

Office of the President

TO MEMBERS OF THE FINANCE AND CAPITAL STRATEGIES COMMITTEE:

**ACTION ITEM**

*For Meeting of May 18, 2022*

**BUDGET, SCOPE, EXTERNAL FINANCING, AMENDMENT #10 TO THE UCSF 2014 LONG RANGE DEVELOPMENT PLAN, AND DESIGN FOLLOWING ACTION PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT, THE NEW HOSPITAL AT UCSF HELEN DILLER MEDICAL CENTER AT PARNASSUS HEIGHTS, SAN FRANCISCO CAMPUS**

**EXECUTIVE SUMMARY**

UCSF Health proposes a project to construct an approximately 875,000-gross-square-foot (GSF) hospital, renovate approximately 114,000 GSF of existing space in the adjacent Moffitt and Long Hospitals, and seismically upgrade Moffitt Hospital. The New Hospital at UCSF Helen Diller Medical Center at Parnassus Heights is critical to address the seismic improvement need for acute inpatient care and outdated clinical facilities that lack the capacity to accommodate the growing need for tertiary and quaternary care, as well as the overall aging patient population.

UCSF is committed to meeting the community's growing health needs and contributing to the Bay Area's economic vitality. UCSF's New Hospital is leveraging UCSF's Anchor Institution Initiative, a landmark Community Workforce Agreement with Labor, and a Memorandum of Understanding with the City and County of San Francisco to deliver economic benefits to the community. This action item includes information about how UCSF and the New Hospital project advance these commitments.

In November 2021, the Regents approved the remaining preliminary plans funding of \$42.1 million for a total preliminary plans budget of \$177.1 million and working drawings funding of \$24.9 million to complete construction documents for the Site and Make-Ready portion of the project.<sup>1</sup> (A history of all prior approvals is provided in Attachment 1.)

The Regents are being asked to: (1) approve the full budget of \$4,332,271,000 to be funded from external financing (\$2,666,271,000), gift funds (\$1.2 billion), and hospital reserves (\$466

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<sup>1</sup> The preliminary plans funding (\$2 million) and working drawings funding (\$1.5 million) for the Langley Porter Psychiatric Institute (LPPI) Buildings Demolition project was included in this prior action. The total budget for the LPPI Buildings Demolition project, which the Regents are being asked to approve as a separate item in this meeting, includes the \$3.5 million for preliminary plans and working drawings. The total budget for the New Hospital has been reduced to remove the costs associated with the demolition project.

million); (2) approve the project scope; (3) approve external financing totaling \$2,666,271,000;<sup>2</sup> (4) certify the Environmental Impact Report; (5) approve the California Environmental Quality Act Findings and Statement of Overriding Considerations; (6) approve Amendment #10 to the Long Range Development Plan; and (7) approve the design.

### **RECOMMENDATION**

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

- A. The 2021-22 Budget for Capital Improvements and the Capital Improvement Program be amended to include the following project:
- From: San Francisco: New Hospital at UCSF Helen Diller Medical Center at Parnassus Heights – preliminary plans for the entire project and working drawings for Site and Make-Ready portion of the project – \$202 million funded from external financing (\$160.1 million) and hospital reserves (\$41.9 million).
- To: San Francisco: New Hospital at UCSF Helen Diller Medical Center at Parnassus Heights – preliminary plans, working drawings, construction, and equipment for the entire project – \$4,332,271,000 funded from external financing (\$2,666,271,000), gift funds (\$1.2 billion), and hospital reserves (\$466 million).
- B. The scope of the New Hospital at UCSF Helen Diller Medical Center at Parnassus Heights be approved to include the construction of a 15-story, approximately 875,000-gross-square-foot (GSF) new hospital building, providing approximately 336 patient beds and expanded emergency department, imaging, and surgical services; renovation of approximately 114,000 GSF of space in the existing Moffitt and Long Hospitals to enhance inpatient clinical services and to address the need for increased patient capacity at Parnassus Heights; and seismic upgrade of the Moffitt Hospital to support acute care services beyond 2030.
- C. The President be authorized to obtain external financing for the New Hospital at the Helen Diller Medical Center at Parnassus Heights project in an amount not to exceed \$2,666,271,000 plus additional related financing costs. 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, general revenues from UCSF Health shall be

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<sup>2</sup> UCSF is seeking approval of total external financing of \$2.7 billion for the New Hospital at UCSF Helen Diller Medical Center at Parnassus Heights, including \$2,666,271,000 for the New Hospital and \$33,729,000 for the LPPI Buildings Demolition project that is also on the agenda for this meeting. The \$2.7 billion of external financing is analyzed in Attachment 4, Summary of Financial Feasibility.

maintained in an amount 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 environmental consequences of the proposed New Hospital at UCSF Helen Diller Medical Center at Parnassus Heights 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) Certify the Final Environmental Impact Report (FEIR) for the New Hospital at Parnassus Heights.
- (2) Adopt the Mitigation Monitoring and Reporting Program for the New Hospital at Parnassus Heights and make a condition of approval the implementation of mitigation measures within the responsibility and jurisdiction of UCSF.
- (3) Adopt the CEQA Findings and Statement of Overriding Considerations for the New Hospital at UCSF Helen Diller Medical Center at Parnassus Heights project.
- (4) Approve Amendment #10 to the UC San Francisco 2014 Long Range Development Plan.
- (5) Approve the design of the New Hospital at UCSF Helen Diller Medical Center at Parnassus Heights project, San Francisco campus.

## **BACKGROUND**

UCSF Health proposes the New Hospital at UCSF Helen Diller Medical Center at Parnassus Heights (New Hospital) project to address the functional obsolescence and seismic improvement need for acute inpatient care. The outdated clinical facilities do not have the capacity to accommodate the growth in the patient population. UCSF has significant capacity constraints resulting in an overcrowded emergency department, patients remaining in recovery rooms overnight, denial of transfer cases from other hospitals, and patients unable to transfer out of critical care units due to a lack of downstream beds. Over the past 12 months, UCSF received over 10,000 requests for patients to transfer into UCSF's adult care hospital; unfortunately, 3,839 patients (about 39 percent) were unable to transfer to UCSF from other facilities that could not meet the complex care needs of those patients. These capacity constraints create patient safety and satisfaction concerns, as well as provider and employee dissatisfaction. In addition to these current capacity issues, patient demand volume is expected to increase. This is due to growth in the aging population, UCSF's affiliation network expansion, and the Bay Area's population

growth, which shows the nine-county area outpacing the growth rate in any other part of California.

Guiding principles for the planning and design of the New Hospital include:

- Reimagining patient care by creating an optimal healing environment that addresses social, psychological, spiritual, and behavioral components of health in one place
- Designing and constructing buildings based on “whole-patient” needs – from leading-edge diagnostic tests and therapies to the privacy and human connection to surrounding nature, which are essential to physical and emotional healing
- Maximizing innovation, quality, productivity, flexibility, and collaboration to create value for the cost using a current, best-in-class project delivery model for large healthcare programs
- Building an appropriately sized hospital and surgical intervention platform to meet the needs of the growing and aging Bay Area population and beyond

In addition, investing in UCSF Health’s future is critical to sustaining its vision to be the best provider of healthcare services, the best place to work, and the best environment for teaching and research. The New Hospital project was developed in the context of functional needs across the UCSF Helen Diller Medical Center at Parnassus Heights, including the Moffitt and Long Hospitals. The goal is to develop a holistic plan that enables the Parnassus Heights campus site to remain a destination supporting UCSF’s excellence in clinical care, life sciences research, and education.

## **PROJECT DESCRIPTION**

The proposed project would construct a 15-story, approximately 875,000-gross-square-foot (GSF) new hospital building, renovate approximately 114,000 GSF in the existing Moffitt and Long Hospitals, and seismically upgrade the Moffitt Hospital to maintain a portion of acute care services beyond 2030. The Site and Make-Ready work for the New Hospital includes critical infrastructure and support scope elements required before construction for the New Hospital.

### ***New Hospital***

The New Hospital would provide much-needed addition and expansion of critical clinical areas that are currently undersized and inefficient for the practice of modern medicine. All critical care patient care units would move to the New Hospital, along with expanded operating rooms, imaging, interventional laboratories, emergency department bays, and a new cafeteria for patients, visitors, employees, students, trainees, and the public. Table 1 below provides an overview of the functional space program for the New Hospital.

**Table 1: New Hospital Building Program**

<b>Functional Space Type</b>	<b>ASF</b>
Inpatient	311,000
Diagnostic & Treatment	188,600
Clinical Support	18,000
Logistic Support	50,800
Public Services	38,100
<b>Total</b>	<b>606,500</b>
Total GSF	875,000
Efficiency (ASF/GSF)*	69%
*New Hospital's efficiency is consistent with industry standards for acute care hospital facilities.	

Inpatient: The proposed New Hospital would include 336 new inpatient beds (net 183 beds and a 37 percent increase from the existing inpatient bed inventory at Parnassus Heights). Table 2 below provides an overview of the existing and planned number of inpatient beds for the Parnassus Heights campus site.

**Table 2: Existing and Planned Inpatient Beds at Parnassus Heights**

<b>Facility</b>	<b>Existing (2022)</b>	<b>Planned (2030)</b>	<b>Change</b>
Moffitt Hospital	174	49	(125)
Long Hospital	325	297	(28)
New Hospital	0	336	336
<b>Total</b>	<b>499</b>	<b>682</b>	<b>183</b>

The bed floors would be configured as 36-bed and 48-bed units, depending on the floor. All Intensive Care Units (ICU) at Parnassus Heights would be relocated to the New Hospital and expanded to meet the projected capacity needs, which accounts for 144 of the new beds. The remaining 192 beds within the New Hospital would be Acute Care Units (ACU) staffed to allow for care at the medical-surgical level or the step-down transitional-care level. To meet long-term flexibility and facilitate construction efficiencies, all inpatient rooms would be designed based on a module that accommodates ACU and ICU requirements. Additionally, a portion of the ACU floors would be designed as “conversion-ready” and constructed to accommodate rapid conversion to ICU if necessary. The planning and design of the new hospital have been influenced by lessons learned from the COVID-19 pandemic. Some examples of this include the built-in flexibility for rapidly increasing critical care beds, an increase of airborne isolation rooms, including airborne isolation rooms in the Emergency Department and recovery areas, and large lobby spaces that can be easily converted for screening and staging.

Diagnostic and Treatment: All primary diagnostic and treatment services provided at Parnassus Heights would be expanded with the construction of the New Hospital, including:

- 21 new surgical suites and nine new interventional procedure rooms (e.g., cardiac catheterization laboratory, neurology), with shared pre-operative and recovery bays
- New imaging services with six procedure rooms for endoscopy, gastroenterology, and bronchoscopy, and a shared central preparation/recovery area for procedure rooms and imaging, expanding the existing radiology resources that would remain in Long Hospital
- Expanded emergency department with increased capacity by approximately 65 percent to approximately 70 bays through new construction and a phased renovation of existing areas in Long Hospital, and with dedicated imaging services.

Clinical Support: A Central Pharmacy would provide distribution of all patient medications, including hazardous and non-hazardous sterile compounding, and would support the New Hospital and the Moffitt and Long Hospitals, using a new pneumatic tube system and robotic medication delivery carts. Surgical satellite pharmacies would be located on the new surgery floors. A new specialty/retail pharmacy would be adjacent to the new Central Pharmacy and accessible to the public. Additionally, transfusion services would be located adjacent to the Procedure Suites.

