



The University Community on Campus: UBC's Housing Action Plan

Approved by the Board of Governors on September 20, 2012

campus + community planning



a place of mind

THE UNIVERSITY OF BRITISH COLUMBIA

Part 1 - Background

1. Introduction	1
2. Goals and Principles	1
2.1. Supporting UBC’s Academic Mission	1
2.2. Board of Governors Direction	2
2.3. Guiding Principles	3
3. Context	3
3.1. The Affordability Challenge — Faculty and Staff	3
3.2. Defining Affordability — Faculty and Staff Housing	4
3.2.1. Housing Costs Relative to Household Income	4
3.2.2. Transportation Costs and Affordability — The Advantages of Living on Campus	4
3.3. Current Campus Housing Programs	5
3.3.1. Existing Faculty/Staff Housing Programs	5
3.3.2. Existing Student Housing Options on Campus	6
3.4. What Do Our Faculty and Staff Need?	7
3.4.1. Faculty and Staff Housing Demand	7
3.4.2. UBC Faculty and Staff Profile	8
3.5. What Do Our Students Need?	8
3.5.1. Key Findings — Student Housing Demand Study (2009)	8
3.6. Consultation Input — What We Heard From Faculty, Staff and Students	9
3.6.1. Consultation Timeline	9
3.6.2. Initial Public Consultation (April, 2011 – March, 2012)	9
3.6.3. Phase 2 Public Consultation — Discussion Paper (March-April 2012)	10
3.7. What are Other Universities and Communities Doing?	12
3.7.1. Academic Housing Research	12
3.7.2. Whistler Housing Authority	12
3.8. Other Considerations	13

Part 2 - Policies

1. Housing Policies To Support Faculty and Staff	15
1.1. Restricted Home Ownership for Faculty	15
1.2. Extended Financial Assistance Program for Faculty	15
1.3. More Rental Housing	16
1.4. More Restricted Rental Housing	16
1.5. Non-Profit Rental for Staff	16

1.6. Increased Range of Unit Sizes	16
1.7. Preferential Access to Market Leasehold Units.....	17
1.8. Taxable Benefits	17
2. Housing Policies to Support Students	17
2.1. Expand Supply and Diversity of Student Housing	17
2.2. Affordability	18
2.3. Community Building.....	19
2.4. New Student Housing Area in Gage South.....	19
3. Plan Monitoring Policies	20
3.1. Annual Monitoring and Reporting	20
3.2. Five-Year Comprehensive Review	20
5. Implementation.....	21

Part 3 - Appendices

Appendix 1: Definition of Housing Options	22
1.1 Existing Faculty and Staff Housing Programs	22
1.2 New Faculty and Staff Housing Program Options.....	24
Appendix 2: Notes from Housing Tour (June 2011)	27
2.1 New York University	27
2.2 Columbia University.....	27
2.3 Harvard University	28
2.4 University of California Los Angeles (UCLA).....	28
2.5 University of California Irvine (UC Irvine)	29
Appendix 3: Other Universities Surveyed	30

Part 1 – Background

1. Introduction

Thanks to the foresight of British Columbians over 100 years ago, UBC has a significant land endowment to support its academic mission which is to be a globally significant university and a leader in student experience, teaching and research. Managed wisely, this land is now allowing UBC to expand the housing options available to our faculty, staff and students. *The University Community on Campus – UBC’s Housing Action Plan* will support the long term development of a thriving, diverse and sustainable community on the Point Grey (Vancouver) campus – the kind of community that can help us attract and retain academic leaders who are critical to UBC’s continued teaching and research excellence. *The University Community on Campus – UBC’s Housing Action Plan* (also referred to in this document as the ‘Plan’) will directly contribute to the realization of *Place and Promise – the UBC Plan*.

Housing choice and affordability and their effect on UBC’s academic mission were identified through the *Vancouver Campus Plan* and the more recent *Land Use Plan* consultation processes as high priorities for faculty, staff and students at UBC’s Vancouver campus. In response, the Board of Governors directed in 2011 that a housing action plan be developed to help address UBC’s future housing needs. Faculty, staff, and students have participated actively in discussion workshops, focus groups and outreach meetings as UBC worked to understand the unique housing choice and affordability challenges.

Part 1 of the *Plan* sets the context and provides important background information that has informed the planning process including the guiding principles adopted by the Board of Governors, a summary of current faculty and staff and student housing programs, key findings from background research on what other universities are doing, the results of faculty and staff and student housing demand studies and a summary of what we have heard from campus community stakeholders. Part 2 presents the *Plan* policies.

2. Goals and Principles

2.1. Supporting UBC’s Academic Mission

As part of the University’s overall strategy for academic excellence and sustainability leadership, *The University Community on Campus – UBC’s Housing Action Plan* will help to recruit the caliber of faculty needed to ensure UBC’s research excellence and continued contribution to BC’s economy. Integrating the strategic use of UBC’s land base with our academic and sustainable community visions, the Plan is an important opportunity to differentiate UBC from other universities, allowing UBC to remain a globally significant university in a high cost jurisdiction and a competitive world-wide market for talent.

The provision of more affordable housing choices on campus for students, faculty and staff also delivers:

- Enhanced academic success for students who can spend more time on-campus and engage with the university experience rather than spending long hours commuting;
- Strengthened sustainability benefits through more on-campus residents who are affiliated with the University, helping UBC achieve its sustainable community goals through outcomes such as reduced greenhouse gas emissions by reducing the number of off-campus commuters and vehicles;
- Enhanced quality of life and opportunities for richer campus engagement outside of the classroom, or office when faculty and staff are freed from commuting and can instead contribute to and enjoy the emerging vibrancy and community amenities of UTown@UBC;
- Proceeds from UBC’s land base support the University’s endowment, which helps finance student housing projects and fund much needed academic instructional and research facilities and programs;
- A diverse on-campus community with strong connections to the University.

2.2. Board of Governors Direction

The Board of Governors directed staff on January 13, 2011 to develop a housing action plan for the Vancouver campus to address housing choice and affordability for faculty, staff and students. This Plan will build on UBC’s progress to date in providing a range of housing choices for its workforce and students, and strengthen UBC’s ability to achieve its academic mission.

The Community Planning Task Group chaired by Dr. Nassif Ghoussoub and comprised of Chancellor Sarah Morgan-Silvester, President Stephen Toope, Board of Governors members Bill Levine, Anne-Marie Fenger, Robert Fung, Dr. Richard Johnston and Sumedha Sharma worked closely with the administration on development of the Plan.

In developing the Plan, UBC is drawing on faculty, staff and student input received through the Vancouver Campus and Land Use Planning processes, and through more recent research and consultation opportunities. Technical studies examined housing demand ¹ and the relative affordability of existing housing options for faculty, staff and students, and the experiences of selected universities in Canada and the United States in addressing their respective housing needs have also informed the planning process.

¹ McClanaghan and Associates, 2009, UBC Student Housing Demand Study; Copas, J., and McClanaghan, D., 2010, UBC Staff and Faculty Housing Demand Study

2.3. Guiding Principles

The following principles adopted on June 8, 2011 by the Board of Governors guided the development of the Plan.

- **Principle 1:** Align future campus housing plans with the academic mission of UBC.
- **Principle 2:** Develop a comprehensive framework for affordable and desirable housing choices for faculty, staff and students including target ratios for rental and lease housing, while balancing returns to the Student Housing Financing Endowment and TREK Endowment.
- **Principle 3:** Create the basis for a sustainable, year-round university community to support shops, services and transit.
- **Principle 4:** Ensure that the *Land Use Plan (LUP)* occupancy targets for households connected to the UBC campus, through study or work, are appropriate and achieved. (Note: *The University Community on Campus – UBC’s Housing Action Plan* policies are separate from the *UBC Land Use Plan* and do not have any regulatory effect)
- **Principle 5:** Consider the governance implications of housing policy, as well as issues related to interfaces between the various land use designations on campus.
- **Principle 6:** Ensure a robust communications strategy is implemented to engage the campus community and various stakeholders in the development of the housing action plan.

