

UC HOUSING

*for the
21st*

Century



A report of the University of California Housing Task Force | November 2002

Dear Members of the Board of Regents,

The University of California operates a comprehensive housing program for students, faculty, and staff who are in pursuit of and support the University's core mission: teaching, research, and public service. At each of its 10 campuses, the University balances its housing program within the context of the number of students, the recruitment and retention pressures facing faculty and staff, and resources available within local and nearby communities.

The Housing Task Force Report comes as the University anticipates dramatic expansion. Between 1998 and 2001, the number of students enrolled in the University grew by 15 percent – approximately 24,000 students. By 2010, approximately 40,800 more students are expected, representing an unprecedented rate of growth.

The University of California Housing Task Force was appointed in May 2001 and chaired by former Board of Regents Chair S. Sue Johnson and Senior Vice President Joseph P. Mullinix. The Task Force was charged with reviewing current housing resources and programs; assessing the amount of housing needed to support growing enrollments; examining the adequacy of current housing programs and projected growth of these programs to support enrollment growth; and identifying resources and programs available to accelerate the pace and reduce the cost of providing additional housing for students, faculty, and staff.

The breadth of housing programs in on- and off-campus communities called for discussion with representatives from a broad spectrum of constituencies: the Board of Regents, the state of California Business, Transportation and Housing Agency, the University of California Students Association, and campus administrators with oversight and day-to-day responsibility for housing programs.

The Task Force met seven times, hearing presentations on the breadth and scope of housing programs at each campus, including a review of current housing programs as well as goals for housing students, faculty, and staff through the Academic Year 2011-12. In addition, the Task Force was assisted by recent UC reports outlining housing needs for particular groups: the Student Services Task Force Vision and the University Commission on Graduate Education.

The August 2001 meeting was spent at the Riverside campus touring a new residence hall, a privately developed project on University land (via a ground lease), a private development project, and a new campus owned and operated apartment complex for upper division and graduate students. In addition, several private developers and non-profit organizations provided their perspectives on the opportunities for expanding the student and faculty housing programs.

In Fall 2001, a campus survey was conducted to collect housing goals and plans for future construction of new housing projects through 2011-12.

The Task Force formed three subcommittees. Each met separately to review traditional student housing programs; third party (private) development housing programs; and new financial programs for faculty and staff housing.

During the past year, the Housing Task Force and key administrators at each campus have examined the University's existing housing stock, delivery of new housing, and the resources available to add new housing for students, faculty, and staff. These efforts have identified plans to almost double the number of student housing units beds from the present 47,100 to 86,700 by the year 2011-12, to expand the mortgage assistance programs for faculty and staff, and to identify new projects for faculty and staff housing.

This is the most ambitious and aggressive housing development program in the University's history. Its success will depend on thoughtful collaboration and planning, on excellent support systems within and outside of the University, and on careful monitoring of progress. In addition, the University needs to collaborate with private developers to create almost half of this new housing.

Respectfully Submitted,

S. Sue Johnson
*Former Chair
Board of Regents
University of California*

Jeffrey A. Seymour
*Former Regent
Board of Regents
University of California*

Joseph P. Mullinix
*Senior Vice President
Business and Finance
University of California*

Executive Summary

This report presents the findings of the University of California Housing Task Force, appointed in May 2001 and chaired by former Board of Regents Chair S. Sue Johnson and Senior Vice President Joseph P. Mullinix. Formed in response to steep increases in enrollment and the need to provide adequate housing for students, faculty, and staff, the Task Force was charged with reviewing current housing resources and programs; assessing the amount of housing needed to support growing enrollments; examining the adequacy of current housing programs and projected growth of these programs to support the expected enrollment growth; and identifying resources and programs available to accelerate the pace and reduce the cost of providing additional housing for students, faculty, and staff.

Providing adequate housing to meet the growing need has far-reaching effects well beyond the campus. The University of California (UC) has a major role in producing the highly educated work force necessary for a knowledge-based economy. Last year, the University conferred approximately 44,600 degrees, enrolled 187,300 students, and employed 159,100 faculty and staff in support of its teaching, research, and public service mission.¹

The Challenge

Between 1998 and 2010, UC enrollment is projected to grow by 64,000 students, representing a 44 percent increase.² In response to these predictions, the University and the state of California reaffirmed their commitments to the California Master Plan for Higher Education, including access for freshmen, transfer, and graduate students to high quality and cost-effective academic programs. To meet these challenges, all concerned parties recognized that resources need to be focused on programs to support and enhance high rates of growth; recruiting faculty; achieving community college transfer goals; assuring appropriate levels of state support for operations and facilities; obtaining appropriate levels of federal and private support for research; and providing accessible and affordable auxiliary enterprises associated with each campus, such as housing for students, faculty, and staff.³

The projected growth in enrollment is not surprising when seen in a statewide context. The state of California is projected to grow in overall population by 11.3 million residents (from 34.5 million to 45.8 million) by 2020.⁴ The challenges California faces in housing its growing population are significant. The state Department of Housing and Community Development's report, "Raising the Roof – California Housing Development Projections

and Constraints 1997-2020,"⁵ cites a need for an average of 220,000 additional housing units each year between now and 2020. By comparison, the report states: "Between 1990 and 1997, production averaged only 91,000 units per year, (and) in 1999, a boom year for the housing market nationally, there were less than 140,000 residential permits."

The UC system also faces challenges in housing its students, faculty, and staff, challenges that are exacerbated further by the issues facing the state. All sectors of the housing market are looking for ways to meet the challenge in new and creative ways. Housing that is built to meet student, faculty, or staff housing needs also alleviates the need to provide housing in the community for these same groups. In other words, adding housing in support of the educational mission of UC also adds to the state's housing stock.

Added demand for housing in communities surrounding UC campuses results in rising rental and home prices. Where University-affiliated housing is in short supply, the only choice for students, faculty, and staff is to compete in these nearby markets or make decisions to live considerable distances from the campus.

The University's process for planning housing is campus-based. Student housing goals are established through campus academic plans within the framework of Long Range Development Plans (LRDP). Faculty and staff housing needs are viewed in the context of recruitment and retention issues.

When planning housing in the context of University growth, each campus is committed to ongoing and fruitful discussions with members of local and regional communities to assure sound and thoughtful planning, taking into account the entire impact of the campus. Some campuses face formidable challenges to physical construction. Campus land, access to utility services, other physical infrastructures (such as roads), and the financial resources to sustain each project must be identified.

Student Housing

During the past year, the Task Force and key administrators at each campus examined UC's existing housing stock, the delivery of new housing, and the resources available to add new housing for students, faculty, and staff. These efforts have identified plans to almost double the number of student housing units beds from the present 47,100 to 86,700 by the year 2011-12 (an increase of 39,600 or 84 percent). This is by far the most aggressive plan ever to be initiated by the University to meet

student housing needs and will involve adding approximately 21,700 beds to the UC housing system, with another 17,900 beds built by private developers.

At present, the University has approved plans to add approximately 12,100 of these beds and related facilities (such as dining and infrastructure), at an estimated cost of about \$1.2 billion. The estimated cost of adding the entire 21,700 beds and related facilities is in excess of \$2 billion. In comparison, between 1990 and 2001, the University added 9,000 beds systemwide.

These plans show the University's efforts to avoid placing excessive burdens on local communities. In mitigation of existing conditions, on some campuses the number of new beds will exceed the number of new students.

To accomplish the full extent of these plans, campuses and the Office of the President have recently modified housing administrative policy to improve access to funds and reserves for capital construction. Additionally, expanded guidelines for the evaluation and preparation of new housing projects have recently been released.

Going forward, the campuses and Office of the President will have to streamline and strengthen administrative oversight and infrastructure support services; adhere to strict methods of financial modeling and cost control; and streamline planning, design, and construction processes.

Private Development

Of the 39,600 projected new student housing beds in campus plans, 17,900 are estimated to be built by private developers on University owned, entitled sites. When asked how many of the 17,900 privately developed units could be located off-campus instead of on University land, campuses identified about 7,400 – or about 40 percent – of these units. Furthermore, if these units were moved off-campus, campuses gave preliminary estimates of the ability to absorb into their overall housing program an additional 2,400 units by 2011-12.

In 1985 with the Russell Park project at UC Davis, the University began providing housing for students in collaboration with private developers. To date, six projects have been developed, a seventh has been approved by the Regents and another is in the request for proposals (RFP) stage.

The six projects already developed have benefited the University by providing housing while avoiding increases in overall campus housing fees related to the cost of new construction and by avoiding construction and operating

risks. The projects were constructed via ground leases on University-owned entitled sites. Several of these projects have resulted in substantial time savings in project delivery as well as construction savings that are passed on to students in the form of lower rents. Campuses were able to assure that amenities such as data cabling and study space were provided to enhance student life by requiring these services as part of the ground lease arrangement. In addition, these projects have controlled rental rates within specified parameters and, where appropriate, are staffed by a residential life manager. In the event of a downturn in demand from the University community, developers are able to rent these apartment-style units to the public.

Given the current and projected demand for housing to serve the growing population in California, there will continue to be a host of opportunities for private developers to build market-rate housing. Given the special challenges facing development in the vicinity of many of the campuses, the Task Force believes that incentives must be provided to private developers to encourage them to build market-rate housing for students, faculty, and staff.