Logistic Support: The existing dock at the Moffitt Hospital would be expanded, and a new “soiled” dock would be constructed along Medical Center Way to accommodate all waste streams from the New Hospital, including the new food service areas. A new central gravity multi-chute system would segregate waste, recycling, and soiled linen. A dedicated food service elevator would connect the new sixth-floor kitchen to the existing dock. The new food service cart lifts would support patient meal distribution to the new and existing inpatient floors. A new sterile processing department in the basement of the New Hospital would support the expanded surgical and interventional services at Parnassus Heights.

Public Services: The New Hospital would include a new main entry lobby for the Hospital and connections back to the existing public areas on the second floor of the Long and Moffitt Hospitals. Public amenities would be distributed in new and existing space across the Lobby areas facing Parnassus Avenue. There would also be public access to a new cafeteria, offering a variety of food options to patients, families, employees, students, and trainees. The New Hospital would also include a centralized surgical/interventional check-in/registration and waiting area to support all procedural services in the New Hospital and Moffitt/Long.

### ***Moffitt and Long Renovations***

Once the New Hospital is complete, select interior renovations totaling approximately 114,000 GSF would be implemented at the Moffitt and Long Hospitals to facilitate the inpatient clinical and support program needs for the increased patient capacity at Parnassus Heights. The proposed renovations would comprise expansion of the lobby and space for select departments, including the emergency department, surgery and surgery support, clinical laboratories, pathology, radiation oncology, interventional laboratories, and support spaces (e.g., loading dock, facilities

management, clinical technologies, hospitality, and security).

See Attachment 2 for additional information about the key programming units (i.e., ACU, ICU, operating rooms, etc.) currently located in the Moffitt and Long Hospitals and the planned changes with the construction of the New Hospital and subsequent renovations of the Moffitt and Long Hospitals.

### ***Site and Make-Ready Work***

As approved in November 2021, the site and make-ready work includes critical infrastructure and support scope elements required before the start of construction of the New Hospital. Specific elements include abatement and demolition of the Long Hospital Magnetic Resonance Imaging Annex; grading and road improvements; relocation of existing utilities, installation of new utilities and tie-ins at the Parnassus Central Utility Plant; renovation of the existing hospital loading dock; removal of existing and installation of new oxygen and medical gas tanks; hillside stabilization and vegetation management; and select renovations in the Moffitt and Long Hospitals to facilitate the site and make-ready work. Abatement and demolition of the Langley Porter Psychiatric Institute buildings will be implemented with these site and make-ready elements.<sup>3</sup>

### ***Moffitt Seismic and Exiting Upgrades***

A portion of acute care beds in Moffitt Hospital would be maintained following the completion of the New Hospital. Improvements are necessary to meet Senate Bill 1953 seismic compliance standards. Structural improvements to Moffitt Hospital would include upgrades of the structural bracing for the roof penthouse, installation of new bracing on the west and south wings of the roof and the Floor 15 diaphragms, and installation of support brackets below steel framing at the roof of Cole Hall Auditorium, a two-story, above-grade structure located in the Moffitt Hospital.

In addition, the west wing of Moffitt Hospital currently exits through the adjacent non-acute care Medical Sciences Building. To remain an acute care facility beyond 2030, exiting cannot be provided through a non-Department of Health Care Access and Information<sup>4</sup> (HCAI) building. To satisfy this code requirement, a new 15-story above-grade stair tower would be constructed and structurally attached to the exterior of the west wing of the Moffitt Hospital, connecting at all 15 floors, including the basement level. This new stair tower would become part of the acute care hospital building and provide the required hospital occupant egress.

## **FUNDING PLAN AND FINANCIAL FEASIBILITY**

The proposed budget is \$4,332,271,000 to be funded from external financing (\$2,666,271,000), gifts (\$1.2 billion), and hospital reserves (\$466 million). (Refer to Attachment 2, Project Sources

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<sup>3</sup> A separate action item for approval of budget, scope, external financing, and design following action pursuant to CEQA for the LPPI Buildings Demolition is on the agenda for this meeting.

<sup>4</sup> Formerly known as the Office of Statewide Health Planning and Development (OSHPD)

and Uses.)

As of June 30, 2021, UCSF Health had a 13.2 percent modified net income margin, 11.6x modified debt service coverage, and 168 days' cash on hand. Modified net income margin and modified debt service coverage include the adjustments allowed under the University Debt Policy.

Over the ten-year projection period, the modified net income margin is projected to range from a low of eight (8.0) percent to a high of 9.3 percent, above the minimum requirement of equal to or greater than zero percent. Modified debt service coverage is projected to range from a low of 5.2x to a high of 8.2x, above the minimum requirement of equal to or greater than 3x. Days' cash on hand is projected to range from a low of 154 days to a high of 226 days, above the minimum requirement which ranges from 60 to 90 days during the projection period.

Additional information may be found in Attachment 4, Summary of Financial Feasibility, and Attachment 5, UCSF Health System – Projected Financial Performance.

### ***Status of Fundraising***

UCSF has established an experienced fundraising committee comprising committed individuals who serve as champions for the revitalization of the Parnassus Heights campus and its importance to the future of UCSF, including the New Hospital at the Helen Diller Medical Center at Parnassus Heights. The fundraising goal for revitalizing the Parnassus Heights campus site is approximately \$1,619,000,000.

The fundraising goal for the New Hospital project is \$1.2 billion. UCSF has commitments from donors to fund approximately \$603.1 million for this project, including a \$500 million philanthropic commitment from the Helen Diller Foundation to support the planning, design, and construction of the New Hospital.

As of March 1, 2022, the status of gifts for this project is as follows:

**Table 3: Status of Gifts**

In Hand:	\$3,100,000
Pledged (Committed):	\$600,000,000
To be Raised:	\$596,900,000
<b>Total</b>	<b>\$1,200,000,000</b>

In addition to gifts raised specifically for the New Hospital, an additional \$170 million has been raised for the Parnassus Heights revitalization that could be allocated to the New Hospital, as well as other capital improvement projects.

UCSF will advance unrestricted reserves as necessary to cover contracting requirements until the remaining gifts are received. No standby or interim financing is requested for the project.



## DESIGN ELEMENTS

The architecture of the New Hospital is informed by the physical constraints and functional needs of its surroundings. Although visible from vantage points throughout San Francisco, the architecture of the building strives to minimize its perceived scale and reduce the impact on the surrounding neighborhoods. A “Healing Habitat” is envisioned for the New Hospital, fostering a holistic experience that fosters wellness for all, both physically and emotionally, via human connections, active healing, organic design, responsible systems, and urban culture. The New Hospital is designed to provide the most technologically advanced and complex treatment to serve the most critically ill patients who cannot get their care in other hospitals.

### *Project Site*

The New Hospital will serve as a gateway to the Parnassus Heights campus from the east, bordered on the north by Parnassus Avenue, on the east by Medical Center Way, and on the west by the Moffitt and Long Hospitals. The site is currently occupied by the Langley Porter Psychiatric Hospital and Clinics (LPPH&C) at the corner of Parnassus Avenue and Medical Center Way. Four buildings (Langley Porter Psychiatric Institute (LPPI), LPPI Butler, LPPI Outpatient Center, and LPPI Paint Shop) would be demolished along with the site and make-ready work for the New Hospital. A separate action item on the LPPI demolition is being presented at this meeting. For more information, refer to Attachment 6, Project Location Map.

### *Massing, Stacking, and Enclosure*

The New Hospital and renovated Moffitt and Long Hospitals would effectively function as one hospital. The New Hospital would include a set of elevators to enable connection on each floor between the New Hospital and Long Hospital despite the ceiling height differences between the buildings. Additionally, several floors would connect horizontally to allow connecting movement between the buildings without taking an elevator or stairs.

The massing of the New Hospital is organized around a vertical stack of three main building components: a five-story base Podium containing the diagnostic and treatment functions, a four-story middle Inset portion, set back from the facades above and below, highlighted by a cafeteria with a landscaped terrace; and the stepped six-story Mountain form containing patient rooms. The distinct character of the building geometry, formed by the stacked arrangement of the Podium, Inset, and Mountain, sensitively responds to the program and site conditions. This arrangement forms a unified volume that respects the local context and connects with the natural setting of Mount Sutro.

Podium (Levels One through Five): The base of the facility contains public lobbies, the emergency department, and the diagnostic and treatment functions of the hospital. Level Two serves as a connection floor to allow patients, visitors, and staff to enjoy the public amenities (e.g., the retail pharmacy, satellite café, the sanctuary, and gift shop); it is also the location for the surgery check-in and waiting area. The Podium also allows an ample amount of covered vehicular access and drop-off activity to occur at the building entry at Level One. On Levels

Three through Five are the diagnostic and treatment floors containing the surgical suites, procedure rooms, and imaging, in addition to pre-operative and Post Anesthesia Care Unit.

Inset (Levels Six through Nine): These floors are smaller than those below and immediately above them. Level Six contains the cafeteria, which has access to an outdoor landscaped terrace created by the massing setback. The terrace and the inside dining spaces will benefit from panoramic views of Golden Gate Park, the Golden Gate Bridge, and the surrounding neighborhoods. Level Seven is a building systems infrastructure floor containing the mechanical, electrical, and plumbing (MEP) systems. Levels Eight and Nine contain the ICU patient rooms.

Mountain (Levels Ten through 15): The majority of new patient bedrooms are located on these floors, maximizing the opportunities for natural daylight and panoramic views. Patient rooms provide a caring space for the patient, a family/visitor zone, and cutting-edge technology integrated into the design. Each ascending floor steps back progressively from the floor below, reducing the perceived scale of the hospital and creating an iconic silhouette that reflects the slopes of Mount Sutro behind it. Each Mountain level has horizontal projection elements that provide passive sun-shading, reduce the urban wind impacts at street level and provide glare mitigation in the patient rooms.

The use of materials in the facades results from a response to the site conditions to create a warm and inviting experience and the hospital's departmental program arrangement. Each of these programmatic zones (Podium, Inset, and Mountain) has a distinct architecture. Through the application of articulated expressions, built up with small-scaled material elements in timber, ceramic, metal, and glass, this reduces the perception of the building scale and softens its appearance.

### ***Outdoor and Landscape Features***

The gardens and green spaces of the New Hospital are fully integrated with the building design. Internal courtyards are formed by the New Hospital, Moffitt Hospital, and Long Hospital at the ground level, as well as at levels eight and ten, to provide a sense of nature and access to daylight for the patient bedrooms surrounding it as well as to facilitate wayfinding. The courtyard terrace on level eight offers hospital employees a quiet place to recharge. The soil is built-up to provide sufficient depth for trees and shrubs. The mounded topography, trees, and shrubs enhance patient vistas while protecting privacy.

The Level Six terrace adjacent to the cafeteria creates a sense of immersion in nature with its Mount Sutro-inspired woodland setting and meandering path that connects the dining and seating spaces. The path and seating spaces are strategically located in the more wind-protected spaces that offer the best views. Large format precast concrete plank pavers, oriented in a north-south direction, form the path system.

### ***Design Response to Pandemic***

The design of the New Hospital has been informed by and modified in response to experiences

with the COVID-19 pandemic. Most notably, this includes the decision to create as much future flexibility and rapid growth or expansion of critical care beds as possible, based on future needs. The lobby spaces have been designed to allow for easy transformation to large staging and screening areas. The security strategy has been informed by the desire to lock down areas that may need to have greater restrictions due to a pandemic or other security event.

