



SUBJECT	The University Community on Campus: Housing Action Plan Annual Report 2022-2023 (UBC Vancouver)
SUBMITTED TO	Property Committee
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SESSION CLASSIFICATION	Recommended session criteria from Board Meetings Policy: OPEN
REQUEST	For information only - No action requested
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PRIOR SUBMISSIONS

The subject matter of this submission is received annually by the Property Committee, most recently in [June 2022](#) (OPEN SESSION).

The following Executive Summary provides a status update from the date of the most recent submission.

EXECUTIVE SUMMARY

UBC’s Housing Action Plan (HAP) is a 30-year strategy that sets out the University’s long-range strategic housing plan to facilitate improved housing choices and affordability for faculty, staff, and students, for recruitment and retention purposes, aligned with the UBC Strategic Plan.

Achievement of the HAP policies is supported by multiple UBC departments and UBC Properties Trust. Progress has been made since the approval of the HAP by the UBC Board of Governors in 2012 in expanding inventory and implementing new programs that support faculty, staff, and students. There is a requirement to report annually on the current HAP’s progress (Policy 17) to the Board of Governors and to review the Plan policies every five years (Policy 18).

This briefing summarizes annual implementation milestones and achievements for the F2022-2023 year:

- Completion and 100% occupancy of tə šxʷhəleləm̓s tə kʷaʷkʷəʔaʔt, (The Houses of the Ones Belonging to the Saltwater) adding 744 student housing beds and 196 beds provided for hotelling and emergency suites for students. In June 2022, UBC co-hosted with Musqueam a Naming and Opening Ceremony, celebrating the completion of this project, and more importantly, celebrating the gifting of the residence and house names from Musqueam.

- Continued construction of Brock Commons Phase II, which will add 600 new student beds in 2 phases in Summer 2023 and Spring 2024.
- In light of escalating operating costs and while maintaining HAP Policy 11 commitments, planned for and consulted with students for an average 6% increase (range of 3.5% to 8%) for 2023-24 student housing contracts.
- Continued operation of the Faculty Home Ownership Program (FHOP) comprised of the Prescribed Interest Rate Loan (PIRL) and Down Payment Assistance (DPA) Loan programs. The activation of both PIRL and DPA has decreased significantly this year due to increased borrowing costs from primary lenders as well as for the PIRL loan. Twenty-five (25) PIRL loans have been activated this fiscal year, compared to 35 in 2021-2022 and 37 in 2020-2021 respectively. Forty-nine (49) DPA loans were activated in 2022-2023 compared to 83 in 2021-2022 and 80 in 2020-2021 respectively.
- Continued implementation of the pilot Rent-Geared-To-Income (RGI) program. By the end of the fiscal year, 61 participants have been housed under the program. As a result of program evaluation in 2021, some operational changes were introduced in February 2022 to improve and streamline implementation processes.
- The 10-year review of the Housing Action Plan has been ongoing in partnership with CV2050, a comprehensive Land Use Plan update for UBC Vancouver campus. The review assessed the existing initiatives and explored opportunities to do more to address the affordability challenge for faculty, staff and students. A draft version of the HAP with the updated strategic directions and principles guides UBC's response to the housing challenge, focusing on additional opportunities for on-campus faculty, staff and student housing through Campus Vision 2050.

Next steps and focus for FY2023-2024 will be:

- Presenting the draft 2023 HAP to the Board of Governors for approval.
- Updating the HAP Faculty and Staff housing programs' criteria and guidelines to reflect the new HAP policies.
- Completion of Echo, a staff-faculty restricted rental building with 152 units in November 2023.
- Accelerated delivery of 330 staff/faculty rental units and 220 market rental units in Wesbrook Place for completion in 2024 and 2025.
- Completing and fully occupying Brock Commons Phase 2, allowing 600 additional students to reside on campus in student housing.
- Implementing the average 6% (range 3.5% - 8%) rate adjustment in both year-round and winter session housing contracts and developing a long-term rental rate strategy that balances student affordability with generating revenue that supports greater investment in new student housing.
- Planning for development of the 4,300 new student housing beds (3,330 new plus 1,000 replacement) in alignment with HAP commitments.

SUPPLEMENTAL MATERIAL

1. Housing Action Plan Policy Implementation Progress Annual Report FY2022-2023

HOUSING ACTION PLAN POLICY IMPLEMENTATION PROGRESS ANNUAL REPORT FY2022/23

Prepared by UBC Housing, Immigration & Relocation Services

Human Resources

May 2023

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SECTION 1: BACKGROUND

UBC's Housing Action Plan (HAP) is a 30-year strategy that sets out the University's long-range strategic housing plan to facilitate improved housing choice and affordability for faculty, staff, and students, for recruitment and retention purposes, aligned with the UBC Strategic Plan. There is a requirement to report annually on the current HAP's progress (Policy 17) to the Board of Governors and to review the Plan policies every 5 years (Policy 18). This report serves as the annual progress report for Housing Action Plan policies for FY2022/23.

Achievement of the HAP policies is supported by multiple UBC departments and UBC Properties Trust. Progress has been made since the approval of the HAP by the UBC Board of Governors in 2012 in expanding inventory and implementing new programs that support faculty, staff, and students.

The implementation milestones and highlights for the FY2022/23 are summarized below:

- Completion and 100% occupancy of tə šxʷhəleləms tə kʷaʔkʷəʔaʔt, (The Houses of the Ones Belonging to the Saltwater) adding 744 student housing beds, 28 emergency suites for students and 168 beds provided for hoteling. In June 2022, UBC co-hosted with Musqueam, a Naming and Opening Ceremony, celebrating the completion of this project, and more importantly, celebrating the gifting of the residence and house names from Musqueam.
- Continued construction of Brock Commons Phase II, which will add 600 new student beds in 2 phases in fall 2023 and spring 2024.
- In light of escalating operating costs, and while maintaining HAP Policy 11 commitments, planned and consulted with students on an average 6% increase (range of 3.5% to 8%) for 2023-24 student housing contracts.
- Continued operation of the Faculty Home Ownership Program (FHOP), comprised of the Prescribed Interest Rate Loan (PIRL) and Down Payment Assistance (DPA) Loan programs. The activation of both PIRL and DPA has decreased significantly this year due to increased borrowing costs from primary lenders, as well as for the PIRL loan. Twenty-five (25) PIRL loans have been activated this fiscal year, compared to 35 in 2021/22 and 37 in 2020/21 respectively. Forty-nine (49) DPA loans were activated in 2022/2023 compared to 83 in 2021/22 and 80 in 2020/21 respectively.
- Continued implementation of the pilot Rent-Geared-To-Income (RGI) program. By the end of the fiscal year, 61 staff participants have been housed under the program. As a result of program evaluation in 2021, some operational changes were introduced in February 2022 to improve and streamline implementation processes.
- Completion of a new faculty and staff restricted housing building Evolve with 110 units in August 2022 and another new building Echo with 152 units is scheduled to complete in November 2023.

- The comprehensive review of the Housing Action Plan (10-year review) process took place from early 2022 through early 2023 in partnership with Campus Vision 2050 (CV2050), a comprehensive Land Use Plan update for UBC Vancouver campus. The review assessed the existing initiatives and explored opportunities to do more to address the growing affordability challenge for faculty, staff and students. A detailed overview of the review process can be found in the following section.