The state has long recognized the need to provide incentives to promote housing for groups of people who face a limited supply of housing within their means, as evidenced by California Government Code Section 65915. The Task Force believes there is a compelling case to promote housing for members of the University community, particularly in the context of the need throughout the state. If private developers were able to take advantage of the types of incentives currently allowed under California Government Code Section 65915, such as density bonuses, reduction in site development standards, modification of zoning requirements, reductions in setbacks and square footage requirements, allowance of mixed zoning, and other regulatory incentives or concessions that result in identifiable cost reductions, then building housing for members of the state's education community would be more attractive.

Faculty and Staff Housing

Housing assistance for faculty and staff is focused primarily on recruitment from a national pool of applicants, and in some cases on specific retention needs of highly qualified individuals. Faculty recruitment is national in scope and therefore priority is given to faculty housing needs. Some staff are recruited nationally, but for the most part, campuses hire staff from surrounding communities. The number of staff who receive housing assistance is limited, as are the number of programs to

support staff housing needs. As of June 30, 2002, more than 4,600 faculty and staff received some form of University-sponsored housing financial assistance. Often a combination of one or more loans, a cash housing allowance and/or a for-sale housing unit has been necessary to meet recruitment and retention goals. In addition to housing financial assistance, the University offers 966 for-sale housing units and 711 rental units to faculty and staff.

To support expanded housing financial assistance for faculty and staff, the Regents at the November 2001 meeting approved four recommendations of the Housing Task Force designed to improve the ability of existing faculty and staff financial assistance programs to address the growing housing affordability gap near most University campuses: 1) increase maximum secondary loan thresholds; 2) increase the maximum allowable loan term to 40 years; 3) introduce a new loan option that provides for lower graduated payments during the early years of the loan to increase the purchasing power of the loan; and 4) maximize the use of interest-generated funds available for loans. All four of these recommendations have been implemented at all locations.

To increase resources available, the University has established a program for the periodic sale of University-issued loans. An initial sale of \$100 million of the portfolio closed at the end of July 2002.

Future activity will include: 1) further development of a housing Internet site to better support the campuses in utilizing housing assistance programs; and 2) the possible addition of another private lender as an "affinity lender" to provide a wider range of options for all University employees to assist them with their purchase, refinance, and equity-line needs.

Summary and Recommendations

As already noted, this is the most ambitious housing plan yet undertaken by the University. The Task Force identified a complex and strong set of programs that support ongoing housing programs for students, faculty, and staff. This base will serve well as a point of expansion. The following recommendations are critical to assure the continued strength and viability of these programs and to achieve the goals identified in this plan:

1) Ongoing monitoring, annual reports, and regular discussions between campuses, Office of the President, and the Board of Regents. Monitoring efforts and reports should identify progress and areas in need of

additional assistance. Discussions should identify best practices that are supporting progress and solutions for areas in need of additional assistance.

- 2) Making one office at each location (including the Office of the President and each campus) responsible for advocating housing concerns and coordinating consultation, organizational support, and assuring the timely completion of all housing projects.
- 3) Assuring that all levels of staff in housing administration have the necessary information and skills to support and monitor this plan through management level information sharing and cross training.
- 4) Adhering to financial modeling techniques and cost control methods through the regular and sustained use of financial indicators, benchmarks, and reports.
- 5) Streamlining the planning, design, and construction processes to assure projects are built in the most cost-effective and efficient manner possible. This effort should be assisted by a University work group responsible for identifying specific techniques for streamlining these processes, including approval procedures, capital construction requirements, building standards, inspection practices, shared design and build resources, shared building designs, and techniques for working with the building industry.
- 6) Strengthening community partnerships through the University's commitment to its planning process that incorporates widespread discussion and exploration of options with internal and external members of the University community; and identifying new partnership opportunities with local communities, municipalities, and private developers to expand housing opportunities.
- 7) Convening discussions with private for-profit and not-for-profit developers to understand and document the incentives (such as access to California Government Code Section 65915) necessary to make private development feasible in off-campus locations. This information should then be used in discussions with the governor's office and municipalities.
- 8) Establishing, with knowledgeable representatives of the municipal and developer communities, a formal dialogue with the California Business, Transportation, and Housing Agency regarding the University's housing needs.
- 9) Pursuing specific implementation measures that would be beneficial to private for-profit and not-for-profit developers.

- 10) Maintaining up-to-date University guidelines and templates for use by campuses and private developers including: design guidelines with multiple options, RFQ/RFP forms and processes, and ground lease contracts.
- 11) Maintaining up-to-date annual market analyses of rents and vacancy rates in areas adjacent to UC campuses for use by the University, private developers, students, faculty, and staff.
- 12) Exploring the coordination of a statewide community outreach program between individual campuses and their adjacent communities focused on issues and goals common to all campuses.
- 13) Continuing efforts to identify more funds to make the housing financial assistance programs available to a larger number of faculty and staff, including the periodic sales of University-issued loans.
- 14) Continuing efforts to identify sites for faculty and staff housing, especially in partnership with private developers.
- 15) Exploring the creation of a faculty and staff housing resource/information office to provide one-stop shopping for the housing/relocation needs of faculty and staff.

UC Housing for the 21st Century

The Housing Challenge

The University of California (UC) has a major role in producing the highly educated work force necessary for a knowledge-based economy. Last year, the University conferred approximately 44,600 degrees, enrolled 187,300 students, and employed 159,100 faculty and staff in support of its teaching, research, and public service mission.⁶ These activities generated a considerable economic impact, including approximately \$6.5 billion in wages and salaries and the approximately 230,000 non-university jobs that exist in California because of the impact of direct University expenditures.

The University is experiencing a rapid increase in enrollment which began in Fiscal Year (FY) 1999-2000. Demographic studies in FY 1998-99 indicated a need to increase enrollment by 43 percent by 2010-11, or an increase of 64,000 students in 10 years. When viewed in the context of headcount, including UC's health science students, the enrollment projections are as follows:⁷

FIGURE 1: GROWTH IN UC ENROLLMENT

UC headcount of general campus and health science enrollment (Excluding health science residents and rounded to nearest hundred)

YEAR	ENROLLMENT	ENROLLMENT CHANGE	PERCENT CHANGE
1998-99 (Year Average)	163,300		
2001-02 (Fall)	187,300	24,000	15%
2011-12 (Fall)	228,100	40,800	22%

As these numbers show, by 2001-02 enrollment increased by 24,000 students to approximately 187,300, representing a 15 percent increase in three years. Between FY 2001-02 and 2011-12, the University is predicting 40,800 additional students – an additional 22 percent.⁸

In response to this rapid rise in enrollment the University and the state of California reaffirmed their commitment to the California Master Plan for Higher Education, including access for freshmen, transfer, and graduate students to high quality and cost-effective academic programs. To meet these challenges, state and University leaders recognized that resources need to be focused on programs to support and enhance high rates of growth: faculty recruitment; achieving community college transfer goals; obtaining appropriate levels of state support for operations and facilities; obtaining appropriate levels of federal and private support for research; and providing accessible and affordable housing for students, faculty, and staff.⁹ To accommodate this growth in enrollment and to

replace faculty and staff who retire or leave, the University expects to hire approximately 7,000 faculty members, and the number of staff is projected to grow about two percent per year.

In May 2001, the University presented a report, "Future Vision: Student Services at the University of California," to its Board of Regents that stated: "Projected increases in enrollment, coupled with rising costs of off-campus housing, compel the University to increase the supply of University-owned housing for both graduate and undergraduate students."¹⁰

In September 2001, the report of the UC Commission on the Growth and Support of Graduate Education called for increased support for graduate education. Housing is listed as one of the two most critical support factors (the other was financial support). The Commission further recommended that: 1) housing allocations must take into account graduate student needs; 2) each campus should ensure that long-range plans include graduate housing; 3) the benefits of building graduate student communities should be considered when planning housing; and 4) the Housing Task Force should include graduate housing as an important aspect of its considerations.¹¹

The projected growth in enrollment is not surprising when seen in a statewide context. The state of California is projected to grow in overall population by 11.3 million residents (from 34.5 million to 45.8 million) by 2020.¹² The state Department of Housing and Community Development's report, "Raising the Roof – California Housing Development Projections and Constraints 1997-2020,"¹³ describes the state's housing situation:

Few issues facing California are as important as the State being able to meet its future housing needs. Between 1997 and 2020, California will likely add more than 12.5 million new residents and should form approximately 5 million new households. Almost all of this growth will occur in metropolitan areas. To meet the housing needs of California's growing population, homebuilders and developers will have to build an average of 220,000 housing units each year between now and 2020.

Achieving this level of production will be difficult. From 1980 to 1990, a period of tremendous housing construction throughout the state, annual production (as measured by single- and multi-family permits) averaged just over 200,000 units. Between 1990 and 1997, production averaged only 91,000 units per year. In 1999, a boom year for the housing market nationally, there were less than 140,000 residential permits.

It is within this context that housing for the University community is considered.

The Planning Process

The University's process for planning housing is campus-based. For students, each campus establishes goals, by class, for housing a percentage of students through its campus academic plans. The residential aspect of campus life is thus tied closely to the desired academic experience. Once goals are established, the practical aspects of enrollment projections, off-campus housing availability, and on-campus housing availability are reviewed to determine how the projected number of students can be accommodated in on-campus housing. For example, if a campus academic plan calls for housing most first-year (freshmen) students in on-campus housing, these students are given priority. After the needs of these students are met, housing is offered to the next group of students as determined by the academic plan, often first-year transfer students. Some campus academic plans call for on-campus housing for the majority of their students; others, particularly campuses with a large number of commuter students, call for a smaller percentage.

