

THE UNIVERSITY OF BRITISH COLUMBIA



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Re: Campus Vision 2050

June 22, 2022

Dear Ms. McKenzie, President Ono, and Members of the Board of Governors:

This is our “I have a dream” moment on campus housing. It is an opportunity for UBC to solve its existential affordability crisis. What is the best UBC can do?

The Terms of Reference for Campus Vision 2050, in a word, lacks vision. I will not list all of its shortcomings, but here are a few: It articulates no targets for UBC housing security. It makes no commitments to affordability or livability. It promises no limits on growth or density and makes no distinctions between faculty, staff, student, and community housing needs. It sets aside no land for affordable ownership that might recruit new faculty and insulate them from market pressures in perpetuity, including rising costs due to SkyTrain. It articulates no specifics about working with Musqueam. Fatally, it is driven by an old “trickle-down” financial model whose opportunity costs are unacceptable: a model that puts market developments first and UBC housing second; that reduces the amount of land available for UBC housing; that reduces green space per capita; that drives unaffordability by aligning UBC’s land-revenue incentives with private developers; and that creates needless conflicts of interest between faculty/staff and student communities.

Here is a vision:

UBC creates enough affordable housing on campus for *every* student, faculty member, staff member, and First Nations community member who wants to live here. Land is no longer treated as a cash commodity, but as a means of investing in people. Density increases in proportion to the actual needs of the UBC community. Student residences in the campus core are expanded to a level that eliminates wait lists. Land is set aside for a strategic housing reserve of affordable leasehold midrise condos and townhomes for faculty and staff. The neighbourhood becomes a magnet that recruits and retains talent, including

those from higher-ranked universities with only rental options. Leasehold developments are capitalized by faculty and staff participants, with UBC contributing land as equity—a financially sustainable model. Acadia Park is renewed and expanded to accommodate even more graduate students and their families at walking distance from schools and daycare. Everyone feels that the residential land devoted to housing UBC people, and the quality of their buildings, are the best on campus. They are no longer “infill” to be looked down upon from luxury towers. Neighbours have their own front doors and can visit each other without a fob or intercom—the sad, isolating reality of tower living. Children can trick-or-treat. The proportion of absentee investor-owners on campus drops continually. Green space per capita remains high. Any unused Village Gate Homes units or excess capacity are made available to local teachers, daycare workers, alumni, retirees, and other vital contributors to campus life. A diverse community thrives, laughs, and shakes their heads in disbelief that once upon a time some folks said it couldn’t be done.

Here are some specific steps that UBC can take to make that dream a reality:

- Publicly commit UBC to achieving 100% affordable housing, akin to UBC’s 2035 net zero emissions pledge
- Implement the CMHC definition of “affordable housing” approved by the Board in the 2012 Housing Action Plan Report (sec. 3.2.1), across all faculty/staff units
- Mandate that all financial calculations related to housing be based on *net affordability* (as opposed to, say, the red herring of taxable benefits)
- Change the mandate for UBC Properties to focus on UBC housing, and measure its success according to a “triple bottom-line” of housing affordability, quality (including eco-sustainability), and volume
- Set aside land for a strategic housing reserve where faculty/staff affordable ownership developments can be constructed in coming decades, responsive to demand and prioritizing families (whose space needs are greatest, unaffordability obstacles most acute, and who need to be near both school and work)
- Create financial models for equity sharing co-development projects, indexing appreciation to salaries and adding resale covenants to ensure sustainability
- Measure green space *per capita*, to maintain true livability and eco-sustainability
- Work with the Province to create construction loan programs for new rental units that are affordable to all current and future students, staff, and faculty
- Elevate efforts to obtain a REDMA exemption from the Province to be on par with UBC’s SkyTrain outreach work
- Work with the CRA and other relevant Federal authorities to reduce or eliminate “taxable benefits” on affordable housing projects, starting with public employers

These are just a few examples of what can, and should, be done now.

The Campus Vision 2050 Terms of Reference that the Board is being asked to approve in June 2022 repeats mistakes of the earlier Stadium Road plan: the same short-term thinking, but on a larger scale. To move forward on such terms would be to miss a valuable opportunity to develop a new paradigm for housing affordability and security that would both benefit UBC and be a model for other Canadian institutions.

For faculty, lack of ownership is a real, ongoing, strategic, and human problem. My department recently had a pair of Ivy League professors turn down a joint offer because

of the unaffordability of housing on campus—a loss that was particularly galling because one of them was *from* BC. Many of my newest colleagues are new mothers, who need to be nearby for both their jobs and daycare pickup. All of them want to own their own homes. All of them need space for a growing family. All of them know that, even if they obtain a Prescribed Interest Rate Loan (which will require ever-bigger loans), they cannot afford a home near UBC. Future hires will face even worse conditions. And UBC will simply never know how many people do not apply. The solution: create a *guaranteed path to affordable ownership within a few years of hire* (not upon arrival) that UBC trumpets far and wide.

Ownership is not just central to the recruitment/retention challenge. It affects the economics of housing on campus in general. Currently, UBC leases a plot of land (or two) and uses the proceeds to capitalize rental, losing land in one place to create an asset with negligible recruitment value in another. Shared equity co-development is a superior approach: the homeowner pays for the building and UBC contributes the land in-kind, creating a powerful recruitment and retention for multiple generations, and using land more efficiently. UBC is aware of this model but has yet to conduct a strategic analysis.

For student residences, UBC needs to do two things. First, it should invest more of the endowment than it currently does toward student housing, since the capital used for this purpose creates an invaluable long-term benefit, and any such “loan” will be repaid from rent over the long term. Second, it should deepen cooperation with the Province to secure alternative forms of funding for affordable student housing, instead of rely on lease income from developers. Point Grey is one place where the Province can support the creation of affordable housing without it resulting in the creation of a greater volume of unaffordable housing.

UBC also needs to ensure that its SkyTrain ambitions do not confound affordability efforts. The worst possible course of action would be for UBC to sell leasehold land to private developers in order to come up with a cash contribution to the extension. Such a scenario would exacerbate unaffordability and squander land—a colossal strategic blunder. Much better would be to align priorities. UBC creates thousands of units of housing that will be *affordable in perpetuity* (unlike private developer deals). In return, that public good (whose value far exceeds what UBC could raise through land leases) becomes UBC’s contribution toward the project.

Vision on affordability means not only implementing policy changes that UBC can accomplish on its own, but also working with Provincial and Federal authorities to make structural changes to tax and legal frameworks that are currently hampering efforts to finance and construct affordable housing. The inconvenient truth is that Vancouver will be expensive indefinitely, and that liability will put UBC at a perpetual competitive disadvantage. We need a closed market.

Why make such a bold appeal now? I do not doubt your good will, but I have seen momentum founder due to leadership departures, and due to passive stewards who wait for “the process to run its course” before doing the obvious right thing. Turnover in the administration and at the Board has hampered progress on housing for over a decade.

Please give us all a reason for optimism.

Yours sincerely,

A handwritten signature in black ink that reads "Christopher Rea". The signature is written in a cursive, slightly slanted style.

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Cc:

Hon. David Eby, Q.C.

Hon. Joyce Murray