In-depth analysis of the HAP FY22/23 progress can be found in the following chapters, broken down by policy streams – faculty home ownership policies in Section 2, faculty staff rental housing policies in Section 3, and student housing policies and next steps in Sections 4 and 5, respectively. The complete list of current HAP policies can be found in Appendix A.

Housing Action Plan 10-year Review Update

Throughout FY2022/23, the Housing Action Plan 10-year review work proceeded alongside Campus Vision 2050 and is scheduled to go to the Board of Governors for adoption in Fall 2023. The review is led by a Steering Committee chaired by the Office of the Provost and includes leadership from Human Resources, Student Housing and Community Services, Campus and Community Planning, Treasury, and UBC Properties Trust. The ten-year review of the Housing Action Plan is a response to the many challenges facing the university community over the last decade, namely:

- Worsened affordability, with the Metro Vancouver regional benchmark home price index¹ increasing nearly 90% and regional rents increasing 55% from 2012-2022.
- Persistent and extremely low rental vacancy rates at UBC and in the City of Vancouver.
- Added resources and opportunities for on-campus faculty, staff, and student housing through Campus Vision 2050—UBC’s 30-year plan for how the campus lands change and grow.
- An increase in the competition for talent, with individuals making employment choices to support their wellbeing through reduced commute times and staying closer to home.
- Growing public engagement calling for UBC to address affordability issues.
- Recently approved local and regional housing affordability strategies, along with intensifying debate around housing development and neighbourhood growth.
- Renewed provincial and federal support and funding for housing policy and affordability initiatives.
- Regional Mayors’ Council approval of a concept for the extension of the Millennium Line SkyTrain to UBC, providing an eventual opportunity to increase housing choice for UBC’s community.

The review assessed the existing initiatives and explored opportunities to do more to address the growing affordability challenge. The comprehensive review process took place from early 2022 through early 2023 and included:

- Integration with Campus Vision 2050: a 30-year vision for how the UBC Vancouver campus lands change and grow, resulting in added resources and opportunities for on-campus faculty, staff, and student housing.

¹ The Home Price Index measures how regional housing prices change over time based on typical housing types, such as apartments or townhouses. More detail is available [here](#).

- Community Engagement: targeted discussions with stakeholder groups including faculty, staff and students, and with residents including the University Neighbourhoods Association, along with broad public engagement through the Campus Vision 2050 process.
- Faculty/Staff Housing Needs Assessment: a consultant-led review of faculty/staff demographics, housing needs, and affordability challenges.
- Faculty/Staff Housing Programs Evaluation: a consultant-led review of current faculty/staff housing programs, focused on areas such as program administration and eligibility.
- Student Housing Policy: ongoing engagement with the Alma Mater Society, Residence Hall Association, Graduate Student Society, and UBC Board of Governors student representatives.
- Internal UBC Steering Committee direction: senior representatives from across UBC including the Office of the Provost, Human Resources, Treasury, Campus and Community Planning, Student Housing and Community Services, and UBC Properties Trust.
- UBC Board of Governors direction: regular engagement through the Advisory Committee on Campus Vision 2050 and Rapid Transit, the Property Committee, the Finance Committee, and the full Board of Governors.

The findings reflect the scale of the housing affordability challenge and the significant value of UBC's existing housing programs for student, faculty and staff recruitment and retention. A draft version of the HAP 10-Year Update (2023) strategic direction and principles guide a bold UBC response to the housing affordability challenge, focusing on more opportunities for on-campus faculty, staff and student housing through Campus Vision 2050. The policy directions focus on four areas: More Rental Choice; Attainable Ownership; Student Housing Opportunities; and Coordinated Implementation. The full draft principles and policy directions can be found in Appendices B and C.

SECTION 2: FACULTY HOME OWNERSHIP POLICIES

- **HAP Policy 1: Faculty Home Ownership - Prescribed Interest Rate Loan Program (PIRL)**
- **HAP Policy 2: Down Payment Assistance Loan Program (DPA)**

Introduction:

The Prescribed Interest Rate Loan program was approved in 2017 and is in its fifth year of operation. Given the high cost of living in the Lower Mainland, this Program provides loans for faculty members to help purchase a principal and only residence in Metro Vancouver. Some of the terms include:

- Interest rates for the faculty member are set at the Canada Revenue Agency Prescribed Interest Rate so the loan is not considered a taxable benefit.
- The hiring faculty or department and the Office of the Provost split the remaining interest carrying cost of the loan, which is adjusted during the loan term depending on changes in the Consumer Price Index (CPI) and the UBC Endowment Spend Rate.
- Once a loan is approved, it may be activated anytime within ten years from the date of approval.
- Once activated, no principal payments are required by the faculty member during the 15 years the loan is outstanding.
- After 15 years, on departure from the university, or upon sale of the home, the loan must be repaid in full.

PIRL loans are funded from the Faculty Housing Assistance Financing Endowment (FHAFE), an endowment fund established by the Board of Governors in 2017 and currently funded with \$15M annually from UBC land development proceeds.

The Down Payment Assistance Loan program has been in operation since 2009. It is available to tenure-stream faculty and confirmed or confirmation-track librarians for ten years from time of appointment. Down payment assistance is provided as a forgivable interest-free loan for five years. Eligible employees with a start date prior to July 1, 2017 may receive \$45,000 of down payment assistance. Eligible employees with a start date of on or after July 1, 2017 may receive \$50,000 of down payment assistance.

Discussion:

After seeing record sales and prices during the pandemic, Metro Vancouver's housing market experienced a year of caution in 2022 due to rising borrowing costs fueled by the Bank of Canada's ongoing battle with inflation, along with foreign buyer's legislation that provided restrictions for non-Canadians purchasing property for a period of time in 2023. The Real Estate Board of Greater Vancouver (REBGV) reports that residential home sales in the region were 28,903 in 2022, a 34.3 per cent decrease from the 43,999 sales recorded in 2021, and a 6.6 per cent decrease from the 30,944 homes sold in 2020.

² <https://www.rebgv.org/market-watch/monthly-market-report/december-2022.html>

The impact of the Bank of Canada’s decision to increase the policy rate is tied to the prescribed interest rate for UBC’s Prescribed Interest Rate Loan program, which has increased progressively over this fiscal year from 1% to 4% by the fourth quarter of FY2022/23. Elevated borrowing costs and below-average sales were directly reflected in the activation of the Prescribed Interest Rate Loans and Down Payment Assistance Loans in FY2022/23. The number of PIRLs activated decreased from 35 to 25 and the number of DPAs activated decreased to 49 compared to 83 in FY2021/22.