As one might expect, not all students wish to live in University housing. Students find accommodations in privately owned apartments and houses near the campus; in fraternity, sorority, cooperative, or theme houses; or live at home. The student demand for UC housing varies by campus and changes over time.

Housing for faculty is considered in the context of each campus's academic plan and the related recruitment and retention needs of the faculty. Faculty recruitment is national in scope and therefore priority is given to faculty housing needs from a national pool of applicants. As California housing prices rise and housing vacancies drop, some campuses are finding housing to be more important in recruiting and retaining staff. Some staff are recruited nationally, but for the most part campuses hire staff from surrounding communities. The number of staff who receive housing assistance is limited, as are the number of programs to support staff housing needs. Resources to assist faculty and staff with their housing needs (primarily in the form of mortgage assistance programs and a limited number of for-sale and rental housing units) are limited. Priority goes to the most urgent faculty recruitment and retention needs.

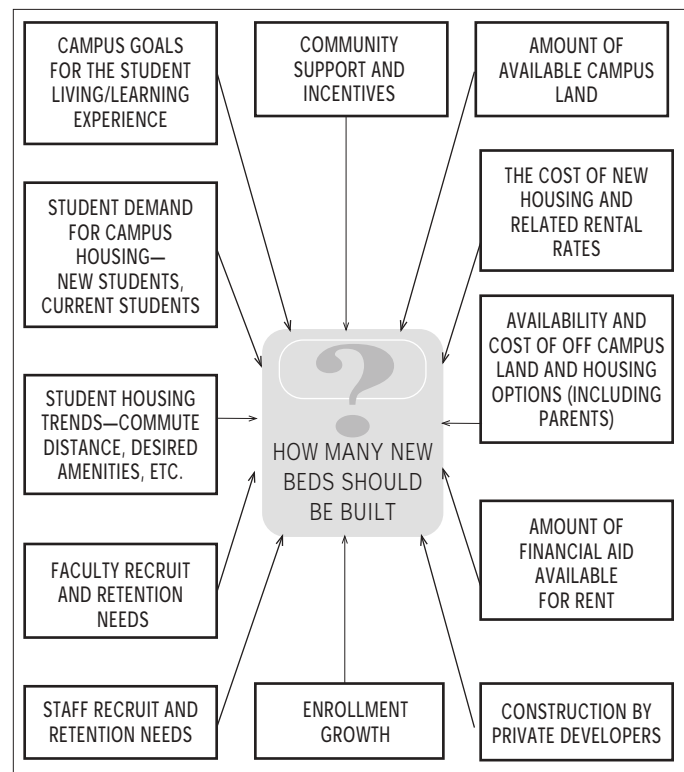
The planning framework for campus capital programs, including housing, is the Long Range Development Plan

(LRDP). LRDPs define campus space needs in a variety of categories as well as describe land use designations that guide siting decisions. Environmental impact reports (EIRs) accompany each LRDP and evaluate the potential environmental impacts of campus growth. LRDP EIRs are the focus of community discussions and concerns related to the impact of campus growth on adjacent communities. When planning housing and the growth of the University, each campus is committed to ongoing and fruitful discussions with members of local and regional communities to assure sound and thoughtful planning, taking into account the entire impact of the campus. This process results in LRDP-approved housing goals, which are considered long-term targets. Some campuses face formidable challenges to physical construction: the availability of campus land, access to physical infrastructure, and financial resources to sustain each project must be identified.

Housing programs are self-supporting and therefore building additional units (adding to the supply) must be evaluated within the context of financial indicators that take into account the cost of new projects, the projected occupancy, and the rental rates that are required to pay for and maintain new units.

All of these factors influence the University's planning for new housing, as illustrated below:

FIGURE 2
FACTORS AFFECTING THE DECISION TO BUILD NEW HOUSING



Student Housing Program

In 1874, the regents of the University approved the construction of eight cottages (Kepler Cottages) and volunteer clubs were formed among students to hire these cottages. Since that time, almost 130 years later, each campus has met its housing needs through a combination of on-campus and off-campus resources.¹⁴

As mentioned previously, student housing goals vary by campus. The following figure shows the current student housing goals for all students for each campus:

FIGURE 3

UC STUDENT HOUSING GOALS BY CAMPUS 2001-02

Berkeley	29%
Davis	40%
Irvine	40%
Los Angeles	37%
Riverside	35%
San Diego	50%
San Francisco	25%
Santa Barbara	31%
Santa Cruz	64%
<hr/>	
ALL CAMPUSES	39%

These goals translate into priorities by class, as shown below as a systemwide average (campus goals by class are listed in Appendix 2).

FIGURE 4

UC STUDENT HOUSING, SYSTEMWIDE AVERAGE GOALS BY CLASS¹⁵

	2001-02
1st year new	85%
2nd year continuing	48%
New transfer	39%
All other undergraduates	20%
Graduate and professional	30%
<hr/>	
TOTAL	39%

Student bed spaces are counted both as design capacity and as available capacity. The design capacity refers to the number of beds (residents) designed for each room. When student demand exceeds the design capacity, some single rooms can be made into double rooms (by fitting two beds in a single room), and some double rooms can be made into triple rooms (by fitting three beds in a double room). This temporarily increases the availability of beds and assists campuses and students in accommodating their housing needs.

In Fall 2001, there were 47,100 design capacity beds in the UC system. Approximately 49,500 students were accommodated in University housing; 2,400 students were accommodated beyond the design capacity. Therefore, out of the 187,300 students enrolled in Fall 2001, 26 percent lived in University housing. This is below the goal of 39 percent but, as noted earlier, the goal is a long-term planning tool that serves as a benchmark for the supply of student housing beds. Campuses continue to build additional units to achieve this goal with available resources.

In recent years, students have gravitated toward apartment-style housing units that offer kitchens and common living areas. While maintaining residence hall-style dormitories for first year students, many colleges and universities including UC are now targeting renovation plans and new housing construction toward more student apartments. Not only are these units in demand, they provide more flexibility to accommodate changes in the occupancy mix of students at different levels – upper division and graduate. In addition, some of these units could be made available to some postdoctoral fellows and junior faculty when needed.

To expand housing supply, campuses explore a variety of on- and off-campus housing options: constructing new housing complexes, expanding existing complexes with new infill projects, purchasing or leasing existing apartment buildings, hotels and motels in nearby communities, and working with private developers to construct additional housing on campus-leased land or in the community.

How Student Housing Services are Delivered

Each campus has an appointed director of housing programs and operations. The housing directors report to a vice chancellor for business and administration (or similar position) on some campuses and to the vice chancellor for student affairs on others. On all campuses, several different offices are responsible for the various stages of creating and maintaining new housing: academic planning, capital planning, financial management, new project delivery (design and construction), housing operations and maintenance, and student life programs.

University housing rates must not only provide funds to operate the housing, but also sufficient funds to support its debt service and reserves for capital development and maintenance. Rates may cover the costs of various benefits, including residential assistants, high-speed data access/computer labs, study areas, security, and parking. Housing rates are set annually by the campuses in consultation with the Office of the President regarding appropriate debt coverage and reserve levels. Housing rates need to remain affordable and attractive to students.

UC Response to Recent Growth in Enrollment

The rapid rise in enrollment from 1999-2000 to 2001-02 was accommodated primarily with existing resources. Systemwide, UC housing supply increased by 4,600 beds (from about 42,500 in Fall 1998 to 47,100 in Fall 2001), and occupancy increased by 5,400 students (from about 44,100 in Fall 1998 to 49,500 in Fall 2001).¹⁶ This was accomplished by each campus exercising many short-term options to maximize space available, including: adding units through acquisitions and private development, constructing new units, renovating units, leasing with private entities and municipality facilities, and converting single and double rooms to double and triple rooms.

UC's Plan for New Student Housing

Campuses have been aggressively pursuing new housing projects. As a result, in Fall 2002, an additional 3,500 beds have become available, and an additional 1,900 beds are projected for Fall 2003.

Over the past year, each campus carefully reviewed its housing resources and developed projections of housing goals through 2011-12, the number of planned and projected beds (the supply), and the methods by which these projects would be constructed (UC owned and operated, or by private developers on UC land).

In formulating these plans, campuses revisited their student housing goals. When new goals are being considered they are weighed by internal and external communities within the context of developing new campus master plans, academic plans, and new LRDPs. As a preliminary

starting point, campuses identified the goals listed in Appendix 2 for consideration through 2011-12. A systemwide average of these goals by class is shown below:

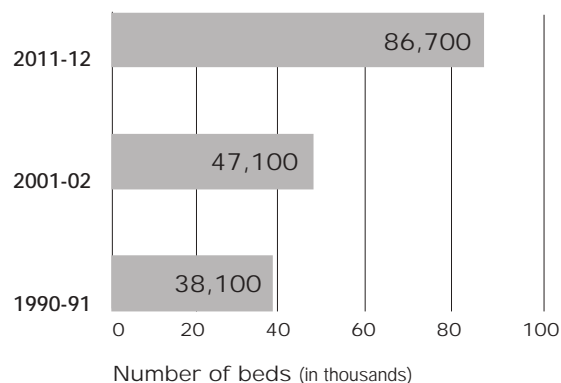
FIGURE 5
UC STUDENT HOUSING, SYSTEMWIDE AVERAGE GOALS BY CLASS¹⁷

	2001-02	2006-07	2011-12
1st year new	85%	85%	85%
2nd year continuing	48%	48%	55%
New transfer	39%	40%	41%
All other undergraduates	20%	26%	27%
Graduate and professional	30%	32%	33%
TOTAL	39%	41%	42%

With these goals in mind, campuses developed plans to add 39,600 beds by the year 2011-12, an increase of 84 percent from 2001-02. Given a headcount enrollment projection of approximately 228,100 students by the year 2011-12, the total projected number of bed spaces of approximately 86,700 will provide housing for about 38 percent of the total student population, compared with about 26 percent in the Fall 2001. All campuses are planning to increase the proportion of students housed on campus.

