

SUBJECT	THE UNIVERSITY COMMUNITY ON CAMPUS - HOUSING ACTION PLAN PILOT RENT-GEARED-TO-INCOME PROGRAMS FOR FACULTY AND STAFF
MEETING DATE	JUNE 14, 2017

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

**APPROVED FOR
SUBMISSION**



Santa J. Ono, President and Vice-Chancellor

DECISION REQUESTED	<p>IT IS HEREBY REQUESTED that <i>the UBC Board of Governors approve the implementation framework for pilot rent-geared-to-income programs as part of the Housing Action Plan for the Vancouver campus, generally consistent with the parameters outlined in the report:</i></p> <ul style="list-style-type: none"> <i>i. Faculty Temporary Rental Housing Support Program identified as part of the 10-Year Faculty Housing Strategy in 2016; and,</i> <i>ii. Staff Rent-Geared-to-Income Rental Housing Program approved in principle by the Board of Governors in 2012.</i>
Report Date	May 18, 2017
Presented By	<p>Angela Redish, Provost and Vice-President Academic <i>pro tem</i> Andrew Simpson, Vice-President Finance & Operations Lisa Castle, Vice-President Human Resources Eric Eich, Vice-Provost & Associate Vice-President Academic Affairs Peter Smailes, Treasurer Lisa Colby, Managing Director (Faculty Staff) Housing & Relocation Services</p>

EXECUTIVE SUMMARY

On February 14, 2017, the Board of Governors received research information on a proposed Faculty Temporary Rental Housing Support program for the Vancouver campus, and requested the Administration to report back with program implementation plan for approval.

The Board also directed focus onto staff housing challenges, and confirmed continued support for advancing the implementation of the Staff Rent-Geared-to-Income program approved in principle by the Board in 2012.

This report introduces a proposed implementation plan for both programs including the program objective, eligibility, tenant selection, unit allocation, funding source and rent calculation. Board feedback is invited on the proposed framework of these programs, as well as on other aspects of a planned staff Housing Action Plan (HAP) progress review in the Fall of 2017.

INSTITUTIONAL STRATEGIC PRIORITIES SUPPORTED

- ✓ Learning
- ✓ Research
- Innovation
- ✓ Engagement (Internal / External)
- International
- or ✓ Operational

DESCRIPTION & RATIONALE **1.0 Background***Strategic Context*

UBC is one of the top 20 public universities in the world, and one of its strategic objectives is to continue to build excellence. UBC must compete with other universities worldwide to recruit and retain outstanding faculty and staff, in one of the most challenging local housing markets in the world.

Purpose

The main purpose of this report is to advance a proposed implementation framework for two customized lower income rental housing pilot programs that would be integrated within the broader existing faculty-staff discount rental programs. These programs would cap rent at 30% of household income for the approved participants:

- Pilot Faculty Temporary Rental Support Program (10 spaces)
- Pilot Staff Rent-Geared-to-Income Rental Program (100 spaces).

These pilot programs form one small part of a larger UBC strategy to help mitigate housing as a recruitment and retention barrier. The staff RGI program was approved in concept by the Board of Governors as part of the overarching HAP for the Vancouver campus (approved in 2012), and the Faculty Temporary rental housing support program was identified as part of the 10-Year Faculty Housing Implementation Strategy (December 2016). The Board requested an implementation framework be brought forward.

Housing Action Plan (HAP)

In September 2012, UBC adopted its long-range HAP for students, faculty and staff at the Vancouver campus. Its long-range policies affect relative rates of inventory as neighbourhoods on-campus are built-out over the next 30 years. The policies are timeless and not affected by potential changes to density, being expressed in relative percentages. Policies range from minimum rental inventory percentage within the larger residential neighbourhoods, to rent level discount targets within the Village Gate Homes inventory, to home ownership support model pilots and targets, to design and early purchase access strategies, all of which are intended to help mitigate housing challenges in different ways.

The University is partway through implementing this strategy on a series of successive component and pilot launches, and provides annual updates to the Board of governors on HAP implementation progress each Fall.

Policy 18 of the HAP also required a more in-depth review every five years to confirm continued need, relevance and Board commitment to these overarching policies and targets of the HAP. This year is the 5th year since HAP adoption, and the 5-year progress review is underway.

5-Year HAP Review: Faculty Focus

The first phase of the 5-year review focussed on progress and effectiveness of faculty housing support policies. This part of the review resulted in recent approval

of the 10-Year Faculty Housing Implementation Strategy in December 2016. This strategy reinforced the HAP policies and further outlined a detailed road map for progress over the next 10 years to guide re-energized delivery of the HAP's long term inventory and support program targets. More specifically, the 10-Year Faculty Housing Strategy included new details of commitments between UBC PT and the University on the outlined rental enhancements and the timing and range of rental inventory expansion (capital) projects. It included collaboration from UBC's Treasury department to establish a Faculty Housing Financial Endowment fund to support a redesigned home ownership loan program for faculty. It also introduced a new support element for a small but strategically important niche group: the pilot Faculty Temporary Rental support program to be discussed further in this report. This pilot program would cap rent at 30% household income for up to 2 years for up to 10 strategically important new faculty members whose income threshold is under a minimum affordability level.

5-Year HAP Review: Staff Focus

The second phase of the 5-year HAP review is now commencing and will focus on staff. It includes, via this report, advancement of a proposed framework for a pilot staff Rent-Geared-to-Income (RGI) program approved in concept as part of the HAP (Policy 5). The RGI program would provide 100 program spaces for those staff households earning less than the BC Housing income threshold for subsidized housing which changes from time to time, and BC Housing is currently finalizing its 2017 Housing Income threshold housing (\$64,500 in 2016). The staff review will also include analysis of how the rest of the broader rental program expansion is working for staff recruitment and retention purposes, particularly in light of the re-prioritized rental waitlists. Additionally, over the summer, updated research, focus groups and analysis will be undertaken to see if other ideas can be proposed within financial constraints to help mitigate staff challenges in the local housing market. Findings will be brought forward in Fall for further discussion.

2.0 Pilot Program Summaries

Rental Market Context

The Metro Vancouver rental market is challenging given its limited supply of rental units and upward pressure on rental rates, especially in the City of Vancouver. In terms of the supply, the rental vacancy rates in Metro Vancouver and the City of Vancouver are less than 1%. An annual household income of approximately \$80,500 is required to afford a 2 bedroom rental unit in the City of Vancouver and \$65,500 for Metro Vancouver. The affordability and supply issues become even more severe when it comes to family-friendly rentals given only 1% of the purpose built rentals in Vancouver and 2% in Metro Vancouver are 3 bedroom and more units.

In this context, the UBC Faculty-Staff rental inventory, built by UBC Properties Trust and operated by its Village Gate Homes office, is a welcome refuge where faculty and staff can find reasonable quality, purpose-built apartments at rental rates 25%

lower than similar aged inventory elsewhere in the west side of Vancouver close to campus.

Even for those who can get into the VGH units, however, these units are still too expensive for some faculty and staff that the University needs to support further for recruitment and retention purposes. The two pilot programs outlined in this report evolved for this purpose.

A mid-level summary for each of the two proposed customized lower income rental housing pilot programs, their objectives, and eligibility and administration highlights is provided below. Further detail is also available in Attachments.

- Pilot Faculty Temporary Rental Support Program (Attachment A)
- Pilot Staff Rent-Geared-To-Income Program (Attachment B)

UBC Faculty and Staff Housing and Relocation Services (HRS) Office would work in collaboration with UBC Properties Trust to gradually phase the faculty and staff participants in the programs above, into the existing Village Gate Homes (VGH) housing inventory over 3 to 5 years, subject to the program demand and other wait-list pressures.

2.1 Summary: Faculty Temporary Rental Support Program

2.1.1 Program Description

A Faculty Temporary Rental Housing Support Program (TRHS) would aim to accommodate 5 participants in VGH rental apartment units in 2018 and 5 more in 2019, subject to demand, to a total of 10 participants over two years paying rent capped at 30% of their pre-tax household income. New spots would then only become available through attrition, such that a maximum of 10 participating households would be integrated throughout the inventory at any one time.

Screening rules for the Program include confirming financial need, plus faculty support and endorsement, and then a merit-based review and approval process adjudicated by the Provost's office. The approved applicants will be re-assessed annually for continued eligibility and the maximum period of support for the approved applicants will be 2 years unless an exception were granted by the Provost office, on the recommendation of the Dean of the Faculty.

2.1.2 Program Objective

The primary objective of this program is to ensure that Vancouver rental housing costs do not become a barrier to the strategic recruitment of promising talent particularly in those faculties where starting salaries are typically lower. This program will be extra helpful to the faculty members who may rely on a single source of income due to relocation, and experience challenges in balancing the repayment of student loans and childcare costs for young children.

This program is intended to help faculty members with their transition by providing a temporary rental housing support to a maximum of 2 years, rather than a long-term permanent housing solution. The reasons are:

- The faculty member’s salary generally increases over time;
- As the children grow past the age 5, the childcare cost is significantly reduced;
- The faculty member’s spouse, if any, likely can find an employment within 1- 2 years after relocating.

2.1.3 *Eligibility*

Eligibility for the Faculty TRHS program would be limited to UBC faculty members who:

- are full time tenure stream faculty
- have a gross household income no more than \$99,500 (2017) per annum and adjusted annually, see the table below for Housing Income Limits by housing type:

2 bedroom apartment	3 bedroom apartment
\$80,500	\$99,500

- have no more than \$100,000 in assets less the value of outstanding student loan(s).

