

Dear friends and colleagues,

I am writing to provide additional, detailed information about the Upper Hearst development project, an endeavor that will help us address housing needs identified by our faculty, for our faculty, and expand needed academic and study spaces for a growing Goldman School of Public Policy. In the context of important campus objectives and the greater good of our community, the Upper Hearst project is vital to supporting our ability to recruit and retain early career faculty, continuing our progress toward the construction of new academic facilities in the absence of state capital funding, and strengthening our ability to utilize public-private partnerships (P3s) for multiple student housing projects — one of the campus' most important priorities given the region-wide housing crisis.

Last Monday, I met with College of Engineering (CoE) faculty and staff to address concerns and questions about the project. It became apparent that there remains a significant degree of misunderstanding about, among other things, the project's purpose, financial model and impact on parking.

The accompanying document and Q&A (below) address those misunderstandings and misconceptions so that we can have constructive engagement and discussion of the issues before, during and after the special Academic Senate meeting scheduled for the afternoon of May 1. As a preface, however, I want to address a few of the most salient issues:

Transparency and Communications

It was clear to me many of those at the CoE meeting were unaware of the basic facts about this project. There have been substantial attempts to foster campus engagement, including a March 2018 campus-wide message that described the project, a subsequent open house, extensive media coverage and three separate review meetings of our Capital Projects Committee. Beginning in 2016, project information was consistently provided to the deans of the College of Engineering and to the former vice provost for academic planning, who sat on the Capital Projects Committee, as does her successor. I have heard and take seriously the concerns that the information provided was not widely disseminated and that these efforts were inadequate. The current vice provost for academic planning will be reviving dormant academic planning processes and suggesting new opportunities for engagement. Along with every member of my leadership team, I am open to new ideas to ensure that faculty and staff have ample opportunity to provide input in the planning of new academic facilities.

The vice chancellor for finance is also actively responding to requests about the project's financial model. This morning, the vice chancellor for finance held an in-depth workshop to examine and analyze the agreement's contents and provisions. The review was led by representatives from the developer, with input from professors Nancy E. Wallace and Richard H. Stanton from Berkeley Haas, who are experts in real estate. Also attending was faculty representative Sanjay Govindjee, from the College of Engineering; Jennifer Johnson-Hanks, chair of the Academic Senate's Committee on Academic Planning and Resource Allocation; as

well as Academic Senate Division Vice Chair Oliver O'Reilly. All attendees are free to share their impressions and findings.

In a second meeting earlier today, the College of Engineering Ad-Hoc Committee for Review of GSPP Development Project was also provided an opportunity to review the financial details. Faculty member invitees were Dorit Hochbaum, Peter Hosemann, Sanjay Kumar, Kris Pister, Nicholas Sitar, Ting Xu, Eli Yablonovitch, Panos Papadopoulos and Tarek Zohdi.

Parking

While the project will have short- and long-term effects on available parking at the Upper Hearst site, the campus will take an unprecedented series of steps to support staff and faculty who commute to campus. To compensate for the loss of approximately 345 spots during construction and the net loss of approximately 200 spots once the project is completed, we will make 50 new C and F parking spots available in the Lower Hearst lot, provide 150 to 200 spaces for C/F parking at the nearby Maxwell Family Field garage, move stack parking and add a shuttle to the Foothill parking lot in order to accommodate 75 to 145 additional cars there. To speed and ease the search for open spots, we will also install real-time occupancy sensors at the Foothill lot, just as we have done at the Clark Kerr Southwest and Northwest lots, where there are another 100 open spaces. In response to town hall comments, we will also assess options for improving pedestrian access to the Foothill lot.

(Please see the map in the briefing document, below)

Debate and discussion about Upper Hearst parking issues HAS convinced me that a comprehensive plan for future parking on and around the campus must be a high priority. Space and sites for academic and residential use that are in close proximity to the center of campus are precious and in short supply. We must prioritize those areas for academic and residential space as part of our holistic planning for the future. For this reason, I have asked our Institute for Transportation Studies to provide us with consultation about parking infrastructure and mobility as we begin a comprehensive plan for the future.