Figure 1: Number and dollar amount of PIRL Activations 2017-2023

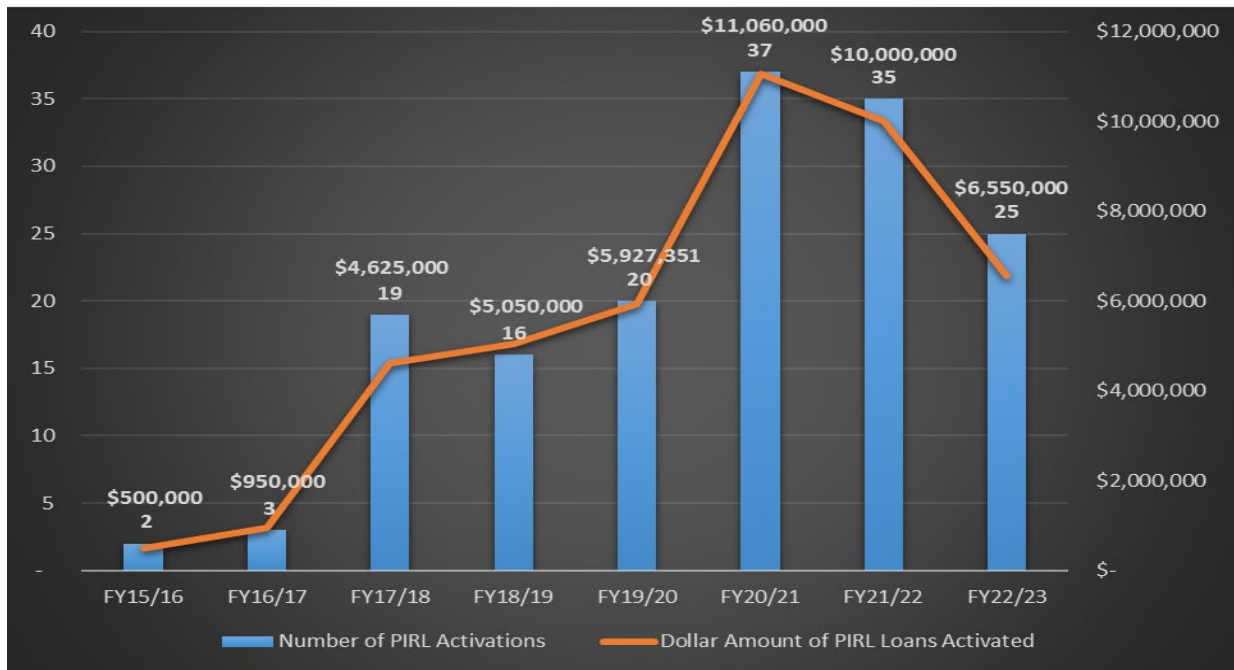


Figure 2: Number and dollar amount of Down Payment Assistance Loans Activated per year



However, the number of PIRL loans that have been approved remained stable at 48. The financial pressure on these programs remains high as the cost of housing continues to be out of reach for many, coupled with the University’s increased recruiting for the President’s Academic Excellence Initiative (PAEI). Increasing interest rates translated into downward pressure on home sale activity but had less impact on home prices in Metro Vancouver. The Real Estate Board of Greater Vancouver anticipates modest price increases of approximately one to two per cent for 2023 and these price increases are expected to occur despite the high borrowing costs, and below-average sales.³ Overall, market forecast suggests that sellers are awaiting more favorable market conditions, and the persistent demand for the UBC’s loan programs is expected to continue.

Figure 3: Number of PIRL Approvals 2017-2023



In response, through the Housing Action Plan 10-year review work, UBC is proposing to increase the Prescribed Interest Rate Loan program funding to \$20M annually and explore increasing the Down Payment Assistance program in future UBC budgets as the Housing Action Plan implementation proceeds. Additionally, UBC continues to work with the Province on changes to the *Real Estate Development and Marketing Act* (REDMA) to enable UBC to develop on-campus home-ownership options. A detailed summary of the proposed policies can be found in Appendix C.

³ <https://www.rebgv.org/market-watch/monthly-market-report/march-2023.html>

SECTION 3: FACULTY STAFF RENTAL HOUSING POLICIES

HAP Policy 3: Up to 30% of all new construction will be rental

HAP Policy 4: Up to 20% of new construction will be faculty staff restricted rental housing

HAP Policy 5: Pilot a Rent-Geared-to-Income Program (RGI)

Introduction:

Policy 3 has an overall combined target of up to 30% of new post-2012 construction to be delivered as rental housing. In conjunction with Policy 4, this is broken down as up to 20% for restricted faculty and staff rental housing with the remainder as market-priced rental housing.

Policy 4 addresses the needs of UBC's workforce and as mentioned above commits up to 20% of future housing on campus be built as restricted rental units available only to faculty and staff. Rents reflect costs and expenses and are targeted to be discounted 25% below average rental rates charged for unrestricted housing on Vancouver's west side.

Policy 5 focuses on UBC staff earning low to moderate incomes to be able to access rental housing on campus. UBC developed a pilot Rent-Geared-to-Income program launched in 2018, with a target of 100 units for eligible staff. RGI program participants pay 30% of their household income before taxes and adjustments to rent eligible units within the UBC Faculty Staff Housing rental portfolio. Participants must have incomes below the eligibility thresholds for this program (benchmarked to BC Housing eligibility thresholds for 1, 2, and 3-bedroom units), and undergo annual means testing to demonstrate continued eligibility. Also, ten faculty spaces are reserved for those with children coming to UBC from outside the Lower Mainland. These faculty members must be sponsored by their department in addition to having a household income below the specified threshold. Staff can remain in the program for up to 10 years and faculty members for up to 2 years.

Discussion:

On-Campus Rental

There were no new market rental units delivered in FY2022/23. There are currently 817 market-priced rental units in the residential neighbourhoods, including 358 that are market-priced 'University Rental'⁴. These units are operated by Wesbrook Properties, a division of UBC Properties Trust. The target of 30% of all new housing to be for rental remains over 40% of all residential units in the neighbourhoods built since 2012. The next new market rental building is scheduled for completion in 2025.

⁴ Priority access to these units is offered to UBC students, faculty, staff or other employees working on-campus before the general public.

Figure 4: HAP Policy Targets Progress over selected time steps

HAP Policy Target	2012*- 2023	2012-2026	2012* to Campus Buildout (estimated to be 2041)
Policy 3 - 30% all new housing to be for combined rental, subject to demand	43%	45%	42%
Policy 4 – Up to 20% all new housing to be for FS rental, subject to sufficient demand	23.1%	25.7%	23.4%

* 2012 Housing Action Plan Approval

The Faculty and Staff restricted rental housing (FSRH) portfolio is operated by Village Gate Homes (VGH), which is a division of UBC Properties Trust. The construction of a new building Evolve was completed in August 2022, bringing the total number of Faculty and Staff restricted rental housing to 950 units. The Evolve building is unique within the portfolio as it is built to minimize energy usage with triple glazed windows, movable sunshades, heating recovery ventilation continuously providing fresh filtered air to create a healthy breathing and living environment, and is aiming for Passive House certification. The HAP Policy 4 target of up to 20% of new construction for faculty staff housing increased to 23.1% with completion of Evolve.

Currently, a new 6-storey building Echo is under construction adjacent to Evolve. It will have 152 rental homes ranging from studios to four-bedrooms with an anticipated completion in November 2023. Echo will have air conditioning and a roof top gathering space, as well as additional amenities such as enclosed bike rooms, bike repair station, and a large courtyard with outdoor amenities. The court yard will be shared with Evolve, facilitating community connections for residents.

As of March, 2023, 33% of the restricted rental housing units were occupied by tenure-stream faculty and 58% by staff and the remaining 9% were occupied by University affiliates⁵.

