



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

Approved by the Board of Governors on September 20, 2012

(Consolidated Amendments current to April 19, 2018)

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THE UNIVERSITY OF BRITISH COLUMBIA



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## HAP Record of Amendments & Housekeeping Updates

Date	UBC Action/ Approval	Purpose and Description of changes to document. Note: Text updates to the formal policies, and the background explanatory document, are listed below.
April 19, 2018	Board of Governors Meeting  APPROVED	<p>1. The following HAP policies were amended as to address final 5-Year Review outstanding student concerns flagged at the preceding Board meeting (see explanatory cover Report March 19, 2018).</p> <ul style="list-style-type: none"> <li>• <b>Policy 3:</b> Addition of language to clarify that this 30% umbrella rental target comprises 20% as faculty staff below-market rental (from Policy 4), plus 10% market priced. The breakdown of different market rental types within the 10% can be determined through each Neighbourhood Plan process. Market rental types may include “University Rental” a term used to refer to market priced rental with priority access to those who work or study on campus (predominantly rented by students so far).</li> </ul>

		<ul style="list-style-type: none"> <li>• <b>Policy 9:</b> Amended to replace the policy target of “...50% of the 2010 full-time student enrollment” with reference instead to “...up to the buildout capacity for SHHS operated housing on the Academic lands as defined by UBC’s Vancouver Campus and Land Use Plans.”</li> <li>• <b>Policy 11:</b> Amended to bring greater clarity to rental rate controls principles and practices including new <u>benchmark market rental references to CMHC data and peer universities across Canada; more price variance between older and newer inventory, and maximum annual rent increases not to exceed annual CPI plus 2%.</u></li> <li>• <b>Policy 12:</b> Grammatical text amendment to update the tense in this policy from future to ongoing advocacy efforts.</li> </ul>
February 15, 2018	Board of Governors Meeting  APPROVED	<p>1. The following HAP policies, flagged during the 5-Year Review for follow-up and wording refinement in Phase I and II, were amended (see Report Feb 6, 2018):</p> <ul style="list-style-type: none"> <li>• <b>Policy 1:</b> Addition of flexibility to also contribute towards this goal through the new PIRL faculty home ownership loan program, or other models as may be approved for this purpose in future (See Board directive #3 from the December 5, 2016 meeting record below)</li> <li>• <b>Policy 2:</b> “Housing Assistance Program” is changed to “Down Payment Assistance program” further to that program name change in December 2016;</li> <li>• <b>Policy 5:</b> “Non-profit rental” is changed to “Rent-Geared-to-Income program”; “\$64,000” is changed to “BC Housing Guidelines for similar program, as amended from time to time”; the following text is added, “UBC will also develop a supplementary version of the program for Faculty as a pilot project, subject to household income thresholds and parameters approved by the Board of Governors.”</li> <li>• <b>Policy 6:</b> “3-bedroom” is replaced with “larger”;</li> <li>• <b>Policy 10:</b> Housekeeping clarification removes the reference to, “...the supply of student housing and...”, given supply expansion is more clearly addressed above it in Policy 9.</li> <li>• <b>Policy 13, 14, 15:</b> The following HAP Policies were <u>deleted</u> given these commitments are now complete and do not require ongoing policy monitoring in future. <ul style="list-style-type: none"> <li>○ <b>Policy 13</b> (“To improve awareness of graduate student housing opportunities, the University, through SHHS, will review and adjust its communication and marketing</li> </ul> </li> </ul>

		<p>strategy as needed.”)</p> <ul style="list-style-type: none"> <li>○ <b>Policy 14</b> (“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”)</li> <li>○ <b>Policy 15</b> (“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.”)</li> </ul> <p>2. Miscellaneous housekeeping text clarifications are undertaken in explanatory sections of HAP to remove obsolete references and provide updated context.</p> <p>3. Outdated 2012 Research sections in Appendices 2 are replaced with updated Board report summarizing the Phase 1 and Phase 2 HAP 5 Year Review.</p> <p>4. A Policy Extract List and “Record of Amendments &amp; Housekeeping Updates” are added, for ease of reference (see pg. 4).</p> <p>Note: Amendments to HAP Policies 9, 11 and 12 were not approved and were flagged for more discussion, and final Board consideration at next meeting (April, 2018).</p>
September 2012	<p>Board of Governors Meeting</p> <p>APPROVED</p>	<p>Original approval of Housing Action Plan and its Policies 1 through 19.</p> <p>HAP Policy 17 requests annual progress reports to the Board.</p> <p>HAP Policy 18 requires comprehensive review every 5 years.</p>

# HAP Policies Extract – Consolidated

## ***The University Community on Campus - UBC's Housing Action Plan Policies Extract Updated to 2018***

These consolidated and updated policies comprise the latest formal Board approved commitments of the Housing Action Plan to April 19, 2018. They are extracted into one summary list here for quick reference. However, please see the full Housing Action Plan booklet for explanatory background discussion on these policies.

### ***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 up to 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 value.*

*Other options also to be counted as contributions toward this restricted faculty home ownership target:*

- Active (outstanding) UBC Prescribed Interest Rate Loans (PIRL) advanced in support of purchase of a home on or off-campus anywhere within Metro Vancouver.*
- Other Board-approved ownership support models for a home purchase on or off campus, as may be introduced from time to time.*

### ***Policy 2***

*To improve the ability of faculty and select staff to access the University's Down Payment 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.*

### ***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.*

*In addition to 20% from Policy 4 below, this allows a further 10% of other forms of rental that may include market priced rental for general public or University Rental (market-priced rental with priority access for those who work or study on campus), or other rental opportunities. UBC will explore the breakdown amount of each of these other types of non-faculty staff discounted forms of rental through Neighbourhood Planning processes.*

### ***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.*

### ***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 Rent-Geared-To-Income units with priority to staff with annual household incomes of less than BC Housing Guidelines for similar programs, as amended from time to time. This pilot project will be developed in collaboration with UBC Properties Trust and brought back to the Board of Governors for approval.*

*UBC will also develop a supplementary version of the program for Faculty as a pilot project, subject to household income thresholds and parameters approved by the Board of Governors.*

**Policy 6**

*To provide campus housing that reflects the demographics of the University's workforce, UBC and UBCPT will encourage a wide range of unit sizes, to include smaller "starter" units, units suitable for single or 2 person households, and larger units for families.*

**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.*

**Policy 8**

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

**Policy 9 \*\***

*To support the University's continuing transition from a commuter campus to a more complete university community, UBC will aspire to provide up to the build-out capacity for SHHS operated housing on the Academic lands as defined by UBC Vancouver Campus and Land Use plans subject to debt capacity, financial capacity within the university, student demand and necessary combination of project characteristics such as unit mix.*

**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 range of unit types and sizes (studio units, 4-6 bedroom style units, and furnished and unfurnished 1, 2 and 3-bedroom units).*

**Policy 11 \*\***

*To help address housing affordability concerns for students, the University will continue to limit rental rates based on the following pricing principles and practices:*

- Covering all costs of operation including borrowing costs,*
- Self-supporting, fully cost-recovery basis,*
- At or below market rental rates; relative to the local marketplace per CMHC data and peer university across Canada,*
- More price variance will be explored between older and newer inventory by implementing variable rate increases over time under existing pricing principles,*
- Maximum annual rent increase of any specific unit type will not exceed annual Consumer Price Index (CPI) plus 2%.*

**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 continue on behalf of students to advocate for greater housing allowance in Provincial financial aid programs for lower income students on student loans.*

**Policy 13-REMOVED**

**Policy 14-REMOVED**

**Policy 15-REMOVED**



**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.*

**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.*

# PART 1 – BACKGROUND

## 1. Introduction

### 1.1. Overview

Thanks to the foresight of British Columbians over 100 years ago, UBC has a significant land endowment to support its academic mission that 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 'HAP')* will directly contribute to the realization of UBC's strategic plan.

Housing choice and affordability and their effect on UBC's academic mission were identified through the past *Vancouver Campus Plan* and *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 for recruiting and retention purposes. Faculty, staff, and students participated actively in discussion workshops, focus groups and outreach meetings as UBC worked to understand their unique housing choice and affordability challenges. A Housing Action Plan was first approved in September 2012. Consolidated updates since then, through a 5-Year Review in 2017, help keep the document current.

The original Plan comprised a suite of 19 high level policies and targets in 2012, all to be honoured over the approximate 30 year period from 2012 until the campus Neighbourhoods are completed (estimate year 2041). Three of these policy commitments are now considered fully completed since then and 16 remain live and ongoing. The updated policies collectively work to:

- increase supply of rental and below-market price housing within the existing density provisions for each neighbourhood under development since 2012 (e.g. 20% of all new residential density to build-out to be faculty-staff rental, plus 10% of other rental, and continued expansion of student housing inventory to reach 50% of the 2010 student FTE enrollment (16,500 beds)).
- address cost of the housing through various options (e.g. more rental for students, faculty and staff; a pilot rent-geared-to-income program for employees; and ownership support for faculty, SHHS affordability controls for student housing)
- influence the quality of the inventory assigned to these strategic priority groups (e.g. encouraging more variety of tenure and broader format / size range), and

- ensure access is prioritized for strategic recruitment and retention purposes (e.g. eligibility requirements for all programs, income thresholds and means testing for Rent-Geared-To-Income program, and merit review for faculty ownership programs).

The implementation details, processes, and operational programs that help UBC achieve the HAP policy targets may vary over time. However, the targets can be achieved within the existing parameters of UBC's Land Use controls and regulations (e.g. Land Use Plan density, land use designations, and Neighbourhood Design Guidelines). Many of the HAP key policies are also inherently expandable to work with any Land Use Plan density changes that may be approved in future.

- ❖ **Part 1** of this HAP sets the context and provides important background information, the guiding principles adopted by the Board of Governors, and a summary of current faculty, staff and student housing support programs operational as of the latest Plan update.
- ❖ **Part 2** presents the HAP policies themselves with explanatory discussion for each.

## 1.2. Five-Year Review 2012-2017

The flexibility of the HAP to adapt to changing UBC priorities, or changing housing market context and program demand is important. Policies therefore include commitments to annual monitoring and progress reports to the Board of Governors, as well as a comprehensive review of the HAP every five years where ongoing need and relevance can be revisited in an updated context. Such review allows the opportunity to adjust HAP policies or underlying programs as needed.

In the five years since the Housing Action Plan (HAP) was first approved by the UBC Board of Governors in 2012, there have been many context changes at UBC and across the Lower Mainland, but the problem remains. On campus there has been continued development of the residential designated Neighbourhoods including 461 new market rental units, 245 new faculty and staff below-market rental units and 1199 market lease units in that time. There have also been 3500 new student housing beds built in the Academic designated lands in that period. External market forces have continued to create very serious affordable housing challenges across the Region, however, with further diminished rental availability and significant cost increases to both rental and ownership options.

The first comprehensive 5-Year Review of the HAP commenced in the early fall of 2016 and was concluded in December 2017, with associated consolidated updates to formal policy commitments being ratified in February 2018. Phase 1 (Faculty) of the 5-Year HAP Review focused on reviewing continued relevance of faculty related policies and targets and whether HAP adjustments were required. Phase 2 (Students & Staff) then did the same for students and staff related policies.

At the conclusion of the latest 5-Year review, the Board of Governors re-affirmed the ongoing relevance and critical importance of the HAP strategy to ensure that the still challenging local housing market does not become a barrier to UBC's recruitment and retention of exceptional talent. A

consolidated set of minor updates and clarifications were approved for the formal HAP policies on February 15, 2018 and April 19, 2018 by the UBC Board of Governors. A summary list of the latest policies is provided in Part 2. Changes were also approved for some of the underlying operational programs that support achievement of the HAP policy targets. The Board reports summarizing the review findings, implementation adjustments and next steps is included in Appendix 2.

Housekeeping clarifications to the explanatory sections of this HAP document will be maintained by the Administration to keep it consistent with the formal Board-approved policy changes above, and keep it understandable in current context (e.g. updated program titles, program regulations, contextual references, omission of obsolete program details, and general grammatical or tense changes to reflect progress of time).

## **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 HAP 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 resulting HAP first approved in September 2012, and updated from time to time since then, is a way to keep building on UBC's progress to date in providing a range of housing choices and support programs for its workforce and students, and strengthen UBC's ability to achieve its academic mission.

A Community Planning Task Group appointed by the UBC Board of Governors was 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 original Plan.

In developing the HAP, UBC drew 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 <sup>1</sup> 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.

## 2.3. Guiding Principles

The following principles adopted on June 8, 2011 by the Board of Governors guided the development of the HAP and will continue to be an important touchstone for reference as updates are considered in the future working years of this strategy.

- *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.

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<sup>1</sup> McClanaghan and Associates, 2009, UBC Student Housing Demand Study, and its updated version in 2014; Copas, J., and McClanaghan, D., 2010, UBC Staff and Faculty Housing Demand Study, and its updated version in 2016.

