

**Office of the President**

**TO MEMBERS OF THE FINANCE AND CAPITAL STRATEGIES COMMITTEE:**

**ACTION ITEM**

*For Meeting of September 20, 2023*

**BUDGET, SCOPE, EXTERNAL FINANCING, AND DESIGN FOLLOWING ADOPTION OF A MITIGATED NEGATIVE DECLARATION PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT, GAYLEY TOWERS REDEVELOPMENT, LOS ANGELES CAMPUS**

**EXECUTIVE SUMMARY**

The University of California, Los Angeles, proposes to redevelop the site of Gayley Towers, located at 565 Gayley Avenue, Los Angeles, an existing Regents-owned apartment building. The project would redevelop an aging 1981 apartment building, comprised of 51 studio units (100 beds), into high-density communal living accommodations. The project would add a new inventory type of more affordable co-living-style units with shared kitchens and community bathrooms for undergraduate students. The project would develop 545 beds configured in triple units, increasing the current bed count by 445. This addition to UCLA's inventory allows students with the highest need to live adjacent to campus with significantly lower rents than are now available in Westwood.

The project is located across the street from the main campus near the on-campus undergraduate community known as "the Hill." The proposed project increases the density of the current site and introduces a new inventory of co-living-style housing. The project supports diversity, equity, and inclusion by expanding student access to affordable housing and the many academic and social resources available on campus. Providing more affordable, below-market-rate housing supports the retention of upper-division undergraduates and the recruitment of outstanding transfer students. This project addresses current and anticipated demand for housing consistent with the goals of the Student Housing Master Plan and continues the 30-year transformation of UCLA from a commuter to a residential campus.

In March 2023, the Regents approved \$3.1 million of preliminary plans funding for the project from housing reserves. The Regents are being asked to: (1) approve the full project budget of \$108 million to be funded from external financing supported by housing revenues (\$43 million), external financing supported by State General Funds for the Higher Education Student Housing Grant Program (\$35 million), and housing reserves (\$30 million); (2) approve the project scope; (3) approve \$78 million in external financing; (4) adopt the Mitigated Negative Declaration,

Mitigation Monitoring and Reporting Program, and associated Findings prepared for the project pursuant to the California Environmental Quality Act; and (5) approve the project's design.

### **RECOMMENDATION**

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

- A. The 2022-23 Budget for Capital Improvements and the Capital Improvement Program be amended to include the following project:
- From: Los Angeles: Gayley Towers Redevelopment – preliminary plans – \$3.1 million funded from housing reserves.
- To: Los Angeles: Gayley Towers Redevelopment – preliminary plans, working drawings, construction, and equipment – \$108 million to be funded with external financing supported by housing revenues (\$43 million), external financing supported by State General Funds for the Higher Education Student Housing Grant Program (\$35 million), and housing reserves (\$30 million).
- B. The scope of the Gayley Towers Redevelopment project be approved. The project shall provide approximately 109,850 gross square feet (gsf), including 545 new beds (approximately 79,900 gsf of housing) in a mid-rise (eight-story) building. The scope includes the demolition of an existing building (100 beds).
- C. The President be authorized to obtain external financing in an amount not to exceed \$43 million, plus additional related financing costs to finance the Gayley Towers Redevelopment. The President shall require that:
- (1) Interest only, based on the amount drawn, shall be paid on the outstanding balance during the construction period.
  - (2) As long as the debt is outstanding, the general revenues from the Los Angeles campus shall be maintained in amounts sufficient to pay the debt service and to meet the related requirements of the authorized financing.
  - (3) The general credit of the Regents shall not be pledged.
- D. The President be authorized to obtain additional external financing in an amount not to exceed \$35 million, plus additional related interest expense and additional financing costs to finance the Gayley Towers Redevelopment. 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) The primary source of repayment shall be from State General Fund appropriations. Should State General Fund appropriation funds not be available, the President shall have the authority to use any legally available funds to make debt service payments.
  - (3) The general credit of the Regents shall not be pledged.
- E. Following review and consideration of the environmental consequences of the Gayley Towers Redevelopment project, as required by the California Environmental Quality Act (CEQA), including any written information addressing this item received by the Office of the Secretary and Chief of Staff to the Regents no less than 48 hours in advance of the beginning of this Regents meeting, testimony or written materials presented to the Regents during the scheduled public comment period, and the item presentation, the Regents shall:
- (1) Adopt the Mitigated Negative Declaration for the Gayley Towers Redevelopment project.
  - (2) Adopt the Mitigation Monitoring and Reporting Program prepared for the Gayley Towers Redevelopment project and make a condition of approval the implementation of all applicable programs, practices, and procedures as well as mitigation measures identified therein that are within the responsibility and jurisdiction of UCLA.
  - (3) Adopt the CEQA Findings for the Gayley Towers Redevelopment project.
  - (4) Approve the design of the Gayley Towers Redevelopment project, Los Angeles campus.

### **BACKGROUND**

UCLA has evolved from a predominantly commuter campus into a thriving residential community, and the on-campus supply of undergraduate beds has increased from approximately 4,300 to 18,800. With the recent completion of student housing projects with approximately 5,300 beds, UCLA increased the housing guarantee to four years for incoming first-year students and two years for incoming transfer students. Achieving this guarantee responds to a long-held aspiration from the Student Housing Master Plan. While UCLA has achieved its primary mission, there are still key principles of the master plan that the campus seeks to strengthen by redeveloping this existing property.

