

Workforce Housing Research

DRAFT
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THE UNIVERSITY OF BRITISH COLUMBIA

Summary

The following report provides an overview of staff and faculty housing programs at major research Universities in the United States and Canada. The report is structured to provide an overview of rental housing provisions offered by these Universities as well as programs that support homeownership. The Universities covered in this report provide staff and faculty housing programs for a range of reasons. Many of these programs aid in the recruitment of faculty and staff and also serve to address housing affordability challenges faced by Universities located in high cost housing areas. In addition to this, some housing programs serve the double objective of providing housing while also revitalizing the residential areas near campus lands. The policies and programs outlined in this report reflect a variety of approaches to delivering staff and faculty housing at major research institutions. These approaches and the key components of each university's staff/faculty housing programs are discussed in the body of this report and outlined in a summary table at the end of the document.

In addition to these University based programs, the workforce housing delivered by the Whistler Housing Authority (WHA) as well as the City of Vancouver's Short Term Incentives for Rental Housing (STIR) Program are outlined. These programs represent housing strategies that address the challenge of affordability and tenure in the respective municipalities.

Case Studies: USA

Columbia University

Rental Housing

Columbia University owns approximately 1,700 rental apartments that are made available to eligible faculty and staff. The demand for apartments greatly exceeds available supply and as such eligibility for housing is restricted to 'full-time compensated officers of instruction, research, the libraries, and administration.' Faculty whom departments are recruiting and wish to retain receive highest priority for housing, followed by individuals newly promoted to tenure from the junior faculty. Other faculty and staff who meet basic eligibility requirements receive lower priority, especially if they have a private apartment or home in New York city/suburbs.

The university leases or contracts units to affiliated tenants for a rental term of 12 months. The price of apartment rentals are set by the university at below market rates that achieve the objective of delivering affordable housing to faculty and staff while also generating sufficient income to cover the operating costs and the costs of financing capital improvements as well as yielding a modest return on its investment in residential properties.

Ownership programs

Housing Assistance Program

Starting in 2008 as a pilot program, Columbia University created the *Columbia Housing Assistance Program* to help professorial-rank faculty purchase homes in the New York metropolitan area. The Pilot program has since been extended for an additional two years and will likely remain if it continues to be successful. Professorial rank faculty who are eligible for University rental housing are also eligible for the Housing Assistance Program. Three forms of assistance are provided to faculty participating in the program:

- 1) An annual housing supplement: \$40,000/yr for tenured faculty, and 22,000/yr for non-tenured faculty
- 2) Assistance acquiring a favorable mortgage: Columbia will help participating faculty access loans at favorable rates offered through two commercial loan providers.
- 3) A one-time supplement to assist with purchase: A one-time payment of \$40,000 will be provided to each participant in the mortgage program to help with various fees and expenses associated with a mortgage (including a down payment).

New York University

Rental Housing

Rental housing stock at New York University is home to approximately half of the university's full-time faculty. The university owns and manages a portfolio of 2,100 apartments of which 1,700 are rented by university affiliates and the rest are occupied by rent-regulated tenants. Highest priority for housing is given to tenured and tenure-track faculty, as well as a few senior administrators and staff. Within the tenured and tenure-track faculty top priority is given to new faculty who will be joining NYU and do not have housing the Metropolitan area as well as those faculty who are of high retention importance as determined by Deans of each School. This housing is rented at below market rates.

Ownership programs

Home Ownership Program -2 (Hop - 2)

The Hop-2 program is designed to assist current residents of NYU housing who are interested in purchasing their own homes within commuting distance of NYU. Under this program the university offers 'Eligible Persons' Lifetime Affordable Mortgage Program (LAMP) loans, which are secured, non-amortizing mortgage loans. Eligible persons include employees and retirees currently living in NYU owned rental housing as well as Law School and Medical faculty in dedicated School apartments with approval from their Dean. Due to high demand and limited funds, LAMP loans are offered until all funds have been committed or until March 13, 2011. The value of the loan is 30% of a properties purchase price up to a total amount of \$275,000. Current interest or principle payments are not required during the loan term, except after retirement where an interest rate of 0.5% will be applied to comply with social security requirements. While loan recipients are not responsible for current interest or principle payments, 'contingent interest' is due at the time of sale. This contingent interest is paid to NYU and is the amount equal to the lesser of either NYU's share of appreciation¹, or an amount of interest that would result in a return to NYU of the outstanding principle equal to the Applicable Federal Rate in the month the loan is funded plus 4.0% compounded annually. The Contingent Interest will always be payable from a portion of the proceeds of the sale of the home.

Riverwalk Condominiums

NYU purchased 58 units from a residential development on Roosevelt Island for the purpose of reselling them to Eligible Affiliates at a discount from their market value. All full-time NYU employees are eligible to purchase condominiums at Riverwalk landing, however only those

¹ Share of appreciation is calculated by first determining 'NYU's Share' which is a fraction where the numerator is the Outstanding Principle of the loan and the denominator is the Fair Market Value (FMV) Purchase Price of the Property. NYU's Share of Appreciation is then calculated by multiplying the fraction that is 'NYU's Share' by the property appreciation. For further explanation of this please refer to the program brochure outlining the LAMP program:

<http://www.nyu.edu/content/dam/nyu/facultyHousing/documents/HOP2/lampbrochure.pdf>

affiliates currently living in NYU housing are eligible for subsidized financing through the Riverwalk Affordable Loan Program (RAMP), which consists of a zero current interest, shared appreciation loan for up to 30% of the purchase price. For a limited time, eligible affiliates can also access the 'HOP-2' program in conjunction with RAMP. If the owner decides to sell or transfer the unit NYU reserves the right to re-purchase the unit at its then Fair Market Value.