3. Context

3.1. The Affordability Challenge – Faculty and Staff

Findings from the Faculty and Staff Housing Demand Study conducted in 2010, combined with analysis of administrative data regarding average faculty and staff incomes show that the ability to afford existing housing options on or close to campus is a challenge for many UBC employees². As a result, UBC’s workforce must commute further away to more affordable areas in the region. This commuting erodes people’s quality of life and engagement with the University and campus, and by extension, campus vitality and the University’s academic mission plus has impacts on the region’s and planet’s environment.

UBC’s recently adopted *Land Use Plan* provisions, which now include higher densities and a wider range of unit sizes such as more studios and 1-bedroom units, will result in improvements for some employee groups to access housing on campus. In particular, more rental units of this size on campus allows better access to the rental market for post-doctoral fellows, non-tenured faculty positions and union staff. More small-size purchase units on campus will improve access to campus housing for non-tenured and professional staff in the Management and Professional (M&P) association.

² Assuming UBC single employee income is the only household income

Challenges remain, however, for some members of UBC’s workforce in their ability to afford an on-campus housing choice that meets their housing needs. These include:

- Junior faculty and mid-level staff (\$50,000 to \$100,000/year) who can afford to rent but cannot afford purchase options larger than studios or one-bedroom units (includes tenure-track faculty, non-tenured positions, and M&P staff);
- Lower and medium income groups (<\$50,000/year) that, without another substantial income in the household or substantial equity, would not be able to afford any purchase options on campus (primarily union staff and post-doctoral fellows); and,
- Lower and medium income groups (<\$50,000/year) that cannot afford market rental units larger than a studio unit (primarily union and post-doctoral fellows).

All of these assume that household income is based on only one earner, and no use of the faculty housing assistance program. About 57%³ of UBC’s workforce who share housing costs with another member of their household will be able to afford a wider range of rental and leasehold purchase housing options than outlined above.

3.2. Defining Affordability – Faculty and Staff Housing

3.2.1. Housing Costs Relative to Household Income

Affordable housing for the purpose of this Plan is defined as housing one can afford to rent, lease, or purchase without having to spend more than 30% of pre-tax household income on housing costs (including rent or mortgage, strata fees and property taxes). The “30%” measure is the standard for defining affordability nationally and provincially (e.g. agencies such as the Canada Mortgage and Housing Corporation use this measure in assessing housing affordability). Comparatively, many lending institutions use 32% of household income as the threshold used to approve mortgages, and will not lend more than can be supported with that amount of money.

The UBC affordability assumptions for its faculty and staff are based on faculty and staff salary data as if it were the sole household income for that employee, when looking at specific workforce categories. This is due to the limited availability of household income data for all UBC employees or average household income across different employee categories. This approach results in a conservative affordability estimate for each employee category. *The University Community on Campus - UBC’s Housing Action Plan* aims to improve campus housing choices in terms of tenure options, size and unit types that UBC employees can afford within 30% of their household income.

3.2.2. Transportation Costs and Affordability – The Advantages of Living on Campus

Housing and transportation costs are generally regarded as the two largest expenditures for most households. A growing body of research suggests that traditional definitions of housing affordability may be too limited and do not consider transportation costs, which are increasingly taking a larger share of household budgets. A more accurate picture of a household’s annual cost of living and housing affordability would also consider the transportation costs associated with the neighbourhood in

³ Copas, J., and McClanaghan, D., 2010, UBC Staff and Faculty Housing Demand Study

which the home is located. Neighbourhood characteristics such as higher residential densities, walkability, availability and quality of public transit, and the presence of nearby amenities such as retail services, schools, jobs and parks influence how people travel and as a result, how much they spend on transportation.⁴ It is the neighbourhoods that have these characteristics that are shown in most cases to have lower transportation costs compared to typical suburban, auto-oriented communities.

Recent research from the Canadian Automobile Association⁵ suggests that annual car ownership costs can range between about \$9,000 to just over \$11,000/year⁶ (including both operating and fixed costs for new vehicles). This is particularly relevant for households considering various housing and neighbourhood locations. Living in a more complete, transit-accessible community such as UTown@UBC, that provides a range of affordable transportation alternatives, such as walking, cycling, transit and car sharing, can help to reduce transportation costs, resulting in more disposable income or funds to be directed toward other household expenses.

3.3. Current Campus Housing Programs

3.3.1. Existing Faculty/Staff Housing Programs

A range of housing program options is already available on campus for faculty and staff through the ongoing development of UTown@UBC. Seven residential neighbourhoods that will be complemented by local shops, services, amenities and transit service, include a mix of market and restricted ownership and restricted rental housing options for faculty, staff and the general public. These options are summarized below and described in more detail in Appendix 1.

Current on-campus housing options that are available to faculty and staff include:

- **Restricted Rental:** Restricted rental units (538 as of March 2012) are offered solely to full-time faculty and staff at rents that reflect the restricted market characteristics. The current composition of the restricted rental housing stock is provided below:

Size	Total
Studio	1
1 br (some w/den)	178
2 br (some w/den)	263
3 br	93
Total:	535 ⁷

- **Restricted Leasehold Purchase (Co-development):** 198 leasehold strata units (March 2012) on campus were offered to faculty and staff through an arrangement in which they jointly “co-

⁴ Brookings Institution/Centre for Neighbourhood Technology (CNT), 2006, The Affordability Index- A New Tool for Measuring the true affordability of a housing choice.

⁵ CAA, 2011, Driving Costs – Beyond the Price Tag: Understanding your vehicles expenses.

⁶ Based on driving 18,000 km/yr and depending on vehicle driven.

⁷ Excludes Norman MacKenzie House and Principals’ residences at St. John’s and Green Colleges

developed” their housing in partnership with UBC Properties Trust. By using co-developers’ equity to fund necessary working capital and by avoiding developer’s profit, sales and marketing commissions, co-developers were able to achieve savings of about 20% of the appraised value of the homes. However, this benefit extended only to the first generation of homebuyers. Owners could re-sell to anyone after five years and retain all appreciation. In 2011, this program was put on hold pending a review as part of the housing action plan development process. With the adoption of the Plan, this program will not be continued.

- **Market Rental:** General rental units (262 units as of March 2012) are available to faculty, staff and the general public.
- **Market Leasehold Purchase Units:** 99-year lease units (approximately 2,546 units as of March 2012) have been made available to faculty, staff and the general public.

In addition to the various forms of housing tenure available (above) to faculty and staff, there are two other initiatives that provide housing assistance at UBC.

The **University’s Financial Housing Assistance Program**, established in 2009, assists full-time faculty and selected staff groups in the purchase of a principal residence anywhere in Metro Vancouver. The assistance takes the form of either a forgivable interest-free loan of up to \$45,000, or mortgage interest assistance of up to \$50,000, both over a five year period. The home must be purchased on or after July 1, 2009. Eligible faculty and staff can only receive financial assistance from the University for the purchase of housing for the first and only time and must purchase the home within a seven-year period following the date of appointment to the University or six months prior to the start date. As of March 2012, approximately 140 employees have taken advantage of the program.

In 2009, UBC established the **Work Life and Relocation Service Centre**, which plays a key role in supporting faculty, post-doctoral fellows, staff and their families with their relocation to the Vancouver campus. Housing affordability and the availability of rental housing in particular are prime considerations for new hires to UBC, and the Centre helps by providing information on housing options (both on and off campus), as well as important information and services aimed at aiding a smooth transition to Vancouver and UBC.

3.3.2. Existing Student Housing Options on Campus

UBC has significantly expanded student housing choices over the past several years. Today, UBC has the highest number of student beds on a single campus compared to other universities across Canada.