The Student Housing Master Plan includes the following planning principles to guide the growth and evolution of the undergraduate housing program:

1. Campus housing is a vital resource to support the recruitment, transition, personal growth and development, academic achievement, retention, and graduation of undergraduate students.
2. More affordable living options must be considered in developing the student housing program.
3. Limited land and resources require a high-density living model to maximize the number of students housed, with a focus on a high-quality living experience.
4. Campus housing helps create a supportive and cohesive student community by integrating the housing program with other aspects of campus life.
5. Allocation strategies must be refined to ensure that housing resources support academic program objectives and student recruitment and retention goals.

### **PROJECT DRIVERS**

Key project drivers include addressing the unmet demand for affordable housing that is less expensive than other below-market campus alternatives. For this project, higher affordability goals would be achieved by developing a co-living housing model with a large, shared kitchen that will allow not only for lower rents, but also provide the opportunity for lower individual food costs.

#### ***Increase the Supply of More Affordable Housing***

With the recent extension of the housing guarantee to all undergraduate students, UCLA houses approximately 58 percent of all undergraduates. Approximately 13,500 undergraduate students opt out of UCLA housing; the campus assumes cost, even when provided at below-market rents, may be a key factor in these decisions, requiring many of these students to commute over long distances. The proposed co-living model is a new inventory type that supports the on-campus living experience with more affordable rent.

#### **Higher Education Student Housing Grant Program**

In 2020, the State established the Higher Education Student Housing Grant Program (Program) to fund projects providing housing for low-income undergraduate students. In September 2022, the State appropriated \$35 million under this Program for UCLA's proposed redevelopment of Gayley Towers. Since that time, the direct State General Fund appropriation has been reverted. The Higher Education Trailer Bill associated with the Budget Act of 2023 includes State General Funds to support the debt service for the projects the State approved to be funded under the Program.<sup>1</sup>

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<sup>1</sup> 2023 Higher Education Trailer Bill, Senate Bill 117,  
[https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\\_id=202320240SB117](https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240SB117)

This funding commitment will allow the campus to offer a monthly housing rental rate of \$600 for the 358 State-supported beds. The campus aspires to offer the same \$600 rental rate for the 187 additional beds.

Rental Rate Comparison

The residential community surrounding UCLA is a desirable market for non-students, with limited supply. This competitive housing market has become unaffordable for most undergraduate students. According to a market rent survey completed by CBRE for the campus in January 2022, the area currently has a two percent vacancy rate.

The proposed co-living housing model provides an affordable option that does not currently exist in Westwood (though there is limited co-op inventory requiring residents to work shifts for cooking, cleaning, and other duties). Table 1 summarizes estimated rental rates for Gayley Tower beds (supported by the State funding grant) compared to the surrounding private market rental rates, escalated by three percent annually to the 2026-27 academic year.

**Table 1: Comparison of Rental Rates**

<b>Location</b>	<b>Projected 2026-27 Monthly Rent</b>	<b>% Under Market</b>	<b>Projected 2026-27 Annual Cost</b>	<b>% Under Market</b>
Proposed Gayley Towers Rate for State Subsidized Beds (358 beds) and Non-Subsidized Beds (187 beds)	\$600	66%	\$5,400	75%
Local Community Market Comparable to a 4-bedroom / 8-person apartment	\$1,769		\$21,228	
Notes: (1) Gayley Tower rates are for furnished dorm rooms, including utilities, cable Wi-Fi, and housekeeping of kitchen and common spaces. (2) Off-campus rates are for furnished apartments and include an adjustment of furniture \$298, utilities \$376, and cable/internet \$213. (3) Based on spring 2023 information provided by Coldwell Banker Richard Ellis, market rental rates were escalated by three percent for four years. (4) Projected Annual Cost reflects 9-month contracts for Gayley Tower and 12-month contracts customary in the market.				

***Increase Housing Supply to Achieve Optimal Densities Across the Campus***

Given the nature of the community surrounding UCLA, the types and amount of housing available proximate to campus, and the competition by non-students for housing in these desirable neighborhoods, student demand for affordable Regents-owned housing will continue to be strong. After instituting the undergraduate housing guarantee, a steady increase in demand for existing inventory is anticipated. UCLA seeks to add additional inventory to ensure that the campus can maintain an optimal density level across the on-campus community. The redevelopment of Gayley Towers as planned triple units will increase the current bed capacity by 445 beds.

## **PROJECT DESCRIPTION**

The proposed Gayley Towers Redevelopment would construct an eight-story, 109,520-gross-square-foot (gsf) co-living style housing inventory. Co-living housing is a hybrid of dorm-style housing with community gender inclusive bathrooms and shared spaces for students to cook, eat, and socialize. Approximately 79,900 gsf of residential space and 29,962 gsf of common space would be provided.

The proposed project would provide 187 bedrooms with 545 beds in triple-occupancy rooms, of which at least 65 percent (358 beds) would be offered as affordable beds. A unit for a Resident Assistant would be included on each floor. Compared to the existing building, the proposed project would result in a net increase of 445 beds (residents).

Residential support space would include housekeeping, maintenance, communications, and trash and recyclable collections functions. Located adjacent to the undergraduate on-campus community, the residents can take advantage of existing community facilities, such as fitness rooms, recreation space, computer and study rooms, and administrative and operational support.