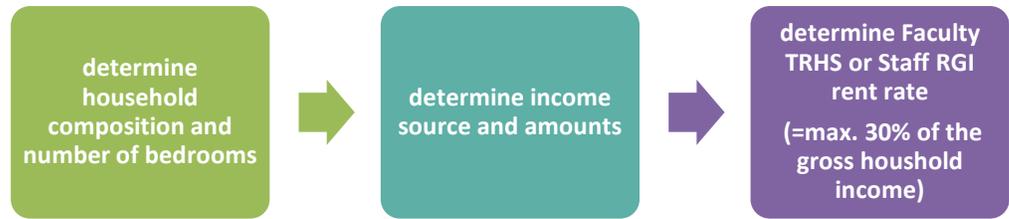
2.1.4 *Tenant Selection and Unit Allocation*

Participant selection would be merit-based, from the eligible applicants below the minimum household income thresholds. Application would be made to the UBC Housing & Relocation Services (HRS) office that provides administrative support, application receipt, documentation and processing for the program. Means testing will also be required as part of the eligibility confirmation process. No means testing information will be shared with UBC Properties Trust or Village Gate Homes (VGH). All strategic merit review of eligible faculty member candidates will be undertaken and approved by the Provost Office, based on endorsement rationale supplied through Deans.

A Faculty TRHS waitlist, separate from the VGH faculty and staff rental housing waitlist, will be established for future unit assignments. This waitlist will be created and administered by the UBC HRS office which will advise Village Gate Homes who is to occupy a Faculty TRHS unit. UBC would reserve the right to change the criteria for tenant selection on an annual basis or as needed.

2.1.5 *Program Rent Calculation*

The unit allocated to each approved participant will be based on the household composition as defined by the Canadian Mortgage Housing Corporation’s National Occupancy Standard. The rent for that unit charged to the approved participant in the program is calculated based on 30% of the participating faculty member’s gross household income. The income sources included in ‘household income’ for calculation purposes, will be consistent with BC Housing’s guidelines. Below is the process of determining the TRHS rent rates.



2.2. Summary: Staff Rent Geared to Income Program

2.2.1 Program Description

A staff Rent-Geared-to-Income (RGI) program will aim to create up to 100 RGI rental apartment units at a rent rate capped at 30% of the pre-tax household income. Up to approximately fifty (50) RGI units will be introduced in 2018, subject to discussion with UBC PT regarding waitlist absorption capacity and unit turnovers. Then approximately 25 additional units per year would be phased in over that year until the program reaches a steady state of 100 participating tenants integrated throughout the VGH inventory at one time. This phase-in would take at least 3 years.

Screening rules for the Program include confirming financial need and basic eligibility. The tenants for the 1st round units will be selected by lottery from all those participants in a pre-screened eligible pool; after that, the units will be allocated on a first-come first served basis.

2.2.2 Program Objective

The primary objectives of this program are to help the staff who are in need for affordable and suitable housing and ensure the rental housing does not become a barrier to recruit and retain staff. The maximum length of stay in the RGI units is 10 years.

2.2.3 Eligibility

Eligibility for the RGI program is limited to UBC staff who:

- Have a gross household income no more than \$64,500 (2016)¹ per annum, see the table below for Housing Income Limits by Housing Type

Bachelor/Studio/1 Bedroom apartment	2 bedroom apartment	3 bedroom apartment
\$42,500	\$52,000	\$64,500

- have no more than \$100,000 in assets
- who hold a full time ongoing position and have worked at UBC for at least 1 year or are term employees who have accumulated three or more years of continuous service (no break in service)

¹ The housing income limits for UBC staff RGI program are based on BC Housing’s guidelines. The quoted numbers in this report are based on 2016 figures and will be updated to 2017 figures once they are finalized by BC Housing,

2.2.4 Tenant selection and Unit Allocation

The selection process will be a combination of lottery, followed by first-come first served. The tenants for the first round of units introduced for the program in 2018 will be selected by lottery from a pool of eligible applicants. All eligible staff will be invited to submit an application by a pre-advertised deadline. Once the application deadline has passed, each applicant will be randomly assigned a computer-generated lottery number. These randomly assigned numbers from lottery will determine the order in which applicants will be reviewed and offered an RGI unit as they become available.

After that initial lottery, a staff RGI waitlist, separate from the VGH faculty and staff rental housing waitlist, will be established for future unit assignments. New applicants will be added to this waitlist in dated sequence, and participants will be approved on a first-come first served basis as spots in the program open up each year.

The RGI waitlist will be created and administered by the UBC HRS office that will advise Village Gate Homes who is to occupy an RGI unit. UBC would reserve the right to change the criteria for tenant selection on an annual basis or as needed.

Means testing will also be required as part of the eligibility confirmation process. No means testing information will be shared with UBC Properties Trust or Village Gate Homes (VGH).

2.2.5 Rent Calculation

Rent calculation method will be the same as the rent calculation method described above for the Faculty TRHS program (S. 2.1.5)

3.0 Staff Focussed HAP Progress Review in 2017

In addition to introduction of the pilot Staff Rent-Geared-to-Income rental program, the Administration is beginning a staff-focussed Housing Action Plan (HAP) progress review for report back to the Board of Governors in Fall 2017.

The staff review will include analysis of how the full spectrum rental program is working for staff recruitment and retention purposes, particularly in light of the re-prioritized waitlists. Additionally, over the summer, updated research, focus groups and analysis will be undertaken to see if other ideas can be proposed within modest financial constraints to help mitigate staff challenges in the local housing market.

BENEFITS While the University cannot provide enough funding to solve the challenges of the Learning, Research, Financial, Sustainability & Reputational competitive rental market in Metro Vancouver, these programs will make good progress in helping address the recruitment and retention challenges, provide the faculty members with a smoother transition, and support staff to work and live on campus.

Staff RGI and Faculty TRHS programs can also be beneficial in building positive relationships with faculty and staff by demonstrating the University's commitment to helping mitigate the housing market challenges for those whose salaries create even greater barriers.

RISKS There is significant strategic risk if the University fails to recruit and retain Financial, Operational & Reputational outstanding faculty and staff and is not able to create an outstanding work environment to ensure engagement and productivity.

There is also ongoing reputational risk if the University does not implement its commitments to rental housing support for faculty and staff in the HAP.

COSTS The applicant information support, screening and selection must be done by UBC, Capital & Lifecycle Operating thus requiring additional internal administrative and operational support and system setup to be arranged, or contracted out confidentially to be done by trained professionals and experts according to preset criteria described in Attachments A and B.

FINANCIAL The rental dividend cost of either pilot program compared to regular faculty-staff Funding Sources, Impact on Liquidity rental would be approximately the difference between the monthly Village Gate Homes faculty- staff rent for an appropriately sized unit for the family composition, and 30% of the faculty member's household income. And the cost depends on the distribution of units by bedroom within the staff RGI and faculty TRHS programs and the applicants' household income which can only be approximated at this time based on various assumptions.

To provide a high level cost estimate, the cost of the Staff RGI program at steady state (100 spots) is estimated to be approximately \$1.17million per year; the cost of the Faculty TRHS program at steady state (10 spots) is estimated to be approximately \$66,000 per year. For details, please refer to Attachment A and B. The program would take 3 to 5 years to reach steady state and no foregone revenue costs will occur until late Spring 2018 when the first participants will be phased in simultaneous to the launch of the next faculty staff rental apartment project (Pine and Cypress House).

The foregone revenue as a result of implementing an RGI or TRHS program compared with that anticipated revenue for regular faculty staff rental occupancy could be made up either through UBC agreement to accept correspondingly reduced annual rental dividend from UBC Properties Trust, or through UBC direct payment of the difference to UBC Properties Trust so that anticipated dividends are not affected.

Discussions regarding the best option are under discussion.

SCHEDULE
Implementation
Timeline

The target launch date for the pilot Faculty Temporary Rental Housing Support Program and the Staff RGI program will be Spring 2018 when its impact to the regular waitlist can be absorbed simultaneously with the announcement of the next large project, Pine and Cypress house (175 units).

- The faculty pilot program will take at least 2 years to fill, and on a rotation basis would never have more than 10 participants.
- The staff pilot RGI program would take at least 3 years to achieve full steady state participation of 100 participants in the larger VGH inventory at one time.

In the period between Board approval and May 2018 launch, additional implementation detail would be refined for both these programs, including application documentation, approved participant agreements, and establishment of the means-testing infrastructure and training whether internal or external, and communications regarding program launch.

The Administration will report back to the Board with results of the second stage 5-year HAP Progress review (focussed on staff) in November 2017.

CONSULTATION
Relevant Units,
Internal &
External
Constituencies

There was substantial consultation and support for the original HAP 2012 in which the rent-geared to-income program was discussed and approved in concept (a 100 unit pilot program).

The additional 10 space Faculty Temporary Support Rental program variation is in response to consultation input from Deans in a later stage of the process, during the development of the 10-Year Faculty Housing Strategy in 2016.

No further consultation on these programs is proposed, prior to their launch, although feedback from participants during implementation will be carefully collected and reviewed.

There has been internal collaboration and coordination with UBC Treasury, Provost Office, Human Resources and UBCPT will be maintained in support of this program.