- At the end of 2011, approximately 27% of all full-time students were housed on campus. UBC Vancouver’s student housing stock now totals over 9,000 beds including 566 new beds completed at Totem Park in September 2011. Of the 9,000 beds, 8,700 are run by Student Housing and Hospitality Services and include ‘single student’ residences, available to both graduate and undergraduate students, as well as housing for students with families.
- A further 1,116 beds are under construction in the first senior student, mixed academic use development to be called Ponderosa Commons (Phase 1 expected completion – September 2013)
- Additionally, 268 unfurnished 1, 2 and 3-bedroom units in the Acadia Park neighbourhood are

currently being transitioned from faculty and staff housing to graduate and student family housing. The current unit mix offered to students includes traditional shared and single rooms, 4 and 6-bedroom suite style units, and furnished and unfurnished 1, 2 and 3-bedroom apartments and townhouses. The faculty and staff rental units are being replaced in Wesbrook Place, with the first building opening in 2012.

- UBC’s *Vancouver Campus Plan* and the *Land Use Plan* set aside sufficient physical capacity to build enough additional housing to accommodate up to 50% of the 2010 full-time student population in total (approximately 16,000 beds in total), as long as funding and financing can be achieved and subject to demand. These beds will be distributed throughout the academic designated parts of campus. Building on the policy direction from both the *Campus Plan* and the *Land Use Plan*, *The University Community on Campus - UBC’s Housing Action Plan* can help influence ongoing planning and design of student housing on campus.

3.4. What Do Our Faculty and Staff Need?

3.4.1. Faculty and Staff Housing Demand

Housing demand is influenced by demographics, income, housing costs, consumer preferences and local and community amenities. The Faculty and Staff Housing Demand Study completed in 2010⁸ has helped to develop a profile and better understanding of UBC’s faculty and staff housing issues and challenges. The study drew on multiple data sources including census, UBC administrative data, CMHC, Greater Vancouver Real Estate Board, feedback from a web-based survey of 2,176 faculty and staff members and a series of focus group sessions. Study findings indicate:

- Affordability is the most important consideration for faculty and staff when making housing choices, followed closely by the availability of community amenities and services, and proximity to work and transit;
- Data from the Real Estate Board of Greater Vancouver shows that in January 2012, the benchmark price⁹ of a townhouse on the west side of Vancouver would require a salary of \$153,360¹⁰ to be able to purchase. In 2011, only 10% of UBC’s full-time workforce earned more than \$150,000/year. A townhouse on Vancouver’s east side would require a salary of \$117,962 to be able to purchase;¹¹
- Households that are likely to experience the greatest housing pressures are those that are dependent on a single income, those moving to the area from outside the Lower Mainland and/or those just entering the housing market;
- While most of UBC’s workforce rents, there is strong interest in homeownership with most non-homeowners saving for a down-payment;
- Proximity to campus is also a significant factor in shaping individual housing choices, with many faculty and staff wanting more housing choices closer to where they work, and;
- Interest in living on campus is linked to the availability of housing choices, services and amenities.

⁸ Copas, J., and McClanaghan, D., 2010, UBC Staff and Faculty Housing Demand Study.

⁹ Price of a typical property in a given market

¹⁰ Qualifying income based on 10% down payment, 5% interest rate amortized over 25 years

¹¹ Townhouses are used for comparison since UBC only builds multi-family housing on campus.

3.4.2. UBC Faculty and Staff Profile

UBC’s faculty and staff workforce is diverse in terms of demographics and in terms of the range of employee groups who work at the Vancouver campus. This diversity suggests the need to consider a variety of possible housing options and solutions, which can address a wide range of housing needs.

Of the approximately 11,000¹² full-time employees (approximately 4,000 faculty and 7,000 staff) at UBC Vancouver in 2010:

- 50% have been employed at UBC for less than five years
- 55% are women
- 60% live in one or two person households
- 56% of faculty and 60% of staff have no dependents
- 36% are 35 years of age or younger
- 12% live on campus
- 39% own their own homes

The work force¹³ is also characterized by several employee groups including:

- Full-time Faculty
 - Deans, Heads, Principals (6% of faculty)
 - Tenured Faculty (57%)
 - Tenure Track Faculty (18%)
 - Non tenured Faculty (16%)
- Post doctoral Fellows (726 positions total)
- Full-time Staff
 - Senior Executives (20 positions total)
 - Management and Professional (45% of staff)
 - Union (43%)
 - Non-Union (12%)

3.5. What Do Our Students Need?

3.5.1. Key Findings – Student Housing Demand Study (2009)

A Student Housing Demand Study¹⁴ undertaken as part of the *Vancouver Campus Plan* in 2009 helped to forecast future demand for on-campus student housing and also more fully explore student housing needs. Some of the study highlights and findings include:

- 81% of on-campus students recognize academic and social benefits of living on campus;
- 43% of students who live off campus would live on campus if they could;
- Over 45% are commuting more than 40 minutes each way to campus;

¹² Copas, J., and McClanaghan, D., 2010, UBC Staff and Faculty Housing Demand Study

¹³ Faculty and staff head count as of March 2011

¹⁴ UBC Student Housing Demand Study and Forecast completed in 2009 by McClanaghan and Associates. Study process included a review of UBC administrative data, a web based survey of 5,684 students living on and off campus and focus groups to explore housing needs

- 74% indicated that more shops and services would improve the quality of on-campus living experience;
- The demand pressures and competitive nature of the Vancouver rental housing market will continue to have a significant impact on the off-campus housing choices for students, and;
- The results of the analysis showed that the demand for additional on-campus housing is significant and that UBC should plan to provide capacity for at least 45% of full-time students to live on campus in order to compensate for depletion and competition for rental housing nearby.

3.6. Consultation Input – What We Heard From Faculty, Staff and Students

Public consultation was integral to the development of the housing action plan and there have been numerous opportunities for the campus community to provide their input, including workshops, public forums, online discussion, focus groups and outreach meetings. Public consultation has focused on creating opportunities for dialogue around the issues and challenges of improving housing choice and affordability on campus to better meet our academic mission and sustainable community goals.

3.6.1. Consultation Timeline

Opportunities for public input into the housing action plan planning process included:

- Consultation on Issues and Options: April 2011 – March 19th, 2012 involving public forums, online discussion, focus groups, and stakeholder meetings;
- Discussion Paper Consultation: March 20th, 2012 - April 9th, 2012:

3.6.2. Public Consultation on Issues and Options (April, 2011 – March, 2012)

Between April 2011 and mid-March, 2012, feedback was gathered to help inform the development of the housing program options. Three public forums, online discussion, focus groups, and stakeholder meetings took place during this time frame.

Notification of public consultation opportunities was sent to over 90,000 contacts through advertising, in-person meetings and outreach activities. As results of these outreach activities, we had:

- A combined total of over 270 people attend the three housing action plan public forums
- 655 unique page views to the housing action plan pages on the Campus and Community Planning (C+CP) website

Participation numbers during this phase were as follows:

- 114 online comments in response to Dr. Nassif Ghousoub’s housing blog, hosted on the Board of Governors website;
- 81 feedback forms submitted at public forums;
- 28 focus group participants;
- 3 stakeholder groups that provided feedback through meetings, and;
- 1 letter submission.

The following themes emerged from faculty, staff and student feedback. These themes represent comments that were present in more than 10% of the feedback received, at more than two opportunities for public input during the April 2011 – March 2012 period.

Faculty and Staff:

- **Retention and Recruitment:** concern that the lack of affordable housing in Vancouver is leading to retention and recruitment challenges for faculty posts;
- **Housing affordability:** concern that housing on campus is not affordable for faculty and staff;
- **Size of units:** the need for larger units to accommodate families;
- **Housing assistance program:** request to expand the program, including extending it from 7 to 10 years and extending it to staff;
- **Restricted ownership:** comments in support of restricting ownership and tenancy to a UBC market, and;
- **Market housing:** opposition to building housing for people without an affiliation to the university.