Figure 5: VGH Occupancy by Employment Category, March 2023

Category	Description	Count	%
A	Faculty - Tenure-Track	180	19%
B	Faculty - Tenured	135	14%
C	Staff & other FT UBC employees	547	58%
D	UBC Affiliates	87	9%
	Vacant	2	0%
	Total	951	100%

Vacancy rates in both market and faculty and staff restricted rental are close to zero due to a return to on-campus activities. Similarly, across the region, vacancy rates remained below 1% in 2022 due to higher homeownership costs and migration to the region causing rental demand to increase faster than supply⁶. The rent freeze the Province of British Columbia enacted at the beginning of the pandemic

⁵ “University Affiliates” includes employees of TRIUMF, FPIInnovations, Mitacs, UBC Properties Trust, and Vancouver Coastal Health, affiliate/adjunct/clinical/visiting faculty and sessional lecturers.

⁶ <https://www.cmhc-schl.gc.ca/en/professionals/housing-markets-data-and-research/market-reports/rental-market-reports-major-centres>

expired at the end of December 2021 and the maximum allowable rent increase for 2023 by the Province is 2%.

Rent-Geared-to-Income Pilot Program (RGI)

On June 14, 2017, the Board of Governors approved the implementation framework for two pilot rent-geared-to-income programs as part of the Housing Action Plan for the Vancouver campus: 1) the Faculty Temporary Rental Housing Support Program, and 2) the Staff Rent-Geared-to-Income Housing Program. The programs were launched in Spring 2018. It was anticipated that the staff program would take at least three years to reach full capacity with 100 participants, and the faculty program two years to fill 10 spaces on a rotation basis.

As a result of the formative evaluation that took place in November 2020, several mid-course corrections to the program implementation were identified to realign the program with the approved policy framework and objectives, and improve the efficiency and effectiveness of Housing, Immigration and Relocation Services program administration. These changes went into effect on February 1st, 2022 and the most notable change is the requirement of income limit to be met only at time of application, but not as a condition of ongoing participation. More specifically, this change would enable households to remain in the program longer and ease the transition to regular FSRH rents and encourage greater participation by staff with families, particularly households with incomes close to existing limits who may be reluctant to accept a unit due to the risk of becoming ineligible with small increases in income. Additionally, as the Program was over-subscribed for studio/1-bedroom units, applications are not being accepted from applicants who qualify for a studio/1-bedroom units until further notice in efforts to align the Program unit mix with the approved policy framework (30% 1-bedroom; 50% 2-bedrooms; 20% 3-bedrooms).

During FY 2022/23, a total of 37 new applications were received for the staff program of which 7 were approved and the rest were ineligible, withdrew from the program or are currently under review. Ten new participants moved into an eligible unit under the Program. Four participants moved out and 5 participants' subsidy terminated⁷ due to ineligibility. By the end of the fiscal year, 61 participants were housed and 5 were waiting for a unit. No new applications were received for the Faculty program.

As of March 2023, of the housed applicants:

- 78% were members of CUPE 2950 and CUPE 116 employment groups;
- 67% were female;
- 62% fell between 25 to 44 years of age; and,
- 56% were single person households, 23% single parent households, and 21% couple parent households.

⁷ These participants continued to live in FSRH, paying full unit rent.

Figure 6: RGI Program Participants by Gender

Gender	Count	%
Female	41	67%
Male	20	33%
Non-Binary	0	0%
Total	61	100%

Figure 7: RGI Program Participants by Age

Age	Count	%
19-24	2	3%
25-34	17	28%
35-44	21	34%
45-54	15	25%
over 55	6	10%
Total	61	100%

Figure 8: RGI Program Participants by Employment Category

Employment Group	Count	%
AAPS	3	5%
BCGEU Childcare	3	5%
CUPE 116	22	36%
CUPE 2950	26	42%
Non-Union Secretarial	2	3%
Non-Union - Research Assistant/ technician	4	7%
Research Associate	1	2%
Faculty	0	0%
Total	61	100%

Figure 9: RGI Program Participants Household Configuration

Household	Count	%
Single	34	56%
Single parent	14	23%
Couple with child(ren)	13	21%
Total	61	100%

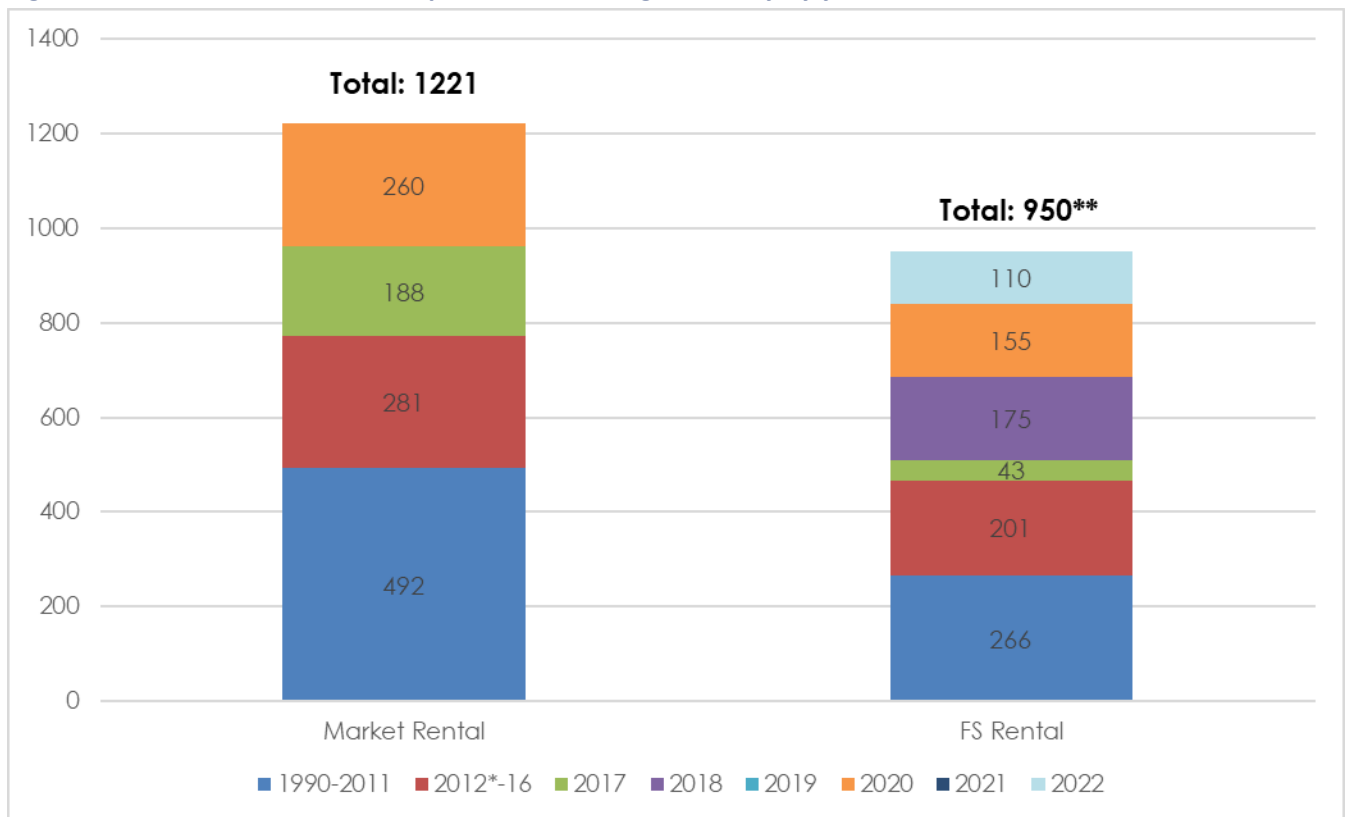
Through the Housing Action Plan 10-year review engagement process, it became clear that the on-campus rental housing for those who work or study at UBC, and the rent-geared-to-income programs for low-and moderate-income faculty and staff are highly valued by the UBC community. However, the housing affordability challenge is growing as the region faces continued affordability and supply challenges. CHMC Rental Market Report 2022 data indicates that lower-income households face significant challenges in finding rental units that they can afford. Specifically:

1. Less than 1/3 of market purpose-built rental units are affordable to households earning less than \$55,000 per year.
2. Only 1 in 200 units are affordable to renter households with the lowest 20% of incomes.
3. Most of the lowest-priced units are small and not family-friendly⁶.