Points Reimbursement Program

Eligible full-time staff and faculty can apply for the reimbursement of first-time mortgage origination fees associated with the purchase of a principle residence (up to \$5,000). This program is managed by the Human Resources Department.

University of California

The University of California spans 10 campuses. Each of these has something unique to offer with regards to rental and homeownership options. In addition to this, however, the University of California has developed broad housing policy and programs that are applicable across campuses. Found below are details on the rental and homeownership programs offered at UC Irvine, as well as an overview of policy and products available to all University of California campuses.

Rental Housing

UC Irvine

The University of California Irvine currently has 240 rental apartments available for eligible full-time faculty and staff, with plans to build an additional 88. These rental units are typically rented at an average of 20% below market value.

For-sale Housing

UC Irvine

The University of Irving has 940 for sale homes available to eligible full-time faculty and staff with 158 more currently being planned. These homes are comprised of 269 townhomes/condos and 671 for-sale detached homes. Residential properties are leased through the Irving Campus Housing Authority to individual homeowners. To ensure affordability and availability to the campus community, there are three restrictions associated with these lease-hold properties, including: restrictions on the resale prices of the homes, restrictions on who properties can be re-sold to (the option to purchase must first be given to the University, staff or faculty prior to selling to the general public), and restrictions related to the eligibility for continued ownership (ex. if employment status changes).

Ownership Programs

Home Loans - University of California (all campuses)

The University of California has two home loan programs designed to support the university's mission by facilitating the recruitment and retention of faculty and the senior managers. In addition to basic eligibility by belonging to either the Academic Senate or the Senior Management Group, individuals must be nominated by authorized University Officials, such as deans, provosts and senior executives.

Loans:

a. Mortgage Origination Program (MOP)

The MOP provides a first deed of trust variable interest loan for the purchase of a primary residence near the campus. The MOP interest rate is based on the rate of return of the University's working capital account (Short Term Investment Pool, or STIP). The minimum standard rate is 3%. These loans provide a series of benefits to participants including no fees, insurance requirement, prepayment penalty, as well as a smaller down payment and mortgage deductions through payroll.

b. Supplemental Home Loan Program

This program allows departments who have discretionary funds to authorize and supply home loans for Academic Senate members and Senior Management Group members. These loans constitute secondary financing that can be used in conjunction with the MOP to reduce the cash down payment required to purchase a property to as low as 5%.

Faculty Recruitment Allowance Program – University of California (all campuses)

This program was designed to assist faculty recruitment through grants made available to selected eligible participants. These grants are intended to provide support for housing costs but can also be used for other expenses, including child care. Eligibility is restricted to faculty who are within two years of appointment to the campus. The value of these grants is determined by the provost and Senior Vice President – Academic Affairs.

University of Pennsylvania – Philadelphia**Rental Housing**

The university owns and manages 30 units of furnished short-term or extended-stay rental accommodation for newly appointed faculty and visiting university affiliates (ex. visiting scholars). The maximum number of residence per unit is 2 and children are not permitted to stay in this housing. Overall the university does not have a comprehensive staff and faculty rental housing policy and instead focuses their resources on helping faculty and staff locate off-campus housing in the University City neighbourhood (West Philadelphia).

Ownership Programs**Enhanced Forgivable Loan**

The University offers a \$7,500 forgivable loan as incentive for faculty and staff interested in living or currently residing in the West Philadelphia community. These loans can be used for closing costs, down payment, and/or for interior or exterior home improvements. Existing home owners may apply for the \$7,500 loan for home improvements where their houses are valued at the current median price of homes in West Philadelphia. If the loan recipient ceases to be a full-time employee of the university or ceases to occupy the property as a primary residence or ceases to be the owner of the property the loan must be repaid in 30 days. The loan is forgiven after 5 years, with reductions in the amount owed leading up to that time (as outlined below).

- After 1 Year: \$6000 Owed
- After 2 Years: \$4500 Owed

- After 3 Years: \$3000 Owed
- After 4 Years: \$1500 Owed
- After 5 Years: \$0 Owed

Harvard

Rental Housing

Harvard University owns 3,156 rental apartments that are available for faculty, staff and grad students. Approximately 20% of these apartments are rented by staff/faculty (630). These apartments are rented at a market rate which is determined by analyzing three years of market rents in neighboring areas and commissioning a third-party study of current market rents. The University's fair market value rent policy was established in 1983 by a faculty committee. The committee determined that market rate pricing was the fairest method of allocating apartments and that instead of offering subsidized rents the University would assist with living expenses through separate financial aid and compensation programs.

For-sale Housing

Harvard University has 143 condominiums available to faculty and senior administrators for purchase at below market costs. These units must be resold to other eligible Harvard buyers at the same level of discount (approximately 20% below market value).