Students:

- **Size and type of units on campus:** more choice, including studio, one and two-bedroom units as well as ones that are unfurnished and that have more flexible move-in dates.
- **Student Loan program:** concern that the housing allowance provided through the student loan program is not sufficient for Vancouver’s housing market.
- **Affordability:** concern about the cost of housing and requests for subsidized housing.
- **Sense of community:** graduate students in particular requested housing that provides a sense of community similar to what is provided in undergraduate housing.
- **International students:** concern that international students face additional challenges accessing affordable housing.

3.6.3. Phase 2 Public Consultation – Discussion Paper (March-April 2012)

A second phase of consultation focused on the *Discussion Paper* which was intended to generate discussion on possible solutions. The Paper set the context and background information which informed the process including principles, current faculty, staff and student housing options, key findings from background housing demand studies and research on other universities’ programs. The Paper then presented a series of potential new housing options that had been explored through the planning process and highlighted the pros and cons for each.

Campus and Community Planning (C+CP) provided notification of public consultation opportunities in March 2012 to nearly 134,000 contacts through advertising, in-person meetings and outreach activities leading up the public consultation period. One hundred and four (104) campus stakeholders, representing seventy-one (71) groups, also received communications e-toolkits to further promote participation in the public consultation.

As a result of the outreach activities, we had:

- A combined total of 69 people attend the workshops on March 29th, 2012;
- 1,884 unique page views of the housing action plan pages on the C+CP website, and;
- Over 1,100 views of the housing action plan video posted to YouTube.

Consultation participation numbers were as follows:

- 337 questionnaires were taken (115 faculty, 118 staff, 59 students, 45`other`);
- 15 letter submissions were received;
- 3 comments were received on the PlaceSpeak discussion boards, and;
- 7 comments were posted on the Board of Governors blog.

Based on the overall questionnaire responses (337) and upon further analysis of faculty, staff and student responses to the questionnaire, the following themes emerged:

Faculty and Staff:

- **Retention and recruitment:** is an important issue for faculty, staff, and students;
- **Restricted ownership options:** support for the restricted sale/resale and capped appreciation option, as well as for joint ownership with respect to providing a restricted ownership option program for tenured and tenure-track faculty. Staff also expressed that they wanted to be given access to restricted ownership programs;
- **Housing value appreciation:** In the capped appreciation model, there is support for linking housing appreciation to an index of faculty salaries rather than to the housing market;
- **Housing assistance program:** There is support for extending eligibility for the Financial Assistance Program from seven to ten years. Faculty responses are split equally between those who support and those who oppose restricting the Financial Assistance Program to on-campus housing;
- **Restricted rental options:** There is support for non-profit housing options and co-operative housing in the mix of restricted rental options available on campus;
- **Building equity vs. stable place to live:** The questionnaire responses present conflicting data regarding whether faculty and staff want to build equity, or if they are truly content with having a stable place to live, regardless of whether they build equity or not;
- **Occupancy restrictions:** There is opposition to requiring the spouses of faculty who own faculty housing on campus to relocate within a year if the faculty member dies. There is support for prohibiting children and non-UBC affiliated family members from inheriting faculty housing if the faculty member dies, as well as requiring faculty to relocate (within a reasonable timeframe) if they lose their job and live in faculty rental housing.

Students:

- **Affordability:** Overall, students support the direction of student housing on campus, however, they continue to be concerned about the cost of student housing. Students supported a UBC advocacy strategy in principle to address the student loan shelter allowance, but only moderately supported it as a top priority for the university where student housing affordability is concerned.

3.7. What are Other Universities and Communities Doing?

3.7.1. Academic Housing Research

Research into programs for faculty and staff housing at eighteen selected universities¹⁵ in Canada and the US revealed that:

- The vast majority of universities provide faculty-only housing programs;
- Most provide market rental housing options, with just fewer than half also providing restricted rental housing options. The number of units available is generally modest (10% or less of full-time employment totals). Columbia and New York University are the exceptions with very significant stocks of restricted rental housing;
- Eight provide purchase or long-term lease housing; these universities have a small number of restricted housing units that are available at reduced prices. The exception is the University of California at Irvine which has nearly 1,000 units of restricted ownership housing;
- Housing financial assistance programs are offered by most of the universities surveyed. These programs include a range of mortgage packages as well as programs in the form of housing allowances and zero-interest forgivable loans. Financial contributions are generally in the range of \$30,000 to \$50,000. Columbia also offers an annual housing supplement to faculty;
- There is a general trend toward providing more comprehensive “whole life” support services during recruitment, which offer more personalized services addressing partner employment, tuition benefits and child care.

3.7.2 Whistler Housing Authority

The Resort Municipality of Whistler has long been challenged by the pressures of high housing costs and the related challenge of being able to provide enough workforce housing to support the local economy. In response, the municipality established the Whistler Housing Authority (WHA) in 1997 as a wholly owned subsidiary of the municipality with the goal of overseeing the development of resident-restricted housing in Whistler.

With the goal of keeping at least 75% of Whistler’s workforce living in the community, the Whistler Housing Authority has overseen the development of 1,875 resident-restricted units (810 rental, 1,065 ownership) in Whistler (2012). This rental and restricted ownership housing is funded through developer and employer contributions which are stipulated in Whistler’s bylaws. Contributions may be made in the form of housing units or cash-in-lieu at the time of building permit or business license issuance. This policy applies only where the new building or business will generate more employees than the previous enterprise/building. The WHA uses these funds to secure land and build resident restricted rental or ownership housing. Units remain affordable using re-sale and right of first refusal covenants. The WHA controls the inventory of housing and holds waitlists for prospective renters/buyers. To qualify for housing, applicants must be an eligible employee or retiree. An employee must fulfill a minimum average of twenty hours of work per week on an annual basis, within the Resort Municipality of Whistler while an eligible retiree is someone who must have been employed

¹⁵ Universities considered to be peers or competitors for academic talent were prioritized for this research. See Appendix for list of universities surveyed

in Whistler for five of the six years prior to ceasing employment. Appreciation on the ownership housing option is currently linked to annual increases in the Canadian Core Consumer Price Index (CCPI).

3.8. Other Considerations

UBC has built a significant inventory of housing on campus and will continue to play an important role in providing a range of housing options for faculty, staff and students. The University is, however, faced with a number of considerations which limit its role in the provision of housing.

- ***Vancouver’s High Real Estate Values:*** UBC’s stunning location on Point Grey in Vancouver is among the University’s many assets. However, the location next door to some of Canada’s most expensive residential neighbourhoods on the west side of Vancouver means faculty, staff and students are increasingly having to face longer commutes to find more affordable housing options. Land values are increasing faster than incomes, affecting all businesses and residents in the region. Even with recent softening of prices in Greater Vancouver, the affordability challenges remain.
- ***UBC’s Land Base:*** When the Provincial Government originally established UBC, it provided the university with a significant land endowment to be used to finance future generations of research, teaching and learning. Wise use of this limited land asset is critical to maintain sufficient and sustainable returns to the endowment and the Student Housing Financing Endowment, balancing the needs of today with those of future generations.

Part 2 - Policies

The University Community on Campus – UBC’s Housing Action Plan is part of the university’s overall strategy for academic excellence and sustainability leadership, integrating the responsible management of our land base with these goals. This plan is an important opportunity to differentiate UBC from other universities, allowing us to remain a globally significant university in a high cost jurisdiction and competitive world-wide market for talent.

UBC has already made considerable efforts to address housing affordability and choice for students, faculty, and staff, and has developed a larger inventory of housing options on its campus than any other university in Canada. The 19 policies outlined in the sections below continue to expand and improve upon that base.

The policies of this Plan will help strategically guide the tenure and format of the remaining housing developed on campus. They achieve a workable balance between improving housing choice and affordability for our students, faculty, and staff, supporting the University’s recruitment and employment needs, supporting UBC’s *Land Use Plan’s* regulatory requirements, and respecting the financial impact to the university’s endowment. Extensive research, a review of best practices by other employers and peer universities, financial analysis, consultation with the UBC community and Board feedback have helped inform these policies.

