

XI. Housing

This section of the Campus Master Plan describes the University's future objectives related to:

- Housing policy
- Demand for on-campus student housing,
- Emerging housing issues for faculty and staff

Summary of University Housing Policy

The *University of Washington Student Housing Statement of Principles (Principles)*, adopted by the Board of Regents in 1978, provides policy direction for University decision-making related to provision of student housing. The main points of the *Principles* are:

- The primary source for student housing continues to be the off-campus private housing market.
- University-owned housing must be allocated on a priority basis that supports the University's educational goals.
- The University will cooperate with the City of Seattle and the neighboring communities in seeking ways to offset negative impacts arising from demand for housing for students.

In both 1988 and 1997, the Board of Regents reaffirmed the first point related to the off-campus market as the primary source of student housing.

The University and the Private Housing Market

The private market will continue to be the primary source of student housing throughout the period of the CMP. Therefore, the impact on the private market of demand created by student growth was considered in assessing the need for additional University-owned housing.

First, recent information shows that less than half of all students change their place of residence to attend the University. In the most recent U-Pass survey, 53% of respondents reported that they did not move when they began classes.

The *University Community Urban Center Plan (UCUC Plan)* assumed an increase of 300 student households in the neighborhood during the period covered by the CMP. The University plans to add 800 to 1,000 beds in the same timeframe. (See following discussion of single student housing.) With development of the new beds, it is estimated that an additional 200 to 300 student households might be seeking housing in the private market. Since this is within what was anticipated by the *UCUC Plan*, the proposal for new beds responds to the identified on-campus housing need without creating an unanticipated increase or negative impact on the private market.

Finally, new private market units *are* being developed in the University District consistent with the housing goals of the *UCUC Plan*. The University District urban center is one of the three fastest growing in the City. It is one of the neighborhoods in Seattle that is on target to achieve its housing growth goal. Through 1999, 414 new units had been built and 150 additional units had been permitted. Together these represent 27% of the overall 20-year goal of 2,110 new units, accomplished in the first five years (or 20%) of the planning period.

University Student Housing

On Campus Housing Options

Housing and Food Services (HFS) is responsible for University-owned housing. HFS develops University housing, both directly and through public/private partnerships with nonprofit organizations. Under these partnership agreements, the nonprofit secures the financing, oversees construction, and is responsible for property management. The University markets the housing and determines resident eligibility.

Housing Inventory

In 1999 the University provided housing for 5,104 single students and 578 families.

Table XI-1 Current HFS University Housing Inventory, 1999

Type	# Beds/Units	# Buildings/Projects
Single Student	5,104	9
Family	578	5

Funding of Housing Development and Operations

HFS is a self-sustaining unit of the University. As such, it receives no state or University funds. Revenues from housing and related food sales are the sole source of funds to pay for debt service, capital improvements, and operations.

Issuing long-term debt, typically 30-year revenue bonds, finances construction and renovation of student housing—whether done by the University or through a private, nonprofit partner. In order to secure financing, HFS must be able to demonstrate that housing demand and revenues, can be sustained over 30 years. Long-term housing demand is critical to the financial feasibility of each housing project.

Single Student Housing

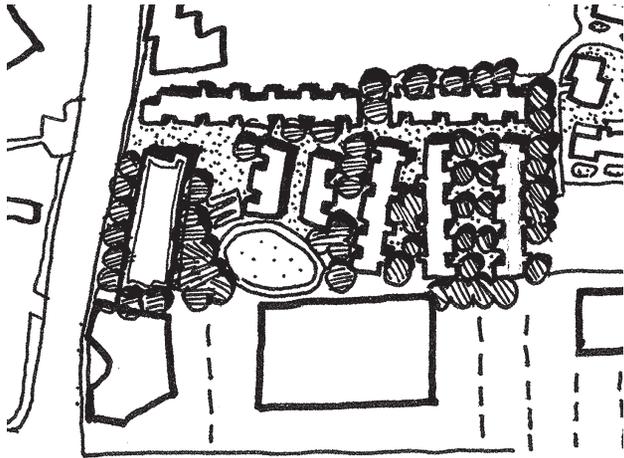
Demand for single student housing fluctuated dramatically in the 1990's. Between 1993 and 1995, single student demand dropped so low that HFS temporarily closed a residence hall. While demand has increased in the last several years, future demand will be affected as much by the State's ability to fund higher education, as by demographics. Thus, since new housing development requires 30-year debt financing commitments that can be repaid only through housing revenues, HFS must consider new housing development carefully.

