

**THE UNIVERSITY AND THE STATE OF HOUSING**

**A Critical Report**

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**PLAN 4993 – Independent Study**

**May 9, 2011**

## Introduction

The rental market in the Charlottesville Metropolitan Statistical Area (MSA) is heavily impacted by the students attending the University of Virginia. As of 2010, there were 20,895 students at U.Va. Among these 20,895 students, 8,943 (or 42.8%) lived on-campus while 11,952 (or 57.2%) lived off-campus (overwhelmingly in rental units). Moreover, based on the assumption that 2.5 students reside in each rental unit, students today consume 4,780 units or 53% of the rental supply in Charlottesville.<sup>1</sup> This, in turn, leaves 5,300 rental units or 47% of the rental supply for everyone else. Meanwhile, while families, single person households, and the elderly have a difficult time paying a rent that averages (in Charlottesville) at \$871 (in 2006), students, who can split this cost with roommates and have the financial support of parents, loans, or other awards, can share the cost of living thereby driving up the cost of renting in Charlottesville. Unsurprisingly, non-students in the Charlottesville community are seriously and financially disadvantaged by these inflated prices and find they must migrate out of Charlottesville to seek affordable accommodations or pay a larger share of their income towards accommodations. With these facts in mind, there are compelling reasons to review the University's impact and role in the state of renting in Charlottesville and its surrounding areas. Therefore, the purpose of this paper, succinctly put, is this: **What has the University done in ensuring that renting in Charlottesville is not restrictive, exclusive, or limited to persons who desire to reside in Charlottesville? And what is its role on this matter?**

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<sup>1</sup> It is important to keep in mind that not *all* University of Virginia students reside in Charlottesville City. In fact, there are numerous rental complexes intended for students that exist in Albemarle County. Likewise, graduate students, who may live in rural areas of Albemarle County or even in surrounding counties (e.g., Louisa, Nelson, or Greene Counties), are not included in this statistic. More than likely, the student rental occupancy in the Charlottesville MSA is greater than reported here.

## Chapter One: Background and Context

### The Charlottesville Metropolitan Statistical Area (MSA): Facts

Yet before one can delve into the particulars of the research problem, it is necessary to review the state of housing in the Charlottesville region today. That is to say, it is imperative that the reader understand the context in which the University resides in.

To begin the Charlottesville MSA has one of the highest financial cost burdens for housing of any metropolitan area in Virginia. The United States Department of Housing and Urban Development (HUD) stipulates that households should spend less than 30% of their income on housing. If households spend more, HUD states, those households are **cost-burdened**. When applying this criterion to the region, HUD reported that **48%** of renters in the Charlottesville area are cost-burdened. Even more surprising is that **26%** of these cost-burdened renters are **severely cost-burdened**, meaning they spend more than 50% of their income on housing.<sup>2</sup> These statistics underscore how the Charlottesville region leads the state in the percentage of residents overburdened by their living accommodations.

Similarly, the Charlottesville region is one of the most expensive rental markets in the state. Across the state of Virginia, the Charlottesville MSA is only second behind the Washington-Arlington-Alexandria MSA in terms of real rental costs. Likewise, the Charlottesville region's median gross rent as a percentage of household income in 2005 was 31.7%, second only behind the aforementioned D.C. MSA and above the 30% cost-burdened threshold identified by HUD above.<sup>3</sup> Furthermore, in 2000, 84% of households bringing in less than \$20,000 a year devoted 35% or more of their income towards

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<sup>2</sup> Thomas Jefferson Planning District Commission, "State of Housing Report of the Thomas Jefferson Planning District." 2007. <http://www.tjpd.org/pdf/housing/stateofHousingReport.pdf>.

