

East Meadow Update 3/12/23

Dear Friends of the Meadow

There is a major new development in the long and tangled story of Student Housing West with its reckless proposal to develop the East Meadow. The University has just asked the UC Regents for approval of a new approach to building and financing the project. SHW would now no longer be a public-private partnership and would be funded with bonds issued by the University. Most distressing, the East Meadow would be placed on a fast track, constructed and financed independently of the rest. If the Regents vote to approve at their March 15th meeting, construction could begin this year.

The new plan attempts to circumvent the two main obstacles that were discussed in our last update. Pending litigation currently stands in the way of bond financing, and the University cannot realistically meet the Regents' condition of on-campus rents being 30% below off-campus rents.

The Administration's proposal to the Regents has three main problems:

They are trying to launch this revenue-bond-financed project prior to the resolution of all lawsuits--a radical departure from normal practice. Since bond buyers will not currently accept the risk of litigation, UCSC is proposing to load that risk onto its on-campus students by bundling SHW with all the other student residences and their revenues. If the financing proceeded as proposed and the project were not completed because of litigation outcome or for any other reason, SHW's projected revenue would disappear. Then all the other students on-campus would see their rents go up substantially in order to repay the bonds.

The campus is doubling down on the bogus claim it made four years ago, that the project would result in on-campus rents well below market rates off-campus. The only relevant study the administration has made public shows the exact opposite is true.

They do not correct the core mistake that was made on what was otherwise a widely supported project. In 2017, they cut the original project site in half when they didn't need to. That attempt to avoid a six-month delay ended up costing at least six years. What they have needed to do ever since is reverse course and take the project out of the East Meadow.

In addition, this latest proposal dramatically increases the cost estimate of the project, particularly the costs of the East Meadow portion.

More information on these critical issues is available in our comment to the Regents, attached below. See particularly pp 12-15.

If you can, please send an email to the Regents opposing this latest proposal -- it's easy, but you need to do it quickly. Send your email to regentsoffice@ucop.edu. Indicate at the top that it is regarding the March 15-16, 2023 Regents meeting, Agenda Item F11, UCSC's Student Housing West Project. **Best to send it by Sunday evening March 12.**

Thank you.

East Meadow Action Committee (EMAC)