

REPORT TO TRUSTEES

TO: UC SANTA CRUZ FOUNDATION BOARD OF TRUSTEES

FROM: ALEC WEBSTER, CHAIR OF THE UC SANTA CRUZ FOUNDATION

DATE: SEPTEMBER 6, 2018

RE: FOLLOW UP REPORT ON THE FOUNDATION'S RESOLUTION REGARDING UCSC'S STUDENT HOUSING WEST PROJECT

At our June 2, 2018 meeting, the Board passed a Resolution concerning UCSC's Student Housing West Project (the "P3 Project"). A copy of the Resolution is attached hereto for your convenience.

We passed the Resolution in light of the "unusually broad, vocal and sustained criticisms and opposition" to the Draft EIR for the P3 Project (the "DEIR") by numerous stakeholders and supporters of UCSC who were listed in the preamble of the Resolution. The Resolution thanked the Chancellor for responding to this public criticism and opposition by "initiating, convening and authorizing a collaborative process...to strategize how an acceptable P3 Project can be built as quickly as possible." As noted in the Resolution, the Chancellor had already convened a meeting for June 11, 2018 of campus decision-makers, the developer of the P3 Project and a small committee of Trustees, Alumni Counselors, Regents Emeriti and the Campus Architect Emeriti as the first step in this collaborative process.

In advance of this meeting, and explicitly in the Resolution, the Foundation requested that the collaborative process should address certain enumerated topics including, among others:

- a. Whether the P3 Project can be realized without utilizing any portion of the East Meadow;
- b. The financial models of the P3 Project, as currently proposed, as well as those for the alternative proposals set forth in the Draft EIR; and
- c. How the essential role of the residential colleges will function within, and be promoted by, the P3 Project.

At this time, I would like to brief you on what has occurred this Summer in response to our Resolution.

The June 11, 2018 meeting occurred on Campus. In attendance, on behalf of UCSC, included the Chancellor, the EVC, Sarah Latham, Peggy Delaney, Keith Brant, Traci Ferdolage, Sue Matthews, Ashish Sahni, two representatives of the P3 Developer, UCSC's CEQA attorney, as well as at least a half dozen other administrators. Attending on behalf of the Foundation and other interested Campus stakeholders (the "Campus Stakeholders"), including the East Meadow Action Committee (EMAC) and the Alumni Council, were Ken Feingold, myself, Richard Moss (via conference call), Frank Zwart (UCSC Campus Architect Emeritus), Charlie Eadie, Claudia Webster, Emeritus Professor James Clifford, Professor Gail Hershatter, Assistant Professor Kyle Parry, Paul Schoellhamer and Matthew Waxman.

The meeting lasted for about 1.5 hours. The Chancellor opened the meeting by saying that he didn't particularly care how the Project ended up as long as it met his goals. Sarah Latham then did most of the talking on behalf of UCSC. She advised the participants that, contrary to the request in the Foundation's Resolution, UCSC would not provide the Campus Stakeholders with any detail of UCSC's cost estimates or release any of its financial pro formas based upon the advice of legal counsel.

The Campus Stakeholders raised questions about elements of the overall Project, the DEIR and the financial projections released by UCSC in its public forums. In particular, the Campus Stakeholders challenged:

- A) The \$174,000 per bed cost estimates used by UCSC to justify its preferred alternative for the Project;
- B) The Project's inefficient use of land in the East Meadow, which is slated only to provide only about 10 beds per acre (equivalent to only about 5% of the beds on about 54% of the total acreage of the Project); and
- C) The necessity for, and the cost of, complying with high-rise fire code with respect to the buildings over 75 feet in height because of the high-density Heller (Westside) portion of the Project (i.e., nearly 3,000 beds on less than 13 acres of land).
- D) The claim that it is only possible to use cost-savings oriented prefabricated construction for Family Student Housing when used in extremely low density, suburban-style development; when in fact the Heller site's graduate accommodations were stated to use the same level of prefabrication but for a higher density.
- E) The quantity of singles in the project, which at 60% of all beds, is an inefficient level of density per developed land area, and limits the project's affordability to students.