Ownership Programs

Real Estate Advantage Program

Harvard Real Estate services has partnered with Coldwell Banker Residential Brokerage to deliver services including cash-back on private market home purchases and sales, access to preferred mortgage lenders who offer mortgages at reduced rates and/or closing costs, and relocation assistance for faculty and staff. These services are delivered as part of the Real Estate Advantage Program (REAP) and are available to all faculty and staff.

Additional Programs

In addition to REAP, each school within Harvard offers different financing options for Harvard faculty members. Examples of these are shared appreciation second mortgages and reduced interest second mortgages.

University of Southern California

Rental Housing

The University of Southern California currently has 32 townhomes, with an additional 250 planned, for rent by faculty and staff. If demand is not met by staff/faculty these rental homes will be made available to students with families/children. Rental units at USC rent for approximately 5 - 10% below market rental rates.

Ownership Programs

Neighbourhood Home Ownership Program

Available to all benefits-eligible employees, this program was designed to encourage staff and faculty to purchase and occupy homes in the communities surrounding the University. This program provides eligible employees with monthly payments totaling the lesser of \$50,000 or 20% of the homes purchase price over a 7 year period.

Faculty and Staff Housing Program

This program involves the delivery of subsidies to eligible faculty and staff to assist with the purchase or rental of a single-family residence for personal use in the Los Angeles area. Subsidies are available in the form of one-time down-payment or closing cost subsidies, monthly mortgage or monthly rental subsidies, short-term or shared appreciation loans.

Princeton

Rental Housing

Princeton University owns and manages approximately 450 rental units that are available to all University employees who work at least half-time. Highest priority is however given to teaching faculty, senior research staff, and senior administrative staff. These units are available at market rate.

For-sale Housing

University Residential Purchase Program (RPP)

The University Residential Purchase Program permits eligible employees to purchase homes in close proximity to campus at a fair-market value established by the University, which is typically 15% - 20% below appraised value. The University currently has 141 units (139 detached homes, 2 condominiums) available for eligible faculty and staff under this Program. Faculty and staff eligible for the Residential Purchase Plan are tenured members of the faculty, or administrative staff that belong to a specific employment scale, and all others in employment ranks equivalent to a tenured position. Under the terms of the RPP, the University retains the option to repurchase these properties at the time of sale.

Ownership Programs

University Standard Mortgage Program

The University Standard Mortgage Program offers favorable interest rates and mortgage terms to assist eligible faculty and staff purchase homes in the Princeton area while also helping to reinforce the overall "residential" nature of the institution. The interest rate for the Standard Mortgage Program is 1.5 percent below the prevailing local commercial rate for residential mortgage loans.

Stanford

Rental Housing

Stanford's rental housing portfolio includes 786 units, comprised of family homes, apartments and condominiums. This rental housing, offered at market value, is available to all faculty and staff.

For-sale Housing

Stanford University has the following for-sale housing available primarily for faculty: 650 family homes, 220 condominiums, and 39 new homes. The 39 new homes have highly restrictive leases that include capped appreciation (and are priced at 50-60% market value). The remaining 870 lease-hold units are priced close to market value.

Ownership Programs

Eligible faculty and executive level staff have access to a series of home ownership assistance programs. These programs support the purchase of a property within a specified geographic area, close to Stanford Campus. These programs, which can be used alone or combined, are as follows:

Mortgage Assistance Program (MAP)

This is a non-amortizing, interest-only mortgage loan with a low current interest rate and deferred interest due at payoff. The loan must be used for the purchase of a property and will constitute the lesser of 50% of the purchase price of the property or 50% of its fair market value. MAP loans have Current and Deferred Interest. Current Interest is set at a rate of 3.5% per annum on the outstanding principle. Deferred Interest is payable on the Due Date (and on the date of any Prepayment) in an amount equal to the lesser of (a) Stanford's Share of Appreciation, or (b) an amount of interest which, when added to the Current Interest previously paid to Stanford, would result in a return to Stanford on the Outstanding Principle equal to the Applicable Federal Rate plus 2% per annum, compounded annually.

Deferred Interest Program

A non-amortizing loan with no payments until the principle and deferred interest are due. The University will lend the lesser of 20% of the purchase price of the property or 20% of its fair market value, subject to a maximum loan of \$150,000. DIP loans have no current interest payments; however Deferred Interest is due on the Due Date of the loan (ex. if the property is sold) in an amount equal to Stanford's Share of Appreciation.

Housing Allowance Program

HAP is a taxable benefit that provides additional compensation to newly hired faculty and senior staff for a fixed period of time starting with their home purchase. This program was designed to address the difference in the cost of home ownership between the Stanford area and the areas in proximity to other major universities. The maximum term of the allowance is nine years and declines on a linear basis through the duration of the term. The first year allowance amount depends on the applicant's base salary at the time of the purchase and the formula and parameters in effect at that time.

Yale

Rental Housing

Yale University has 450 residential properties available to faculty/staff. In total, however, approximately only 50 units of Yale's rental housing are actually occupied by faculty/staff with the remainder occupied by graduate students. This housing is available at market rates.

Ownership Programs

Homebuyer Program

Established in 1994, this program was created to encourage faculty and staff to invest and live in the city of New Haven where the University is located. The program consists of ten annual payments totaling \$30,000. The program is available to any Yale University employee who is either a faculty member with an appointment of at least one year at 50% or full-time; or a permanent staff employee of the University schedules to work 20 hours or more per week. In order to receive the benefit the eligible Yale employee must purchase and occupy a family home or condominium within the designated area of New Haven.