The planned staff HAP progress review will be more technical in nature and would focus on an accounting of whether all HAP commitments that were the result of earlier heavy consultations have been introduced on-pace and in the spirit promised, whether participant or applicant interest shown in those programs to date is as expected, and will include further data analysis related to affordability, availability, recruitment and retention turnover figures. The proposed scope of consultation in this context will be limited to helping interpret and make use of these findings:

- Internal consultations with Human Resources staff and Departments
- Focus Groups with staff stakeholder groups

Depending on the findings of this level of review, Board feedback will be invited on whether deeper and broader staff consultation is warranted.

UBCPT COMMENTS

Complete for all reports that include a property component

Date of Review: 17 May 2017

Signed off by: Aubrey Kelly

UBCPT acknowledges the importance of these programs in achieving the goals of the UBC Housing Action Plan. The impacts on cash flow and dividend flow to the University will be refined through further discussion with UBC Treasury and others.

Attachment A: Pilot Faculty Temporary Rental Support Housing Program

Attachment B: Pilot Staff Rent-Geared-To-Income Program

Previous Report Date	February, 2017
Decision	Information update on 10 year faculty housing strategy was received by the Board
Action / Follow Up	To report back with implementation plan of Faculty Temporary Rental Housing Support Program together with the Staff program including Rent-Geared –to-Income.

Previous Report Date	November 20, 2016
Decision	10 year faculty housing strategy was approved by the Board.
Action / Follow Up	To provide information and seek approval. <ol style="list-style-type: none"> 1. Faculty Housing Assistance Financing Endowment (FHAFE) Terms of Reference will be provided for approval 2. The final Eligibility and Allocation Procedure Guidelines for Restricted Faculty Housing Program will be provided 3. The final wording for Policy 1 of the Housing Action Plan to accommodate new proposed PIRL ownership support program will be provided for approval.

Previous Report Date	February 2016
Decision	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.
Action / Follow Up	Information follow up to Finance Committee

Previous Report Date	December 3, 2015
Decision	The 2014/15 progress update on the Housing Action Plan (HAP) was received on the consent agenda.
Action / Follow Up	The 2014/15 progress update was provided as information only.

Previous Report Date	June 9, 2015
Decision	<p>Adoption of President’s Working Group recommendations to:</p> <ol style="list-style-type: none"> 1. Close the Restricted Capped Appreciation program option and make any consequential amendments to HAP documents; 2. Confirm continuation of 2nd Mortgage Loan option for duration of 3 year pilot; 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"> • Recruitment and retention of world class faculty; • Incentivize faculty to live on campus; • Tax efficiency and effective use of capital; • Improve faculty ability to choose location and type of property; • Support acquisition of home ownership without creating a long-term entitlement. 4. Direct the Administration to consider and consult on phase-out and replacement of the Down Payment Assistance and Mortgage Interest Assistance loans; 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.
Action / Follow Up	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.

Previous Report Date	September 30, 2014
Decision	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.
Action / Follow Up	The 2014 progress update was provided as information.

Previous Report Date	September 2013
Decision	<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>
Action / Follow Up	Report back to the Board on results of consultation
Previous Report Date	September 20, 2012
Decision	Adoption of the UBC Housing Action Plan (19 policies) for Vancouver campus, and its implementation steps.
Action / Follow Up	Report back to Board on Implementation progress.
Previous Report Date	June 12, 2012
Decision	For information. Summary results on most recent consultation. Key policy directions provided for discussion and feedback.
Previous Report Date	April 2, 2012
Decision	For information. Interim consultation report. Summary of consultation input activities between April 2011 and January 2012 and conveyed key themes to date.
Previous Report Date	February 2, 2012
Decision	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.
Previous Report Date	December 1, 2011
Decision	For information. Chair of Community Planning Task Group provided update on the process including decision to extend community engagement phase.

Previous Report Date	Sept 27, 2011
Decision	For information. Update on Process – Summary of tour of peer universities, preliminary options under consideration and updated communications and engagement plan.
Previous Report Date	June 8, 2011
Decision	Resolution: that the Board endorses as circulated, the Guiding Principles for the UBC Vancouver Housing Action Plan.
Previous Report Date	Sept 27, 2011
Decision	For information. Update on Process – Summary of tour of peer universities, preliminary options under consideration and updated communications and engagement plan.
Previous Report Date	June 8, 2011
Decision	Resolution: That the Board endorses as circulated, the Guiding Principles for the UBC Vancouver Housing Action Plan.
Previous Report Date	April 5, 2011
Decision	For information. Endorsement of work program outline and Guiding Principles.
Previous Report Date	Jan 13, 2011
Decision	<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>

Faculty Temporary Rental Housing Support Program

May 19 2017

DRAFT

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1. Background

To support the University's strategic recruitment and retention priorities, a 10-year Faculty Housing Strategy was approved by the Board of Governors in December 2016. Part of the strategy is to support faculty members' needs for rental accommodation. A review of Human Resources salary data, combined with some estimates on household composition and frequency of other income sources suggests that a fairly small number of faculty would fall into the category of needing assistance with on-campus rental rates due to a combination of low salaries, young children needing extra bedrooms, childcare costs, and student loans.

The findings of this research were shared with Deans and the Board of Governors. Ensuing discussion suggested that, while small, a strategic subset of this group should be supported if it could help bridge an unusual barrier at the junior faculty level in some Faculties. The Board of Governors has requested the Administration to bring forward a Faculty Temporary Rental Support program to provide rent at 30% of their household income for faculty in addition to the staff program.

2. Program Description

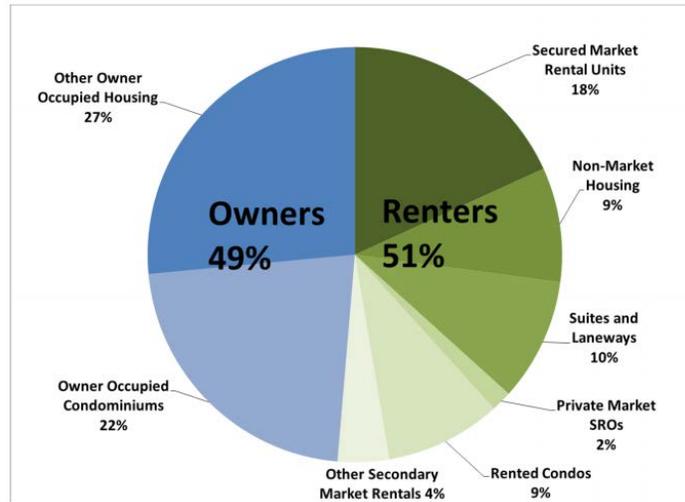
The Faculty Temporary Rental Housing Support Program (TRHS) will aim to provide 5 rental apartment units in 2018 and 5 units in 2019 to a total of 10 units at a rent rate capped at 30% of the pre-tax household income, subject to unit turnover and balancing other wait list pressures. Faculty and Staff Housing and Relocation Services (HRS) will work in collaboration with UBC Properties Trust to incorporate those units into the existing Village Gate Homes (VGH) housing portfolio, subject to the program demand.

Screening rules for the Program include means testing to confirm financial need, faculty support and endorsement, and merit-based review and approval process adjudicated by the Provost office.

3. Program Objectives

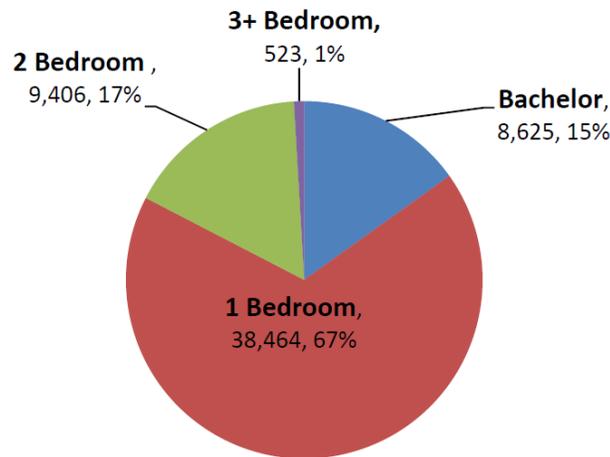
Vancouver's rental market is challenging given its limited supply and upward pressure on prices. In terms of the supply, the City has a very low rental vacancy rate consistently at below 1 per cent. Only 18% of the City's housing inventory (estimated 283,916 units in 2016) is secured purpose-built rentals, while 23% are privately-owned, which tend to have no secured tenure and higher rental rates (Chart 1). Among the purpose-built rentals, only 18% consist of 2 bedroom and 3 or more bedroom units suitable for families (Chart 2).

Chart 1: City of Vancouver Housing Inventory, 2016



Data source: City of Vancouver, CMHC

Chart 2: bedroom breakdown of purpose-built rental apartments in Vancouver, 2016



Data source: City of Vancouver, CMHC

Table 1: Purpose-built Apartments Rental Vacancy Rates by the number of bedrooms, City of Vancouver, 2016

Number of Bedrooms	Bachelor	1 bedroom	2 bedroom	3 bedroom
Vacancy Rate	0.8%	0.8%	0.9%	1.2%

Data source: CMHC Rental Market Report, Oct 2016

Table 2: Rents and Income Required in the City of Vancouver

Type of Rentals	Average Rent	Annual Household Income Required
1 bedroom purpose-built rental apt	\$1,268	\$50,720
1 bedroom privately-owned condo	\$1,625	\$65,000
2 bedroom purpose-built rental apt	\$1,757	\$70,280
2 bedroom privately-owned condo	\$2,256	\$90,240
3 bedroom purpose-built rental apt	\$2,105	\$84,200
3 bedroom privately-owned condo	\$2,870	\$114,800

Data source: CMHC rental market report, Oct 2016

UBC faculty salaries vary significantly across the faculties and ranks. Salary differences are driven by the market demand and discipline-specific salary benchmarks and do not necessarily reflect the strategic importance of the faculty member to the University mission.

