Update on Ranch View (RV) Housing
Important Issue for the UCSC Campus:

How can we recruit and retain top quality Faculty?
Coupled Issues for Recruitment and Retainment of Faculty

1) Salaries:
2) Housing:
Coupled Issues for Recruitment and Retainment of Faculty

1) Salaries:

2) Housing:
Special Committee on Academic Personnel Processes, UC Davis report 2001
Salary Rankings, Appendix 3 of Report

Overall rankings on salary.

· Berkeley
· Los Angeles
· San Diego
· Davis, Irvine, Riverside and Santa Barbara

· Santa Cruz is clearly paid less than the other campuses.
Cabrillo vs UCSC compensation

www.cabrillo.edu/services/hr/compensation/ContractFaculty03-04.pdf for a Science Ph.D., Contact Prof. Glenn Millhsauser for more information.
Coupled Issues for Recruitment and Retainment of Faculty

1) Salaries:
2) Housing:
UCSC Campus Housing Successes

1) Increased housing inventory with Laureate Court.
2) New Faculty Housing with Ranch View.
Ranch View: The Good News

1) Contract will be signed in ≈30 days.
2) Construction will start soon after.
3) Assigning Lots and financing will begin soon after construction.
4) 78 Units will be available to Faculty.
5) Cost is ≈225 per Sq. Ft., in line with Santa Cruz building costs.
6) A 1780 sq. ft. home will cost ≈400,000.
7) This price is well below market costs.
View From Ranch View
Ranch View: The Bad News

1) We must sell all 78 homes within ≈1.5 years of signing contract.
2) Cost is not affordable for most starting Faculty so we are losing potential buyers.
3) Only 100 Faculty on Waiting List.
4) 40 Faculty on List live on Campus currently, so few older homes will become open up for sale.
5) With 60% attrition, this means only 40 homes will go to faculty.
6) The remaining 40 homes will go to Staff (150 on Waiting List).
7) This is good news for Staff but does it serve our goal of recruiting and retaining top quality Faculty at UCSC?
## Crude Cost Calculations

<table>
<thead>
<tr>
<th>Loan Type</th>
<th>Non-UC</th>
<th>UC-MOP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unit Size</td>
<td>3 Bedroom</td>
<td>3 Bedroom</td>
</tr>
<tr>
<td>Purchase Price</td>
<td>$395,000</td>
<td>$395,000</td>
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<tr>
<td>Down Payment</td>
<td>20%</td>
<td>10%</td>
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<tr>
<td>Loan Amount</td>
<td>$316,000</td>
<td>$355,500</td>
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<tr>
<td>Interest Rate Percentage</td>
<td>6.25%</td>
<td>3.70%</td>
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<tr>
<td># of Monthly Payments</td>
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<td>480</td>
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<tr>
<td>Mortgage Payment</td>
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<td>$1,420</td>
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<tr>
<td>Principal</td>
<td>$300</td>
<td>$324</td>
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<tr>
<td>Interest</td>
<td>$1,646</td>
<td>$1,096</td>
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</tbody>
</table>

### Gross Monthly Household Income Needed for Prequalification

- **Assoc. I Salary** | $57,400 | $57,400
- **Suppl. Income Needed** | $15,562 | $14,796

### Gross Monthly Household Income Needed for Prequalification

- **Assoc. I Salary + Summer** | $76,533 | $76,533
- **Suppl. Income Needed** | ($3,571) | $33,929

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*Note: The information above represents a comparison of cost calculations for two different loan types, Non-UC and UC-MOP, for a 3-bedroom unit with specific loan parameters and gross monthly household income requirements.*
What can we do to make Ranch View more affordable to new Faculty?

1) Recognize that the primary goal of current and future On-Campus housing must be to recruit and retain high quality Faculty.

2) We need to think outside the box and try to solve this problem.

3) We need to recruit creative Faculty and Staff to analyze and develop novel possible solutions.
Wild ideas on how to lower the cost of the Ranch View Homes

1) Make sure all eligible Faculty apply for MOP Loans (no limit to the number we can have.
2) Request additional MOP exceptions to have more people qualify.
3) Institute a Housing Allotment Program for UCSC that is not considered salary (i.e. taxable income).
4) Devise a sliding scale for Ranch View Home Prices.
5) Create incentives to encourage Cardiff Owners to buy Ranch View homes.
Parting Thought: The Housing and Salary problems will only get worse with time so we need to devise a long term plan if we are to maintain educational excellence at UCSC.