- *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, and its updated follow-up study in 2016, combined with analysis of administrative data regarding average faculty and staff incomes in 2010 and 2016, show that the ability to afford existing housing options on or close to campus is increasingly challenging for many UBC employees. 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 *Land Use Plan* provisions adopted in 2011 that enabled higher densities and a wider range of unit sizes such as more studios and 1-bedroom units, continue to 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 would also improve access to campus housing for smaller household non-tenured faculty and professional staff in the Management and Professional (M&P) association.

In spite of the above, however, serious challenges remain, for many members of UBC's workforce in their ability to afford an on-campus housing choice that meets their housing needs.

### 3.2. Defining Affordability for Faculty and Staff Housing

#### 3.2.1. Housing Costs Relative to Household Income

Affordable housing for the purpose of this HAP 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 reference to household income rather than employee salary alone is also important. While it can be difficult to reliably know household incomes with the level of accuracy otherwise possible from employee salary information in administrative records, efforts were undertaken in the UBC

Faculty & Staff Housing Demand Survey prepared by McClanaghan and Associates in August 2016, to better understand this larger household income context.

Observations on the challenges many faculty and staff are likely facing in both the rental and ownership market context relative to household income estimates from this survey, are summarized in Section 3.4.1 What Do Our Faculty and Staff Need/ Faculty & Staff Housing Demand.

The HAP aims to improve housing choices in terms of tenure options, size and unit types that UBC employees can afford within 30% of their household income both on and off-campus.

### **3.2.2. Transportation Costs: 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 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<sup>2</sup>. 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.

Annual car ownership costs can be expensive when including both operating and fixed costs for purchased vehicles. This is particularly relevant for households considering various housing and neighbourhood locations. Living in a more complete, transit-accessible community such as the UBC campus neighbourhoods, 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. What Do Our Faculty and Staff Need?**

### **3.3.1. 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 2016<sup>3</sup> 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 2,404 faculty and staff members and a series of focus group sessions. Study findings indicate:

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<sup>2</sup> The Metro Vancouver Housing and Transportation Cost Burden Study, 2015.

<sup>3</sup> McClanaghan & Associates, 2016, UBC Faculty and Staff Housing Demand Study.

- **Top considerations:** *Affordability* is the most important consideration for faculty and staff when making housing choices, followed closely by concern over *lack of choices (e.g. format/ size)*, followed by desire for *proximity to work and transit*;
  - 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.
  - 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 (45% faculty and 58% staff surveyed, indicated they would like to live closer to campus) and;
  - Interest in living on campus is also linked to the better rent available to renters in faculty-staff rental housing, community design, availability of housing choices, services and amenities.
  - Unit type and size preferences for rental housing cover a range, reflective of household size and demographic. Feedback expressed through the 2016 Faculty & Staff Housing Demand Survey indicates that 12% of employees were seeking 4 bedroom units, 46% were seeking either 3-bedroom or 3-bedrooms and den units. 36% were seeking 2-bedroom or 2-bedroom and den units, 5% were seeking 1-bedroom and den units, and 1% were seeking 1 bedroom or studio apartments.
  - The highest priority amenity features requested for faculty-staff below market housing were more generous storage (both in-suite, and supplementary out of suite for seasonal or bulk items), followed by underground parking, followed by convenient bike storage both for commuters and visitors, followed by a visitor suite.
- **Renter Demand:** Most of UBC's workforce rents their housing (57% of faculty and 58% of staff surveyed), yet it is challenging to find many choices in Metro Vancouver's rental market given its limited supply and upward pressure on prices, especially in the City of Vancouver.
  - **In terms of the supply,** the City of Vancouver has a very low rental vacancy rate consistently at below 1 per cent. Among the purpose built rental inventory in the city only 1% were 3 or more bedroom units suitable for families. For this reason, Policy 3 and 4 encouraged expansion of the supply of rental housing, and Policy 6 encouraged a wider range of unit sizes built into faculty staff rental inventory in the last 5 years. Continued commitment to these goals will be needed to best serve the evolving UBC demographic.

**In terms of pricing,** based on the annual CMHC Rental Market Report October 2017, it is estimated that an annual household income of \$85,200 would be required to afford a 2 bedroom rental unit in the City of Vancouver and \$68,200 for the broader Metro



Vancouver area (this was averaged cost between purpose-built apartments and condominium apartments). Cost and supply would be even more challenging for larger family units particularly near UBC campus. Based on salary information, many UBC employees, particularly young faculty and staff with families, would be challenged to afford these rents. In light of the above, the restricted access faculty-staff restricted below-market inventory with its lower rents, stability of tenure and price controls is a welcome option for faculty and staff and waitlist demand remains very high for these units.

- **Ownership Demand:** While most faculty and staff surveyed indicated they are renting, there was still strong interest in homeownership someday. 40% faculty and 41% of staff non-home-owners surveyed, said they do not plan to continue renting and are saving a down-payment. However, the impact of escalating housing prices in Metro Vancouver has severely restricted housing options available to faculty and staff new to the housing market. Recruiter feedback also regularly reports the high frequency with which concerns about long-term purchasing potential in Vancouver is raised in recruiting negotiations.

The UBC Faculty & Staff Housing Demand Survey, by McClanaghan & Associates, 2016) reported that the household income required to afford a \$1.4M townhome, assuming a \$140,000 down-payment, was approximately \$259,000. Only 12% of UBC's full time workforce in that same time period (2016) earned more than \$200,000 household income per year. Approximately 74% of faculty and 94% of staff reported household incomes below \$200,000).

Further market escalation, new lending requirements and other factors over the last year have since reduced buying power even further for faculty and staff. Ownership support programs are a welcome addition to the recruiting toolkit in this context.

### **3.3.2. 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 households.

Based on a combination of administrative data and survey responses (the survey was sent to approximately 13,500 full-time employees: 4,700 faculty and 8,800 staff at UBC Vancouver in 2016):

- 44% have been employed at UBC for less than five years
- 63% are women
- 55% live in one or two person households
- 45% of faculty members and 30% of staff have dependent children (55% faculty and 70% of staff do not)
- 28% are 35 years of age or younger
- 23% live on campus

- 43% faculty and 42% staff surveyed said they own their own homes
- 31% faculty and 37% staff drive to work; while the remainder car share, transit, bike, or walk.
- 56% of Faculty and 7% of staff are being hired from outside Canada, and a further 20% faculty and 16% staff are hired from outside the Lower Mainland.

The work force<sup>4</sup> is characterized by several employee groups including:

<b>Faculty</b>	<b>%</b>
Executives, Deans, Principals and Academic Leaders	3%
Tenured	14%
Tenure-Track	3%
Non-Tenured Professors & Instructors	11%
<b>Staff</b>	
Senior Professional or Leader	4%
Mid-Level Professional	13%
Junior Professional	13%
Union and Non-Union Staff	39%

### 3.4. What Do Our Students Need?

#### 3.4.1. Key Findings — Student Housing Demand Study (2014)

A Student Housing Demand Study<sup>5</sup> undertaken as part of the *Vancouver Campus Plan* in 2014 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:

- 73% of all respondents (on and off campus students) would like to live on campus next year.
- 60% would like to live on campus for the duration of their studies at UBC
- 66% would choose either an 8 month or 12 month contract; only 34% indicated they would accept an 8 month contract only.
- 57% of respondents living on campus reported significant social benefits compared to 31% of those living off campus.
- 65% of respondents living on campus reported significant academic benefits compared to 14% of those living off campus.
- Over 45% are commuting more than 40 minutes each way to campus;
- 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.

<sup>4</sup> UBC Focus on People Benchmark Report, 2016-2017

<sup>5</sup> UBC Student Housing Demand Study completed in 2014 by McClanaghan & Associates.

### **3.5. What are Other Universities and Communities Doing?**

#### **3.5.1. Academic Housing Research**

Research conducted in 2016 into programs for faculty and staff housing at 21 selected universities<sup>6</sup> in Canada and the US revealed that:

- Of the universities surveyed, 72% of public institutions and 66% of the private institutions identified housing as a significant recruiting and retention issue;
- The vast majority of universities provide faculty-only housing programs;
- Most provide market priced rental housing options albeit limited access for employees, with just fewer than half the universities also providing restricted rental housing options at below-market prices. The number of units available is generally modest (10% or less of full-time employment totals). Columbia and Harvard University are the exceptions with very significant stocks of restricted rental housing;
- Eight of the universities surveyed 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 or loan programs range widely from US\$80,000 to US\$1.4M;
- 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.

#### **3.5.2. 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 a program with approximately 1,900 resident-restricted units (restricted rental and ownership) in Whistler (2017). Currently, Whistler has exceeded its target in 2017 to 76%. This rental and restricted ownership housing is funded through developer and employer contributions that 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

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<sup>6</sup> Peer Universities who shared their housing program data upon request

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 in Whistler. 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 in Whistler for five of the six years prior to ceasing employment. Rentals are filled via waitlist with an average wait time of 1-3 years. Appreciation on the ownership housing option is currently linked to annual increases in the Canadian Core Consumer Price Index (CCPI).

### 3.6. 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.

### 3.7. Current Campus Housing Programs – Thumbnail Description

A range of housing support program options, operated by multiple UBC departments and UBC Properties Trust, are available on campus for faculty, staff, and students, and are collectively relied upon by the University as means to achieve the HAP policy targets. These operational programs include financial assistance and development of physical housing inventory with different levels of pricing and priority access restrictions. These options are summarized briefly below and a more detailed description of each is provided in Appendix 1.

#### 3.7.1. Existing Faculty/Staff Housing Programs

Physical housing inventory for faculty and staff restricted access programs is generally in the part of campus designated as "Neighbourhoods" in the UBC Land Use Plan, and is fully mixed in amongst the market leasehold purchase units in that Neighbourhood. At full build-out, the seven residential neighbourhoods will be complemented by local shops, services, amenities and transit service, and each will include a mix of market and restricted ownership and restricted rental housing options for faculty,

staff and the general public. Current on-campus housing options that are available to faculty and staff include:

*a) Rental Program*

***Below-Market Priced Options:***

- ***Restricted Rental (Below-Market Faculty Staff Rental):*** Restricted rental units (686 as of February 2018) are offered solely to full-time faculty and staff at lower rents that reflect the restricted market characteristics, targeting on average a rate 25% below market. These units are operated by Village Gate Homes of UBC Properties Trust. Policy 4 establishes a goal of 20% of new residential construction post 2012 be of this type. The current composition of the restricted rental housing stock is provided below:

Size	Total
Studio	12
1 br (some w/den)	128
2 br (some w/den)	341
3 br	193
4 br	12
Total:	686 <sup>7</sup>

- ***Rent-Geared-to-Income Pilot program:*** A pilot program being launched Spring of 2018 whereby approved participants (up to 100 eligible staff and 10 eligible faculty members) will be assigned rents within the Below-Market Faculty Staff Rental units, at 30% of their household income. Participants must have incomes below the eligibility thresholds for this program (benchmarked to BC Housing eligibility thresholds for 1, 2 and 3 bedroom units), and annual means testing will be required to demonstrate continued eligibility. 100 spaces in the program are reserved for staff (selected by lottery for the first round and by waitlist thereafter). Approved staff participants may remain in the program for 10 years as long as they remain eligible. Ten additional spaces are for faculty members with children who are coming to UBC from outside the Lower Mainland. These faculty members must be sponsored by their department, must have a household income below the specified threshold, and may remain in the program for up to 2 years. The program will be phased in over 3 years and assessed for expansion at that time. A phased roll-out is intended to encourage staggered turnover in future years.

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<sup>7</sup> Excludes Norman Mackenzie House and Principals' residences at St. John's and Green Colleges

## **Market Priced Options:**

- **Market Rental Housing:** General rental units operated by Wesbrook Properties of UBC Properties Trust (506 units as of February 2018) or third party rentals (approx. 240 units in Axis and Westpoint) are available to faculty, staff and the general public. Rental rates are at full market price. Faculty and staff receive priority on the Wesbrook Properties waitlist, ahead of the general public, upon request. Policy 3 of this HAP sets the stage for up to 10% of all residential development built after 2012 in the Neighbourhoods to be some form of rental housing (the other 20% from the 30% rental in the neighbourhoods is expected to be Faculty Staff Below-Market rental housing).
- **University Rental Housing:** These are also rental units operated by Wesbrook Properties of UBC Properties Trust, mainly in the University Boulevard area of campus to date. Priority access to these units is offered to university affiliated tenants such as students, faculty, staff or other employees working on-campus before the general public. Rental rates are full market price. While available to faculty and staff, take-up in these buildings has been largely student oriented.

