



DAVID PERBONT GARDNER
 Chancellor

OFFICE OF THE PRESIDENT
 BERKELEY, CALIFORNIA 94720

April 29, 1986

CHANCELLOR SINSHEIMER

Delegation of Authority--Administration of the Faculty For-Sale
 Housing Project, Santa Cruz Campus

At the January 1986 meeting, The Regents authorized the recordation of a survey map and the execution of several project documents between The Regents and the buyers to facilitate the development, construction, and administration of the Faculty For-Sale Housing project, Santa Cruz Campus. A copy of the action approved by The Regents is attached for your reference.

As Chancellor of the Santa Cruz campus, effective March 5, 1986 you are authorized to administer this project, including the following specific responsibilities:

1. To designate, describe, and subdivide into approximately 61 lots that portion of the Santa Cruz campus approved by The Regents as the site for the Faculty For-Sale Housing project, including preparation and recording (filing) of a record of survey indicating such subdivision, provided that such designating, describing, and recording (filing) are done in consultation and coordination with the Treasurer and General Counsel, it being understood that such record of survey may also be in the form of a final map or a legal description.
2. Following recordation of the applicable record of survey, to execute on behalf of the University all approved documents for the project including Townhouse Lot Leases, the Declaration of Covenants, Conditions, and Restrictions, the Custom Lot Leases, the Common Area Lease, Home Purchase Contracts, Home Warranties, and other necessary and related documents required for the completion and sale of townhouses and leases of custom lots in the project.
3. To establish policies on temporary rental of the townhouse units, to conduct investigations regarding compliance with use and occupancy limitations, and to reassign leasehold interests in the event of non-compliance.

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4. To determine land values and townhouse resale price limitations with respect to the resale of the townhouse units in the project pursuant to the provisions contained in the project documents.
5. To inspect the property upon reasonable terms and conditions.
6. To determine whether to exercise any of the University's options to buy under the provisions of the Townhouse Lot Leases and Custom Lot Leases and, if an option is to be exercised, to determine whether and to whom to assign the option.
7. To determine the increase, if any, in the ground rent under the Townhouse Lot Leases.
8. To determine the initial capitalized lease payment to be made for each custom lot within the parameters established by The Regents.
9. To select all initial and subsequent purchasers of the townhouse units pursuant to the priority system established in the project documents.
10. To determine, in consultation with the General Counsel and the Treasurer upon subsequent sale of a townhouse, whether a new groundlease will be executed and for what term, not to exceed 60 years.
11. To identify and implement minor amendments and modifications to the project documents which are necessary or beneficial to the project as long as they do not alter the original definition of the project as approved by The Regents.

The following authorities are not delegated:

- A. Major changes in the design of and or in the uses permitted the Faculty For-Sale Housing project at the Santa Cruz campus shall be approved by The Regents.
- B. Modifications to the priority system of eligible purchasers of the townhouses or lessees of custom lots shall be approved by the President.
- C. All major or substantive changes or modifications to the project documents shall be approved by the President in consultation with the Treasurer and the General Counsel.

Any redelegation of these authorities shall be in writing with copies to the General Counsel, the Treasurer, the Senior Vice President--Administration, and the Director--Coordination and Review.

This supersedes my letter to you of March 5, 1986 on this same subject.


David Pierpont Gardner

Attachment

cc: Senior Vice President Brady
Senior Vice President Frazer
Assistant Vice President Swartz
Director Rogin
Director Mathews
Director Scrudder
Coordinator Correia
Acting General Counsel Holst
Treasurer Gordon

Approved

Approved as amended

Accepted

Notice served

Deferred

Withdrawn

Disapproved

C X

January 17, 1986

F. Residential Lot Lease and Related Documents,
Faculty for Sale Housing Project, Santa Cruz Campus

The Committee recommends that:

- (1) The President, or designee, in consultation with the Treasurer and the General Counsel, be authorized pursuant to the authority granted in Article IX, Section 9 of the Constitution of California, to designate, describe, and subdivide into approximately sixty-one additional lots that portion of the Santa Cruz campus previously approved by The Regents as the site for the Faculty Housing Project, Phase 1, Santa Cruz campus, and to prepare, under the direction of a registered civil engineer or licensed land surveyor, a record of survey indicating such subdivision, said record of survey to be filed with the Recorder of Santa Cruz County as evidence of the action of The Regents taken in furtherance of the public and educational objectives of the University.
- (2) The President, or designee, in consultation with the Treasurer and the General Counsel, be authorized to execute the Townhouse Lot Leases, the Declaration of Covenants, Conditions, and Restrictions, the Custom Lot Leases, the Common Area Lease, Home Purchase Contracts, and other related documents as necessary for the completion and sale of townhouses and leases of custom lots in the Faculty for Sale

Housing Project, Santa Cruz campus, said documents to contain the following provisions:

- a. Terms of the townhouse lot leases and custom lot leases shall be sixty years;
- b. Each townhouse lot lessee shall pay The Regents annual ground rent of \$600, subject to annual increases at the discretion of the University by an amount not to exceed eight percent of the previous year's rent;
- c. Each initial custom lot lessee shall pay The Regents a capitalized lease payment between \$58,000 and \$72,000, depending upon lot size, location, and view;
- d. The initial purchasers of the townhouses and the initial lessees of custom lots shall be selected from persons determined to be eligible by the Chancellor of the Santa Cruz campus using the following priority system, with priority within each category given to newly hired employees:
 - (i) First priority shall be given to members of the Academic Senate; and
 - (ii) Second priority shall be given to University Management Program personnel.
- e. Upon subsequent assignment of a townhouse lot lease and the resale of a townhouse, the owner must offer the townhouse to buyers in the priority established in (2)d. above, at a price which conforms with (2)g. below, with the understanding that the University has a prior option to acquire the property, provided, however, that if there is no such priority sale and if the University fails to exercise its option, the property may be sold to a member of the general public at a price which conforms with (2)g. below;
- f. Upon subsequent sale of a townhouse, the University will review requests for a new groundlease and will enter into such a lease for a term not to exceed sixty years if, in the opinion of the University,

the Faculty For Sale Housing Program will benefit thereby;

- g. To ensure that townhouses remain affordable by members of the academic community, resale prices shall be limited to the lesser of:
- (i) The price negotiated between the buyer and the owner; or
 - (ii) The sum of:
 - (a) the original purchase price of the townhouse paid by the owner, plus
 - (b) the product of the original purchase price of the townhouse paid by owner and the fractional change from the National Consumer Price Index (all items) as published for the month immediately preceding the date on which the owner originally purchased the townhouse to said Index last published prior to the date of the offer to sell, plus
 - (c) the cost of all capital improvements to the townhouse made by the owner, but only to the extent that each such capital improvement exceeds \$1,000 in cost and was certified by the University at the time such improvement was completed, less
 - (d) the cost of correcting damage to the townhouse in excess of normal wear and tear.
- h. Upon assignment of a custom lot lease, the owner may offer the lease and improvements at any price, but must offer them to buyers in the priority established in (2)d. above, with the understanding that the University has:

- (i) right of first refusal with respect to any offer; and
 - (ii) in the event there is no such offer, an option to acquire the property at ninety percent of the fair market value, as determined by appraisal, prior to any sale to a member of the general public.
- (3) The President, in consultation with the Treasurer and the General Counsel, be authorized to approve and execute future amendments to the above referenced documents and to approve and execute other documents as may be necessary or appropriate related to changing circumstances or unforeseen conditions, as long as such amendments or other documents do not contravene the basic meaning or purpose of provisions approved by The Regents.

[Action to be released to the public upon execution of lease documents]