This is by far the most aggressive plan ever to be initiated by the University to meet student housing needs and will involve adding approximately 21,700 University owned and operated beds and 17,900 beds owned and operated by private developers. By point of comparison, between 1990 and 2001, 9,000 beds were added to the housing inventory as shown below:

FIGURE 6
STUDENT HOUSING DESIGN CAPACITY



These plans are shown by campus:

FIGURE 7: UC STUDENT HOUSING DESIGN CAPACITY — NUMBER OF BEDS

	FALL 2001 ACTUAL	2006-07 ESTIMATED	2011-12 ESTIMATED	TOTAL ADDITIONAL
Berkeley	5,742	7,545	9,222	3,480
Davis	5,552	7,332	11,032	5,480
Irvine	6,199	9,022	10,522	4,323
Los Angeles	9,824	13,883	14,520	4,696
Merced	-	1,456	3,353	3,353
Riverside	3,388	5,754	7,854	4,466
San Diego	6,809	10,601	12,672	5,863
San Francisco	370	1,219	1,219	849
Santa Barbara	4,076	5,999	5,999	1,923
Santa Cruz	5,091	8,471	10,300	5,209
TOTAL BEDS	47,051	71,282	86,693	39,642

As of July 2002, plans for the design, construction, and financing have been approved to build approximately 12,100 of the planned new beds and related facilities (such as dining and infrastructure). The estimated cost of adding these beds and facilities is approximately \$1.2 billion.

To accomplish the full extent of these plans, campuses and the Office of the President have recently modified housing administrative policy to improve access to funds and reserves for capital construction. Additionally, expanded guidelines for the evaluation and preparation of new housing projects have recently been released. Going forward, the campuses and Office of the President will have to streamline and strengthen administrative oversight and infrastructure support services; adhere to strict methods of financial modeling and cost control; and streamline the planning, design, and construction processes. In addition, the University must do all it can to foster understanding of the significance of these plans to supporting enrollment growth and the academic experience of students attending the University. Support is needed from internal and external communities, as well as from the state and municipalities.

During the past year's planning efforts, campuses were also asked to estimate the cost of the new housing plans in the context of a financial planning model. A rough estimate of adding 21,700 beds to the UC stock of housing (including the 12,100 already approved units) is in excess of \$2 billion. The size of this investment is

substantial and all of the factors discussed earlier and illustrated in Figure 6 will continue to be utilized to make sound and informed decisions about each project. In addition, financial indicators have been developed to serve as benchmarks for periodic monitoring of the financial health of the UC housing system, including:

- 1) projected rental rate increases;
- 2) projected debt service coverage; and
- 3) projected end of year cash balances (before net revenue transfers).

According to these indicators, campuses, on average, will raise rental fees 7.2 percent in years 2002-03 and 2003-04, 6.5 percent in 2004-05, 4.8 percent in 2005-06; and 4.5 percent in 2006-07. Lower but steady rate increases are projected for 2007-08 through 2011-12 to meet expenses related to the building and ongoing operations of student housing facilities. On average, campuses are projected to maintain an overall debt service coverage above 1.25 (defined as net revenues divided by debt service); and end-of-year cash balance projections show positive cash flows for each year through 2011-12.

These discussions and exercises have illuminated the need to assure a strong team of financial, planning, construction, and residential life managers, and where needed additional training and oversight will be provided. These plans and building progress will be monitored on a regular basis and all new housing projects will be evaluated in the context of this overall planning effort.

Finally, the construction and financing costs of new housing will need to be integrated into total campus growth plans in such a way as to ensure that each campus has assessed all needs and developed a coherent strategy to satisfy the multiple demands being faced by the University. The broader effort to develop integrated growth plans will include an exploration of the full range of funding and facility development options.

Summaries of campus plans are in Appendix 2.

Private Development

As mentioned earlier, campuses are exploring possibilities to collaborate with private developers to provide almost half of the new projected beds (17,900 of 39,600). Each project is subject to a dynamic set of financial and construction variables. Because of this, these numbers may change as projects get underway. However, the following figure shows the number of currently projected new units to be provided by private developers at each campus:

FIGURE 8
ESTIMATED NUMBER OF NEW PRIVATELY DEVELOPED BEDS THROUGH 2011-12

	FALL 2001 ACTUAL	ADDITIONAL UC OWNED & OPERATED	ADDITIONAL PRIVATELY DEVELOPED	TOTAL ADDITIONAL
Berkeley	5,742	2,650	830	3,480
Davis	5,552	1,580	3,900	5,480
Irvine	6,199	1,323	3,000	4,323
Los Angeles	9,824	4,696	-	4,696
Merced	-	856	2,497	3,353
Riverside	3,388	2,166	2,300	4,466
San Diego	6,809	2,321	3,542	5,863
San Francisco	370	849	-	849
Santa Barbara	4,076	1,923	-	1,923
Santa Cruz	5,091	3,380	1,829	5,209
TOTAL BEDS	47,051	21,744	17,898	39,642

Beginning in 1985 with the Russell Park project at UC Davis, the University began providing housing for students in collaboration with private developers. To date, six projects have been developed, a seventh has been approved by the regents and another is in the request for proposals (RFP) stage. As shown above, seven of the 10 UC campuses will actively pursue new housing projects through this delivery method.

The six projects already developed have benefited the University by providing housing while avoiding increases in overall campus housing fees related to the cost of new construction and by avoiding construction and operating risks. These projects were constructed via ground leases on University owned entitled sites. Several of these projects have resulted in substantial time savings in project delivery as well as construction savings that are passed on to students through lower rents. Campuses were able to assure that amenities such as data cabling and study space were provided to enhance student life by requiring these services as part of the ground lease arrangement. In addition, these projects have controlled rental rates within

specified parameters and, where appropriate, are staffed by a residential life manager. In the event of a downturn in demand from the University community, developers are able to rent these apartment-style units to the public.

To facilitate private development, the University has prepared a California Privatized Student Housing paper that provides an overview and set of guidelines for entering into these projects. The paper is periodically updated and is on the Web at: <http://www.ucop.edu/facil/resg/groundlease.html>. Templates are under development for the RFP process of development team selection and ground lease as well as a template for design standards with multiple options. Over the past two years, the University sponsored two informational sessions for campuses on the techniques of ground leasing, and this past spring two conferences were held (one in Southern California and the other in Northern California) to orient non-profit developers on the opportunities available for developing and owning housing to serve University students.

The Need for Private Non-Profit and For-Profit Development Beyond 17,900 beds

The University is exploring all housing options to provide housing for students and assist faculty and staff with their housing needs. Not only is this consistent with campus academic plans, it is consistent with each campus's role in the community. The University has a long history of working in close cooperation with local communities to provide housing for students, faculty, and staff. Market forces have historically worked well to foster the development of housing in proximity to campuses. However, the currently projected influx of students, faculty, and staff to UC campuses is unprecedented, both in sheer numbers and in the rate of growth. As mentioned previously, this growth goes hand in hand with the overall growth in population of 11.3 million California residents by 2020.

Added demand for housing in communities surrounding UC campuses results in rising rental and home prices. The only choice for UC students, faculty, and staff is to compete in these nearby markets or make decisions to live considerable distances from the campus.

This report represents a full exploration of the tools available to the UC system to meet its housing needs. Building the 21,700 student housing beds by 2011-12 will be expensive, and will require strong ongoing support from the regents and the state, but within the context of current projections and known resources, the Task Force

believes this goal is achievable. The University is looking to private developers to build and operate approximately 43 percent of the projected new student housing – 17,900 beds – through ground lease entitled sites. Through these arrangements, developers are able to make sound business decisions and pursue the construction of these projects.

When asked how many of the 17,900 privately developed units could be located off-campus instead of on University land, the campus housing directors identified about 7,400 – or about 40 percent of these units. Furthermore, if these units were moved off campus, the housing directors gave preliminary estimates of the ability to absorb into their overall housing programs an additional 2,400 units by 2011-12.

Given the current and projected demand for housing to serve the growing population in California, there will continue to be a host of opportunities for private developers to build market-rate housing. Given the special challenges facing development in the vicinity of many of the campuses, the Task Force believes that incentives must be provided to private developers to encourage them to build market-rate housing for students, faculty and staff. Any housing that is built to meet student, faculty, or staff housing needs also alleviates the need to provide housing for these same people in other locations. In other words, adding housing in support of the educational mission of California also boosts the state's housing stock.

The state has long recognized the need to provide incentives to promote housing for groups of people who face a limited supply of housing within their means, as evidenced by California Government Code Section 65915. The Task Force believes there is a compelling case of need to promote housing for members of the University community, particularly in the context of the need for housing throughout the state. If private developers were able to take advantage of the types of incentives allowed under California Government Code Section 65915, such as density bonuses, reduction in site development standards, modification of zoning requirements, reductions in setbacks and square footage requirements, allowance of mixed zoning, and other regulatory incentives or concessions that result in identifiable cost reductions, then building housing for members of the state's education community would be more attractive.

