Student Family Housing Redevelopment Committee – Meeting Minutes Summary

Date: 1-27-2015       Time: 1:00PM – 2:30PM PST

Participants: Associate Dean Lenora Timm (Chair), Marilyn Derby (Project Manager), Brittany Derieg (Project Assistant), Professor Michael Rios, Graduate Student Assistant to the Dean and Chancellor Angel Hinzo, Graduate Student Representatives Cutcha Risling Baldy, Carlos Colman Meixner, Gordon Rees, Sara Petrosillo, and Paul Johnson, and Undergraduate Student Representative Ryan Reynolds.

Updates Since Last Meeting

On December 15, several committee members met with administrators who work with institutional finance to explore options to reduce rental rates and increase financial support for students. A summary of this meeting is provided below in the section “Notes from Financial Planning Meeting.”

On December 22, Marilyn and Brittany met with individuals from housing and design and construction management to review the set of financial models again. On January 5th, Marilyn met with housing maintenance staff to collect their thoughts on the redevelopment process as part of our focus group series. On Dec 18, Jan 15, and Jan 23, several committee members met with professor Sheryl-Ann Simpson and 5 students of LDA 141: Community Participation with the following goals for the students:

- Spend time in the Solano community, perhaps do some service, start to get a feel for the community
- Review the videos of last year’s open forums, take notes on issues raised by community members
- Prepare for and observe (if early in the quarter) or facilitate (if later in the quarter) focus groups and/or community meetings
- Draft and conduct survey, or just help with that process

On Jan 15 we met with the students to give them some background and history on the project. Sara gave them a tour of Solano, including her family’s apartment. On Jan 23 we again met to determine specific tasks and to clarify our timeline.

Upcoming Events

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<tr>
<th>Date</th>
<th>Event</th>
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<tbody>
<tr>
<td>Feb 5</td>
<td>Focus group for youth</td>
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<tr>
<td>Feb 5</td>
<td>Focus group for international students and family members</td>
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<td>Feb 10</td>
<td>Deadline for committee to select top 10 issues for each of the three topic areas (facilities, affordability, quality of life issues)</td>
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<td>Feb 12–15</td>
<td>Conduct survey of current Solano residents as well as residents who lived in Solano and Orchard Parks last year to prioritize the issues identified</td>
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<td>Feb 27</td>
<td>Survey deadline, prepare responses for the community workshop</td>
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<td>Mar 2–11</td>
<td>Community workshop, structured as an open café</td>
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Notes from Financial Planning Meeting

**Rental Rate Summary**
The average graduate student salary ranges from $1,800 - $2,200 a month. HUD's definition of affordability recommends rents of, on average, $660 a month (30% of total monthly income). This is significantly lower than the current rents for graduate and student family housing at UC Davis, primarily due to the high cost if living in the city of Davis. In 2013, the average rental rate for a two-bedroom unit was $1,275.1 In 2013, the rental rate for a two-bedroom unit in Solano Park was $887.

There are 200 units at Orchard Park and 276 units at Solano Park, all of which are currently below market rate. It should be a goal to maintain at least this amount of affordable units moving forward.