Each floor would provide extensive communal living, electric-appliance kitchens, and study spaces. In addition to the common spaces typical of each floor, the ground floor would also provide a lobby, laundry room, mail facilities, and vending space. In addition, a bike storage room on the ground level would accommodate approximately 26 bikes.

The ground floor would also provide a courtyard that connects the ground level common spaces. The courtyard would be approximately 2,000 gsf, providing opportunities for formal and informal interaction, socialization, and study activities. Fixed and movable furniture would be provided to keep the space flexible and allow for spill-out from the interior spaces.

The proposed project would not include on-site vehicular parking. Should residents need parking, parking permits would be available for existing spaces on the UCLA campus and nearby Southwest Campus Apartments. The project would include a service drive/garage accessed from Gayley Avenue, located at the northwest corner of the building. The garage would provide minimal parking space for service vehicles and deliveries and allow direct access for trash removal. Project residents would have access to a full range of existing campus Transportation Demand Management programs, including, but not limited to campus transit; accommodations for the use of other modes of transportation, including walking, bicycles, motorcycles, and scooters; on-campus car share program; and use of UCLA's Commuter's Guide.

Table 2 summarizes the space by assignable square feet (asf) and gsf.

**Table 2: Proposed Space Allocations**

Program Area / Room	# Rooms	# Beds	Total asf	Total gsf	Efficiency Ratio asf / gsf
<b>Residential</b>					
Student Rooms	179	537	35,748	57,096	
Residential Assistant	8	8	1,446	2,310	
Restrooms			8,919	14,245	
<b>Residential Support</b>					
Trash / Recycling				1,740	
Network Rooms (Telecom)			1,384	2,211	
Housekeeping / Storage			1,182	1,888	
<b>Subtotal</b>	<b>187</b>	<b>545</b>	<b>48,679</b>	<b>79,490</b>	<b>61.2%</b>
Covered-Unenclosed (50%)				398	
<b>Residential Total</b>	<b>187</b>	<b>545</b>	<b>48,679</b>	<b>79,888</b>	<b>60.9%</b>
<b>Commons and Support</b>					
Living Area			7,926	12,659	
Kitchen Area			3,242	5,178	
Study Area			1,177	1,880	
Laundry			461	736	
Mail			422	674	
Bike Parking			278	444	
Vending Space			127	203	
Restroom			50	80	
Mechanical & Electrical Rooms				2,980	
Electrical Utility Vault				2,787	
Trash / Recycling				1,608	
Garage				733	
<b>Commons Total</b>			<b>13,683</b>	<b>29,962</b>	<b>45.7%</b>
<b>Grand Total</b>	<b>187</b>	<b>545</b>	<b>62,362</b>	<b>109,850</b>	<b>56.8%</b>

**Schedule**

Approval of this action will allow the campus to commence working drawings. Construction would be performed in two phases: (1) demolition is scheduled from June 2024 to November 2024, and (2) construction of the building would begin in November 2024, with completion anticipated in November 2026.

***Financial Feasibility***

The debt service on this project not supported by the State would be funded from housing revenues. The estimated debt service for the \$43 million external financing at the planning rate of 4.35 percent is \$1,871,000 in the first five years with interest-only payments and \$2,593,000 per year, including principal and interest, over a remaining 30-year term. Over a ten-year period, the campus is projected to have a minimum modified cash flow margin of five percent and debt service coverage of 1.4 times as required by the University's Debt Policy. Days' cash on hand in STIP/TRIP is 125 days as of June 30, 2023, which also meets the requirements of the University's Debt Policy. The project meets the minimum 1.00x auxiliary project debt service coverage ratio and minimum 1.1x auxiliary system debt service coverage ratio required by the University's Debt Policy. The Summary of Financial Feasibility is provided in Attachment 3.

**DESIGN ELEMENTS**

***Project Site***

The Gayley Towers Redevelopment project site is a 0.48-acre parcel located at 565 Gayley Avenue in Westwood Village (see Attachment 4, Project Location Map). The project will redevelop an existing six-story structure built in 1981 that currently includes 51 studio and studio loft units. The campus proposes to demolish the existing apartment building. The site has a significant grade change from Gayley Avenue toward Landfair Avenue at the rear of the site.

***Building Design***

The Project site is surrounded to the east, west, and south by existing high-density, multi-family residential structures, including fraternity houses, generally with three to six stories with intermittent buildings of up to nine stories. The new housing design is intended to be compatible with the surrounding context. The building's design considers the architectural character and context of the North Westwood Village area. Specifically, the Project incorporates a central tower window wall and vertically oriented residential windows to break up the building massing along the front façade, as well as a similar front yard setback as existing conditions, which would be landscaped. The proposed central courtyard would be enclosed on all sides, and the majority of residential windows would be oriented towards the central courtyard rather than facing adjacent properties in order to limit noise impacts.

The proposed building would be a concrete-framed structure with an interior courtyard open to the sky. The ground floor communal spaces would be configured around the interior courtyard, creating a contiguous area with the main entry. The courtyard would rely on transparency, lighting, shared materials, and circulation elements to connect the building's interior and exterior seamlessly.

The typical upper-floor communal spaces would be concentrated within a central glass tower between the two main masses of the building. These common areas would overlook the street



and activate the visual connection between the interior and exterior spaces. Most bedroom units would be oriented (via window openings) towards the central courtyard, with limited units oriented to the building exterior and/or perimeter lightwells to provide natural light to all units and privacy from the interior hallways. The proposed building would exhibit a contemporary architectural style sensitive to the dense, multi-family residential context. Attachment 5 depicts the proposed building massing. As shown, the central tower window wall and vertically oriented residential windows would break up the building massing along the front façade. In addition, the main entrance along Gayley Avenue would be recessed to provide a pedestrian scale.