The Financial Model

These are the essential financial terms of this public-private partnership (P3):

The Upper Hearst development will be owned by a non-profit partner, Collegiate Housing Foundation.

At the end of the ground lease period, 31 years, ownership of the building and all improvements to the property will transfer to the University of California without additional cost.

Any and all financial risk associated with the project will be borne by the non-profit developer

There is no “cross-subsidy” between the residential and academic elements of the project, though the academic building is able to access tax-exempt bonds because it is part of the residential and parking building project.

In compliance with the terms of tax-exempt bonds that will be issued, the residential rental units will be offered only to campus affiliates---faculty, graduate students, post-docs, and staff---with priority going to junior faculty.

While rents will cover operating costs and debt service associated with the residential portion of the project, GSPP revenues will be the sole source of funding for the academic facility debt service. Funded by philanthropy and program revenues, GSPP already has access to at least \$10 million for its initial equity contribution that will reduce the bond amount and future debt payments. After careful scrutiny we are very confident that GSPP will have sufficient programmatic and philanthropic revenues to, on its own, meet the annual operational expenses of the building.

I believe we all have a shared interest in the continued success of the public-private partnership (P3) model that served us well for the construction of David Blackwell Hall, our newest student residence, and that will be used to develop the Upper Hearst site. I am convinced that P3s are an important part of our overall strategy to satisfy campus capital needs because this model allows the campus to reserve the use of general revenue bonds for larger academic building construction projects, including those under consideration by the College of Engineering.

Timing and Next Steps

On May 15, we will proceed with plans to present the project to the Regents for approval, with the expectation that construction will begin by fall 2019. A delay in presenting the project for approval will not result in changes to the proposal, based upon the feedback I have received. There are answers to the questions being asked that should allay the concerns behind them. What we now must do is more successfully communicate those answers to our community. I hope and believe this letter and the detailed briefing document below represent an important step in that direction.

Sincerely,

Carol Christ
Chancellor

Campus Strategic Overview

The shortage of available and affordable housing for Berkeley's students and untenured ladder faculty is a matter of urgent concern for the university. It adversely impacts the overall student experience and challenges our ability to recruit and retain faculty, graduate students and post-docs. The campus convened a housing task force to clarify the issues and to determine housing goals, and its report was issued in January 2017.

To develop a plan to achieve these goals, two groups further analyzed the task force's report and recommendations:

1. The Housing Master Plan Advisory Group for Student Housing solicited and analyzed feedback on the report's recommendations and researched affordability options.
2. In 2019, a Faculty Housing Strategy Working Group issued a report in response to the pressures of the Bay Area housing market, with a particular focus on recruiting faculty and on retaining faculty struggling to purchase reasonable housing. The group concluded that the campus should invest in more rental housing for untenured ladder faculty to aid in the recruitment of new faculty. The report further recommended that the university increase to six the number of years of service needed to be eligible to live in university housing, so as not to compel young faculty to move while they're still earning tenure. An average of 50 new faculty are hired annually, so to provide rental housing for all of them, the university would need a steady stock of 260 to 390 units of faculty housing. Currently, it has approximately 26 units.

The January 2017 [Housing Master Plan Task Force Report](#) identified the Upper Hearst parking structure as a potential site for a housing project of approximately 75 to 100 apartments. The report was shared campus-wide and extensively covered in the media. In spring 2017, the campus publicly issued to developers a request for qualifications to work with the campus on a project on the Upper Hearst site to address three uses — for academic programs, housing and parking.

Overall Upper Hearst Project Goals

1. In response to the Bay Area housing crisis impacting our students, faculty and staff, increase the number of campus housing units overall.
2. Provide better access to housing for new faculty so they don't have to compete with the general market. Through the use of subsidies supported by philanthropy, provide rental apartments at reasonable rents to assist with recruitment and retention of junior faculty. A faculty housing subsidy pool will be created to support faculty in this project. The pool will be available to subsidize units in the project based on need, and the vice provost for faculty will assign new faculty to these units.
3. Provide academic space to support undergraduate and graduate teaching by Goldman School of Public Policy (GSPP).