Also, there is a significant increase of airborne isolation rooms in every area, including the emergency department, patient care floors, surgery and recovery areas, and procedure areas. For example, a 1:12 ratio of airborne isolation rooms to acute care beds and a 2:12 ratio of airborne isolation to intensive care beds is planned.

### ***Building Infrastructure Systems***

The New Hospital will be a steel structure on deep foundations (drilled piers) and will be seismically independent from the adjacent Moffitt and Long Hospitals.

The project will interconnect major mechanical utilities to the existing Parnassus Central Utility Plant (PCUP) to improve resilience, reliability, and future campus connectivity. The mechanical, electrical, and plumbing (MEP) systems within the New Hospital footprint will be all-electric, utilizing electric chillers and cooling systems with heat recovery. The kitchen and dining facility will also be all-electric. (The Sustainability section below provides additional information pertaining to electricity use.)

Level Seven contains MEP systems, and the Roof Level includes emergency generators, cooling towers, and mechanical systems as well. The Basement contains the primary chiller plant equipment rooms, heating water pumps, main plumbing, and medical gas equipment rooms, as well as water waste and fire water emergency storage.

Emergency provisions include redundant critical equipment, emergency generators, redundant utility sources, and new emergency water and waste storage capability for the New Hospital and Moffitt and Long Hospitals.

### ***Sustainability***

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 are included in the budgeting, programming, and design effort for the project. The New Hospital is designed with the goal of Leadership in Energy and Environmental Design for Health Care (LEED<sup>TM</sup> HC) Gold rating.

This project has been analyzed by the UC Operational Carbon and Energy Assessment for New Construction (OCEAN) Tool, and the results are provided in Attachment 12. The OCEAN Tool identifies high-level estimates of the proposed project's target site energy use, utility costs, and

operational greenhouse gas emissions. Building performance metrics are being compiled within UC's capital projects database and will be utilized to compare and assess future projects.

There is an effort underway by UCSF to determine the feasibility of transitioning the PCUP's natural gas cogeneration facility to either a non-carbon emitting or an all-electric power source over time, and the New Hospital would help the Parnassus Heights campus shift away from fossil fuels. The New Hospital is designed to include no natural gas service, but it does rely on the PCUP for electricity, heating, domestic hot water, and steam. All mechanical, electrical, and plumbing systems not supplied by the PCUP will be all-electric, except for diesel backup generators used for emergency power supply. Examples of all-electric systems to be located at the New Hospital include chilled water production equipment for building cooling and supplemental heating systems for both heating hot water and domestic hot water production.

To help minimize emissions as UCSF transitions away from fossil fuels at the PCUP, the New Hospital will implement energy conservation measures with an enhanced facade through the building massing, incorporating displacement ventilation in patient rooms and public spaces, as well as implementing occupancy setback control for operating rooms, patient rooms, and other areas with occupancy schedules. These measures bring the project's Energy Use Intensity (EUI) to 160 Kilo British Thermal Units per square foot, which aligns with the targets required by the UC Sustainable Practices Policy. The project will continue to use an iterative energy modeling process to drive the EUI as low as possible. The building is also designed to function in future projected climate conditions for the City of San Francisco, making it resilient in the face of climate change impacts.

The New Hospital project includes two critical infrastructure design improvements to align with UCSF's path to carbon neutrality: (1) the installation of a low-temperature heating hot water distribution system for all space and domestic heating needs in the New Hospital and beyond to accommodate the use of future all-electric heat recovery chilling for heating; and (2) an added redundant electrical feed from the Pacific Gas and Electric utility grid to harden the campus and hospital's electricity supply, paving the transition path to a fossil-fuel-free campus.

The New Hospital project will reduce embodied carbon by at least ten percent compared to a baseline comparable building, as defined by LEED. This effort will address the carbon impacts associated with interior and exterior materials and focus on using lower-emissions concrete for selected elements of the building foundation and structure if approved by HCAI.

In addition to reducing carbon emissions to align with UCSF's path to carbon neutrality, the New Hospital project has also established other sustainability goals that address air quality, water use, materials and resources, biodiversity and open space, and human health. The goals intend to advance health by setting performance standards for design, construction, and operations and UCSF's commitment to fostering a culture of health and well-being. The specific strategies that are being implemented to meet these goals include:

Air Quality: Use of EPA Tier 4 low-emitting generators and reduction of construction diesel emissions.

Transportation: Encourage and support non-automotive transportation, specifically walkable streets, bicycle parking, and public transit access. Short-term and long-term bicycle parking would be provided to accommodate increased demand.

Water Conservation: No net increase in combined storm and sewer peak flows from the Parnassus Heights campus, and implementation of water conservation measures that address HVAC use, food service, medical equipment, interior plumbing fixtures, landscape irrigation, and non-potable water use opportunities that reduce whole project water use by at least 36 percent, which is the 2025 reduction target set forth in the UC Sustainable Practices Policy.

Materials and Resources: Implementation of a waste management program that addresses construction and operations, and includes recycling, composting, and medical waste (as applicable), and using building products that meet LEED<sup>TM</sup> and sustainable material standards.

Biodiversity and Open Space: Integrate bird-safe design strategies and align landscaping to meet the San Francisco Biodiversity Program.

Human Health: Establish project-specific healthy material standards and eliminate or reduce occupant exposure to red list materials and harmful chemicals, and provide occupants with access to daylight, views, and nature throughout the facility.

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

In November 2019, the Regents approved using the Integrated Form of Agreement (IFOA), an Integrated Project Delivery method, for the New Hospital. An integrated team performs the design and construction planning, including UCSF, the architect, designer, general contractor, and key trades working to optimize program quality within a cost target set by UCSF. The IFOA process optimizes the use of Lean tools and processes. In addition to minimizing risk, industry data suggests that the IFOA delivery method provides greater schedule predictability, cost and budget control, quality of design and construction, fewer changes, greater ability to manage changes, increased morale, and overall value delivered.

The design team is working closely with HCAI to review the design documents for varying components of the project. The project is under an integrated-review process with HCAI, through which in-progress documents are reviewed with HCAI; feedback from these meetings informs the final design documents that would be submitted for approval by HCAI.

Construction of the site and make-ready work is scheduled to begin in the summer 2022 and is expected to take about two years to prepare for shoring and excavation of the New Hospital in 2024. Excavation of the New Hospital footprint would be followed by piles and foundation construction, which needs to start in late 2024 to allow for steel erection in 2025 and to maintain a mandated completion date for the New Hospital in 2030. Renovations of Moffitt and Long Hospitals would begin in early 2030 and be complete in 2034.

## UCSF'S COMMITMENT TO COMMUNITY

With deep roots in San Francisco, reaching back to its founding in 1864, UCSF is committed to meeting the community's growing health needs and contributing to the Bay Area's economic vitality. UCSF's New Hospital will leverage UCSF's Anchor Institution Initiative, a landmark Community Workforce Agreement with Labor, and a Memorandum of Understanding (MOU) with the City and County of San Francisco (City) to deliver economic investments to the community it calls home.

### *Anchor Institution Initiative*

UCSF's Anchor Institution Initiative<sup>5</sup> seeks to advance health equity by leveraging UCSF's business operations and economic resources to increase economic opportunity and improve health outcomes of underserved and under-resourced communities. Specifically, the Anchor Institution Initiative focuses on three priorities, all of which can be leveraged with the New Hospital: Procurement, Community Investment, and Workforce Development.

In addition, the New Hospital project team, inclusive of UCSF, the architect, designer, general contractor, key trades, and other consultants, has formed a Diversity, Equity, and Inclusion (DEI) workgroup that developed a project-specific approach to DEI in the following three focus areas.

Procurement: Across the enterprise, UCSF is on track to achieve its goal to increase small and diverse spending in 2021-22 by two percent over last year. Examples of some strategies include:

- Inclusive of health and campus procurement, UCSF is making structural changes to its procurement infrastructure so that buying from small and diverse vendors is as easy as buying from current, much larger vendors. This includes adding visible reminders within BearBuy to encourage diverse spending and building greater awareness through training.
- UCSF is increasing opportunities for small and local businesses with advance notifications to advocacy organizations about RFPs. These advocacy organizations then alert diverse vendors with plenty of time to participate in competitive bidding. This has resulted in four awards to local/small/diverse suppliers over the last few months.
- UCSF is strengthening its relationship with large entities, including other health institutions and the City of San Francisco's Contract Monitoring Division, to build capacity, share best practices, and increase contracting opportunities for small and diverse businesses, especially those in historically underserved neighborhoods.

UCSF is committed to promoting and increasing participation of small business enterprises (SBEs), which encompasses disadvantaged, disabled veteran, and women owned business enterprises, in all purchasing and contract business, subject to any and all applicable obligations under State and federal law, collective bargaining agreements, and University policies. Providing

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<sup>5</sup> <https://anchor.ucsf.edu>

qualified SBEs with the maximum opportunity to participate will be encouraged with the selected design professionals and contractors with the goal of meeting 25 percent participation.

Specifically, in support of UCSF Real Estate's Vendor Diversity Program, the New Hospital project team has identified opportunities in design and construction for SBE participation. The New Hospital project is committed to maximizing the dollars spent and contracts awarded to SBEs through continuing to support annual Vendor Diversity Program outreach events, supporting "How to do Business at UCSF" vendor training sessions, and including language in Request for Qualifications and Request for Proposals that adds additional weight to SBE firms.

Community Investment: UCSF has developed a three-year pilot social impact investment program to invest \$5 million in local small businesses, social enterprises, and affordable housing. Recipients of the loans are REDF Impact Investing Fund <sup>6</sup>, San Francisco Housing Accelerator Fund <sup>7</sup>, ASIAN, Inc. <sup>8</sup>, and Pacific Community Ventures <sup>9</sup>.

In addition, the New Hospital team has volunteered labor and materials to renovate the bilingual Wah Mei School near the project site. UCSF will seek partnerships with community organizations such as BuildOUT California to support LGBTQ-owned/certified firms in the architecture, engineering, and construction industry, and the National Association of Minority Contractors Northern California.

Workforce Development: UCSF is committed to pursuing a 30 percent local hire goal for the project. To help reach this goal, UCSF has negotiated a Workforce Development Agreement (WDA) with the City and County of San Francisco's CityBuild program to provide pre-apprenticeship training and job placement on the New Hospital construction site for San Francisco residents.

Since 2011, UCSF's Community Construction Outreach Program (CCOP) has trained and placed over 1,600 local hires on 15 capital construction projects across UCSF campus sites. UCSF has facilitated sponsorship into unions in a variety of construction trades, including electricians, plumbers, sheet metal workers, laborers, ironworkers, painters, carpenters, and drywallers.

UCSF is also exploring participation in other workforce development programs, such as Construction Administration and Professional Service Academy in support of training and placement in construction management, Construction Industry Education Foundation in support of high school student career development, and Construction Industry Workforce Initiative in support of construction, architecture, and engineering internship opportunities.

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<sup>6</sup> REDF is a venture philanthropy that invests exclusively in social enterprises that employ and empower people overcoming barriers to work.

<sup>7</sup> The San Francisco Housing Accelerator Fund's mission is to invest in the preservation and expansion of high-quality affordable housing and community facilities.

<sup>8</sup> ASIAN, Inc. is a non-profit technical assistance and research organization that strengthens Asian Americans and other socioeconomic minorities, particularly low- to moderate-income communities with diverse multi-cultural and multi-linguistic needs.