Mortgage Loans

Several banks have established special home mortgage loan programs for Yale employees. These mortgage programs offer low down payment requirements, waived fees and interest rate savings.

Duke

Rental Housing

Duke University owns 45 rental units (30 apartments and 15 detached houses) close to the University. This housing is not restricted to faculty and staff rentals, and can be rented by students and members of the general public. Priority, however, is given to University affiliates and those people that work at the nearby hospital. This housing is offered at slightly below to market rate prices.

For-sale housing

Duke University developed 55 for-sale housing units (40 detached homes and 15 townhouse/condominiums) for faculty and staff. Sales are subject to restrictive covenants to assure that purchasers reside in their houses and that re-sales are made only to Duke faculty and staff. Houses allow an optional garage with apartment/home office that may be rented to the general public. If there is no demand for this housing at the time of resale, the University reserves the right to buy-back the property.

Ownership Programs

Housing assistance programs

While no formal housing assistance programs exist, new faculty and staff being recruited by the university can negotiate certain benefits, such as a 'bridge-loan' to help with the time between selling one home and buying another. In general, housing affordability is not a challenge in the Durham area which means the need for housing assistance programs offered by the University is reduced.

Case Studies: Canada

University of Toronto

Rental Housing

The University of Toronto *New Faculty Housing Program* was initiated in 1996 to help new faculty become familiar with the City of Toronto. Included in this program are 51 units of rental housing located on the University of Toronto's St. George Campus. These units are offered at market rates for a maximum stay of 3 years. This housing is limited to newly appointed faculty with continuing full-time academic tenured to tenure stream appointments to the University of Toronto, as well as Senior Lecturers and Lecturers (with a contract length of 3+ years).

Ownership Programs

Faculty and Staff housing loan program:

The faculty and staff housing loan program provides access to a demand loan from the Canadian Imperial Bank of Commerce Main Branch at Commerce Court West, Toronto, which is guaranteed by the University of Toronto. The guarantee is secured by a registered second mortgage (not greater than 15% of purchase price) on the property. The demand loan can be treated as part of the required down-payment. This can help purchasers achieve the 20% needed to avoid CMHC insurance premium costs.

University of Alberta

Rental Housing

The University of Alberta has 16 units of long-term rental housing available to faculty and staff as well as 20 short-term stay rental units. These units are rented at market rates. Four of the long term rental units are restricted to families.

Ownership Programs

Housing Loan:

Provided through the University Internal Loans department, an eligible staff/faculty member may receive a maximum \$50,000 housing loan, which is amortized over 5 years, with the principal repayable in accordance with these procedures and the Housing Loan Agreement. There will be no interest payable by the staff member but this interest-free status may constitute a taxable benefit pursuant to the Income Tax Act (Canada). The present value of the forgone interest will be charged to the department or faculty. All academic staff members (hired under the APO, Librarian, Faculty, and FSO Agreements) are eligible for this benefit.

Housing Allowance:

Provided by the faculty or department, a staff member may receive a maximum \$30,000 Housing Allowance, which is taxable and is released either in one lump sum, or in installments to the staff member over 2-5 years in accordance with the Housing Allowance Agreement. This allowance does not require re-payment however it is a taxable benefit. All academic staff members (hired under the APO, Librarian, Faculty, and FSO Agreements) are eligible for this benefit.

McGill University

Rental Housing

McGill currently has 72 units of rental housing for faculty and staff. This housing is located at the Macdonald campus, 25km to the west of the main campus. The rents for these units are not subsidized and follow the standard Quebec government rental regulations guidelines.

Simon Fraser University

Rental Housing

SFU owns 11 units in the Verdant housing project (see below). These units are available for rental to newly recruited continuing full-time faculty and senior administrative staff and are offered at 20% below market rates. Aside from Verdant housing, no additional dedicated staff/faculty rental housing exists at SFU. Market rental units in the UniverCity community are however available to staff/faculty, in addition to the broader SFU community/public.

For Sale Housing

Verdant Project

Complete in 2007, this staff and faculty housing development composes 60 townhomes that are sold at approximately 20% below market value. These units can appreciate with real estate value, but final sale prices are 20% below current market value. SFU controls the wait list and approves the assessment and subsequent reduction in price. The development was made possible through a partnership between Vancity Enterprises and the SFU Community Trust. Through this partnership SFU provided the land lease at a significantly reduced rate and Vancity, as the developer, included a low development fee.

Ownership Programs

Group Mortgage Plan – Subsidy Programs

SFU currently offers to subsidy programs, the Mortgage Subsidy Program and Mortgage Assistance program, for new and relocating faculty members. The purpose of the program is to help eligible faculty members and approved staff with the purchase of a first principle residence in the Lower Mainland. Eligibility for the programs depends on date appointment to a continuing position. Faculty members who were appointed prior to July 2005 can apply for the Mortgage Assistance Program, while those appointed after July 2005 can apply for the Mortgage Subsidy program. Both programs offer assistance with mortgage interest and are administered through the Group Mortgage Plan, a division of CIBC.

a. Mortgage Subsidy Program (for appointment post July 2005):

This program offers an interest subsidy of \$3,000 a year for five years to a maximum of \$15,000. To attain this benefit a fixed mortgage must be arranged through the University's mortgage carrier, Group Mortgage Plan, a subsidiary of CIBC. The mortgage interest subsidy can be used to reduce the amount of the combined principle and interest payment or effect a faster reduction in the principle and amortization period if the regular payment is maintained.

b. Mortgage Subsidy Program (for appointment prior to July 2005):

This program provides an interest free mortgage of up to \$25,000 for five years. During this 5 year period the University pays the interest on this mortgage. The zero-interest \$25,000 mortgage can be combined with an additional mortgage loan which will be offered at a Group Mortgage Plan rate.

