

Office of the President

TO MEMBERS OF THE FINANCE AND CAPITAL STRATEGIES COMMITTEE:

ACTION ITEM

For Meeting of May 17, 2017

**APPROVAL OF DESIGN FOLLOWING ACTION PURSUANT TO THE
CALIFORNIA ENVIRONMENTAL QUALITY ACT, EAST CAMPUS
APARTMENTS PHASE IV-A, IRVINE CAMPUS**

EXECUTIVE SUMMARY

The Irvine campus is requesting design approval of the East Campus Apartments Phase IV-A project, the next phase of planned student housing development on the East Campus. At the March 2017 meeting, the Regents approved the business terms for the development, financing and management of the approximately 1,441-bed/410-unit student housing project by the ground lessee, Collegiate Housing Foundation (CHF), a third-party, tax-exempt entity. CHF will contract directly with American Campus Communities LLC on the development and operation of the project.

The proposed project consists of an approximately 580,000-gross-square-foot, five-story apartment building to serve continuing undergraduate students, including community space and support facilities, and a 530-space parking structure on an approximately 9-acre site. The project will provide a mix of one- to four-bedroom units, with most designed to house two to four students. The project site is located at the southeast corner of Campus Drive and California Avenue, and its existing use is comprised of two surface parking lots containing 557 parking spaces and undeveloped land currently used for construction staging.

The proposed project will address unmet demand for affordable student housing on the Irvine campus in support of the 2007 Long Range Development Plan goal of housing 50 percent of students on campus.

In this item the Regents are being asked to determine compliance with the California Environmental Quality Act by adopting an Initial Study/Mitigated Negative Declaration and Findings prepared by the campus for the project and to approve the project design.

RECOMMENDATION

Following review and consideration of the environmental consequences of the proposed East Campus Apartments Phase IV-A 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 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 President of the University recommends that the Finance and Capital Strategies Committee recommend that the Regents:

- A. Adopt the Initial Study/Mitigated Negative Declaration for the East Campus Student Apartments Phase IV project in accordance with CEQA.¹
- B. Adopt the CEQA Findings for the East Campus Apartments Phase IV-A project.
- C. Approve the design of the East Campus Apartments Phase IV-A, Irvine Campus.

BACKGROUND

As of fall 2016, the campus provided a total of 14,000 on-campus student beds, of which approximately 9,000 beds are University-owned and operated, and approximately 5,000 beds are existing third-party East Campus Apartments. The Irvine campus' 2007 Long Range Development Plan (LRDP) established the goal of providing on-campus housing for 50 percent of student enrollment. The current campus housing supply accommodates approximately 44 percent of the fall 2016 enrollment. Including the Middle Earth Expansion approved by the Regents at the January 2017 meeting and Phase IV-A of the East Campus Apartments, 46 percent of projected student enrollment would be provided on-campus housing by the start of the 2019-20 academic year. Phase IV-B, which is anticipated to provide approximately 910 additional student beds, would be considered for approval at a later date based on demand.

Three previous phases of the East Campus Apartments on the Irvine campus have been completed. Phase I (Vista Del Campo) opened in 2004 and consists of 488 units and 1,488 beds. Phase II (Vista Del Campo Norte) opened in 2006 and consists of 545 units and 1,564 beds. Phase III (Puerta Del Sol and Camino Del Sol) opened in 2010 and consists of 720 units with 2,111 beds. All three previous phases of the East Campus Apartments, currently 99 percent occupied, were built and are managed by American Campus Communities LLC (ACC) through a ground lease to Collegiate Housing Foundation (CHF) as the non-profit owner.

¹ The East Campus Student Apartments Phase IV Initial Study/Mitigated Negative Declaration addresses potential impacts for both Phases IV-A and IV-B. Design approval is for Phase IV-A only, and adoption of the IS/MND does not constitute approval for Phase IV-B.

PROJECT DESCRIPTION

Project Site

The approximately nine-acre project site for Phase IV-A is located in the East Campus sector of the Irvine campus at the southeast corner of Campus Drive and California Avenue (Attachment 1 – Project Design Package). Off-campus multi-family residential (Cambridge Court townhomes) lies to the north across Campus Drive; open space and Vista del Campo Norte student housing lie to the east; American Heart Association office building (ground lease tenant), Puerta del Sol student housing, and the UCI Early Childhood Education Center lie to the west across California Avenue; and Arroyo Vista student housing lies to the south across Arroyo Drive. The existing on-site uses are two surface parking lots and undeveloped land used for construction staging. Site preparation would require the removal of the existing 183-space Arroyo Vista-1 parking lot (AV-1) and 374-space temporary parking lot (CT).