In addition, and most importantly, the Campus stakeholders also presented a number of concrete suggestions for the Project designed to expedite the start date for the construction of housing, eliminate the use of the East Meadow, and reduce density and building height in the west portion of the Project. In particular, we proposed to swap the East Meadow for restarting the ECI development in order to build more beds faster and at the same or less cost than the Project as proposed. (It should be noted that the ECI project, although fully approved, bid-out and ready to break ground on construction, was canceled at the last minute due to fiscal concerns arising at the outset of the Great Recession. Frank Zwart, who was intimately involved in the ECI project, believes that ECI could be easily reconstituted and re-imagined to fit within the current Project, allowing UCSC to break ground on new construction within the same or a faster timeframe as set for the proposed Project and at approximately the same cost.)

While the UCSC representatives listened to the questions and suggestions, and even asked a few questions of their own, no meaningful dialogue occurred at the meeting. In response to our questions about the Project, the UCSC representatives basically repeated what they had said at the public forums and our Foundation Board meeting and provided no new information or rationale to support the preferred version of the Project in the DEIR. Nor did the UCSC representatives express any real interest in probing or considering or even hypothetical entertaining for the purpose of furthering meaningful dialogue any of concrete suggestions for the Project provided in detail by the Campus Stakeholders.

Sarah Latham said at the meeting, "I actually think McHenry would approve of this project in the meadow because the 63 LRDP had buildings in the meadow." But in fact, as was noted in the meeting in response, after the 1963 LRDP was completed, many aspects of that original plan -- such as buildings in the meadow -- were rejected in favor of planning the campus in the way that it was actually planned in practice over its first 50 years.

The Campus Stakeholders came away from the meeting feeling that UCSC had more or less gone through the motions. This was particularly the case when the Chancellor ended the meeting by thanking the Campus Stakeholders and indicating that the administration would consider what was discussed at the meeting and would get back to the Campus Stakeholders in the unspecified future. It was at this point that the Campus Stakeholders requested a follow-up meeting with fewer participants on both sides in the hope that a smaller group might be better able to engage in meaningful dialogue.

This follow-up meeting occurred on June 22, 2018. While a smaller group of participants on both sides convened, the second meeting did not produce any new ground. The UCSC representatives did not provide any fresh information or explanations to support the preferred project in the DEIR. In fact, Sarah announced that the 13 acre building site in the DEIR has now shrunk even further to a size that wasn't specified but that has necessitated the redesign of some of the west buildings to even greater density and heights than specified in the DEIR. The UCSC representatives did reject the proposed alternatives offered by the Campus Stakeholders as infeasible but without providing any substantive detail, financial or otherwise, to justify this conclusion. At the conclusion of the meeting, the UCSC representatives stated that, since the extended public comment period for the DEIR would expire on June 27, 2018, the final EIR was still a work in process, and that the Chancellor had still not made any final decisions about the Project. In response, the Campus Stakeholders indicated that more public comments to the DEIR consistent with what had transpired in the two meetings would be submitted prior to the upcoming deadline and requested the opportunity for further dialogue given the importance of the Project and the controversies that it has engendered.

Subsequent to the second meeting, Ken Feingold wrote to the Chancellor and the EVC requesting a response to the further comments to the Draft EIR submitted by the Campus Stakeholders. A copy of Ken's July 24, 2018 letter is attached.

The Chancellor responded by email to Ken's letter on July 26, 2018. As noted in the attached email, the Chancellor stated that given everyone's summer schedules and "further analysis by the many professionals involved with the project, we do not intend to have any further communication on this matter until after Labor Day."

While I believed that owing to the Chancellor's email, no further developments regarding the Project would occur until after Labor Day, I was mistaken. On Sunday, August 12, 2018, the [LA Times](#) published an article on the housing crisis at UCSC and the controversies regarding the Project. The article centered on the conflict between students who detailed the deleterious financial and other conditions created by woefully inadequate housing on Campus and the objections to the Project, and in particular the use of the East Meadow, by older folk—mostly alumni and emeriti faculty—whose objections were characterized as mainly aesthetic in nature. Regrettably, the article gave extremely short shrift to the non-aesthetic questions about, and criticisms of, the Project. The article only obliquely conceded that those in opposition to the Project as proposed were in favor of building housing on Campus. And it failed entirely to mention that the Campus Stakeholders and others have proposed concrete alternatives to strengthen the Project.

Notably, in the article, the Chancellor was quoted twice. In commenting on the East Meadow, he states:

"It is a nice view. But it isn't imbued with some mystical character," he said in an interview. "In fact, what it is is a cow patch."