During the past two years, the University was asked by California Assembly and Senate members to identify ways in which the state might provide relief to its housing needs. In response, in July 2001, former Board of Regents

Chair Sue Johnson and Senior Vice President Joseph P. Mullinix outlined the following suggestions to Assemblymembers Dion Aroner and Fred Keeley. These suggestions outline four concepts that support efforts to increase student housing:

- * Since University campuses are faced with similar housing issues now being reviewed and debated by state and local governments throughout California, discussions relating to housing issues should include representatives of the university community.
- * Consideration should be given to members of the university community for eligibility to receive housing assistance in areas designated by a UC or CSU campus as a priority impacted area.
- * Create a higher education-related housing loan program geared towards assisting developers who partner with 501(c)(3) owners.
- * Manage and administer the loan programs through a state agency with experience in monitoring similar financing programs.

Faculty and Staff Housing

A report to the regents on the impact of housing costs on the recruitment and retention of faculty in November 1979 began with the statement: “The difficult problem of finding and financing housing in California continues to be acute.” This quote still provides an accurate summary of the situation faced by most newly recruited faculty at University of California campuses today. Since the late 1970’s, the University has developed and implemented multiple approaches to providing housing assistance as part of its recruitment and retention strategies.

The Task Force recognized that UC staff are also faced with rapid increases in home prices and rental rates. To date, most UC housing assistance is targeted toward urgent faculty recruitment and retention needs; however, as resources become available, the Task Force notes that the University is placing higher priority on assistance programs for staff.

As of June 30, 2002, more than 4,600 faculty and staff have received some form of financial assistance. Often a combination of one or more loans, a cash housing allowance and/or for-sale housing unit has been necessary to meet recruitment and retention goals. The following describes the various assistance options, followed by a table displaying a summary of housing assistance that has been provided to faculty and staff since 1979.

Mortgage Origination Program (MOP) – Since 1984, a centrally funded, up to 40-year first deed-of-trust mortgage program, with a one-year variable rate indexed to the University’s Short-Term Investment Pool (STIP) rate of return, has been provided. The annual interest rate adjustment is limited to a maximum (up or down) of 1 percent. The interest rate for the August 1 through October 31, 2002, period is 5.20 percent.

Graduated-Payment-Mortgage Origination Program (GP-MOP) – The GP-MOP loan option was recommended by the Task Force and approved by the regents in November 2001 to increase affordability. The GP-MOP loan provides borrowers with a lower interest rate during the initial years of the loan. The initial interest rate paid by the borrower is the MOP rate in effect at the time the loan closes, less a specified percentage or differential. This differential declines each year by a fixed amount until the MOP standard rate is reached. This provision results in a lower initial monthly payment, thereby expanding the range of purchase prices affordable to those prospective borrowers who expect their income to rise in subsequent years. At the end of the rate differential period, the GP-MOP feature ceases and the loan interest rate adjusts in the same manner as a standard MOP loan.

Supplemental Home Loan Program (SHLP) – Since 1982, a primarily campus-funded first and second deed-of-trust mortgage program with flexible terms (including variable rate, fixed rate, deferred payment, delayed initial payment, interest only/balloon payment, split-rate, and shared appreciation loans), with repayment terms of up to 40 years, has been offered;

Salary Differential Housing Allowance Program – Campuses fund one-time or multi-year grants paid out for up to 10 years to assist with housing related expenses (maximum amount - \$53,300);

For-Sale Housing Developments – Since 1984, campuses have produced for resale price-controlled single family and condominium developments on campus-owned or purchased land at prices below those of comparable open market units (currently 966 units on six campuses);

Rental Housing – Campus produced units available are primarily as a transition housing resource (711 units on seven campuses); and

Outside Lender Relationship with North American Mortgage Corporation (NAMC) – Since 1986, this affinity lender relationship has provided all University employees access to competitive rates on a large variety of lending products with reduced fees. Products include purchase, refinance, equity lines of credit, etc.

FIGURE 9

HOUSING ASSISTANCE SUMMARY

HOUSING ASSISTANCE PACKAGE	NUMBER
University loan only	2,262
Housing allowance only	1,046
University first and second loan	203
University loan and housing allowance	507
University loan and for-sale house	459
Two University loans and housing allowance	48
Two University loans and for-sale house	27
Two University loans, for-sale, and allowance	12
University loan, for-sale, and allowance	89
TOTAL NUMBER OF HOUSEHOLDS ASSISTED	4,653
TOTAL DOLLARS OF ASSISTANCE	\$894,322,414
TOTAL LOANS PROVIDED BY NORTH AMERICAN MORTGAGE TO UC EMPLOYEES (AS OF JUNE 30, 2001):	5,499

Note: Housing allowance data as of Dec.31, 2001; all other data as of June 30, 2002, except as otherwise noted.

To accommodate anticipated enrollment growth and meet the hiring needs for replacement of existing faculty, approximately 7,000 new faculty must be hired through 2010-11. Historically, over 50 percent of these newly hired faculty come from out of state and approximately 15 percent of all new recruits have been graduate students immediately prior to hire, most of whom did not previously own a home. Based upon University loan program statistics for the past four calendar years, approximately 75 percent of all program borrowers did not own a home at the time of participating in the University loan program. The large percentage of out-of-area recruitments and the first time homebuyer status of many of these recruits exacerbate the impact of the continued high cost of housing near University campuses. This is also true for other non-faculty positions that are often the subject of national recruitment, such as many senior managers and specialized technical and professional positions.

At its November 2001 meeting, the regents approved four recommendations of the Housing Task Force to improve the ability of existing faculty and staff financial assistance programs to address the growing housing affordability gap near most University campuses. In summary, the four approved program changes were to:

- 1) increase maximum loan thresholds of 95 percent and 90 percent for secondary loans under the Supplemental Home Loan Program;
- 2) increase the maximum allowable term for MOP and SHLP loans from 30 to 40 years;
- 3) introduce a new MOP loan option that provides for lower graduated payments during the early years of the loan to increase the purchasing power of the loan (the graduated payment loan product or GP-MOP); and
- 4) increase the percentage of the unrestricted portion of STIP that is available for MOP loans from 25 percent back to the 30 percent level it had been prior to March 1999.

Items one, two, and four were implemented immediately, while the rollout of the GP-MOP product occurred in May 2002, following completion of the reprogramming of the loan origination and accounting systems and training of all campus and Office of the President lending staff.

The New Financial Programs Subcommittee also explored the potential for identifying additional private sector financial resources to leverage existing University resources and additional University resources to increase the availability of current and/or new financial assistance

programs. The ability to increase the resources available for financial assistance is key if there is to be any significant broadening of the eligibility beyond the current Academic Senate and senior management group categories.

As a result of this work, the Housing Task Force recommended that a program for the periodic sale of MOP loans be established to support increased levels of lending activity. The regents approved this recommendation at its March 2002 meeting. The University solicited and retained a financial advisor and placement agent in June 2002 to assist with structuring the proposed sale of a portion of the MOP portfolio and to assist in the placement of the loans with an institutional investor at an appropriate price. The marketing of the portfolio began in late June for up to \$350 million dollars. An initial sale of \$100 million closed at the end of July 2002. Depending on the total sales during the summer of 2002, it may be possible to allocate additional funds for MOP loans to support increased recruitment and retention needs.

Future activity will include: (1) further development of the housing web-based portal to better support the campuses in the utilization of the expanding set of program options available for faculty and staff; and (2) the possible addition of another private lender as an "affinity lender" to provide a wider range of options for all University employees to assist them with their purchase, refinance, and equity-line needs.

Faculty/Staff For-Sale and Rental Programs

As of June 30, 2002, 966 for-sale housing units and 711 rental units are available at the campuses to meet a portion of the housing need of faculty and staff. Figure 10 displays the current distribution of these units.

FIGURE 10
FACULTY AND STAFF FOR-SALE AND RENTAL HOUSING UNITS
BY CAMPUS (JUNE 30, 2002)

CAMPUS	FOR-SALE	RENTAL
Berkeley	75	26
Davis	37	0
Irvine	651	140
Los Angeles	58	192
Merced	0	0
Riverside	0	0
San Diego	0	232
San Francisco	0	15
Santa Barbara	65	56
Santa Cruz	80	50
TOTAL	966	711

During the past year, campuses reviewed plans for developing additional for-sale and rental unit resources for faculty and staff. These plans are summarized below:

BERKELEY

- * The Berkeley campus continues to work with local developers and surrounding communities to identify possible sites and resources to assist faculty and staff in their housing needs. In addition, during Step 3 of the University Village redevelopment project, the campus anticipates working with a private developer to construct approximately 30 units of housing for non-tenured faculty without children.

DAVIS

- * In the past year, the city of Davis has neared build-out of its residential facilities. As part of its enrollment growth planning efforts to develop housing and other resources, the Davis campus is proposing and evaluating the idea of providing enough housing to support the related growth in faculty and staff.

IRVINE

- * University Hills is a 200-acre development of condominiums and single-family homes on the Irvine campus to meet the housing requirements of approximately 50 percent of faculty and some staff. The Irvine Campus Housing Authority operates this development. When completed, a total of approximately 1,100 homes and apartments will be provided; 791 units have been completed to date. Phase VIII, now under construction, will provide an additional 47 single-family homes in 2002-03. There are plans to expand Phase VIII to deliver approximately 70 additional homes in 2003-04, which will bring the total inventory of for-sale homes to 768 units. Additional phases will be undertaken, as feasible, to complete the for-sale housing component of the development. The development includes 140 rental apartments for faculty and staff as part of University Hills, most often rented by junior-level and visiting faculty, postdoctoral students, and staff. An additional 135 rental units are under consideration for completion in 2003-04.

