

Housing Master Plan Task Force Report

DRAFT for Discussion and Input

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Task Force Members

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Housing Master Plan Task Force Report

Committee Charge

In June of 2016, Chancellor Dirks charged a campus committee to develop a master housing plan for the Berkeley campus. As noted in the charge letter, the need to plan for affordable, convenient housing is of critical importance both for accommodating our increasing undergraduate enrollment and for attracting talented faculty, postdoctoral scholars, and graduate students. These needs, coupled with the current campus budget challenges and campus debt capacity, demand careful and immediate attention to expanding our housing capacity. The specific charges to the task force included:

1. Enumerate and evaluate potential sites for development (both on and near campus as well as other owned real estate), as well as needs for replacing or renovating existing housing stock.
2. Consider the impact on campus and the city of Berkeley of developing certain sites, such as needs - as well as options for mitigating potentially adverse effects.
3. Develop a financial model that will guide decisions about future housing development.
4. Evaluate market conditions and the LRDP as parameters for housing development.
5. Establish criteria that should guide decision making around the development of housing.

The task force was chaired by Interim Executive Vice Chancellor and Provost Carol Christ, and included campus representatives from Real Estate, the Dean of the Graduate Division, Residential & Student Service Programs, Undergraduate Education, the Vice Provost of the Faculty and a faculty representative. Other subject matter experts (e.g., the campus architect, the Chief Financial Officer, Community and Government Relations) were consulted to provide both breadth and depth to our deliberations.

Current Housing Environment

Campus housing, and specifically student housing, provides critical support for the academic mission of UC Berkeley. Campus housing provides students with necessary academic and social support that facilitates their success. Students most desire housing options, readily accessible to campus, that provide them with a safe and affordable community, and include the amenities that allow them to excel both within and outside the classroom. Under the current Long Range Development Plan (LRDP) published in 2005, the long-term goals for both faculty and student housing include:

- Provide two years of university housing for entering freshmen
- Provide one year of university housing for entering transfers
- Provide one year of university housing for graduate students

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- Maintain the number of university housing units suitable for students with children
- Provide up to three years of university housing to new untenured ladder faculty

As campus enrollment numbers have continued to climb, it has been difficult to keep pace in delivering new housing units towards meeting these LRDP goals. The Office of Planning and Analysis reports that the Undergraduate population has increased by 15% from 2006 to spring 2016 for a total current student headcount of 26,094; comparatively, the Graduate student population has increased by 7% during this same timeframe for a total headcount of almost 11,000. The task force recommends a campus goal of housing approximately 50% of our undergraduate students and 25% of our graduate students. This translates to a need for just over 15,600 beds in 2016 terms—a significantly larger number than our current stock of close to 8,700 beds.

UC Berkeley currently has the lowest percentage of beds for our student body of any campus in the UC System--approximately 22% for undergraduates and 9% for graduate students. By comparison, the system-wide average is 38.1% for undergraduates and 19.6% for graduate students, despite the fact that Berkeley has one of the tightest housing markets of any of the UC locations. This lack of campus housing capacity adversely impacts the overall student experience; a shortage of campus housing also challenges our ability to recruit faculty, graduate students and post-docs. In our current housing policy, we prioritize the needs of new undergraduates (i.e., freshmen and transfers); this results in a deficiency in meeting the needs of other populations, such as seniors and graduate students.

Under the current LRDP, the campus has remaining capacity for approximately 2,250 beds. We are expecting to break ground soon for a 775-bed freshmen residence hall at the corner of Bancroft Avenue and Dana Street (known as the Bancroft Site). Berkeley will still have the capacity to develop 1,500 beds after the opening of this new housing project. The task force used this figure (i.e., 1,500) as a delta for planning until a new LRDP is developed.

Given the rising cost of housing in the Bay Area and particularly Berkeley, students are being pushed further and further away from the campus in their search to find available and affordable housing. Longer commutes lead to reduced opportunities to become integrated into the academic and social fabric of the campus, a situation that results in potentially negative student outcomes--reduced student engagement, lower student persistence and a longer time to degree, along with isolation and resulting adverse consequences. While the campus maintains a robust commitment to supporting students academically and socially, the increased distance from campus and/or lack of accessible housing pose a burden that can interfere with student education and wellbeing.