### *b) Faculty Home Ownership Program (FHOP)*

- **Prescribed Interest Rate Loan Program (PIRL)**  
The “Prescribed Interest Rate Loan (PIRL)” is a new loan option within UBC’s Faculty Home Ownership Program (FHOP), launched in Spring 2017, that provides approved tenured or tenure-track faculty a one-time loan from the University ranging from \$50,000 to, in rare cases, \$500,000 at the discretion of the Provost Office, to assist with the purchase of a new or resale home. The loan can be used towards the purchase of a principal and only residence, anywhere in Metro Vancouver including UBC campus and would be repayable in 15 years.
- **Down Payment Assistance (DPA) program:**  
Established in 2009, assists full-time faculty groups in the purchase of a principal residence anywhere in Metro Vancouver. The assistance takes the form of a forgivable interest-free loan of up to \$45,000 for those hired before July 1, 2017 or \$50,000 for those hired after July 1, 2017, that is forgiven over a five year period. Eligible faculty 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 ten-year period following the date of appointment to the University or six months prior to the start date. As of January 2018, approximately 230 employees have taken advantage of the program. (Note: the Mortgage Interest Assistance variation on this program was discontinued by the Board in 2017, but is still being administered to conclusion for active participants who began prior to cancellation.)

- **2<sup>nd</sup> Mortgage Loan Program:**

(Still being administered for active participants who purchased through the pilot program period between 2014 and 2017, but program is discontinued for new applicants).

This program provided participating interest 2<sup>nd</sup> mortgage loans to approved faculty for up to 33% of the value of a new leasehold unit on campus, maximum \$330,000 per loan, with repayment due upon resale or at 30 years, or at departure from UBC, whichever came first. Repayment of UBC's participating interest is based on an updated appraised value of the unit at time of resale. The program was cancelled due to lack of interest and replaced with the more popular PIRL program above.

### *c) Other Options*

In addition to the Rental and the FHOP umbrella programs above, other non-financial housing assistance initiatives or options for faculty and staff at UBC include:

- **Advance Purchase Access Opportunity:** All full time employees with a UBC Card are able to gain advance access to new project sales on campus, before sales to any other realtors, public or friends and family of developers. This is not a discount opportunity but does allow UBC employees a chance to see and consider purchase opportunities first.
- **Housing & Relocation Services information support:** In 2009, UBC established the *Work Life and Relocation Service Centre*, renamed and expanded as the Housing & Relocation Services centre in 2014. This office is designed to be a Provost Office and Human Resources interface service with employees. It provides a friendly guiding hand from the University to support new faculty, post-doctoral fellows, staff and their families with their relocation to the Vancouver campus, including finding housing. Housing affordability and the availability of rental housing in particular are prime considerations for new hires to UBC. The Centre helps by providing free information on housing options and programs (both on and off campus), providing guidance to register with appropriate waitlists and processes for Village Gate Homes rental units, overseeing administrative application processing for other restricted access housing support programs, providing referrals to trusted realtor and market professionals and by coordinating housing related educational seminars aimed at UBC faculty and staff newcomers trying to navigate the housing landscape in the Lower Mainland.
- **Market Leasehold Purchase Units:** 99-year lease units (approximately 1,199 units have been built since 2012) have been made available to faculty, staff and the general public. These units are sold at market prices.

### **3.7.2. Existing Student Housing Options on Campus**

The physical housing inventory for students is generally in the part of campus designated as "Academic" in the UBC Land Use Plan, with its own rich mixed-use service hubs, amenities and proximate transit service. 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.

*a) Restricted Student Rental Housing on Campus (SHHS)*

- **Specialty Programs Restricted to Students:** UBC Student Housing & Hospitality Services (SHHS) provides high quality specialty rental housing programs available exclusively to students in convenient locations, distributed throughout the academic campus lands. Significant amenities, information support, community building programming services are included with this specialty inventory. At the end of 2011, approximately 27% of all full-time students were housed on campus in approximately 9,000 beds run by Student Housing and Hospitality Services including:
  - Student family housing program
  - Graduate student housing
  - Upper year undergraduate student housing
  - 1<sup>st</sup> year housing (on 1<sup>st</sup> year housing guarantee)

Approximately 2800 new beds have been built since then bringing the total to 11,800 beds on campus. The long-term policy target of 50% the 2010 full-time student enrolment (16,500 beds) on campus provided in Policy 9 would aim for a further 4700 beds. SHHS is already well underway toward that target with 651 new beds currently under development and targeted for completion in 2018. UBC's *Vancouver Campus Plan* and the *Land Use Plan* set aside sufficient physical capacity to allow the University to exceed that target if needed and could accommodate up to 17,300 students (which would be approximately 35% of the 2017 full time enrollment) as long as funding and financing can be achieved and subject to demand. Future student 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*, UBC's *Housing Action Plan* can help influence ongoing planning and design of student housing on campus.

*b) Market Priced Rental Options in Campus Neighbourhoods*

- **Market Rental Housing:** All general rental units developed by UBC Properties Trust and operated by Wesbrook Properties or third party providers (Axis and Westpoint) are available to students as well as faculty, staff, and the general public. Wesbrook Properties rental rates are at full market price. Faculty and staff receive priority on the waitlist, ahead of the general public, upon request. However, Faculty and staff represent a minority of tenants in this inventory to date. These units are particularly popular with students. Policy 3 of this HAP sets the stage for up to 10% of all residential development in the Neighbourhoods since 2012 to be market rental housing (the other 20% from the 30% rental in the neighbourhoods is expected to be Faculty Staff Below-Market rental housing).
- **University Rental Housing:** These rental units are also operated by Wesbrook Properties of UBC Properties Trust, mainly in the University Boulevard area of campus to date. Rental rates



are full market price. Priority access to these units is offered to all university affiliated applicants such as students, faculty, staff or other employees working on-campus, before the general public. While available to faculty and staff, take-up in these buildings has been almost exclusively student-oriented.

*c) Other Options*

It is noted that other student housing options proximate to campus include the approximate 320 units in sororities and fraternities, and the private rental opportunities to students within the privately owned long-term lease units in the campus neighbourhoods. These options are outside of UBC policies or programs.

## 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 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 on campus:

- Up to 30% of all new housing in the Neighbourhoods would be operating as rental;
  - 20% as below-market rental restricted to faculty-staff (including up to 100 units of Rent-Geared-To-Income housing with priority for staff, and 10 spaces with priority for faculty members); and
  - 10% as any type of rental including market priced rental.
- Up to 10% of all new leasehold units in the Neighbourhoods would support restricted home ownership for tenured and tenure-track faculty.
- Sufficient capacity in SHHS operated Student housing beds on Academic campus lands for students and student families, aspiring to provide up to the build-out capacity defined by the UBC Vancouver Campus Plan and the Land Use Plan, subject to demand and debt capacity.

A complete list of all approved HAP policies to achieve these outcomes for students, faculty and staff is provided for convenience on page 6 of this booklet. More discussion and background for each policy is included next in Part 2, Section 1. Definitions of the operational housing programs supporting these policy targets are provided in Appendix 1.

# 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 Faculty Home Ownership Program (FHOP) for tenured and tenure-track faculty in addition to the current market leasehold program.

Options within this FHOP program currently include restricted loan programs for purchase of homes on or off-campus (primary residence only) and research continues in search of a model that will also allow delivery of a below-market purchase opportunity on-campus that meets UBC strategic criteria. Sales and re-sales for this new housing option would be restricted to an approved pool of tenure-stream faculty, for the University to ensure that recruitment priorities are served and 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, likely 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 up to 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 value.*

*Other options also to be counted as contributions toward this restricted faculty home ownership target:*

- *Active (outstanding) UBC Prescribed Interest Rate Loans (PIRL) advanced in support of purchase of a home on or off-campus anywhere within Metro Vancouver.*
- *Other Board-approved ownership support models for a home purchase on or off campus, as may be introduced from time to time.*

## **1.2. Extended Eligibility for the Down Payment Assistance (DPA) Program for Faculty**

UBC's current Down Payment Assistance Program (DPA) 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, (for those appointed before July 1, 2017) and \$50,000 (for those appointed after July 1 2017), over a five year period. The program has been used as a recruitment tool and has provided financial support to about 230 eligible faculty to date. In 2012, the eligibility period was extended from seven to ten years of appointment date. Consultation in 2015 on potential closure or change to this program resulted in considerable feedback to maintain it, as-is.

### ***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. (This policy also provides important independent and supplementary rental opportunities for students, and this policy is therefore referenced again in the student support policies Section 2.1.) *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. In addition to 20% from Policy 4 below, this allows a further 10% of other forms of rental that may include market priced rental for general public or University Rental (market-priced rental with priority access for those who work or study on campus), or other rental opportunities. UBC will explore the breakdown amount of each of these other types of non-faculty staff discounted forms of rental through Neighbourhood Planning processes.*

## **1.4. More Restricted Rental Housing**

To help further ensure that faculty, staff and post-doctoral fellows have priority access to most of the rental units on campus provided through Policy 3, two thirds of that stock (in otherwords 20% of all new housing since the approval of the HAP) will be 'restricted access' for faculty and staff, and will be priced below market. 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. Rent-Geared-To-Income for Staff**

Understanding that some lower income employees on campus may still find it difficult to afford restricted rental rates, a new Rent-Geared-to-Income rental option targeted to staff with annual household incomes of less than the BC Housing benchmark for this type of program, will be explored. This threshold currently equates to \$64,500 but may change from time to time. Rents would be controlled in this program to ensure housing costs are no more than 30% of a household's gross annual income. Feedback during the recent 5-Year Review led to the expansion of this policy to also include a pilot version for relocating faculty with children for up to two years. It is anticipated the first group of spaces within this pilot will be offered in Spring 2018.

#### **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 Rent-Geared-To-Income units with priority to staff with annual household incomes of less than BC Housing Guidelines for similar programs, as amended from time to time. This pilot project will be developed in collaboration with UBC Properties Trust and brought back to the Board of Governors for approval.*

*UBC will also develop a supplementary version of the program for Faculty as a pilot project, subject to household income thresholds and parameters approved by the Board of Governors.*

### **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 and 4-bedroom units ranging from approximately 400 sq ft up to 1500 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 larger units for families.*

### **1.7. Preferential Access to Market Leasehold Units**

Feedback from faculty and staff suggested that while some 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 who can afford to purchase on campus 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 Options**

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, almost 12,000 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. The capacity will be further developed over time based on demand and a sustainable business model, up to the capacity defined by the UBC Vancouver Campus Plan and Land Use Plan. 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 up to the build-out capacity for SHHS operated housing on the Academic lands as defined by UBC Vancouver Campus and Land Use plans, subject to debt capacity, financial capacity within the university, student demand and necessary combination of project characteristics such as unit mix.*

*\*\*The wording of this policy has been in place to guide the long-term expansion target since the original HAP approval in 2012. At its meeting February 15, 2018, the Board of Governors requested updated and clearer target wording to be explored, in consultation with students, for report back at the April 2018 meeting of the Board of Governors.*

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).*

The HAP also encourages expansion of other non-specialized rental housing that while market priced, can provide appealing, proximate, and more independent options for students seeking an alternative to the restricted access SHHS-operated student housing programs. Policy 3 sets a target of committing up to 30% of future residential construction in the Neighbourhoods post-2012 as some form of rental housing. While Policy 5 qualifies this further by stating that two thirds of that (20% of all construction) is restricted to faculty and staff rental, it still leaves 10% open to all students as part of the other rental programs whether general public rental or "University Rental" which is market priced, but priority access to students, faculty or staff before the public. This policy allows students a growing supplementary supply of independent rental opportunities on campus, close to where they study in an engaging and attractive community setting. It has proven attractive to students so far, noting a large and growing number of students are occupants in the market rental inventory in the campus Neighbourhoods.

### **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. In addition to 20% from Policy 4 below, this allows a further 10% of other forms of rental that may include market priced rental for general public or University Rental (market-priced rental with priority access for those who work or study on campus), or other rental opportunities. UBC will explore the breakdown amount of each of these other types of non-faculty staff discounted forms of rental through Neighbourhood Planning processes.*

## **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 comparative market 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. Rent increases will be guided by the principles and practices listed in the policy.

**Policy 11 \*\***

*To help address housing affordability concerns for students, the University will continue to limit rental rates based on the following pricing principles and practices:*

- *covering all costs of operation including borrowing costs,*
- *self-supporting, fully cost-recovery basis,*
- *at or below market rental rates; relative to the local marketplace per CMHC data and peer university across Canada,*
- *More price variance will be explored between older and newer inventory by implementing variable rate increases over time under existing pricing principles,*
- *Maximum annual rent increase of any specific unit type will not exceed annual Consumer Price Index (CPI) plus 2%.*

A key affordability issue for students relates to the gap between the shelter allowance portion of BC's student loan program 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 purview of senior governments, UBC can and has played a role in advocating for a higher shelter assistance portion of the student loan for students attending UBC at the Vancouver campus. The BC Loan program allocation to shelter is now \$851 per month and 55% of the SHHS operated student housing inventory is priced at or below this amount (an improvement over the situation 5 years ago when the shelter allocation was \$584 per month and only 23% of the inventory was priced below that amount).