**Potential Recommendations**
- Rents should be set no higher than they have been historically. The highest priority when designing replacement housing should be affordability.
- The complex needs to be family-friendly:
  - Open space should be prioritized over square footage and amenities.
  - Housing should be built with safe traffic patterns and security in mind
- The project needs to be economically neutral for the university.
- The overall percentage of affordable housing relative to the total number of student housing units should be preserved, and not decreased. Currently, the campus has access to approximately 9000 bed spaces for its student population. This includes bed spaces under Student Housing's responsibility in the residence halls and apartments both on campus and master leased in the city of Davis; as well as apartments on campus managed through a third party agreement (i.e., West Villages, the Colleges at LaRue, etc.). Within this inventory, 496 apartments (476 with Orchard and Solano Park and 20 at Primero Grove) are classified as below market rate/affordable housing. The new complex should include at least 496 affordable units, as plans for Solano Park are currently not decided.
- Housing should include 1, 2, and 3 bedroom units to allow for families and budgets of all sizes.
- Social workers should be regularly brought to campus as a resource for students, to assist them in signing up for services they are eligible for.
- Townhomes for sale can be built on the northern side of the property facing Russell, and would accomplish several goals.
  - They would provide an upfront cash flow, which would reduce the size of the loan (and thus the long-term interest) leading to lower rents in the 500 subsided units.
  - They would further seclude the family housing units from the main road, increasing safety and reducing noise.
  - They would be made available to newly hired faculty and their families, from which there is a significant and growing demand for housing near campus.
  - Having a for-sale portion of the project would increase its attractiveness to potential developers.
However, townhomes alone will not be able to subsidize the 500 student-family units to the extent needed. There is an estimated $122 million gap between the projected project costs and what affordable rental rates generate over a 30 year loan. More than 800 townhomes would need to be sold to offset this gap, as well as cover their own construction costs.

As a result, we may want to explore the benefits of a mixed-use property. While limited, office space and student-friendly restaurants, followed distantly by retail, could be used to subsidize rental rates.

To help financially disadvantaged students better cover the cost of housing, we also recommend exploring “packaging scholarships” to include housing. This can be done on a per-student basis, and should be much more attractive to donors than a blanket donation towards all student-family housing.

To summarize, there is likely a $122 million gap between the project costs and affordable rents, as defined by HUD, known TA salaries and the surrounding market (somewhere between $660 and the current $906). This can be brought down by adding for-sale townhomes, decreasing the number of full-time custodians and grounds keepers—potentially adopting a partial co-op model for basic upkeep—packaging scholarships to include housing as part of the student’s calculated need, and exploring potential mixed use options.

Discussion

While we are open to densifying Orchard Park, we must be careful that the increased capacity is not later used as a reason to permanently close Solano Park. In our recommendation we should couple the two projects together, stating that “x” amount of units should be built, total, across the two parks, “y” in Orchard and at least “z” in Solano.

When we present densification options to the committee, we need to make sure we provide concrete examples for each.

If we build townhomes or housing for single graduate students we should consider placing these units on the northern edge of the property as a buffer between Russell Blvd and Family Housing.

The University Financial Administrators felt that pursuing donors from alumni or corporate sponsors would make very little difference in the overall budget of this project. In general, donors are interested in sponsoring individual students or academic buildings, not housing. Additionally, a $50,000 donation only reduces the monthly rent by a matter of cents over the life of the property. The University administrators therefore felt that it would be more worthwhile pursuing greater funding and packaging options for individual students choosing to live at the Parks by working with Financial Aid. However, even increasing the calculated need of graduate students to include housing only increases the amount of loans that that student now qualifies for; it does not translate into free grants or scholarships.
We could develop a “housing subsidy program” similar to the child-care subsidy, however, this is considered taxable income. Another option is to increase rents enough to cover a local child care center for students to address that need and reduce the high cost of off-campus child care.

If we are considering building up to increase the density while maintaining green space, elevators will need to be provided for both families with young children and for residents with limited mobility. Ideally all units will still have balconies, and most balconies should face a central space to increase the number of eyes on central play areas. This may be achievable if the buildings are laid out in the shape of an “X” with four or 5 partially enclosed green areas.

**Action Items**

- Create a list of all the potential priorities for each of the three areas (affordability, facilities, and quality of life) and whittle each list down to 10 of the most important items each. Each of these 10 items would be included in the survey and ranked in order of importance by current and former residents.
- SISS has not been able to connect us with a group of international students, so we will be advertising the international student focus group broadly through gradlink, GSA, and through the Parks Messenger.
- In addition to our youth focus group and our international student focus group, we will also have a workshop for the general student population during the afternoon on central campus, so that those students who are unfamiliar with Solano Park can still engage in the discussion. This is scheduled for Thursday, February 5th from 12pm-2pm in the SCC.