The region’s most affordable housing is very far from campus, costing many in the UBC community significant time and money in commuting, and impacting health and wellbeing. This makes it more challenging to recruit and retain the necessary talent to serve the UBC community.

In response, the new 2023 HAP principles and policies are aimed at increasing housing choice and affordability for faculty, staff and students while ensuring financial sustainability. Notably, through the new HAP, UBC is increasing the rental target to 40% of new campus neighbourhood development of which up to 25% will be restricted faculty and staff rental, prioritizing UBC faculty, staff and students for access to on-campus market rental. It will also make the RGI programs permanent while increasing income eligibility and expanding program spaces. A summary of the new HAP principles and policies can be found in Appendices B and C.

Figure 10: Total number of on-campus rental housing inventory by year



*Housing Action Plan approval.

**Includes 61 units under the Rent-Geared-to-Income program.

SECTION 4: STUDENT HOUSING POLICIES

Policy 9: Increased supply

Policy 10: SHCS Wider size mix

Policy 11: SHCS Rent controls

Introduction:

Policy 9 supports the University's transition from a commuter campus to a complete community by building-out capacity for Student Housing & Community Services (SHCS) 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 focuses on expanding the range of unit types and sizes (studio units, 4-6-bedroom style units, and furnished and unfurnished 1, 2 and 3-bedroom units) to respond to the diverse housing needs of students, including undergraduate, graduate, and students with families.

Policy 11 addresses housing affordability concerns for students, by continuing to limit rental rates based on the following pricing principles and practices:

- Covering all costs of operation including borrowing costs,
- Self-supporting, full cost-recoverable,
- At or below market rental rates; relative to the local marketplace per CMHC data and peer universities across Canada,
- More price variance will be explored between older and newer inventory by implementing variable rate increases over time under existing pricing principles.

Discussion:

Increased Supply:

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

In the summer 2021 and spring 2022, tə šx^whələləm̄s tə k^wałk^wəʔaʔt (The Houses of the Ones Belonging to the Saltwater) opened in 3 phases, adding a total of 744 new upper year and graduate student housing beds on year-round contracts, 28 emergency units to support residents in emergency situations and 168 new hotel units (used for COVID-19 self-isolation from September 2021 to current).

Additionally, the construction of Brock Commons Phase 2, offering 600 upper year, year-round beds, has advanced on budget and on schedule. The north building is scheduled for completion and occupancy in July 2023 and the south building, which includes academic, student service space, 2 child care centres and a food outlet, as well as student housing is scheduled for completion and occupancy in early 2024. Note that Brock Tall wood House will be included in Brock Commons Phase II; hence the entire Brock Commons residence will be 1004 beds.

Figure 11: Brock Commons Unit and Bed Inventory

Building	No. of Units	No. of Beds
North Building:		
Student Residence Units – Studio	64	64
Student residence Units – Shared	64	254
North Building Total		318
South Building:		
Student Residence Units – Studio	218	218
Student residence Units – Shared	16	64
South building Total		282

Currently there are 13,388 beds on the Vancouver Campus; 13,988 when Brock Commons Phase II is complete. Work is underway by SHCS, C&CP, UBCPT, the Student Housing Project Steering Committee and a Housing Action Plan Student Housing 10-yr Review Sub-committee to determine other siting and priority options for additional growth beyond 2024.

Diversity of Unit Types:

Recent additions to the SHCS 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 1st 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. Additionally, the Exchange Residence has 70 – 140 sq. ft. Nano studios included in its inventory, offering small and very affordable options for students. Early feedback from residents of these Nano units is positive; future developments will consider similar units.
- For student families: 2, 3- and 4-bedroom townhouse and apartment units.
- A variety of accessible units throughout the system for a diversity of accessible needs (mobility, vision, hearing etc.). Pursuing, in collaboration with the Centre of Accessibility, Rick Hansen Foundation Accessibility Certification in some student residence complexes.

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

Rent Controls and Rental Rates:

The maximum annual rent increase of any specific unit type will not exceed annual Consumer Price Index (CPI) plus 2%. SHCS operates within the parameters of these pricing principles. Due to the provincially mandated rent freeze during COVID-19 in 2020-21 and 2021-22, no increase in rental rates occurred over these 2 years. In 2022-23 UBC decided to implement a modest increase ranging from 0 – 3%, average 2%.

This year, due to significant cost escalations, both operational and capital, SHCS has planned for and consulted with students about an average 6% increase (range of 3.5% - 8% depending on unit type and residence facility). These new rates will come into effect on May 1, 2023 for year-round contracts and in September 2023 for winter session contracts.

Rents are compared annually to peer institutions and the local rental market. Despite this more significant increase, the charts below indicate rates are below many peer institutions across Canada and below similar units in the Greater Vancouver marketplace.

