



**SUBJECT** HOUSING ACTION PLAN ANNUAL PROGRESS REPORT 2018

**MEETING DATE** FEBRUARY 7, 2019

Forwarded on the Recommendation of the President

**APPROVED FOR SUBMISSION**

Santa J. Ono, President and Vice-Chancellor

**FOR INFORMATION**

**Report Date** January 22, 2019

**Presented By** Andrew Szeri, Provost and Vice-President Academic  
Peter Smalles, Vice-President Finance & Operations  
Eric Eich, Vice-Provost and Associate Vice-President Academic Affairs  
Barbara Meens Thistle, Vice-President Human Resources  
Michael White, Co-Interim Vice-President External Relations  
Andrew Parr, Interim Vice-President Students  
Lisa Colby, Managing Director, Housing & Relocation Services  
Aubrey Kelly, President and CEO, UBC Properties Trust

<p><i>If this item was previously presented to the Board, please provide a brief description of any major changes since that time.</i></p>	<p>The Board recently concluded a five-year comprehensive review and update of the UBC Housing Action Plan (HAP) and its policies:</p> <p>Phase 1 (Faculty policies focus) was approved in December 2016 and Phase 2 (Staff and Students policies focus) was approved December 2017.</p> <p>Policy 17 of the HAP requires annual monitoring reports to the UBC Board of Governors on implementation progress. This report provides the requested HAP progress update for 2018.</p> <p>At its September 2018 meeting, the Board reconstituted the Housing Action Plan Working Group (HAPWG). This HAPWG is now providing ongoing guidance to the Administration's HAP implementation work, program development and research/ explorations.</p>
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**EXECUTIVE SUMMARY**

UBC's Housing Action Plan (HAP) is a 30-year strategy that sets out the University's long-range strategic housing support ambitions to facilitate improved housing choice and affordability for faculty, staff, and students, for recruitment and retention purposes.

Achievement of the HAP policies is a progressive, cumulative and multi-year undertaking with delivery support required from multiple operational departments and UBC Properties Trust. Significant progress has been made over the last six years in progressively expanding inventory and rolling out new programs consistent with HAP policies, and there is work that remains to be done. Continued implementation oversight support and guidance will be provided by the Board of Governors HAP Working Group, reconstituted September 2018.

Policy 17 of the HAP requires annual monitoring reports to the UBC Board of Governors on implementation progress. This information report summarizes annual implementation milestones for the year 2018:

- Completion of the Five-Year Comprehensive Review and HAP Update, reaffirming relevance and ongoing commitment to the overarching objectives of the HAP;
- Opening of 758 new Student Housing & Hospitality Services (SHHS) units (in Brock Commons and Totem Park Infill), to continue inventory expansion well on pace for Policy 9 and bringing the total beds on campus to 11,796;
- Supporting 20 new Faculty members with Prescribed Interest Rate Loans (PIRLs) between April 1 and January 2018, in addition to the 32 approved in 2017/2018 (total 52 for this new program).
- Completion by UBC Properties Trust of 175 additional Faculty-Staff discounted rental housing units, raising the percentage of post-2012 inventory delivered as faculty-staff discounted rental from 13% to 18% (moving substantially closer to the Policy 4 target of 20%);
- Launch of a new pilot Rent-Geared-To-Income program, and approval of 28 staff households to date that are now approved to rent units on campus in Village Gate homes, with rent capped at 30% of their household income (Policy 5);

Next steps and implementation focus for 2019 will be:

- Completion and occupancy of a new upper year graduate, apartment style, residence called Exchange Residence in the Gage South area (651 beds); including 70 low cost 140 sq. ft. Nano units. Project is on budget and on schedule to open in summer 2019.
- Continued work on two other student housing projects underway intended to add another 1600 beds by 2022, bringing the total bed count to over 14,000 (Attachment 5)
- Continued operation and expansion of the faculty PIRL ownership support program.
- Continued research and exploration of other faculty ownership support programs that might require less indebtedness on the part of faculty members, including research on a shared equity model currently underway by Treasury.
- Continued roll-out and nurturing of the pilot Rent-Geared-To-Income program to full strength, with minor program eligibility adjustments (not the income thresholds).
- Continued innovation efforts in identifying and protecting future sites to support reaching and sustaining the 20% target of HAP Policy 4.
  - Planned construction of 156 new faculty staff units on Lots 4, and 11 for 2020 occupancy in Wesbrook Place
  - Exploration of density redistribution within existing cap in Wesbrook Place to increase wood-frame construction capacity on Lots BCR7/8/9, and
  - Stadium Neighbourhood Planning process (discounted 25% below market),
  - Continued exploration of financing options to potentially open up some of the higher density concrete construction sites for delivery of faculty-staff rental programs;
- Completion of the C+CP Faculty Staff rental Design Guidelines that respond to employee and recruiter feedback on the range of unit mix, type, amenities desired for UBCs evolving demographic.
- Exploration/research on partnership opportunities and recruiting appeal of supplementary off-campus faculty staff rental housing at other locations in the Lower Mainland, subject to financial viability.

**Attachments**

1. Board Oversight of HAP Development and Implementation
2. HAP Principles
3. Five-Year Review summary
4. HAP Policies Excerpt
5. Student Housing Update
6. Pilot Rent Geared to Income (RGI) Housing Program Update
7. Rental Policies General

**STRATEGIC CORE AREAS SUPPORTED**

- People and Places    
  Research Excellence    
  Transformative Learning    
  Local / Global Engagement

**DESCRIPTION & RATIONALE**

**1.0 Background**

*Purpose:* UBC's Housing Action Plan (HAP) is a 30-year strategy that sets out the University's long-range strategic housing support ambitions to facilitate improved housing choice and affordability for faculty, staff, and students, all for recruitment and retention purposes.

**1.1 Board Oversight:** The UBC Housing Action Plan (HAP development was overseen by the Board of Governors through its Community Planning Task Group (See more detail on the Board Oversight of HAP development in Attachment 1). The Board required that the Plan and its component programs were to respect six approved principles that included appropriate grounding in academic strategic priorities, financial sustainability and recycling benefit across future generations of students and employees, plus convergent support for other UBC land use plan policy such as helping support the Land Use Plan's 50% campus community occupancy target. The detailed Board approved guiding principles for all HAP work is provided in Attachment 2.

Ongoing strategic need for, and commitment to, the approved HAP policies and objectives was recently reaffirmed by the Administration and the Board of Governors based on a 5-year review conducted 2016 through to Spring of 2018. (More information on the 5-Yr Review are provided in Attachment 3.)

**1.2 Key Policies:** An excerpt list of the latest policies of the approved HAP (2018) are provided for convenient reference in Attachment 4. The full HAP discussion document can be found online at: <http://www.hr.ubc.ca/housing-relocation/housing-action-plan/>. The HAP policies are ambitious stretch goals that will deliver meaningful results if achieved, and will require time, innovation, research and collaboration across UBC's operational departments, to fully implement.

The HAP policies encourage strong student housing development in the academic lands, earmark up to 30% of post-2012 campus Neighbourhoods density as potential faculty-staff housing program inventory, subject to continued strategic need and demand. They also supplement those specialty housing concepts with encouragement of a further 10% market-priced rental housing that could be helpful to students, faculty or staff given low off-campus rental availability has become so problematic in recent years. Highlights are as follows:

- 1.2.1 Student Housing Inventory Expansion (Policy 9):** Development of new student housing on the academic campus lands should be done to full capacity under the Vancouver Campus Plan and Land Use Plan. This fully maximized capacity was expected to yield up to approximately 17,500 beds over time.