**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 continue on behalf of students to advocate for greater housing allowance in Provincial financial aid programs for lower income students on student loans.*

## **2.3. Completed policy commitments**

Commitments in earlier policies 13, 14, and 15 from the 2012 version of the HAP have been addressed and are removed from this updated version. These policies included commitments to developing an updated communications and marketing strategy for graduate student housing (Policy 13); enhanced community building programs in housing for graduate students (Policy 14); and conversion of a former market rental residential area known as Gage South, to a student housing development (Policy 15).



## 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.*

## 4. 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 (across multiple departments) 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 for each project.

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

- Continued research into below-market ownership model options for approved faculty, that meets the University strategic priorities;
- Ongoing maintenance in collaboration with the Provost Office, and input from deans, of Eligibility and Allocation Guidelines to address faculty housing allocation priorities, eligibility, occupancy requirements, retirements, leases/sub-leases, maintenance, repair obligations and other matters for the evolving options under research for the restricted homeownership program;
- Developing in collaboration with UBC Properties Trust, proposed pilot projects for the new restricted rental consistent with Policy 4, and rent-geared-to-income options in Policy 5, and exploration of alternative financing approach to support viable use of higher density sites for restricted rental programs;
- Developing implementation detail to operationalize the Rent-Geared-to-Income program in Spring 2018 for application, selection and means testing of participants, and management of ongoing turnover, with a view to expanding the program after the pilot, and subject to Board approval at that time;

- Maintaining an ongoing advocacy strategy addressing the shelter portion of the Provincial student loan program;
- Reporting back to the Board of Governors in April 2018 with wording updates to student related housing support policies, 9,11 and 12 and opportunities for additional University Rental, as per February 15, 2018 Board resolution.
- Developing implementation detail to deliver on Student Housing cost control measures under discussion for an updated Policy 11.
- Providing HAP implementation updates as a Standing Item on the Board of Governors meetings to enable Board support as needed for timely implementation progress.

Staff will report back and seek Board approval on successive implementation initiatives where required.

## **PART 3 – APPENDICES**

### **Appendix 1: Campus Housing Programs – Definitions**

### **Appendix 2: Board Report (Five-Year Review)**



# Appendix 1:

## Campus Housing Options – Detailed Definitions

This section provides a little more detailed definitions than the thumbnail descriptions provided in Part 1, Section 3.7: Current Housing Programs. Eligibility and most salient features are described below for each type of housing option available on-campus. Contact the UBC Housing & Relocation Services office (<http://www.hr.ubc.ca/housing-relocation/contact/>) if you wish to be directed to deeper information sources on any of the below.

### Rental Options on Campus:

- a) Faculty/ Staff Below-Market Rental
- b) Staff Rent-Geared-to-Income
- c) Faculty Rent-Geared-to-Income
- d) Restricted Student Rental Housing on Campus (SHHS)
- e) Market Rental
- f) University Rental

### Ownership Options on Campus:

- g) Prescribed Interest Rate Loan
- h) Down Payment Assistance
- i) 2<sup>nd</sup> Mortgage Loan
- j) Market Leasehold Purchase

## RENTAL OPTIONS ON CAMPUS

### *a) Faculty/ Staff Below-Market Rental*

#### *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.

#### *Who is eligible?*

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

#### *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.

### ***b) Staff Rent-Geared-to-Income (Staff RGI)***

#### *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 the Rent-Geared-to-Income benchmark set by BC Housing. 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.

#### *Who is eligible?*

This option would be targeted to full-time staff with an annual household income of less than the BC Housing benchmark.

#### *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.

### ***c) Faculty Rent-Geared-to-Income (Faculty RGI)***

#### *What is it?*

A Rent-Geared-to-Income program providing transitional support to up to 10 relocating new faculty members in Village Gate Homes apartment units, paying rent capped at 30% of their pre-tax household income.

*Is this option used elsewhere?*

*Who is eligible?*

UBC full time tenure stream faculty who meet all the following:

- Relocating with children from outside the Lower Mainland;
- have a gross household income no more than \$99,500, and
- have no more than \$100,000 in assets less the value of outstanding student loans.

*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.

#### ***d) Restricted Student Rental Housing on Campus (SHHS)***

*What is it?*

UBC Student Housing & Hospitality Services (SHHS) provides high quality specialty rental housing programs available exclusively to students in convenient locations, distributed throughout the academic campus lands. Significant amenities, information support, community building programming services are included with this specialty inventory. At the end of 2011, approximately 27% of all full-time students were housed on campus in approximately 9,000 beds run by Student Housing and Hospitality Services including:

Approximately 2800 new beds have been built since the 2012 HAP was approved, bringing the total in operation at end of 2017 to 11,800 beds on campus. The long-term target of 17,300 student beds (Policy 9) would aim for a further 5500 beds in future years. SHHS is already underway toward that target with 651 new beds currently under development and targeted for completion in 2018.

*Is this option used elsewhere?*

Yes, many universities in Canada offer specialized student rental housing programs similar to this SHHS run program at UBC. UBC's program is the largest of its kind however in Canada.

*Who is eligible?*

All full time students are eligible to apply to one of the following programs. First years are always guaranteed a spot as long as they apply in time. Other programs have more applicants than beds and waitlists are employed.



- Student family housing program
- Graduate student housing
- Upper year undergraduate student housing
- 1<sup>st</sup> year housing (on 1<sup>st</sup> year housing guarantee)

## *e) Market Rental Housing*

### *What is it?*

This program option provides general public market 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.

There are 685 units of this type as of February 2018. Policy 3 of the HAP sets a target for up to 30% of all residential development in the Neighbourhoods after 2012 to be rental housing. Two thirds of that (20% of the total new residential build) is to be Faculty Staff Below-Market Rental Housing, and the remaining 10% can be any type of rental including variations on market priced options such as this. To date since the rental policy target was approved in 2012, 24% of all new residential construction has been market rental.

### *Is this option used elsewhere?*

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

### *Who is eligible?*

Open to the general public. This includes students, faculty and staff all as members of the public. Faculty and staff receive priority on the waitlist, ahead of the general public, upon request. However, Faculty and staff represent a minority of tenants in this inventory to date. These units are particularly popular with students.

### *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 +4% 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.

## *f) University Rental Housing*

### *What is it?*

This option provides market priced rental units on a preferred access basis to people affiliated with the University first (eg students, faculty, staff, or other employees on-campus, and members of the general public second. Like the general market rental inventory these are also operated by Wesbrook Properties of UBC Properties Trust, and are located mainly in the University Boulevard area of campus to date. Each unit is available on a 12-month rental contract and is owned by UBC Properties Trust and managed by Wesbrook Properties.

Policy 3 of the HAP sets a target for up to 30% of all residential development in the Neighbourhoods after 2012 to be rental housing. Two thirds of that (20% of the total new residential build) is to be Faculty Staff Below-Market Rental Housing, and the remaining 10% can be any type of rental including variations on market priced options such as this.

*Is this option used elsewhere?*

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

*Who is eligible?*

Priority access to these units is offered to all university affiliated applicants such as students, faculty, staff or other employees working on-campus, before the general public. Take-up in these buildings to date has been almost exclusively student-oriented.

*How will rent increases be handled?*

Rental rates are full market price. 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 +4% 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.

## **OWNERSHIP OPTIONS ON CAMPUS**

### ***g) Prescribed Interest Rate Loan (PIRL)***

*What is it?*

A one-time loan is to assist with the purchase of a new or resale property. Loans range from \$50,000 per participant up to \$500,000 in rare cases, in a form that:

- is repayable in 15 years with no principal repayments until the term expires
- is for the purpose of supplementing the purchase of a principal residence
- applicable anywhere in Metro Vancouver
- faculty member pays annual interest equal to the Canada Revenue Agency (CRA) prescribed interest rate
- limited access program: loan values to be determined solely on the basis of merit and the need to attract and retain excellent tenured and tenure-track faculty.

*Is this option used elsewhere?*

Universities, including Harvard and Stanford, have low interest loan programs similar to PIRL.

#### *Who is eligible?*

All PIRL loan offers are to be reserved for:

- tenure stream faculty with priority for tenured faculty members (Associate or Full Professors in the research stream; Senior Instructor or Professor of Teaching in the teaching stream) who do not already own housing in Metro Vancouver (including UBC's Vancouver campus), AND
- who are deemed through the adjudication process to be strategically important in the recruitment or retention process.

General principles of eligibility will be as follows:

- **Recruit Candidates:** Tenure stream faculty with priority for tenured faculty may apply for loans from this fund at the time of recruitment, which is to be approved through the Provost Allocation Committee. A minimum of 75% of the PIRL funds will be allocated to recruits.
- **Retention Candidates:** Existing tenure stream faculty with priority for tenured faculty recruited before December 2016, may apply for consideration through an Allocation Committee being established for this purpose in time for operationalization of the program (targeting April 2017). Up to 25% of this loan fund may be used for retention applications.

### *h) Down Payment Assistance (DPA)*

#### *What is it?*

The current Down Payment 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 \$50,000 for a period of five years (45,000 for those appointed before July 1, 2017), or
- 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 ten-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.

#### *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).

## *i) 2<sup>nd</sup> Mortgage Loan Program*

*What is it?*

On February 4, 2014, the UBC Board of Governors approved a 3 year (150 spots) pilot Restricted Faculty 2nd Mortgage Loan program as follows:

- UBC will issue to approved faculty a second mortgage loan for up to 33% of the purchase price of a new home (up to a maximum of \$330,000 loan) in designated projects (all new).
- Annual interest will be 0%.
- The repayment amount will be 33% of the resale price or appraised home price at the time of repayment.
- The 2nd Mortgage Loan will be registered on the title and subordinate to the 1st mortgage provided by a financial institution.
- Repayment of the loan is due within 30 years, or earlier if repayment triggers occur. Faculty can also voluntarily repay the 2nd Mortgage Loan before it is due.

The program has been since discontinued and has been replaced with a more PIRL program.

*Is this option used elsewhere?*

*Who is eligible?*

All full-time faculty who do not own homes in Metro Vancouver are eligible to apply for the 2<sup>nd</sup> Mortgage Loan Program but priority is given to full-time, tenured-and tenure track faculty who:

- are in the professorial and professor of teaching streams, **and**
- have not owned housing in **Metro Vancouver since April 2011 (for retention applicants) or since 1 year before appointment (for new recruits), and**
- are of critical strategic retention or recruitment importance to their Faculty and UBC.

## *j) Restricted Ownership on Campus*

*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.

*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.

*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.

### *a. Market Leasehold Purchase on Campus*

*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. However, there is advance access to purchase these units when new projects are first brought to market.

*Is this option used elsewhere?*

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

*Who is eligible?*

Open to the general public, including faculty and staff.

*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.

<b>SUBJECT</b>	<b>THE UNIVERSITY COMMUNITY ON CAMPUS - HOUSING ACTION PLAN POLICY TEXT AMENDMENTS</b>
<b>MEETING DATE</b>	<b>FEBRUARY 15, 2018</b>

Forwarded to the Board of Governors on the Recommendation of the President

**APPROVED FOR  
SUBMISSION**




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Santa J. Ono, President and Vice-Chancellor

<b>DECISION REQUESTED</b>	<p><b>IT IS HEREBY REQUESTED that the UBC Board of Governors:</b></p> <ol style="list-style-type: none"> <li><b><i>1. Approve the updated and consolidated Housing Action Plan core policy text amendments (revised Attachment A) reflecting adjustments supported during the course of the HAP Five-Year Review; and,</i></b></li> <li><b><i>2. Direct the Administration to further explore and report back on implications and opportunities for introducing “University Rental” policy commitments in the HAP as described in the AMS submission January 30, 2018.</i></b></li> </ol>
<b>Report Date</b>	January 19, 2018

**Presented By** Andrew Szeri, Provost and Vice-President Academic  
Peter Smailes, Acting Vice-President Finance & Operations  
Linda McKnight, Interim Vice-President Human Resources  
Louise Cowin, Vice-President Students  
Eric Eich, Vice-Provost & Associate Vice-President Academic Affairs  
Andrew Parr, Managing Director Student Housing & Hospitality Services  
Lisa Colby, Managing Director (Faculty Staff) Housing & Relocation Services  
Aubrey Kelly, President and CEO, UBC Properties Trustee

## EXECUTIVE SUMMARY

This report forwards the final consolidated version of text updates to the Housing Action Plan core policies, to reflect the cumulative direction of the Board following the Five-Year Review. Phase I findings and adjustments were approved in December 2016. Phase II findings were delivered to the Board in 2017. Amendments are generally modest housekeeping updates. All are shown in Tracker in Attachment A.