### ***Materials***

The exterior material palette would be comprised of durable materials selected to respond to the existing neighborhood and campus context. The base of the building would consist of stucco with tile accents. In contrast, the exterior envelope of the upper stories and the courtyard would consist of a blend of stucco, metal-clad windows, and window wall assemblies. Glass would be selected for qualities such as low reflectivity to reduce glare; energy efficiency to limit solar heat gain; high visibility for adequate light transmission; and acoustic performance to reduce noise from outside.

### ***Seismic Safety***

This project will comply with the University's Seismic Safety Policy, including independent structural engineering peer review.

### ***Sustainability***

The project will comply with the University of California Policy on Sustainable Practices. 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.

This project has been analyzed by the UC Operational Carbon and Energy Assessment for New Construction (OCEAN) Tool, and results are provided in Attachment 6. The OCEAN Tool identifies high-level estimates of target site energy use, utility costs, and operational greenhouse gas emissions for the proposed project. Building performance metrics are being compiled within UC's capital projects database and will be utilized to compare and assess future projects.

Specific sustainability goals include the following:

- Achieve a Leadership in Energy and Environmental Design Gold certification.
- Outperform California Building Code (CBC) Title 24 standards by 20 percent and strive to outperform the standards by 30 percent where possible.
- Optimize the energy efficiency of systems not addressed by the CBC energy-efficiency standards.

Specific sustainability strategies include the following:

- Provide high-density redevelopment on a site connected to existing community services, public and alternative transportation, and other urban infrastructure.
- Encourage alternative transportation by limiting parking capacity and providing bicycle racks.
- Provide an all-electric (no use of natural gas) building.
- Incorporate a high-efficiency irrigation system and native/drought-tolerant species to reduce landscape irrigation demands.
- Select water fixtures (e.g., taps, toilets, shower heads, and other fixtures) to achieve a 36 percent reduction in per capita water demand (compared to the Fiscal Year 2005-2008 average baseline) and increased water efficiency.
- Incorporate filtration planters to treat site runoff.
- Select construction materials in accordance with the Buy Clean California Act (Assembly Bill 262, codified in California Public Contract Code, Section 3500 *et seq.*) to reduce greenhouse gas emissions associated with the manufacture and transport of such materials.
- Use low, ultra-low, and zero volatile organic compound-emitting adhesives, sealants, paints, coatings, and carpets to reduce air quality emissions, consistent with South Coast Air Quality Management District Rule 1113.
- Divert at least 65 percent of construction waste from landfills to reduce solid waste disposal.

### ***Project Delivery***

A construction management at risk (CMAR) team will be selected to provide pre-construction services such as cost estimating, scheduling, constructability, and risk analysis. The CMAR team will assist the campus in analyzing constructability options for building systems as well as delivery options for early ‘make ready’ work to facilitate the timely delivery of the project. ‘Make ready’ work may include site preparation, early demolition packages, relocation of existing utilities, and installation of new utilities.

### ***Small Business Enterprise***

The campus is committed to promoting and increasing participation of Small Business Enterprises (SBEs) and Disabled Veteran Business Enterprises (DVBES) in all purchasing and contract business, subject to any applicable obligations under State and federal law, collective bargaining agreements, and University policies. The campus regularly communicates with interested contractors and consultants to provide information about finding opportunities to work

at the campus and to encourage them to respond to the annual announcement soliciting interest to perform services. Providing 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.

***Consistency with the Long Range Development Plan***

The Gayley Towers Redevelopment project site is located at 565 Gayley Avenue, directly across the street from the western edge of the UCLA main campus. Given its location off campus, the project is not considered in the Long Range Development Plan (LRDP). Nonetheless, the project incorporates relevant planning concepts and applicable programs, practices, and procedures set forth in the UCLA 2002 LRDP, as amended through 2017. Of note, the existing student population would occupy the project and would not increase student enrollment.

**CALIFORNIA ENVIRONMENTAL QUALITY ACT COMPLIANCE**

A summary of the California Environmental Quality Act (CEQA) process and the environmental impacts of the proposed project is provided in Attachment 7. In accordance with CEQA and the University of California Procedures for Implementation of CEQA, an Initial Study/Mitigated Negative Declaration (IS/MND) (State Clearinghouse No. 2023060256) has been prepared for the Gayley Towers Redevelopment project (Attachment 8 - Final IS/MND). As demonstrated in the IS/MND, with the incorporation of feasible mitigation, the project will not have a significant effect on the environment. The IS/MND is not tiered from the previously certified LRDP Environmental Impact Report since the project site is located off campus and not included in the LRDP. CEQA Findings have been prepared to support the University's determination that the proposed project would not result in significant direct, indirect, or cumulative environmental impacts (Attachment 10 - CEQA Findings).