LOS ANGELES

- * The campus has been converting former for-sale housing condominium projects into rental housing for faculty and staff, as current owners offer those units for sale. At completion, these will provide 52 rental units. There may also be limited use of units in the Southwest Campus graduate student housing for some faculty and staff.

MERCED

- * As part of its developing LRDP, the campus is targeting about 90 acres for faculty housing to be developed in proximity to the campus.

RIVERSIDE

- * The community of Riverside has historically provided the necessary housing for faculty and staff. To inform future planning efforts, the campus will monitor for-sale and rental housing vacancy, purchase, and rental rates to stay abreast of trends. Options for faculty and for-sale housing programs will be examined in the context of UCR's Master Plan for Housing, which will be completed in 2002-03.

SAN DIEGO

- * The campus is exploring the use of five acres for faculty and staff rental housing.

SAN FRANCISCO

- * The campus is preparing a housing Master Plan to address student and faculty/staff housing. Faculty housing is being planned at the Parnassus site through renovation, conversion, and possible demolition and reconstruction of existing properties.

SANTA BARBARA

- * The campus continues to explore development of West Campus Point to accommodate 65 units for faculty and staff housing. In addition, the North Campus is under consideration for 236 units.

SANTA CRUZ

- * Under the LRDP, the campus committed to a goal of housing 25 percent of its faculty and 50 percent of new staff recruited from outside Santa Cruz County. The campus is evaluating and working on plans to develop additional housing as well as exploring options to purchase new rental properties and for-sale developments.

Recommendations

Summary and Recommendations

As already noted, this is the most ambitious housing plan yet undertaken by the University. The Task Force identified a complex and strong set of programs that support ongoing housing programs for students, faculty, and staff. This base will serve well as a point of expansion. The following recommendations are critical to assure the continued strength and viability of these programs and to achieve the goals identified in this plan:

- 1) Ongoing monitoring, annual reports, and regular discussions between campuses, Office of the President, and the Board of Regents. Monitoring efforts and reports should identify progress and areas in need of additional assistance. Discussions should identify best practices that are supporting progress and solutions for areas in need of additional assistance.
- 2) Making one office at each location (including the Office of the President and each campus) responsible for advocating housing concerns and coordinating consultation, organizational support, and assuring the timely completion of all housing projects.
- 3) Assuring that all levels of staff in housing administration have the necessary information and skills to support and monitor this plan through management level information sharing and cross training.
- 4) Adhering to financial modeling techniques and cost control methods through the regular and sustained use of financial indicators, benchmarks, and reports.
- 5) Streamlining the planning, design, and construction processes to assure projects are built in the most cost-effective and efficient manner possible. This effort should be assisted by a University work group responsible for identifying specific techniques for streamlining these processes, including approval procedures, capital construction requirements, building standards, inspection practices, shared design and build resources, shared building designs, and techniques for working with the building industry.
- 6) Strengthening community partnerships through the University's commitment to its planning process that incorporates widespread discussion and exploration of options with internal and external members of the University community; and identifying new partnership opportunities with local communities, municipalities, and private developers to expand housing opportunities.
- 7) Convening discussions with private for-profit and not-for-profit developers to understand and document the incentives (such as access to California Government Code Section 65915) necessary to make private development feasible in off-campus locations. This information should then be used in discussions with the governor's office and municipalities.
- 8) Establishing, with knowledgeable representatives of the municipal and developer communities, a formal dialogue with the California Business, Transportation, and Housing Agency regarding the University's housing needs.
- 9) Pursuing specific implementation measures that would be beneficial to private for-profit and not-for-profit developers.
- 10) Maintaining up-to-date University guidelines and templates for use by campuses and private developers including: design guidelines with multiple options, RFQ/RFP forms and processes, and ground lease contracts.
- 11) Maintaining up-to-date annual market analyses of rents and vacancy rates in areas adjacent to UC campuses for use by the University, private developers, students, faculty, and staff.
- 12) Exploring the coordination of a statewide community outreach program between individual campuses and their adjacent communities focused on issues and goals common to all campuses.
- 13) Continuing efforts to identify more funds to make the housing financial assistance programs available to a larger number of faculty and staff, including the periodic sales of University-issued loans.
- 14) Continuing efforts to identify sites for faculty and staff housing, especially in partnership with private developers.
- 15) Exploring the creation of a faculty and staff housing resource/information office to provide one-stop shopping for the housing/relocation needs of faculty and staff.

APPENDIX 1 UC HOUSING TASK FORCE

Debbie Davis
Former Chair, UC Student Association

Tracy M. Davis
Former Regent

Lawrence Hershman
*Vice President, Budget
Office of the President*

Dennis Galligani
*Associate Vice President,
Student Academic Services
Office of the President*

S. Sue Johnson, Co-Chair
Former Chair, Board of Regents

Andy Katz
*Undergraduate Representative
UC Berkeley*

Patricia Kearney
*Executive Director, Student Housing
UC Davis*

Harry LeGrande
*Assistant Vice Chancellor,
Residential and Student Service Programs
UC Berkeley*

Bruce Lehmann
*Professor,
International Relations and Pacific Studies
UC San Diego*

Sam Morabito
*Associate Vice Chancellor,
Business and Administrative Services
UC Los Angeles*

Joseph P. Mullinix
*Senior Vice President,
Business and Finance
Office of the President*

Ilene Nagel
*Senior Advisor to the Provost and Senior
Vice President, Academic Affairs, and
Office of the President*

Patricia W. Neal
*Deputy Secretary for Housing Business,
Transportation and Housing Agency
State of California*

Steve Relyea
*Vice Chancellor, Business and Finance
UC San Diego*

David H. Russ
*Treasurer
Office of the President*

Jeffrey A. Seymour
Former Regent

Bruce Spaulding
*Vice Chancellor,
University Advancement and Planning
UC San Francisco*

Ronald J. Stern
*Professor of Mathematics,
Dean of Physical Sciences
UC Irvine*

Carol Tomlinson-Keasey
*Chancellor
UC Merced*

Tom Vani
*Vice Chancellor,
Business and Administrative Services
UC Santa Cruz*

Joseph W. Watson
*Vice Chancellor, Student Affairs
UC San Diego*

Mark Winogron
*Chief Administrative Officer
City of Culver City*

STAFF TO THE HOUSING TASK FORCE

Office of the Senior Vice President—
Business and Finance
Laura Martinez
*Special Assistant to the Senior Vice President,
Business and Finance*

Andrew LaManque
*Coordinator,
Business and Finance Policy Research*

Dina Pecceu
*Administrative Analyst,
Business and Finance*

Budget Office

Trudis Heinecke
Director, Long Range Planning, Budget Office

Lori Hoffman
*Director, Non-State Capital Program, Budget
Office*

Facilities Administration

Mike Bocchicchio
*Assistant Vice President,
Facilities Administration*

Steve Mathews
*Deputy Assistant Vice President and
Director Loan Programs, Facilities Administration*

Allen Meacham
*Senior Real Estate Officer,
Facilities Administration*

Gordon Schanck
*Director, Real Estate Services Group,
Facilities Administration*

Charlotte Strem
*Coordinator, Environmental Planning -
Planning, Design and Construction,
Facilities Administration*

Jack Zimmermann
*Director, Planning, Design and Construction,
Facilities Administration*

External Finance

Randall Young
Assistant Treasurer, External Finance

Financial Management

John Plotts
Assistant Vice President, Financial Management

Michael Sweeney
*Senior Analyst, Financial Planning and Analysis,
Financial Management*

Greg Wineger
*Manager, Financial Planning and Analysis,
Financial Management*

University Counsel

Lloyd Lee
University Counsel, Office of General Counsel

University Affairs

Charles McFadden
*Director, Media Services,
Strategic Communications*

APPENDIX 2 UC STUDENT HOUSING FOR THE 21ST CENTURY

The Systemwide Plan for New Housing

The following figures show the cumulative plans for new student housing for all campuses of the University of California

UNIVERSITY OF CALIFORNIA - ALL CAMPUSES*

	FALL 1996 ACTUAL	FALL 2001 ACTUAL	2006-07 ESTIMATED	2011-12 ESTIMATED
Headcount Enrollment **	162,031	187,278	209,785	228,107
Housing Goals By Student Type (Percentage)				
1st Year New	n/a	85%	85%	85%
2nd Year Continuing	n/a	48%	48%	55%
New Transfers	n/a	39%	40%	41%
All Other Undergraduates	n/a	20%	26%	27%
Graduate and Professional	n/a	30%	32%	33%
Total Student Housing Goal		39%	41%	42%
Total Housing Goal (Bed Spaces)	n/a	72,624	86,582	95,773
Total Housing Supply	43,171	47,051	71,282	86,693
Total Occupancy	42,495	49,448	n/a	n/a
Percent Occupancy	99%	113%	n/a	n/a
New Bed Spaces	n/a	3,880	24,231	15,411
Design Capacity/Goal Beds	n/a	65%	82%	91%

* Housing projections collected May 2002 and enrollment projections collected Fall 2001. The projections will likely change, the result of continued planning efforts and local circumstances.

** Includes enrollments for general campus and health sciences. Enrollment numbers do not include health sciences residents at Berkeley, Davis, Irvine, Los Angeles, San Diego and San Francisco.