The table below shows the affordability challenge the tenure stream faculty members are likely facing in the current Vancouver rental market assuming the faculty members rely on a single source of income. Please note that some of these individuals may have a second income source other than the salary paid by UBC, either through other agencies or through their spouses. In the latter regard, this may be an issue particularly in the 1-2 years after relocation to UBC to provide spouses (if any) with the time to find employment.

Sample Tenure Stream Faculty Salary ¹	Number of People in this range	Affordability Challenge in the City of Vancouver (assuming a single-income household)
\$75,000-\$90,000	Approx. 65	<ul style="list-style-type: none"> Likely can afford a 2 or 3 bedroom purpose-built unit Likely cannot afford a 2 or 3 bedroom privately-owned unit
\$90,000-\$114,000	Approx. 280	<ul style="list-style-type: none"> Likely can afford a 2 bedroom unit (both purpose-built and privately-owned) or a 3 bedroom purpose-built unit in Vancouver Likely cannot afford a 3 bedroom privately-owned unit

Faculty members may be able to find more affordable rentals outside the city of Vancouver but will need to commute at a longer distance, and the savings in rents are somewhat offset by the increase in transportation costs and loss of productivity.

In terms of housing suitability, at least 66%² of the tenure stream faculty required 2 bedroom or more units based on the National Occupancy Standard (NOS) and 2016 Faculty and Staff Housing Demand Survey.

¹ As of Oct 1 2016, Vancouver campus only

² 10% of the tenure stream faculty reported that they had 1 member in the household, 24% had 2 members and 66% had 3 or more members.

The primary objective of the program is therefore to ensure that Vancouver rental housing costs do not become a barrier to the strategic recruitment of promising talent in those faculties where salaries are typically lower. This program will be particularly helpful for those who may rely on a single source of income due to relocation, and experience challenges in balancing the repayment of student loans and childcare costs³ for young children.

This program is intended to help faculty members with their transition by providing a temporary rental housing support, rather a long term permanent housing solution. The reasons are:

- The faculty member’s salary generally increases over time;
- As the children grow past the age 5, the childcare cost is significantly reduced;
- The faculty member’s spouse, if any, likely can find an employment within 1- 2 years after relocating.

The approved applicants will be re-assessed annually and the maximum period of support for the approved applicant will be 2 years unless an exception were granted by the Provost office, on the recommendation of the Dean of the Faculty.

4. Eligibility

Eligibility for the Faculty TRHS program is limited to UBC faculty members who:

- are full time tenure stream faculty
- have a gross household income⁴ no more than \$99,500 (2016) per annum, see the table below for Housing Income Limits⁵

2 bedroom	3 bedroom
\$80,500	\$99,500

- have no more than \$100,000 in assets⁶ less the value of outstanding student loan(s).

5. Tenant Selection and Unit Allocation Process

Tenant selection will be administered by the Housing and Relocation Services (HRS) office and access to this program will be merit-based. All eligible faculty members will be adjudicated and approved by the Provost’s office on the recommendation of the Dean of the Faculty, based on merit annually. The approved faculty members will access the VGH rental apartments based on the priority described as follows.

Given the limited number of participant spaces available, if necessary a waitlist will be created and administered by the HRS office. The HRS office will advise Village Gate Homes (VGH) the names of the

³ The childcare cost at UBC Child Care Services for children under the age of 5 ranges from \$995 – \$1,550 per month per child. Before & After School Care cost for children from Kindergarten to 12 year Olds is about \$400 per month per child.

⁴ Please refer to the subsidy section for the definition of household income

⁵ Based on the CMHC average rent for purpose-built and privately- owned rental units in the City of Vancouver.

⁶ Please refer to Appendix 1 for the definition of Assets

next participant to occupy a Faculty TRHS unit. UBC reserves the right to change the tenant selection criteria on an annual basis or as needed.

6. Funding Source

The rental dividend cost of either pilot program compared to regular faculty-staff rental would be approximately the difference between the monthly Village Gate Homes faculty- staff rent for an appropriately sized unit for the family composition, and 30% of the faculty member’s household income. The cost will depend on the distribution of units by bedroom within the Faculty Temporary Rental Housing Support programs and the applicants’ household income which can only be approximated at this time based on various assumptions.

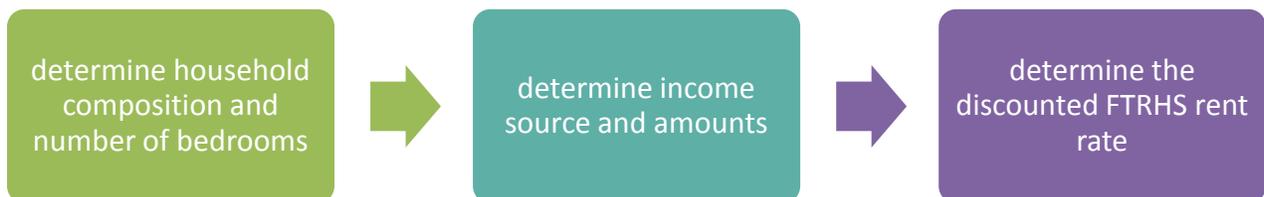
To provide a high level cost estimate of Faculty TRHS program, a lower salary of a tenure stream faculty (\$75,000) and an average size of a Faculty TRHS unit is 1,010 square feet (based on the sizes of 2 and 3 bedroom units in the existing VGH inventory) were used. The rent per square foot cost is also \$2.40, at steady state (10 spots) the cost of the Faculty TRHS program is estimated to be approximately \$66,000 per year.

The foregone revenue as a result of implementing a TRHS program compared with that anticipated revenue from regular faculty staff rental occupancy, could be made up either through UBC agreement to accept correspondingly reduced annual dividend from UBC Properties Trust, or through UBC direct payment of the difference to UBC Properties Trust so that anticipated dividends are not affected. Discussions regarding the best option are under discussion.

7. Participants Distribution and Location

All FTRHS participants will be assigned to apartments distributed throughout the VGH rental portfolio; no one VGH building will be expected or responsible to carry a disproportionate burden of the Faculty TRHS rental units over and above other VGH developments.

8. Rent or Subsidy Calculation



Determining Household Composition and Number of Bedrooms

Housing suitability refers to whether a private household⁷ is living in suitable accommodations according to the National Occupancy Standard (NOS); that is, whether the dwelling has enough bedrooms for the size and composition of the household. A household is deemed to be living in suitable accommodations if its dwelling has enough bedrooms, as calculated using the NOS.

Subject to availability, the Faculty TRHS program will ensure that faculty will be provided suitable housing with enough bedrooms for the size and make-up of their households according to NOS requirements. Enough bedrooms based on NOS requirements means one bedroom for:

- each cohabiting adult couple;
- each lone parent;
- unattached household member 18 years of age and over;
- same-sex pair of children under age 18;
- and additional boy or girl in the family, unless there are two opposite sex children under 5 years of age, in which case they are expected to share a bedroom.

A maximum of two persons per bedroom would be permitted. An exception to the above consisting of one individual living alone. Such a household may live in a studio apartment or may occupy a bachelor unit if such were available.

Faculty TRHS units will be allocated in accordance with the NOS requirements, see the table below for some of the common examples:

Household Composition Examples	Unit Type
Single Adult	Studio or 1 Bedroom
Adult Couple	1 Bedroom
2 Single Adults (non-cohabitating)	2 Bedroom
Single or Adult Couple with 1 child (full or shared custody)	2 Bedroom
Single or Adult couple with child(ren) over 18 (full or shared custody)	1 bedroom + 1 bedroom for every child over 18
Single or Adult couple with 2 opposite sex children under 5 (full or shared custody)	1 bedroom + 1 bedroom to be shared by the children
Single or Adult couple with 2 same sex children 18 years or younger (full or shared custody)	1 bedroom + 1 bedroom to be shared by the children
Single or Adult couple with 2 opposite sex children over 5 and under 18 (full or shared custody)	1 bedroom + 1 bedroom for each opposite sex child over the age of 5
Single or Adult couple with 2 same sex children under 18 and 1 opposite sex child (full or shared custody)	1 bedroom + 1 bedroom to be shared by the same sex children + 1 bedroom for the opposite sex child

⁷ Private household refers to a person or group of persons who occupy the same dwelling and do not have a usual place of residence elsewhere in Canada or abroad.

As household composition can change over time, the tenants are required to advise HRS office in writing regarding such changes in a timely manner. Every effort will be made to accommodate households per the unit allocation outlined above subject to the inventory availability.

“Over-housing” will be defined as a situation where a household has more bedrooms than required per the criteria outlined in the table above and “under-housing” where a household requires more bedrooms per the criteria outlined in the table above. UBC, the HRS office, and VGH will not be responsible for any costs associated with a Faculty TRHS tenant’s move as a function of over housing or under housing per the NOS requirements.