Whistler Workforce Housing

With the goal of keeping at least 75% of Whistler's workforce living in the community, the Whistler Housing Authority (WHA) has overseen the development of 1874 resident restricted units (812 rental, 1062 ownership) in Whistler (current to end of 2010). This rental and ownership housing is funded through developer and employer contributions which are stipulated in Whistler's bylaws. Contributions may be made in the form of units or cash-in-lieu. The WHA uses these funds to secure land and build resident restricted rental or ownership housing. Units remain affordable using re-sale and right of first refusal covenants. The WHA controls the inventory of housing and holds waitlists for prospective renters/buyers. To qualify for housing applicants must be an eligible employee or retiree. An employee must fulfill a minimum average of twenty hours of work per week on an annual basis, within the Resort Municipality of Whistler while an eligible retiree is someone who must have been employed in Whistler for five of the six years prior to ceasing employment.

A recent addition to the whistler workforce housing portfolio is the Whistler Athletes Village development. Ninety percent of the units that make up this development are restricted to and occupied by Whistler's workforce. A majority of the units are for-purchase while one building is dedicated to rental housing. This workforce housing project as a legacy of the Olympics is unique from other Whistler workforce housing projects. Housing affordability was achieved in this development through VANOC funding and the Municipality's contribution of land at no cost that was developed by an arm's length organization wholly owned by the municipality, called Whistler 2020 Development Corporation.

City of Vancouver – Short Term Incentives for Rental Housing (STIR) Program

This is a 2.5 year program that is intended to respond to the market rental shortage in the City of Vancouver. Ultimately the program provides incentives and a streamlined approval process to encourage the development of new market rental housing that is legally secured as rental housing for the life of the building or 60 years, whichever is greater. The program was designed to respond to a short term economic recession that precipitated a decrease in construction activity. Applicants to the program can follow a "simple" stream which has a predetermined set of incentives that can be attained without negotiation, or though a "negotiated" stream where incentives are targeted to a specific project. The STIR incentive package includes:

- rental property assessment (on rental units only)
- Development Cost Levy waiver (on rental units only)
- Parking requirement reductions (on rental units only)
- Discretion on unit size
- Increased density, and
- Expedited permit processing

References

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UC Irvine

Victor VanZandt: vanzandt@housing.hsg.uci.edu

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University of Pennsylvania

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Harvard

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USC

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<http://re.usc.edu/housing/>

Stanford

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Princeton

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Duke

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University of Toronto:

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McGill

Contact: Brian Karasick [brian.karasick@mcgill.ca]

Maria Anania (514-398-2311)

Simon Fraser University

Contact: Dale Mikkelsen [mikkelsen@university.ca]

Verdant rental housing: Crystal Carson, Property Manager, AWM-Alliance (778-558-8796)

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Schedule A

Workforce Housing Research Summary Table

DRAFT
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campus + community planning



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THE UNIVERSITY OF BRITISH COLUMBIA

Case Studies: USA					
Institution	Rental	Homeownership	Location of housing	Re-Sale restrictions	FT Staff/Faculty, 2009
Columbia *Data not for public use	1,700 units, 12 month leases. Priority given to faculty being recruited or faculty newly appointed to tenure. This housing is offered at below market rates.	1) Housing Assistance Program: 1 time lump sum housing contribution (\$40,000) plus annual housing supplement (\$40,000 tenured faculty, \$22,000 non-tenured)	Off-site	N/A	14,803
New York	1,700 units. Highest priority given to tenured and tenure-track faculty. This housing is available at below market rates.	1) Homeownership Program-2 (HOP-2): this program involves the delivery of a zero-current interest shared appreciation loan the value of 30% of the property purchase price. Eligibility is limited to employees and retirees currently living in NYU rental housing as well as Law School and Medical faculty living in dedicated School apartments (with approval from their Dean). 2) Riverwalk Condominiums: 58 units made available for purchase at a discount from market value. At time of sale, the university reserves the right to buy back these units at Fair Market Value.	Rental: On-Campus For-sale: Off-campus (Roosevelt Island)	University reserves right to buy-back units at FMV ("Right of First Offer"). If NYU declines Right of First Offer, the owner can list unit on the open-market.	12,355
University of California – UC Irvine	UC Irvine: 240 units available to eligible faculty and staff, 88 currently being built. Rented at approximately 20% below market rates.	1) For-sale Staff/Faculty Housing: UC Irvine: 940 units (269 townhomes/condos and 671 for-sale detached homes). 158 new homes currently planned. These units are price-restricted leasehold properties, priced at 35% below market values. 2) Home Loans: a. <i>The Mortgage Origination Program (MOP)</i> provides variable interest loans for the purchase of a primary residence near campus. These loans contain benefits including no fees, insurance requirements, or prepayment penalties.	Rental: On-Campus For-sale: On-Campus	University reserves right to buy back property. Priority given first to faculty, then staff and then general public.	6142