The Plan for New Housing at Berkeley

The University of California, Berkeley expects to see only modest increases in enrollment over the next decade. Most of the enrollment growth will be accommodated during the summer term and rely on existing student housing. However, Berkeley recognizes the need to provide a higher percentage of its students with housing opportunities and has plans to build an additional 3,500 beds by 2011-12, bringing the projected percent of student housed to 29 percent by 2011-12. Because building in Berkeley is particularly expensive due to density, lack of building sites, and seismic concerns, the campus is currently examining a range of development options. These options will allow Berkeley to increase the availability of housing for second year and graduate students in particular.

BERKELEY CAMPUS	FALL 1996 ACTUAL	FALL 2001 ACTUAL	2006-07 ESTIMATED	2011-12 ESTIMATED
Headcount Enrollment (GC & HS)*	29,788	32,117	32,250	32,350
Housing Goals By Student Type (Percentage)				
1st Year New	n/a	90%	90%	90%
2nd Year Continuing	n/a	45%	45%	45%
New Transfers	n/a	30%	30%	30%
All Other Undergraduates	n/a	12%	13%	13%
Graduate & Professional	n/a	12%	12%	12%
Total Student Housing Goal		29%	29%	29%
Total Housing Goal (Bed Spaces)	n/a	9,314	9,353	9,382
Total Housing Supply	6,167	5,742	7,545	9,222
Total Occupancy	6,126	6,472	n/a	n/a
Percent Occupancy	99%	113%	n/a	n/a
New Bed Spaces	n/a	(425)	1,803	1,677
Design Capacity/Goal Beds	n/a	62%	81%	98%

* Enrollment numbers do not include health sciences residents at Berkeley, Davis, Irvine, Los Angeles, San Diego and San Francisco.



Berkeley's New Albany Village

The Plan for New Housing at Davis

The University of California, Davis expects to see a substantial growth in enrollment over the next decade. Davis recognizes the need to provide a higher percentage of its students with housing opportunities and has plans to build an additional 5,500 beds by 2011-12, bringing the projected percent of students housed to 38 percent. Through an update of its LRDP, the campus is examining the development of a village that would include student housing, in addition to several smaller projects on campus. It is anticipated that private developers will be involved in much of the development of the village. The new beds will allow Davis to increase the availability of housing for entering transfers in particular.

DAVIS CAMPUS

	FALL 1996 ACTUAL	FALL 2001 ACTUAL	2006-07 ESTIMATED	2011-12 ESTIMATED
Headcount Enrollment*	23,235	26,513	28,725	29,098
Housing Goals By Student Type (Percentage)				
1st Year New	n/a	90%	90%	90%
2nd Year Continuing	n/a	27%	28%	28%
New Transfers	n/a	50%	50%	50%
All Other Undergraduates	n/a	27%	28%	28%
Graduate & Professional	n/a	27%	28%	28%
Total Student Housing Goal		40%	40%	40%
Total Housing Goal (Bed Spaces)	n/a	10,605	11,490	11,639
Total Housing Supply	4,332	5,552	7,332	11,032
Total Occupancy	4,332	6,063	n/a	n/a
Percent Occupancy	100%	109%	n/a	n/a
New Bed Spaces	n/a	1,220	1,780	3,700
Design Capacity/Goal Beds	n/a	52%	64%	95%

* Enrollment numbers do not include health sciences residents at Berkeley, Davis, Irvine, Los Angeles, San Diego and San Francisco.



"The Colleges" at Davis

The Plan for New Housing at Irvine

The University of California, Irvine expects to see a significant increase in enrollment over the next decade. Irvine recognizes the need to provide a higher percentage of its students with housing opportunities and currently has plans to build at least an additional 4,300 beds by 2011-12, bringing the projected percent of students housed to 36 percent. Irvine will be exploring options to build additional housing to meet the remaining need of 1,379 beds and achieve its 100 percent goal by 2011-12. Irvine's approach to housing is to diversify its development program by building multiple projects. These options will allow Irvine to increase the availability of housing for undergraduates and graduates on and near campus.

IRVINE CAMPUS

	FALL 1996 ACTUAL	FALL 2001 ACTUAL	2006-07 ESTIMATED	2011-12 ESTIMATED
Headcount Enrollment*	17,221	21,286	26,556	29,027
Housing Goals By Student Type (Percentage)				
1st Year New	n/a	75%	75%	75%
2nd Year Continuing	n/a	49%	50%	50%
New Transfers	n/a	25%	25%	25%
All Other Undergraduates	n/a	23%	25%	25%
Graduate & Professional	n/a	49%	49%	49%
Total Student Housing Goal		40%	41%	41%
Total Housing Goal (Bed Spaces)	n/a	8,514	10,888	11,901
Total Housing Supply	5,929	6,199	9,022	10,522
Total Occupancy	5,872	6,320	n/a	n/a
Percent Occupancy	99%	102%	n/a	n/a
New Bed Spaces	n/a	270	2,823	1,500
Design Capacity/Goal Beds	n/a	73%	83%	88%

* Enrollment numbers do not include health sciences residents at Berkeley, Davis, Irvine, Los Angeles, San Diego and San Francisco.



Mesa Court at Irvine

The Plan for New Housing at Los Angeles

The University of California, Los Angeles expects to see a modest increase in enrollment over the next decade. Los Angeles has made housing more students on campus a priority and has plans to build an additional 4,700 beds by 2011-12, bringing the projected percent of students housed to 41 percent. Los Angeles plans to develop all new housing on campus. This development plan will allow the campus to significantly increase the availability of housing for undergraduates on campus.

LOS ANGELES CAMPUS

	FALL 1996 ACTUAL	FALL 2001 ACTUAL	2006-07 ESTIMATED	2011-12 ESTIMATED
Headcount Enrollment* (Estimated enrollment excludes summer enrollment)	33,917	35,807	34,951	35,727
Housing Goals By Student Type (Percentage)				
1st Year New	n/a	89%	90%	90%
2nd Year Continuing	n/a	68%	66%	68%
New Transfers	n/a	41%	50%	50%
All Other Undergraduates	n/a	10%	12%	12%
Graduate & Professional	n/a	34%	34%	34%
Total Student Housing Goal		37%	38%	39%
Total Housing Goal (Bed Spaces)	n/a	13,249	13,281	13,934
Total Housing Supply	8,243	9,824	13,883	14,520
Total Occupancy	8,136	9,824	n/a	n/a
Percent Occupancy	99%	100%	n/a	n/a
New Bed Spaces	n/a	1,581	4,059	637
Design Capacity/Goal Beds	n/a	74%	105%	104%

* Enrollment numbers do not include health sciences residents at Berkeley, Davis, Irvine, Los Angeles, San Diego and San Francisco.



DeNeve Plaza Housing

The Plan for New Housing at Merced

The University of California, Merced expects to enroll about 6,700 students by Fall 2012 – nearly all will be undergraduates. While some housing is available for students near campus, Merced has made housing students on or near campus a priority and has plans to build 3,400 beds by 2011-12, bringing the projected percent of students to 50 percent. Merced plans to develop the majority of new housing using private developers. The development plan will allow Merced to offer a variety of housing options to its students.

MERCED CAMPUS

	FALL 1996 ACTUAL	FALL 2001 ACTUAL	2006-07 ESTIMATED	2011-12 ESTIMATED
Headcount Enrollment	-	-	2,921	6,706
Housing Goals By Student Type (Percentage)				
1st Year New	n/a	n/a	75%	75%
2nd Year Continuing	n/a	n/a	38%	38%
New Transfers	n/a	n/a	50%	50%
All Other Undergraduates	n/a	n/a	25%	25%
Graduate & Professional	n/a	n/a	15%	15%
Total Student Housing Goal			45%	45%
Total Housing Goal (Bed Spaces)	n/a	n/a	1,314	3,018
Total Housing Supply	0	0	1,456	3,353
Total Occupancy	n/a	n/a	n/a	n/a
Percent Occupancy	n/a	n/a	n/a	n/a
New Bed Spaces	n/a	n/a	1,456	1,897
Design Capacity/Goal Beds	n/a	n/a	111%	111%



Proposed new housing at Merced

The Plan for New Housing at Riverside

The University of California, Riverside expects to see a significant increase in enrollment over the next decade. A good portion of the increase will come from undergraduate students who typically seek University housing for at least their first two years. Riverside faculty have recognized the importance of housing to the academic program and have been instrumental in supporting campus plans to significantly increase the percentage of students housed. With the planned growth in enrollment and increase in housing goals, the campus has plans to build an additional 4,500 beds by 2011-12, bringing the percent of projected students housed to 32 percent. Riverside's approach to housing is to focus its development program on apartment-style complexes and rely on private developers for about half of the planned beds. These options will allow Riverside to increase the availability of housing for undergraduates on and near campus.

RIVERSIDE CAMPUS

	FALL 1996 ACTUAL	FALL 2001 ACTUAL	2006-07 ESTIMATED	2011-12 ESTIMATED
Headcount Enrollment	9,063	14,429	20,150	24,540
Housing Goals By Student Type (Percentage)				
1st Year New	n/a	75%	75%	75%
2nd Year Continuing	n/a	39%	37%	38%
New Transfers	n/a	50%	50%	50%
All Other Undergraduates	n/a	17%	60%	60%
Graduate & Professional	n/a	10%	10%	10%
Total Student Housing Goal		35%	50%	50%
Total Housing Goal (Bed Spaces)	n/a	5,050	10,075	12,270
Total Housing Supply	2,606	3,388	5,754	7,854
Total Occupancy	2,243	3,472	n/a	n/a
Percent Occupancy	86%	102%	n/a	n/a
New Bed Spaces	n/a	782	2,366	2,100
Design Capacity/Goal Beds	n/a	67%	57%	64%



Pentland hills Residence hall at Riverside

The Plan for New Housing at San Diego

The University of California, San Diego expects to see a significant increase in enrollment over the next decade. San Diego recognizes the need to provide a higher percentage of its student body with housing opportunities and has plans to build an additional 5,900 beds by 2011-12, bringing the projected percent of students housed to 42 percent. San Diego's approach to housing is to diversify its development program by building multiple projects and will explore private development for more than half of the new housing planned. These options will allow San Diego to keep up with the enrollment growth while increasing the availability of housing for students on and near campus.