Project Details

The project consists of two separate, but architecturally interrelated, buildings for GSPP: one residential and parking building and one academic building. The project was presented to the Regents' as a discussion item in March, and approval is expected at the May meeting. It is anticipated that construction will commence in September 2019 and take approximately 23 months. Occupancy of the academic building is expected in late spring 2021 and the residential portion in fall 2021.

The residential and parking building will have approximately 145,000 square feet of new residential space and add about 150 new rental units, offered in a mix of studios and one- and two-bedroom apartments. There will be a parking garage with approximately 170 spaces. The residential portion of this building will provide almost half of the recommended 260 to 390 units needed to house ladder faculty in close to campus. The rental apartments will be available on a priority basis, first to faculty (particularly marketed to early career faculty), and then to Berkeley staff, postdocs and/or graduate students, if not fully rented by faculty. Due to the nature of the tax-exempt bond financing, the units must be rented by UC-affiliates and not the general public.

The development will be owned by a nonprofit partner, Collegiate Housing Foundation (CHF), which was selected by the University Office of the President. The residential component will be managed by American Campus Communities (ACC), which was selected by the campus as the developer and property manager for CHF. Rental rates will be set by the campus and will cover both the cost of the development and the ongoing operations of the building. The owner, Collegiate Housing Foundation, will earn a nominal fee established by the UC Office of the President. The ACC will be paid a fee for design and construction management of the project. Separately, once the residential building is complete, ACC will be paid for its property management services from rental revenues. Ownership of the development reverts to the campus at the end of the loan term, which is expected to be between 30 and 40 years.

The campus is committed to providing rent subsidies for untenured faculty and is currently working to ensure philanthropic support for that commitment. Such a subsidy, to assist with recruitment and retention of junior faculty, would be provided based on household income. Members of the subsidy pool will be allowed to subsidize units in the project based on household need, and the vice provost for faculty will assign new faculty to those units.

The parking portion of this building will include approximately 170 parking spaces. (Currently, there are 318 marked parking stalls for cars at the Upper Hearst lot. However, the project financing has been designed to pay \$30,000 as compensation to campus (after operations and debt service) for a total of 345 slots, in order to account for stacked parking, as well as space currently available for scooters and motorcycles. As for every project on campus, the number of disabled parking spaces will comply with the California Building Code.

The entirety of the parking area will be operated and maintained by the campus's Office of Parking and Transportation. All revenues from the parking will flow to Parking and Transportation and will not be used to support project debt or operations/maintenance for the residential portion of the building. The exact mix is not yet determined, but the parking will be available to the occupants of the residential units and C or F parking permit holders.

Parking and Transportation will install approximately 10 electric vehicle chargers. Based on overall cost, the campus is negotiating with the developer to install basic infrastructure to allow additional spaces to be upgraded in the future to electric vehicle charging stations.

No designated parking for GSPP is contemplated in the project.

The GSPP academic building will provide approximately 37,000 gross square feet of academic space.

The Goldman School of Public Policy (GSPP) is one of the country's foremost policy analysis graduate programs. Sustaining the school's ability to meet the needs and interests of its students and faculty requires an expansion of its space and facilities. Over the last decade, the school has developed new activities and courses of instruction that directly serve and contribute to the university's mission. New academic space will enable GSPP to grow and continue to thrive. In terms of general assignment classrooms, GSPP is working with the administration to find ways to make maximum use of available space in this new building to support the needs of campus, including appropriate general assignment classroom space, while ensuring that GSPP has the right facilities to support undergraduate and graduate students from across campus. The issue of general assignment classroom space at Berkeley more broadly is the remit of the Campus Committee on Classroom Policy and Management and the Space and Capital Improvements Committee, which together will coordinate to develop formal policies.

The Overarching Financial Models

Using a public-private partnership (P3) model that has been used successfully on other UC campuses, the campus will ground lease the underlying land for the development of the project to Collegiate Housing Foundation (CHF), the nonprofit entity that will hold the tax-exempt bonds and own the improvements for the duration of the ground lease. The CHF will contract with the developer, American Campus Communities (ACC), to construct the project. Terms of the ground lease (not to exceed 50 years) will be equal to the bond amortization period. Once the bonds are paid off, the ground lease will expire, and the buildings will revert to the university.