Towards the end of the article, the Chancellor is characterized as remaining “open-minded” about the Project, notwithstanding the voluminous comments to the DEIR. However, he is then quoted as saying the following about how the EIR process has unfolded:

“Maybe somebody will have a suggestion for us,” he said. “But at a certain point, we have students who need housing and we can’t futz around forever in making the decision.”

Needless to say, many of us who care deeply about this issue were taken aback and disappointed by the Chancellor’s quotes. Taken together, the quotes reveal a wholly different attitude by the Chancellor towards the Project, the ensuing controversies and divisions to which it has given rise, and the effort, time, thought and concern expended by those, including the Foundation and the Campus Stakeholders, to deal with the controversies, heal the divisions and engage with UCSC to make a better Project. Whereas, in public before the Foundation and at the two meetings this Summer, the Chancellor has repeatedly voiced his interest in pursuing meaningful dialogue with those concerned about the Project and has stated that he has not made any final decisions yet about the Project, his quotes in the LA Times by referring to the East Meadow as a “cow patch,” by falsely implying that no one has offered any suggestions to UCSC to improve the Project, and by denigrating those efforts by the Foundation, the Campus Stakeholders and other volunteers as “futzing around,” the Chancellor showed a marked disrespect and lack of appreciation or gratitude to those who care most deeply about UCSC.

The question now arises: What are we going to do about it?

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On September 6th, Keith Brant, Vice Chancellor for University Relations, offered the following response which, like Webster’s report, was circulated to the Trustees and a wider group of concerned individuals..

Dear Alec,

Thank you for summarizing the events since the last Board of Trustees meeting around the Student Housing West project. From my perspective, there are a few points worth further elaborating on.

First, in retelling the events of June 11, you note that Sarah Latham announced to the group that "contrary to the request in the Foundation’s Resolution, UCSC would not provide the Campus Stakeholders with any detail of UCSC’s cost estimates or release any of its financial pro formas based upon the advice of legal counsel."

This is not the first time the group was made aware of this point. I communicated to the stakeholders group in an email on June 6 saying, "While we value you as individuals because of your close affiliations with the university, legally, we must treat you the same as all other members of the public. As the Chancellor noted at the meeting, we must strictly adhere to the CEQA process. We cannot share detailed financial information until the Regents approve business terms and transaction documents are complete."

I believe this point is fundamental to the disconnect between the Foundation's resolution and the subsequent meetings. The business and legal environment we operate in does not permit "meaningful dialogue." I know this is contrary to so many aspects of the university experience where meaningful dialogue is expected and encouraged. But the Santa Cruz campus does not operate in a silo; we operate within a system, within a state as a public institution, and highly regulated society.

Later, you note that "after the 1963 LRDP was completed, many aspects of that original plan -- such as buildings in the meadow -- were rejected in favor of planning the campus in the way that it was actually planned in practice over its first 50 years." In fact, subsequent LRDP documents since 1963 have earmarked the lower east meadow as a possible development site. In the 1971 plan, it was identified as one of the highest priorities to study for development. And, in the most recent plan of 2005, it was labeled as campus resource land that was expected to be developed at some point in the future. (All the [former plans](#) are available for review.) Understandably, there seems to be disagreement between what was written and the personal interests of past architects and planners. Santa Cruz has never been a place to demand conformity.

While I understand you and others had strong reactions to the comments attributed to the Chancellor in the *Los Angeles Times* article, it's worth noting the context. The Times reporter spoke with many constituents while in Santa Cruz during the first week in June. The two-hour interview with the Chancellor was held on June 7, prior to the two meetings with stakeholders and long before the close of the draft EIR comment period on June 27. His "futz around" comment, while more colloquial than he may have preferred, was very much a reflection of his frustration with multiple attempts at trying to get more student housing built over the past 10+ years. And, now the Student Housing West project has been delayed by more than six months for a host of reasons. He cares deeply about addressing the campus housing crisis.

I do not believe any of us should doubt the Chancellor's sincere desire to be open to input and new ideas. In fact, as the Chancellor noted in his July 26 email, every bit of feedback from all sources are being reviewed and analyzed. That will remain true into the future.

More information is expected to become available this month on the Student Housing West project.

Sincerely yours,

Keith

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Keith E. Brant
Vice Chancellor, University Relations
University of California, Santa Cruz
keithb@ucsc.edu
831-459-2654