential survey of UC Berkeley students, overall satisfaction rates were 76 percent for residents living in triples and 77 percent for residents living in doubles. In the same survey, for residents living in doubles, 54 percent reported "My residential experience is helping me develop an understanding of how to achieve personal wellness (physical and emotional health) in my life" vs. 57 percent of students living in triples.

Restoration and Renewal: Many of the Berkeley campus's student housing facilities are aging and require restoration and renewal; however, the campus's limited housing stock constrains its ability to address these needs. The additional beds provided by the project would provide the campus flexibility to renovate or redevelop other aging student housing, including renovation or redevelopment of Unit 3 and converting doubles previously converted to house three students back into doubles for two students, further improving the quality of life for student residents. Additionally, the project would address approximately \$270,000 of building and infrastructure restoration and renewal needs identified via the Integrated Capital Asset Management Program by demolishing the outdated 2200 Bancroft administrative building.

Seismic: The project would address approximately 14,150 gross square feet (gsf) of non-compliant space.

## **PROJECT DESCRIPTION**

### ***Program and Scope***

The proposed project would be the largest student residential community on the Berkeley campus. Situated adjacent to the Berkeley Campus Park in the Southside neighborhood, it would offer students convenient access to the main campus's academic functions, Southside and Downtown Berkeley's student-serving functions, and local and regional transit.

The proposed project (approximately 353,000 gsf / 222,000 assignable square feet (asf)) would include residence hall-style accommodations designed for first-year undergraduate students. The project would provide approximately 1,625 beds, including 508 triples, 21 doubles, 21 singles, 28 residence advisor units, and five staff apartments. (Refer to Table 1.)

Amenity spaces that support students would be primarily located on the lower levels of the building, with lounges and smaller spaces distributed throughout the upper residential floors. Levels 1 and 2 would include an approximately 500-seat dining facility with additional outdoor seating on the level 2 terrace. Level 3 would be dedicated to an academic center and student-focused amenities, such as social and study spaces, a fitness center, laundry facilities, music rooms, presentation spaces, and a communal kitchen. A terrace on level 3 would extend the community space, offering students outdoor gathering areas. Upper levels within the towers (floors 4 to 23) would be dedicated to residential functions. Student lounges would be located throughout the building on every residential level. Secure bicycle parking would be located near the main entry. The project will not include vehicle parking. (Refer to Table 2.)

**Table 1. Project Bed Mix**

Room Type	No. of Beds/Room	No. of Rooms	Total Beds
Triple	3	508	1,524
Double	2	21	42
Single	1	21	21
<i>Subtotal – Student Residents</i>		<i>550</i>	<i>1,587</i>
Resident Advisor	1	28	28
Staff Apartment	2	5	10
<i>Subtotal – Resident Staff</i>		<i>33</i>	<i>38</i>
<b>Total</b>		<b>583</b>	<b>1,625</b>

**Table 2. Proposed Building Program**

Space Use	Square Footage
Residential Units	125,600 asf
Student Lounges	18,000 asf
Amenities and Common Areas	9,500 asf
Communal Bathrooms	17,900 asf
Dining Commons	28,600 asf
Administrative / Back of House	3,000 asf
Building Services <sup>1</sup>	19,300 asf
<b>Total Assignable Square Footage</b>	<b>222,000 asf</b>
Gross Square Feet	353,000 gsf

Note: (1) Building services include mechanical, service, and custodial areas.

### ***Student Rents***

The campus is committed to offering affordable, high-quality accommodations while ensuring equity across the housing portfolio. Rates vary based on factors such as property age, available amenities, and accommodation type. Student rental rates at the proposed project will be determined based on other on-campus undergraduate housing options at the Berkeley campus that feature similar room types, proximity to campus, and amenities.

The project rates shown in Table 3 include furnishings, utilities, Residential Life Services, security, and high-speed internet access. Additionally, students are not required to provide security deposits, and student housing provides housekeeping and other services and amenities not provided to students on the private market. Rates shown exclude meal plans.

On-campus housing offers significant advantages beyond the below-market rate rents over private market options, including campus-provided safety, maintenance, and academic and social resources. These campus services are essential to student health, safety, academic support, and personal growth and success.