This model allows the campus to finance the project with third-party debt (i.e., not state-funded), transferring some of the risk while preserving campus financing capacity for other high priority projects. At the end of the ground lease term, the improvements will revert to the Regents at no cost, free and clear of liens or encumbrances. Risk transference includes construction risk, financing risk and occupancy risk. There is no subordination of UC's land interest or its

leasebacks. The project rents are the only assets out of which the borrower is legally obligated to use to repay the loan

Residential and Parking Building Financial Model

The CHF will contract with ACC to operate and maintain the housing. Debt service, operations and major maintenance reserves will be funded solely through project revenues. Any residual cash flow after these costs will come to the campus as ground rent to be used at the discretion of the campus.

In order to cover operating expenses and meet debt service coverage requirements, estimated rents will be at or around market rates for newer projects with modern amenities in Berkeley and are expected to range from \$2,800 to \$4,200 in current dollars.

The entirety of the parking area will be operated and maintained by Parking and Transportation. All revenues from the parking will flow to Parking and Transportation and not be used to support the project debt or operations/maintenance of the residential portion of the building. The exact mix is not yet determined, but the parking will be available to occupants of the residential units, and C or F parking permit holders.

The project financing has been designed to pay \$30,000 to campus (after operations and debt service) for 345 slots, which exceeds the number of currently available marked stalls for cars.

GSPP Building Financial Model

The GSPP will provide at least \$10 million in initial equity, funded by philanthropy and program revenues, in order to reduce the bond amount. The entire academic building will be leased back by the campus to be operated and maintained by GSPP, and the leaseback rent will be equal to the annual debt service amount associated with the academic portion of the project. There is no additional management fee or consideration provided to the developer or nonprofit ownership entity. The expense of building operations and debt service will be funded solely by GSPP programmatic and philanthropic revenues. Funded by philanthropy and program revenues, GSPP already has access to at least \$10 million for its initial equity contribution that will reduce the bond amount and future debt payments. After careful scrutiny, we are very confident that GSPP will have sufficient programmatic and philanthropic revenues to, on its own, meet the annual operational expenses of the building.

Background: Project Engagement and Approval Process

In March 2018, a [project information page for the Upper Hearst Development](#), including an overall description, scope and renderings, was posted on the Capital Strategies website.

News of the forthcoming Upper Hearst Development project was also shared in a campus-wide housing update sent March 15, 2018, by the vice chancellor for student affairs and the associate

vice chancellor for capital strategies. The update was sent by Cal message to the campus community, shared by [Berkeley News](#) and posted to the chancellor's website.

On Tuesday, March 20, 2018, Capital Strategies and the Goldman School hosted an open house where the campus and community were invited to learn about the proposed Upper Hearst Development project in detail, to view detailed renderings and to engage in meaningful dialogue with representatives from the campus, school and development team. [Open house flyers](#) were distributed and posted around the community by Goldman School staff and students. Flyers were also emailed to the building coordinators of adjacent university buildings to share with their departments, including coordinators at Cory, Soda, Davis, O'Brien and Sutardja Dai halls. The open house was also advertised by email through Capital Strategies' campus and community contact list for project updates.

Following the March 2018 public open house, on June 21, 2018, the [City of Berkeley Design Review Committee](#) discussed the project, as did the [City of Berkeley Landmarks Preservation Commission](#) on July 5, 2018.

The project has also been covered and mentioned by local and campus media:

[Berkeleyside \(May 11, 2018\)](#)

[Berkeleyside \(July 13, 2018\)](#)

[Daily Californian \(July 18, 2018\)](#)

[Berkeleyside \(February 21, 2019\)](#)

[Daily Californian \(February 21, 2019\)](#)

[There have been additional articles]

Over the years, Dean Shankar Sastry has been advised on the project, including at a strategy meeting in July 2016 between GSPP and CoE deans and their senior staff. Consultation with the current dean of CoE occurred in January 2018, when she was the then-vice provost for academic space planning. Dean Liu (when VP of academic space planning) was also a member of Capital Projects Committee (CPC), which approved this project after three review meetings held on July 26, 2016, on March 1, 2017, and on January 18, 2018.

