

December 12, 2006

CPEVC Dave Kliger  
McHenry Library

**Re: Employee Housing Administrative Plan Review**

Dear Dave:

Four Senate committees have reviewed the Employee Housing Administrative Plan prepared by the consulting firm of Brailsford and Dunlavey. Most detailed were the responses of the Committee on Planning and Budget (CPB), the Committee on Faculty Welfare (CFW), and the Committee on Affirmative Action and Diversity (CAAD). Brief was the response of the Committee on Academic Personnel (CAP). The aim of the present letter is to integrate the committee responses, highlighting where there is agreement and indicating where agreement is less than perfect.

First, everyone in the Senate seeing housing as an issue that is critically important. The recruitment and retention of outstanding faculty depends vitally on having adequate affordable housing. We are grateful that you have turned a spotlight on the issue of housing.

Second, the Senate favors the establishment of a 501(c)3 entity to develop and manage housing for UCSC, and specifically for the Santa Cruz campus. Such an organization could adeptly operate as a developer, as a financing vehicle, and as a source of information. Such an organization would also remove employee housing from the purview of Student Affairs. At some point in the past it may have been appropriate to house employee housing within Student Affairs; as our campus reaches maturity, the arrangement is no longer appropriate or, indeed, easily workable.

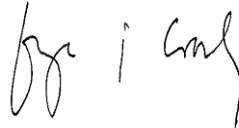
Third, the Senate hopes you will pause to reconsider the appropriate make-up of the Board of the 501(c)3 entity. The Board will be critical to assuring the success of the entity. Certainly, full engagement of the campus consultative process may be needed to determine the best composition of the Board of the 501(c) 3 entity. Two ideas arose in Senate discussions; 1) increased faculty and staff representation might give the principle beneficiaries more input into the creation and management of housing and 2) augment the Board to include real estate, development and financial expertise – possible even from the local community. Obviously more work needs to be done on this aspect in the near future.

About the final matter there is less agreement among the Senate committees. Three committees note that the report of the consultants emphasizes the transitional nature of employee housing. One committee (CPB) agrees that the campus needs to re-price its existing housing stock so as to enhance the rate of turnover. Two other committees (CFW and CAAD) take the opposite point of view, stressing that the campus has a obligation to provide affordable housing. If the only way to assure affordable housing is to assume that faculty and staff will remain in their on-campus housing for many years, then the emphasis on transitional housing is inappropriate.

The disagreement on the final point gives weight to the urgency of the second and third points, about which there is agreement. In other words, if UCSC can establish a well-functioning non-profit entity to create and manage housing, then there will be mechanisms for augmenting the housing stock in ways that serve the needs of the campus today and tomorrow. Some housing might be considered transitional; and some faculty and staff may learn ways that allow them to move into the off-campus housing market. Some housing might be considered more permanent. Balancing the needs of different sectors of the faculty and staff may be more possible if the entity can operate in a more nimble way than has been possible under the present structure.

In providing these opinions, the Senate wishes to pause and thank the administration for its responsiveness to faculty concerns. We are grateful that you established a fund for recruitment and retention and worked with us to establish how the fund could best be utilized. We are grateful that you commissioned knowledgeable consultants who provided a timely and in-depth analysis. We look forward to continuing to work closely with you on the issue of employee housing.

Sincerely,

A handwritten signature in black ink, appearing to read "Faye J. Crosby". The signature is fluid and cursive, with the first name "Faye" being the most prominent.

Faye J. Crosby  
Chair, Academic Senate Office

cc: CAAD Chair Castillo  
CAP Chair Bowman  
CFW Chair Reinerman  
CPB Chair Gillman

December 5, 2006

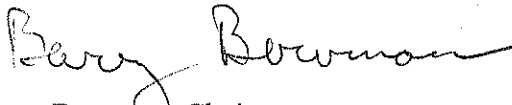
Faye Crosby, Chair  
Academic Senate

Dear Faye,

Re: UCSC Housing Plan, September 28, 2006

CAP briefly discussed the Housing Plan, but we felt that an analysis of the plan was not an activity we should take on. We, of course, strongly support the efforts of the campus to provide housing. It is essential to attract and retain excellent faculty.

Sincerely,

A handwritten signature in cursive script that reads "Barry Bowman". The signature is written in dark ink and is positioned above the typed name.

Barry Bowman, Chair  
Committee on Academic Personnel

December 11, 2006

Faye Crosby, Chair  
Academic Senate

Dear Faye

**Re: CAAD Response to Employee Housing Administrative Plan ((EHAP)**

The Committee on Affirmative Action and Diversity (CAAD) found some problems with the Employee Housing Administrative Plan. The report talks about the "mission" of the for-sale housing program to be "to provide transitional housing". CAAD is under the impression that the rentals program is for transitional housing and the for-sale program is to provide "affordable" housing. (page 6.2)

The report recommends establishing "disincentives to encourage faculty to use housing for transitional needs rather than permanent housing" (page 6.7). If the for sale housing is to be primarily transitional, then there needs to be a plan to make open-market housing affordable. It is irresponsible to attract faculty to the campus with "affordable" housing then try to drive them onto the open market with "disincentives" to stay in university housing when they have no hope of buying a decent open-market house.

