



Student Society
of UBC Vancouver

Submission to the UBC Board of Governors regarding the proposed changes to the UBC Housing Action Plan January 30th, 2018

Dear Board of Governors,

This submission is being made on behalf of the Alma Mater Society (AMS) of UBC Vancouver in response to the proposed policy text amendments to the UBC Housing Action Plan. The AMS has engaged with Campus and Community Planning, Properties Trust, and the Vice President Students Office over the past few months to discuss these changes.

The AMS is supportive of many of the proposed changes to the Student Housing Program policy targets such as the introduction of price variance between older and newer units, a cap on the annual rent increases for specific units, and the elimination of completed policies. However, the changes in their current form fall short by not addressing university related housing (units restricted to students, staff, or faculty), using a static student housing target, and not putting a cap on the average student housing price increases each year.

With the current Vancouver housing crisis, continually rising tuition prices, and expensive class room materials UBC is in a unique position to provide financial relief for students through greater student housing availability. Currently, this plan fails to address this by setting a static number, 17,300 beds (current build-out capacity), as the target goal for the Housing Action Plan. This number is both unambitious and will quickly become outdated if new housing opportunities are explored, as they ought to be.

Another major flaw in the current proposed changes is the failure to include one of the most important types of housing at UBC; university related housing (units restricted to students, staff, or faculty). Central, the newest addition on University Boulevard, is a great example of this type of housing. Although this housing does not have the same amenities as student housing, it does provide housing opportunities on campus for not just students but for staff and faculty too. Without the inclusion of university related housing, the Housing Action Plan is incomplete and does not adequately plan for housing at UBC.

We are disappointed that despite multiple consultation meetings the AMS was never provided the opportunity to view or comment on the final proposed changes before they were proposed to the Board of Governors. Attached to this submission is the AMS's Housing Action Plan report with recommended changes. We hope that the Board of Governors will request the responsible Executives to engage in further consultation with student leadership and to come back to the Board in April with a final revised Housing Action Plan.

Sincerely,

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AMS Housing Action Plan Report

Prepared by Vice President Academic and University Affairs Office

Status Updates:

Below are all student policies included in the Housing Action Plan (HAP), their status, and recommendations for future inclusion.

Policy 9: To support the University's continuing transition from a commuter campus to a more complete university community, UBC will aspire to provide capacity to accommodate student housing for up to 50% of the 2010 full-time student enrollment, subject to debt capacity, financial capacity within the university, student demand and necessary combination of project characteristics such as unit mix.

Status: Complete. Student Housing and Hospitality Services (SHHS) has significantly expanded student housing to nearly 16 000 beds and will surpass 17 000 beds by 2021 with the inclusion of already approved and financed projects. However, there has recently been a decline in expansion and planned projects. Additionally, 50% of full-time student enrolment from 2010 is an inadequate target considering full-time student enrolment has expanded to nearly 40,000. Notably, an expansion in student housing to 50% of FTE counts for 2017 enrolment would not adequately supply the deficit based upon peak waitlist demand numbers.

Recommendation: The policy target be expanded to 70% of the current full-time enrolment, with student housing provided beds for 50% of the full-time enrolled students, while the remaining 20% of beds can be provided either through student housing or university related market rentals (units restricted to students, staff, or faculty). To adequately account for the availability to non-students, each university associated market rental bed should count as 0.50/bed, while student housing-provided beds count at a 1.0 ratio (e.g. 18 000 SHHS beds x 1.0 + 6 000 restricted market rentals x 0.50 = 21 000). Setting Policy 9 to the current build-out capacity or any static number would be poor planning, unambitious, and send a signal to students that the University does not take the current housing crisis seriously. Any housekeeping changes to HAP must include university related market rentals. Otherwise, we fail to consider university housing in a holistic manner. Recommended Policy:

Policy 9: To support the University's continuing transition from a commuter campus to a more complete university community, UBC will aspire to provide capacity to accommodate housing for students up to 70% of the current full-time student enrollment, subject to debt capacity, financial capacity within the university, student demand and necessary combination of project characteristics such as unit mix. Student Housing will aim to provide beds for 50% of full time enrolled students and the remaining beds for 20% of full time enrolled students will be provided either through student housing or university related market rentals (units restricted to



students, staff, or faculty). To adequately account for the availability to non-students, each university related market rental bed should count as 0.50/bed, while student housing provided beds count at a 1.0 ratio.