- 1.2.2 10% Faculty Ownership Support (Policy 1):** Up to 10% of all post-2012 residential development on campus is to be developed as an affordable home ownership program (33% below market) for faculty if a model that meets University requirements and legal concerns can be determined. Other options to be counted as contribution to this objective include a comparable number of Prescribed Interest Rate Loan (PIRL) approvals to facilitate home ownership for that number of people through market purchases on or off-campus. Other models may also be introduced over time. Under current Land Use Plan densities, this approach could deliver up to approximately 900 units or loan supported purchases by faculty, by the time the campus is fully built out (estimated year 2040), subject to ongoing Board support.
- 1.2.3 20% Faculty-Staff Rental (Policy 4):** Up to 20% of all post-2012 residential development in the neighbourhoods on campus is to be reserved and operated as restricted access faculty staff rental (discounted to 25% below market), subject to ongoing demand. Under current Land Use Plan densities, that would allow by the time the full campus neighbourhoods are built out (estimate year 2041) up to approximately 1800 additional units beyond the 266 faculty-staff discounted rental units already in place prior to 2012 when the Plan was first adopted. If Land Use Plan densities increase, the number delivered as 20% could correspondingly increase over time.
- Up to 110 of these units are to be delivered as a pilot Rent-Geared to Income program, whereby employees under threshold income limits, would be eligible to rent their units at 30% of their income, regardless of the regular faculty/ staff rental rate.
- 1.2.4 10% Other Rental (Policy 3):** Up to 10% of all post-2012 residential development in the campus neighbourhoods is to be developed as supplementary rental (can be market priced) beyond the 20% in Policy 4. This general increase to rental could benefit students and employees alike in addition to the public. Under current Land Use Plan densities and by the time the campus Neighbourhoods are all built-out, that could deliver up to approximately 900 more market rental units beyond those 286 that were already in place in 2012. If Land Use Plan densities increase, this number could correspondingly increase.

## 2.0 Discussion

Achievement and maintenance of all HAP policies and programs is a cumulative and multi-year undertaking with collaborative program and infrastructure delivery support required from many operational departments at UBC including Student Housing & Hospitality Services, Faculty Staff Housing & Relocation Services, Financial Services, Campus & Community Planning, UBC Properties Trust and its subsidiary Village Gate Homes.

Significant progress has already been made in starting to implement the HAP policies, and new progress is delivered on one front or another every year. Progress highlights and implementation observations over the past year, 2018, are as follows:

## 2018 Progress Highlights

### 2.1 Plan Maintenance and Currency (Policy 18):

A 5-Year Comprehensive Review and HAP Update was completed and approved by the board in Spring 2018. This was a substantial 2-year process to reconfirm ongoing need for the housing support policies and financial commitments to them for strategic recruiting and retention purposes. The Board re-affirmed its commitment to the HAP policies with some minor updates. See Attachment 3 for more information on this 5-Year Review. Another comprehensive Review is required every 5 years to ensure continued strategic relevance of the HAP and confirm continued Board commitment to its objectives.

### 2.2 Student Housing (Policies 9, 10)

A total of 758 new student housing beds were opened on academic campus land by Student Housing and Hospitality Services (SHHS) in Brock Commons (Tallwood House) and Totem Park Infill. These projects continue inventory expansion well on pace for HAP Policy 9 objectives. This increase now brings the total beds on campus to 11,796.

Three projects are now underway that will add 2250 new beds by 2022, bringing the total bed count to over 14,000:

- Exchange Residence, 651 upper year beds on year round contracts, opening summer 2019
- Pacific Residence, approximately 1000 upper year beds on year round contracts, opening in summer 2021
- Brock Commons, approximately 600 upper year beds on year round contracts, opening in summer 2022

All other student housing policies/ targets are also operational and on-pace with commitments in terms of access, affordability and size mix commitments.

These efforts should continue going forward. See Attachment 5 for more detail of student housing progress.

### 2.3 Ownership Support - Prescribed Interest Rate Loans (PIRL) for Faculty (Policy 1):

The Prescribed Interest Rate Loan program matured into its second year of operation in 2018. This PIRL program provides loans for faculty members to help purchase a principal and only residence in Metro Vancouver.

- Interest rates for the faculty member are set at Canada Revenue Agency rates (currently 2%) so the loan is not considered a taxable benefit.
- The hiring faculty and the Provost office split the remaining interest carrying cost of the loan.
- No principal payments are required by the faculty member during the 15 years the loan is outstanding.
- After 15 years or on departure from the university (or upon sale of the home), the full loan must be repaid.

The PIRL program loans are funded through a \$10M annual Faculty Housing Assistance Financing Endowment (FHAFE). Current distribution rules for the program limit the approval of PIRLs for existing (retention) applications to 25% of the fund.

The Provost office approved 20 additional faculty members between April 1, 2018 and January, 2019 for PIRLs to support their pursuit of home ownership, with additional expected during the January recruiting cycle before the fiscal year end. Twelve of the loans have been for recruiting applications, and eight lesser loans have been for retention applications. This brings the PIRL approvals total to 52, so far, since the program began in Spring 2017.

With almost two years' worth of program experience using these loans as a strategic bargaining tool, the Administration will be exploring expansion to the PIRL program for better performance as a recruiting and retention tool, in the pursuit of outstanding and exceptional faculty talent:

- Current distribution limits for retention applications should be relaxed to allow for a minimum of 40% of the fund to go to recruitment, and the remainder to be directed to either type, at the discretion of the Provost. The limits on loans to retention applicants are currently causing loan requests from exceptional calibre and potential flight risk faculty members, to be declined. The financial, opportunity, and reputational cost of losing these specific faculty members in whom the university has already invested substantially, is a concern. Relaxing the retention application cap would mitigate this concern.
- More experience has also shown that for certain categories of negotiations, the previously assumed average value per faculty participant (\$250,000) may be too low in the context of the local housing market. Increasing the available fund would allow more flexibility in those sensitive negotiations where the candidate is exceptional. All loans are fully repayable with interest to the FHAFE fund.

The selective approach and emphasis on excellence and strategic academic priority in the loan allocation process, will remain unchanged.

An expansion of the PIRL fund to \$15M will be explored for the 2019/20 fiscal year, under separate cover, to address these concerns. Financial implications to the university are addressed in the Implications section of this report.

A supplementary \$8.25M allocation was approved in February 2018 to address some specific extraordinary hires in the year 2017/18. That special allocation has been used; only \$500,000 remains. PIRLs for additional extraordinary hires (such as for President's Excellence Chairs) may be needed, if the PEC program is proposed for expansion in the future. If that occurs, the Board will be consulted about the potential for an associated special allocation at that time.

## 2.4 Down Payment Assistance for Faculty (Policy 2):

Treasury approved and issued 30 additional Down Payment Assistance loans this year, allowing those faculty families to move into home ownership. The Down Payment Assistance loans (\$50,000 for faculty hired after and \$45,000 for faculty members hired before July 1, 2017 respectively) are forgiven progressively over 5 years, allowing a more gradual spread of the taxable benefit implications.

## 2.5 20% Faculty Staff Discount Rental (Policy 4):

The HAP faculty staff discounted rental programs referenced in Policies 4, and 5 (faculty-staff 25% discounted rental, and Rent-Geared-to-Income rental) are now operational.

175 additional faculty staff discounted rental housing units (occupancy began May, 2018) were built and opened by UBC Properties Trust (operated by Village Gate Homes) raising the percentage of post-2012 inventory delivered in the form of faculty staff discounted rental, from 13% last year to 18% this year, getting closer to the 20% Policy 4 target.

Efforts to increase the range of unit sizes referred to in Policy 6 to support the UBC strategic target demographic for recruitment and retention are also starting to make a difference. The increased availability of 1, 3 and 4 bedroom units have been very popular. The focus going forward remains on ensuring the volume of inventory is expanded to target levels (subject to ongoing demand), and qualitative goals continue to receive attention as campus build out unfolds. More background on rental policies is in Attachment 7. Reference to special role the next Neighbourhood Plan can play in locating where affordable housing options can be located on campus in the years to come, is discussed in Section 2.6: Stadium Neighbourhood Plan.

### 2.5.1 Faculty and Staff Rent-Geared to Income Pilot (Policy 5):

The pilot Rent-Geared-to-Income (RGI) program was launched in spring of 2018. It makes use of a subset of units within the 20% Faculty Staff rental inventory built and operated by Village Gate Homes of UBC Properties Trust.