**Key to Acronyms**

asf	Assignable Square Feet
CBC	California Building Code
CEQA	California Environmental Quality Act
CMAR	Construction Management at Risk
DVBEs	Disabled Veteran Business Enterprises
gsf	Gross Square Feet
IS/MND	Initial Study/Mitigated Negative Declaration
LRDP	Long Range Development Plan
OCEAN	Operational Carbon and Energy Assessment for New Construction
SBEs	Small Business Enterprises

**ATTACHMENTS**

Attachment 1	Project Sources and Uses
Attachment 2	Comparable Projects
Attachment 3	Summary of Financial Feasibility
Attachment 4	<a href="#">Project Location Map</a>
Attachment 5	<a href="#">Project Graphics</a>
Attachment 6	<a href="#">UC OCEAN Tool Report</a>
Attachment 7	Environmental Impact Summary
Attachment 8	Gayley Towers Redevelopment Project Final IS/MND (includes Draft IS/MND and Mitigation Monitoring and Reporting Program) <a href="https://www.capitalprograms.ucla.edu/content/PDF/230816_Gayley_Towers_Final_IS-MND.pdf">https://www.capitalprograms.ucla.edu/content/PDF/230816_Gayley_Towers_Final_IS-MND.pdf</a>
Attachment 9	UCLA Long Range Development Plan and Environmental Impact Report <a href="https://www.capitalprograms.ucla.edu/Planning/LongRangeDevelopmentPlan">https://www.capitalprograms.ucla.edu/Planning/LongRangeDevelopmentPlan</a>
Attachment 10	<a href="#">CEQA Findings</a>

**PROJECT SOURCES AND USES  
GAYLEY TOWERS REDEVELOPMENT**

<b>PROJECT SOURCES</b>	<b>Housing</b>	<b>Commons</b>	<b>Site</b>	<b>Total</b>	
External Financing – Housing	\$28,809,000	\$9,875,000	\$4,316,000	<b>\$43,000,000</b>	<b>39.8%</b>
External Financing – State	\$35,000,000			<b>\$35,000,000</b>	<b>32.4%</b>
Housing Reserves	\$20,099,000	\$6,890,000	\$3,011,000	<b>\$30,000,000</b>	<b>27.8%</b>
<b>Total Sources</b>	<b>\$72,303,000</b>	<b>\$25,134,000</b>	<b>10,563,000</b>	<b>\$108,000,000</b>	<b>100%</b>

<b>PROJECT USES</b>	<b>Housing</b>	<b>Commons</b>	<b>Site</b>	<b>Total</b>	
Site Clearance			\$1,400,000	<b>\$1,400,000</b>	<b>1.3%</b>
Building	\$55,912,000	\$20,970,000		<b>\$76,882,000</b>	<b>73.6%</b>
Exterior Utilities <sup>(2)</sup>	\$182,000	\$68,000	\$750,000	<b>\$1,000,000</b>	<b>1.0%</b>
Site Development			\$6,290,000	<b>\$6,290,000</b>	<b>6.0%</b>
A/E Fees	\$3,880,000	\$800,000	\$655,000	<b>\$5,335,000</b>	<b>5.1%</b>
Campus Administration <sup>(3)</sup>	\$1,212,000	\$249,000	\$199,000	<b>\$1,660,000</b>	<b>1.6%</b>
Surveys, Tests, Plans	\$1,476,000	\$319,000	\$200,000	<b>\$1,995,000</b>	<b>1.9%</b>
Special Items <sup>(4)</sup>	\$2,359,000	\$510,000	\$319,000	<b>\$3,188,000</b>	<b>3.1%</b>
Contingency	\$4,958,000	\$1,072,000	\$670,000	<b>\$6,700,000</b>	<b>6.4%</b>
<b>P-W-C Cost <sup>(5)</sup></b>	<b>\$69,979,000</b>	<b>\$23,988,000</b>	<b>\$10,483,000</b>	<b>\$104,450,000</b>	<b>100%</b>
Group 2 & 3 Equipment	\$1,788,000	\$962,000		<b>\$2,750,000</b>	
<b>Project Total</b>	<b>\$71,767,000</b>	<b>\$24,950,000</b>	<b>\$10,483,000</b>	<b>\$107,200,000</b>	
Interest During Construction	\$536,000	\$184,000	\$80,000	<b>\$800,000</b>	
<b>Grand Total</b>	<b>\$72,303,000</b>	<b>\$25,134,000</b>	<b>10,563,000</b>	<b>108,000,000</b>	

<b>PROJECT STATISTICS</b>	<b>Housing</b>	<b>Commons</b>	<b>Total</b>
Gross Square Feet (gsf) <sup>(6)</sup>	79,888	29,962	<b>109,850</b>
Assignable Square Feet (asf)	48,679	13,683	<b>62,352</b>
Efficiency Ratio: asf / gsf	60.9%	45.7%	<b>56.8%</b>
Building Cost / gsf	\$700	\$700	<b>\$700</b>
Building Cost / asf	\$1,149	\$1,533	<b>\$1,233</b>
P-W-C Cost / gsf	\$876	\$801	<b>\$951</b>
P-W-C Cost / asf	\$1,438	\$1,753	<b>\$1,675</b>

- <sup>(2)</sup> The site's exterior utilities costs are related specifically to the site conditions and site-related scope such as irrigation water lines, storm drains, site power distribution, site telecom, site lighting, and site security.
- <sup>(3)</sup> Campus administration includes project management, campus engineering, inspections, campus design services, and construction services.
- <sup>(4)</sup> Special items include pre-construction services, environmental reports, peer reviews, specialty consultants, agency fees, hazardous materials survey and abatement, LEED™ coordination, meeting expenses, messenger, parking rental, and insurance.
- <sup>(5)</sup> Total of preliminary plans (P), working drawings (W), and construction (C).
- <sup>(6)</sup> Gross square feet (gsf) is the total area, including usable area, stairways, and space occupied by the structure itself. Assignable square feet (asf) is the net usable area. The asf is calculated to the inside of the exterior and common/demising walls but does not include the footprint of the interior walls.