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 supply of student housing and the range of unit types and sizes (e.g. studio units, 4 to 6-bedroom style units, and furnished and unfurnished 1-, 2- and 3-bedroom units).

Status: On-going. While there are a greater variety of units currently offered, there are no definitive metrics or data available to determine whether this was successful. This means that while the construction of a studio unit may be greater per square foot than a quad unit, the rent does not reflect the increased utility and infrastructure costs. This, in effect, may lead to some unit types being subsidized by others. Further data is needed, however, to determine the extent of these discrepancies.

Recommendation: The goals outlined within this recommendation are likely still of interest. Therefore, we recommend keeping policy 10 in its current form, with only minor edits if necessary.

Policy 11: To help address housing affordability concerns for students, the University will increase on-campus dedicated student housing supply, will continue to limit rental rates based on a self-supporting, fully cost-recovery basis, and will operate in a fiscally responsible fashion to ensure rates are maintained at or below market rental rates.

Status: Continued completion. SHHS has benchmarked Vancouver market rentals using CMHC reports. Whether this is accurate benchmarking is another consideration, however, as the prices of student housing have been provided at or below these market rates.

Recommendation: Corollary commitments to the faculty and staff rent geared-to-income program should be provided to students as a rent geared-to-expenses, rent geared-to-debt, or rent geared-to-income. This would provide a transparent metric for student affordability, and allow for student housing costs to be integrated into a larger affordability framework at UBC. It is not recommended that this ratio be compared to market rates due to the differences between UBC housing and market housing elsewhere. Market housing elsewhere pays for the underlying land value while UBC doesn't pay for land value and UBC housing must account for greater borrowing costs compared to market housing elsewhere. Both UBC and the AMS agree there ought to be a cap to annual price increases for specific units; however, the AMS also supports a cap for the average price of all student housing units set at 2%.



To resolve the conflict between availability and cost, SHHS will engage in greater price variance between older and newer units by implementing variable rate increases over time. This would afford greater availability of on-campus units to students from lower socio-economic backgrounds by having their rents subsidized by those who are willing to pay additional costs in order to receive greater services and amenities. Recommended Policy:

Policy 11: To help address housing affordability concerns for students, the University will increase on-campus dedicated student housing supply, 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,*
- *below market rental rates*
- *Pilot programs for rent geared-to-income, rent geared-to-expenses, or rent geared-to-debt will be explored*
- *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 Higher Education Price Index (HEPI),*
- *Maximum annual rent increases for all units on average will not exceed 2% of the current average price*

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.

Status: Completed. While BC's student loan program did increase the shelter allowance, it did not increase the overall allowance. This has been a burden on UBC's current Bursary program. In 2014, following a 20% increase in costs for Winter Housing, a \$1.5M bursary was created separately to support student costs in residence, including the meal plan. However, this bursary has suffered from poor utilization because of its separation from alternative financial aid mechanisms. The original intent of this decision from student leaders was to enforce transparency and ensure that the financial aid was not simply used to fund existing financial aid programs. More discussions and information are likely required to resolve this, although repeated attempts at "awareness" campaigns have not improved access.

Recommendations: Further advocacy should be directed towards increasing the overall allowance, and be decided by student leaders and University administration. Additionally, the Student Housing Financial Aid pool should be tied directly to bursaries for student applicants to increase its utilization.



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Policy 13, 14, 15 Recommendation and Status: We agree with UBC that these policies are either completed or no longer need to be included in the Housing Action Plan.

Recommended Future Commitments:

A recent AMS survey found that a significant number of students live on campus—not through student housing—but through market rentals and purchased apartments in the Wesbrook Village. The Stadium Road Neighbourhood Plan, currently under development, will be a significant addition to the campus for the next century. As such, ensuring that the Stadium Road Neighbourhood is accommodating towards the long-term vision of the University, including student housing and campus culture, is essential.

Recommendation: Make the Stadium Road Neighbourhood Plan a more direct attempt to tie land usage to UBC beyond the incremental land lease revenue contributions made to the endowment and Student Housing Financing Endowment (SHFE). This could be achieved through university related rental units and the expectation that there will be a significant student population within those communities. Specific ratios as outlined in the HAP for faculty and staff should also be included for students. Further information from Properties Trust is needed to calculate the reduced land lease revenue for market rentals in comparison to sold condominiums and apartments.