The campus has long charged the joint administrative/faculty Space Assignment and Capital Improvements Committee (SACI) with advising the administration on individual proposals for major and minor capital improvement projects. In that role, SACI appoints Academic Effect Study subcommittees (also known as program subcommittees) that include faculty nominated by the Senate, as well as administrative staff, to examine and provide advice on such proposals at early stages in their development and throughout design. Unfortunately, this practice was not followed for this project nor for other recent projects. However, the current vice provosts for academic planning and capital strategies are committed to rectifying this lapse for all future major capital projects to ensure that academic interests are given appropriate consideration in project development.

Environmental Review

The 2020 LRDP and the 2020 LRDP EIR, approved in 2005, anticipated that there would be 33,450 students on the Berkeley campus by 2020. Student enrollment during the 2018-2019 school year was almost 41,000. This increase is due, in large part, to significant 2015 enrollment increases at all UC campuses, including Berkeley.

While the campus would typically address these enrollment increases and new enrollment projections in its next LRDP, it cannot, as a matter of good planning practice, wait for the next LRDP to address the issue of campus population. While the next LRDP and its EIR are under development, new and important projects continue to move forward at the campus. In order to continue to approve these projects prior to approval of a new LRDP, the Draft Supplemental EIR for the Upper Hearst Project (Draft SEIR) establishes an updated population baseline to reflect the existing campus headcount and new campus headcount projections through the 2022-23 school year (assuming a modest growth to 44,735 students). These new population projections will give the campus some cushion to continue approving key projects as it prepares its next LRDP and associated EIR. The updated baseline also allows the campus to compare the impacts of the Upper Hearst project with existing environmental conditions at the time environmental review occurs, as required by the California Environmental Quality Act (CEQA).

On February 19, 2019, the campus released the draft SEIR, which evaluates a six-story residential building with no setbacks from adjacent streets, representing the maximum scope of development on the project site. Capital Strategies shared the draft SEIR via [Berkeley News, online public notice](#), through postal mailing and through the Capital Strategies contact list. Capital Strategies hosted two public hearings on the draft SEIR (on March 12, 2019, and March 21, 2019). The public comment period on the draft SEIR closed on April 12, 2019. The final SEIR, which will include responses to all public comments received on the project, is currently under preparation and is expected to be released by May 6, 2019. Of note, in response to input from campus and community stakeholders, the campus has reduced the height of the project to five stories. The revised project design also includes demolition and partial replacement of the parking structure and the construction of separate academic and residential buildings — all of which will result in impacts similar to or less than those of the project as originally designed.

The draft SEIR determined that the Upper Hearst project would result in two new significant, unavoidable impacts that were not evaluated in the 2005 LRDP EIR: 1) visual character and quality and 2) land use compatibility.

The project was discussed by the Regents at their March 2019 meeting and will be considered by the Regents for approval at their May 2019 meeting.

Parking During and Post-Construction (Safety, Accessibility, Efficiency)