The RGI program calls for allocation of 110 units within the larger Faculty-Staff discounted rental inventory pool, into a deeper subsidized rent program. Approved participants can rent those units for a special rate capped at 30% of their household income, with the subsidy between their assessed rental rate and the normal faculty-staff rental rate, being paid by UBC.

Through this pilot program, 100 spaces in total will be allocated to lower income full time staff with qualifying household incomes below the \$68,000 threshold. A further 10 spaces are to be allocated as needed to new recruit faculty members from outside the Lower Mainland, with children, and household incomes under \$99,500. It was assumed that half of the spaces would be filled within the first year, timed to coincide with the influx of 175 new units from Pine and Cypress

into the inventory. And the remainder would be gradually filled over the next year or two.

Program rules state that staff can stay in the RGI program for up to 10 years as long as they remain employed at UBC. The faculty version allows a shorter 1-2 year transitional tenure. The program is tied to the approved individuals rather than specific units. The subsidy is a taxable benefit but still a net gain to the participant.

While application demand has been high, the pace and number of successful application approvals has been much lower than expected. To date:

- 180 staff applications have been received
- 28 staff participants have been approved;
  - 17 of which have been housed already, and
  - 11 of which are awaiting their unit assignments.
- A further 12 staff applicants are still undergoing the income verification process. If those are approved, the projected number of approved participants may be closer to 40 than 55 by the end of the first year of the pilot.
- Despite a higher income threshold, no faculty applications have been received.

A more measured pace of filling-up the RGI program roster has the benefit of encouraging a more staggered turnover in the years to come for future participants. But this pilot is also an opportunity for reflection on the nuances that may be leading to the slower than expected approvals rate, and whether unforeseen barriers may be preventing the program reaching and supporting the intended strategic target groups.

Minor program eligibility, communications and outreach adjustments are proposed, effective immediately, to address some likely potential hurdles. And patience may be in order, noting that the application process is necessarily complex, the disruption of moving and changing schools required of these families is significant, particularly to a group with less financial flexibility to weather the disruption. And so more time may simply be needed for the program to come to life.

It is recommended that the pilot continue on its intended course. There are no additional cost implications to UBC or Village Gate Homes for a slower roll-out of the program given that any units not occupied by the program are simply filled with employees paying normal faculty staff rates (25% below market).

More detailed background and analysis of the Rent-Geared-to-Income program experience to date is provided in Attachment 6.

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## 2.6 Other Rental (Policy 3)

No new market-priced rental units were built in 2018. However, the total of this additional market-priced rental (including “University Rental”) remains robust at a combined percentage of 19% of all residential units in the Neighbourhoods built since 2012, which exceeds the suggested target of 10% in HAP Policy 3.

## 2.7 Stadium Neighbourhood Plan

In December 2018, the Board’s HAP Working Group considered scenarios for Stadium Neighbourhood that would accelerate rental housing delivery beyond typical HAP proportions in that part of campus. The Working Group supported in principle dedicating 2/3 of the expected 1.55M square feet of residential development for the Stadium area as UBC community housing, split evenly between faculty/staff discounted rental (HAP Policy 4) and market priced rental such as “University rental” (HAP Policy 3). This combination will provide more than 1,000 new rental units when Stadium Neighbourhood is completed. The remaining 1/3 of density would be for leasehold development and is necessary to fund the costs of developing Stadium Neighbourhood, fulfill equity requirements for construction of the rental buildings, and possibly support faculty home ownership programs. The Board of Governors will consider a staff recommendation on this direction as part of the Stadium Neighbourhood Plan finalization in 2019.

## 3.0 Next Steps for 2019

Next steps and implementation focus for various areas in 2019 will include:

- ✓ *Student Housing Support (Policies 9, 10, 11) :*
  - Completion and occupancy of a new upper year graduate, apartment style residence called Exchange Residence in the Gage South area (651 beds); including 70 low cost 140 sq. ft. Nano units. Project is on budget and on schedule to open in summer 2019.
  - Continued work on two other student housing projects underway intended to add another 1600 beds by 2022, bringing the total bed count to over 14,000 (Attachment 5)
- ✓ *Faculty Ownership Support (Policy 1):*
  - Continued operation of the PIRL program and exploration of an expansion to \$15M and more flexibility to support more retention applications.
  - Continued research and exploration of additional faculty ownership support programs including research on a shared equity model currently underway by Treasury.
- ✓ *Faculty-Staff Discounted Rental Support (Policies 4, 5, 6):*
  - Continued roll-out of the pilot Rent-Geared-To-Income program with minor program eligibility adjustments (not the income thresholds) and enhanced communications and outreach. (Attachment 6)

- Continued innovation efforts in identifying and protecting future sites to support reaching and sustaining the 20% target of HAP Policy 4.
  - § Design development for approximately 100 new faculty staff units on Lots BCR7/8/9, to be built to Passive House standard, for 2021 occupancy in Wesbrook Place;
  - § Planned construction of 156 new faculty staff units on Lots 4, and 11 for 2020 occupancy in Wesbrook Place;
  - § Exploring density redistribution within existing caps in Wesbrook Place to increase wood-frame construction capacity on by about 250 units on Lots BCR7/8/9;
  - § Stadium Neighbourhood Planning process (1/3 discounted 25% below market);
  - § Continued exploration of financing options to potentially open up some of the higher density concrete construction sites for delivery of faculty-staff rental programs;
  - § Completion of the C+CP Design Guidelines for design of faculty and staff rental projects that responds to employee and recruiter feedback on the range of unit mix, type, amenities desired for UBCs evolving demographic; and
  - § Exploration/ research on partnership opportunities and recruiting appeal of supplementary off-campus faculty staff rental housing at other locations in the Lower Mainland, subject to financial viability.
- ✓ *Other Rental (Policy 3)*
  - Continued implementation of the University Rental (market-priced rental with priority access for those who work or study on campus)
    - § Focal project (Site D, University Blvd) and Georgia Point (Lot 11, Wesbrook) will add 251 units in 2020.
    - § Stadium Neighbourhood Planning process (1/3 University Rental);

This report fulfils the obligation under Policy 17 for an annual progress report updating Board on implementation activity over the last year. Annual progress reports will continue to be submitted each fiscal year.

<p><b>BENEFITS</b> Learning, Research, Financial, Sustainability &amp; Reputational</p>	<p>While the University cannot realistically provide enough funding to solve the challenges of the competitive real estate 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 or closer to campus.</p>
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<p><b>RISKS</b> Financial, Operational &amp; Reputational</p>	<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. 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>
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**COSTS** The costs to administer UBC's *Housing Action Plan* are currently supported by the annual operating budget.

Capital & Lifecycle  
Operating

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**FINANCIAL** The financial implications of the HAP policy targets were considered and approved in earlier Board deliberations as part of the plan development.

Funding Sources,  
Impact on Liquidity

Some policies (e.g. 20% faculty staff rental) will lead to a reduced or deferred financial return to the Endowment from land development proceeds compared with what those lands would have otherwise generated had they been developed for more profitable long-term leasehold sale or market-priced rental projects. These opportunity cost estimates will fluctuate with the market.

Some policies have no financial impact (e.g. Advance Purchase access to new market lease projects on campus).

Implementation of some programs require financial outlay by the University (e.g. the Rent-Geared-To-Income pilot program, or the forgivable Faculty Down Payment Assistance program). Detailed cost analysis of each of these programs have been considered and approved by the Board as each has been brought on-stream at the implementation stage.

The repayable Prescribed Interest Rate Loan (PIRL) program supported through the Faculty Housing Financial Endowment), can have liquidity impacts to be considered given the University is required to provide front end financial support to implement the program. The PIRL program approved to date is funded at \$10M annually from the Faculty Housing Assistance Financing Endowment (FHAFE), which in turn has been funded with unspent balances from the Student Housing Financing Endowment.