The Housing Action Plan is a long-range (30-year) umbrella strategy, first approved in September 2012, to set out the University’s long range policies and targets to support improved housing choice and affordability for students, faculty and staff, for recruitment and retention purposes. It does not affect density or land use regulations, and works within the land-use regulatory parameters already in existence on campus. A variety of operational programs exist to collectively support delivery of

the overarching HAP policies and targets. This report does not address changes at the operational program level.

This consolidated set of policies is an important final documentation and step for the Five-Year Review, providing convenient updated reference to the cumulative changes to date, for all who need to work with these policies. Future annual reports would work from this updated set.

*If this item was previously presented to the Board, please provide a brief description of any major changes since that time.*

The Five-Year Review findings were presented in December 2016 (Phase I) and December 2017 (Phase II). The ongoing relevance of most policies was reaffirmed, with the need for only modest clarification updates.

No new issues are introduced. This report forwards the final proposed housekeeping text changes to the HAP core policies to reflect cumulative direction and decisions throughout the course of the five-year review.

#### INSTITUTIONAL STRATEGIC PRIORITIES SUPPORTED

☐ Learning

☒ Research

☒ Innovation

☐ Engagement  
(Internal / External)

☒ International

or ☒ Operational

#### DESCRIPTION & RATIONALE

##### Background

The introduction of a UBC Housing Action Plan (HAP) to address housing concerns was identified as a follow-up condition of approval of UBC's Land Use Plan in 2010-2011. Its development was overseen by the Board of Governors through its Community Planning Task Group and was formally approved in September 2012. The Board's Task Group members included student, faculty and UBC Properties Trust members, and was also supported by in-house financial, legal, and planning expertise. It included extensive consultation with the campus community.

The resulting HAP is a long-range (30-year) umbrella strategy that set out the University's long range targets to support improved housing choice and affordability for students, faculty and staff, for recruitment and retention purposes.

For context, it is useful to understand that a variety of operational level programs exist to collectively support achievement of the higher level overarching HAP policy targets. These operational level programs include:

##### Rental Program:

- market rental programs by Wesbrook Properties,
- Faculty Staff 25% below-market rental program by Village Gate Homes,
- Rent-Geared-to-Income Program (being launched Spring 2018) administered by the University and placed into rental units owned and operated by Village Gate Homes,

### Faculty Home Ownership Loan Program

- Prescribed Interest Rate Loan (PIRL) program
- Down Payment Assistance (DPA) program
- (other earlier programs now closed to new applicants but still being serviced such as outstanding Special Provost Loans and 33% 2<sup>nd</sup> Mortgage Loans)
- Other home ownership support models as may be developed and approved by Board in future from time to time.

### Student Housing Program

- Student family housing
- Graduate student housing
- Upper year undergraduate student housing
- 1<sup>st</sup> year housing (on 1<sup>st</sup> year housing guarantee)

While some operational program adjustments were discussed and authorized during the Five-Year review to improve support of the HAP policies going forward (e.g. rental waitlist priority banding, or rent-geared-to-income administration framework), this particular report is now focussed on final housekeeping text amendments at the HAP policy level only, and does not address operational program level detail.

The HAP's policies and targets are intended to work within the land-use regulatory and density parameters in existence on campus, even as they may change from time to time. Policies include faculty home ownership support targets, proportions of neighbourhoods to be dedicated to rental or faculty-staff below-market rental, improved advance purchase opportunities to new market lease projects on-campus, supply expansion targets for future student housing on academic lands, and rental rate cost control guidelines. The final HAP also includes Plan management policies including annual monitoring, progress reports and, the main subject of this report, a requirement for a comprehensive review every 5 years to confirm ongoing relevance of the Plan objectives.

### Five-Year Review

The first Five-Year Review of the HAP was undertaken over the last year and a quarter.

- Phase I of the Five-Year HAP Review focused on adjustments to the faculty support programs. Its findings and recommendations were received and approved by the Board of Governors on December 6, 2016.



- A follow-up Board report and approval regarding the Faculty Housing Assistance Financial Endowment (FHAFE) needed to fund and launch the PIRL program (February 2017),
- Approval of a framework for a modified Rent-Geared-to-Income pilot program (June 2017).
- Phase II of the Review then focused on student and staff support policies. Final results of the Phase II Review were brought to the Board of Governors on December 5, 2017.

The Board fully supported all recommendations of the Phase I and II review including: a general re-affirmation of the ongoing importance of the HAP policies, and some implementation program level improvements to accelerate achievement of the HAP targets. In some cases minor edits are now needed to policy text to reflect more accurate and updated program cross references, eligibility benchmark cross-references, a higher student bed target, and, in some cases, to eliminate redundancy. Highlights of the Board direction that triggered change related to each policy is provided below. Resulting edits to the actual formal policies are shown in Tracker in Attachment A.

*Faculty and Staff related policy targets:*

- Policy 1: Changes to the Faculty Home Ownership Program were approved. A PIRL program was introduced and continued research was supported in search of other ownership support models on-campus. The Administration was asked to return with edited wording that would add a reference to the new PIRL program as a contributing program in Policy 1. This wording has been provided.
- Policy 2: Recognizing the effectiveness and recruiting appeal of the Down Payment Assistance Program (DPA), its value was increased to \$50,000 as of July 1, 2017 and its 10 year extended eligibility period was left in place. It's less popular sister program, the Mortgage Interest Assistance program was closed. The "Housing Assistance Program" label, previously used to refer collectively to these two options, has been retired and this policy is now referred to only as the DPA.
- Policy 3 and 4: Market and Faculty Staff Rental targets were re-affirmed and Board direction and discussion focussed on accelerated operational commitments and program details to meet these targets. No edits needed to these two existing HAP policies.
- Policy 5: Continued support for a Rent-Geared-to-Income program was emphasized and even expanded in June 2017 to include a faculty version. Text adjustment reflects this direction. The Board encouraged acceleration of this pilot – something that can already be undertaken without changes to the policy. Once results of the pilot are delivered to

Board, this policy could be then be updated beyond the pilot scale, subject to Board direction at that time.

- Policy 6: There was recognition and acceptance of the continued importance of this policy that calls for a range of unit sizes to meet the changing demographic of recruits wishing to rent in faculty-staff housing. An increasing number of families with children are searching for larger rental units as they are no longer purchasing homes. While more recent surveys indicated interest in 4-bedrooms as part of the range, the only edit suggested to this policy, rather than specifying 3 or 4 bedrooms at a policy level, is to refer to ‘larger’ family oriented sizes so that the appropriate proportions of each unit size can be resolved at a program operational level in collaborative discussions with UBCPT.
- Policy 7: No direction was received to change Policy 7. The review pointed out that while it serves a small group, the advance purchase access for UBC employees on-campus (for new projects) has no cost to the university and has allowed approximately 20 families to purchase housing on-campus so far. It is considered important and should be kept. No edit needed.
- Policy 8: The policy that employees remain responsible for all taxes associated with taxable benefits from housing programs, remains relevant. No edit needed.

*Student Housing Program policy targets:* Progress has been recognized as strong toward meeting all existing student policy targets.

- Policy 9: Expansion of student housing supply has been steady toward the target of “50% of the 2010 full time student enrollment” (which equates to 16,500 beds at full build-out). Board discussion in December 2017 raised the question of whether the target reference might be updated and clearer. Student Board representatives asked to be consulted on appropriate replacement wording. SHHS and VP Students have subsequently met with student representatives since the last Board meeting and are in agreement that this target could more simply be replaced with “17,300”, subject to Board support. This higher figure represents 35% of the 2017 full time student enrollment. Subject to Board approval, this figure could be changed again in future, based on updated assessment of needs and capacity.
- Policy 10: No Board changes were requested for this policy that focuses on student bed unit types and sizes, however, a redundant reference to supply of student housing has been deleted for clarity, noting that supply expansion targets are addressed in Policy 9.
- Policy 11: Consistent with SHHS shared intent at the December 2017 meeting to bring greater clarity and structure to rental rates and annual increases, all parties agreed at the recent SHHS and VPS meetings with

student representatives (student Board members, AMS, GSS and RHA) since the last Board meeting, to the proposed wording for that purpose, subject to Board support.

- Policy 12: No Board changes were requested for this policy. However, a grammatical text amendment is provided to update the tense in this policy from future to ongoing (noting it has already been done by now and will continue to be done going forward).
- Policy 13, 14, 15: Board members expressed no concerns in response to SHHS's proposal at the last Board meeting to cross off completed commitments from the policy list, to avoid repetition in future annual monitoring reports. It is proposed that policies 13, 14 and 15 be eliminated for this reason.
  - Policy 13: Communication strategies have been incorporated into regular operational procedures and graduate student awareness of housing opportunities is strong.
  - Policy 14: Enhanced community building for graduate students is routinely addressed now through established graduate student focussed programming at residences where this demographic resides and through re-creation of the Acadia Park Residence Association; a resident lead community development, programming and advocacy group
  - Policy 15: The Gage site (now called Exchange Residence) has been successfully re-designated for student housing and is under construction, targeted to deliver 651 upper year / graduate student beds in summer 2019. Given substantial development of graduate student housing opportunities throughout the housing system since the original policy was drafted, the need to prioritize this residence for graduate student is no longer necessary, however graduate student will be able to apply for and reside at this location. The suggested priority for post-docs in Gage is inconsistent with a more recent labour relations agreement, Board policy and Resident Tenancy Act exemption language that limits SHHS to operating purpose-built student housing only.

*Plan Monitoring and maintenance targets:*

- No changes were directed for Policies 16 through 19, recognizing their ongoing importance to the continued relevance and effectiveness of the strategy, as a useful working document.

### **Consolidated Update of Reference Documents**

These cumulative and consolidated HAP core policy text updates, all based on Board support from the Five-Year Review, are shown in Attachment A in Tracker view for clarity.

	<p>In addition, a record of amendments is provided that cross references these various changes in chronological order with the meeting dates where they were discussed/ approved (Attachment B).</p> <p>Annual progress reports on these updated HAP policies will continue to be provided to the Board with the next one anticipated late 2018. The next 5 year comprehensive review is targeted for 2022.</p> <p>The full updated Housing Action Plan explanatory document referring to these core policies will be available upon request from the Board secretary office and, following ratification of these changes, will be posted on-line.</p>		
<b>BENEFITS</b> Learning, Research, Financial, Sustainability & Reputational	<p>While the University cannot provide enough funding to solve the challenges of the competitive rental market in Metro Vancouver, the HAP programs will make good progress in helping address the recruitment and retention challenges, and provide faculty, staff and students with welcome support to work and live on campus.</p> <p>A consolidated HAP update is an important final documentation step for ease of reference, and progress monitoring purposes.</p>		
<b>RISKS</b> Financial, Operational & Reputational	<p>There is significant strategic risk if the University fails to recruit and retain outstanding faculty, staff and students, and is not able to create an outstanding work environment to ensure engagement and productivity.</p> <p>There is also ongoing reputational risk if the University does not implement its commitments to rental housing support as promised in the Housing Action Plan.</p>		
<b>COSTS</b>	<p>The costs to administer UBC's <i>Housing Action Plan</i> are currently supported by the annual operating budget.</p>		
<b>FINANCIAL</b> Funding Sources, Impact on Liquidity	<p>Financial implications of the HAP were outlined in the Phase I and Phase II Five-Year Review reports available from the Board secretary office. This report focusses on the housekeeping text updates to the core HAP policies arising from that review. There are no further financial implications.</p>		
<b>CONSULTATION</b> Relevant Units, Internal & External Constituencies	<p>Detailed consultation outline was provided in the full Phase I and Phase II Five-Year Review reports. This report focusses on housekeeping text updates to the HAP arising from the 5 Yr Review. No further consultation is proposed.</p>		
<b>UBCPT COMMENTS</b> Complete for all reports that include a property component	Date Review:	of Jan 16, 2018	Signed off by: Aubrey Kelly, President and CEO
	<p>UBCPT acknowledges and supports the updates to the HAP policies as detailed in this report.</p>		

Attachment A: Updated HAP Policy List with Tracker Changes

Attachment B: Chronological Record of Consideration & Amendments to HAP Core Policies