Given sufficient demand over time, implementation of the *University Community on Campus - UBC’s Housing Action Plan* will result in the following outcomes for faculty and staff housing in campus neighbourhoods:

- Up to 30% of all new housing being built as rental;
- Up to 67% of new rental would be restricted to faculty and staff (including up to 100 units of non-profit rental housing with priority for staff); and
- Up to 14% of all new leasehold units would be built as restricted home ownership for tenured and tenure-track faculty.

Descriptions of each of the faculty and staff housing programs are provided in Appendix 1.

In addition, subject to demand and the conditions noted, the student housing inventory would be expanded over time to 50% of the 2010 enrollment (up to approximately 16,000 student beds) in total.

The policies for achieving these outcomes for faculty, staff and students are listed below.

1. Housing Policies To Support Faculty and Staff

UBC’s vision and academic mission as one of the world’s leading universities depends to a large degree on being able to recruit and retain top faculty and students. Increasingly however, Vancouver’s high real estate values and constrained rental market are becoming significant barriers to the University in achieving its recruitment goals.

1.1. Restricted Home Ownership for Faculty

Staff are typically recruited locally and generally have housing in the Lower Mainland when they begin working at UBC. Faculty, by contrast, are usually recruited from outside of the Lower Mainland and housing is among their top considerations when they decide to accept a position at UBC. Recognizing that many other universities offer affordable equity home ownership options to faculty and to address a relatively strong interest in home ownership, *The University Community on Campus - UBC’s Housing Action Plan* includes a new restricted home ownership option for tenured and tenure-track faculty in addition to the current market leasehold program. Sales and re-sales for this new housing option would be restricted to these groups to ensure that the units continue to be available for future generations of UBC faculty. It is anticipated that the price of these restricted ownership homes would be about 33% below a benchmark market value. Appreciation on the value of these homes at re-sale would also be restricted. It would be linked to an index of averaged faculty salaries and at no time would the resale value be greater than 33% below a benchmark value for unrestricted housing off-campus.

Policy 1

To support the University’s faculty recruitment and retention priorities, UBC will introduce a new restricted home ownership option for up to 10% of all new housing units built on campus subject to sufficient demand. These units will be phased in over time with an interim target of 5% as we test the interest of faculty owners. Eligibility for this option will be restricted to tenured and tenure-track faculty. Re-sale values of these homes will be indexed to faculty salaries to a maximum resale price no higher than 33% below a benchmark market value.

1.2. Extended Financial Assistance Program for Faculty

UBC’s current financial Housing Assistance Program assists full-time faculty, and select staff groups at UBC Vancouver in the purchase of a principal residence in Metro Vancouver. The assistance includes a lump sum forgivable, interest free loan up to \$45,000, or mortgage interest assistance up to \$50,000 both over a five year period. The program has been used as a recruitment tool and has provided financial support to about 140 eligible faculty to date. During the consultation process, concern was expressed that the current seven year eligibility period from the time of faculty appointment at UBC was too restrictive given tenure may take longer than seven years to achieve, and faculty often are unwilling to commit to purchasing a home before they get tenure. Extending the length of program eligibility will help address this issue.

Policy 2

To improve the ability of faculty and select staff to access the University’s Housing Assistance Program to assist with the purchase of a principal residence within Metro Vancouver, the eligibility period for the Program will be extended to 10 years.

1.3. More Rental Housing

Rental housing in a range of sizes and styles is an important and popular alternative for faculty and staff who do not wish, or cannot yet afford, to purchase their own homes, but who want housing close to where they work in an engaging, attractive and sustainable community. *The University Community on Campus - UBC’s Housing Action Plan* will build up to 30% of future housing as rental housing, in order to encourage more employees to become part of the unique community being created at UBC.

Policy 3

To support the University’s objective of ensuring that a significant proportion of future housing on campus will be accessible to those who work or study on campus, the University will build up to 30% of all new housing on campus as rental, subject to market demand.

1.4. More Restricted Rental Housing

To help further ensure that faculty, staff and post-doctoral fellows have priority access to most of the more affordable rental units on campus, UBC will increase the supply of restricted rental housing. The ability to offer proximate and more affordable rental housing on campus would allow for a broader spectrum of UBC employees to participate in and contribute to the growing community on campus.

Policy 4

To help address housing affordability challenges of UBC’s workforce, up to 20% of future housing on campus will be built as restricted rental available only to faculty and staff. Rents will reflect costs and expenses and are anticipated to be approximately 25% below average rental rates charged for unrestricted housing on Vancouver’s west side.

1.5. Non-Profit Rental for Staff

Understanding that some lower income employees on campus may still find it difficult to afford restricted rental rates, a new non-profit rental option targeted to staff with annual household incomes of less than \$64,000 will be explored. Rents would be controlled in this program to ensure housing costs are no more than 30% of a household’s gross annual income.

Policy 5

To help address the challenges of lower income employee groups in accessing housing on campus, UBC will develop a pilot project of up to 100 non-profit rental units with priority to staff with annual household incomes of less than \$64,000. This pilot project will be developed in collaboration with UBC Properties Trust and brought back to the Board of Governors for approval.

1.6. Increased Range of Unit Sizes

Attracting faculty and staff to live on campus will also depend on ensuring that the housing forms, types and sizes correspond to their needs and preferences. UBC’s *Land Use Plan* was amended in 2011 to allow a wider range of unit sizes to be constructed on campus that are more tailored to the UBC demographic, including more small and affordable units. Throughout the consultation process, staff also heard of the need to ensure larger units were available to address the needs of faculty and staff with growing families. Studio suites, 1 to 3-bedroom units ranging from approximately 400 sq ft up to 1800 sq ft are now possible on campus.

Policy 6

To provide campus housing that reflects the demographics of the University’s workforce, UBC and UBC Properties Trust will encourage a wide range of unit sizes, to include smaller “starter” units, units suitable for single or 2-person households, and 3-bedroom units for families.

1.7. Preferential Access to Market Leasehold Units

Feedback during the consultation period suggested that while some faculty and staff are interested in purchasing long-term lease units at market prices, they often arrive at open houses to find that units have already been sold-out in pre-sales to off-campus buyers. By requiring all new market leasehold project developers to first offer preferred early access sales opportunities to faculty or staff employed at the Vancouver campus (restricted to one per employee as a principal residence), UBC can help to ensure that employees are able to purchase on campus and are given the opportunity to do so, further supporting the local faculty and staff participation in the on-campus community.

Policy 7

To improve opportunities for UBC faculty and staff to purchase market leasehold units on campus, the University will work with UBC Properties Trust to provide preferential early access for faculty and staff to purchase new units before they are released for sale to the general public. This is a non-financial benefit.

1.8 Taxable Benefits

While the restrictions placed on the rental and ownership options create a highly restricted market with related lower prices, the final decisions on taxable benefit implications are made by the Canada Revenue Agency. Should that Agency conclude that the restricted market and related reduced prices are taxable benefits, this would have taxation consequences for faculty and staff. The University does not provide tax advice and strongly encourages faculty and staff to retain independent advice to fully understand taxable benefit implications in their particular situation, as any taxable benefits would be the responsibility of the employee.

Policy 8

Tax associated with taxable benefits, if any, will be borne by the employee.

2. Housing Policies to Support Students

2.1. Expand Supply and Diversity of Student Housing

More student housing on campus will result in more student focused and convenient housing compared to off-campus rental, and will yield higher levels of student engagement with campus life and academia. A larger number of students living on campus also serves to support shops, services and amenities, contributing to the creation of a complete, sustainable campus community.

To date, 9,000 student beds have been developed, and a key goal of the *Vancouver Campus Plan (VCP)* is to provide the physical capacity to build more student housing on campus – enough to accommodate up to 50% of the 2010 full time enrolment on campus (up to approximately 16,000

student beds in total). This capacity will be developed over time based on demand and a sustainable business model. The Student Housing Financing Endowment Fund adopted by the Board of Governors in June 2011 provides access to long term financing for future student housing developments.