Project Size and Density

The proposed project consists of an approximately 580,000-gross-square-foot (gsf), approximately 450,000-assignable-square-foot (asf) student apartment building with a community center and support facilities to serve continuing undergraduate students. The building would include approximately 1,441 beds within approximately 410 student apartments including bedrooms, kitchens/dining rooms, bathrooms, and living rooms. Units will include a mix of one, two, and four bedroom units including both single-occupancy and double-occupancy rooms. Units will range in size from approximately 550 gsf to approximately 1,400 gsf in size.

To make more effective use of the campus' remaining available lands, the project density for Phase IV-A will be greater than prior phases in the East Campus Apartment community, as shown in the table below.

Existing and Proposed East Campus Project Density

Proposed Phase IV	Beds	Units	Site Area (acres)	Beds/ Acre	Units/ Acre
Phase IV-A (Proposed)	1,441	410	9.2	156	45
Phase IV A and B Combined (Estimated)	2,351	652	13.3	177	49
Existing Phases I-III	Beds	Units	Site Area (acres)	Beds/ Acre	Units/ Acre
Phase I (2004)	1,488	488	30.0	50	16
Phase II (2006)	1,564	545	24.3	64	22
Phase III (2010)	1,763	720	18.2	97	40

Vehicle Parking

Vehicle parking would be provided in a five-story parking structure with approximately 530 vehicle spaces constructed to the east of the apartment building, accessible by driveways

constructed at Campus and Arroyo Drives. The construction of a parking structure allows for efficient project density and effective use of campus land. Should project parking demand exceed the capacity of the parking structure, there is sufficient capacity in existing nearby East Campus parking facilities constructed by ACC in Phases II and III.

The parking structure includes an attached maintenance building fronting Campus Drive. The remainder of the parking structure will be five stories and is designed to accommodate photovoltaic panels located on the roof.

Bicycle Parking

Bicycle parking will be provided at 0.75 spaces per bed, reflecting current demand, for a total of approximately 1,080 spaces. Approximately 770 spaces will be provided in a central bike parking facility located in front of the proposed vehicle parking structure fronting Arroyo Drive. The remaining spaces will be distributed throughout the project site.

Project Financing

The project will be implemented through a public-private partnership using a third-party bond financing structure. At the March 2017 meeting, the Regents approved the business terms for the development, financing, and management of the Phase IV-A project by the ground lessee and owner of the new apartment complex, CHF, a third-party, tax-exempt entity. CHF will contract directly with ACC for the development and management of the project, and will be obligated to repay the bonds issued to finance the project and pay ground rent and all excess project cash flow to the University. Both CHF and ACC will collect fees for their roles in the project.

Pursuant to discussion at the March 2017 Regents meeting, the rent collar, as described in paragraph A.(5) of the Recommendation in the March 2017 item, *Approval of Ground Lease Business Terms and Financing of Phase IV-A of the East Campus Apartments, Irvine Campus*, has been modified to eliminate the floor on bed rents charged to student occupants. The lower limit of the rent collar was previously 110 percent of comparable University-owned, on-campus apartments. All other provisions of the rent collar remain unchanged.

DESIGN ELEMENTS

Configuration and Access

The five-story building is configured to create a series of outdoor courtyards to provide active and passive recreation space for student residents. The courtyards are connected by a series of breezeways to provide access and promote interaction for the residents living in the community. The proposed project includes a community center on the first floor of the building to provide meeting, study, and activity spaces for residents. The community center will be located in a high pedestrian traffic area along Arroyo Drive. Outdoor recreation spaces will include seating, outdoor dining areas, barbecue areas, and other green space for student use.

Construction of on-site pedestrian and bicycle pathways and a shuttle stop serving the on-campus Anteater Express will provide safe and convenient access to the academic core of the campus. The breezeways connecting the interiors of the residential structures will facilitate pedestrian access throughout the project site.

Building Exterior and Materials

The building's exterior character, guided by the UCI Physical Design Framework, will be compatible in architectural style and color to surrounding on- and off-campus residential neighborhoods. The building will be stepped with the four-story elevation facing Campus Drive, two-story community center at the intersection of Arroyo Drive and California Avenue, and the remainder of the building at five stories. Building elevations will include variation of texture and color, which, combined with the stepped building height, will prevent a monolithic effect to the building perimeter.

Exterior building materials will consist of a combination of stucco and metal panels in deep earth tones contrasted by lighter earth tones. Metal shade elements will be placed over selected window openings. Architectural roof elements will consist of metal panels in deep earth tones. The parking structure and bicycle parking facility would be consistent in architectural style and color with the surrounding residential structures. The stepped architecture of the parking/maintenance building, stepped configuration of the apartment buildings, and significant landscaping will provide a high-quality campus edge along Campus Drive where the project faces the off-campus community.

Long Range Development Plan and Physical Design Framework

The East Campus Apartments Phase IV-A project is consistent with the Irvine Campus 2007 Long Range Development Plan. The LRDP land use designation for the site is *Mixed Use – Neighborhood* which allows student housing and associated parking. The project architecture, site plan, and landscaping are consistent with the Irvine Campus Physical Design Framework accepted by the Regents in January 2010.