SAN DIEGO CAMPUS

	FALL 1996 ACTUAL	FALL 2001 ACTUAL	2006-07 ESTIMATED	2011-12 ESTIMATED
Headcount Enrollment*	17,596	21,006	25,882	30,346
Housing Goals By Student Type (Percentage)				
1st Year New	n/a	96%	95%	95%
2nd Year Continuing	n/a	75%	75%	72%
New Transfers	n/a	50%	50%	50%
All Other Undergraduates	n/a	23%	27%	27%
Graduate & Professional	n/a	50%	50%	50%
Total Student Housing Goal	n/a	50%	50%	50%
Total Housing Goal (Bed Spaces)	n/a	10,503	12,941	15,173
Total Housing Supply	7,001	6,809	10,601	12,672
Total Occupancy	6,978	7,287	n/a	n/a
Percent Occupancy	100%	107%	n/a	n/a
New Bed Spaces	n/a	(192)	3,792	2,071
Design Capacity/Goal Beds	n/a	65%	82%	84%

* Enrollment numbers do not include health sciences residents at Berkeley, Davis, Irvine, Los Angeles, San Diego and San Francisco.



Apartments at San Diego

The Plan for New Housing at San Francisco

The University of California, San Francisco expects to see a modest increase in enrollment over the next decade. San Francisco has recognized the importance of housing for its graduate students – especially given the tight housing market in San Francisco – and plans to significantly increase the percentage of students housed. The campus currently has plans to build an additional 850 beds by 2011-12, bringing the percent of projected students housed to 39 percent. San Francisco's focus will be on new housing at its Mission Bay campus. In addition, the campus has a goal of providing housing for 25 percent of the postdoctoral scholars and postgraduate researchers and 50 percent of the residents and clinical fellows. The campus is currently exploring other housing development opportunities to meet these goals.

SAN FRANCISCO CAMPUS

	FALL 1996 ACTUAL	FALL 2001 ACTUAL	2006-07 ESTIMATED	2011-12 ESTIMATED
Headcount Enrollment*	2,465	2,577	2,935	3,098
Housing Goals By Type (Percentage)				
Graduate & Professional Students	n/a	25%	40%	40%
Total Housing Goal (Bed Spaces)	n/a	644	1,174	1,239
Total Housing Supply	349	370	1,219	1,219
Total Occupancy	347	370	n/a	n/a
Percent Occupancy	99%	100%	n/a	n/a
New Bed Spaces	n/a	21	849	-
Design Capacity/Goal Beds	n/a	57%	104%	98%

* Enrollment numbers do not include health sciences residents at Berkeley, Davis, Irvine, Los Angeles, San Diego and San Francisco.



Aldea San Miguel Family Student Housing

The Plan for New Housing at Santa Barbara

The University of California, Santa Barbara expects to see very little or no growth in enrollment over the next decade. Most of the enrollment growth will be accommodated during the summer term and will not create an impact on housing. However, Santa Barbara recognizes the need to provide a higher percentage of its students with housing opportunities and has plans to build an additional 1,900 beds by 2011-12, bringing the projected percent of students housed to 30 percent. Because building in Santa Barbara is restricted by coastal environmental concerns, the campus is planning a limited number of projects on campus. These options will allow Santa Barbara to increase the availability of housing for graduate students in particular.

SANTA BARBARA CAMPUS

	FALL 1996 ACTUAL	FALL 2001 ACTUAL	2006-07 ESTIMATED	2011-12 ESTIMATED
Headcount Enrollment (Estimated enrollment excludes summer enrollment)	18,531	20,373	20,000	20,000
Housing Goals By Student Type (Percentage)				
1st Year New	n/a	72%	71%	70%
2nd Year Continuing	n/a	25%	23%	23%
New Transfers	n/a	25%	23%	23%
All Other Undergraduates	n/a	25%	22%	22%
Graduate & Professional	n/a	45%	54%	51%
Total Student Housing Goal	n/a	31%	31%	31%
Total Housing Goal (Bed Spaces)	n/a	6,316	6,200	6,200
Total Housing Supply	4,151	4,076	5,999	5,999
Total Occupancy	4,088	4,135	n/a	n/a
Percent Occupancy	98%	101%	n/a	n/a
New Bed Spaces	n/a	(75)	1,923	-
Design Capacity/Goal Beds	n/a	65%	97%	97%



Students relaxing in Santa Barbara housing

The Plan for New Housing at Santa Cruz

The University of California, Santa Cruz expects a significant increase in enrollment over the next decade. Santa Cruz has recognized the importance of housing for its students and the limited availability of development options within the community and plans to significantly increase the percentage of students housed. The campus currently has plans to build an additional 5,200 beds by 2011-12, bringing the projected percentage of students housed to 60 percent. Santa Cruz's focus will be to develop additional housing on campus, but will also explore private development near campus.

SANTA CRUZ CAMPUS

	FALL 1996 ACTUAL	FALL 2001 ACTUAL	2006-07 ESTIMATED	2011-12 ESTIMATED*
Headcount Enrollment	10,215	13,170	15,415	17,215
Housing Goals By Student Type (Percentage)				
1st Year New	n/a	93%	93%	93%
2nd Year Continuing	n/a	62%	62%	59%
New Transfers	n/a	48%	48%	48%
All Other Undergraduates	n/a	55%	58%	60%
Graduate & Professional	n/a	43%	43%	43%
Total Student Housing Goal	n/a	64%	64%	64%
Total Housing Goal (Bed Spaces)	n/a	8,429	9,866	11,018
Total Housing Supply	4,393	5,091	8,471	10,300
Total Occupancy	4,373	5,505	n/a	n/a
Percent Occupancy	100%	108%	n/a	n/a
New Bed Spaces	n/a	698	3,380	1,829
Design Capacity/Goal Beds	n/a	60%	86%	93%

* Estimated headcount enrollment for 2011-12 includes: 15,000 on campus for traditional Fall/Winter/Spring, an additional 1,900 to be accommodated in other than traditional Fall/Winter/Spring, and 315 that make up the existing summer session base.



Typical apartment at Santa Cruz

- ¹ UC Statistical Summary of Students and Staff, Fall 2001, Table 8 – 33,067 bachelor's degrees and 11,502 graduate and professional degrees for a total of 44,569 (rounded above to 44,600), and Table 10.
- ² Based on budgeted, general campus, FTE in 1998-99 of 147,000 and projected in 2010-11 as 211,000.
- ³ UCOP News and presentation to the Regents, October 2000.
- ⁴ California Department of Finance, Interim County Population Projections, 2002.
- ⁵ "Raising The Roof – California Housing Development Projections and Constraints 1997-2000, Statewide Housing Plan, issued in 2000 by the California Department of Housing and Community Development, page 3.
- ⁶ UC Statistical Summary of Students and Staff, Fall 2001, Table 8 – 33,067 bachelor's degrees and 11,502 graduate and professional degrees for a total of 44,569 (rounded above to 44,600), and Table 10.
- ⁷ These 64,000 additional projected students were based are budgeted, general campus, full-time equivalent (FTE) enrollment figures that are derived annually from student enrollment in class units. For example, an undergraduate student is full-time if enrolled in 15 units, and a graduate student is full-time if enrolled in 12 units. Part-time students are grouped in these calculations so that one FTE equals enrollment in 15 or 12 units. At UC most undergraduate and graduate students are full-time students; however, when considering housing it is important to count actual people instead of FTEs. This method of counting is called Headcount (HDCT)."
- ⁸ UC Statistical Summary of Students and Staff, Fall 1998 and Fall 2001, Table 1; Enrollment: general campus and health sciences combined (excluding health science residents); and Fall 2001 UCOP housing survey for 2011-12, projected headcount enrollments.
- ⁹ Report to the Regents: "Magnitude of Growth, UC's Commitments, Challenges, and Enrollment Growth," Fall 2000.
- ¹⁰ Report to the Regents: "Future Vision: Student Services at the University of California," May 17, 2001, page 20.
- ¹¹ Report to the Regents: "Recommendations of the Commission on the Growth and Support of Graduate Education," September 2001.
- ¹² Interim county population projections, California Department of Finance, 2002.
- ¹³ "Raising The Roof – California Housing Development Projections and Constraints 1997-2000, Statewide Housing Plan, issued in 2000 by the California Department of Housing and Community Development, page 3.
- ¹⁴ University of California History of Campus Housing, prepared by the Housing Task Force Subcommittee on Traditional Student Housing, October 2001.
- ¹⁵ UCOP: Fall 2001 Survey of Campus Student Housing Plans.
- ¹⁶ UC Office of the President, Financial Management Occupancy Reports – Design Capacity, Fall 1998: 42,537, and Fall 2001: 47,051; Occupancy Fall 1998: 44,045 and Fall 2001: 49,448.
- ¹⁷ UCOP: Fall 2001 Survey of Campus Student Housing Plans.

If you would like hard copies of the Housing Task Force report, please contact Dina Pecceu at dina.pecceu@ucop.edu or (510) 987-9035, indicating number of copies requested and complete mailing address.