## COMPARABLE PROJECTS

**Gayley Towers Redevelopment  
Comparable Construction Analysis  
August 2023**

## List of Construction Costs Available for Comparison

#	Project Name	City/ Campus	GSF	Md. Pt. Const Yr	Beds	Units	Building Construction Cost*	Adj. Building Cost**	Adj. Building Cost / GSF**	Total Project Cost*	Adj.Total Project Cost**	Adj. Total Project Cost/ GSF**	Adj. Building Cost / Bed**	Adj. Total Project Cost/ Bed**
							<b>COMP AVERAGES</b>		<b>\$594</b>			<b>\$ 756</b>	<b>\$ 179,708</b>	<b>\$226,913</b>
1	UCLA Gayley Towers	Los Angeles	79,888	2025	545	187	\$55,912,146		<b>\$700</b>	<b>\$71,855,000</b>		<b>\$899</b>	<b>\$102,591</b>	<b>\$131,844</b>
2	UCD - Webster Hall Dormitory	Davis	94,835	2018	371	0	\$34,179,000	\$48,249,000	<b>\$509</b>	\$49,851,000	\$70,373,000	\$742	\$130,051	\$189,685
3	UCI - Middle Earth Expansion	Irvine	127,563	2018	494	0	\$54,495,000	\$78,955,000	<b>\$619</b>	\$75,073,000	\$108,769,000	\$853	\$159,828	\$220,180
4	Texas Tech University - New Honors Residence Hall	Lubbock	83,164	2016	313	0	\$21,649,698	\$43,888,000	<b>\$528</b>	\$29,900,000	\$60,613,000	\$729	\$140,217	\$193,652
5	Stanford - New Manzanita Dormitory	Stanford	41,805	2015	129	0	\$17,904,245	\$28,581,000	<b>\$684</b>	\$23,749,839	\$37,913,000	\$907	\$221,558	\$293,899
6	Stanford - Lagunita Court New Residences	Stanford	74,300	2015	220	0	\$33,010,747	\$53,986,000	<b>\$727</b>	\$43,200,249	\$70,650,000	\$951	\$245,391	\$321,136

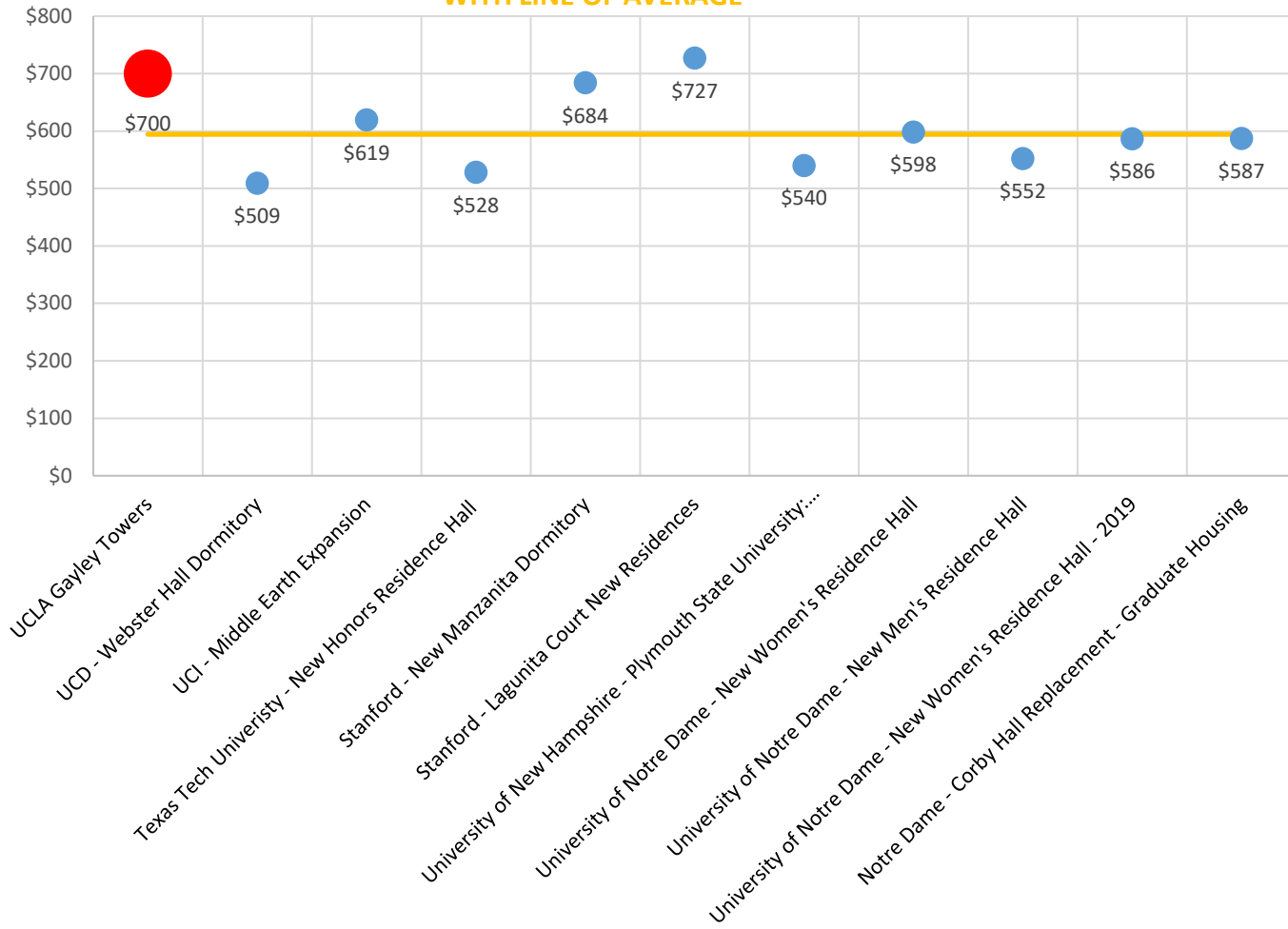
#	Project Name	City/ Campus	GSF	Md. Pt. Const Yr	Beds	Units	Building Construction Cost*	Adj. Building Cost**	Adj. Building Cost / GSF**	Total Project Cost*	Adj.Total Project Cost**	Adj. Total Project Cost/ GSF**	Adj. Building Cost / Bed**	Adj. Total Project Cost/ Bed**
7	University of New Hampshire - Plymouth State University: Merrill Place	Plymouth	95,235	2016	288	0	\$27,627,674	\$51,414,000	\$540	\$32,522,753	\$60,524,000	\$636	\$178,521	\$210,153
8	University of Notre Dame - New Women's Residence Hall	South Bend	70,821	2018	224	0	\$25,276,015	\$42,357,000	\$598	\$25,276,015	\$42,357,000	\$598	\$189,094	\$189,094
9	University of Notre Dame - New Men's Residence Hall	South Bend	78,715	2018	251	0	\$25,212,202	\$43,424,000	\$552	\$28,782,714	\$49,574,000	\$630	\$173,004	\$197,506
10	University of Notre Dame - New Women's Residence Hall - 2019	South Bend	68,211	2019	225	0	\$23,903,181	\$39,999,000	\$586	\$26,871,723	\$44,967,000	\$659	\$177,773	\$199,853
11	Notre Dame - Corby Hall Replacement - Graduate Housing	South Bend	57,430	2019	27	27	\$19,624,980	\$33,707,000	\$587	\$0	\$0	\$0	\$1,248,407	\$0