<b>Previous Report Date</b>	December 5, 2017
<b>Decision</b>	HAP Phase II Review (Staff and Students) Received
<b>Action / Follow Up</b>	HAP Final Housekeeping Update to be submitted
<b>Previous Report Date</b>	June 6, 2017
<b>Decision</b>	Approval of Rent-Geared-to-Income for Staff and Faculty
<b>Action / Follow Up</b>	Phase II Review (Staff and Students) to be submitted Fall of 2017.
<b>Previous Report Date</b>	February 14, 2017
<b>Decision</b>	Information update on 10 year Faculty Housing Strategy (Phase I of 5 Yr Review) and next steps was received by the Board
<b>Action / Follow Up</b>	To report back with implementation plan of Faculty Temporary Rental Housing Support Program together with the Staff program including Rent-Geared –to-Income.
<b>Previous Report Date</b>	November 20, 2016
<b>Decision</b>	10 year Faculty Housing Strategy (Phase I of 5-Yr Review) was approved by the Board.
<b>Action / Follow Up</b>	<p>To provide information and seek approval.</p> <ol style="list-style-type: none"> <li>1. Faculty Housing Assistance Financing Endowment (FHAFF) Terms of Reference will be provided for approval</li> <li>2. The final Eligibility and Allocation Procedure Guidelines for Restricted Faculty Housing Program will be provided</li> </ol> <p>The final wording for Policy 1 of the Housing Action Plan to accommodate new proposed PIRL ownership support program will be provided for approval.</p>
<b>Previous Report Date</b>	February 2016
<b>Decision</b>	For information and discussion: To receive the consultation results on the June 2015 proposed revisions to the Faculty Home Ownership Program for the Vancouver Campus.
<b>Action / Follow Up</b>	Information follow up to Finance Committee

<b>Previous Report Date</b>	December 3, 2015
<b>Decision</b>	The 2014/15 progress update on the Housing Action Plan (HAP) was received on the consent agenda.
<b>Action / Follow Up</b>	The 2014/15 progress update was provided as information only.
<b>Previous Report Date</b>	June 9, 2015
<b>Decision</b>	<p>Adoption of President's Working Group recommendations to:</p> <ol style="list-style-type: none"> <li>1. Close the Restricted Capped Appreciation program option and make any consequential amendments to HAP documents;</li> <li>2. Confirm continuation of 2<sup>nd</sup> Mortgage Loan option for duration of 3 year pilot;</li> <li>3. Direct the Administration to develop and consult on creation of a new 10-year, tiered, merit-based Prescribed Interest Rate Loan program option (PIRL) within the FHOP funding cap and based on principles: <ul style="list-style-type: none"> <li>• Recruitment and retention of world class faculty;</li> <li>• Incentivize faculty to live on campus;</li> <li>• Tax efficiency and effective use of capital;</li> <li>• Improve faculty ability to choose location and type of property;</li> <li>• Support acquisition of home ownership without creating a long-term entitlement.</li> </ul> </li> <li>4. Direct the Administration to consider and consult on phase-out and replacement of the Down Payment Assistance and Mortgage Interest Assistance loans;</li> <li>5. Direct the Administration to report back to the Board on input from the consultation from the new PIRL concept, and phase out of the DPA/MIA.</li> </ol>
<b>Action / Follow Up</b>	To report back on input from consultation with faculty on new PIRL program options and replacement of existing Down Payment Assistance and Mortgage Interest Assistance loan programs.
<b>Previous Report Date</b>	September 30, 2014
<b>Decision</b>	The 2014 progress update on the Housing Action Plan (HAP) was presented. Administration was asked to report back after the second Faculty Homeownership program (FHOP) cycle had been completed.
<b>Action / Follow Up</b>	The 2014 progress update was provided as information.

<b>Previous Report Date</b>	September 2013
<b>Decision</b>	<p>Directed Administration to explore 2nd Mortgage Loan Program as alternative faculty home ownership program model, with better taxable benefit implications to participants than Capped Appreciation model.</p> <p>Directed Administration to consult with faculty on both program types, and the draft Eligibility, Allocation, and Occupancy Policies developed by the Faculty Housing Action Plan Policy Development Committee.</p>
<b>Action / Follow Up</b>	Report back to the Board on results of consultation
<b>Previous Report Date</b>	September 20, 2012
<b>Decision</b>	Adoption of the UBC Housing Action Plan (19 policies) for Vancouver campus, and its implementation steps.
<b>Action / Follow Up</b>	Report back to Board on Implementation progress.
<b>Previous Report Date</b>	June 12, 2012
<b>Decision</b>	For information. Summary results on most recent consultation. Key policy directions provided for discussion and feedback.
<b>Action / Follow Up</b>	
<b>Previous Report Date</b>	April 2, 2012
<b>Decision</b>	For information. Interim consultation report. Summary of consultation input activities between April 2011 and January 2012 and conveyed key themes to date.
<b>Action / Follow Up</b>	
<b>Previous Report Date</b>	February 2, 2012
<b>Decision</b>	For information. Chair of Community Planning Task Group provided highlights of recent consultation input, including video clips of speakers at the January 2012 forum. The report updated Board on other technical and consultation results to date, including the short list of options under consideration and the outline of the discussion paper that will be the focus of the community consultation in late March 2012.
<b>Action / Follow Up</b>	

<b>Previous Report Date</b>	December 1, 2011
<b>Decision</b>	For information. Chair of Community Planning Task Group provided update on the process including decision to extend community engagement phase.
<b>Previous Report Date</b>	Sept 27, 2011
<b>Decision</b>	For information. Update on Process – Summary of tour of peer universities, preliminary options under consideration and updated communications and engagement plan.
<b>Previous Report Date</b>	June 8, 2011
<b>Decision</b>	Resolution: that the Board endorses as circulated, the Guiding Principles for the UBC Vancouver Housing Action Plan.
<b>Previous Report Date</b>	Sept 27, 2011
<b>Decision</b>	For information. Update on Process – Summary of tour of peer universities, preliminary options under consideration and updated communications and engagement plan.
<b>Previous Report Date</b>	April 5, 2011
<b>Decision</b>	For information. Endorsement of work program outline and Guiding Principles.
<b>Previous Report Date</b>	Jan 13, 2011
<b>Decision</b>	<p>UBC Land Use Plan Amendments: Next steps. Resolutions (excerpts)</p> <p>3. Approved the UBC Land Use Plan Amendments and forwarded them for Ministerial adoption</p> <p>5.b) That the Board, subject to adoption of the Land Use Plan:</p> <p style="padding-left: 40px;">Amendments by the Minister of Community sport and Cultural Development, hereby directs staff to:</p> <p>Develop a Housing Action Plan to address housing choice and affordability for student, faculty and staff housing on campus, with an outline of the plan to be approved by the Board of Governors.</p>



## ATTACHMENT A:

## UPDATED HAP POLICY LIST WITH TRACKER CHANGES

**Faculty/Staff****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 up to 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 value. Other options to be counted as contributions toward this restricted faculty home ownership target:

- Active (outstanding) UBC Prescribed Interest Rate Loans (PIRL) advanced in support of purchase of a home on or off-campus anywhere within Metro Vancouver.
- Other Board-approved ownership support models for a home purchase on or off campus, as may be introduced from time to time.

**Policy 2**

To improve the ability of faculty and select staff to access the University's Housing-Down Payment 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.

**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.

**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.

**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~~ Rent-Geared-To-Income units with priority to staff with annual household incomes of less than ~~\$64,000~~ BC Housing Guidelines for similar programs, as amended from time to time. This pilot project will be developed in collaboration with UBC Properties Trust and brought back to the Board of Governors for approval.

UBC will also develop a supplementary version of the program for Faculty as a pilot project, subject to household income thresholds and parameters approved by the Board of Governors.

**Policy 6**

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

**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.

**Policy 8**

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

**Student Housing Program****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 17,300 ~~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.

**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 (studio units, 4-6 bedroom style units, and furnished and unfurnished 1, 2 and 3-bedroom units).

**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.~~ the following pricing principles and practices:

- covering all costs of operation including borrowing costs,
- self-supporting, fully cost-recovery basis,
- at or below market rental rates; relative to the local marketplace per CMHC data and peer university across Canada,
- More price variance will be explored between older and newer inventory by implementing variable rate increases over time under existing pricing principles,
- Maximum annual rent increase of any specific unit type will not exceed Higher Education Price Index (HEPI).

**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 ~~continue develop~~ on behalf of students to advocate for an advocacy strategy seeking greater housing allowance in Provincial financial aid programs for lower income students on student loans.

**Policy 13 – REMOVED**

~~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 – REMOVED**

~~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.~~

**Policy 15 – REMOVED**

~~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.~~

## **Plan Monitoring**

### **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.*

### **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.*

## Chronological Record of Consideration and Amendments to HAP Core Policies from Five-Year Review

Date	UBC Action/ Approval	Purpose and Description of changes to document.
February 15, 2018	Board of Governors Meeting  Pending Approval	<p>The following HAP core policy text amendments are presented for ratification consistent with accumulated Board direction during the course of the Five-Year Review of the HAP over several meetings between late 2016 and December 2017 (see Report Feb 6, 2018), or where obvious grammatical, program nomenclature updates are required to keep the core policies understandable in a 2018 context :</p> <ul style="list-style-type: none"> <li>• <b>Policy 1:</b> Addition of flexibility to also contribute towards this goal through the new PIRL faculty home ownership loan program, or other models as may be approved for this purpose in future (See Board directive #3 from the December 5, 2016 meeting record below)</li> <li>• <b>Policy 2:</b> “Housing Assistance Program” is changed to “Down Payment Assistance program” further to that program name change in December 2016;</li> <li>• <b>Policy 5:</b> “Non-profit rental” is changed to “Rent-Geared-to-Income program”; “\$64,000” is changed to “BC Housing Guidelines for similar program, as amended from time to time”; the following text is added ,”UBC will also develop a supplementary version of the program for Faculty as a pilot project, subject to household income thresholds and parameters approved by the Board of Governors.”</li> <li>• <b>Policy 6:</b> “3-bedroom” is replaced with “larger”;</li> <li>• <b>Policy 9:</b> “50% of the 2010 full-time student enrollment” is replaced with “17,300 beds”, a clearer and larger target.</li> <li>• <b>Policy 10:</b> Housekeeping clarification removes the reference to, “...the supply of student housing and...”, given supply expansion is more clearly addressed above it in Policy 9.</li> </ul>

		<ul style="list-style-type: none"> <li>• <b>Policy 11:</b> Further clarity and structure regarding student rental rates and increases is added by deleting: "...a self-supporting fully cost-recovery basis, and will operate in a fiscally responsible fashion to ensure rates are maintained at or below market rates.", and adding, <ul style="list-style-type: none"> <li>- "... covering all costs of operation including borrowing costs,</li> <li>- ... relative to the local marketplace per CMHC data and peer university across Canada,</li> <li>- More price variance will be explored between older and newer inventory by implementing variable rate increases over time under existing pricing principles,</li> <li>- Maximum annual rent increase of any specific unit type will not exceed Higher Education Price Index (HEPI)."</li> </ul> </li> <li>• <b>Policy 12:</b> Updated grammatical tense from future to continued and ongoing advocacy efforts;</li> <li>• <b>Policy 13, 14, 15:</b> The following HAP Policies were <u>deleted</u> given these commitments are now complete and do not require ongoing policy monitoring in future. <ul style="list-style-type: none"> <li>○ <b>Policy 13</b> ("To improve awareness of graduate student housing opportunities, the University, through SHHS, will review and adjust its communication and marketing strategy as needed.")</li> <li>○ <b>Policy 14</b> ("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")</li> <li>○ <b>Policy 15</b> ("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)</li> </ul> </li> </ul>
December 5, 2017	Five-Year Review - Phase 2 (Students and Staff) for Board of Governors. COMPLETED.	<p>HAP Policy #18 requires a comprehensive review by the Board of Governors every five years. The Phase 2 focused on the HAP policies affecting student and staff housing support.</p> <ul style="list-style-type: none"> <li>• Updated Review results are summarized in an Information report for discussion (See full Board Report).</li> <li>• Board is supportive of findings that all policies related to staff (Policies 3, 4, 5, 6, 7, 8) remain relevant and should remain in place. No substantive edits required – only minor title changes and clarification (listed in section above).</li> </ul>