With the building on the Bancroft site, Berkeley has begun a new phase in its development of campus housing through the use of Public-Private Partnerships (i.e., P-3). Because of our limited campus debt capacity, we must explore new and innovative ways of developing housing that do not require increased campus debt. The UC Office of the President is also exploring alternative financing structures as part of the UC Housing Initiative, an effort that aims to grow

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UC system-wide campus housing by 14,000 beds by the year 2020. Projects at UC Riverside and UC Santa Cruz will be the first under this new model, and with Bancroft Hall being developed in partnership with American Campus Communities, we will have some initial case studies through which we can assess different ways of financing future projects.

Potential Sites for Development

The task force explored a number of potential housing locations near campus. While not an exhaustive inventory, the following table outlines the sites with the most near to mid-term promise. These site locations will enable the campus to add beds both in traditional residence halls, (which would cater primarily to undergraduates) apartment buildings that may include some support services (meets the needs of upper level students and graduate students), as well as apartments and housing that could be more suitable for faculty and postdoctoral fellows. The list is shown in rough priority order, but this ranking is preliminary and subject to the results of a full financial analysis that compares the costs and benefits of each site and receipt of input from campus and community parties as the planning process continues.

Location	Type	Population	Beds (range)*	Notes
Channing-Ellsworth	Traditional style residence halls; apartment style	Upper division undergraduates & graduate students	200-400	Relocation of tennis courts is required; parking replacement will also be needed
Oxford Tract	Traditional style residence halls; apartment style	Undergraduates; upper division undergraduates & graduate students	1,000-3,000	Existing academic research will need to be relocated. Food service operation will need to be included, as well as other uses that will need to be studied further (such as parking, retail, student support areas, etc.)
Bancroft & Oxford	Traditional style residence halls; apartment style	Upper division undergraduates & graduate students	100-120 apartments	Relocation of administrative offices (i.e., Public Affairs) required
Unit 3 Densification	Traditional style residence halls	Undergraduates	650-900 (net new beds)	Need surge space during construction; renovation/replacement of the current dining facility is also needed
Upper Hearst Parking garage	Market rent units	Various	75-100 apartments	Parking replacement will be needed

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People's Park	Traditional style residence halls on a portion of the site with long term Indigent Housing with services, open space, and a memorial to the People's Park history	Undergraduates	200-350	Develop site with allocation of uses between campus-serving residence halls (likely including food service), community-serving very low-income supportive housing, and open space, consistent with historical and continuing cultural significance of People's Park. Requires careful collaboration with City of Berkeley and other community and governmental partners.
Albany Village	Apartment style	Undergraduate, graduate students & postdoctoral fellows with families & single graduate students	150-200 apartments	Need to consider how this site might relate to uses that need to be relocated from the Oxford Tract site
Smyth-Fernwald	Apartment style	Grad students, faculty, & post-docs	200-250	Requires close collaboration with the neighbors
Richmond Field Station	Apartment style	Grad students, faculty, & post-docs	TBD	Requires a thorough assessment of site conditions and an amended Long Range Development Plan (LRDP)

* = bed ranges are estimates that require more detailed analysis and planning

Financial and Resource Considerations

Though we have several viable options for developing new housing stock, campus real estate is a finite resource. As with any limited resource, we must make judicious decisions about how these resources are deployed, particularly during constrained budget times. As the task force deliberated, we remained firm in our commitment to providing a diverse campus housing program consistent with the academic mission of our institution. We believe that the values we hold as an institution must guide the use of our space. This includes carefully assessing the best use of any space (i.e., considering tradeoffs for other uses), properly financing new development projects for their chosen use, and leveraging space for our strategic goals (e.g., research partnerships, increased enrollment, etc.).