**Table 3: Comparison of Rental Rates<sup>1</sup>**

	<b>Projected 2028-2029 Monthly Rate</b>	<b>% Under Market</b>	<b>Projected 2028-2029 Annual Cost<sup>2</sup></b>	<b>% Under Market</b>
<b>Proposed Triple Rate (1,524 beds – 96% of project beds)</b>	\$1,792	14%	\$17,024	32%
<b>Comparable Market Property Rate for a triple<sup>3,4,5</sup></b>	\$2,092		\$25,104	
<b>Weighted Project Average<sup>6</sup></b>	\$1,814	14%	\$17,233	32%
Notes: (1) Triple occupancy rooms are compared to the rate of a double occupancy bedroom in units with two to four bedrooms. Few, if any, bedrooms on the private market are designed for triple occupancy. (2) Projected Annual Cost reflects a 9.5-month lease for Bancroft Housing and a 12-month lease customary in the market. Shorter lease terms, when available in the market, are typically offered at a premium. (3) Off-campus market comparable rental units include 967 units from 6 student-focused multifamily properties located on average 2 blocks from campus, constructed within the last 5 years. (4) Off-campus rates are for furnished apartments and include a monthly adjustment of utilities \$142, and cable/internet \$58, based on market study data. Off-campus rates also include a monthly adjustment for security \$18, and Residential Life Services \$53, based on actual operating expenses across UC Berkeley's housing portfolio. The off-campus rates do not include housekeeping, which is provided for this project at a campus cost of \$141 per bed per month. (5) Comparable market property rates are based on November 2024 market data provided by The Concord Group escalated by 4 percent annually. (6) Weighted project average includes the project's single (21 beds) and double (42 beds) occupancy units compared to market property rates identified in the November 2024 market data study. Double occupancy rooms are compared to the rate of a double occupancy room in units with one to four bedrooms. Single occupancy rooms are compared to rates of a single occupancy bedroom in the rental market.				

### ***Funding Plan and Financial Feasibility***

The project budget would be \$443,503,000 to be funded by external financing supported by housing revenues (\$441,503,000) and auxiliary reserves (\$2.0 million). Additional information may be found in Attachment 1, Project Sources and Uses.

The estimated debt service for the \$441,503,000 external financing at a planning rate of 4.35 percent is \$25.9 million per year, including principal and interest, over a 35-year term. Over a ten-year period, the campus is projected to have a minimum modified cash flow margin of 7.2 percent, debt service coverage of 1.8x, auxiliary debt service coverage of 1.6x, and project debt service coverage of 1.0x as required by the University's Debt Policy. Days' cash on hand in the Short Term Investment Pool (STIP)/Total Return Investment Pool (TRIP) is 90 days as of December 31, 2024, which also meets the University's Debt Policy requirements. Refer to Attachment 2, Summary of Financial Feasibility.

### ***Project Delivery and Schedule***

The project would be delivered using the Construction Manager at Risk method. Construction is scheduled to begin in January 2026 with completion anticipated by summer 2028, in time for the 2028-29 academic year. The Berkeley campus has engaged a Construction Manager/General Contractor (CM/GC) to provide pre-construction services and would authorize the CM/GC to proceed with construction at a guaranteed maximum price as outlined in the proposed budget.

## **PROJECT DESIGN**

### ***Location and Site Conditions***

The project will be located at 2200 Bancroft Way, a Regent-owned parcel bounded by Bancroft Way to the north, Fulton Street to the west, Durant Avenue to the south, and the Cal Legends Aquatics Center to the east (refer to Attachment 4). The site's current uses include a vacant 14,150-square-foot office building, a below-grade parking structure, and an adjacent surface parking lot providing approximately 90 spaces for campus parking permit holders. The existing building, which has a Seismic Performance Rating of V, and parking will be demolished as part of the project.

### ***Project Design***

The project is designed as a connected, L-shaped tower with two distinct heights: ten stories along Durant Avenue (approximately 134 feet) and rising to 23 stories on Bancroft Way (approximately 263 feet). The tower's exterior will feature glass fiber-reinforced concrete panels atop a granite podium base. The building podium spans two stories along Fulton Street (approximately 35 feet) and will include an open-air terrace with amenity spaces on the third level. The exterior terraces on the second and third floors will be landscaped with raised planters, trees, open lawns, and diverse seating options to foster a welcoming and functional environment for residents.