		<ul style="list-style-type: none"> <li>Board is supportive of progress toward student policies (Policies 9 - 15). No concerns expressed with SHHS shared intentions to delete completed targets from list, nor with planned edits to further clarify expansion targets (Policy 9), and structure of rent rates and annual increase (Policy 11).</li> <li>Board is advised that following further discussion with students on precise wording, these and all other accumulated housekeeping edits will be brought to next meeting with final precise wording.</li> </ul>
June 14, 2017	Rent-Geared-to- Income pilot  Framework and Amendment  APPROVED	<ul style="list-style-type: none"> <li>Board of Governors approved a framework for implementing the Policy #5 pilot Housekeeping non-profit rental program, triggering the following Policy #5 housekeeping text clarifications:               <ul style="list-style-type: none"> <li>Reference to the \$64,000 eligibility cut-off level that was based on the BC Housing guidelines of the day and until 2016, is now changed to more simply reference the BC Housing Guidelines threshold as amended from time to time, for UBC's program eligibility threshold.</li> <li>Policy 5 reference to "non-profit rental" pilot is replaced with "Rent-Geared-to-Income" label, but program structure remains the same.</li> <li>Reference to a 10 spaces faculty pilot program is added to the 100 staff Rent-Geared-to-Income pilot program policy commitment.</li> </ul> </li> </ul>
December 5, 2016	5 Year Review - Phase 1  (Faculty) for Board of Governors.  COMPLETED.	<p>HAP Policy #18 requires a comprehensive review by the Board of Governors every five years. The Phase 1 focused on the HAP policies affecting faculty member housing support. It was conducted as a "10-Year Faculty Housing Implementation Strategy Update" towards achieving the HAP base policies, and the following priorities were approved at this meeting (See full Board Report link in Appendix 3):</p> <ol style="list-style-type: none"> <li>Commitments to enhanced UBC faculty rental program delivery in terms of increased pace of delivery on HAP rental targets, continuing to work with UBC PT on design, format and size range options responsive to recruiting and retention needs, and on waitlist priority adjustments to match recruitment and retention priorities.</li> <li>Introduction of a supplementary 10-spot Rent-Geared-to-Income component for Faculty as part of the Policy 5 pilot.</li> <li>Introduction of a Prescribed Interest Rate Loan (PIRL) program as an additional form of restricted faculty ownership support, with direction to Administration to prepare revised Policy 1 wording to accommodate this option.</li> </ol>

		<ol style="list-style-type: none"><li>4. Establishment of a Faculty Housing Assistance Financing Endowment (FHAFE)</li><li>5. Introduction of inflationary adjustments (from \$45,000 to \$50,000 after July 1, 2017) for the Down Payment Assistance option within the policy #2 "Housing Assistance Program.</li><li>6. Termination of the Mortgage Interest Assistance option within the Policy 2 "Housing Assistance Program".</li></ol> <p>Housekeeping amendments are required to the general explanatory sections of the HAP to ensure all references are up-dated to be consistent with the above.</p>
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Student Society  
of UBC Vancouver

## Submission to the UBC Board of Governors regarding the proposed changes to the UBC Housing Action Plan January 30<sup>th</sup>, 2018

Dear Board of Governors,

This submission is being made on behalf of the Alma Mater Society (AMS) of UBC Vancouver in response to the proposed policy text amendments to the UBC Housing Action Plan. The AMS has engaged with Campus and Community Planning, Properties Trust, and the Vice President Students Office over the past few months to discuss these changes.

The AMS is supportive of many of the proposed changes to the Student Housing Program policy targets such as the introduction of price variance between older and newer units, a cap on the annual rent increases for specific units, and the elimination of completed policies. However, the changes in their current form fall short by not addressing university related housing (units restricted to students, staff, or faculty), using a static student housing target, and not putting a cap on the average student housing price increases each year.

With the current Vancouver housing crisis, continually rising tuition prices, and expensive class room materials UBC is in a unique position to provide financial relief for students through greater student housing availability. Currently, this plan fails to address this by setting a static number, 17,300 beds (current build-out capacity), as the target goal for the Housing Action Plan. This number is both unambitious and will quickly become outdated if new housing opportunities are explored, as they ought to be.

Another major flaw in the current proposed changes is the failure to include one of the most important types of housing at UBC; university related housing (units restricted to students, staff, or faculty). Central, the newest addition on University Boulevard, is a great example of this type of housing. Although this housing does not have the same amenities as student housing, it does provide housing opportunities on campus for not just students but for staff and faculty too. Without the inclusion of university related housing, the Housing Action Plan is incomplete and does not adequately plan for housing at UBC.

We are disappointed that despite multiple consultation meetings the AMS was never provided the opportunity to view or comment on the final proposed changes before they were proposed to the Board of Governors. Attached to this submission is the AMS's Housing Action Plan report with recommended changes. We hope that the Board of Governors will request the responsible Executives to engage in further consultation with student leadership and to come back to the Board in April with a final revised Housing Action Plan.

Sincerely,

**Alan Ehrenholz**

President

AMS Student Society of UBC Vancouver  
[president@ams.ubc.ca](mailto:president@ams.ubc.ca)

**Max Holmes**

Vice President Academic and University Affairs  
AMS Student Society of UBC Vancouver  
[vpacademic@ams.ubc.ca](mailto:vpacademic@ams.ubc.ca)





## AMS Housing Action Plan Report

Prepared by Vice President Academic and University Affairs Office

### Status Updates:

Below are all student policies included in the Housing Action Plan (HAP), their status, and recommendations for future inclusion.

***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.***

Status: Complete. Student Housing and Hospitality Services (SHHS) has significantly expanded student housing to nearly 16 000 beds and will surpass 17 000 beds by 2021 with the inclusion of already approved and financed projects. However, there has recently been a decline in expansion and planned projects. Additionally, 50% of full-time student enrolment from 2010 is an inadequate target considering full-time student enrolment has expanded to nearly 40,000. Notably, an expansion in student housing to 50% of FTE counts for 2017 enrolment would not adequately supply the deficit based upon peak waitlist demand numbers.

Recommendation: The policy target be expanded to 70% of the current full-time enrolment, with student housing provided beds for 50% of the full-time enrolled students, while the remaining 20% of beds can be provided either through student housing or university related market rentals (units restricted to students, staff, or faculty). To adequately account for the availability to non-students, each university associated market rental bed should count as 0.50/bed, while student housing-provided beds count at a 1.0 ratio (e.g. 18 000 SHHS beds x 1.0 + 6 000 restricted market rentals x 0.50 = 21 000). Setting Policy 9 to the current build-out capacity or any static number would be poor planning, unambitious, and send a signal to students that the University does not take the current housing crisis seriously. Any housekeeping changes to HAP must include university related market rentals. Otherwise, we fail to consider university housing in a holistic manner. Recommended Policy:

***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 housing for students up to 70% of the current 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. Student Housing will aim to provide beds for 50% of full time enrolled students and the remaining beds for 20% of full time enrolled students will be provided either through student housing or university related market rentals (units restricted to***



*students, staff, or faculty). To adequately account for the availability to non-students, each university related market rental bed should count as 0.50/bed, while student housing provided beds count at a 1.0 ratio.*

***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).***

Status: On-going. While there are a greater variety of units currently offered, there are no definitive metrics or data available to determine whether this was successful. This means that while the construction of a studio unit may be greater per square foot than a quad unit, the rent does not reflect the increased utility and infrastructure costs. This, in effect, may lead to some unit types being subsidized by others. Further data is needed, however, to determine the extent of these discrepancies.

Recommendation: The goals outlined within this recommendation are likely still of interest. Therefore, we recommend keeping policy 10 in its current form, with only minor edits if necessary.

***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.***

Status: Continued completion. SHHS has benchmarked Vancouver market rentals using CMHC reports. Whether this is accurate benchmarking is another consideration, however, as the prices of student housing have been provided at or below these market rates.

Recommendation: Corollary commitments to the faculty and staff rent geared-to-income program should be provided to students as a rent geared-to-expenses, rent geared-to-debt, or rent geared-to-income. This would provide a transparent metric for student affordability, and allow for student housing costs to be integrated into a larger affordability framework at UBC. It is not recommended that this ratio be compared to market rates due to the differences between UBC housing and market housing elsewhere. Market housing elsewhere pays for the underlying land value while UBC doesn't pay for land value and UBC housing must account for greater borrowing costs compared to market housing elsewhere. Both UBC and the AMS agree there ought to be a cap to annual price increases for specific units; however, the AMS also supports a cap for the average price of all student housing units set at 2%.



To resolve the conflict between availability and cost, SHHS will engage in greater price variance between older and newer units by implementing variable rate increases over time. This would afford greater availability of on-campus units to students from lower socio-economic backgrounds by having their rents subsidized by those who are willing to pay additional costs in order to receive greater services and amenities. Recommended Policy:

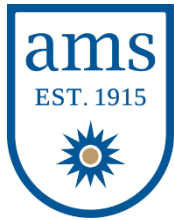
***Policy 11: To help address housing affordability concerns for students, the University will increase on-campus dedicated student housing supply, will continue to limit rental rates based on the following pricing principles and practices:***

- ***covering all costs of operation including borrowing costs,***
- ***self-supporting, fully cost-recovery basis,***
- ***below market rental rates***
- ***Pilot programs for rent geared-to-income, rent geared-to-expenses, or rent geared-to-debt will be explored***
- ***More price variance will be explored between older and newer inventory by implementing variable rate increases over time under existing pricing principles,***
- ***Maximum annual rent increase of any specific unit type will not exceed Higher Education Price Index (HEPI),***
- ***Maximum annual rent increases for all units on average will not exceed 2% of the current average price***

***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 continue on behalf of students to advocate for greater housing allowance in Provincial financial aid programs for lower income students on student loans.***

Status: Completed. While BC's student loan program did increase the shelter allowance, it did not increase the overall allowance. This has been a burden on UBC's current Bursary program. In 2014, following a 20% increase in costs for Winter Housing, a \$1.5M bursary was created separately to support student costs in residence, including the meal plan. However, this bursary has suffered from poor utilization because of its separation from alternative financial aid mechanisms. The original intent of this decision from student leaders was to enforce transparency and ensure that the financial aid was not simply used to fund existing financial aid programs. More discussions and information are likely required to resolve this, although repeated attempts at "awareness" campaigns have not improved access.

Recommendations: Further advocacy should be directed towards increasing the overall allowance, and be decided by student leaders and University administration. Additionally, the Student Housing Financial Aid pool should be tied directly to bursaries for student applicants to increase its utilization.



Student Society  
of UBC Vancouver

Policy 13, 14, 15 Recommendation and Status: We agree with UBC that these policies are either completed or no longer need to be included in the Housing Action Plan.

## Recommended Future Commitments:

A recent AMS survey found that a significant number of students live on campus—not through student housing—but through market rentals and purchased apartments in the Wesbrook Village. The Stadium Road Neighbourhood Plan, currently under development, will be a significant addition to the campus for the next century. As such, ensuring that the Stadium Road Neighbourhood is accommodating towards the long-term vision of the University, including student housing and campus culture, is essential.

Recommendation: Make the Stadium Road Neighbourhood Plan a more direct attempt to tie land usage to UBC beyond the incremental land lease revenue contributions made to the endowment and Student Housing Financing Endowment (SHFE). This could be achieved through university related rental units and the expectation that there will be a significant student population within those communities. Specific ratios as outlined in the HAP for faculty and staff should also be included for students. Further information from Properties Trust is needed to calculate the reduced land lease revenue for market rentals in comparison to sold condominiums and apartments.

## MEMORANDUM

TO: Board of Governors

FROM: Andrew Szeri, Provost and Vice-President Academic  
Louise Cowin, Vice-President Students  
Eric Eich, Vice-Provost and Associate Vice-President Academic Affairs  
Linda McKnight, Interim Vice-President Human Resources  
Andrew Parr, Managing Director Student Housing & Hospitality Services  
Lisa Colby, Managing Director, Housing & Relocation Services

DATE: February 5, 2018

RE: UBC Administration Report Addendum:

Response to AMS January 30, 2018 Submission to the UBC Board of Governors regarding the proposed changes to the UBC Housing Action Plan

### RECOMMENDATION

**IT IS HEREBY REQUESTED that the UBC Board of Governors:**

- 1. Approve the updated and consolidated Housing Action Plan core policy text amendments (revised Attachment A) reflecting adjustments supported during the course of the HAP 5-Year Review.**
- 2. Direct the Administration to further explore and report back on the implications and opportunities for introducing “University Rental” policy commitments in the HAP as described in the AMS submission January 30, 2018.**

### DISCUSSION

This memorandum provides additional information and replacement recommendations for Board consideration in conjunction with the January 19, 2018 Board report entitled *Housing Action Plan (HAP) – Housekeeping Consolidated Version Reflecting 5-Yr Review*. This memorandum is submitted in response to a Jan 30, 2018 letter submitted by the UBC AMS to the Board of Governors.

The AMS letter expressed concern that students were not adequately consulted and has requested deferral of consideration of the HAP policy text amendments until a future Board meeting in order to allow time to consider the following additional changes to Policy 9, 11 and 12:

- Policy 9: Increase the future SHHS housing target beyond the 17,300 total beds proposed, by changing the target instead to 70% of the student full time enrollment, and including introduction of required thresholds for the “University Rental” program in the Neighbourhoods.

- Policy 11: add two more items to the proposed price controls in this policy with supplementary commitments to a 2% cap on the average student housing price increases each year, and introduce the requirement in the HAP to explore a Rent-Geared-to Income (or Expenses, or Debt) pilot program.
- Policy 12: Supplement the University's commitment to continue to advocate for increases to the shelter allowance within the BC Loan program (already in Policy 12) with additional advocacy towards increasing the overall loan allowance, decided by student leaders and University Administration, and that the Student Housing Financial Aid pool be tied directly to bursaries for student applicants to increase utilization.

