

Resolution to Mitigate UCSC's Housing Crisis

To: Academic Senate, Santa Cruz Division

Background

The housing situation for UCSC employees and students is extremely dire. Housing prices continue to rise in Santa Cruz County with an approximate increase of 57% in median home prices from Quarter 1 2020 (pre-pandemic) to Quarter 1 2022 (present).¹ Compounding this problem for home buyers is the parallel increase in interest rates, which has increased monthly overall home payments by an estimated 69% during this same two-year time frame. The median price of a house in Santa Cruz County as of April 2022 is \$1,450,000 (see source in footnote 1). The median cost of a condo in the same area is \$725,000. The average rental price for a 707 sq. ft apartment (generally a 1 bedroom) is \$3,080.² The inventory for both buying and renting remains low, driving prices up as witnessed by the reluctance of many students to return to campus for in-person instruction this academic year.

Given this state of emergency, the campus would have needed, at the very least, to press on and move fast with building new housing on campus. Instead, the culmination of the last four years of housing planning and consultant input yielded no viable plans to build new housing with no concrete alternative plans of any kind.

From 2018 to 2022, the Employee Housing Advisory Workgroup (EHAWG) initiated by former Vice Chancellor of Business and Administrative Services (VCBAS) Sarah Latham was charged with discussing and providing feedback related to the development of additional employee housing opportunities at UCSC. A representative from CFW, as well as members from other faculty senate and staff advisory committees, served on the housing workgroup which primarily reviewed scenarios for the proposed Ranch View Terrace Phase II (RVT2) housing project. RVT2 housing scenarios were identified at the end of the 2020-21 academic year. EHAWG reconvened this academic year with the understanding that planning would continue for building additional housing on campus land. However, VCBAS Latham left UCSC for another job opportunity in December 2021 and the EHAWG was disbanded in April 2022 after two companies contracted by UCSC (JLL, a global commercial real estate services company, and TEF Design) revealed an insurmountable gap between development costs, expected project revenues, and estimates of necessary subsidized home purchase prices. This conclusion was communicated in the EHAWG recommendations of the Employee Housing Advisory Workgroup 2018-2022 Report, which was sent to CP/EVC Kletzer on May 12, 2022³. Alternative plans for housing construction were not proposed.

The decision to disband the EHAWG and scrap the RVT2 project is drawn into sharp relief by another campus initiative. The UCSC Faculty 100 initiative is interrelated with the need to increase faculty to meet the needs of our growing student body. Importantly, this significant initiative is

¹ See charts for "Santa Cruz County House Price Appreciation" and "Santa Cruz Housing Affordability":
<https://www.bayareamarketreports.com/trend/santa-cruz-real-estate-prices-trends-news>

² <https://www.rentcafe.com/average-rent-market-trends/us/ca/santa-cruz-county/santa-cruz/>

³ Employee Housing Advisory Workgroup, 2018-2022 Report, May 12, 2022

intended to advance diversity at UCSC.⁴ Before moving forward with this important plan, however, UCSC must seriously consider its options for housing the influx of new employees as well as the pressing needs of its current employees, both faculty and staff. Our campus risks not having the structural capacity to build the kind of community necessary to recruit and retain new employees who will be looking for a diverse, supportive, and affordable place to live and work. According to United States Census Bureau statistics,⁵ Santa Cruz is not that place, and our campus has done little to address the severe lack of affordable housing in our area.

Given current plans to recruit 100 new faculty to UCSC over the next ten years, the lack of equitable and affordable access to housing in Santa Cruz (city and county) raises serious concerns about how UCSC plans to implement this hiring initiative. A burgeoning housing crisis and the small pool of affordable rental and for-sale housing options on and off campus likely will undermine efforts to recruit diverse applicants, especially those who are in a single-income family, are first-time homebuyers, and/or lack inter-generational wealth. This should also be cause for alarm when considered in combination with other impacts to the quality of life for current and future UCSC staff and faculty (e.g., salary that does not align with local cost-of-living, deteriorating access to medical and dental services under UC health plans, and no clear indication of when a campus child daycare facility will be built). Simply put, the housing crisis casts doubt on both the successful recruitment of new employees and the retention of existing employees at UCSC.

The halt to construct new employee housing on our campus (e.g. Ranch View Terrace Phase II), as well as the delay of Student Housing West, exacerbates the problem of abysmal inventory for faculty and staff. Current for-sale housing options at UCSC have hovered at 98% occupancy for the past five years. Those who are in University housing are often unable to purchase off-campus due to the prohibitive costs of housing in Santa Cruz County. With a growing campus housing waitlist, the chances of purchasing a home on campus are infinitesimally small and shrinking each year, particularly for staff. A proficient University cannot function without adequate and well-qualified staff. Yet many of our valuable staff members are unable to afford living in this area.

In sum, there are no plans for building additional employee housing on campus, no concrete plans for acquiring additional existing properties to house current and future UCSC staff and faculty, and no models to create emergency short-term housing for unhoused employees in direst need. There are thus no short-term solutions nor a long-term vision for treating the festering housing crisis affecting UCSC. In this context, the idea of expanding the body of students and the body of faculty at UCSC under the Faculty 100 initiative in the next few years seems unfeasible.

The housing crisis is a crisis that cannot be ignored and continues to worsen. Yet UCSC has not made the issue a priority. This crisis has direct and negative effects on the quality of our campus, our ability to carry out our institutional mission, and accessibility to education for students. It is also sure to hinder well-intentioned efforts to embolden diversity, equity, and inclusion at UCSC now and in the future. We cannot continue to ignore the issue, or fail to move forward with appropriate and immediate remediations.

⁴<https://news.ucsc.edu/2022/02/faculty-expansion.html>

⁵ <https://www.census.gov/quickfacts/fact/table/santacruzcountycalifornia/RHI125220#RHI125220>

Whereas: the local housing crisis directly affects UCSC faculty, staff, and students, and the overall mission of the University;

And whereas: cost of living and access to affordable housing has a direct effect on both the overall value of total remuneration for UCSC employees and the ability of the University to recruit and retain exceptional and diverse faculty;

And whereas: the ability of UCSC to build housing alternatives for our faculty who are already here as well as for those we plan to hire as part of the Faculty 100 initiative is absolutely crucial;

And whereas: the UCSC administration currently has no concrete short, mid, or long term plans to address the housing crisis and/or increase employee housing;

Therefore be it resolved:

The Academic Senate calls on the administration to identify affordable housing options for faculty, staff and students as a top campus priority and to propose concrete short, mid, and long term solutions to ensure new and existing employees are able to live and work in our community.

Respectfully submitted,

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