Policy 9

To support the University’s continuing transition from a commuter campus to a more complete university community, UBC will aspire to provide capacity to accommodate student housing for up to 50% of the 2010 full-time student enrollment, subject to debt capacity, financial capacity within the university, student demand and necessary combination of project characteristics such as unit mix.

UBC has greatly expanded the variety of student housing choices on campus over the past few years. In addition to more traditional shared- and single-room options, the University now provides a much wider range of options including studio units, 4- to 6-bedroom style units and furnished and unfurnished 1-, 2- and 3-bedroom units. Each of these will better respond to the increasingly diverse housing needs of students including undergraduate and graduate students, and students with families.

Policy 10

To better respond to the increasingly diverse housing needs and demands of students including undergraduate, graduate, and students with families, UBC will continue with the Student Housing and Hospitality Services (SHHS) business plan to expand the supply of student housing and the range of unit types and sizes (e.g. studio units, 4 to 6-bedroom style units, and furnished and unfurnished 1-, 2- and 3-bedroom units).

2.2. Affordability

Addressing affordability of student housing is a constant challenge as UBC continues to expand the range of campus housing choices. The University aims to balance the cost of delivering housing with the goal of providing it at or below rents in nearby neighbourhoods. Student housing is currently provided by the University on a self-supporting, full cost recovery basis with student-paid rent being the sole source of revenue to manage all costs of operations and debt servicing. Currently, average rents for student housing on campus compare favorably with similar accommodation in Vancouver, and are lower than the majority of other Canadian universities. Rents at UBC are continually benchmarked against other universities across Canada and the market place.

Policy 11

To help address housing affordability concerns for students, the University will increase on-campus dedicated student housing supply, will continue to limit rental rates based on a self-supporting, fully cost-recovery basis, and will operate in a fiscally responsible fashion to ensure rates are maintained at or below market rental rates.

A key affordability issue for students relates to the gap between the shelter allowance portion of BC’s student loan program of \$584¹⁶ per month and current rental rates at UBC. Those students who rely on loans and cannot afford the UBC student housing rents must commute longer distances off-campus to find suitable and affordable housing options. The long commuting times erode their academic and social experience and overall quality of life. While recognizing that the student loan program is the

¹⁶ As of September 2012, Source: Government of Canada Student Loan Program

purview of senior governments, UBC can play a role in advocating for a higher shelter assistance portion of the student loan for students attending UBC at the Vancouver campus.

Policy 12

To help address the gap between the shelter allowance portions of BC’s student loan program and current rental rates at UBC, the University will develop on behalf of students an advocacy strategy seeking greater housing allowance in Provincial financial aid programs for lower income students on student loans.

2.3. Community Building

While students have expressed support for the University’s current initiatives to increase the supply and choice of student housing on campus, they have also raised questions relating to more specific operational aspects of student housing. In particular, graduate students would like to see better communication of the current housing options which are available to them. The Graduate Students Society (GSS) would also like to see more community building initiatives for graduate students similar to the successful efforts targeted towards undergraduate students, such as in-residence faculty lecture series and organized community engagement events such as book clubs, pot-luck dinners and cooking classes.

Policy 13

To improve awareness of graduate student housing opportunities, the University, through SHHS, will review and adjust its communication and marketing strategy as needed.

Policy 14

To provide enhanced opportunities for community building for graduate students, the University through SHHS will develop additional programming in consultation with the Graduate Student Society and the Faculty of Graduate Studies.

2.4. New Student Housing Area in Gage South

Various housing options were explored within the overall land-use mix for the Gage South area in a recently completed Gage South precinct planning process. At the conclusion of that process, the Board of Governors decided that the northern area be used for 12-month student housing only, with a preference for graduate students and post-doctoral fellows. This use will support the vibrancy and mixed-used objectives for this part of the campus.

Policy 15

To support the University’s mixed use objectives for the Gage South area, the University will develop Gage South for student housing, with priority for graduate students and post-doctoral fellows.

3. Plan Monitoring Policies

3.1. Annual Monitoring and Reporting

A critical element of any plan is the need for ongoing monitoring and assessment to ensure that outcomes continue to address goals and objectives, particularly given the changing nature of housing needs, demands, and market forces. The new housing programs will be rolled out over time and reviewed regularly to ensure they continue to meet the needs of our students, faculty, and staff, and that there is sufficient demand.

Regular monitoring and reporting through the Board of Governors will help to maintain awareness on campus housing issues and context. To this end, an annual monitoring report will be prepared for the Board of Governors. Where needed, specific policy directions and initiatives can be re-focused to better address changing housing needs and demand.

Policy 16

To ensure that The University Community on Campus - UBC’s Housing Action Plan responds to UBC’s priorities and housing needs, the plan is structured to be dynamic and remain flexible.

Policy 17

To maintain awareness of campus housing issues and progress being made to improve housing choice and affordability for faculty, staff and students, an annual monitoring report will be provided for consideration to the Board of Governors.

3.2. Five-Year Comprehensive Review

In addition to the annual monitoring and reporting, a deeper review of plan effectiveness and relevance to a potentially changing context should be undertaken every five years. As market conditions change, programs may need to be adjusted up or down in response to those conditions. Housing for faculty and staff will be developed based on market demand, not on pre-determined targets or quotas. We will also continue to monitor and assess what peer universities are doing to address similar housing challenges.

Policy 18

The University Community on Campus - UBC’s Housing Action Plan policies are separate from the UBC Land Use Plan and do not have any regulatory effect. A comprehensive review of The University Community on Campus - UBC’s Housing Action Plan will be undertaken every five years for review by the Board of Governors.

Policy 19

In the event of insufficient market demand, additional units allocated to restricted home ownership or restricted rental program options under this plan may be delivered as 99-year lease units. It is anticipated that this could occur through the 5 year review.

5. Implementation

The University Community on Campus - UBC’s Housing Action Plan provides long range strategic direction. It will be implemented over several years requiring focused efforts and commitment of resources by the university and other partners such as UBC Properties Trust to ensure that the plan remains relevant, responsive to housing needs and demands, and financially viable.

Some key factors that need to be kept in mind in moving the Plan’s policies forward include:

- **Availability of resources to address the issues** — Among the Board’s principles that guided the planning process was the need to develop a comprehensive plan that addressed housing choice and affordability, but also ensured balanced returns to the University’s endowment, which helps to finance scholarships, bursaries, research, academic facilities and student housing. Delivery of the housing plan policies will be subject to demand and financial feasibility analysis of projects as well as other financial priorities of the University.
- **Timelines** - Recognizing the current affordability challenges of some faculty and staff, it is also important to recognize that the development of housing takes time requiring the co-ordination of many players through initial planning and design, financial feasibility, marketing, development approvals and finally construction and occupancy — a process that can take over 2–3 years.

The Plan will require more detailed follow-up work on the following:

- Developing, in collaboration with a housing priority committee chaired by the Provost or delegate with input from deans, recommended policies to address faculty housing allocation priorities, eligibility, occupancy requirements, retirements, leases/sub-leases, maintenance, repair obligations and other matters for the restricted homeownership program;
- Developing in collaboration with UBC Properties Trust, proposed pilot projects for the new restricted rental, non-profit options;
- Assessing client management interface options (including roles, responsibilities, staffing, budget and funding) to manage the client services aspect of implementation and ongoing turnover of the faculty and staff housing units, and;
- Developing a recommended advocacy strategy addressing the shelter portion of the Provincial student loan program;

Staff will report back and seek Board approval as appropriate on the implementation initiatives.

Part 3 – Appendices

Appendix 1: Definition of Housing Options

1.1 Existing Faculty and Staff Housing Programs

1.1.1 Market Leasehold Purchase

Description

What is it?

This type of housing tenure option is currently available at UBC. Buyers purchase a 99-year leasehold, strata-titled home at market value from a private homeowner or from the original developer who has leased lots from UBC and developed the housing for sale. Some units are developed with a lock-off secondary suite, which may be used by the owner or rented out. There is no discount on the price of the home.