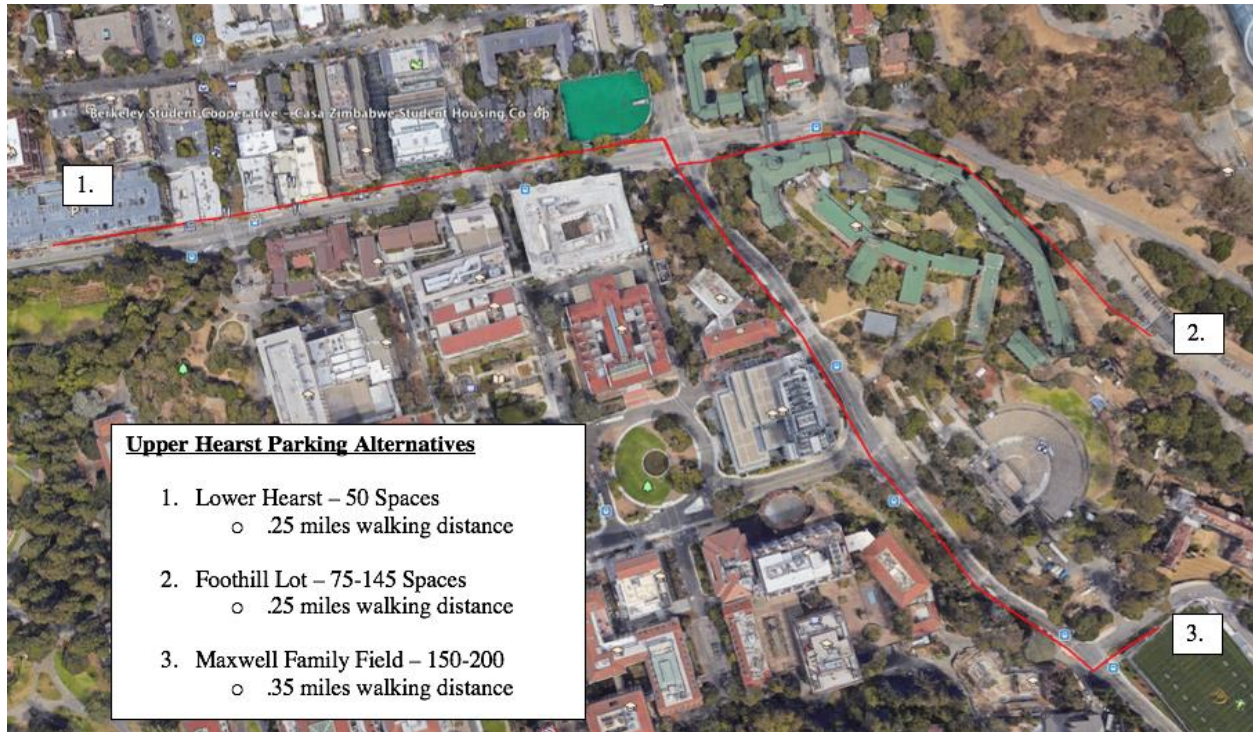
Note: Many of the concerns about parking that have been expressed during community discussions about the Upper Hearst project touch on broader concerns and anxieties about

parking and transportation on and around campus. As transportation options become more dynamic and varied, the campus must plan thoughtfully to respond to future parking and transportation opportunities and challenges. The campus is asking our Institute of Transportation Studies to partner with the office of the vice chancellor for administration to conduct a review of our current plans, as well as of any emerging options to address the needs of members of our community who commute to the campus. This effort will be one of the inputs to our recently announced long range development plan process.

While the project will have a short- and long-term effect on the availability of parking on the Upper Hearst site, the campus has committed to taking an unprecedented series of steps in support of staff and faculty who commute to campus. To compensate for the loss of approximately 345 spots during construction and a net loss of approximately 200 spots, once the project is completed, we will make 50 new C and F spots available at the Lower Hearst lot, provide 150 to 200 spaces for C/F parking at the nearby Maxwell Family Field garage at no cost to permit holders, move stack parking and add a shuttle to the Foothill parking lot in order to accommodate 75 to 145 additional cars and add a shuttle to Clark Kerr Campus parking lots.

To speed and ease the search for open spots, we will also install real-time occupancy sensors in the Foothill lot, just as we have done in the Clark Kerr Southwest and Northwest lots where we have another 100 open spaces. In response to what we heard at the town hall, we will also take steps to build a new sidewalk leading to the Foothill lot.

Accessible parking spaces proximate to the engineering quadrant of the campus can be found near Cory and Bechtel (4 spaces) halls and in the Lower Hearst garage, and at least one ADA space in the Memorial Stadium garage will be available under the campus agreement to use that facility. There will be no contractor parking on UC parking lots. Contractor parking will occur primarily in the Memorial Stadium garage, with some potential use of the project site itself once the parking podium is complete.



Questions and Answers Regarding the Upper Hearst Project

Will the campus administration address the concerns raised about this project before it is submitted for approval by the UC Regents?