<sup>9</sup> Pacific Community Ventures is an impact investor that supports small business owners and their communities in the fight for economic, racial, and gender justice.

In addition to these efforts, UCSF has:

- Expanded a flagship entry-level workforce development program, Excellence through Community Engagement Learning (EXCEL), by 50 percent to serve 45 participants from the Department of Social Service's California Work Opportunity and Responsibility to Kids program
- Hosted over 30 summer paid internships for low income and minority high school students from San Francisco Unified School District to learn about careers in science
- Developed internal training programs to advance entry-level employees to mid-level careers, such as medical assistant, clinical research coordinator, patient care assistant, and information technology positions.

### ***Community Workforce Agreement***

In January 2021, UCSF, the San Francisco Building and Construction Trades Council (BCTC), and the general contractor for the New Hospital entered into a landmark Community Workforce Agreement to construct the New Hospital. This first-of-its-kind agreement for the University of California will ensure that the project will employ a union workforce with a strong representation of local labor, apprentices in the trades, and military veterans. The BCTC, the local body of North America's Building Trade Unions, participates in this agreement on behalf of 30,000 local skilled workers in 22 trade unions. UCSF estimates that this project will create 1,000 construction jobs over the next ten years.

### ***Comprehensive Parnassus Heights Plan (CPHP) MOU with the City***

In support of Amendment #7 to the Long Range Development Plan, approved by the Regents in January 2021, UCSF entered into an MOU with the City related to the CPHP. The MOU outlines a package of specific community investments in priorities identified by UCSF's neighbors and community leaders living near the Parnassus Heights campus site. These include:

- Housing: Build 1,263 new homes citywide (40 percent affordable) – half of them by 2030. To date, 71 homes have been delivered, and 230 homes are under construction
- Transportation: In addition to pedestrian realm and safety improvements along Irving Street, invest approximately \$20 million in transportation and transit improvements, and partner with the San Francisco Municipal Transportation Agency to identify a bicycle route connecting Golden Gate Park to Parnassus Heights
- Open Space: Maintain and preserve the Mount Sutro Open Space Reserve with a minimum of 61 acres
- Workforce: Pursue a 30 percent local hire goal for construction jobs, expand EXCEL



training program for careers in health care administration, and create a WDA for training local hires (described above)

- Education: Strengthen partnerships with the San Francisco Unified School District to support science, technology, engineering, and mathematics curriculum, internships, and pipeline programs for underrepresented youth

A complete progress report on the MOU was completed and submitted to the City in April 2022.<sup>10</sup>

These investments were developed as part of an extensive community engagement effort that began in July 2018. UCSF worked with community stakeholders and incorporated their ideas for community investments, as well as a design for the New Hospital that best serves the Parnassus Heights neighbors and surrounding community. This engagement included:

- Over 50 community meetings convened
- 2,400 surveys conducted in multiple languages
- Over 70 meetings with local, State, and federal elected officials held
- 10,000 neighbors actively engaged over almost four years

### **LRDP AMENDMENT**

A minor amendment to the 2014 LRDP is required to adjust the Mount Sutro Open Space Reserve boundary to accommodate the replacement site for the medical gas tanks, while maintaining the Reserve at a minimum of 61 acres.

In January 2021, the Regents certified the Final EIR for the Comprehensive Parnassus Heights Plan (CPHP) and approved LRDP Amendment #7 to incorporate CPHP concepts and proposals into the 2014 LRDP. LRDP Amendment #7 included an adjustment to the Mount Sutro Open Space Reserve boundary to accommodate the conceptual New Hospital footprint contemplated at that time, and the functional zone designation of this area was changed from the Open Space Reserve functional zone to the Clinical functional zone.

Since the January 2021 approval of LRDP Amendment #7, the New Hospital design has been refined and, as now proposed, would not extend into the Reserve; however, the related proposed medical gas storage tanks replacement project would result in a minor encroachment into the Reserve. As the proposed New Hospital building now would not extend into the Reserve, the boundary of the Reserve is proposed to be modified as follows:

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<sup>10</sup> <https://ucsf.app.box.com/v/parnassus-heights-plan/file/950357118771>

- The area previously removed from the Reserve under 2014 LRDP Amendment #7 to accommodate the New Hospital footprint is now proposed to be returned to the Reserve. The functional zone designation for this area would change from the Clinical functional zone to the Open Space Reserve functional zone.
- The proposed location for the medical gas tank replacement site that is currently designated as the Open Space Reserve functional zone would be changed to the Support functional zone.

The above-described changes would maintain the Reserve at a minimum of 61 acres (refer to Attachment 8).

The area between the Surge and Woods parking lots added to the Reserve under 2014 LRDP Amendment #7 would remain as Reserve land.

### **CEQA COMPLIANCE**

A summary of the CEQA process and the environmental impacts of the proposed project are provided in Attachment 9. Pursuant to State law and University procedures for implementation of CEQA, the project has been analyzed in the New Hospital at Parnassus Heights Final Environmental Impact Report (FEIR) (Attachment 10). Findings and a Statement of Overriding Considerations have been prepared to support the University's determination regarding project impacts, mitigation measures, and CEQA alternatives (Attachment 11).

**KEY TO ACRONYMS**

ACU	Acute Care Unit
BCTC	Building and Construction Trades Council
CCOP	Community Construction Outreach Program
CEQA	California Environmental Quality Act
City	City and County of San Francisco
CPHP	Comprehensive Parnassus Heights Plan
DEI	Diversity, Equity, and Inclusion
EXCEL	Excellence through Community Engagement Learning
EUI	Energy Use Intensity
FEIR	Final Environmental Impact Report
GSF	Gross-Square-Foot
HCAI	Department of Health Care Access and Information
ICU	Intensive Care Unit
IFOA	Integrated Form of Agreement
LEED™ HC	Leadership in Energy and Environmental Design for Health Care
LPPH&C	Langley Porter Psychiatric Hospital and Clinics
LPPI	Langley Porter Psychiatric Institute
MEP	Mechanical, Electrical, and Plumbing
MOU	Memorandum of Understanding
New Hospital	New Hospital at UCSF Helen Diller Medical Center at Parnassus Heights
OCEAN	UC Operational Carbon & Energy Assessment for New Construction
PCUP	Parnassus Central Utility Plant
SBE	Small Business Enterprises
WDA	Workforce Development Agreement

**ATTACHMENTS**

Attachment 1:	History of Approvals
Attachment 2:	Key Programming Units, Current and Planned
Attachment 3:	Project Sources and Uses
Attachment 4:	Comparable Project Information
Attachment 5:	Summary of Financial Feasibility
Attachment 6:	UCSF Health System – Projected Financial Performance
Attachment 7:	Project Location Map
Attachment 8:	<a href="#">Design Graphics</a>
Attachment 9:	Amendment #10 to the 2014 LRDP
Attachment 10:	Environmental Impact Summary
Attachment 11:	New Hospital at Parnassus Heights Final Environmental Impact Report <a href="https://ucsf.app.box.com/s/vv99r2axrj16fe5zlf4yb6iwsgs4tq4">https://ucsf.app.box.com/s/vv99r2axrj16fe5zlf4yb6iwsgs4tq4</a>
Attachment 12:	<a href="#">CEQA Findings and Statement of Overriding Considerations</a>
Attachment 13:	Results of UC Operational Carbon & Energy Assessment for New Construction Tool

**HISTORY OF APPROVALS**

November 2019	Approval of the New Hospital at UCSF Helen Diller Medical Center at Parnassus Heights Program Integrated Form of Agreement and Procurement Strategy
December 2019	Endorsement of the project by the Health Services Committee
March 2020	Approval of partial preliminary plans funding - \$5 million funded from hospital reserves
May 2020	Approval of partial preliminary plans funding - \$135 million funded from hospital reserves
November 2021	Approval of preliminary plans for the entire project and working drawings for Site and Make-Ready Work portion of the project - \$202 million funded from external financing (\$160.1 million) and hospital reserves (\$41.9 million); approval of the scope for the site and make ready portion of the project; and approval of external financing of \$160.1 million.
Proposed May 2022	<p>Approval of total project budget of \$4,332,271,000 funded from external financing (\$2,666,271,000), gift funds (\$1.2 billion), and hospital reserves (\$466 million); approval of the scope for the entire project; approval of external financing of \$2,666,271,000; certification of the Environmental Impact Report; approval of the California Environmental Quality Act Findings and Statement of Overriding Considerations for the project; approval of Amendment #10 to the Long Range Development Plan; and approval of design.</p> <p>A separate action item is on the agenda for the Langley Porter Psychiatric Institute Buildings Demolition for the New Hospital at Parnassus Heights.</p>

## KEY PROGRAMMING UNITS, CURRENT AND PLANNED

Moffitt & Long Current (2022)	NHPH (2030)	Moffitt & Long (Post-2030)	Total NHPH + M/L (Post-2030)	Delta (Current to Post-2030)
499 Beds (87 ICU; 412 ACU)	336 Beds (144 ICU; 192 ACU)	346 Beds (0 ICU; 346 ACU)	<b>682 Beds</b> <b>(144 ICU; 538 ACU)</b>	+ 183 Beds (+ 57 ICU; + 126 ACU)
28 ORs	21 ORs (PACU for 40 ORs)	19 ORs) (after renovation)	<b>40 ORs</b>	+ 12 ORs
43 ED Bays	32 ED Bays	39 ED Bays	<b>71 ED Bays</b>	+ 28 ED Bays
13 Interventional Labs	9 Interventional Labs	7 Interventional Labs	<b>16 Interventional Labs</b>	+ 3 Interventional Labs
20 Radiology	19 Radiology	12 Radiology	<b>31 Radiology</b>	+ 11 Radiology
5 Procedure Suites	6 Procedure Suites	1 Procedure Suite	<b>7 Procedure Suites</b>	+ 2 Procedure Suites

# ATTACHMENT 3

## PROJECT SOURCES AND USES

### NEW HOSPITAL AT UCSF HELEN DILLER MEDICAL CENTER AT PARNASSUS HEIGHTS

#### SOURCES

Sources	Site and Make-Ready Work	New Hospital	Moffitt & Long Renovations	Moffitt Seismic Upgrades	Total	% of Total
External Financing	\$176,537,000	\$2,489,734,000	-	-	\$2,666,271,000	61.5%
Gifts	-	\$656,000,000	\$544,000,000	-	\$1,200,000,000	27.7%
Hospital Reserves	-	\$411,000,000	-	\$55,000,000	\$466,000,000	10.8%
<b>Total Sources</b>	<b>\$176,537,000</b>	<b>\$3,556,734,000</b>	<b>\$544,000,000</b>	<b>\$55,000,000</b>	<b>\$4,332,271,000</b>	<b>100%</b>

#### USES

Cost Category	Site and Make-Ready Work	New Hospital	Moffitt & Long Renovations	Moffitt Seismic Upgrades	Total	% of Total <sup>1</sup>
Site Clearance	\$4,471,000	-	-	\$919,000	\$5,390,000	0.1%
Building <sup>2</sup>	\$73,960,000	\$2,365,695,000	\$378,211,000	\$39,167,000	\$2,857,033,000	76.2%
Exterior Utilities	\$45,900,000	-	-	-	\$45,900,000	1.2%
Site Development	\$9,864,000	\$6,117,000	-	\$50,000	\$16,031,000	0.4%
A/E Fees <sup>3</sup>	\$14,015,000	\$319,082,000	\$38,950,000	\$7,607,000	\$379,654,000	10.1%
Campus Administration <sup>4</sup>	\$2,557,000	\$57,043,000	\$10,942,000	\$732,000	\$71,274,000	1.9%
Surveys, Tests, Plans <sup>5</sup>	\$3,057,000	\$23,603,000	\$5,002,000	\$737,000	\$32,399,000	0.9%
Special Items <sup>6</sup>	\$18,735,000	\$180,194,000	\$17,775,000	\$2,191,000	\$218,895,000	5.8%
Contingency	\$3,978,000	\$95,000,000	\$19,000,000	\$2,597,000	\$120,575,000	3.2%
<b>Subtotal (PWC Cost)</b>	<b>\$176,537,000</b>	<b>\$3,046,734,000</b>	<b>\$469,880,000</b>	<b>\$54,000,000</b>	<b>\$3,747,151,000</b>	<b>100.0%</b>
Group 2 & 3 Equipment	-	\$510,000,000	\$74,120,000	\$1,000,000	\$585,120,000	
<b>Project Total</b>	<b>\$176,537,000</b>	<b>\$3,556,734,000</b>	<b>\$544,000,000</b>	<b>\$55,000,000</b>	<b>\$4,332,271,000</b>	
Interest During Construction <sup>7</sup>	-	-	-	-	-	
<b>Grand Total</b>	<b>\$176,537,000</b>	<b>\$3,556,734,000</b>	<b>\$544,000,000</b>	<b>\$55,000,000</b>	<b>\$4,332,271,000</b>	

<sup>1</sup> Because of rounding, some totals may not correspond with the sum of the separate parts.