Current projections suggest that an increase of FHAFE to \$15M could continue to be supported, taking into account planned student housing projects and incoming projected land lease revenues going forward. Unused balances (if any) for both Annual Allocation and Special Allocation are carried forward and used at the discretion of the Provost Office based on strategic merit and pursuit of the best faculty.

Recurring funds will need to be identified within Faculties and the Provost Office budgets however, to cover their respective interest expense obligations associated with any increased number of loans to faculty members in the PIRL program. The Provost Office would cover its share of PIRL interest costs through the Excellence Fund.

Financing of student housing projects continue to be provided through the Student Housing Finance Endowment (SHFE). The Government Business Enterprise model continues to be explored which would allow for borrowing at market rates (approx. 3.5% vs the current 6.0% interest rate charged via SHFE). Student Housing and Hospitality Services takes on these loans and operates in a self-supporting fashion.

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**SCHEDULE** The next annual report will be Spring 2020.

Implementation  
Timeline

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<b>UBCPT COMMENTS</b> Complete for all reports that include a property component	Review Date	Jan 14, 2019	Signed off by	Aubrey Kelly, President, CEO, UBC Properties Trust
	UBCPT continues to work with UBC to advance the fulfillment of Housing Action Plan objectives. The increasing importance of rental housing in providing on-campus accommodation and creating a vibrant community is well recognized. Our development activities and priorities are continually adjusted to enable achievement of UBC's housing aspirations.  Our institutional development team continues to be fully engaged with UBC in delivering student housing projects for Student Housing and Hospitality Services.			

<b>Previous Report Date</b>	April 19, 2018
<b>Decision</b>	Approval of amendments to Housing Action Plan (HAP) Policies as described in Attachment A, and authorizes associated explanatory updates in the HAP, in response to engagement with students (the AMS, GSS and RHA) and direction from the February 2018 Board of Governors' meeting.
<b>Action / Follow Up</b>	Update on PIRL Program and Rent-Geared-to-Income Program

<b>Previous Report Date</b>	February 15, 2018
<b>Decision</b>	<ul style="list-style-type: none"> <li>- Approval of the updated and consolidated Housing Action Plan core policy text amendments (revised Attachment A, not including Policies 9, 11, and 12) reflecting adjustments supported during the course of the HAP Five-Year Review; and,</li> <li>- Direction to the Administration to further explore Policies 9, 11, and 12 and report back in April 2018, including implications and opportunities for introducing "University Rental" policy commitments in the HAP as described in the AMS submission January 30, 2018.</li> </ul>
<b>Action / Follow Up</b>	Further Explore Policies 9, 11 and 12 and report back in April 2018, including implications and opportunities for introducing "University Rental" policy commitments.

<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 Year 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 (FHAFE) 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> </ol>

	<p>2. Confirm continuation of 2<sup>nd</sup> Mortgage Loan option for duration of 3 year pilot;</p> <p>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:</p> <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> <p>4. Direct the Administration to consider and consult on phase-out and replacement of the Down Payment Assistance and Mortgage Interest Assistance loans;</p> <p>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.</p>
<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>Action / Follow Up</b>	
<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>Action / Follow Up</b>	
<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>Action / Follow Up</b>	
<b>Previous Report Date</b>	April 5, 2011
<b>Decision</b>	For information. Endorsement of work program outline and Guiding Principles.
<b>Action / Follow Up</b>	
<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>



***Board of Governors Oversight of Housing Action Plan (HAP) Development and Implementation***

A Board committee called the Community Planning Task Group (CPTG) provided oversight for development of the original HAP in 2011/12. Membership of the CPTG included student, faculty and staff representatives as well as the UBC Board of Governors representative from the UBC Properties Trust (UBCPT) Board. The Task Group was further supported by in-house university financial, legal, and planning expertise at the senior executive level, and by senior staff from UBCPT. This membership and breadth of expertise was intended to ensure that the resulting plan was technically and financially viable for the different operational units that would be implementing it in the coming years. The process also included extensive consultation with the campus community. The original CPTG was wound up after adoption of the HAP.

The HAP was formally approved within a year, in September 2012 (it was also endorsed by the UBCPT Board just prior to Board of Governors approval). There was a built in requirement to report annually on progress to the Board of Governors, and to check in on continued need for the Plan policies every 5 years.

In 2016, the Board reconvened an oversight committee called the HAP Working Group to kick start the Phase 1 of the 5 year Comprehensive Review via the Faculty Housing Strategy.

In September 2018, the Board formally reconvened this oversight committee to monitor and support implementation by further considering program options for affordable housing and other faculty, staff and student housing issues, by providing feedback to the Stadium Road Neighbourhood and other related planning processes, and to develop recommendations for the consideration of the Property Planning Advising Committee (jointly with the Finance Committee) and the board of Governors.

## Housing Action Plan Principles

At its meeting of June 8, 2011, the Board of Governors adopted principles to guide development of the Housing Action Plan and inform the evaluation of proposed housing options. Using these principles, staff have developed the following evaluation framework which includes specific objectives linked to each principle.

- ***Principle 1 - Align future campus housing plans with the academic mission of UBC.***
  - The option helps with the recruitment/retention of faculty and staff.
  - The initiative enhances and fosters faculty and staff engagement in the campus community outside of the classroom.
  - The option supports UBC's "Living Lab" philosophy.
  
- ***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 the Trek Endowment.***
  - The option supports wise use of the University's land assets to support UBC's economic sustainability ensuring a fair, balanced return to UBC's endowment.
  - The financial investment toward faculty staff and students is sufficiently enduring in that it helps more than one generation.
  - The investment is flexible in that it allows a healthy turnover for new arriving faculty, staff and students.
  
- ***Principle 3 - Create the basis for a sustainable year-round university community to support shops, services and transit.***
  - The option supports UBC's community development goals of creating an inclusive, diverse, complete and integrated community at UBC Vancouver.
  - The option increases opportunities for a year round population at UBC.
  - The option contributes to a housing tenure mix within buildings and within neighbourhoods.
  
- ***Principle 4 - Ensure that the Land Use Plan occupancy targets for households connected to the UBC campus, through study or work, are appropriate and achieved.***
  - The options help achieve Land Use Plan occupancy and tenure targets:
    - Minimum of 50% of new housing is serving households where one or more members work or attend UBC;
    - 20% of new housing is rental; and
    - 50% of new rental housing is non market.
  - Safe, attractive housing options are provided for people of all income levels assuming housing costs of not more than 30% of a single income.

- ***Principle 5 - Consider the governance implications of housing policy, as well as issues related to interfaces between the various land use designations on campus.***
  - The option ensures that faculty and staff are well represented in UTown@UBC.
  - The option contributes to a balance of UTown@UBC residents who are affiliated and non-affiliated with UBC.
  
- ***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***
  - Communications and consultation plan will have multiple opportunities for engagement, both online and in-person.
  - Promotion of engagement opportunities will take place through a number of different media, including electronic (i.e. email, website, e-signage, etc.) and print (i.e. posters, advertising, etc.).

***HAP Comprehensive 5-Year Review (Policy 18)***

On-pace with required timing in HAP Policy 18, a comprehensive 5-Year review of the ongoing relevance of the HAP policies was undertaken for 2017 and concluded in early 2018. The review was completed in two phases over a 1.5 year period.

Phase I of the 5-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. It included:

- the establishment of \$10M loan fund, replacement of the 2<sup>nd</sup> mortgage loan program with a more flexible Prescribed Interest Rate Loan (PIRL) program,
- reorganization of the priorities for the rental waitlist to support strategic recruiting and retention priorities, and
- renewed commitment to accelerate restricted faculty staff discounted rental programs and sustain the 20% target going forward,
- the addition of a small pilot rent-geared to –income program for faculty to supplement the Rent-Geared-to-Income program already being explored for staff.

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. They included:

- Renewed commitment to all rental programs and acceleration of delivery to reach and sustain targets as quickly as possible;
- Updated student housing related policies that encouraged maximum capacity Student Housing & Hospitality Services (SHHS) – run inventory on campus, and more detailed language around rent increase benchmarks, as well as acknowledgement that market priced rental options in the Neighbourhoods are important as a continued supplementary source of housing for students.