Based on the projected student growth of 3,000 to 4,000 new students during the life of the plan, there is the potential demand for 850 to 1,000 more beds for single students by 2012. HFS is currently exploring the financial feasibility of additional housing projects, and it shall make all reasonable efforts to find ways to move ahead with the development of 850 - 1,000 more beds during the life of the Master Plan. Sites have been identified which could support development of 500 to 1,000 additional single student spaces. Decisions regarding such development are subject to further analysis, particularly of the long-term ability of the projects to pay debt service.

Family Housing

Demand for family housing is high due to its relative affordability. For example, 1999 rents for one- two- and three-bedroom family housing units are \$400 to \$650 compared with market rents of \$800 to \$1,000. Current University policy is to provide family housing at below-market rents, although relative affordability will likely change as older projects are rehabilitated or redeveloped and rents are raised to cover the costs of the capital investments. There are currently 311 households on the family housing waiting list.

Recent housing development has focused on improving and expanding the supply of family housing in response to the GPDP, demand, and property condition. In 1997, the Commodore Duchess Apartments, which is located directly west of the main campus, was rehabilitated, preserving 139 family housing units.



Illustrative of Blakely Village Addition Figure XI-1

Sand Point Homes, with 200 units, was constructed in 1942 and had reached the end of its useful life. Redevelopment plans call for demolition of the existing units, renovation of 24 of 32 units at Sand Point Addition, and construction of 375 new units. Construction of the new project, Radford Court, began in September 2000, with approximately 200 new units opening in each of the fall quarters of 2001 and 2002. Completion of Radford Court will increase the family housing inventory by 167 units, an increase in family housing units of 30%.

University Housing Growth

Preliminary planning has been completed for a single student housing project that would add between 400 and 500 beds. The project would be located near the Blakely Village Apartments north of the University Village shopping center on site 65E in this Campus Master Plan. If financing can be secured, the project could open by 2003.