<sup>2</sup> Building construction includes General Contractor, subcontractors Facilities Management consulting, and project insurance

<sup>3</sup> A/Fees include the executive architect and design professional consultants, and external project/construction management

<sup>4</sup> Campus Administration includes project management, contract administration, information technology staff, Designated Campus Fire Marshall

<sup>5</sup> Surveys, Tests, and Plans include site surveys, plans and specifications

<sup>6</sup> Special Items include pre-design studies, CEQA documentation, peer reviews, specialty consultants including medical equipment, arborist, biologist, physicist, hazardous material, and environmental testing, HCAI review fees, and Environmental Health and Safety reviews

<sup>7</sup> UCSF Health plans to utilize income generated from current operations and hospital reserves in order to pay for interest incurred during the construction period. The projection assumes no incremental debt financing associated with the New Hospital beyond the \$2.7 billion in external financing.

## PROJECT STATISTICS

	New Hospital	Moffitt & Long Renovations
Gross Square Feet (GSF)	875,000	114,000
Assignable Square Feet (ASF)	606,500	93,000
Efficiency Ratio (ASF/GSF)	69%	80%
Building Cost/GSF	\$2,704	\$3,318
Building Cost/ASF	\$3,901	\$4,067
P-W-C Cost/GSF	\$3,482	\$4,122
P-W-C Cost/ASF	\$5,023	\$5,052

### New Hospital Building Cost Drivers

Several unique factors have contributed to the cost of the Hospital Building, including:

#### Constrained Site

- The New Hospital is adjacent to and connects to two existing operating hospitals, which creates constraints on working hours due to noise and vibration criteria to maintain patient comfort and hospital operations
- The site is constrained and does not provide space for construction staging or laydown area
- Access to the site is restricted with only one service road that also serves the operating loading dock
- Limited Parking results in costs incurred for shuttle service for workers, a loss of productivity cost incurred by trades due to loss of time traveling to and from the site
- The constrained site is contributing to a longer anticipated construction schedule duration as a result of limited access; this schedule is longer in comparison to other comparable projects

#### Market Conditions

- The current market is volatile with high demand and limited bidders
- The global pandemic is affecting the short-term market with both indirect and direct impacts from escalation, inflation, procurement issues, worker shortages, production losses, and related schedule durations

#### Scope Differences

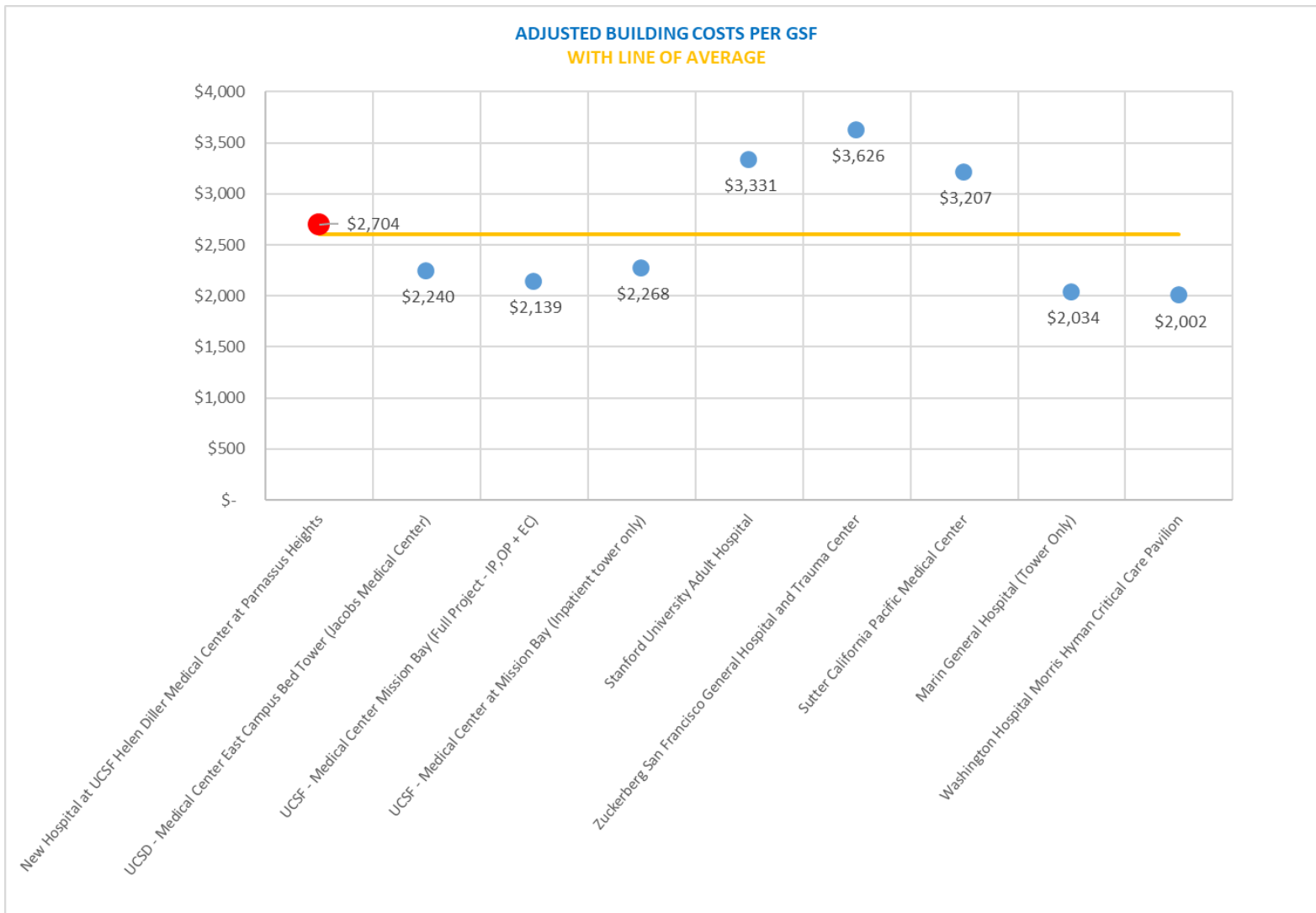
- The New Hospital has a self-contained central plant, while some of the comparable projects have a separate energy center that is not included in their project cost
- High Structural costs due to existing ground conditions and massing

#### Code Requirements

- Changes in the seismic code in 2019 created more stringent requirements for larger members and higher quantity of steel, and higher standards overall than for previously constructed projects



## COMPARABLE PROJECT INFORMATION



### List of Construction Costs Available for Comparison

[illegible]

## SUMMARY OF FINANCIAL FEASIBILITY

SAN FRANCISCO HEALTH			
Project Name	New Hospital at Helen Diller Medical Center at Parnassus Heights	Langley Porter Psychiatric Institute Buildings Demolition for the New Hospital at Parnassus Heights	Combined Total
Project ID	9950616	9950749	-
Total Estimated Project Cost	\$4,332,271,000	\$33,729,000	\$4,366,000,000
Anticipated Interest During Construction (included in the total estimated project cost)	-	-	-

PROPOSED SOURCES OF FUNDING			
External Financing	\$2,666,271,000	\$33,729,000	\$2,700,000,000
Gift Funds	\$1,200,000,000	-	\$1,200,000,000
Hospital Reserves	\$466,000,000	-	\$466,000,000
<b>Total</b>	<b>\$4,332,271,000</b>	<b>\$33,729,000</b>	<b>\$4,366,000,000</b>

*Fund sources for external financing shall adhere to University policy on repayment for capital projects.*

FINANCING ASSUMPTIONS	
External Financing Amount	\$2,700,000,000
Anticipated Repayment Source	Hospital Reserves (built from EBIDA margin)
Anticipated Fund Source	Hospital Reserves
Financial Feasibility Rate	4.25%
First Year of Repayment (e.g., FY 20XX)	FY 2023 (Interest only); FY 2031 (Principal)
Term (e.g., 30 years; indicate if any years interest only)	35 years (Interest only FY 2023 – FY 2030)
Final Maturity (e.g., FY 20XX)	FY 2059
Estimated Average Annual Debt Service <sup>1</sup>	\$160,687,000 estimated average principal and interest payments for FY 2031 – FY 2059; \$101,203,000 estimated average interest payments for FY 2023 – FY 2030

<sup>1</sup> Reflects principal and interest payments assuming interest only during construction and principal commencing in FY 2031

MED CENTER FINANCING BENCHMARKS			
Measure	Med Center Metric	Approval Threshold	Requirement
Modified Net Income Margin*	8.0% (min), FY 22	≥ 0.0%	Must Meet
Modified Debt Service Coverage*	5.2x (min), FY 25	≥ 3x	
Days Cash on Hand	154 days, FY 29	≥ 90 days (effective July 2025)	

\* Excludes non-cash pension and OPEB as allowed under University Debt Policy.

**UCSF HEALTH SYSTEM  
PROJECTED FINANCIAL PERFORMANCE**

**Material Financial Disclosures and Assumptions – Fiscal Years 2022 - 2032**

Included in this attachment is an overview of the consolidated UCSF Health financial projections and a summary of the key projection assumptions.

The UCSF Health financial projections are based on the Ten-Year Plan (TYP) as approved in fall 2021 and have been supplemented with financial projections for the New Hospital, which is scheduled to open in FY 2031.

The projections include \$3.2 billion in overall debt financing assumed to finance major capital projects including the New Hospital (\$2.7 billion in debt) and the BCH Oakland Master Plan Phase 2 (\$0.5 billion in debt).

Throughout the planning period, UCSF Health's consolidated modified net income margin is projected to range from a low of eight (8.0) percent to a high of 9.3 percent, above the minimum requirement of equal to or greater than zero percent. Modified debt service coverage is projected to range from a low of 5.2x to a high of 8.2x, above the minimum requirement of equal to or greater than 3x. Days' cash on hand is projected to range from a low of 154 days to a high of 226 days, above the minimum requirement which ranges from 60 to 90 days during the projection period.