If an existing Faculty TRHS tenant is required to move to a smaller Faculty TRHS unit as they have been notified in writing by the HRS office that they are over-housed and they refuse to do so within the timeframes provided, their unit will be removed from the Faculty TRHS portfolio and they have the option of either renting the unit they are in at VGH F&S rental rate for a comparable unit or vacating the unit. If the tenant chooses to vacate the unit the tenant notification period of 1-month notice applies, plus liquidated damages if within the 1st year of tenancy.

Determining income sources and amounts

The household gross (pre-tax) income will be defined to include all sources for each household member 19 years of age and older. See appendix E Income Sources for a list of what to include and exclude for household gross income calculation.

Include as income:

- Income assistance
- Employment, including regular overtime, vacation pay and gratuities
- Child support, maintenance payments or support from family/friends/community
- Self-employment, including commission sales
- Seasonal employment
- Employment Insurance and WorkSafe BC insurance
- Training allowances
- Income from the Resettlement Assistance Program
- Rental income from real estate or dividends from stocks or bonds
- Pension incomes including:
 - Old Age Security, Guaranteed Income Supplement, Allowance, and Allowance for the Survivor (formerly Spousal Allowance)
 - Senior’s Supplement
 - Private pension plans including Registered Retirement Income Funds
 - Canada Pension Plan — including retirement, disability, orphans, widows, disability for child, etc.
 - War Veteran’s Allowance and Disability Pension from Veteran’s Affairs Canada
 - Foreign Pensions

Exclude as income:

- Earnings of dependent children aged 18 and under (regardless of student status)
- Student loans, equalization payments, student grants and scholarships
- Taxable benefits, including living out or travel allowances, medical coverage, uniform allowance, etc.
- Canada Child Tax Benefits, including the National Child Benefit Supplement, Child Disability Benefit, BC Family Bonus, and BC Earned Income Benefit
- Universal Child Care Benefits
- BC Childcare Subsidy
- Income from foster parenting
- Child in Home of Relative and Extended Family Program
- Income from approved live-in care givers

Determining the Faculty TRHS rent rate

The Faculty TRHS rent for an approved faculty member will be capped at no more than 30% of their gross household income. The maximum Faculty TRHS rent that a Faculty TRHS tenant will pay will be the lesser of the Faculty TRHS discounted rent or the rent for a comparable faculty and staff (F&S) unit charged by VGH.

For example, if VGH typically rents a 2 bedroom F&S unit at \$2,245 a month, and a faculty member’s household income is determined by HRS to be \$100,000 dictating a monthly rent of \$2,500 a month, the faculty member will pay the lesser of the two amounts, in this case the rate is \$2,245/month, and their unit will no longer be considered as part of the Faculty TRHS portfolio.

Annual Gross Household Income	Monthly Gross Household Income	Monthly Faculty TRHS Rent (=30% Gross Household Income)
\$110,000	\$9,167	\$2,750
\$105,000	\$8,750	\$2,625
\$100,000	\$8,333	\$2,500
\$95,000	\$7,917	\$2,375
\$90,000	\$7,500	\$2,250
\$85,000	\$7,083	\$2,125
\$80,000	\$6,667	\$2,000
\$75,000	\$6,250	\$1,875
\$70,000	\$5,833	\$1,750
\$65,000	\$5,667	\$1,700
\$60,000	\$5,000	\$1,500

Apartment Type	Current VGH F&S Rental Rates 2017	Average VGH F&S Rental Rates 2017	Income Required to Afford Rents
1 bedroom	\$1,387-\$1,805	\$1,596	\$63,840
2 bedroom	\$1,766-\$2,724 ⁸	\$2,245	\$ 89,800
3 bedroom	\$2,400-\$2,923	\$2,662	\$106,460
4 bedroom	\$3,425-\$3,567	\$3,496	\$139,840

9. Supporting Documentation

Applicants will be required to demonstrate that their gross household income is within the benchmark threshold at the time their application is received. Proof of income and assets are required to be approved for this program. Should a tenant of a Faculty TRHS unit fail to provide the necessary income documentation by October 1 as required, their monthly rental rate for November of that year will be adjusted to the market rental rate for a comparable unit within VGH's F&S rental portfolio, as determined by the HRS office. The tenant's rental rate will continue to be at the VGH's F&S rental rate until such time that the HRS office has received the necessary income documentation and set the new Faculty TRHS rental rate which will be effective the month that follows the decision by the HRS office.

10. Timing of Rent Setting

The HRS office will notify VGH no later than 7 business days prior to November 1st as to what a Faculty TRHS tenant's rental rate will be for the following twelve months. The HRS office will not share any personal financial information of the faculty member with VGH.

Faculty TRHS participants will be subject to income testing to establish their gross household income at move-in and then subsequently in October of every year. Income information will be provided to the HRS office on October 1st or the first business day thereafter. Rental rates will be calculated by the HRS office for the period beginning November 1 of the same year through October 31 of the following year.

11. Economic Re-assessment

At the time of the annual review in October of any given year, should a Faculty TRHS tenant's gross household income be determined to have increased so that they no longer meet the benchmark thresholds they will be provided written notification from the HRS office indicating they will have 3 months to rent at the existing Faculty TRHS rate after which time the unit will be removed from the Faculty TRHS portfolio and they have the option of renting the unit they are in at VGH's F&S rate for a comparable unit or vacating the unit. If the tenant chooses to vacate the unit the tenant notification period of 1 month applies plus liquidated damages if within the 1st year of tenancy.

⁸ 80% of 2 bedroom or 2 bedroom plus den units in VGH inventory are within \$1,766 - \$2,300; 20% are within \$2,301-\$2,723, and all of them are located in the newest development Webber House.

12. Tenancy Agreements

Tenancy agreements will be signed between the appropriate faculty member and VGH. The tenancy agreements are fixed term leases and can be renewed to a maximum of 2 years.

Tenant's Content Insurance

All faculty who participate in the Faculty TRHS program will be required to obtain liability & content insurance and keep such insurance in good standing through the term of their tenancy. Evidence that their content insurance is in good standing must be provided along with their income verification documentation on October 1st or the first business day thereafter. Failure to keep their content insurance in good standing will result in a termination of the VGH tenancy agreement and faculty TRHS program.

Tenant sub-letting

All faculty who are renting a Faculty TRHS unit are not permitted to sub-let their unit for any reason.

Terminating a Tenancy

Should a Faculty TRHS participant terminate their tenancy within the fixed term and liquidated damage in the amount of \$1,000 will be due to VGH. After the fixed term has expired the tenant must provide VGH with one months- notice prior to terminating their tenancy agreement, failure to do so will result in a tenancy termination fee equivalent to one month's rent (at the Faculty TRHS rate).

Life Events

Certain life events such as death of the faculty member who holds the Faculty TRHS tenancy agreement and divorce or separation with their spouse/partner can occur. In the event of death of the faculty member the household will not be able to continue with the Faculty TRHS tenancy agreement and will be required to vacate the unit within 6 months of the date of the death of the faculty member. In the case of a faculty members divorce or separation with their spouse/partner the faculty member will be able to continue with their Faculty TRHS tenancy and may be required to move into a suitable unit in accordance to the National Occupancy Standard (NOS); however, the spouse/partner will have no right to assume the Faculty TRHS tenancy if the faculty member decides not to continue to live in the Faculty TRHS unit.

When a divorce or separation with their spouse/partner applies and the faculty member will remain in the Faculty TRHS inventory, the HRS office will re-calculate the faculty member's household income and subsequent Faculty TRHS monthly payment only once a fully executed legally binding separation agreement or a Court order granting a divorce is provided.

13. Taxable benefit

The Faculty TRHS program provides UBC faculty with an economic benefit from their employer as VGH is a subsidiary of UBC Properties Trust which is owned by UBC. Income tax law stipulates that if any assistance is provided to an individual in connection with their office or employment for the use of a residence then a taxable employment benefit has been received. The taxable benefit that a Faculty TRHS

tenant receives will be calculated by UBC who will withhold income tax from an employee's payroll and remit said tax to Canada Revenue Agency for each applicable pay period.

Generally speaking the taxable benefit will be the difference between the Faculty TRHS rent and the market rental for a comparable unit as determined by UBC's Treasury department and will be deducted directly from each paycheque.

14. Faculty TRHS program review

The Faculty TRHS program will be reviewed at any time as directed by the UBC Board of Governors or every 5 years from adoption or when it was last reviewed. A recommendation to increase the gross household income threshold by, at a minimum, provincial CPI over the applicable window of time since the last review was completed, will be forwarded to the UBC Board of Governors for their consideration.

Appendix 1. Assets

Please refer to the list of asset types below to determine if they should be included or excluded for rent calculation purposes. For asset types not identified below, please contact HRS office.