The Administration has carefully reviewed the AMS letter. Commentary and additional information on the consultation concern and each of the AMS requests for Policies 9, 11 and 12, is provided in Attachment B to inform Board discussion.

For reasons detailed in Attachment B, the Administration continues to recommend approval of the HAP policy text edits as originally crafted and shown on Tracker in Attachment A. However two changes to the Attachment A improve clarity for the reader:

- A new preamble sentence under the title in Attachment A now reminds the reader the Policy list is just an extract list of the formal policies themselves, but that the larger HAP booklet offers more explanatory background and narrative.
- The section subtitles in Attachment A separating the Faculty/ Staff support policies and the Student support policy sections have been removed to avoid giving the unintended impression that the market rental programs of Policy 3 are not available for use by students. In fact many occupants of market priced rental housing are students.

The Administration also recommends separate exploration of the AMS suggestion to introduce policy commitments to "University Rental" Housing for 20% of the student full time enrollment at a ratio of 2 University Rental beds per student. (Approximately 20,000 units/ beds). The suggestion would introduce considerable planning and financial considerations that should be carefully reviewed, with a report back to the Board. If desired following a deeper analysis, additional commitments with regard to University Rental can be added to the HAP by Board resolution at a later date.

The University and the AMS are aligned in the desire for more student housing and the University is committed to making the necessary investments to provide it.

**Attachment A:** Updated HAP Policy Extract List with Tracker Changes

**Attachment B:** Administration Response to AMS Letter Jan 30, 2018 RE: UBC HAP Policy Changes

**REVISED ATTACHMENT A:****UPDATED HAP POLICY LIST WITH TRACKER CHANGES**

These consolidated and updated policies comprise the latest formal Board approved commitments of the Housing Action Plan to Feb 15, 2018. They are extracted into one summary list here for quick reference. However, please see the full Housing Action Plan booklet for explanatory background discussion on these policies.

**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 up to 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 value. Other options to be counted as contributions toward this restricted faculty home ownership target:

- Active (outstanding) UBC Prescribed Interest Rate Loans (PIRL) advanced in support of purchase of a home on or off-campus anywhere within Metro Vancouver.
- Other Board-approved ownership support models for a home purchase on or off campus, as may be introduced from time to time.

**Policy 2**

To improve the ability of faculty and select staff to access the University's Housing-Down Payment 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.

**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.

**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.

**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~~ Rent-Geared-To-Income units with priority to staff with annual household incomes of less than ~~\$64,000~~ BC Housing Guidelines for similar programs, as amended from time to time. This pilot project will be developed in collaboration with UBC Properties Trust and brought back to the Board of Governors for approval.

UBC will also develop a supplementary version of the program for Faculty as a pilot project, subject to household income thresholds and parameters approved by the Board of Governors.

**Policy 6**

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

**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.

### **Policy 8**

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

## **Student Housing Program**

### **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 17,300 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.

### **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 (studio units, 4-6 bedroom style units, and furnished and unfurnished 1, 2 and 3-bedroom units).

### **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.

the following pricing principles and practices:

- covering all costs of operation including borrowing costs,
- self-supporting, fully cost-recovery basis,
- at or below market rental rates; relative to the local marketplace per CMHC data and peer university across Canada,
- More price variance will be explored between older and newer inventory by implementing variable rate increases over time under existing pricing principles,
- Maximum annual rent increase of any specific unit type will not exceed Higher Education Price Index (HEPI).

### **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 continue develop on behalf of students to advocate for an advocacy strategy seeking greater housing allowance in Provincial financial aid programs for lower income students on student loans.

### **Policy 13 – REMOVED**

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 – REMOVED**

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.

### **Policy 15 – REMOVED**



~~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.~~

## **Plan Monitoring**

### **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.*

### **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.*

**ATTACHMENT B****ADMINISTRATION RESPONSE TO AMS LETTER JAN 30, 2018****Administration Information Response Related to:**

The AMS letter expressed concern that students were not adequately consulted on HAP text amendments proposed to the Board for ratification following the 5 Year Review.

The AMS letter also requested additional text amendments to Policy 9, 11 and 12 as follows:

- Policy 9: Increase the future SHHS housing target beyond the 17,300 total beds proposed, by changing the target instead to 70% of the student full time enrollment, and including introduction of required thresholds for the “University Rental” program in the Neighbourhoods.
- Policy 11: add two more items to the proposed price controls in this policy with supplementary commitments to a 2% cap on the average student housing price increases each year, and introduce the requirement in the HAP to explore a Rent-Geared-to Income (or Expenses, or Debt) pilot program.
- Policy 12: Supplement the University’s commitment to continue to advocate for increases to the shelter allowance within the BC Loan program (already in Policy 12) with additional advocacy towards increasing the overall loan allowance, decided by student leaders and University Administration, and that the Student Housing Financial Aid pool be tied directly to bursaries for student applicants to increase utilization.

The Administration provides information context for these AMS suggestions followed by a recommendation course of action, to help inform Board discussion at its meeting February 2018.

**1. Consultation concerns:**

With respect to student related HAP Review interests, The University, via the Vice-President Students and Managing Director of SHHS met with the AMS and other student representatives (Board reps, Residence Hall Association and GSS) 4 times between September 2017 and January 2018 on this topic, including on January 17 to review the final draft of the HAP Board report.

All HAP policies affecting students were open for discussion. Proposed draft housekeeping wording changes for Policies 9 through 15 were also shared with students for feedback in this process. At that time one minor change was requested pertaining to the calculation of the 17,300 bed target (Policy 9). This wording change was implemented, as referenced in the first bullet on page 5 of the submitted Board docket. Open and transparent consultation took place from the University’s perspective. Conversation was robust and student input has shaped the changes to the HAP commitments. We were surprised by the AMS’ submission to the Board re. SHHS operated housing as the majority of the issues and recommendations contained in the AMS letter were not brought forward for discussion during our meetings with students.

However, observations and background for Board consideration on these newly identified student requests, is now provided in items 2-4 below. Associated recommendations with respect to each are also provided.

(It is also noted that with respect to the proposed updated language for faculty and staff related policies, the change to Policy 1 and 2 reflect a Board approval and direction from open session at the December 2016 meeting (including Prescribed Interest Rate Loan and Down Payment Assistance program changes, and the Policy 5 change reflects a Board approved decision from open session at the June 2017 meeting (approval of the Rent-Geared-to Income framework). AMS, Student board representatives and the general public have thus had opportunity to consider and address these issues at the time of those Board meetings. These text amendments are now put forward for ratification to allow the published policy materials to better align with the cumulative Board changes approved to date in earlier phases of the HAP review).

## 2. The future student housing target (Policy 9) :

### *SHHS Inventory*

The AMS letter statement that there are current nearly 16,000 student beds and that therefore a 17,000 target is unambitious and will quickly become outdated and surpassed by 2021, is mistaken.

In fact currently there are 11,800 SHHS beds on the Vancouver campus meaning the 17,300 bed policy goal is one which could deliver 5500 new SHHS beds past those in existence today. As stated on page 5 of the Board docket 17,300 beds represents 35% of the 2017 FT student enrolment. The SHHS accelerated growth plan hopes to deliver 3950 more beds for a total of 15,750 beds by 2023, still leaving room for further growth within the longer term HAP target of 17,300 beds. Policy 18 requires a comprehensive review of the HAP every 5 years; there will be opportunity at the next 5 year review in 2022/23 for the Board to consider whether to extend the 17,300 goal if needed at that time based on an updated assessment of needs and capacity.

The AMS Recommendation of committing to student housing for 70% of current full-time enrolment represents approx. 30,000 additional beds; comprising 50% by SHHS (22,000 beds in the Academic lands) and 20% from 'a new University Rental housing requirement (20,000 beds in the Neighbourhoods where each bed counts only as 0.5 bed to offset other groups competing for units in the University rental housing). Based on the current Campus and Land Use plans, 22,000 new SHHS beds would be an unattainable / unreasonable target from a land use, demand and financial perspective. From an investment perspective, the updated commitment from 16,500 beds (in the 2012 HAP Policy 9) to the 2018 amended commitment of 17,300 beds will cost \$100M (at 125K per bed). The AMS proposed 22,000 beds would cost \$687M.

❖ ***The Administration recommends that the Policy 9 text amendments as originally submitted with a goal for 17,300 beds be maintained as shown in Attachment A of this memorandum, for consideration by Board.***

*Other Inventory options and the request for “University Rental”*

The AMS also request adding reference in Policy 9 to a commitment to develop enough “University Rental” to house 20% of the student FTE at a ratio of 2 units per student (which would appear to be equivalent to 20,000 units for the current student full time enrollment year, and could presumably be more for future years). They have suggested Stadium Road Neighbourhood as a likely opportunity to deliver on this kind of a policy commitment. This request has significant land use, demand and financial implications.

Students currently have access to the following rental housing options in context of the existing HAP policies today:

- On-campus: SHHS operated rental with restricted access to students – on Academic campus lands. Supply expansion is encouraged through Policy 9 in the HAP. This portfolio is intended to offset shortage of supply of proximate affordable housing in the open rental market.
- On-Campus: UBC Properties Trust built and operated rentals in the Neighbourhoods portion of campus – all are market priced. Supply expansion is encouraged through Policy 3 in the HAP. There are two variations, and students are eligible for both.
  - Market rentals (open to all) in the Neighbourhoods, and heavily used by students.
  - Market-priced “University Rental” (open to students, faculty staff and others who work on campus first, before the general public). Heavily used by students (almost 100%).
- On-Campus: Private long-term leasehold units rented from private owners. (The university has no control over this supply).
- Off-Campus: Private units rented from private owners. The university has no control over this supply but realizes it has been diminishing for years. It is why SHHS targets and the supplementary UBC PT run rental opportunities exist and the supply expansion targets in Policy 3 and 9 were introduced in 2012.

If the Board wishes the Administration to explore formal student housing restrictions and obligations outside the SHHS portfolio, there may be additional administrative questions to be researched and considered as the policies are shaped. Also, if the Board wishes to consider supplementary supply commitments to “University Rental” of the scale suggested in the AMS submission, whether in the context of the Stadium Road Neighbourhood or other Neighbourhood lands, a careful analysis through appropriate processes would be required with Campus and Community Planning, UBC Properties Trust and Treasury, as well as other affected departments with interrelated program responsibilities such as Student and Hospitality Services and Housing & Relocation Services.

- ❖ ***The Administration therefore recommends that the implications and opportunities to include “University Rental” at an enhanced policy commitment level (rather than continuing to develop it as one discretionary market-priced option within the current Policy 3 goal), be explored separately from the remainder of policy amendments outlined in Attachment A of the memorandum, with report back to Board at a future meeting.***

### 3. Limits on the average SHHS price increases each year (Policy 11)

The Policy 11 text edits proposed in the January 19, 2018 Board report Attachment A introduced significantly more defined principles than the original 2012 HAP version of Policy 11, and the wording was created with input from various student groups including the AMS.

Supplementary requests now introduced in the January 30, 2018 submission by the AMS for SHHS housing are:

- Changing “at or below market” to “below market” and removing the reference to CHMC and peer university benchmarking;
- Seeking a policy commitment to exploring a pilot rent geared-to-income, - to-expenses or -to-debt program for students;
- Adding a clause about average annual rent increases not exceeding 2%.

While UBC and students are aligned with the principle of providing student housing as affordable as possible, the additional requested changes presented by the AMS in their January 30 2018 letter are too restrictive to be affordable by SHHS operations, and a number of the principles / practices are potentially in conflict with each other. For example, the AMS’ proposal about rent-geared-to-an external factor would likely be in conflict with the principle of self-supporting, full cost recovery financial performance. Finally, the 3 principles of 1) variable price changes 2) not to exceed HEPI on any single unit and 3) the average not to exceed 2% collectively could restrict our ability to cover costs and/or maintain a reasonable position in the marketplace (within Vancouver and among our peers across Canada).

❖ ***The Administration recommends that the Policy 11 text amendments as originally submitted in the Board docket and shown again in Attachment A to this memorandum, be maintained for Board consideration at the February 2018 meeting.***

### 4. Student Loan allowance / Student Housing Financial Aid (Policy 12):

The AMS January 30, 2018 submission recommends that the University’s commitment in Policy 12 to advocate for increases to the BC Loans program shelter allowance, should be supplemented with:

- Commitment to help advocate for an increase to the *overall* loan allowance, and to be decided by student leaders and University Administration.
- the Student Housing Financial Aid pool should be tied directly to bursaries for student applicants to increase its utilization.

The VPS and SHHS consider the HAP mission more suited to supporting advocacy for change to the housing allowance portion of the BC Student Loan program than it would be to recommending approval of the overall loan allowance.

❖ ***The Administration recommends that the Policy 12 text amendments as originally submitted in the Board docket and shown again in Attachment A to this memorandum, be maintained for Board consideration at the February 2018 meeting.***

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