**UCSF Health Baseline Assumptions**

UCSF Health baseline projections assume FY 2022 budget as the base year for projections going forward. Projections for FY 2023 and beyond are based on the TYP. Key assumptions related to operating revenues and operating expenses are outlined below.

- Operating Revenue is projected to increase annually, on average, by 6.7 percent from FY 2022 through FY 2032
  - Inpatient volumes are forecast to increase annually by 2.8 percent. Inpatient volumes are impacted by capacity constraints at UCSF Medical Center in FY 2025. These are offset by outpatient volume increases of 5.1 percent (CAGR) through the projection period and differentially higher Tertiary and Quaternary volume growth for favorable revenue rate increases.
  - Commercial mix is modeled to decline by 0.25 percent annually for the UCSF Medical Center and Faculty Practice through the projection period. Other business entities modeled a consistent commercial mix through the projection period.
  - Other Revenues (including Retail Pharmacy) are forecast to increase by 1.9 percent annually on average.

- Operating Expense is projected to increase annually, on average, by 6.5 percent from FY 2022 through FY 2032.
  - Labor FTE increases were modeled at 50 percent of the rate of volume, yielding annual FTE/AOB efficiencies of 0.9 percent.
  - Overall operating expense per adjusted discharge (excluding labor costs) increases 1.7 percent annually.

### **UCSF Health New Hospital Assumptions**

The proposed New Hospital would be a state-of-the-art facility that addresses the capacity limitations, seismic concerns, and inefficiencies of the existing hospital. The New Hospital would allow UCSF Health to stay competitive by modernizing the existing Parnassus facilities. The New Hospital would be architecturally outstanding, energy efficient, seismically sound, and environmentally sustainable. Further, the New Hospital would support UCSF Health's desire to address capacity issues, grow the tertiary and quaternary inpatient business, perform clinical research, and provide premier care to the San Francisco Bay Area.

#### Project Timing and Volumes

- The New Hospital is projected to open in FY 2031. As such, the pro-forma impact of the New Hospital has been included in the projections for FY 2031 – 2032.
- Assumes 183 net new licensed beds which are projected to generate 4,724 incremental inpatient discharges, 24,178 incremental outpatient visits, and an incremental Modified EBIDA of ~\$56 million in Year 1 (FY 2031)
- Incremental volumes and Modified EBIDA are projected to ramp up in Year 2 (FY 2032) reaching 6,202 incremental inpatient discharges, 25,720 incremental outpatient visits, and incremental Modified EBIDA of ~\$110 million.
- The incremental inpatient volumes for the New Hospital in FY 2031 and 2032 are expected to result in inpatient occupancy levels in the mid-80 percent level for the Parnassus campus and in the low-80 percent level for the UCSF Medical Center campuses as whole.
- By Year 3 (FY 2033), the incremental Modified EBIDA generated by the New Hospital is anticipated to fully cover the annual interest expense on the \$2.7 billion in debt incurred for the New Hospital.

#### Revenue Assumptions

- The Inpatient Net Revenue annual inflation rate of 2.2 percent assumes the existing hospital inflation rates from UCSF Health TYP of 2.4 percent adjusted for service mix

- The Outpatient Net Revenue annual inflation rate of 3.2 percent assumes the existing hospital inflation rates from the UCSF Health TYP of 2.7 percent adjusted for service mix

#### Expense Assumptions

- Direct salaries expense was projected on a per case basis and inflated at 3.8 percent per year for FY 2031 - 2032
- Direct non-salaries expenses were projected on a per case basis and inflated at four (4.0) percent per year for FY 2031 – 2032
- New facility fixed costs were estimated at \$60 per square foot including (but not limited to) professional fees, special service fees, utilities, and insurance
- Based on historical experience, overhead (shared service) costs of ten percent of incremental net revenue
- One-time transition costs of ~\$20 million during FY 2031 (~\$16 million) and 2032 (~\$4 million) were based on UCSF Health prior experience opening the Mission Bay hospital in FY 2015 (adjusted for inflation and relative square footage)

#### Capital / Debt Assumptions

- Debt is forecasted as follows: \$1 billion in FY 2022; \$1 billion in FY 2025, and \$700 million in FY 2027. The debt is projected to have a 35-year term and an interest rate of 4.25 percent. The projected debt forecast represents a conservative estimate that assumes a heavy debt burden early in the projection period.
- The debt is projected to be interest only through the construction period. The average annual interest payments for FY 2023 – FY 2030 are estimated to be \$101.2 million.
- The average annual principal and interest payments from FY 2031 – FY 2059 are estimated to be \$160.7 million.
- The remainder of the New Hospital will be funded through hospital reserves of \$466 million and Gifts Funds of \$1.2 billion

**UCSF Health  
Projected Patient Volumes**

	<b>FY22 Budget</b>	<b>FY23 Projection</b>	<b>FY24 Projection</b>	<b>FY25 Projection</b>	<b>FY26 Projection</b>	<b>FY27 Projection</b>	<b>FY28 Projection</b>	<b>FY29 Projection</b>	<b>FY30 Projection</b>	<b>FY31 Projection</b>	<b>FY32 Projection</b>
<b>Patient Volumes</b>											
Inpatient Discharges	44,176	47,048	49,519	50,892	50,969	51,040	51,098	51,352	51,613	56,488	58,117
Inpatient Patient Days	293,580	307,117	319,382	326,570	327,215	327,331	327,396	328,846	330,341	361,541	371,968
Outpatient Visits	991,906	1,046,529	1,089,315	1,129,574	1,171,752	1,227,238	1,291,882	1,360,583	1,433,624	1,543,337	1,637,243

**UCSF Health**  
**Projected Financial Performance**  
**Statement of Revenues and Expenses**

(\$ in Thousands)	FY22 Budget	FY23 Projection	FY24 Projection	FY25 Projection	FY26 Projection	FY27 Projection	FY28 Projection	FY29 Projection	FY30 Projection	FY31 Projection	FY32 Projection
<b>Operating Revenue</b>											
Net Patient Revenues	5,749,327	6,298,907	6,854,841	7,270,286	7,614,735	8,049,787	8,460,979	8,929,262	9,422,404	10,528,127	11,264,710
Other Revenues	355,569	356,196	342,624	347,480	354,652	357,598	375,112	393,723	400,978	404,883	408,824
<b>Total Operating Revenues</b>	<b>6,104,896</b>	<b>6,655,103</b>	<b>7,197,465</b>	<b>7,617,766</b>	<b>7,969,387</b>	<b>8,407,384</b>	<b>8,836,091</b>	<b>9,322,985</b>	<b>9,823,382</b>	<b>10,933,010</b>	<b>11,673,534</b>
<b>Operating Expenses</b>											
Operating Expense	5,391,440	5,817,347	6,225,794	6,590,876	6,897,308	7,278,133	7,650,776	8,074,077	8,509,130	9,492,210	10,143,478
Depreciation	226,932	227,566	245,052	257,926	267,079	263,935	265,424	325,268	380,905	380,653	394,444
<b>Modified Operating Expenses</b>	<b>5,618,372</b>	<b>6,044,913</b>	<b>6,470,846</b>	<b>6,848,803</b>	<b>7,164,387</b>	<b>7,542,068</b>	<b>7,916,200</b>	<b>8,399,345</b>	<b>8,890,034</b>	<b>9,872,864</b>	<b>10,537,922</b>
<b>Net Modified Operating Income (Loss)</b>	<b>486,524</b>	<b>610,189</b>	<b>726,619</b>	<b>768,964</b>	<b>805,001</b>	<b>865,316</b>	<b>919,890</b>	<b>923,640</b>	<b>933,348</b>	<b>1,060,147</b>	<b>1,135,611</b>
Interest Expense	(76,133)	(121,624)	(156,800)	(192,249)	(191,262)	(191,484)	(193,932)	(197,731)	(202,418)	(204,279)	(204,066)
Other Non-Operating Income (Expense)	76,044	72,441	77,226	83,805	89,043	93,342	97,851	102,745	110,232	121,179	134,797
<b>Modified Net Income<sup>1</sup></b>	<b>486,435</b>	<b>561,006</b>	<b>647,045</b>	<b>660,520</b>	<b>702,782</b>	<b>767,175</b>	<b>823,810</b>	<b>828,654</b>	<b>841,162</b>	<b>977,047</b>	<b>1,066,342</b>

<sup>1</sup> Modified Net Income excludes non-cash pension and OPEB expenses as allowed under the University Debt Policy. Amounts include the estimated impact of GASB 87 (new lease accounting standard effective FY22).

Opex FY22 has OPEB Implicit Subsidies in Non-cash. No impact to FY23 and subsequent years.