Sustainable Practices

Per Section A, Green Building Design, of the UC Sustainable Practices Policy, the proposed project will meet or exceed Leadership in Energy and Environmental Design (LEED) Silver by incorporating measures that will result in significant energy savings, construction waste reduction, recycled material use, and water conservation. Such features will include an overall energy efficiency that exceeds California Title 24 criteria by at least 20 percent.

Seismic Safety Policy

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

CEQA COMPLIANCE

A summary of the environmental impacts of the proposed project is provided in Attachment 2. Pursuant to the California Environmental Quality Act (CEQA) and University of California Procedures for Implementation of CEQA, an Initial Study/Mitigated Negative Declaration (IS/MND) for the East Campus Student Apartments Phase IV has been prepared (Attachment 3). The IS/MND is tiered from the UCI 2007 LRDP Environmental Impact Report (Attachment 4), and Findings have been prepared to support the University's determination that the proposed project would not result in new significant direct, indirect, or cumulative environmental impacts (Attachment 5).

Key to Acronyms

ACC	American Campus Communities
CEQA	California Environmental Quality Act
CHF	Collegiate Housing Foundation
GSF	Gross Square Feet
IS/MND	Initial Study/Mitigated Negative Declaration
LEED	Leadership in Energy and Environmental Design
LRDP	Long Range Development Plan

ATTACHMENTS

Attachment 1: Project Design Graphics

Attachment 2: Environmental Impact Summary

Attachment 3: Final Initial Study / Mitigated Negative Declaration

East Campus Phase IV Final Initial Study/Mitigated Negative Declaration

http://eps.uci.edu/EnvironmentalPlanning/17-05-01_ECSA%20Phase%204%20ISMND_w%20Appendices.pdf

Attachment 4: 2007 LRDP and 2007 LRDP Environmental Impact Report

UC Irvine 2007 Long Range Development Plan

<http://www.ceplanning.uci.edu/PhysicalPlanning/2007LongRangeDevelopmentPlan.html>

UC Irvine 2007 Long Range Development Plan Final Environmental Impact Report

<http://www.ceplanning.uci.edu/EnvironmentalPlanning/UCILongRangeDevelopmentPlanFEIR.html>

Attachment 5: CEQA Findings

ENVIRONMENTAL IMPACT SUMMARY

In accordance with the California Environmental Quality Act (CEQA) Guidelines and University of California Procedures for Implementation of CEQA, a Final Initial Study/Mitigated Negative Declaration (IS/MND) for the East Campus Student Apartments Phase IV has been prepared (Attachment 3). The document is tiered from the UCI 2007 LRDP Environmental Impact Report (SCH #2006071024) (Attachment 4).

A Notice of Intent to Adopt a Mitigated Negative Declaration based on the Draft IS/MND was submitted on March 27, 2017 to the Governor's Office of Planning and Research, State Clearinghouse as well as 22 interested agencies and organizations for a 30-day review period that concluded on April 25, 2017. The Draft IS/MND was made available at the UCI Office of Environmental Planning and Sustainability and digitally on its website.

Environmental Impacts

The IS/MND found that the East Campus Apartments Phase IV project would have less than or no significant impact on the environment in regard to geology and soils, greenhouse gas emissions, land use and planning, population and housing, public services, recreation, transportation and traffic, utilities and service systems.

The IS/MND found that impacts resulting from the East Campus Apartments Phase IV project, with LRDP or project-level mitigation measures incorporated, would be reduced to a less than significant level in regard to aesthetics related to light and glare; air quality related to violation of air quality standards and criteria pollutants; biological resources related to take of sensitive habitat; cultural resources related to archeological and paleontological resources; hazards and hazardous materials related to emergency response; hydrology and water quality related to water quality, erosion, and drainage; and noise related to groundborne vibration and temporary noise.

Public Comments

During the comment period, five comment letters were received from the Native American Heritage Commission, Department of Toxic Substances Control, City of Irvine, Irvine Ranch Water District, and County of Orange. The comment letters did not raise any new issues that were not adequately analyzed in the Draft IS/MND pursuant to CEQA. Responses are included as Appendix G in the Final IS/MND. Therefore, no changes or amendments to the IS/MND were warranted based on public comments and recirculation of the document was not required.

Findings

Based on the analysis in the attached Final IS/MND, it has been determined that the proposed project would not result in new significant direct, indirect, or cumulative environmental impacts. All significant impacts related to air quality, biological resources, cultural resources, hydrology

and water quality, and noise would be reduced to a less than significant level with the incorporation of LRDP and project-specific mitigation measures (Attachment 5). The attached Findings discuss the project's impacts, mitigation measures, and conclusions regarding adoption of the IS/MND in conformance with CEQA.