

# VILLAGE RESIDENTS ASSOCIATION

## Public Meeting

June 26, 2007

7:00 p.m.

Four Corners Room/Community Center

### PUBLIC SAFETY

Police Officer Brian Parsley addressed us:

- It has been pretty quiet lately in the Village.
- As the Gill Tract older buildings are being torn down, copper thieves have been scrapping the copper from the buildings.
- There is usually have upsurge in bike thefts when kids are out of school and come in to the Village to steal bikes. Be sure to lock your bikes or store them inside.
- Some parking spaces on Monroe will be made available for parking. If the word “reserved” is blacked out, you can park there for up to 72 hours.
- Parking in a guest spot is a violation of your rental contract. If someone is parked in your parking spot, call the police department at 642-6760. Be prepared to tell them the license plate number, color and make of the car, and your parking space number. They will come tow the offending vehicle.

### COMMUNITY NEWS

- The Village has a new resident director, Shaleena Akins. She will work with the resident advisors; the office will send out more information about her in the Villager. Shaleena was previously a Resident Director in the single student apartments on campus.
- The Ice Cream Social will be on July 28, in the park between East and West Village (by the playground).

### AFFORDABLE STUDENT FAMILY HOUSING

We introduced our guests of honor, a group of campus administrators who came to talk with us about the price of student family housing. In attendance were:

- Peter Hoenig, Interim Associate Vice Chancellor - Student Affairs, RSSP
- Eddie Bankston, Executive Director, Housing & Dining, RSSP
- Jose Yanes, Interim CFO, RSSP
- Nancy Jurich, Director-Administrative and Business Services, RSSP

Peter Hoenig explained the rational for raising rents in the Village:

- In 1998 the University started taking down the student family housing that was built in the 1960's. Three years ago, they began replacing Section B with the West Village

apartments. Residential and Student Services Programming (RSSP) is an auxiliary to the University, and as such, does not get any campus funding or subsidies. All debt incurred by RSSP must come out of rents. Residents pay for operations, and the debt service has to be supported by our rents.

- When they were planning to build East Village they began to have discussions with students about affordable housing. Those discussions delayed construction for several years. They will be finishing the construction of West Village in the summer of 2008.
- By the time West Village is finished, the debt service will be about \$10.6 million per year. We are not yet paying enough in rent to cover the debt service each year. (Debt service is like a mortgage payment...it pays for principle and interest.) The projected 6% increases per year in rent are there in order to get to the level where we will be servicing the debt (or in other words, paying the mortgage).
- RSSP has tried to make the rent increases as small as possible. For the last couple of years they have been successful in doing that. This year the rent increase was 5%.

## QUESTIONS AND ANSWERS

The campus administrators then answered questions from the audience:

**Q** - Many years ago I was on the Future of Family Housing Task Force. The original plan was for development along San Pablo to subsidize rents. Why is that not happening? That was the primary identified way that we identified that rents would be offset.

**A** - The money from the Stage 2 or Stage 3 development will go to creating a new Community Center, but as of now, there is no plan for money from the Stage 1 development (land along Monroe Street, from San Pablo to 10<sup>th</sup> Street) to return to the Village.

**Q** - The previous plans for the Village included an infant/toddler childcare center. Will money from Stage 2 and Stage 3 still be set aside for that purpose as well as the Community Center?

**A** - Bob Hathaway is in charge of real estate services. He and the Vice Chancellors, along with the planning department (Emily Marthinsen) would be responsible for making the decision as to whether to build an infant/toddler childcare center.

**Q** - Are our rents paying for building the new apartments?

**A** - Rents are paying for the debt service (the interest and principal) of the construction.

**Q** - Are the accounting documents that show where our rent goes public?

**A** - No, but we can make them public.

**Q** - It seems odd to develop a set of housing for student families that are not affordable. What was the University's reasoning for making investments in apartments that are above market rate?

**A** - Whether the Village is above or below market rate depends on whose numbers you use. Your numbers have come up showing that we are more expensive than the market. We have found statistics that show that the Village is below market rate. We used data from rental apartments offered on [www.craigslist.com](http://www.craigslist.com). We took the base rental rates for 150 apartments in Berkeley and Albany, and added \$75 per month to make up for utilities, internet.

**Q** – Did you use the asking price?

**A** – Yes.

**Q** – Very few things on craigslist sell for the asking price. Your data is likely to be inflated. The VRA has purchased data from a company, RealData, that specializes in gathering rental data. We would be happy to share it with you.

**A** – We would be happy to look at it.

**Q** – The original idea of family student housing was to make it affordable for student families. The University does this for single students by making sure that students have sufficient financial aid packages to cover room and board. The University really needs to look at financial aid for student families and take into account the cost of housing. I understand that you need to service the debt for University Village, however, the original Future of Family Housing Task Force looked at this problem and gave some suggestions of how to deal with it. That task force is where the Single Parent Grant came from. Back then there was a commitment to make this affordable. The University has gotten off task with this issue. Why is no one looking at this? Why have we been forgotten?

**A** – We can definitely get financial aid on task here and have them look at student family finances and how to approach the affordability problem.

**Q** – “A single student at Berkeley shouldn’t be subsidizing rent in the Village.” Is that the rationale for not subsidizing rents? If so, then you should look at other sources of income to apply to the Village.

**A** – Where would the money come from? Research? State funding? Any of that would be a decision for the Chancellor and Vice Chancellors. If UCB is to build a reputation on access, then perhaps we need to pursue state funds.

**Q** – What about fundraising?

**A** – (From Ron, a VRA board member) The VRA has been trying to pursue an alumni fundraising campaign for almost two years. We have compiled a list of all the former residents of the Village, delivered them to RSSP, and...nothing. RSSP is still trying to hire a development person to do the fundraising. We feel like they have not been trying hard enough; all progress in this direction has been completely halted by the lack of a development staff person.

**A** – (From administrators) It is a difficult time for hiring development staff. Many universities are working on major fundraising campaigns. We will try to hire someone as soon as we can. People have applied, but in our minds, have not been qualified.

**Q** – From the University’s business perspective, the only way that rent will go down is if occupancy goes down. Who is thinking about this from an academic and student-oriented perspective instead of a financial one?

**A** – I don’t want to leave you with the impression that we hike rates just because occupancy is up. We really try to keep rents as low as possible. When West Village goes on line, we will be losing \$1 million per year. Ultimately, financing the Village is the Chancellor and Vice Chancellor’s call. They are aware of it, but they have lots of other things to think about as well.

**Q** – Is it still the long-term plan to have the rents in the Village to be substantially lower than market rate?

**A** – It is the plan to keep them below market.

**Q** – Do you have some analysis how in 10 years it will be lower, and in 20 years it will be much lower? The way the initially high rents were pitched to students was that all the apartments would start out expensive, but would get cheaper over time compared with the market. Are we bearing the brunt of the development? I want to know that at least it will be affordable eventually, and I want to know that someone is doing this analysis.

**A** – To some extent you are bearing the brunt of construction cost increases. That was not planned. But yes, the long-term plan is to have more affordable housing.

Prepared by:  
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