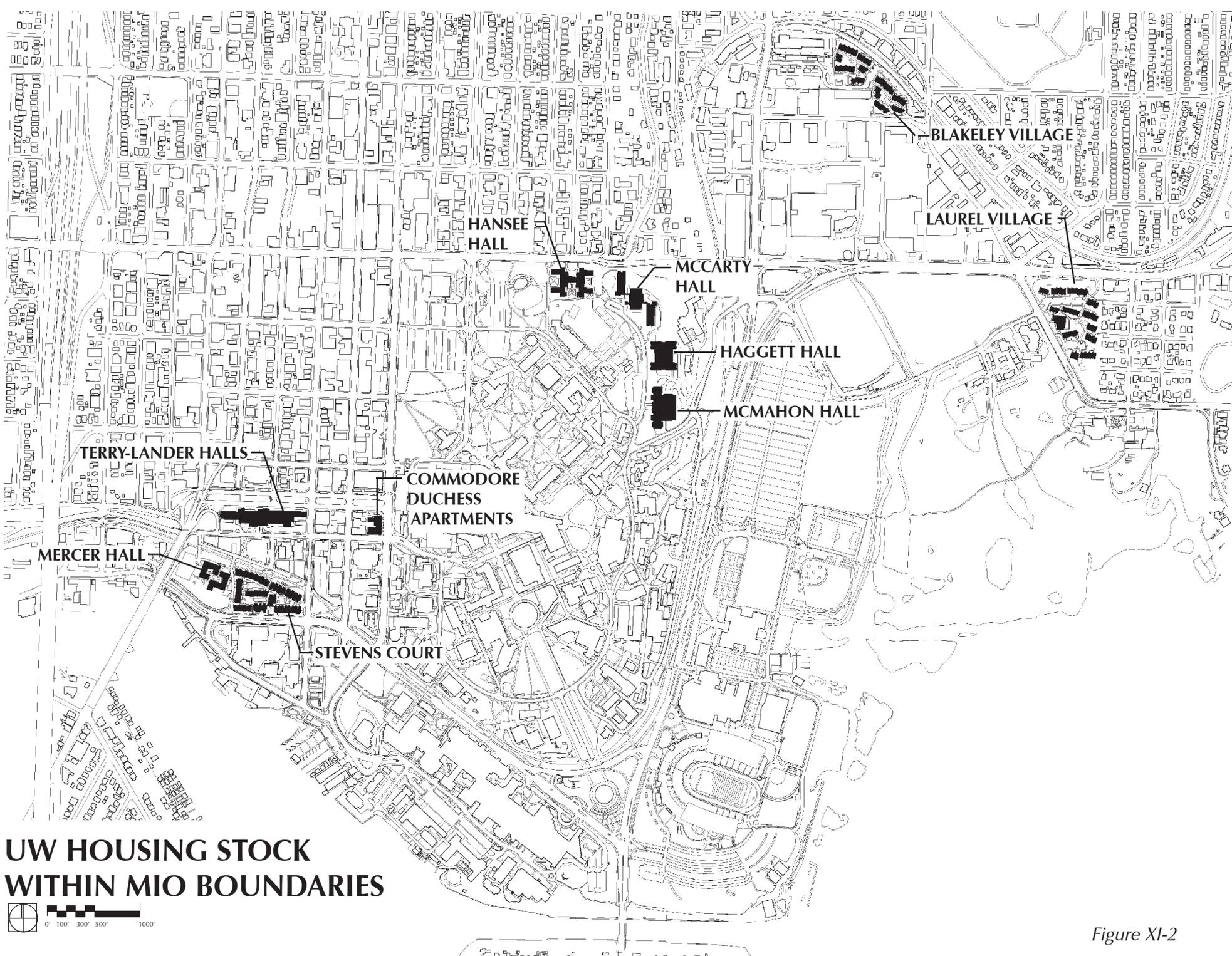
Additional sites throughout campus are also being analyzed for development and financial feasibility. Many of these sites could support an additional 500 beds.

With the completion of Radford Court, and if the University is able to develop up to 1,000 new beds for single students (Blakely Village addition would be part of the 1,000 new beds), the overall inventory of housing would increase by 20%.

Table XI-2 Potential University Housing Inventory, 2012

Type	# Beds/Units	# Buildings/Projects
Single Student	5,950-6,100	11-13
Family	741	5

Any new University housing developed under the Campus Master Plan will likely be single student apartments of wood frame construction over a concrete base. Given current conditions, wood frame construction is more affordable than high-rise, dormitory style housing.



**UW HOUSING STOCK
WITHIN MIO BOUNDARIES**

Figure XI-2

Off-Campus Housing Options

The majority of students are not housed on campus, but choose to live throughout the Puget Sound region, mostly in Seattle and the balance of King County. As noted previously, recent information shows that less than half of students physically relocate when they begin classes at the University. Since the University will remain primarily a non-residential campus, the private market will continue to be the main source of student housing, whether or not students move as a result of coming to the school.

The areas most impacted by student housing demand are the University District and surrounding neighborhoods, primarily those north of the Ship Canal. Approximately 40% of enrolled students live in the area bounded by 1st Avenue NE, NE 60th Street, Lake Washington and the Ship Canal (zip codes 98105 and 98195). This area includes the University District, as well as parts of the Wallingford, Ravenna, Laurelhurst, and Sand Point neighborhoods. Not counting students living in University-provided housing and those in sororities or fraternities, an estimated 5,000 students live in private housing in this area.