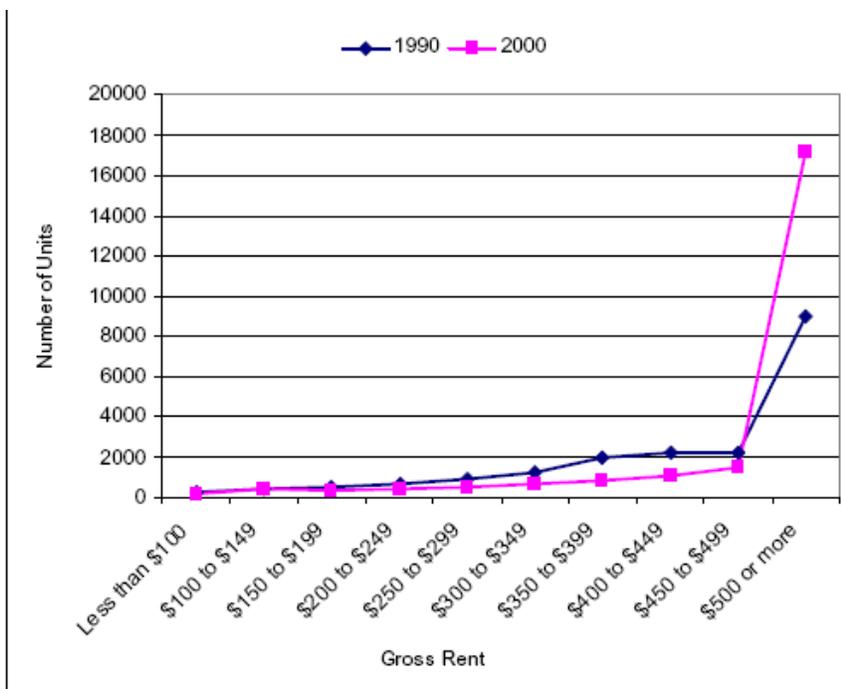
<sup>3</sup> *Ibid*

accommodations.<sup>4</sup> After understanding these statistics, the rental market in Charlottesville is appropriately characterized as expensive and costly.

To get a more nuanced picture of the rental market, in 2006, the median monthly gross rent for the Charlottesville MSA was \$871. In 2000, the same statistic was at \$661, indicating a 23% rise in median monthly rent in only six years.<sup>5</sup> Additionally, the increase in the median gross rent over the past few

**Figure 1: Gross Rent/Unit, 1990-2000**

years is indicative of the overall increase in the number of higher priced rental units (costing more than



\$500/month), as well as a decrease in the number of affordable, cheaper rental units available. Figure 1 below graphs this rise of expensive units as well as decline of affordable units between 1990 and 2000.<sup>6</sup>

Moreover, since the median monthly rent has risen so rapidly over the past few years,

Source: US Census 1990-2000

the number of renter-occupied units has decreased as well, while there has been a corresponding rise in homeownership. In 2000, the percentage of renter-occupied units was at 33.4%, a decrease of two percentage points from 1990.<sup>7</sup> Thus, renters, because either the cost of renting is increasing and/or supply is too low, find homeownership to be a reasonable alternative. Whether this trend has continued

<sup>4</sup> *Ibid*

<sup>5</sup> *Ibid*

<sup>6</sup> This trend has continued since 2000 in a similar fashion.

<sup>7</sup> *Ibid*

since 2005 or will continue into the second decade of the millennium, especially given the collapse of the housing market and greater restrictions for homeownership, remains to be seen. However, it would be reasonable to predict that the rate of homeownership has and will decrease and the rate of renting has and will increase, putting further pressure on the rental market at-large.