		<p>b. <i>Supplemental Home Loan Program</i> provides the opportunity for eligible faculty members and senior managers to access below market secondary financing that can be used in conjunction with the MOP to reduce the cash down payment required to as low as 5%.</p> <p>c. <i>Faculty Recruitment Allowance Program</i>: provides access to grants for newly appointed faculty that can be used to help with rental or homeownership housing costs.</p>			
Pennsylvania	30 units of short or extended stay accommodation. Available to newly appointed faculty and visiting university affiliates. Rented at market rates.	1) Enhanced forgivable loan: \$7,500 zero-interest loan available to faculty and staff interested in living in or currently residing in the University City (West Philadelphia). The loan is forgiven after 5 years with a reduction in the amount owed each year leading up to the fifth year.	On-campus	N/A	14,194
Harvard	3,156 rental apartments available to faculty, staff and Grad student. 20% (630) rented by faculty/staff. Rented at market rates.	<p>1) For-sale staff/faculty housing: 143 condominiums available to purchase at below market costs (20%). Units must be resold to other eligible Harvard buyers at the same level of discount.</p> <p>2) Real Estate Advantage Program: Harvard Real estate Services partnered with Coldwell Banker Residential Brokerage to deliver the following homeownership assistance: cash back on purchases and sales, access to preferred mortgage lenders, relocation services.</p> <p>3) Harvard offers faculty shared appreciation second mortgages.</p>	On-campus	Units must be sold to faculty/staff at the same discount.	13,694
Southern California (USC)	32 townhomes available to faculty and staff. 250 new rental units planned for development. Rental units	1) Neighbourhood Home Ownership Program: Provides employees with monthly payments, over a period of 7 years totaling \$50,000 or 20% of the purchase price	32 townhouses: off-site 250 new: on-	N/A	12,843

	offered at 5-10% below market value.	(whatever is less). This program is available to all benefits-eligible employees, and can only be used for the purchase of a home surrounding the University. 2) Faculty and Staff Housing Program: Subsidies are available for eligible faculty and staff to assist in the purchase or rental of a single family residence in the Los Angeles area.	site		
Princeton	450 units available to all university employees who work at least half-time. Highest priority given to teaching faculty and senior staff. This housing is available at market rates.	1) University Residential Purchase Program: 141 units available for purchase at a fair-market value price established by the university (typically 15 – 20% below appraised value). 2) University Standard Mortgage Program: assists eligible faculty and staff purchase a home in the Princeton area by offering mortgages at 1.5% below prevailing local commercial mortgage rates.	Rental: combination of on and off campus (all land owned by university) For-purchase: off-site but close to campus.	Units must be sold to faculty/staff. University Reserves the right to buy back.	4,946
Stanford	789 units available for all faculty and staff. This housing is available at market rates.	1) For-sale housing: 650 family homes, 220 condominiums, and 39 new homes available primarily to faculty. The 39 new homes have highly restrictive leases that include capped appreciation (and are priced at 50-60% market value). The remaining 870 lease-hold units are priced close to market value. 2) Mortgage Assistance Program: a non-amortizing, interest-only loan with a low current interest rate and deferred interest due at payoff. The loan will constitute the lesser of 50% of the purchase price of the property or 50% of its fair market value. 3) A non-amortizing loan with no payments until the principle and deferred interest are due. The university will lend the lesser of 20% of the purchase price of the property or 20% of its fair market value up to a maximum of \$150,000.	All on campus lands	Units must be sold to eligible staff/faculty. University reserves right to buy-back.	10,732

		4) Housing Allowance Program: Additional financial compensation is given to newly hired faculty and senior staff for a fixed period of time up to a maximum of 9 years (with the allowance declining on a linear basis each year). The allowance amount is based on the applicant's base salary.			
Yale	450 units available to faculty/staff on a first come first serve basis. Approximately 50 units are occupied by a staff/faculty member and the remainder are student-occupied. This housing is available at market rates.	<ol style="list-style-type: none"> 1) Home-buyer program: this benefit includes ten annual payments equaling a total of \$30,000 towards the purchase of a home in one of a selection of eligible neighbourhoods in the City of New Haven. 2) Mortgage loans: Several banks have established special home mortgage loan programs for Yale employees. These mortgage programs offer low down payment requirements, waived fees and interest rate savings. 	Off-campus	N/A	12,195
Duke	45 rental units available to faculty and staff (as well as students and the general public). Priority is given to university affiliates or those people who work at the nearby hospital. 46% of these units (21 units) are priced slightly below market rates with the remainder (24) priced at market rates.	<ol style="list-style-type: none"> 1) For-sale housing: 55 units (40 detached homes and 15 for-sale townhouses/condos). These homes must be re-sold to faculty/staff or the university. These properties are not lease-hold but they do have a covenant that includes restrictions on re-sales. 2) No formal housing assistance programs exist, however new faculty and staff being recruited by the university can negotiate certain benefits, such as a 'bridge-loan' to help with the time in between selling one home and buying another. 	Rental: Off-campus For-sale: Off-Campus	Units must be sold to faculty/staff.	16,476