Figure 12: Suite Style Rate Comparison

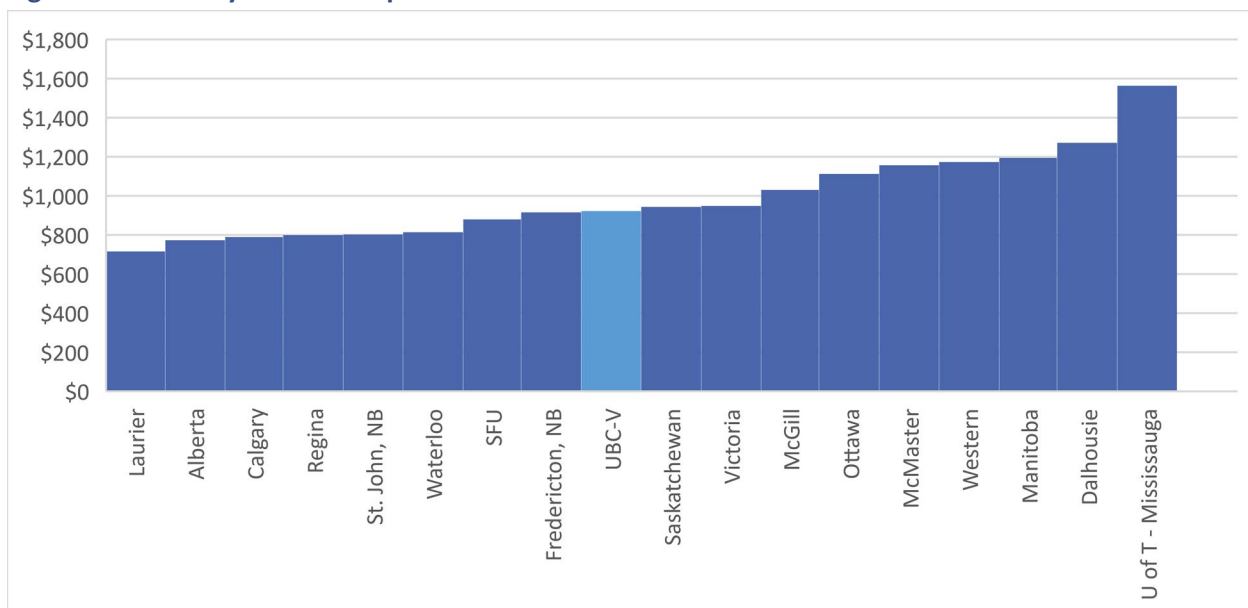


Figure 13: Traditional Double Room Rate Comparison

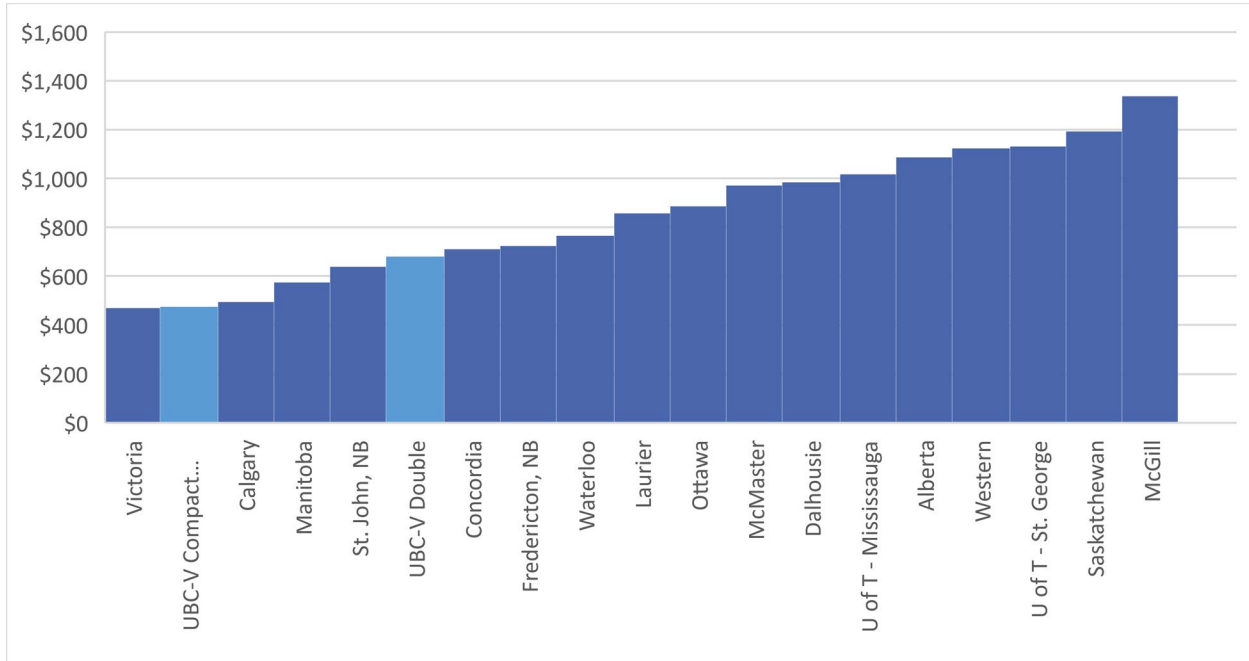


Figure 14: Traditional Single Room Rate Comparison

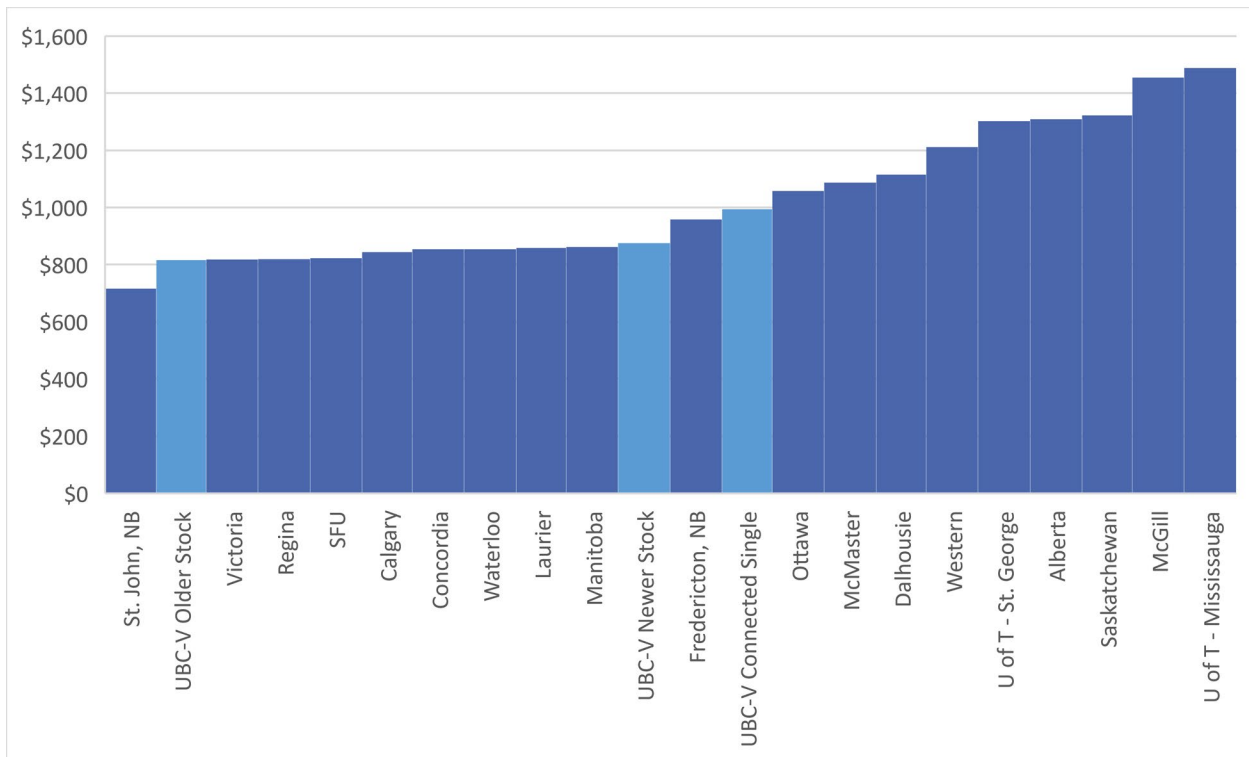
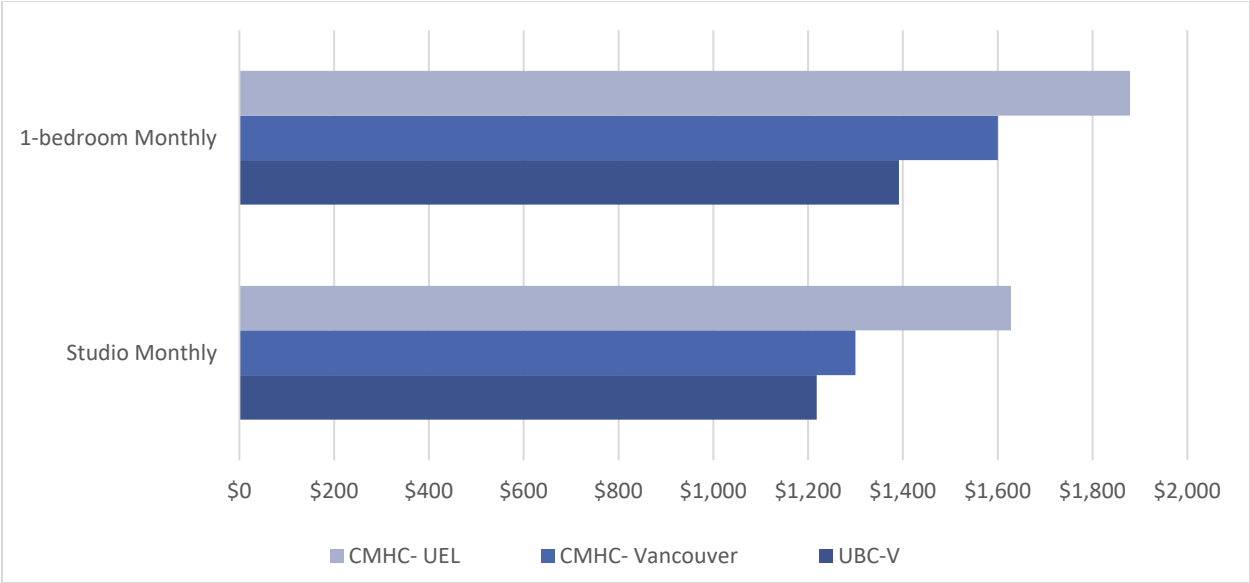