Assuming an average household size of two persons, approximately 2,500 private rental units are leased to students. (Students live both alone and in shared housing. An average two-person household is a conservative estimate based on 1990 Census data for this area.) This represents about one quarter of the rental housing in the area. Depending on the number of new beds developed by the University, an estimated 200 to 300 additional rental units could be needed to accommodate the projected student growth at the current level of demand.

The University District neighborhood had recently completed a neighborhood plan that includes goals for population and housing growth. The *UCUC Plan* assumed an increase of 300 student households between 2000 and 2010, roughly comparable to the estimate described above. If neighborhood housing goals are achieved, 1,696 new housing units will be developed between 1999 and 2014. Over 75% of those units are likely to be rental housing. An increase of 200 to 300 student households represents about 16% to

24% of likely rental housing growth, about equal to, or somewhat less than the percentage of student households currently living in the area.

The University will pay for one Seattle Police Parking Enforcement Officer dedicated to enforcing the residential parking zones in the University District. The City will work to balance parking ticket revenues with enforcement expenses, and will offset the University's contribution by related RPZ parking ticket revenues.

Due to low vacancy rates in the University District and high costs for newly constructed units, it is also possible that student demand for off-campus housing could shift to other areas. That shift would likely be to areas further north and west (Wallingford, Fremont, Greenlake, Roosevelt, Northgate, Lake City) where about 15% of current students (based on zip codes) already live. Housing in areas immediately south of campus (Capitol Hill, First Hill, Eastlake, Queen Anne, Downtown) is more expensive relative to the University District. Probably due to the distance from campus, few students choose to live in areas further south, even though housing is more affordable.

Rents in Wallingford, Fremont, Greenlake, and the Roosevelt neighborhood are comparable to those in the University District. Housing in Northgate and Lake City is relatively more affordable. Based on neighborhood plans, these areas are projected to add 5,491 new units by 2014. The University provides information to newly accepted students identifying areas with good transit service.

University Faculty and Staff Housing

The University does not provide housing for faculty or staff. Where faculty and staff choose to live is relevant to transportation planning and traffic and parking management. More recently, in response to faculty/staff recruitment and retention needs, the University has also begun to focus on housing affordability as a factor in locational choice.

Projected Growth in Faculty and Staff

The projected increase in faculty and staff is 5,000. About 3,600 new employees are expected to be staff and 1,400 faculty. In addition to full, associate, and assistant professors, the faculty includes top level administrators, researchers, librarians, lecturers, instructors, senior fellows, and hospital residents. Staff positions fall into one of three categories—professional, classified, and contract.

Like many local employers, the University hires people who currently live in the Puget Sound Region and may have lived here for any number of years. For planning purposes, these people are currently housed and will not create additional housing demand in the region. Typically local residents have filled 80% of new staff positions (about one-third of all professional positions and nearly all classified and contract positions) and 10% of faculty positions. Assuming continuation of this trend, projected growth in faculty and staff will generate about 2,000 new households looking for housing in the Puget Sound market. This is a very small amount of the anticipated growth in the region. King County has planned for an increase of about 185,000 to 212,000 households between 1992 and 2012. The City of Seattle alone has planned for an increase of between 50,000 and 60,000 households, over 16,000 of which are anticipated in neighborhoods north of downtown.

Based on zip code information in the 1998 U-Pass Survey, the majority of both the faculty and staff lives in the City of Seattle. Nearly 60% of each group live north of the Ship Canal where transit service is good.

Area Housing Costs and Salaries

For several years, housing costs in the Puget Sound region have been increasing at higher rates than the salaries in most fields. While University salaries have increased by 27% since 1990, the average price of a single family home in Seattle has increased by 64% and average rents have increased by 60%.