Case Studies: Canada					
Institution	Rental	Homeownership	Location of housing	Re-Sale restrictions	FT Staff/Faculty, 2009
University of Toronto	50 units, available to newly appointed faculty (max 3 year stay). This housing is available at market rates.	1) Faculty and Staff housing loan program: Access to a demand loan from the Canadian Imperial Bank of Commerce, which is guaranteed by the University of Toronto. The guarantee is secured by a registered second mortgage (not greater than 15% of purchase price) on the property. The demand loan can be treated as part of the required down-payment. This can help purchasers achieve the 20% needed to avoid CMHC insurance premium costs.	Rental: On-Campus	N/A	10,452
University of Alberta	16 units (4 reserved for families/couples). This housing is available at market rates.	1) Housing Loan: Provided through the University Internal Loans department, a staff member may receive a maximum \$50,000 housing loan, which is amortized over 5 years, with the principal repayable in accordance with these procedures and the Housing Loan Agreement. There will be no interest payable by the staff member but this interest-free status may constitute a taxable benefit pursuant to the Income Tax Act (Canada). The present value of the forgone interest will be charged to the department or faculty. 2) Housing Allowance: Provided by the faculty or department, a staff member may receive a maximum \$30,000 housing allowance, which is taxable and is released either in one lump sum, or in installments to the staff member over 2-5 years in accordance with the Housing Allowance Agreement.	Rental: On-Campus	N/A	8,436

McGill	72 rental units (Macdonald Campus, 25 km west of Main campus). This housing is available at market rates.	No programs currently offered	On-campus (Macdonald Campus, 25 km west of main campus)	N/A	5,735
SFU	11 units in the Verdant Project for newly recruited continuing full-time faculty/senior administrative staff. This housing is available at 20% below market rates.	<ol style="list-style-type: none"> 1) For purchase: 60 units (in the 'Verdant' project) available to all full-time faculty and staff at SFU. Sold 20% below market value. Below market rate condition tied to property title ensuring this housing remains affordable in the long term. The development was made possible through a partnership between Vancity Enterprises and the SFU Community Trust where SFU provided the land lease at a reduced rate and Vancity, as the developer, charged a low development fee. 2) Mortgage Interest Subsidy/Mortgage Assistance Program: Offered through Group Mortgage Plan (a subsidiary of CIBC and SFU's mortgage carrier), eligible faculty and approved staff have access to one of these two programs depending on their date of appointment to a continuing position. <ol style="list-style-type: none"> a. Mortgage Interest Subsidy: A mortgage interest subsidy of \$3,000 a year for five years to a maximum of \$15,000. Available to eligible employees hired after July 2005. b. Mortgage Assistance Program: Interest free mortgage up to \$25,000 over 5 years. Available to eligible employees hired prior to July 2005. 	On-Campus	Units must be sold to staff/faculty. University reserved the right to buy-back.	3,662
Whistler Workforce Housing	812 price-restricted rental units available to eligible Whistler employees or retirees.	<ol style="list-style-type: none"> 1) 1062 price-restricted for-sale units. Housing is funded through developer and employer contributions which are stipulated in Whistler's bylaws. Contributions may be made in the form of units or cash-in-lieu. Units remain affordable using re-sale and right of first refusal covenants. 	Within the Whistler Resort Municipality	WHA controls all housing inventory. Housing applicants must be must be a qualified employee	Workforce (2010): 12,200 FTE

				or retiree. WHA reserves right to buy- back units.	
<p>City of Vancouver – Short Term Incentives for Rental Housing (STIR) Program</p> <p><i>(Note: this is not a workforce housing program)</i></p>	NA	<p>Program Description:</p> <p>This is a 2.5 year program that is intended to respond to the market rental shortage in the City of Vancouver. The program provides incentives and a streamlined approval process to encourage the development of new market rental housing that is legally secured as rental housing for the life of the building or 60 years, whichever is greater. The program was designed to respond to a short term economic recession that precipitated a decrease in construction activity. Applicants to the program can follow a “simple” stream which has a predetermined set of incentives that can be attained without negotiation, or through a “negotiated” stream where incentives are targeted to a specific project. The STIR incentive package includes:</p> <ul style="list-style-type: none"> • rental property assessment (on rental units only) • Development Cost Levy waiver (on rental units only) • Parking requirement reductions (on rental units only) • Discretion on unit size • Increased density, and • Expedited permit processing 	NA	NA	NA

References:

See Workforce Housing Programs: USA & Canada, Full Report

Staff and Faculty Employment Data:

USA: National Centre for Education Statistics. U.S. Department of Education, Institute of Education Sciences.

<http://nces.ed.gov/ipeds/datacenter/Default.aspx>

https://surveys.nces.ed.gov/IPEDS/Downloads/Forms/package_1_43.pdf

Canada:

University of Alberta

FT Staff/faculty data is a payroll extract from 2009. Received from: Dale Olausen (dale.olausen@ualberta.ca)

University of Toronto

FT Staff/faculty data: <http://www.hrandequity.utoronto.ca/news/reports/hre.htm>

McGill

FT Staff and Faculty data from is from January 2010 and was received from: Mark Michaud, Senior Planning Analyst (mark.michaud@mcgill.ca)

SFU

FT Staff and Faculty data received from: Suman Jiwani: sljiwani@sfu.ca

MEMORANDUM

To: Community Planning Task Group
 From: Campus and Community Planning
 Date: April 14, 2011
 Re: **Review of Programs for Staff/Faculty Housing at Selected Universities in Canada and USA**

As part of the research program for the UBC Vancouver Housing Action Plan, the Campus and Community Planning office has researched the programs in effect for faculty and staff housing at other major research universities. This research to date has reviewed faculty and staff housing programs at 14 universities, including four from Canada and 10 from the USA:

- University of Toronto
- University of Alberta
- McGill
- Columbia
- New York
- University of California Irvine
- Pennsylvania
- Simon Fraser University
- Harvard
- Southern California
- Princeton
- Stanford
- Yale
- Duke

These universities were selected for comparison due to their status as a top-tier research intensive university and / or similarity in workforce size or other academic aspects. Note that many of the US universities are private universities, with large endowments. The constraints faced by public universities in terms of the appropriate use of taxpayer dollars / assets do not affect these universities in the same way as public universities are affected.