# UCSF Health System Projected Financial Performance - Page 6

## UCSF Health Projected Financial Performance Statement of Net Assets

(\$ in Thousands)	FY22 Budget	FY23 Projection	FY24 Projection	FY25 Projection	FY26 Projection	FY27 Projection	FY28 Projection	FY29 Projection	FY30 Projection	FY31 Projection	FY32 Projection
<b>Assets</b>											
<b>Current Assets</b>											
Cash and Unrestricted Investments	\$2,339,582	\$2,491,701	\$2,829,878	\$3,369,864	\$3,688,050	\$4,027,853	\$4,349,859	\$3,416,799	4,382,903	5,408,957	6,269,777
Net Accounts Receivable and Other Receivables	932,637	1,019,832	1,109,107	1,177,900	1,234,780	1,305,131	1,372,669	1,449,438	1,530,483	1,619,214	1,711,708
Other Current Assets	179,105	207,810	228,023	262,848	266,834	271,591	276,565	281,996	287,693	293,834	300,380
<b>Total Current Assets</b>	<b>3,451,324</b>	<b>3,719,344</b>	<b>4,167,008</b>	<b>4,810,612</b>	<b>5,189,664</b>	<b>5,604,574</b>	<b>5,999,093</b>	<b>5,148,233</b>	<b>6,201,080</b>	<b>7,322,005</b>	<b>8,281,864</b>
<b>Other Assets</b>											
Investments	26,125	26,125	26,125	26,125	26,125	26,125	26,125	26,125	26,125	26,125	26,125
Restricted Cash	538,892	1,018,817	1,489,664	2,534,304	2,227,254	1,778,943	1,159,632	472,631	329,320	256,903	258,003
Other Long Term Assets and Deferred Outflows	1,395,142	1,396,105	1,397,116	1,398,178	1,649,292	1,900,463	2,251,691	2,602,982	2,604,336	2,605,759	2,607,253
<b>Total Other Assets</b>	<b>1,960,159</b>	<b>2,441,047</b>	<b>2,912,905</b>	<b>3,958,607</b>	<b>3,902,671</b>	<b>3,705,531</b>	<b>3,437,448</b>	<b>3,101,738</b>	<b>2,959,781</b>	<b>2,888,787</b>	<b>2,891,381</b>
<b>PPE, Net</b>	<b>2,902,239</b>	<b>3,358,228</b>	<b>3,845,072</b>	<b>4,143,412</b>	<b>4,518,209</b>	<b>5,072,524</b>	<b>5,788,109</b>	<b>7,812,927</b>	<b>7,849,354</b>	<b>7,804,986</b>	<b>7,903,542</b>
<b>Total Assets and Deferred Outflows</b>	<b>8,313,722</b>	<b>9,518,618</b>	<b>10,924,985</b>	<b>12,912,631</b>	<b>13,610,544</b>	<b>14,382,630</b>	<b>15,224,651</b>	<b>16,062,898</b>	<b>17,010,215</b>	<b>18,015,778</b>	<b>19,076,787</b>
<b>Liabilities and Net Assets</b>											
<b>Current Liabilities</b>											
Accounts Payable	701,055	690,567	737,927	781,047	815,691	858,109	901,894	950,020	1,000,477	1,054,965	1,117,805
Current Portion of Long Term Debt	21,056	21,803	22,458	23,278	24,142	25,087	26,069	27,090	80,558	83,890	87,361
Third Party Settlements, net	403,825	403,909	404,324	404,338	404,364	404,587	404,816	405,051	405,292	405,541	405,797
Other Current Liabilities	151,516	151,790	151,807	151,831	151,857	151,867	151,882	151,896	151,912	151,927	151,945
<b>Total Current Liabilities</b>	<b>1,277,452</b>	<b>1,268,069</b>	<b>1,316,517</b>	<b>1,360,494</b>	<b>1,396,055</b>	<b>1,439,650</b>	<b>1,484,661</b>	<b>1,534,057</b>	<b>1,638,240</b>	<b>1,696,324</b>	<b>1,762,908</b>
<b>Long Term Liabilities</b>											
Long Term Debt	1,419,161	2,237,257	3,064,799	4,391,521	4,367,378	4,342,291	4,316,223	4,289,133	4,208,574	4,124,684	4,037,323
Other Long Term Liabilities and Deferred Inflows	6,040,384	6,022,174	5,994,114	5,969,591	5,940,809	5,913,357	5,890,505	5,872,688	5,860,421	5,850,703	5,847,187
<b>Total Long Term Liabilities and Deferred Inflows</b>	<b>7,459,545</b>	<b>8,259,431</b>	<b>9,058,913</b>	<b>10,361,112</b>	<b>10,308,187</b>	<b>10,255,649</b>	<b>10,206,728</b>	<b>10,161,821</b>	<b>10,068,996</b>	<b>9,975,388</b>	<b>9,884,510</b>
<b>Net Assets</b>	<b>(423,276)</b>	<b>(8,882)</b>	<b>549,555</b>	<b>1,191,024</b>	<b>1,906,302</b>	<b>2,687,331</b>	<b>3,533,262</b>	<b>4,367,020</b>	<b>5,302,979</b>	<b>6,344,066</b>	<b>7,429,369</b>
<b>Total Liabilities and Net Assets</b>	<b>8,313,721</b>	<b>9,518,618</b>	<b>10,924,985</b>	<b>12,912,631</b>	<b>13,610,544</b>	<b>14,382,630</b>	<b>15,224,650</b>	<b>16,062,898</b>	<b>17,010,215</b>	<b>18,015,778</b>	<b>19,076,787</b>

**UCSF Health**  
**Projected Financial Performance**  
**Statement of Cash Flows**

<b>(\$ in Thousands)</b>	<b>FY22 Budget</b>	<b>FY23 Projection</b>	<b>FY24 Projection</b>	<b>FY25 Projection</b>	<b>FY26 Projection</b>	<b>FY27 Projection</b>	<b>FY28 Projection</b>	<b>FY29 Projection</b>	<b>FY30 Projection</b>	<b>FY31 Projection</b>	<b>FY32 Projection</b>
<b>Sources of Cash</b>											
Modified Net Income	486,435	561,006	647,045	660,520	702,782	767,175	823,810	828,654	841,162	977,047	1,066,342
Depreciation	226,932	227,566	245,052	257,926	267,079	263,935	265,424	325,268	380,905	380,653	394,444
Long Term Debt Proceeds	160,100	839,900	850,000	1,350,000	-	-	-	-	-	-	-
Other Sources (Uses) of Cash	(104,175)	(165,785)	(117,680)	(44,636)	(267,400)	(264,768)	(351,959)	(364,004)	81,176	52,899	13,951
<b>Total Sources of Cash</b>	<b>769,291</b>	<b>1,462,687</b>	<b>1,624,418</b>	<b>2,223,810</b>	<b>702,461</b>	<b>766,342</b>	<b>737,275</b>	<b>789,918</b>	<b>1,303,243</b>	<b>1,410,599</b>	<b>1,474,737</b>
<b>Uses of Cash</b>											
Change in Working Capital	(\$325,885)	(\$126,030)	(\$61,695)	(\$60,460)	(\$26,170)	(\$32,457)	(\$28,484)	(\$33,825)	(\$36,027)	(\$40,119)	(\$35,927)
Property, Plant, and Equipment	(550,138)	(683,555)	(731,896)	(556,267)	(641,876)	(818,250)	(981,009)	(2,350,085)	(417,332)	(336,285)	(493,000)
Long Term Debt Principal Repayments	(19,978)	(21,056)	(21,803)	(22,458)	(23,278)	(24,142)	(25,087)	(26,069)	(27,090)	(80,558)	(83,890)
<b>Total Uses of Cash</b>	<b>(896,001)</b>	<b>(830,641)</b>	<b>(815,394)</b>	<b>(639,185)</b>	<b>(691,324)</b>	<b>(874,849)</b>	<b>(1,034,580)</b>	<b>(2,409,979)</b>	<b>(480,449)</b>	<b>(456,962)</b>	<b>(612,817)</b>
<b>Beginning Unrestricted and Restricted Cash and Investments</b>	<b>3,005,183</b>	<b>2,878,474</b>	<b>3,510,518</b>	<b>4,319,542</b>	<b>5,904,168</b>	<b>5,915,304</b>	<b>5,806,796</b>	<b>5,509,491</b>	<b>3,889,430</b>	<b>4,712,223</b>	<b>5,665,860</b>
<b>Cash Provided (Used)</b>	<b>(126,710)</b>	<b>632,046</b>	<b>809,024</b>	<b>1,584,625</b>	<b>11,137</b>	<b>(108,507)</b>	<b>(297,305)</b>	<b>(1,620,061)</b>	<b>822,794</b>	<b>953,637</b>	<b>861,920</b>
<b>Ending Unrestricted and Restricted Cash and Investments</b>	<b>2,878,473</b>	<b>3,510,520</b>	<b>4,319,542</b>	<b>5,904,168</b>	<b>5,915,304</b>	<b>5,806,796</b>	<b>5,509,491</b>	<b>3,889,430</b>	<b>4,712,224</b>	<b>5,665,860</b>	<b>6,527,780</b>
<b>Ending Cash Balance Detail</b>											
Cash and Unrestricted Investments	2,339,582	2,491,701	2,829,878	3,369,864	3,688,050	4,027,853	4,349,859	3,416,799	4,382,903	5,408,957	6,269,777
Restricted Cash	538,892	1,018,817	1,489,664	2,534,304	2,227,254	1,778,943	1,159,632	472,631	329,320	256,903	258,003
<b>Unrestricted and Restricted Cash and Investments</b>	<b>2,878,474</b>	<b>3,510,518</b>	<b>4,319,542</b>	<b>5,904,168</b>	<b>5,915,304</b>	<b>5,806,796</b>	<b>5,509,491</b>	<b>3,889,430</b>	<b>4,712,223</b>	<b>5,665,860</b>	<b>6,527,780</b>

# UCSF Health System Projected Financial Performance - Page 8

## UCSF Health Projected Financial Performance Key Financial Ratios

(Annual \$ Amounts in thousands)	FY22 Budget	FY23 Projection	FY24 Projection	FY25 Projection	FY26 Projection	FY27 Projection	FY28 Projection	FY29 Projection	FY30 Projection	FY31 Projection	FY32 Projection
<b>Modified Net Income Margin</b>											
Operating Revenue	6,104,896	6,655,103	7,197,465	7,617,766	7,969,387	8,407,384	8,836,091	9,322,985	9,823,382	10,933,010	11,673,534
Modified Net Income <sup>1</sup>	486,435	561,006	647,045	660,520	702,782	767,175	823,810	828,654	841,162	977,047	1,066,342
<b>Modified Net Income Margin %</b>	<b>8.0%</b>	<b>8.4%</b>	<b>9.0%</b>	<b>8.7%</b>	<b>8.8%</b>	<b>9.1%</b>	<b>9.3%</b>	<b>8.9%</b>	<b>8.6%</b>	<b>8.9%</b>	<b>9.1%</b>
<b>Modified Debt Service Coverage</b>											
<b>Debt Service Coverage EBIDA</b>											
Modified Net Income <sup>1</sup>	486,435	561,006	647,045	660,520	702,782	767,175	823,810	828,654	841,162	977,047	1,066,342
Interest	76,133	121,624	156,800	192,249	191,262	191,484	193,932	197,731	202,418	204,279	204,066
Depreciation	226,932	227,566	245,052	257,926	267,079	263,935	265,424	325,268	380,905	380,653	394,444
<b>Modified Debt Service Coverage EBIDA</b>	<b>789,500</b>	<b>910,196</b>	<b>1,048,897</b>	<b>1,110,695</b>	<b>1,161,122</b>	<b>1,222,593</b>	<b>1,283,165</b>	<b>1,351,653</b>	<b>1,424,485</b>	<b>1,561,979</b>	<b>1,664,852</b>
<b>Debt Service</b>											
Interest Payment	76,133	121,624	156,800	192,249	191,262	191,484	193,932	197,731	202,418	204,279	204,066
Scheduled Principal Payments	19,978	21,056	21,803	22,458	23,278	24,142	25,087	26,069	27,090	80,558	83,890
<b>Debt Service</b>	<b>96,111</b>	<b>142,680</b>	<b>178,603</b>	<b>214,707</b>	<b>214,540</b>	<b>215,626</b>	<b>219,019</b>	<b>223,800</b>	<b>229,508</b>	<b>284,837</b>	<b>287,956</b>
<b>Modified Debt Service Coverage Ratio<sup>1</sup></b>	<b>8.2</b>	<b>6.4</b>	<b>5.9</b>	<b>5.2</b>	<b>5.4</b>	<b>5.7</b>	<b>5.9</b>	<b>6.0</b>	<b>6.2</b>	<b>5.5</b>	<b>5.8</b>
<b>Days Cash on Hand</b>											
<b>Cash and Unrestricted Investments</b>	<b>2,339,582</b>	<b>2,491,701</b>	<b>2,829,878</b>	<b>3,369,864</b>	<b>3,688,050</b>	<b>4,027,853</b>	<b>4,349,859</b>	<b>3,416,799</b>	<b>4,382,903</b>	<b>5,408,957</b>	<b>6,269,777</b>
Total Operating Expenses Excluding Depreciation	5,391,440	5,817,347	6,225,794	6,590,876	6,897,308	7,278,133	7,650,776	8,074,077	8,509,130	9,492,210	10,143,478
<b>Average Daily Operating Expense</b>	<b>14,771</b>	<b>15,938</b>	<b>17,057</b>	<b>18,057</b>	<b>18,897</b>	<b>19,940</b>	<b>20,961</b>	<b>22,121</b>	<b>23,313</b>	<b>26,006</b>	<b>27,790</b>
<b>Days Cash on Hand</b>	<b>158</b>	<b>156</b>	<b>166</b>	<b>187</b>	<b>195</b>	<b>202</b>	<b>208</b>	<b>154</b>	<b>188</b>	<b>208</b>	<b>226</b>

<sup>1</sup> Excludes non-cash pension and OPEB expenses as allowed under the UCOP Debt Policy