With the HAP policies reapproved in 2017/18, the focus then returned to implementation at a project and operational level with the support of various operational units at the university and UBC Properties Trust.

### **Housing Action Plan Policy Excerpt List**

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: <http://www.hr.ubc.ca/housing-relocation/files/HAP-Consolidated-Update-April-2018-BoG.pdf>

#### **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 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.*

END

### **Student Housing Support Policies**

- *Policy 3,9: Increased Supply*
- *Policy 10: SHHS Wider size mix*
- *Policy 11: SHHS Rent controls*
- *Policy 12: SHHS Advocacy in Provincial loan programs*

All student housing policies/ targets are operational and on-pace with commitments in terms of continued expansion, access, affordability and size mix commitments. These efforts should continue going forward.

More specifically:

***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.*

2018 Update:

- Summer 2019: Completion and occupancy of Exchange Residence, 651 upper year, year-round beds.
- Summer 2021: Planned completion of Pacific Residence, 970 upper year beds in both year round and winter session contract formats.
- Summer 2022: Planned completion of Brock Commons Phase 2, 600 upper year, year-round beds.
- Total beds upon completion of the above 3 projects – 14,000
- Additionally, work is underway by SHHS, C&CP, UBCPT and the Student Housing Project Steering Committee to determine other siting and priority options for additional growth beyond 2022.

Over 3500 new SHHS-operated beds on Academic lands have been delivered since approval of the HAP in 2012. There are now 11,800 SHHS-operated student beds on campus today - the largest of any Canadian university - with capacity for up to 18,000 beds under current land use capacity estimations.

***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).*

2018 Update: Recent additions to the SHHS inventory have ensured a wide range of unit size options for the diverse student base. Current inventory of beds includes the following wide diversity of unit types:



- For 1<sup>st</sup> year students: Traditional single and shared units and connected singles
- For upper year and Graduate students: regular and large studios, 1, 2, 3, 4 and 6 bedroom shared units (The new Exchange Residence has 70 – 140 sq. ft. Nano studios included in its inventory, offering a small and very affordable options for students. Should this model be successful future developments will include similar units.
- For student families: 2, 3 and 4 bedroom townhouse and apartment units

Programming for each new project includes an analysis the unit type that is most needed / desired to meet the needs of the marketplace.

**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%.*

2018 Update: SHHS operates within the parameters of these pricing principles. The budgeted rate increase for the 2019-20 contract term is 2%. Comparison against peer institutions across Canada and against the local rental marketplace is below:

Figure 1 Traditional 1<sup>st</sup> year residence (2018-19):

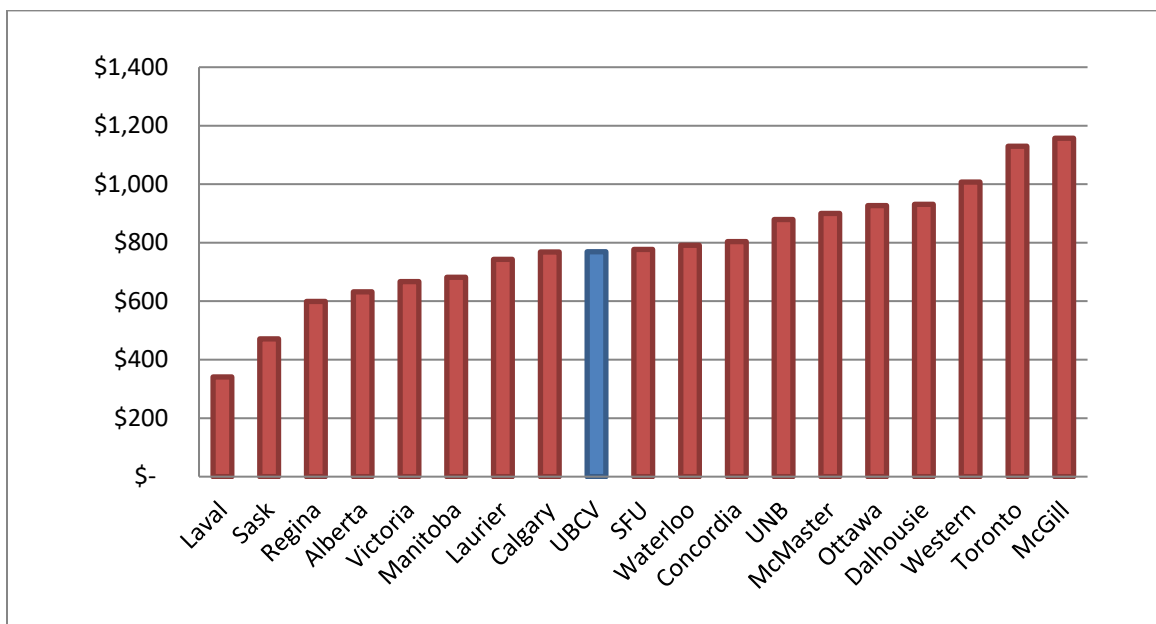


Figure 2: Suite Style Residence (2018-19):

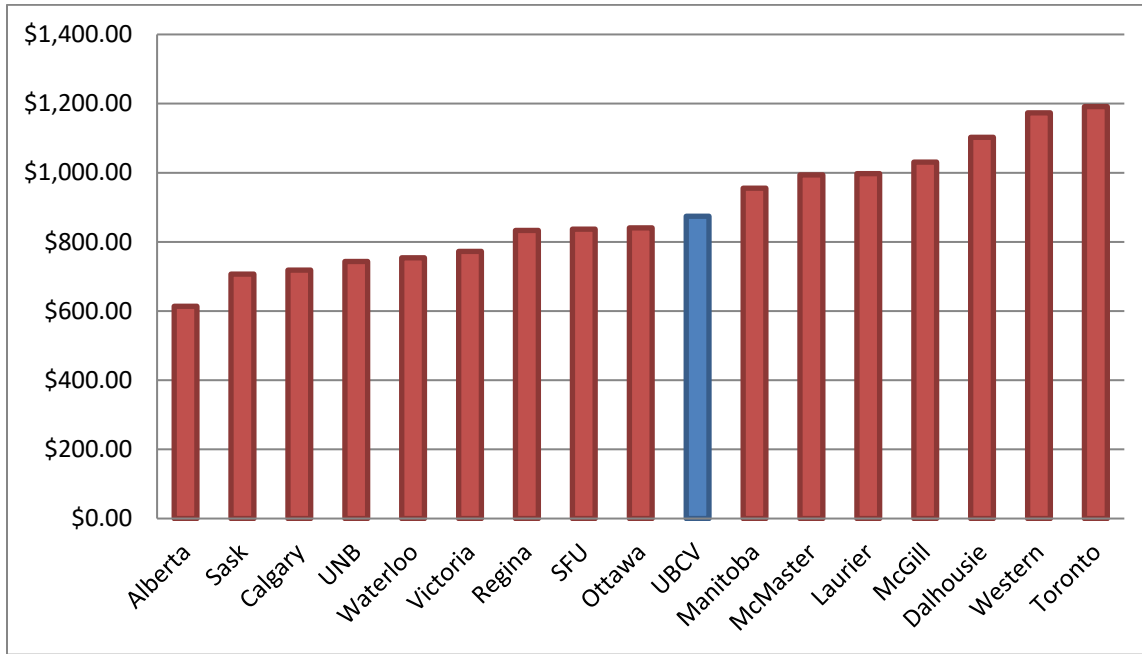
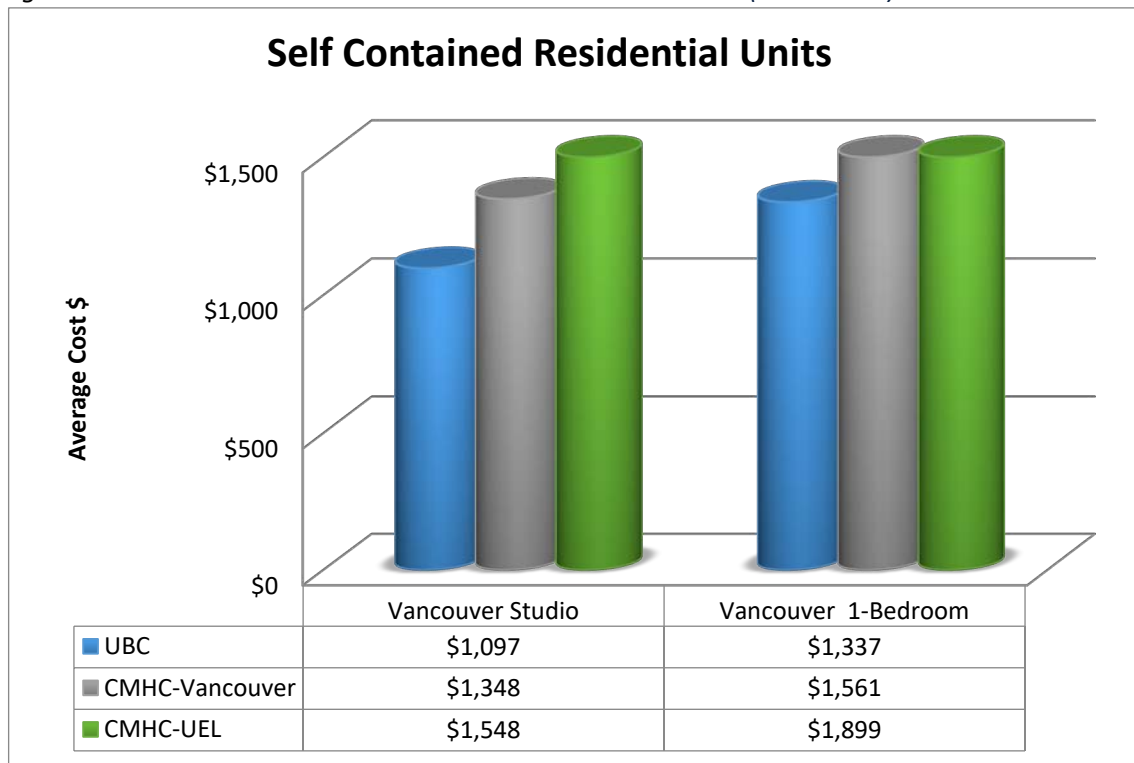