\* For University of California projects "building construction cost" is line 1 of the CIB form; "total project cost" is the Grand Total Project cost on the CIB or budget and includes total P-W-C (including interest during construction) and Group 2 & 3 equipment.

\*\* All comparable projects have been adjusted to the project city and year using a combined factor of RS Means City Cost Index (to account for location) and RLB Construction Cost Index (to account for prior years).

**Gayley Towers Redevelopment  
Comparable Construction Analysis  
August 2023**

**ADJUSTED BUILDING CONSTRUCTION COSTS PER GSF  
WITH LINE OF AVERAGE**





**SUMMARY OF FINANCIAL FEASIBILITY**

<b>LOS ANGELES CAMPUS</b>	
Project Name	<b>Gayley Towers Redevelopment</b>
Project ID	<b>908052</b>
Total Estimated Project Cost	\$108,000,000
Anticipated Interest During Construction (included in total estimated project cost)	\$800,000

<b>PROPOSED SOURCES OF FUNDING<sup>7</sup></b>	
External Financing	- \$43,000,000 – Housing Reserves - \$35,000,000 – State General Funds for the Higher Education Student Housing Grant Program
Housing Reserves	\$30,000,000
Total	\$108,000,000

**SECTION I. Externally Financed Projects**

<b>FINANCING ASSUMPTIONS</b>	
External Financing Amount	\$35,000,000
Anticipated Repayment Source	\$35,000,000 – State General Funds
Anticipated Fund Source	State General Funds
Financial Feasibility Rate	4.25%
First Year of Repayment (e.g. FY 20XX)	FY 2025
Term (e.g., 30 years; indicate if any years interest only)	30 years
Final Maturity (e.g., FY 20XX)	FY 2054
Estimated Average Annual Debt Service	\$2,086,000 (full)

<sup>7</sup> Fund sources for external financing shall adhere to University policy on repayment for capital projects.

<b>FINANCING ASSUMPTIONS</b>	
External Financing Amount	\$43,000,000
Anticipated Repayment Source	\$43,000,000 - General Revenues of the Los Angeles campus
Anticipated Fund Source	Housing Reserves
Financial Feasibility Rate	4.35%
First Year of Repayment (e.g. FY 20XX)	FY 2027 (interest only); FY 2032 (30 year amort)
Term (e.g., 30 years; indicate if any years interest only)	35 years; 5 years interest only
Final Maturity (e.g., FY 20XX)	FY 2061
Estimated Average Annual Debt Service	\$1,871,000 (interest only); \$2,593,000 (full)

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

<b>CAMPUS FINANCING BENCHMARKS</b>			
<b>Measure</b>	<b>Campus Metric</b>	<b>Approval Threshold</b>	<b>Requirement</b>
Modified Cash Flow Margin	5% (minimum), 2032 (yr)	$\geq 0.0\%$	Must Meet
Debt Service Coverage	1.4 (minimum), 2030 (yr)	$\geq 1.1x$	
STIP/TRIP Days Cash on Hand	125 days, 6/30/2023	$\geq 90$ days	
Auxiliary Project Debt Service Coverage	2.32 (minimum), 2029 (yr)	$\geq 1.0x$	Must Meet for Auxiliary Projects
Auxiliary System Debt Service Coverage	1.3x (minimum), 2024 (yr)	$\geq 1.1x$	