PROJECT LOCATION MAP

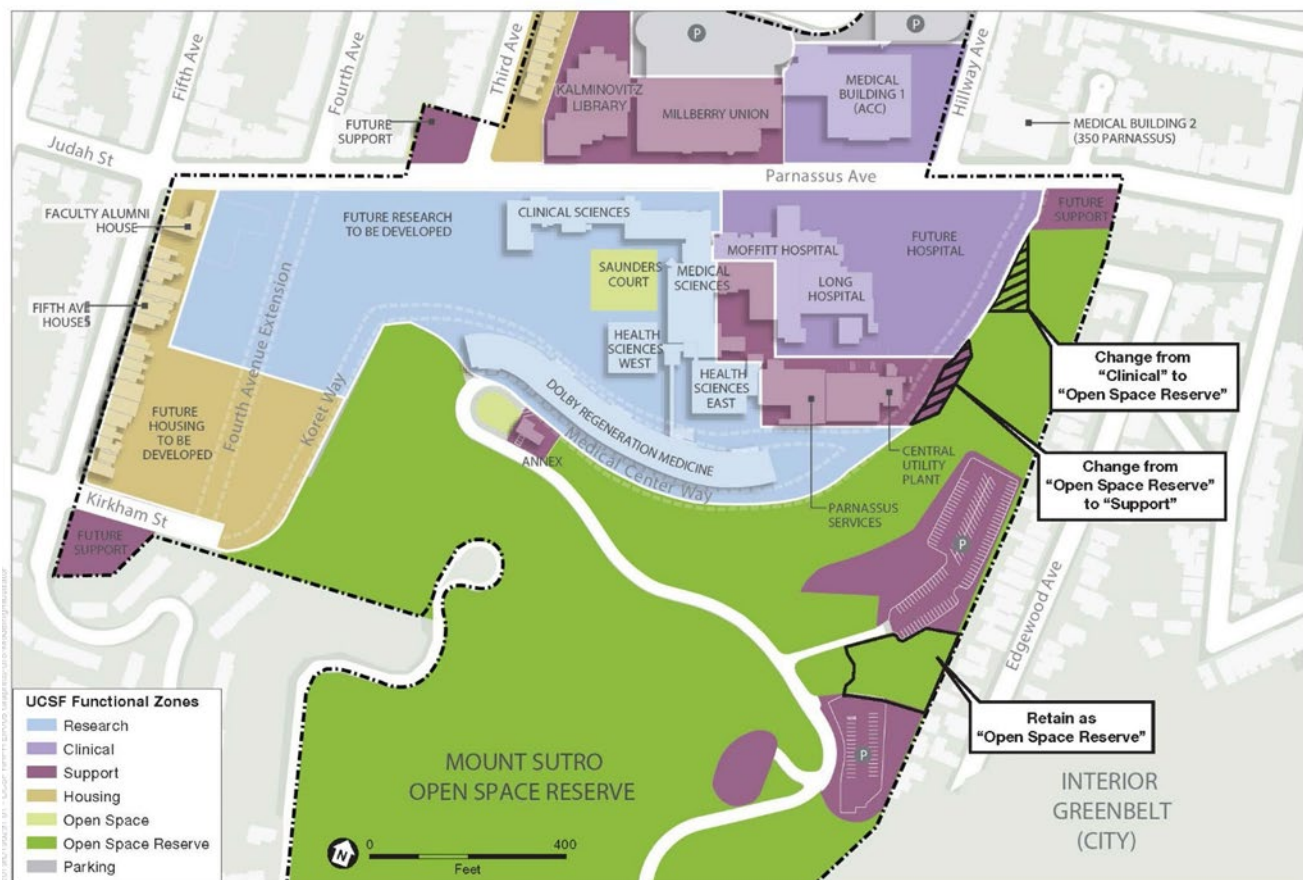


## AMENDMENT #10 TO THE 2014 LRDP

Figures 6 through 11 of the LRDP are amended in the following manner (see below figure):

- The area previously removed from the Reserve under 2014 LRDP Amendment #7 to accommodate the New Hospital footprint is returned to the Reserve. The functional zone designation for this area is changed from the Clinical functional zone to the Open Space Reserve functional zone.
- The proposed location for the medical gas tank replacement site that is currently designated as the Open Space Reserve functional zone is changed to the Support functional zone.
- The above-described changes maintain the Reserve at a minimum of 61 acres.

Conforming changes to text, base maps and other figures in, as necessary, will be made to the LRDP to reflect this LRDP Amendment.



## ENVIRONMENTAL IMPACT SUMMARY

### *Environmental Review Process*

Pursuant to State law and University procedures for implementation of the California Environmental Quality Act (CEQA), the project has been analyzed in the UCSF New Hospital at Parnassus Heights (NHPH) Final Environmental Impact Report (Final EIR) (State Clearinghouse #2021070547).

The Draft Environmental Impact Report (Draft EIR) was published on December 16, 2021, commencing a 60-day public review period ending on February 14, 2022. Notices of availability of the document were widely distributed and advertised. The document was posted online on the UCSF website. The Draft EIR was submitted to the State Clearinghouse and Notices of Availability were sent to other State, regional, and local agencies.

### *Public Comments*

During the public review period, 26 comment letters on the Draft EIR were received. Six individuals provided oral comments at the Draft EIR public hearing.

One public agency comment letter was submitted, comprised of combined comments from the San Francisco Planning Department and the San Francisco Municipal Transportation Agency. Comments were in regard to wind, air quality, aesthetics, and transportation impacts, with some comments pertaining to the planned pedestrian bridge analyzed in the NHPH Final EIR, for which approval will be sought at a future date when the Irving Street Arrival project is refined.

Written responses to all comments were prepared and included in the Final EIR. None of the issues raised by the commenters alters the conclusions of the environmental analysis.

### *Environmental Impacts*

The Draft EIR found that the project would have no significant environmental impacts with regard to the following topic areas: Agriculture and Forestry Resources, Energy, Hydrology and Water Quality, Land Use and Planning, Mineral Resources, Population and Housing, Public Services, Recreation, Utilities and Service Systems, and Wildfire.

With mitigation measures identified in the Draft EIR, potentially significant impacts of the project would be reduced to less-than-significant levels in these topic areas: Aesthetics, Air Quality, Biological Resources, Cultural Resources and Tribal Cultural Resources, Geology and Soils, Greenhouse Gas Emissions, Hazardous Materials, Noise and Vibration, and Transportation.

The Draft EIR found that the project would result in significant impacts that would be unavoidable, even with identified mitigation measures, in the topic areas of Noise (during

construction), and Wind.

The Draft EIR also analyzed cumulative impacts and found that the project would make a considerable contribution to cumulative impacts in these topic areas: Noise (during construction) and Wind. There are no mitigation measures that would reduce these impacts to less-than-significant levels. As such, these impacts are Significant and Unavoidable.

To assure that all mitigation measures are implemented in accordance with CEQA, a Mitigation Monitoring and Reporting Program has been prepared and included with the Final EIR. UCSF is responsible for implementing all mitigation measures of the project within the jurisdiction of the Regents.

### ***Findings***

The attached CEQA Findings (Attachment 11) discuss the project's impacts, mitigation measures, and conclusions regarding adoption of the Final EIR in conformance with CEQA. However, because the project, after incorporation of all feasible mitigation measures, will result in impacts that cannot be reduced to a less than significant level, a Statement of Overriding Considerations is proposed for approval and has been included in the CEQA Findings. The Statement of Overriding Considerations sets forth the specific reasons to support approval of the project notwithstanding its significant and unavoidable environmental impacts.



## RESULTS OF UC OPERATIONAL CARBON & ENERGY ASSESSMENT FOR NEW CONSTRUCTION TOOL

### New Hospital at Helen Diller Medical Center at Parnassus Heights

#### UC OCEAN Report

Report prepared on April 5, 2022

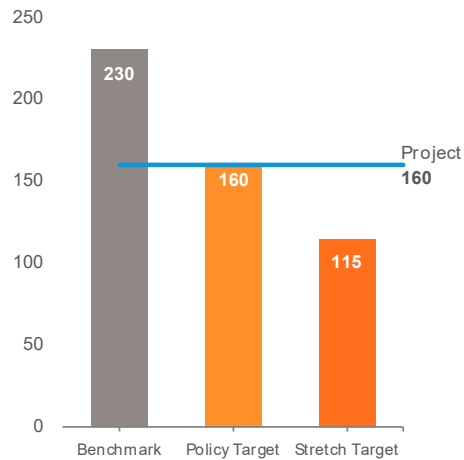
##### PROJECT RESULTS

40-Year NPV Utility Costs **\$130,075,600**  
Cumulative GHG Emissions **303,590 MTCO<sub>2</sub>e/yr**

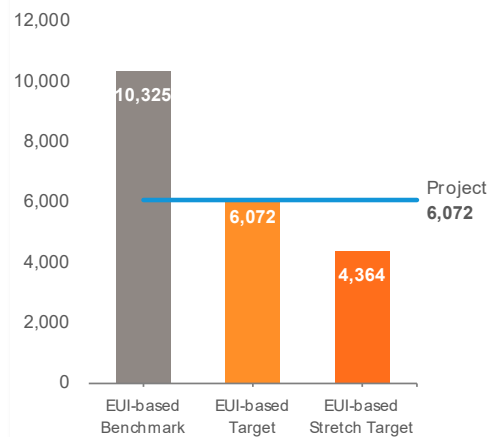
##### PROJECT INPUTS

Campus *UCSFH\_P*  
Project Size *875,000 sq ft*  
Funding Stage *W-Funding*  
Design Phase *Schematic Design*  
Fuel Source *Mixed-fuel*  
Electricity Provider *Campus Utility*  
Cooling System *Stand-alone*  
Heating System *District Heating*

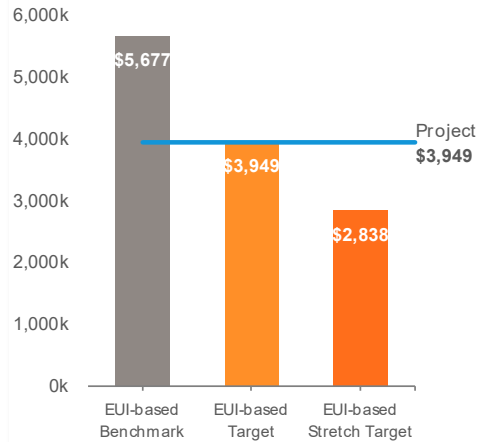
##### SITE ENERGY USE INTENSITY (kBtu/sq ft)



##### ANNUAL GHG EMISSIONS (MTCO<sub>2</sub>e/yr)



##### ANNUAL UTILITY COSTS (\$k/yr)



##### DEFINITIONS

**Benchmark:** UC Sustainable Practices Policy whole building energy use baseline benchmark based on building type and campus location.

**Policy Target and Stretch Target:** The UC Sustainable Practices Policy includes bi-annually updated minimum and stretch targets based on percent reduction in energy use from the Benchmark. See Table 1 of Section V.A.3 in the Policy for more information (<https://policy.ucop.edu/doc/3100155/SustainablePractices>).

**Project:** Results are estimated based on currently available project details and campus-specific energy assumptions.

**EUI-based Benchmark, Target and Stretch Target:** GHG emission estimates, and utility cost estimates associated with the project Benchmark EUI, Policy Target EUI, and Stretch Target EUI.