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Notice served
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COMMITTEE ON FINANCE
July 17, 1992

DA 1079

TO THE REGENTS OF THE UNIVERSITY OF CALIFORNIA

The Committee on Finance presents the following:

B. Residential Lease and Related Documents and Dedication of Land, Faculty Housing Project, Berkeley Campus

The Committee recommends that:

- (1) The President, in consultation with the Treasurer and the General Counsel, be authorized to designate, describe, and subdivide into up to 78 lots that portion of the Berkeley campus previously approved by The Regents as the site for the Faculty Housing Project and, under the direction of a registered civil engineer or licensed land surveyor, be authorized to prepare a map indicating such subdivision, said map to be recorded in conformity with law in the County of Alameda.
- (2) The President, in consultation with the Treasurer and the General Counsel, be authorized to execute the groundleases or subleases, the Declaration of Covenants, Conditions, and Restrictions, home purchase contracts, and other related documents as necessary for the completion and sale of residences in the University Terrace Faculty Homes Project (Project), Berkeley campus, said documents to contain the following provisions:
 - a. The duration of the groundleases or subleases shall be 60 years;
 - b. Each lessee shall pay The Regents an annual ground rent subject to annual increases, such annual rents and annual increases to be established by the Chancellor in consultation with the President;
 - c. The purchasers of the units shall be selected from persons determined to be eligible by the Chancellor; priorities shall be assigned by the Chancellor to facilitate the recruitment and retention of faculty and staff for whom adequate, well-located, and affordable housing is not readily available in the private market;

July 17, 1992

- d. Upon each subsequent assignment of a unit lease and the resale of a unit, the owner shall offer the unit to buyers in the priority established in accordance with (2)c. above, at a price which conforms with (2)f. below, with the understanding that The Regents have prior options to acquire the unit; provided, however, that if there is no such priority sale and if The Regents fail to exercise said options, the unit, while remaining subject to further resale limitations, may be sold to a member of the general public at a price and on terms agreeable to buyer and seller;
- e. Upon each subsequent sale of a unit, the Chancellor will review requests for a new groundlease and will enter into such lease for a term not to exceed 60 years if, in the opinion of the Chancellor, the Faculty Housing Program will benefit thereby;
- f. To ensure that units remain affordable to 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 unit paid by the owner, plus
 - (b) the product of the original purchase price of the residence paid by owner and the fractional change, for the period from the month immediately preceding the date on which the owner originally purchased the residence to the date of the offer to sell, in that one of the following indices which shall result in the largest product:
 - (i) the Bureau of Labor Statistics Consumer Price Index for All Urban Consumers (CPI-U), all items,

July 17, 1992

(ii) the faculty salary index, established and maintained by University's office of Real Estate Management and Loan Programs,

or other comparable indices adopted by The Regents in the event that any of the above indices cease to exist, plus

(c) the aggregate cost of capital improvements to the unit 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 prior to the time such improvement was completed.

- (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 Project 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 or provisions approved by The Regents.
- (4) The President, in consultation with the General Counsel, be authorized to approve and the Secretary be authorized to execute deeds and other documents required for the dedication of approximately 10,000 square feet of the land purchased for the Project to the City of Berkeley for use as public park lands, subject to use and improvement restrictions as included in the City of Berkeley's approval of the condominium map for the Project.