The University has multiple interests in having affordable housing choices for faculty and staff in relative proximity to campus. They include:

- An ability to recruit faculty and staff, particularly those coming from parts of the country with relatively more affordable housing and comparable wages.
- The management of traffic and parking demand in the University area.
- Cooperation with surrounding neighborhoods, particularly the University District, which would like to attract more faculty and staff as homeowners.

It is not likely that housing costs will decrease in the future, although they may not increase as rapidly as they have in recent years. Even with increased costs, it is likely that all new employees of the University will be able to afford housing someplace in the Puget Sound region.

However, the University's goal continues to be for employees to live near campus if possible. Based on a comparison of 1999 average salaries and housing costs, those coming to the University to fill junior faculty and professional positions (about 85% of the projected new hires) will have the fewest options to purchase a single family home in areas close-in to the campus. Condominiums could provide an affordable option for some of these households. There are, however, few condominiums in the housing supply. (In 1999, only 13% of Seattle homeowners lived in a condominium unit.) All of these households could afford average rents in the area, although vacancy rates have averaged only 2.5% over the last five years in North Seattle.

Given all of these factors, it is likely that many of the newly hired junior faculty and professional staff will live in areas beyond the close-in campus neighborhoods. Nevertheless, excellent transit service is provided from many neighborhoods and the University remains an attractive destination for ridesharing.

Housing Task Force

In recent years the University has increasingly looked for new ways to be a better neighbor in the community. The University participated with the University District neighborhood in developing the *UCUC Plan*. The *Plan* established the goal of increasing the number of homeowners in the neighborhood and identified University faculty and staff as potential new homebuyers. However, the University has also come to recognize that faculty and staff are experiencing more and more difficulty finding affordable housing near campus.

In response to both employees housing concerns and the desire to explore ideas to address the neighborhood's housing goals, the University formed an ad-hoc committee in 1998 to explore housing issues. The Housing Task Force conducted surveys of employee housing programs at other universities, and of UW faculty and staff with respect to housing cost, location, and satisfaction with housing choices. Findings include:

- Housing cost and location are factors influencing the recruitment and retention of key employees.
- University housing programs in other locales include various forms of assistance from limited assistance with home purchase closing costs, to second mortgage financing, to university-owned housing for faculty and staff.
- Homeownership rates are highest among junior faculty and staff with the longest commutes and the level of dissatisfaction with housing is highest among those living in suburban locations.

The Task Force considered a variety of program options that could assist University faculty and staff, primarily with the cost of homeownership in close-in neighborhoods. Recommendations to the University administration will likely include ideas such as mortgage

guarantees, interest buydowns, shared equity, as well as a discussion of options for direct development of housing by the University.

It is important to note that there are significant obstacles to the University's direct involvement in providing housing for faculty or staff, as has been done at other universities. The University of Washington's ability to lease land, or buildings, in and around the permitted leasing zone is governed by an agreement with the City. Modification of this agreement would be necessary before the University would be able to consider certain forms of off-campus housing development. In addition, the State constitutional prohibitions on uses of public funds and lending of state credit may limit University of Washington options in financing housing or providing financial forms of housing assistance.

Other Housing Assistance Options for UW Employees

Efforts to increase the rate of homeownership in Seattle have resulted in various City programs that have benefited University personnel and will be available to future employees. Since March of 1999, almost 600 permanent employees of the University have benefited from the Hometown Home Loan Program. The Program discounts certain fees and closing costs for homebuyers. Nearly two thirds of all homes purchased were located in Seattle and about one third north of the Ship Canal. The Location Efficient Mortgage (LEM) is a new mortgage product that could benefit University employees buying homes in certain parts of Seattle. The LEM recognizes that living in densely populated areas, well-served by public transit and close to employment and retail centers, can mean savings related to vehicle ownership and maintenance. These savings are considered in qualifying for a home mortgage.