Yes, a detailed campus communication is being prepared in order to address a wide range of questions and concerns as part of the environmental compliance (CEQA) process. In addition, Chancellor Christ and other campus leaders participated in an April 22, 2019 town hall meeting with staff and faculty from the College of Engineering in order to respond to their questions about the Upper Hearst Project. Further, the chancellor and provost will continue to meet with the CoE dean and groups of faculty to engage about issues related to the project.

Why is the Goldman School not simply building on its existing site?

According to Capital Strategies' Physical and Environmental Planning team, the current GSPP campus does not have additional room to accommodate an additional structure with the amount of gross square feet of academic space and/or residential space that the Upper Hearst Development would provide. In order to accommodate such a structure, one or both of the existing GSPP buildings would need to be demolished, creating a need for even more space to replace the space that would be lost. The GSPP programs would have to relocate during construction, and the campus would need to find suitable surge space. Additionally, one of the buildings, the Beta House at 2607 Hearst Ave., is listed on the California Register of Historic Resources. While this does not prevent demolition, the campus long range development plan provides for the campus to seek to minimize the impact of development upon historic resources. The Ridge Lot located next to the Upper Hearst Parking Structure is part of the overall

development site for the Upper Hearst Project. Specifically, it is part of the footprint for the residential and parking building.

What opportunities did the College of Engineering leadership have to weigh in on the use of this site?

The Upper Hearst Development project followed standard campus intake processes for proposed capital projects. The project concept was unanimously approved at the July 2016 Capital Planning Committee meeting, with potential CoE participation to be determined. The chancellor and CoE leadership ultimately decided to focus on their other initiatives. In March 2017, the project returned to the Capital Planning Committee, which approved the issuance of a request for qualifications (RFQ) to select a development team. The project returned for a third time to the Capital Planning Committee in January 2018 and was unanimously approved to proceed with the next step, with the proposed development terms coming back to this committee for their review and recommendation to the chancellor. The project returned to the Capital Planning Committee for a fourth time in January 2019. At this final review, project revisions were approved for submittal of a discussion item for the March 2019 Regents meeting. The project was brought to the Capital Planning Committee for a fifth time in March 2019 to review the business terms that will be submitted for consideration and approval by the Regents at their May 2019 meeting.

Will campus units other than the Goldman School be able to use the academic space in the proposed development?

In terms of general assignment classrooms, GSPP is working with the administration to find ways to make maximum use of the available space in this new building to support the needs of the campus, including appropriate general assignment classroom space, while ensuring that GSPP has the right facilities to support undergraduate and graduate students from across campus. The issue of general assignment classroom space at Berkeley more broadly is the remit of the Campus Committee on Classroom Policy and Management and the Space Assignment and Capital Improvements Committee, which will coordinate to develop formal policies.

How will the campus make the rental housing affordable for new faculty?

The property will be managed by ACC, the company selected through a competitive RFQ and contracted by the development's owner to oversee the property operations. Assignment of rental units will come from the vice provost for the faculty. The university will set the rental rates charged by the development's non-profit owner, CHF, to ensure coverage of the development costs and operations.

The campus is committed to providing rent subsidies for untenured faculty and is currently working to ensure philanthropic support for that commitment. Such a subsidy would be provided on an income and need basis and administered by the vice provost for the faculty. To the extent

that the housing project at the Upper Hearst site produces cash flow beyond the need to service the third-party debt and to operate the building, the campus will have the discretion to further invest in a subsidy of rent paid by junior faculty. Such subsidies would be provided on an income and need basis, and assignment of units will be made by the vice provost for the faculty.

Why does faculty housing have to be built so close to campus? Can new housing be built instead at Foothill, the Richmond Field Station or other locations controlled by the campus? What other sites have been considered for faculty housing?

The campus needs to develop housing on every possible site in order to meet the significant needs of the campus. All possible sites will be investigated for housing uses, including the Richmond Field Station. As per surveys and market research, proximity to campus is a priority for UC affiliates, the intended occupants of the Upper Hearst Project. Close proximity also results in less daily vehicle trips to and from campus by faculty, as well as an increased ability to be present in, and connected to, the campus community.