Both rental housing and for-purchase housing programs were researched. While each university offers something slightly different to its workforce, this research reveals some common best practices for staff and faculty housing delivery and provision. A detailed description of housing programs offered by these universities is provided in Schedule A. Brief overview commentary on the overall range of programs offered at these universities is provided below.

Additional research will continue over the summer, particularly to add information on programs offered by public universities.

Programs – Rental Housing Provision

Rental housing programs were investigated in terms of overall provision of rental housing on or close to campus as well as the proportion of this housing offered at below-market rates. Each of the universities included in this research provides some form of rental housing.

- Of the 14 surveyed universities, 6 provide below-market rental housing to their workforce. The units are priced between 5% – 20% below market.
- Most have modest amounts of below-market rental housing available (1 – 240 units). Columbia and New York University offer the largest portfolios of below-market rental housing, equivalent to over 11% of their full time workforce (1700 units at each university).

- The remaining universities offer only market rate rental housing. The amount of rental housing supply is more than non-market (30 – 800). Princeton and Stanford offer the largest supply of housing equivalent to 7% and 9% of their full-time workforce respectively.

By comparison, UBC's Vancouver campus currently has below-market rental housing reserved for faculty and staff equal to 5% of its fulltime workforce (266 units in neighbourhoods and 268 units in Acadia). The rents are generally 20% below-market. Additional market rental housing equivalent to 3% of UBC's workforce is also available on campus for anyone including faculty, staff and students.

Under the amended Land Use Plan, there will be a supply of below-market rental housing for about 10% of the full-time workforce. The supply of market rental housing will also equal about 10% of the full-time workforce.

Programs – For Purchase and Long-term Lease

On-Campus housing provision

Seven of the universities included in this study offer some 'for-purchase' housing options to their workforce.

- Of those seven universities, all offer housing that is priced below market value or tied to leasehold covenants that restrict price and resale options.
- The majority of the universities providing below-market purchase housing have relatively small housing stocks (ranging from 50 – 150 units) equivalent to between 0.3% and 3% of their fulltime workforce. The University of California – Irvine is an anomaly, with the largest supply of below-market housing units for sale. The 940 units are sufficient to address 15% of UBC Irvine's full-time workforce.
- Resale restrictions employed by the surveyed universities include: purchaser eligibility criteria (e.g. priority for faculty), maintenance by the university of the right to re-purchase units, and price-related restrictions where, for instance, units must be re-sold at the same level of discount.
- The level of discount applied to 'for-purchase' units by universities reporting this information ranges from 15% – 60% below market value. The University of California Irvine and Stanford University offer the most significant reductions in the price of 'for-purchase' housing at 35% and 50-60% respectively; Stanford has only 39 homes available at this level of discount, while UC Irvine has 940 homes in this category.
- Stanford University is the only institution that has market-priced housing in addition to their below-market housing stock; the 870 market-priced units have resale restrictions. With respect to market priced 'for-purchase' housing, Stanford has a supply of housing sufficient to accommodate 8% of their full-time workforce.

UBC has provided below market long-term lease (99 years) housing through the co-development program to the equivalent of 2% of its full-time workforce, in addition to its provision of other rental and lease housing options. There are no resale restrictions on these units, after a period of five years.

Housing Assistance Programs

Housing assistance programs provided by the universities surveyed take several forms including: direct financial contributions such as lump sum payments (single or multiple), forgivable loans paid and administered by the university, mortgage assistance offered in partnership with lending institutions, as well as primary or secondary mortgages offered and administered by the university at reduced interest, deferred interest or shared appreciation rates.

The highest financial contribution of the surveyed universities is offered by Columbia University with a lump sum housing contribution of \$40,000 given to professorial rank faculty plus an annual housing supplement of \$4,000 for tenured faculty and \$2,000 for non-tenured faculty. Other notable financial assistance programs include the University of Southern California's Neighbourhood Home Ownership Program providing employees with monthly payments over a 7 year period of up to \$50,000, Yale's Home Buyer Program which includes ten annual payments equaling a total of \$30,000 and two programs offered by the University of Alberta, including the Housing Allowance Program, which includes a maximum \$30,000 housing allowance released in one lump sum or in installments over two to five years, and their Housing Loan program which includes a \$50,000 interest free loan amortized over five years. Of the universities included in this research, McGill University is the only institution that does not currently provide housing assistance programs to their faculty and staff.

UBC's Housing Assistance Program offers two options to eligible faculty and staff: a lump sum forgivable interest free loan of up to \$45,000, or interest assistance of up to \$50,000 over a five year period.