The primary pedestrian entrance for residents and visitors will be located on Bancroft Way. An interior open-air, gated courtyard will provide separate access to the residential areas and the dining facility. A short-term pick-up and drop-off zone will be located on Bancroft Way near the pedestrian entrance. All service access will be managed through an interior loading dock on Durant Avenue. The project would integrate with the City of Berkeley's recent complete street enhancements along the project frontage and include sidewalk improvements, along with new street trees, plantings, and curb ramps, to support access and mobility needs at the new residential community.

For more information on the project's design, refer to Attachment 4.

### ***Sustainable Practices***

The building will achieve a minimum Leadership in Energy and Environmental Design™ Gold certification. The project will incorporate electrification and not utilize natural gas for building heat or hot water generation. The project has been analyzed by the UC Operational Carbon and Energy Assessment for New Construction (OCEAN) Tool. Additional sustainable features:

- All housing units will be ventilated by an air source heat pump dedicated outside air system supplying tempered outdoor air to each floor, in addition to operable windows.
- High-performance exterior envelope design.
- Ultra-low flow fixtures and laundry machines to reduce water consumption.

- Indoor and outdoor bicycle parking.
- Rooftop designed for future solar photovoltaics.
- No onsite vehicle parking.

### **COMPLIANCE WITH SELECT UC PLANS, POLICIES, AND PRACTICE**

This project is consistent with the 2021 Long Range Development Plan and is compliant with the UC Policies for Seismic Safety, Sustainability, and Small/Disabled Veteran Business Enterprises.

### **CEQA COMPLIANCE**

Pursuant to the California Environmental Quality Act (CEQA), Addendum #7 to the 2021 LRDP Environmental Impact Report (EIR) (SCH Number 2020040078) has been prepared for the Bancroft Student Housing project (Attachment 6). None of the circumstances that would trigger subsequent or supplemental environmental review under Public Resources Code Section 21166 and CEQA Guidelines Sections 15162 or 15163 have occurred or are present. Findings have been prepared to support the University's determination that the proposed project would not require major revisions of the LRDP Environmental Impact Report (EIR) (Attachment 7).

#### **ATTACHMENTS:**

Attachment 1:	Project Sources and Uses
Attachment 2:	Summary of Financial Feasibility
Attachment 3A:	<a href="#">Bancroft Fulton Student Housing Comparable Construction Analysis</a>
Attachment 3B:	<a href="#">Bancroft Fulton Student Housing (Dining) Comparable Construction Analysis</a>
Attachment 4:	<a href="#">Design Graphics and Project Location Map</a>
Attachment 5:	2021 LRDP: <a href="https://berkeley.app.box.com/s/rbb4buhz5b3w7yz8gk7ot2n759fpqbrs">https://berkeley.app.box.com/s/rbb4buhz5b3w7yz8gk7ot2n759fpqbrs</a> 2021 LRDP EIR and Mitigation Monitoring and Reporting Program: <a href="https://drive.google.com/file/d/143_5op7wFUKjqU3XxqmUwy4UgnOr2Sjr/view">https://drive.google.com/file/d/143_5op7wFUKjqU3XxqmUwy4UgnOr2Sjr/view</a>
Attachment 6:	Addendum #7 to the 2021 LRDP EIR: <a href="https://berkeley.app.box.com/s/84412f279il4fog8gvfehprds6w263m">https://berkeley.app.box.com/s/84412f279il4fog8gvfehprds6w263m</a> Addendum #7 Appendices: <a href="https://berkeley.app.box.com/s/66g42qafhv586jn3zuybxwf6kb1iwvj0">https://berkeley.app.box.com/s/66g42qafhv586jn3zuybxwf6kb1iwvj0</a>
Attachment 7:	CEQA Findings: <a href="https://berkeley.app.box.com/s/ecto4f9m95bdqdrll1vcrp0fzjil64agg">https://berkeley.app.box.com/s/ecto4f9m95bdqdrll1vcrp0fzjil64agg</a>