## ENVIRONMENTAL IMPACT SUMMARY

### *Environmental Review Process*

Pursuant to State law and the University of California Procedures for the Implementation of the California Environmental Quality Act (CEQA), an Initial Study (IS) was prepared for the Gayley Towers Redevelopment Project (proposed Project) (SCH No. 2023060256) (Attachment 8). A Notice of Intent (NOI) to Adopt a Mitigated Negative Declaration (MND) based on the IS was circulated to the Governor's Office of Planning and Research, State Clearinghouse, Responsible Agencies, and various other public agencies, community organizations, and interested individuals for a 30-day review period beginning June 8, 2023 and ending July 10, 2023. The Draft IS/MND was made available at the Charles E. Young Research Library on the UCLA campus and on the UCLA Capital Programs website (<https://www.capitalprograms.ucla.edu/EnvironmentalReview/ProjectsUnderEnvironmentalReview>). Additionally, the NOI was posted at the Project site and in the UCLA Daily Bruin (both print and online editions) on June 8, 2023. No written comments on the Draft IS/MND were received by the University.

A virtual public hearing was held on June 26, 2023, during which the public was given the opportunity to provide comments on the proposed Project and the Draft IS/MND. The public hearing was attended by 25 individuals, including UCLA staff and other consultants affiliated with the Project; seven attendees provided oral comments at the hearing. A copy of all oral comments received and the University's responses are included in the Final IS/MND and further discussed in the *Public Comments* section below.

### *Environmental Impacts*

The IS/MND found that the Gayley Towers Redevelopment Project would have no impact or a less than significant impact on the environment with regard to aesthetics, agricultural resources, air quality, biological resources, cultural resources, energy, geology and soils (for all sub-issues except seismic ground shaking and unstable soils), greenhouse gas emissions, hazards and hazardous materials, hydrology and water quality, land use and planning, mineral resources, noise (for all sub-issues except construction-related noise and vibration), population and housing, public services, recreation, transportation, tribal cultural resources, utilities and services systems, and wildfire. Nonetheless, the Project incorporates all relevant adopted mitigation measures (MMs) and programs, practices, and procedures (PPs) identified in the previously adopted Long Range Development Plan Mitigation Monitoring and Reporting Program (LRDP MMRP). As a standard practice, UCLA implements all relevant LRDP PPs and MMs for all of its projects, including for projects located off campus that are not subject to the LRDP. Additionally, the Project incorporates a Project-specific project design feature (PDF) Gayley AQ-1, which identifies the use of Tier IV construction equipment to reduce construction-related air pollutant emissions.

With regard to seismic ground shaking and unstable soils, the IS/MND determined that impacts would be less than significant with the incorporation of Project-specific mitigation (MM Gayley GEO-1, which would ensure the incorporation of site-specific geotechnical recommendations into the final Project design). Similarly, the IS/MND determined that impacts would be less than significant with the incorporation of Project-specific mitigation for construction-related noise and vibration impacts (MM Gayley NSE-1 and MM Gayley NSE-2 involving physical measures to reduce noise and vibration impacts during construction). For these topics, relevant LRDP PPs and MMs would also be incorporated.

Incorporation of these Project revisions and mitigation measures will avoid or reduce all potentially significant impacts to less than significant levels to the extent feasible. The Final IS/MND is accompanied by a Mitigation Monitoring and Reporting Program (MMRP) to assure that all relevant LRDP PPs and MMs, PDF Gayley AQ-1, and Project-specific mitigation measures MM Gayley GEO-1, MM Gayley NSE-1, and MM Gayley NSE-2 are implemented in accordance with CEQA (refer to Section 3.0 in the Final IS/MND, provided in Attachment 8).

### ***Public Comments***

No comment letters were received during the public comment period. As previously indicated, a virtual public hearing regarding the Project and the Draft IS/MND was held on June 26, 2023, and seven members of the public provided oral comments at the hearing. The comments/questions received at the public hearing did not question the content or conclusions presented in the Draft IS/MND, rather the commenters had comments/questions regarding the Project and its design. Each of the commenters indicated support for the Project. Several commenters provided input on the design of the proposed building and/or site layout, visual changes, the Project residents' use of individual vehicles, and operational noise. Responses to all public comments are included in Section 2.0 of the Final IS/MND, provided in Attachment 8.

These comments did not raise any new issues that were not adequately analyzed in the IS/MND pursuant to CEQA. Therefore, no changes or amendments to the IS/MND were warranted based on public comments, and recirculation of the document was not required. The Final IS/MND contains all of the comments received during the public comment period, together with written responses to those comments, which were prepared in accordance with CEQA and the CEQA Guidelines.

### ***Findings***

CEQA Findings for the Gayley Towers Redevelopment Project are provided in Attachment 10. These Findings are determinations for the disposition of environmental impacts, mitigation measures, and evidence that the proposed Project will not have a significant effect on the environment. Based on the analysis in the IS/MND, it has been determined that all impacts associated with the Gayley Towers Redevelopment Project would be reduced to a less than significant level with the incorporation of Project-specific mitigation measures, in addition to relevant LRDP MMs and PPs.