Is this option used elsewhere?

Simon Fraser University (SFU) provides market leasehold purchases in its UniverCity development.

Eligibility

Who is eligible?

Open to the general public, including faculty and staff.

Financial Information

How will appreciation be handled?

There are no caps on the appreciation of equity. The homeowner can sell to anyone at whatever price the market will bear.

1.1.2 Market Rental

Description

What is it?

This program option provides rental housing on campus at rates similar to off-campus (Vancouver) market rents for units of a similar quality and age. Each unit is available on a 12-month rental contract and is owned by UBC Properties Trust and managed by Wesbrook Properties.

Is this option used elsewhere?

Other universities that offer market rental housing include: University of Toronto, University of Alberta, McGill University, Yale University and University of Chicago.

Eligibility

Who is eligible?

Open to the general public.

Financial Information

How will rent increases be handled?

Rents for market-rate rental buildings are determined and set by Wesbrook Properties. Similar rental properties in the area are surveyed for current rents in order to set rates.

Once a tenant occupies a suite, their rent for that suite will never increase more than is permitted under the BC Residential Tenancy Act, which is currently an increase of inflation +2% once per year. When that tenant leaves and a new tenant rents that same suite, the rent will be adjusted to current market rates. Subsequent rent increases for that tenant will follow the standard of no more than permitted under the BC Residential Tenancy Act.

1.1.3 Restricted Rental

Description

What is it?

A type of rental housing that is offered only to faculty and staff and is part of UBC’s special, restricted market. Because of this restricted market, rental rates are on the low-end of what would be charged for unrestricted housing on the west side of Vancouver. Restricted unit rents will reflect costs and expenses and are anticipated to be approximately 25% below average rates charged for unrestricted housing on Vancouver’s west side. Each unit is available on a 12-month lease and is owned by UBC Properties Trust and managed by Village Gate Homes.

Is this option used elsewhere?

Universities that provide restricted rental housing include SFU and the University of California Irvine.

Eligibility

Who is eligible?

This program is restricted to full-time faculty and staff and made available on a first-come, first-serve basis.

Financial Information

How will rent increases be handled?

Restricted rental units are managed by Village Gate Homes. Rental rates for faculty and staff rental buildings are set so that building mortgages, operation and maintenance costs and site servicing costs can be recovered. Buildings are financed over 25 years, and are maintained in first-class condition. As buildings age, their systems need to be replaced and maintenance costs increase. A percentage of the rental rate goes to fund equity for additional buildings.

Once a tenant occupies a suite, their rent for that suite will never increase more than is permitted under the BC Residential Tenancy Act, which is currently an increase of inflation +2% once per year. When that tenant leaves and a new tenant rents that same suite, the rent will be adjusted to account for any increased operating costs. Subsequent rent increases for that tenant will follow the standard of no more than permitted under the BC Residential Tenancy Act.

1.1.4 Financial Assistance Program

Description

What is it?

The current financial Housing Assistance Program assists full-time tenured and tenure-track faculty and select staff groups at UBC Vancouver in the purchase of a principal residence anywhere within the 22 municipalities that comprise Metro Vancouver. The assistance includes:

- A lump-sum, forgivable, interest-free loan of up to \$45,000 for a period of five years, or
- Mortgage-interest assistance of up to \$50,000 over a five year period.

The program can only be applied to purchase of a primary residence, and the purchaser cannot have received prior financial assistance from UBC for a home purchase. Homes must be purchased on or after July 1, 2009 and within a seven-year period following the date of initial appointment or six months prior to that date.

Is this option used elsewhere?

Several universities offer financial assistance programs to their faculty and staff, ranging from home loans offered at favourable interest rates and terms to faculty and staff (e.g. University of California system, University of Washington, University of Chicago) to annual housing supplements for select faculty and staff (e.g. Columbia). Some programs are targeted to specific work groups, such as tenured or tenure-track faculty or senior executive positions, while others are made available to broader segments of the institution’s workforce. In certain cases, programs may be linked directly to recruitment efforts while others are more broadly structured to assist faculty and/or staff with their home purchase or rent in cities with high real estate values, or to support investment and community building in neighbourhoods in which the universities are located.

Eligibility

Who is eligible?

The current program is open to the following: a full-time tenured or tenure-track faculty member (professorial ranks, Instructors I and II, Senior Instructors), a librarian, a program director in Continuing Studies or a senior management staff member (as approved by the Provost and VP Academic or the VP Finance, Resources and Operations).

1.2 New Faculty and Staff Housing Program Options

1.2.1 Restricted Ownership

Description

What is it?

With this option, the purchaser would buy a 99-year leasehold, strata-titled unit on campus for approximately 33% below a benchmark value for unrestricted units off campus. The lower sale price would be achieved by UBC absorbing some of the cost of the land and by UBC Properties Trust acting as the developer to remove developer’s profit and some soft costs (e.g. marketing, sales) from the final price.

Is this option used elsewhere?

SFU’s UniverCity features a development called Verdant in which units are available to faculty and staff at an initial price of 20% below market and appreciation is capped at 20% below market. Also, the Resort Municipality of Whistler, through the Whistler Housing Authority, has built and currently manages a substantial inventory of restricted sales ownership and rental units currently priced at approximately 50% below market.

Eligibility

Who is eligible?

This option would be restricted to full-time faculty (tenure track and tenured only), including future re-sales. If there are no eligible faculty purchasers, UBC reserves the right to buy back the unit. Faculty are the focus of this program because they are often recruited from outside the Lower Mainland and the University is often competing against universities in more affordable locations, whereas staff recruits are usually already living in the region. To qualify, this must be a faculty member’s primary residence.

Financial Information

How will appreciation be handled?

Each time a unit is sold, a qualified appraiser will evaluate its market value. UBC would maintain and oversee these transactions. Appreciation on the value of these homes at re-sale would be linked to an index of averaged faculty salaries and at no time would the re-sale value be greater than 33% below a benchmark value of unrestricted housing off-campus. The University would have the right to purchase in cases where there is no faculty buyer.

1.2.2 Non- Profit Rental

Description

What is it?

In this option, UBC and UBCPT would deliver a restricted rental project for lower to moderate income staff with annual household incomes of less than \$64,000/year. Rents would be established to ensure housing remains affordable, which is generally defined as costing no more than 30% of a household’s gross income.

Is this option used elsewhere?

There are several non-profit rental projects across Vancouver and BC. Currently, BC Housing partners with over 800 non-profit housing providers that manage about 60,000 units of non-profit housing across the province.

Eligibility

Who is eligible?

This option would be targeted to full-time staff with an annual household income of less than \$64,000.

Financial Information

What is the faculty/staff consumer price?

Rents in non-profit rental projects are intended to cover the ongoing maintenance, replacement and operating costs of the project, and are typically not more than 30% of household income. The amount people pay for rent depends on income sources and amounts (reviewed annually) and household size.

How will rent increases be handled?

Rents and incomes are reviewed and verified annually for tenants. If income has increased, tenant rents will rise as well. If someone’s income goes down, rents can be recalculated and lowered. Most rents are set at one third of the tenant’s income.

1.2.3 Financial Assistance Program – Extending Eligibility Period from 7 to 10 Years

Description

What is it?

This variation is similar to the current option in terms of levels of financial assistance and eligible employee groups, however the eligibility period would be extended from seven to 10 years following the date of initial appointment or six months prior to that date.

Is this option used elsewhere?

Research to date has not uncovered a comparable program at another university with a 10-year eligibility period.

Eligibility

Who is eligible and would benefit from this option?

Tenure and tenure-track faculty as well as select staff—the same groups who can access UBC’s current Housing Assistance Program.