Figure 3: CMHC Data: RENT COMPARISON UBC VANCOUVER (FALL 2018):



**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.*

Update: Ongoing dialogue with the Ministry of Advanced Education, Skills and Training (AEST) is occurring through the recent creation of Student Housing Action Plan Working Group consisting of membership from AEST and across the post-secondary sector across the province. SHHS's Managing Director is co-chair of this committee. Greater access to affordable student housing is a core objective of this committee and the eventual action plan report.

**Policy 3:** *Supplementary Rental Options in Neighbourhood: In addition to the 20% Faculty-Staff housing from Policy 4 in the campus Neighbourhoods, Policy 3 calls for "...a further 10% of other forms of rental that may include market priced rental for the general public or University Rental (market-priced rental for those who work or study on-campus), or other rental opportunities..."*

This supplementary rental supply is separate from the Student Housing inventory and program on the Academic campus lands operated by Student Housing and Hospitality Services (SHHS), but can also benefit students. These other rental buildings in the Neighbourhoods are open to faculty, staff, students and the general public. Some of these rental buildings, called "University Rental", allow priority access to people affiliated with the University (including students), where availability is low. But, like all other tenants, students pay full market price in these rental buildings. These rental units are very popular and majority occupied by students.

### **UBC Rent-Geared-to-Income (RGI) Program**

*Policy 5 of the Housing Action Plan (2018):*

*“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.”*

For its most vulnerable employees in the challenging Vancouver housing market, UBC has committed to exploring a deeper rental housing affordability pilot program to supplement the currently available Faculty Staff 25% discounted program operated by Village Gate Homes. Recruitment and retention can be challenging in some of UBC’s lower paid but important operational categories, including daycare, janitorial, food services or many administrative staff. This program, known as the Rent-Geared to-Income (RGI) program can offer those employees access to secure, safe and modern housing at 30% of their household income for up to 10 years, within an easy walk to work, and close to good schools, while they work at UBC. Depending on results of the pilot after initial implementation, the program may be modified or expanded at discretion of the UBC Board of Governors.

The UBC Board approved the more detailed administrative framework for launch of the program in 2017. The program was then opened to applicants in spring of 2018. The objective for the first year of the pilot has been to fill 50 of the 100 staff pilot spaces, plus up to 5 of the faculty spaces. The remainder program spaces will be phased in for 2019 / 2020.

#### **1.0 Program Description/ Summary**

The RGI program is not a construction project with designated units. The program is instead a subsidy program attached to approved individuals, who are then assigned a preferred rate for a rental unit within the existing Village Gate Homes Faculty-Staff rental inventory. Approved program participants are therefore sprinkled throughout Village Gate Homes’ buildings, which avoids stigmatization that could otherwise occur should successful applicants be housed in one area. The size of unit assigned (max 3 bedrooms) depends on their family size. The timing of unit assignment is dependent on turnover and availability. The rent subsidy cost in each unique case for the difference between 30% of the approved employee’s household income and the regular Village Gate Homes rent for that unit, is paid by the University. Village Gate Homes invoices the University directly.

### *1.1 Staff pilot:*

In total, up to 100 program spaces will be made available to staff. Approved participants may remain in the program for 10 years as long as they continue to remain eligible and comply with annual verification. The program will be filled up over 2-3 years to encourage future staggering of turnover within the program. A phased ramp-up is also important to ensure that this program demand is merged with ongoing pressure for units in the same inventory pool from incoming faculty recruits each year and from the many faculty and staff already patiently waiting on the waitlist for faculty-staff rental units. A target of 50 spaces was identified for the first year of the program. Eligible staff must have household incomes below \$68,000 for a 3 bedroom unit, or \$58,000 for a 2 bedroom unit or \$48,000 for a 1-bedroom unit, less than \$100,000 in savings, and have worked full time at UBC for one year before applying.

At the time of approval, the staff program cost to the University was estimated at approximately \$1.2M per year once fully subscribed. Any unused program spaces however have no cost to the university at all because the unit that might otherwise have been allocated to the RGI participant is instead rented to a higher paying tenant at the regular faculty-staff discount rate. If demand has been underestimated, the strategic implications of expanding the program will be assessed after the pilot is complete.

### *1.2 Faculty Pilot:*

At the request of some Deans, a small scale pilot variation called the *Faculty Temporary Rental Support Program* was also set up for faculty, subject to demand. While it also allows the participant to pay rent at 30% of their income while in the program, it is more temporary and transitional in nature, and the income levels permitted to participants are higher. Eligible faculty members must have household incomes below \$99,500 for a 3 bedroom unit, or below \$80,000 for a 2-bedroom unit, and less than \$100,000 in savings, less student loans. They must be tenure-track, coming from outside the region, and have young children. Faculty endorsement of each applicant is required.

In total, up to 10 program spaces of this type are available. Approved participants may remain in this program for 1- 2 years as long as they continue to remain eligible and comply with annual verification. The program was intended to be filled over 2 years to encourage annual turnover of about 5 each year.

This smaller pilot program is intended to address instances where Vancouver rental costs may represent a barrier to the strategic recruitment of promising young talent from outside the Lower Mainland. While most faculty salaries are eventually sufficient to afford rent in the Metro area at 30% of their income, the availability of this additional rental support for faculty could prove useful in some Faculties where starting salaries are lower and where these incoming faculty members may be relying on a single source of income due to relocation. They may also be experiencing challenges balancing rent, childcare costs and student loan repayment. This program is intended to be temporary for faculty members, to help them with their transition into Vancouver housing by providing them subsidized rent support for 1- 2 years, given their salaries will increase over time.

At the time of approval, the faculty program cost to the University was estimated at approximately \$65,000 per year once fully subscribed.