Include as assets:

- Cash in bank or on hand
- Tax-Free Savings Accounts
- Equity in real estate (net of debt), stocks/bonds
- Term deposits
- Mutual funds
- Business equity (equity value in private incorporated company of cash, GICs, bonds, stocks or real estate held by a company)

Exclude as assets:

- Vehicles
- Personal effects; e.g., jewelry, furniture
- Registered Education Savings Plans, Registered Retirement Savings Plans, Registered Disability Savings Plans; if converted to a Registered Retirement Income Fund, the monthly income generated will be included as pension income
- Trade and business tools essential to continue current employment; e.g., farm equipment
- Bursaries or scholarships from educational institutions for any household member who is currently a student
- Trust funds from settlements (Insurance Corporation of BC, insurance for injuries); monthly income generated by trust funds will be included as income
- Trust fund with set monthly income (include as income)
- Asset Development Accounts (savings programs designed to help individuals achieve savings for future self-sufficiency); exclude these assets while the resident is participating in the asset development account program
- Assets derived from compensatory packages from government (e.g., Indian Residential School Settlements and Japanese Canadian Redress)

Staff Rent Geared to Income Rental Program

May 19 2017

DRAFT

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1. Background

UBC's *Housing Action Plan* (HAP) was adopted on September 20, 2012 by the UBC Board of Governors. Comprised of 19 policy statements relating to faculty/staff housing, student housing, and plan monitoring; the HAP is a strategic initiative intended to improve housing choice and affordability on campus. Specific to the Rent Geared to Income (RGI) program, Policy 5 of the HAP states:

Policy 5: To help address the challenges of lower income employee groups in accessing housing on campus, UBC will develop a pilot project of up to 100 non-profit rental units with priority to staff with annual household incomes of less than \$64,000. This pilot project will be developed in collaboration with UBC Properties Trust and brought back to the Board of Governors for approval.

To support the University's strategic recruitment and retention priorities, a phased approach is being taken to address faculty and staff housing challenges. Phase 1 focuses on the full-time faculty. As a result, a 10-year Faculty Housing Strategy was approved by the Board of Governors in December 2016. The phase 2 is to review and update housing support for the broader UBC community including staff. The RGI program for staff is an important part of the staff housing support. This document provides program implementation details. The UBC Board of Governors has also requested the Administration to bring forward an RGI program for faculty in addition to the staff program. These details are provided under a separate cover in the Faculty Temporary Rental Housing Support Program document.

2. Program Description

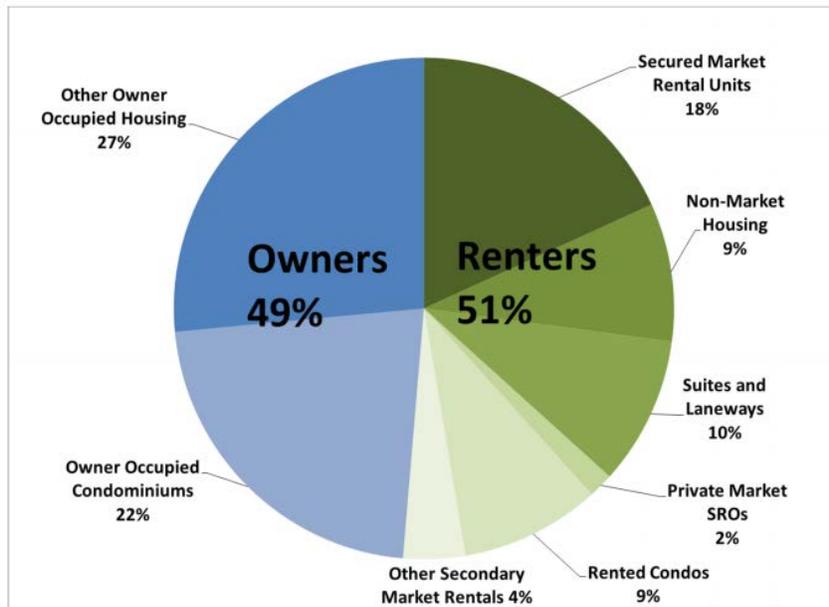
A staff Rent-Geared-to-Income (RGI) program will aim to provide up to 100 RGI participants, access to rental apartment units at a rent rate capped at 30% of the pre-tax household income. Approximately fifty (50) RGI participants will be accommodates for the first 1 year and 25 units per year after that until there are 100 units occupied by RGI participants, targeting December 2020, subject to the unit turnover and balancing other inventory and waitlist pressures. The Faculty and Staff Housing Relocation Services (HRS) office will work in collaboration with UBC Properties Trust to incorporate those units into the existing Village Gate Homes (VGH) housing portfolio, subject to the program demand.

Screening rules for the Program will include means-testing to confirm financial need. The tenants for the first round of the program will be selected by lottery; after that, the participants will be allocated to units on a first-come first served basis.

3. Program Objectives

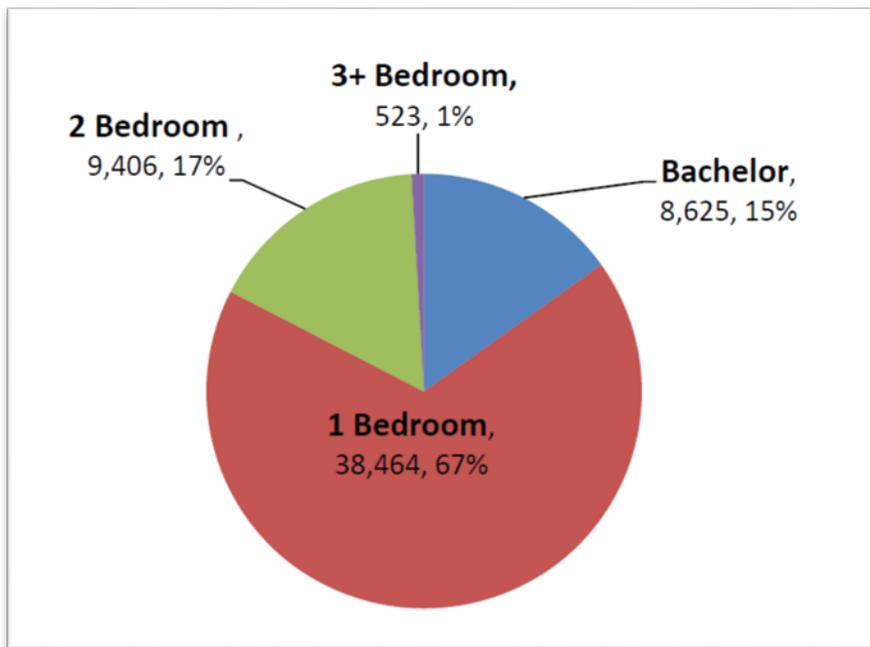
Metro Vancouver's rental market is challenging given its limited supply and upward pressure on prices, especially in the City of Vancouver. In terms of the supply, the City of Vancouver has a very low rental vacancy rate consistently at below 1 per cent. Only 18% of the City's housing inventory (estimated 283,916 units in 2016) is secured purpose-built rentals, while 23% are private-owned, which tend to have no secured tenure and higher rental rates (Chart 1). Among the purpose-built rentals, 17% are 2-bedroom units and only 1% consist of 3 or more bedroom units suitable for families (Chart 2).

Chart 1: City of Vancouver Housing Inventory, 2016



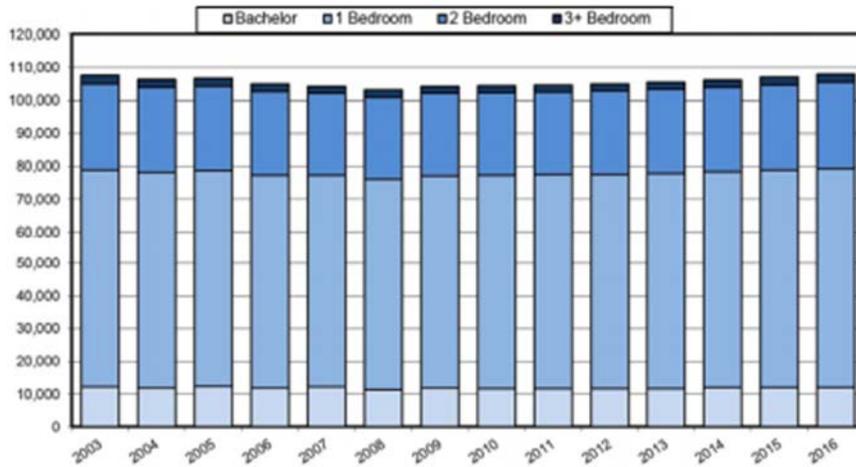
Data source: City of Vancouver, CMHC

Chart 2: bedroom breakdown of purpose-built rental apartments in Vancouver, 2016



Data source: City of Vancouver, CMHC

Chart 3: Purpose Built Rental Apartment Inventory, Metro Vancouver, 2003 – 2016



Data source: CMHC Rental Market Reports

Table 1: Purpose-built Apartments Rental Vacancy Rates by the number of bedrooms, City of Vancouver, 2016

Number of Bedrooms	Bachelor	1 bedroom	2 bedroom	3 bedroom	Total
Vacancy Rate	0.8%	0.8%	0.9%	1.2%	0.8%

Data source: CMHC Rental Market Report, Oct 2016

Table 2: Purpose Built Rental Apartment Inventory by Sub-regions in Metro Vancouver, 2016

	Total	Bachelor and 1-Bedroom Units		2-Bedroom and 3+ Bedroom Units	
Metro Vancouver	107,867	79,283	74%	28,584	26%
Burnaby, New Westminster	20,336	14,377	71%	5,959	29%
Langley City and Township	2,157	1,103	51%	1,054	49%
Maple Ridge, Pitt Meadows	1,566	943	60%	623	40%
Coquitlam, Port Coquitlam, Port Moody, Anmore, Belcarra	4,567	2,674	59%	1,893	41%
North Van. City and District					
West Van., Lions Bay	9,466	6,197	65%	3,269	35%
Richmond, Delta	4,522	2,424	54%	2,098	46%
Surrey, White Rock	6,958	3,730	54%	3,228	46%
Vancouver, Electoral Area A	58,295	47,835	82%	10,460	18%