Figure 15: Vancouver Market Rent Comparison



Source: Rental Market Survey (CMHC) 2022 Canada Mortgage and Housing Corporation

SECTION 5: NEXT STEPS

Noteworthy progress has been made over the years in progressively expanding inventory and rolling out innovative programs consistent with the approved HAP policies. Next steps and focus for FY2022/23 will be:

- Presenting the draft 2023 HAP to the Board of Governors for approval.
- Updating the HAP Faculty and Staff housing programs' criteria and guidelines to reflect the new HAP policies.
- Completion of Echo, a staff-faculty restricted rental building with 152 units in November 2023.
- Accelerated delivery of 330 staff/faculty rental units and 220 market rental units in Wesbrook Place for completion in 2024 and 2025.
- Completing and fully occupying Brock Commons Phase 2, allowing 600 additional students to reside on campus in student housing.
- Implementing the average 6% (range 3.5% - 8%) rate adjustment in both year-round and winter session housing contracts and developing a long-term rental rate strategy that balances student affordability with generating revenue that supports greater investment in new student housing.
- Planning for development of the 4,300 new student housing beds (3,330 new plus 1,000 replacement) in alignment with HAP commitments.

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.

The Housing Action Plan includes updated principles to guide UBC's housing choice and affordability policies. These updated principles build on the past decade of Housing Action Plan experience, Campus Vision 2050, community engagement, and Board of Governors' direction, and reflect the balance and tradeoffs required for Housing Action Plan initiatives.

Maximize housing choice to support UBC's people, academic mission, and communities.

- Prioritize different types of campus neighbourhood housing for UBC faculty, staff and students.
- Expand on-campus student and rental housing to increase housing choice and affordability, and to strengthen campus community and wellbeing.
- Explore innovative off-campus housing opportunities for UBC faculty, staff and students.

Deepen affordability by focusing resources on the most affordable housing choices.

- Grow on-campus student and rental housing to increase housing choice and affordability, and to provide transportation cost savings.
- Use UBC's finite resources to widen housing choice and affordability benefits to the UBC community while minimizing financial impacts, including taxable benefits.
- Optimize affordable housing sites, forms and materials through UBC plans and policies.
- Continue to build complete communities to complement housing with amenities, services and recreation to improve community wellbeing and happiness.

Provide housing choices to meet different community needs.

- Develop a diverse range of on-campus unit sizes, types and housing tenures for different communities.
- Expand home ownership opportunities for the UBC community and advocate with senior governments to address tax and regulatory barriers.
- Honour the UBC community's choices about where they want to live by growing both on-campus housing and regional opportunities.

Prioritize housing for those who need it most.

- Expand housing programs for lower income groups and households with children through measures to improve housing choice and affordability.
- Support the recruitment and retention of traditionally underrepresented groups such as the IBPOC community.

Use the campus as a test bed for innovation and partnerships.

- Take an integrated approach to housing to achieve affordability, reconciliation, and accessibility.
- Apply UBC's Campus as a Living Lab initiative to demonstration projects, including innovative home ownership concepts.
- Explore partnerships with housing agencies and providers specializing in financing, design and delivery of affordable housing.
- Explore housing opportunities for non-UBC employers essential to the campus community.

Balance financial needs to address affordability.

- Reflect the range of UBC priorities in funding and financing housing choice and affordability initiatives, including student housing, community infrastructure, and academic needs.
- Ensure housing choice and affordability initiatives benefit faculty, staff and students in this and future generations.
- Be flexible to respond to changing circumstances—such as SkyTrain to UBC—to recognize we cannot know what the future will hold.

Defining Affordability in the UBC Context

Reflecting the principles above, the Housing Action Plan focuses on balancing three components to *support the UBC community's housing need*:

- **Improving Affordability:** Reflecting CMHC's national definition, UBC's housing is considered affordable if it costs less than 30% of a household's before-tax income (including rent, strata fees, property taxes, and utilities). This is an appropriate measure for many in UBC's community. But it can also be a challenging concept to apply. The University has individual—not household—income data for faculty and staff. Some higher income earners, especially faculty, may choose to spend more than 30% of household income and not be in housing need. Students often have limited household income and the 30% measure may not be appropriate. As a result, housing choice is a key component in assessing how UBC is meeting housing need.
- **Expanding Housing Choice:** UBC's most impactful housing initiatives involve directly increasing on-campus supply for faculty, staff, and students. The vast majority of this is below-market rental—including student housing—making it the most affordable choice for UBC's community. Other campus housing—market rental and ownership options—provide important housing choice options. Together, UBC's housing choice initiatives are a significant component of addressing the community's housing need.
- **Ensuring Financial Sustainability:** UBC can only provide affordable housing and increase housing choice if the funding and financing is sustainable for the University. This will enable UBC to effectively meet the community's housing need today and in the future.

UBC's Housing Action Plan policies play a significant role in supporting the community's housing needs, increasing housing choice and affordability while ensuring sustainability. The policies also recognize that the affordability crisis requires involvement of senior government and other partners, as well as advocacy to remove legal and financial barriers that would allow the University to do more.

1. More Rental Choice

On- and off-campus rental housing is currently the most affordable choice for UBC's community. For faculty, staff, students and residents, secure, primary rental housing provides affordability and contributes to wellbeing and community-building. For UBC, owning and operating rental housing is the most flexible and financially sustainable tool for improving community housing choice. It is also a crucial tool for recruitment and retention, including for historically marginalized groups. Through the following policies, UBC will do more to expand rental housing choice and affordability.

Policy 1. Increase UBC's target for future rental housing to up to 40% of new campus neighbourhood development (including below-market faculty/staff rental and market university rental), subject to rental market demand and project financing.