Given the campus debt issues facing us, we need a comprehensive campus master plan to guide our strategic vision for space planning across campus; any new space must be developed in a way that is financially sustainable at the level of the overall portfolio. Within this larger campus plan, these respective housing projects can be sequenced with other large campus projects. Identifying options for financing housing projects will be critical and will ultimately determine whether the campus is able to achieve the goals we have set for housing. The task force did not undertake an effort to develop a specific financial model to guide decisions about future housing development. We realized at an early stage of our work that the financial models will vary considerably based on the type of housing that is being developed and the site. This work is more productively undertaken as specific projects are being considered by the campus. Some specific recommendations discussed for analysis that should be undertaken as we evaluate projects and their priority order include:

- Alternative uses for sites should be considered as part of financial modeling. These might include selling the land, leasing it for commercial development or using it for other campus programs.
- Relocation/replacement costs for existing uses should be included (parking, recreational facilities, academic space, etc.)
- Proposed project components should be initially reviewed independently before consolidating into an overall model. As an example, for a mixed-use project that will have housing, dining, and parking "mini-models" should be developed for all three components to evaluate their viability before combining them into the larger project. The campus may end up cross-subsidizing, but we should understand the impact of each component.
- All expenses related to the project should be "above the line" so that we have a clear idea of net revenue. These might include costs associated with residential life, administration related to rent payment processing, etc. This approach should provide more transparency into housing operational costs.
- Net present value for each location needs to be determined to evaluate each possible investment.
- For each potential housing project, the campus needs to evaluate financial implications for the campus against cost impacts to the occupants in deciding how to prioritize and phase a housing master plan.

Other Considerations

As the campus plans for significantly increasing the number and mix of beds for our community, we should also pay attention to maintaining our current housing stock. The largest number and density of students are currently located in the high-rise units (i.e., Units 1, 2, & 3) that opened in the early 1960's; and the last residence hall to open was Maximo Martinez Commons in 2012. While all housing units have undergone some form of refreshing or renovation over time (some being more extensive than others like the seismic retrofitting in the high-rise units in 2014), the campus still needs to invest significant sums to keep all of these units attractive and safe for our students.

An integral part of the student living experience, in particular for new students, is the community that extends from the living environment in campus housing into the dining facilities. Through our discussions this fall, we realized that dining adds significant complexity to planning for student housing. The days of traditional dining hours, with a limited two to three entree selection, are long gone. Today's students require healthy, diverse grab-and-go options, as well as extended dining hours, with food prepared in sustainable ways. In addition, the issue of food insecurity has increased in recent years and a financial model that allows us to prioritize affordable dining options is also critical. Thus, as we grow our housing units, we must be mindful of the need to address students' dining needs as well. We must therefore consider the feasibility of and capacity for introducing dining facilities when we plan new housing.

Next Steps

The task force acknowledges that the accessibility and availability of campus housing is an urgent issue for our community. To that end, the task force sees these items as the immediate next steps for the spring and summer of 2017.

1. **Consult with our various constituencies:** Many on our campus are eager to learn about the work of this task force. Members of the task force will be reaching out to various groups to determine the forum for sharing and soliciting feedback on these draft ideas. These groups include the ASUC Senate, the Graduate Assembly, the Academic Senate, the UC Office of the President, and the Board of Regents. Other campus subject matter experts (e.g., Parking & Transportation, Cal Dining) will need to be consulted in order to determine how new development may have an impact on their operations.
2. **Survey of Students:** In order to better learn the needs and interests that students have regarding their housing choices, we plan to survey our various student populations to determine their preferences in regard to such issues as type of housing (e.g., studios versus apartments), proximity to campus, rent elasticity, and other desired amenities.
3. **Outreach to the Berkeley community:** The City of Berkeley is a valued and interested partner in addressing student housing needs. We will engage the city and interested neighbors regarding how to address our mutual needs within the overall housing master plan.

4. **Financial plan and feasibility:** This report outlines potential locations for future housing sites. We must submit each of these locations to a rigorous review in order to determine best use of each site, feasibility of each site, the viability of each financial plan, an overall development timeline and would rank all sites using present-value-based measures. The review would include specific elements such as:
- Creating evaluation criteria and design guidelines
 - Determining a budget pro forma
 - Engaging planners in determining site capacity (i.e., number of beds)
 - Planning to ascertain temporary and/or relocation needs (i.e., surge space)
 - Collaborating with the Office of the President to issue an RFQ to developers
 - Resourcing the review, awarding and management of the development process.

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