Data source: CMHC Rental Market Reports

Table 3: Purpose-built Apartments Rental Vacancy Rates by the number of bedrooms, Metro Vancouver, 2016

Number of Bedrooms	Bachelor	1 bedroom	2 bedroom	3 bedroom	Total
Vacancy Rate	0.7%	0.7%	0.7%	1.4%	0.7%

Data source: CMHC Rental Market Report, Oct 2016

Table 4: Rents and Income Required in the City of Vancouver

Type of Rentals	Average Rent	Annual Household Income Required
1 bedroom purpose-built rental apt (built 1960 – 1974)	\$1,268	\$50,720
1 bedroom private-owned condo	\$1,625	\$65,000
2 bedroom purpose-built rental apt (built 1960 – 1974)	\$1,757	\$70,280
2 bedroom private-owned condo	\$2,256	\$90,240
3 bedroom purpose-built rental apt (built 1960 – 1974)	\$2,105	\$84,200
3 bedroom private-owned condo	\$2,870	\$114,800

Data source: CMHC rental market report, Oct 2016

Table 5: Rents and Income Required in Metro Vancouver

Type of Rentals	Average Rent	Annual Household Income Required
1 bedroom purpose-built rental apt (built 1960 – 1974)	\$1,159	\$46,360
1 bedroom private-owned condo	\$1,353	\$54,120
2 bedroom purpose-built rental apt (built 1960 – 1974)	\$1,450	\$58,000
2 bedroom private-owned condo	\$1,822	\$72,880
3 bedroom purpose-built rental apt (built 1960 – 1974)	\$1,631	\$65,240
3 bedroom private-owned condo	\$2,495	\$99,800

Data source: CMHC rental market report, Oct 2016

In terms of price affordability, the median annual income for UBC full time staff was \$47,173 in 2016. Based on the 2016 faculty and staff housing demand survey, 13% of the staff who responded to the survey reported less than \$50,000 annual household income. They likely have challenges in finding affordable rentals in Vancouver. The only housing type they can likely afford at 30% of their gross household income, is the purpose-built one bedroom unit in Metro Vancouver. About 20% reported a household income between \$50,000 and \$75,000, and this group likely experience the affordability issue when looking to rent 2 or 3 bedroom units in Vancouver although they likely can afford 2-bedroom units and purpose-built rental apartments in Metro Vancouver. It is apparent that many staff face significant affordability challenges when it comes to renting a place in the City of Vancouver. They may be able to find more affordable rentals in the broader Metro Vancouver but will need to commute a longer distance, and the savings in rents are somewhat offset by the increase in transportation costs and loss of productivity.

In terms of housing suitability, at least 42%¹ of the UBC staff required 2 bedroom or more units based on the National Occupancy Standard (NOS) and 2016 Faculty and Staff Housing Demand Survey.

¹ 22% of the staff reported that they had 1 member in the household, 36% had 2 members and 42% had 3 or more members.

The primary objectives of this program are to help the staff who are in need of affordable and suitable housing and ensure the rental housing does not become a barrier to recruit and retain staff. The maximum length of stay in an RGI unit will be 10 years.

4. Eligibility

Eligibility for the RGI program is limited to UBC staff who:

- Have a gross household income² no more than \$64,500 (2016) per annum, see the table below for Housing Income Limits³

Bachelor/Studio/1 Bedroom	2 bedroom	3 bedroom
\$42,500	\$52,000	\$64,500

- have no more than \$100,000 in assets⁴
- hold a full time ongoing position and have worked at UBC for at least 1 year or are term employees who have accumulated three or more years of continuous service (no break in service)

5. Tenant Selection and Unit Allocation Process

Tenant selection will be administered by the HRS office. The tenants for the first round of units will be selected by lottery. All eligible staff can submit an application by the deadline. Once the application deadline has passed, each applicant will be randomly assigned a computer-generated lottery number. These randomly assigned numbers from lottery will determine the order in which applicants will be reviewed and offered an RGI unit as they become available. After that, a waitlist will be established, the new applicants will be added to the waitlist and the units will be allocated based on a first-come first served basis.

The RGI waitlist will be created and administered by the HRS office, and it is separate from the VGH general waitlist. The HRS office will advise VGH of the next RGI participant to be assigned to a unit. UBC reserves the right to change the tenant selection criteria on an annual basis or as needed.

6. Funding Source

The rental dividend cost of either pilot program compared to regular faculty-staff rental would be approximately the difference between the monthly Village Gate Homes faculty- staff rent for an appropriately sized unit for the family composition, and 30% of the faculty member’s household income.

² Please refer to the subsidy section for the definition of household income

³ Consistent with BC Housing 2016 Housing Income Limits (HILs) for Vancouver CMA as defined by Stats Canada. The boundaries of Vancouver CMA is the same as the Metro Vancouver regional district boundaries. The 2017 HILs are being finalized by BC Housing.

⁴ Please refer to Appendix 1 for the definition of Assets

And the cost depends on the distribution of units by bedroom within the RGI and TRHS programs and the applicants' household income which can only be approximated at this time based on various assumptions.

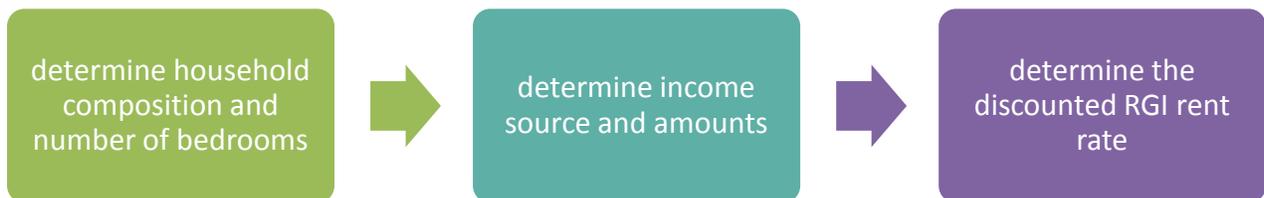
To provide a high level cost estimate of staff RGI program, the median annual salary of an eligible staff member in the RGI program range (\$46,800) and 894 square feet average size of a staff RGI unit (based on average size of 1, 2 and 3 bedroom units in the existing VGH inventory) were used. The regular Faculty Staff rent per square foot cost is assumed at \$2.40. At steady state (100 spots) the cost of the Staff RGI program is estimated to be approximately \$1.17million per year.

The foregone revenue as a result of implementing an RGI program compared with that anticipated revenue for regular faculty staff rental occupancy, could be made up either through UBC agreement to accept correspondingly reduced annual dividend from UBC Properties Trust, or through UBC direct payment of the difference to UBC Properties Trust so that anticipated dividends are not affected. Discussions regarding the best option are under discussion.

7. RGI Units Distribution and Location

All RGI units assigned to RGI participants will be apartments (not townhomes or city homes) and will be distributed throughout the VGH rental portfolio. No one VGH development will be expected or responsible to carry a disproportionate burden of the RGI rental units over and above other VGH developments.

8. Rent or Subsidy Calculation



Determining Household Composition and Number of Bedrooms

Housing suitability refers to whether a private household⁵ is living in suitable accommodations according to the National Occupancy Standard (NOS); that is, whether the dwelling has enough bedrooms for the size and composition of the household. A household is deemed to be living in suitable accommodations if its dwelling has enough bedrooms, as calculated using the NOS.

⁵ Private household refers to a person or group of persons who occupy the same dwelling and do not have a usual place of residence elsewhere in Canada or abroad.

Subject to availability, the RGI program will ensure that staff will be provided suitable housing that has enough bedrooms for the size and make-up of their households according to NOS requirements. Enough bedrooms based on NOS requirements means one bedroom for:

- each cohabiting adult couple;
- each lone parent;
- unattached household member 18 years of age and over;
- same-sex pair of children under age 18;
- and additional boy or girl in the family, unless there are two opposite sex children under 5 years of age, in which case they are expected to share a bedroom.

A maximum of two persons per bedroom. An exception to the above consisting of one individual living alone. Such a household may live in a studio apartment or may occupy a bachelor unit if such were available.

RGI units will be allocated in accordance with the NOS requirements, see the table below for some of the common examples:

Household Composition Examples	Unit Type
Single Adult	Studio or 1 Bedroom
Adult Couple	1 Bedroom
2 Single Adults (non-cohabitating)	2 Bedroom
Single or Adult Couple with 1 child (full or shared custody)	2 Bedroom
Single or Adult couple with child(ren) over 18 (full or shared custody)	1 bedroom + 1 bedroom for every child over 18
Single or Adult couple with 2 opposite sex children under 5 (full or shared custody)	1 bedroom + 1 bedroom to be shared by the children
Single or Adult couple with 2 same sex children 18 years or younger (full or shared custody)	1 bedroom + 1 bedroom to be shared by the children
Single or Adult couple with 2 opposite sex children over 5 and under 18 (full or shared custody)	1 bedroom + 1 bedroom for each opposite sex child over the age of 5
Single or Adult couple with 2 same sex children under 18 and 1 opposite sex child (full or shared custody)	1 bedroom + 1 bedroom to be shared by the same sex children + 1 bedroom for the opposite sex child

As household composition can change over time, the tenants are required to advise HRS office in writing regarding such changes in a timely manner. Every effort will be made to accommodate households per the unit allocation outlined above subject the inventory availability.