## **2.0 Program Demand Background**

Based on known rental rates in Metro Vancouver, UBC's administrative salary data, and voluntarily supplied information through surveys on how many staff are in single income households, it was estimated that approximately 1000 UBC households are likely having difficulty paying rent on 30% of their income, and would fall below the income threshold for a program of this type. Many staff expressed interest in deeper rent assistance during employee consultations in development of the Housing Action Plan. Rental availability was also a considerable issue mentioned during those consultations. Administrative data at UBC confirms higher than average turnover rates in certain lower paid employment categories.

Approximately 2900 full time employees with one year of service on the Vancouver campus earn less than \$68,000 per year.<sup>1</sup> These employees fall across a range of departments including the BCGEU (Childcare), CUPE 116, (Clerical Sec/Bookstore), CUPE 116 (Service/Techs/ Trades), CUPE 2950 (Cler/Sec/ Library), Technicians and Research Assistants, and some Management & Professional (AAPS) staff. The 2016 Faculty Staff Demand Survey indicates that approximately 35%<sup>2</sup> of staff households are single income households, which leads to the estimate of 1000 UBC households earning less than \$68,000. While these estimates are loose, and UBC does not have any other means to quantify household income of its employees, a pilot program addressing 10% of this number (approximately 100 spaces) would allow the University to start testing the more detailed nuances of this demand.

The table below shows a sampling of the average rental costs for a unit in Village Gate Homes (standard rates for UBC faculty/staff), and on the west side of Vancouver, and in Metro Vancouver, alongside the annual income required to afford that rent. Availability rates in Metro Vancouver have remained close to 1% for several years now.

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<sup>1</sup> UBC Administrative data, November 1, 2018.

<sup>2</sup> Response rate from UBC 2016 Housing Demand Survey for percentage of UBC staff respondents in single income household was 35%.

Table 1: Rental cost in Village Gate Homes, Vancouver Westside and Metro Vancouver for a 2 bedroom apartment, and annual income required to afford that rent.

Type of Rental	Village Gate Homes*		Vancouver West**		Metro Vancouver**	
	Average Rent	Annual Household Income Required	Average Rent	Annual Household Income Required	Average Rent	Annual Household Income Required
2 bedroom purpose-built rental apt (built 1960 – 1974)	\$1850 - \$2220	\$74,000- \$88,800	\$1968	\$78,720	\$1,649	\$65,960
2 bedroom private-owned condo			\$2445	\$97,800	\$2034	\$81,360

\*Based on square footage. Current rate = \$2.50/sf

\*\*Data source: CMHC Rental Market Report, Nov 2018

Certain employee groups have a higher turnover than average as shown in the table below, and may be related to the cost of housing proximate to the university or the long commute times required to find affordable rent.

Table 2: Selected Higher than Average Turnover Rates in certain Groups

BCGEU-Childcare	13%
CUPE 116	8%
CUPE 2950	9%
M & P (AAPS)	7%
Staff Average	8%

\*Selected Staff Employee groups that may be RGI eligible (November 1, 2018)

### 3.0 Application and Approval Summary to Date

The detailed application process requires initial screening / approval by UBC followed by further asset verification checking by a third party. In this latter stage, applicants are required to share income tax information to demonstrate that they comply with the applicable household income thresholds described in Sections 1.1 and 1.2. Full details are outlined on-line.

Staff applications are initiated by the employees themselves. The faculty applications are sponsored by the Deans and Department Heads that are recruiting them.

### 3.1 Staff Program - Year One Results to Date

After 10 months of the program being live, approximately 180 applications were received for the UBC Staff RGI Program in the first round of applications, 17 UBC staff have been approved and are housed, and 11 are approved and waiting for units to become available. The remainder of the first round applicants have withdrawn or been deemed ineligible. A second cycle of 30 applications were taken in

during November 2018. 12 have been confirmed eligible and are now in the income asset and verification process. If validated in terms of income and assets, these could bring the total approved applications to 40. Administrative review of program restrictions has been undertaken to ensure unintended or invisible barriers to reaching the target groups, are addressed. Section 4.0 outlines recommendations in this regard.

Through two application rounds in this first year, 180 applications have been received, 46 met the eligibility requirements to be forwarded on for income and asset verification, 28 have been approved to date and 12 are pending. Of the 28 approved, 17 have now been housed and the other 11 are on the waitlist waiting for a unit to come available and be assigned to them in the Village Gate Homes inventory.

*Table 3: Year One Applications: April 2018- Dec 31, 2018*

Number of applications through (Round 1 Spring 2018 and Round 2 November 2018)	180
Number of viable applicants found qualified and sent for income/ asset verification	46
Number of applicants who withdrew during the process	43
Number approved to date	28
Number of applications in process of income /asset verification review	12
Number of approved applicants now housed	17
Number of approved applicants waiting for units to come available	11
Number of Round 1 and 2 applicants whose ineligibility would be reversed if rule changes are introduced (1 yr. experience, and the 80%-100% full time rule).	37

The second round of applications for Year 1 placements (to fiscal year end) was rolled out beginning November 1, 2018. Thirty applications were received and the application portal will remain open until all Year One placements are filled. The twelve pending applications above were from this later round.

### **3.2 Faculty Program - Year One to Date**

Despite the faculty household income threshold being higher (maximum household income up to \$99,500 for a 3 bedroom or \$88,000 for a 2-bedroom unit), no applications have been received from recruiters to date.

### **4.0 Observations/ Analysis 2018/19**

The first year of this pilot project will be complete by March 31, 2019. Application interest has been high (for staff) but application success rates have been lower than expected, triggering some analysis of why.

There may be some unnecessary hurdles that are preventing the staff program from being adequately accessed by the target group. The pilot phase of the program is the correct time to figure out these nuances and make the necessary adjustments whether they be in communications and better outreach



customized to the target groups and those employing them, or whether it be through elimination of unnecessary program rules. It could also be that a program of this nature necessarily takes time to fill up given it requires considerable work on the part of applicants, and involves life changing decisions such as moving homes, children, schools etc. Likely the answer is a combination of all the above.

There is no cost to a slower phase-in of these programs given there are no construction costs or empty units sitting idle waiting for applicants. So there is value to being patient and alert to understanding the factors in play so that the program can be improved to serve the intended target groups. Watching turnover rates in the filled units will be interesting as a potential indicator of retention success for those who have moved in.

If demand varies from these estimates during the pilot, the strategic implications of expanding or scaling back the program will be assessed after the pilot is complete.

#### **4.1 Communications and RGI Program Outreach**

*For Staff pilot:*

It is clear from applicant feedback that while thorough for accountability reasons, the application process is very complicated due to the requirements for income asset and verification, and right-sizing of units. This can be a detractor or a barrier for some people and applicants are requiring extensive information support as they work through the application process.

Awareness of the program may also not be as high among the target groups as hoped, in spite of broadcast emails, digital signage and website information to date. Many of the intended groups do not have office jobs where they receive broadcast program emails and will therefore mainly learn of the program through word of mouth from colleagues or a manager.

Careful continued communication efforts are likely the main response to these challenges through continued outreach, ongoing review of website materials for clarity, and continued in-person support as often as needed through the Housing & Relocation Services office.

Additional education outreach for this staff pilot program was implemented in October/November, 2018 to further educate UBC employee groups and departmental employers about the program, answer questions and create connections with UBC staff. Presentations, opportunities for questions, handouts, promotional digital signage and webpage content was developed and delivered in a broad-based initiative to increase UBC staff knowledge about this program and the potential for program participation.

Table 5: Additional Outreach in Fall/ Winter 2018

<b>Date</b>	<b>Employee Group</b>
October 16, 2018	UBC Childcare
October 17, 2018 (3 mtgs: day, evening, & night shift)	Building Operations
October 22, 2018	Student Development Services staff (SHHS)
October 24, 2018	HR Tune In
October 25, 2018	CUPE 2950 membership
November 13, 2018	CUPE 116 leadership team
November 21, 2018	Chan Centre staff
December 10, 2018	Associate Deans Meeting

Educational outreach will be repeated annually to catch new employees and new recruiters who may be unaware of the availability of this program. Efforts will be undertaken to generate new awareness for Year 2 applications this spring.