Appendix 2: Notes from Housing Tour (June 2011)

2.1 New York University

- Most units are rental. One experience with low-cost ownership not successful (too far away). Rental units are awarded to faculty based on ‘merit’. Merit decided by panel of academic leaders (Provost and two VPs — Health and Strategic Affairs). Definitely important in recruitment and retention due to high land prices in Manhattan, but still face some difficulties due to some people not wanting to live in relatively small apartments compared to alternatives.
- Rental program runs at a significant deficit (nearly \$20M per year including debt service). This is despite having raised rents by about 25% over past six years (and they are still 30% - 50% below market). Significant deferred maintenance. Also keep artificially high vacancy rate of 7% to ensure there is a range of units available for recruitment purposes. Deficit is covered by the Schools.
- Policy is not to build any more faculty housing; will provide financial assistance instead via payroll (and thus is taxable), funded by Schools. Challenging to avoid taxable benefit issues. Also found that over time housing was increasingly being occupied by staff, due to need to keep vacancy rates down, and retirees did not ‘move on’. Had to address these issues. Also find dual role of employer and landlord to be challenging (expensive, time-consuming) and often TMI (too much information).
- If they build more housing, will likely sell off older buildings. No intent to do staff housing.

2.2 Columbia University

- Several thousand units, all rental with a mix of faculty and students. Columbia bought a great deal of housing in the 1970’s due to low cost and desire to transform neighbourhood around campus. About one-third of units occupied by faculty, several hundred by post-docs, several hundred by emeriti and the rest to grad students Remaining go to researchers, librarians, sport coaches (all defined as academic employees). Assignment to units is via Housing Priority Committee chaired by the Provost with 4-5 Deans. Provost makes final decisions. Definitely important in recruitment and retention (housing often before salary).
- Challenges with getting people to move out after retirement. Brought in program to incent moving that provides down-payment and annual housing allowance (\$40K down-payment, \$40K annual allowance until 3 years after retirement). Rental options get annual allowance.
- Annual cost is school-based. Since 1999, each school gets charged for Columbia housing — about \$40K per apartment per year. School of Arts and Science budgets annual increment of \$1M due to housing costs (did not say what they are currently at).
- Not going to expand program; putting funds into renovations and upgrades/deferred maintenance. Are in negative cash flow situation if capital requirements are included. No staff housing program.
- Columbia has office that supports faculty work/life matters (recruitment packages, housing assistance, mortgage assistance, social services etc.)

2.3 Harvard University

- Harvard University Housing is open to faculty, staff and students; managed centrally but provide services to the Schools (Harvard highly decentralized). Housing is not as important to recruitment and retention; jobs for partners of academic recruits are top issue, followed by childcare. Harvard real estate prices are 25% less than Manhattan.
- Limited housing programs for faculty and staff — have focused on undergrads and grad students (housing 99% of undergrads and 50% of grads).
- Faculty/staff programs focus on financial assistance (e.g. second mortgages where Harvard will write off 20 years of interest in a 30 year mortgage); Harvard will also provide rental subsidies. All tenure track/tenured faculty get a small housing supplement each year.
- Direct housing provision restricts resales and controls appreciation (start at 33% off market, which is about equal to land value). Guaranteed buy back after 90 days on market (buy back at 5% below list price; list price is without land value). Buyers take risk in down market. Took quite a while to sell faculty units and so not planning to do any more direct provision. Restricted resales are challenging (Harvard approved the price and the person). Can sublet to another Harvard person if on sabbatical.
- Harvard has highly individualized and comprehensive faculty recruiting process. Emphasize ‘whole life’ recruiting process — partner employment, tuition benefits, child care are big issues. Has a partnership with Realty Company to provide specialized assistance to Harvard recruits.

2.4 University of California Los Angeles (UCLA)

- UCLA purchased properties around the campus in adjacent neighbourhoods since the 1980s (small academic campus of 400 acres) and has used this to supplement student housing and to create ‘transitional’ rental housing for faculty. Rental is 25% to 30% below market and covers costs, including capital requirements. Noted that current California market has resulted in 7% vacancy rate while three years ago there was a significant waitlist.
- Housing is important for recruitment — affordability and proximity, but complicated by desire for quality K-12 schools and childcare. UCLA just beginning to work with local schools to facilitate quality improvements.
- Have only a small amount of faculty ownership housing and no plans to do more due to challenges of public universities subsidizing faculty ownership, where revenues come from to enable the subsidies (e.g. Tuition), how to manage restricted appreciation, how to finance re-purchase and renovation when units cannot be sold. Also banks did not want to loan on appreciation-controlled, for sale housing.
- Prefer to use financial tools for faculty, which rely on central UC system loan programs (5% down, loans of up to \$900K, with lower interest rate than banks). Loans resold to private marketplace at a premium (because faculty are low risk and payments are payroll deductions). UCLA supplements UC system loans with a supplementary home loan program. Departments can subsidize interest rate further and can borrow money from UC Foundation to add more incentives. Will do second loans for retentions.

- UCLA emphasizing student housing (plan to have 17,000 student beds on campus in 5 years). Implementing ‘living learning’ experiences with faculty member in each building – similar to Harvard.

2.5 University of California Irvine (UC Irvine)

- Housing is a critical issue in recruitment and retention. Assistant Provost estimated that 300 of their 1,000 faculty would not have been recruited without housing program. Campus is surrounded by expensive communities such as Newport Beach.
- University set up separate non-profit (Irvine Campus Housing Authority) 25 years ago to build and manage rental and purchase housing. Restrictions on resale and appreciation. Discount is about 50% off market and protected from being deemed a taxable benefit through court decisions that found (after several appeals) that the restrictions on resale and appreciation made the value of the land very little. New faculty recruits assigned to new housing by lottery (keep a few units for special hires). Do not subsidize but do not make money either.
- Households pay rental value on land to pay for common area maintenance, other ICHA costs. Faculty have option of deferring all or some of this ground rent, in return for sharing appreciation with the university (most choose to defer all ground rent and share 30% of appreciation at time of sale).
- Challenges are dealing with retirees, widows, requests for larger/better homes, inciting people to keep up homes and do maintenance and repairs given fixed appreciation. There is a significant issue with deferred maintenance now. Turnover is also much lower than anticipated (3% compared to 7% projection). Question of who should pay for big replacements (like roofs). Sometimes have difficulties with people renting out units and living elsewhere — ICHA has to enforce. Appreciation indexed to faculty salaries, or CPI, or a construction index. Only about 15–20 resales a year and maybe 10 new units a year.
- ICHA keeps list of faculty wanting to buy, and facilitates connection between seller and buyer. If no buyers, house can be purchased by UC Irvine (not ICHA) at 90% of price or go to general public. Latter has not happened although may begin to happen. Downside of market is not shared by ICHA or UC Irvine. Were close to market in 1990 and are close now.
- ICHA has governance challenges regarding make up of Board — with faculty residents wanting more control. ICHA just beginning to establish reserves for infrastructure.
- Faculty are eligible for UC system loans, and without that ICHA would not be building homes (700 loans to UC Irvine academic staff).

Appendix 3: Other Universities Surveyed

University of California

Los Angeles (UCLA)

Irvine (UC Irvine)

University of Washington, Seattle WA

University of Michigan, Ann Arbor Michigan

University of Virginia, Charlottesville, Virginia

University of Chicago, Chicago Illinois

Columbia University, New York, NY

New York University, New York, NY

University of Pennsylvania, Philadelphia, PA

Harvard University, Cambridge, Massachusetts

University of Southern California (USC), Los Angeles, California

Stanford University, Palo Alto, California

Princeton University, Princeton, New Jersey

Yale University, New Haven, Connecticut

Duke University, Durham, North Carolina

University of Alberta, Edmonton, Alberta

University of Toronto, Toronto, Ontario

McGill University, Montreal, Quebec

Simon Fraser University, Burnaby, BC

The full report detailing survey findings on housing programs at these universities, "Workforce Housing Research Summary", is available on-line at http://ubcvhousingactionplan.sites.olt.ubc.ca/files/2012/06/F-S-Hsing-Research_June2011.pdf