Policy 2. Increase the portion of future below-market faculty/staff rental housing to up to 25% of new campus neighbourhood development. Rents will reflect project costs and be approximately 25% below rents charged for comparable buildings and unit types on Vancouver's west side. This commitment is subject to rental market demand and project financing.

Policy 3. Increase the portion of future market university rental housing to up to 15% of campus neighbourhood development from 2023, subject to rental market demand and project financing.

Policy 4. Prioritize UBC faculty, staff and students for access to market university rental housing, and expand eligibility to non-UBC on-campus employees (e.g., retail workers, University Neighbourhoods Association staff, Vancouver School Board staff, and hospital employees).

Policy 5. Make permanent the Rent-Geared-to-Income (RGI) pilot program for low to moderate-income staff; increase income eligibility limits and expand the staff and faculty RGI programs; continue to monitor and evaluate the faculty RGI pilot program; and evaluate further RGI expansion in the next Housing Action Plan update. These commitments are subject to rental market demand and program funding opportunities.

Policy 6. Reduce rental construction costs, financing needs, and rents by requiring a maximum of one level of underground parking in new faculty/staff and university rental buildings.

Policy 7. Continue to develop a range of neighbourhood unit sizes to meet different needs, including a minimum of 30% 3-bedroom or greater units in faculty/staff rental buildings, subject to market demand and project financing.

Policy 8. Explore innovative opportunities for off-campus rental housing for faculty, staff and students, aligned with UBC’s priorities (e.g., Millennium Line UBC SkyTrain extension partnerships, UBC’s Surrey presence, and Great Northern Way), and on-campus rental housing with partners such as major employers.

2. Attainable Ownership

Metro Vancouver’s housing market has put home ownership out of reach for many in UBC’s community. The University can play a role supporting this challenge and helping to make ownership more attainable. For individuals, home ownership provides significant community, wellbeing, family, and financial benefits. For UBC, well-designed ownership programs can be a financially sustainable tool for recruitment and retention that strengthen the campus community. Through targeted programs, UBC can support home ownership and meet other goals, including the recruitment and retention of historically marginalized groups. Through advocacy, the University can seek provincial support for pushing even further in the future. With the following policies, UBC will support home ownership opportunities.

Policy 9. Increase UBC’s Prescribed Interest Rate Loan program for tenure-stream faculty to purchase a primary residence anywhere in Metro Vancouver to \$20 million annually, subject to program eligibility.

Policy 10. Continue UBC’s forgivable interest-free Down Payment Assistance loans of \$50,000 for eligible faculty and senior management staff; explore increasing the loans in future UBC budgets as Housing Action Plan implementation proceeds.

Policy 11. Commit to innovative projects for affordable on-campus faculty and staff ownership (e.g., BC Housing partnership, co-housing, etc.) subject to demand and project financing. Evaluate the experience to potentially expand the program to future projects.

Policy 12. Work with the Province on changes to the *Real Estate Development and Marketing Act (REDMA)* to enable UBC to develop on-campus ownership options for faculty and potentially staff. When this is successful, lead a Housing Action Plan review to reconsider policies for attainable ownership and develop ownership programs in consultation with the campus community.

Policy 13. Continue providing faculty and staff early access to on-campus leasehold sales before the general public. This is a non-financial benefit.

3. Student Housing Opportunities

UBC has one of the largest supplies of purpose-built student housing in North America, along with thousands of neighbourhood homes housing students. Student housing has significant wellbeing, community-building, and affordability benefits and is a financially sustainable investment in campus vibrancy and student success. Student housing is also one of UBC’s most significant contributions to regional housing affordability; students living on campus equal more than 10% of the City of

Vancouver's rental housing supply. Still, evidence is clear that housing access and affordability remains challenging, and students are clear that significantly more needs to be done. Through these policies, UBC will continue to grow its support for student housing.

Policy 14. Increase on-campus student housing to at least 17,300 beds (from nearly 14,000) as a priority, with timing and project delivery subject to demand, prioritization, and financing and funding capacity.

Policy 15. Identify sites in UBC's land use plans to go beyond 17,300 student housing beds with an aspiration to house at least one-third of UBC's degree-seeking full-time student population on campus, subject to demand and financing opportunities. This includes undertaking an assessment of student housing demand along with the UBC SkyTrain extension completion.

Policy 16. Work with the Province to enable UBC to access external financing to grow student housing more quickly and affordably. When successful, lead a Housing Action Plan review to reconsider policies for student and other campus housing, in consultation with the campus community.

Policy 17. Set student housing rental rates based on:

- Maintaining rates at or below peer universities and below the local rental market based on CMHC data.
- Ensuring a self-supporting student housing portfolio that covers all student housing operating costs including debt servicing and capital maintenance.
- Varying prices between older and newer student housing to reflect different housing choices, by implementing variable rate changes over time.
- Capping annual rent increases at the annual Consumer Price Index (CPI) plus 2%.

Policy 18. If UBC Student Housing generates surplus revenue after all costs, explore using a portion to support student services and other affordability measures.

Policy 19. To respond to diverse undergraduate, graduate and student family needs, undertake regular Student Housing Demand Studies focused to inform a continued expansion of the range of student housing unit types, sizes, and choice through efficient site planning and through complete neighbourhood design that is welcoming and accessible to students.

Policy 20. Continue to advocate on students' behalf for a higher housing allowance in provincial financial aid programs for lower income students on student loans.

4. Strategic Initiatives

To be successful, the Housing Action Plan requires coordinated, comprehensive implementation reflecting UBC's strategic priorities. This includes improving housing choice and affordability for groups that have historically been underrepresented or marginalized in housing, including IBPOC individuals and those with disabilities. Through these policies, UBC will implement the Housing Action Plan to support faculty, staff, students and residents.

Policy 21. Prioritize housing access for marginalized groups by continuing UBC’s commitment of priority housing access for Indigenous students, and by prioritizing faculty and staff housing connected to UBC’s recruitment and retention needs.

Policy 22. Ensure anyone with physical accessibility requirements can live in student housing and neighbourhood rental housing by funding and implementing physical accessibility improvements in response to faculty, staff and student needs.

Policy 23. Explore donor opportunities to diversify funding support for on-campus housing choice and affordability, such as a new Affordable Housing Endowment.

Policy 24. Ensure Housing Action Plan policies inform UBC’s Land Use Plan, Vancouver Campus Plan, and Neighbourhood Plans, as well as UBC Properties Trust’s business planning.

Policy 25. Ensure housing program recipients bear taxable benefits, if any, from UBC’s housing programs.

Policy 26. Develop a new plan for communicating UBC’s Housing Action Plan initiatives to faculty, staff, students and non-UBC on-campus employers, where appropriate.

Policy 27. Update UBC’s eligibility guidelines as necessary to administer Housing Action Plan programs to reflect University priorities.

Policy 28. Maintain an ongoing administrative implementation committee to deliver and monitor Housing Action Plan programs.

Policy 29. Report annually to UBC’s Board of Governors on Housing Action Plan implementation.

Policy 30. Review the Housing Action Plan at least every five years, while making targeted changes sooner as opportunities and constraints evolve. Undertake an earlier comprehensive review if UBC succeeds in its advocacy efforts to resolve barriers to on-campus home ownership and/or student housing financing.