*For Faculty pilot:*

In addition to initial notifications to all Faculties about the launch of the Faculty pilot program and links to the application portal, HRS staff has more recently provided information on the program and application requirements at the Associate Deans' Meeting on December 10, 2018, and invited feedback to help administrative staff understand the lack of uptake for the program. Additional outreach to Deans' offices is now also getting underway through the Provost office.

#### **4.2 Financial rules and challenges**

Feedback indicates that even with the Rent-Geared-to-Income program, renting on campus may still be out of reach financially for some staff participants due to other upfront financial commitments of rent deposit, parking fees, pet deposit, etc. These are standard practice rental requirements but were met with disappointment by some potential applicants. The University has not yet explored whether to offer subsidy to cover any of these supplementary costs. They are currently not covered in the RGI program.

Others – particularly double income families with no children, have expressed disappointment that they earn too much for this Rent-Geared to Income program but too little to comfortably afford (on 30% of their household income), the Village Gate Homes standard discounted rates for faculty and staff. More analysis of this gap can be undertaken in future after this pilot RGI program is fully launched. This RGI program aims to serve the most vulnerable group first and uses the BC Housing Income Limits (HILS) that are used for similar programs.

Many applicants have expressed disappointment that taxable benefits are assessed on the rent subsidy, bringing the effective housing cost higher than 30%. UBC cannot change the taxable benefit requirements set by the Canada Revenue Agency.

#### **4.3 Recommended Administrative Changes Regarding Eligibility**

The Administration is concerned that two of the program criteria may represent unnecessary barriers to program participation by people of legitimate interest to the university. These criteria are the requirements that an applicant be both 100% FTE (full-time equivalent) and must already have minimum one-year of service at time of application. These criteria disqualify many interested applicants beneath the income threshold that work 80 to 99% work week, or that may wish to accept a job offer at the university but cannot weather the first year without rental support while they wait to become eligible for the program.

A combined total of 37 applicants in 2018 so far were disqualified based on either being between 80 and 99% full-time (16 people), or for not having yet worked at UBC for one full year (21).

Administrative program adjustments listed below are proposed to provide greater support to retention and recruitment of UBC staff in the target groups through the RGI program.

- Elimination of the requirement that applicants have already worked at UBC for 1-year before applying. This is not expected of all other faculty staff housing and could be blocking new recruits from accepting employment at UBC. Unless new recruits are offered housing at UBC, they will be forced to commute far to find housing affordable on their income. Currently there are 2900 people that have worked at UBC Campus for 1-year that make less than the \$68K threshold. If this requirement were to be removed, an additional 891 people would be eligible to apply for the program.
- The interpretation of 'full-time' for program eligibility purposes will more clearly include people working more than 80% of full time hours for UBC.
- Continued information outreach to target employee groups who rely on word of mouth to learn about the program (some in these work groups do not have computers or desk jobs). Multiple outreach meetings have taken place from October through December.
- The application portal will be kept open on an ongoing real time basis like the regular faculty staff inventory so that people do not need to wait for an application window to apply.
- The Administration will explore with UBC Properties Trust the potential of bringing more rental units into the eligible unit pool to accommodate those RGI approved people on the waitlist, before we lose them. This might include units in Pine and Cypress.

All other eligibility requirements such as overall household income threshold standards will still be in place.

### **Rental Housing Support Policies**

- *Policy 3: 10% Market-priced inventory*
- *Policy 4: 20% Faculty Staff Discounted inventory*
- *Policy 5: Pilot Rent-Geared-To-Income (110 units over 2-3 yrs.) (See Attachment 6)*
- *Policy 6: Wider range unit mix*

All the programs and increasing range of unit sizes referred to in these policies are now operational. The focus is now on ensuring the volume of inventory is expanded subject to demand, and the qualitative goals are achieved on a sustained basis until campus build-out.

#### *1. Other (can be Market-Priced) Rental Housing (Policy 3):*

Policy 3 calls for an overall combined target of 30% of new post-2012 construction to be delivered as rental housing. In conjunction with other policies however, this is broken down as 20% for faculty staff discounted rental, and the difference, 10%, as other (can be market-priced) rental housing.

No new market rental units were delivered in 2018. However there are currently 748 UBC Properties Trust operated market-priced rental units in the residential neighbourhoods already, 461 of which have been built since 2012 (including 291 market-priced “University Rental”). Given 19% of post-2012 residential construction in the Neighbourhoods has been delivered as market-priced rental, the 10% target for additional rental is well met, and exceeded. (Note: Market-priced 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).

#### *2. Faculty Staff Discounted Rental Housing (Policy 4)*

The Faculty Staff Discounted rental portion of all post-2012 construction was behind target at 13% by fiscal year end March 31, 2018 but 175 new units were built and opened in Pine House and Cypress House, in May and June of 2018. These additions brought the percentage up to 18% in the 2018/19 year, and the total number of faculty-staff discounted rental units on-campus to 685.

Other new faculty staff buildings planned in the next couple of years in Wesbrook Place include Lot 4 and 18 for construction in 2020 and 2021, which will achieve the 20% faculty staff rental target for post-2012 construction. Forward thinking will still be required going forward to protect the ability to deliver on Faculty Staff Discounted rental targets over the long-term. The lower construction cost of wood-frame projects (6 storeys or less) makes the development proforma on lower density sites more suitable for faculty-staff residential projects where annual rental revenue is 25% lower than market benchmark. A focus over the next year will be identifying and labeling those wood-frame sites for faculty staff rental project delivery in future and, where not sufficient to sustain 20% of-post 2012 construction as faculty-staff discounted rental, that further exploration might continue toward finding

a project financing model that could deliver the remaining increment of faculty-staff discounted rental in concrete high rises in future. During the 5-year review it was noted that Lot 11 in Wesbrook Place might be a pilot exploration of a new financing model to try to deliver faculty-staff rental in a concrete tower format. This proposal has been revised and a pilot may be tried on another future building instead.

The Stadium Road Neighbourhood Plan is under development and is an opportunity to show how and where the HAP strategic targets can be incorporated and integrated into that community.

### 3. *Wider Range unit sizes (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 requiring rental housing. Surveys have indicated that while the majority prefer 2 and 3 bedroom units, there is still important interest in the smaller and larger units beyond that. An increasing number of families with children are searching for larger rental units as they are no longer purchasing homes. There is a considerable range of income levels also to be accommodated. The appeal of living on-campus is considerable, allowing people to eliminate their commute and improve their quality of life.

Recent faculty-staff discounted rental projects have explored more 4-bedroom units (6 were added with Pine and Cypress House) and the next project (Lot 4) is exploring more 1 bedroom units also. All 26 of the 4-bedroom units on campus to date are now fully occupied. More across the full size range will still be welcome. There are currently 128 one BDR and 12 studio units in the Faculty Staff inventory.

### 4. Next Steps:

While no new faculty staff buildings are scheduled to be opened in 2019, continued innovation efforts are under discussion on multiple fronts to support reaching and sustaining, if not exceeding 20% in the years to come and all the way through to campus build-out.

- Treasury to explore financing options for faculty staff rental in concrete construction format to open up more potential high density sites;
- UBC Properties Trust and Campus and Community Planning are working to identify new 6 storey wood-frame sites for faculty staff rental housing in Wesbrook Village by lowering some of the planned taller concrete buildings to wood-frame height under the BC Building Code, thereby shuffling the lost density onto surrounding planned concrete towers.
- Campus Planning will be identifying locations for faculty-staff discounted rental sites in the Stadium Road Neighbourhood Plan for additional clarity and reinforcement of the HAP.
- UBC Properties Trust to explore cost viability of developing new satellite faculty staff rental housing partnership opportunities at various locations in the Lower Mainland, and Provost HR (through HRS) to explore faculty staff demand/ appeal for this idea in context of recruiting and retention effectiveness.