Conditions at the Foothill Lot, such as soil and seismic conditions, are particularly challenging for development, as compared with the Upper Hearst Parking Structure. Costs for development of the Foothill Lot would also be greater due to the site layout, proportions and potential excavation required due to topographical challenges. As such, the Foothill Lot is not optimal for housing development at this time.

Can the university subsidize rentals in the city of Berkeley, rather than build new housing at the Upper Hearst site?

The housing crisis is such that there is not sufficient housing in Berkeley to meet all the housing needs for Berkeley residents and for UC affiliates. When the university constructs its own housing, it can ensure availability for faculty and other campus affiliates. It can also control costs for rent, as well as the rate of future increases, neither of which is possible in the open market. The city of Berkeley is a relatively affluent community. Given rising demand for housing in Berkeley and throughout the Bay Area, campus-built housing helps guarantee and expand the supply for our population over the long term.

The campus is currently engaged in efforts that will secure philanthropy-based rent subsidies for faculty.

The campus already master leases private rental units in the city of Berkeley for student housing. This approach is seen as an interim approach only due to the city's strong opposition, given that master leases take properties off the property tax rolls and decrease the available supply of market rate housing.

How will parking needs for the disabled be accommodated during and after construction?

During construction, American with Disabilities (ADA) accessible parking spaces are not required because there will be no parking provided. However, during this period, accessible parking will be available in the Lower Hearst parking structure, and there are also four ADA spaces adjacent to Bechtel Engineering Center across Hearst Avenue. Post construction, the new lot will have the required number of ADA parking spaces, which is presently expected to be eight.

Can the Tolman site be paved to serve as surface parking, at least temporarily?

This idea has been reviewed and analyzed by campus Parking and Transportation, and it was determined not to be a financially defensible option. The cost of paving would be approximately \$3 million. The pending development of the site for new buildings would then necessitate relocating any new, established parking sites at great cost, or simply eliminating them after a relatively short amount of time in service. There would also likely be a need for expensive, time-consuming environmental studies of the potential impacts of temporary parking on the Tolman site, as required by law under CEQA.

How many spots in the new structure will be available for C and F permit holders?

At this point, we plan on having 80 spots for C and F permit holders. The new parking structure will return 170 parking spaces to the campus inventory once completed. The developer, ACC, believes the residential demand will be about 60% of those spaces, or 90 spaces. The remaining 80 spaces will be in the Parking and Transportation general inventory, and our plan is to have those be C and F permit spaces.

When will a comprehensive, strategic plan for campus parking and transportation be developed?

Many of the concerns about parking that have been expressed during community discussions about the Upper Hearst project touch on broader concerns and anxieties about parking and transportation on and around campus. As transportation options become more dynamic and varied, the campus must plan thoughtfully to respond to future parking and transportation opportunities and challenges. Chancellor Christ will be asking our Institute of Transportation Studies to partner with the office of the vice chancellor for administration to conduct a review of our current plans, as well as any emerging options, to address the needs of members of our community who commute to the campus. This effort will be one of the inputs to our recently announced long range development plan process.

How much money will the campus lose if this development project is cancelled?

As with all major capital projects, the campus enters into contracts, expends staff time and makes limited financial commitments in order to specifically define a project and consider the costs, benefits and potential impacts of the proposed project. The expenditure of these funds is necessary to prepare a project for consideration and does not obligate the university to proceed with the proposed project. These pre-development costs are never more than the university can afford to forfeit if a decision is made to not proceed with a project. With regard to this proposed project, a pre-development agreement has been signed between the university (the Regents

have signatory authority over real estate transactions) and the developer (American Campus Communities). This is the only signed agreement at this time. Per the pre-development agreement, the university would be liable for at least half of the developer's costs (architectural fees, design fees, engineering and surveying fees, consultant fees, etc.) should the project be halted. The university could be liable for more than half, due to where we are currently in the pre-development process, as well as university-requested design-related changes that have taken place during the development of the project. While we cannot provide a precise dollar amount at this time, as all the fees and expenses from the developer would need to be calculated. The amounts would then need to be reviewed and negotiated as part of a settlement agreement, which would be guided by the terms of the pre-development agreement. This would be a legal settlement and not something quickly determined.