## PROJECT SOURCES AND USES

## 2200 BANCROFT STUDENT HOUSING PROJECT

## Project Sources (\$000s)

Source	Housing	Dining	Total Project	Percentage <sup>1</sup>
External Financing Supported by Housing Revenues	374,836	66,667	441,503	99.5%
Auxiliary Reserves	1,698	302	2,000	0.5%
<b>Total Funding</b>	<b>376,534</b>	<b>66,969</b>	<b>443,503</b>	<b>100.0%</b>

Project Uses (\$000s)<sup>5</sup>

Uses	Housing	Dining	Total Project	Percentage <sup>1</sup>
Site Clearance	1,906	339	2,245	0.5%
Building	268,127	47,688	315,815	77.1%
Exterior Utilities	12,598	2,241	14,839	3.6%
Site Development	2,925	520	3,445	0.8%
A/E Fees <sup>2</sup>	13,202	2,348	15,550	3.8%
Campus Administration <sup>3</sup>	6,835	1,216	8,051	2.0%
Surveys, Tests, Plans <sup>4</sup>	1,605	285	1,890	0.5%
Special Items <sup>5</sup>	6,417	1,141	7,558	1.8%
Contingency	34,002	6,048	40,050	9.8%
<b>Total P-W-C Cost<sup>6</sup></b>	<b>347,617</b>	<b>61,826</b>	<b>409,443</b>	<b>100.0%</b>
Group 2 & 3 Equipment	9,185	1,633	10,818	
<b>Project Total</b>	<b>356,802</b>	<b>63,459</b>	<b>420,261</b>	
Interest During Construction	19,732	3,510	23,242	
<b>Grand Total</b>	<b>376,534</b>	<b>66,969</b>	<b>443,503</b>	

## Notes:

1. Because of rounding, some totals may not correspond to the sum of the separate parts.
2. A/E fees include the executive architect's basic services fee.
3. Campus Administration includes project management, contract administration, and inspection.
4. Surveys, Tests, and Plans include testing and special inspections
5. Special Items include pre-design, hazardous materials survey and specialty testing consultants, plan check, and agency reviews.
6. Cost of preliminary plans (P), working drawings (W), and construction (C).

Project Statistics	Housing	Dining	Total Project
<b>GSF</b>	311,821	40,779	352,600
<b>ASF</b>	193,400	28,600	222,000
<b>Units</b>	583	-	583
<b>Beds</b>	1,625	-	1,625
<b>Efficiency Ratio: ASF/GSF</b>	62.0%	70.1%	63.0%
<b>Building Cost / GSF</b>	\$860	\$1,169	\$896
<b>P-W-C Cost / GSF</b>	\$1,115	\$1,516	\$1,161

## SUMMARY OF FINANCIAL FEASIBILITY

BERKELEY CAMPUS	
Project Name	2200 Bancroft Student Housing
Project ID	914876
Total Estimated Project Cost	443,503,000
Interest During Construction	23,242,000

PROPOSED SOURCES OF FUNDING	
External Financing supported by Campus Funds	441,503,000
Campus Funds – Auxiliary Reserves	2,000,000
<b>Total</b>	<b>443,503,000</b>

FINANCING ASSUMPTIONS	
External Financing Amount	441,503,000
Anticipated Repayment Source	Housing Revenues
Anticipated Fund Source	Housing Revenues
Financial Feasibility Rate	4.35%
First Year of Repayment (e.g., FY 20XX)	FY 2029
Term (e.g. 30 years; indicate if any years interest only)	35 years
Final Maturity (e.g., FY 20XX)	FY 2063
Estimated Average Annual Debt Service	\$25,900,000

Below are the results of the financial feasibility analysis for the proposed project using the campus' Debt Affordability Model. The model includes projections of the campus' operations and planned financings.

CAMPUS FINANCING BENCHMARKS			
Measure	Campus Metric	Approval Threshold	Requirement
Modified Cash Flow Margin	7.2% (minimum), 2026	$\geq 0.0\%$	Must Meet
Debt Service Coverage	1.8x (minimum), 2030	$\geq 1.1x$	
STIP/TRIP Days Cash on Hand	125 days, 1/31/2025	$\geq 90$ days	
Auxiliary Project Debt Service Coverage	1.0x (minimum), 2029	$\geq 1.0x$	Must Meet for Auxiliary Projects
Auxiliary System Debt Service Coverage	1.62x (minimum), 2027	$\geq 1.1x$	