Figure 2.4 makes it quite clear that university housing is not transitional for most faculty. Given faculty salaries, they simply cannot afford market rates. That may change in the future, but that day is not likely to come anytime soon. How is living in an affordable house for 2, 5, or even 10 years going to make the discrepancies of figure 2.4 any less?

On page 6.6 the report recommends providing financing assistance as part of the plan. What kind of assistance will close the gaps of figure 2.4?

Why not try and figure out how to build affordable housing that does fit with the demand, maybe doing some balancing of priorities. For example, build 3 bedroom units instead of 2 bedroom units, but cut back on size of rooms or the quality of the finish (kitchen etc.).

In 5-10 years it is conceivable that the owner might be able to afford an upgrade of the kitchen far more than they could afford to transition into an open-market house.

All of the above is particularly relevant to under-represented faculty and staff. Such individuals are more likely to come from families that cannot provide much, if any, assistance for the large down payments needed to keep mortgage payments manageable.

Sincerely,



Pedro Castillo, Chair  
Committee on Affirmative Action and Diversity

December 5, 2006

Faye Crosby, Chair  
Academic Senate

Dear Faye,

Re: UCSC Employee Housing Administrative Plan, September 28, 2006

The Committee on Faculty Welfare (CFW) strongly supports many of the recommendations of the Employee Housing Administrative Plan prepared by Brailsford and Dunlavey. The key aspect of the report that is most critical is the recommendation to generate a master plan that focuses on a rapid response to building more units at lower price points than Ranch View Terrace. This may mean higher density and smaller sizes however their main point is affordability. The establishment of a 501(c)3 organization at UCSC is a pillar of this plan because it will allow UCSC to respond rapidly to changing campus demands and build affordable housing for those in the greatest need, the recent hires.

We concur with CPB that the make-up of the Board of Directors should have more discussion. An increased faculty and staff representation would give the principle beneficiaries more input and hopefully lead to better management of the organization. A critical aspect of the 501(c)3, that will ensure its success, will be to balance responsiveness to the faculty and staff versus effective decision making process. This will only be achieved through building trust between the Board and the staff of the 501(c)3. For example, it will be critical for the Board to define the expectations of the 501(c)3, so that the campus can assess their ability to deliver and hence establish trust in their competency.

The proposed methods of financing the 501(c)3 are in principle excellent ideas however we foresee two potential pitfalls. First, we may have to provide incentives for faculty to leave the low cost units and move to Ranch View Terrace (or off campus). Second, if few faculty vacate the low cost units then the revenue generated by their resale will be insufficient to initiate a robust housing program. Therefore, we would recommend that the campus commit to a 5 year financial plan for augmenting the budget of the 501(c)3 organization to insure its success.

The one criticism of the report is the emphasis on “transitional” campus housing. While this is a noble goal, given both the flat salaries and the high cost of non-campus housing, we believe it is most likely unattainable and potentially dangerous for the master plan because it could lead to an under-estimation of the campus housing need. We suggest that the campus master plan should work under the assumption that a high percentage of all new hires (370 faculty, not including retirements) will live on campus on a permanent basis. By accepting this worst-case scenario, the campus will be less likely to find itself in a catastrophic position later.

Sincerely,

A handwritten signature in black ink, appearing to read "Craig Reinerman". The signature is written in a cursive style with a prominent initial "C".

Craig Reinerman, Chair  
Committee on Faculty Welfare

October 31, 2006

Faye Crosby, Chair  
Academic Senate Office


**Re: CPB's Revised Response to the Employee Housing Administrative Plan**

Dear Faye,

The Committee on Planning and Budget (CPB) concurs with many of the recommendations of the Employee Housing Administrative Plan prepared by Brailsford and Dunlavey. We *strongly* recommend that the campus recommend that the Regents establish a 501(c)3 organization with a focus on managing and developing housing for the Santa Cruz campus - and that this organization should be established as soon as possible. Such an organization would, we believe, allow the employee housing program to more adeptly operate as a developer, a financing vehicle and an information source. Such an organization would also remove employee housing from the historical, but inappropriate, aegis of Student Affairs. The only aspect of the recommended organization that CPB is not enthusiastic about is the recommended make-up of the Board of Directors: we believe the campus needs to arrive at an improved make-up for this body through a consultative process.

CPB also agrees that the campus needs to re-price its existing housing stock, thus producing capital for the housing program and enhancing the rate of turnover as we move into the future. The Plan's analysis that our current housing stock is under priced, and thus disincentivizes turnover is, we believe, correct—and re-pricing holds the prospect of providing at least a portion of the financing necessary for the 501(c)3. We also believe that improved communication to faculty and staff about financing options and counseling on housing purchase strategies is critical in the near-term: this should both be a priority for the near-future, and following the establishment of (and indeed, in conjunction with) a 501(c)3.

Sincerely,



Susan Gillman, Chair  
Committee on Planning and Budget

cc: Senate Committees