“Over-housing” will be defined as a situation where a household has more bedrooms than required per the criteria outlined in the table above, “under-housing” where a household requires more bedrooms per the criteria outlined in the table above. UBC, the HRS office, nor VGH will be responsible for any costs associated with an RGI tenant’s move as a function of over-housing or under-housing per the NOS requirements.

If an existing RGI tenant is required to move to a smaller RGI unit as they have been notified in writing by the HRS office that they are over-housed and they refuse to do so within the timeframes provided, their unit will be removed from the RGI portfolio and they will have the option of renting the unit they are in at VGH F&S rental rate for a comparable unit or vacating the unit. If the tenant chooses to vacate the unit the tenant notification period of 1-month notice applies plus liquidated damages if within the 1st year of tenancy.

Determining income sources and amounts

The household gross (pre-tax) income includes all sources for each household member 19 years of age and older. See appendix E Income Sources for a list of what to include and exclude for household gross income calculation.

Include as income:

- Income assistance
- Employment, including regular overtime, vacation pay and gratuities
- Child support, maintenance payments or support from family/friends/community
- Self-employment, including commission sales
- Seasonal employment
- Employment Insurance and WorkSafe BC insurance
- Training allowances
- Income from the Resettlement Assistance Program
- Rental income from real estate or dividends from stocks or bonds
- Pension incomes including:
 - Old Age Security, Guaranteed Income Supplement, Allowance, and Allowance for the Survivor (formerly Spousal Allowance)
 - Senior's Supplement
 - Private pension plans including Registered Retirement Income Funds
 - Canada Pension Plan — including retirement, disability, orphans, widows, disability for child, etc.
 - War Veteran's Allowance and Disability Pension from Veteran's Affairs Canada
 - Foreign Pensions

Exclude as income:

- Earnings of dependent children aged 18 and under (regardless of student status)
- Student loans, equalization payments, student grants and scholarships
- Taxable benefits, including living out or travel allowances, medical coverage, uniform allowance, etc.
- Canada Child Tax Benefits, including the National Child Benefit Supplement, Child Disability Benefit, BC Family Bonus, and BC Earned Income Benefit

- Universal Child Care Benefits
- BC Childcare Subsidy
- Income from foster parenting
- Child in Home of Relative and Extended Family Program
- Income from approved live-in care givers

Determining the RGI rent rate

The RGI rent for an approved staff is capped at no more than 30% of their gross household income. The maximum RGI rent that an RGI tenant will pay is the lesser of the RGI discounted rent or the rent for a comparable faculty and staff (F&S) unit charged by VGH.

For example, if VGH rents a 1 bedroom F&S unit at \$1,300 a month, and a staff member’s household income is determined by HRS to be \$60,000 dictating a monthly rent of \$1,500 a month, the staff member will pay the lesser of the two amounts, in this case the rate is \$1,300/month, and their unit will no longer be considered as part of the RGI portfolio.

Annual Gross Household Income	Monthly Gross Household Income	Monthly RGI Rent (=30% Gross Household Income)
\$68,000	\$5,667	\$1,700
\$60,000	\$5,000	\$1,500
\$55,000	\$4,583	\$1,375
\$50,000	\$4,167	\$1,250
\$45,000	\$3,750	\$1,125
\$40,000	\$3,333	\$1,000

Apartment Type	Current VGH F&S Rental Rates 2017
1 bedroom	\$1,387-\$1,805
2 bedroom	\$1,766-\$2,724 ⁶
3 bedroom	\$2,400-\$2,923
4 bedroom	\$3,425-\$3,567

9. Supporting Documentation

Applicants will be required to demonstrate that their gross household income is within the \$68,000 benchmark threshold at the time their application is received. Proof of income and assets are required to approved for this program. Should a tenant of an RGI unit fail to provide the necessary income documentation by October 1 as required, their monthly rental rate for November of that year will be adjusted to the market rental rate for a comparable unit within VGH’s F&S rental portfolio, as determined

⁶ 80% of 2 bedroom or 2 bedroom plus den units in VGH inventory are within \$1,766 - \$2,300; 20% are within \$2,301-\$2,723, and all of them are located in the newest development webber house.

by the HRS office. The tenant's rental rate will continue to be at the VGH's F&S rental rate until such time that the HRS office has received the necessary income documentation and set the new RGI rental rate which will be effective the month that follows the decision by the HRS office.

10. Timing of Rent Setting

The HRS office will notify VGH no later than 7 business days prior to November 1st as to what an RGI tenant's rental rate will be for the following twelve months. The HRS office will not share any personal financial information of participants with VGH.

RGI participants will be subject to income testing to establish their gross household income at move-in and then subsequently in October of every year. Income information will be provided to the HRS office on October 1st or the first business day thereafter. Rental rates will be calculated by the HRS office for the period beginning November 1 of the same year through October 31 of the following year.

11. Economic Re-assessment

At the time of the annual review in October of any given year, should an RGI tenant's gross household income be determined to have increased so that they no longer meet the \$64,500 (2016) benchmark threshold they will be provided written notification from the HRS office indicating they will have 3 months to rent at the existing RGI rate after which time the unit will be removed from the RGI portfolio and they have the option of renting the unit they are in at VGH's F&S rate for a comparable unit or vacating the unit. If the tenant chooses to vacate the unit the tenant notification period of 1 month applies plus liquidated damages if within the 1st year of tenancy.

12. Tenancy Agreements

Tenancy agreements will be signed between the appropriate staff member and VGH. The tenancy agreements are fixed term leases and can be renewed annually for a maximum of 10 years.

Tenant's Content Insurance

All staff who participate in the RGI program will be required to obtain liability & content insurance and keep such insurance in good standing through the term of their tenancy. Evidence that their content insurance is in good standing must be provided along with their income verification documentation on October 1st or the first business day thereafter. Failure to keep their insurance in good standing will result in a termination of the VGH tenancy agreement and RGI program.

Tenant sub-letting

All staff who are renting an RGI unit are not permitted to sub-let their unit for any reason.

Terminating a Tenancy

Should an RGI participant terminate their tenancy within the fixed lease term liquidated damages in amount of \$1,000 will be due to VGH. After the fixed term has expired the tenant must provide VGH with one months- notice prior to terminating their tenancy agreement, failure to do so will result in a tenancy termination fee equivalent to one month's rent (at the RGI rate).

Life Events

Certain life events such as death of the staff member who holds the RGI tenancy agreement and divorce or separation with their spouse/partner can occur. In the event of death of the staff member the household will not be able to continue with the RGI tenancy agreement and will be required to vacate the unit within 6 months of the date of the death of the staff member. In the case of a staff members divorce or separation with their spouse/partner the staff member will be able to continue with their RGI tenancy and may be required to move into a suitable unit in accordance to the National Occupancy Standard (NOS); however, the spouse/partner will have no right to assume the RGI tenancy if the staff member decides not to continue to live in the RGI unit.

When a divorce or separation with their spouse/partner applies and the staff member will remain in the RGI inventory, the HRS office will re-calculate the staff member's household income and subsequent RGI monthly payment only once a fully executed legally binding separation agreement or a Court order granting a divorce is provided.

13. Taxable Benefit

The RGI program provides UBC staff with an economic benefit from their employer as VGH is a subsidiary of UBC Properties Trust which is owned by UBC. Income tax law stipulates that if any assistance is provided to an individual in connection with their office or employment for the use of a residence then a taxable employment benefit has been received. The taxable benefit that an RGI tenant receives will be calculated by UBC who will withhold income tax from an employee's payroll and remit said tax to Canada Revenue Agency for each applicable pay period.

Generally speaking the taxable benefit will be the difference between the RGI rent and the market rental for a comparable unit as determined by UBC's Treasury department and the associated payment will be automatically deducted from each paycheck.

14. RGI Program Review

The RGI program will be reviewed at any time as directed by the UBC Board of Governors or every 5 years from adoption or when it was last reviewed. A recommendation to increase the \$64,500 (2016) gross household income threshold by, at a minimum, provincial CPI over the applicable window of time since the last review was completed, will be forwarded to the UBC Board of Governors for their consideration.

Appendix 1. Assets

Please refer to the list of asset types below to determine if they should be included or excluded for rent calculation purposes. For asset types not identified below, please contact HRS office.

Include as assets:

- Cash in bank or on hand
- Tax-Free Savings Accounts
- Equity in real estate (net of debt), stocks/bonds
- Term deposits
- Mutual funds
- Business equity (equity value in private incorporated company of cash, GICs, bonds, stocks or real estate held by a company)

Exclude as assets:

- Vehicles
- Personal effects; e.g., jewelry, furniture
- Registered Education Savings Plans, Registered Retirement Savings Plans, Registered Disability Savings Plans; if converted to a Registered Retirement Income Fund, the monthly income generated will be included as pension income
- Trade and business tools essential to continue current employment; e.g., farm equipment
- Bursaries or scholarships from educational institutions for any household member who is currently a student
- Trust funds from settlements (Insurance Corporation of BC, insurance for injuries); monthly income generated by trust funds will be included as income
- Trust fund with set monthly income (include as income)
- Asset Development Accounts (savings programs designed to help individuals achieve savings for future self-sufficiency); exclude these assets while the resident is participating in the asset development account program
- Assets derived from compensatory packages from government (e.g., Indian Residential School Settlements and Japanese Canadian Redress)