The major reason for the presence of cost-burdened households is the severe deficit of affordable rental housing for low-income renters. The units that are affordable to extremely low-income households (i.e., those who make less than 30% of the area median family income, also known as the AMFI<sup>8</sup>) are occupied by households with higher incomes. In 2007, of the 5,931 renters belonging to the low-income category (i.e., less than 30% of the AMFI) and residing in the Charlottesville region, only 2,014 lived in affordable accommodations. Meanwhile, 2,925 of those affordable units which the lowest income residents could afford but did not reside in belonged to households with higher incomes (i.e., greater than 30% of the AMFI). This, in turn, has created a deficit of approximately 3,917 low-income renters who cannot find affordable accommodations not because such accommodations do not exist, but because they are occupied by higher income households.<sup>9</sup>

Moreover, this trend of high-income households depriving lower income households from

**Table 1: Affordable Rental Housing Gap, 2000**

	Total Renters	Total Units	Surplus (Deficit)	Occupied >%AMFI	Gross Deficit	Occupied by higher income
<30%AMFI	5,931	4,939	(992)	2,925	(3,917)	59.2%
30-50%AMFI	4,532	7,853	3,321	4,066	(745)	51.8%
50-80%AMFI	5,845	12,210	6,365	5,622	743	46.0%

Source: CHAS 2000 Data Book and Center for Housing Research

<sup>8</sup> Area Median Family Income (or AMFI) is, as the name implies, the median income for families within a geographic area. In 2000, for the Charlottesville area, the AMFI was \$28,500.

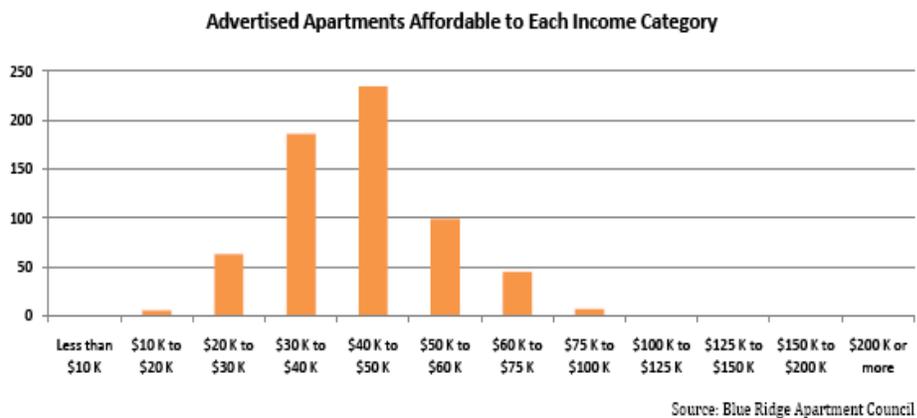
<sup>9</sup> *Ibid*

affordable accommodations continues when one reviews households that make between 30-50% of the AMFI. Of the 4,432 renters who make 30-50% of the AMFI in the Charlottesville region, only 3,787 found affordable housing units, even when there was a total of 7,853 units available and suitable for their income. The remaining 4,066 units, ostensibly, went to persons who had higher incomes. Thus, there is a deficit of 645 low-to-middle income residents who cannot get into suitable and fitting units because they are occupied by higher income households. Overall, as of 2007, the Thomas Jefferson Planning District Commission (TJPD) estimated a deficit of 4,660 affordable rental units for renters with incomes below 50% of the AMFI. Table 1 charts those statistics.<sup>10</sup>

In all, the conundrum of wealthier households occupying (limited) accommodations affordable only to the middle-to-low income or the extremely low-income has caused a deficit of rental housing for such renters. Concomitantly, it has caused these renters to either spend larger portions of their income on housing and accommodations or migrate to the outskirts of the Charlottesville region.

To further underscore this claim, evidence shows that the Charlottesville region does **not** have a

**Figure 2**



wide, full, and healthy range of housing options that matches the needs and desires of all income levels.

Put differently, not all

income levels, including high-income rent-seekers, can find rental units appropriate for their income level. The Blue Ridge Apartment Council released the above table (figure 2) graphing the number of apartments listed for rent on their website for the first week of May 2010 and their affordability range.

<sup>10</sup> *Ibid*

From this table, it is evident that rentals are inflated. The demand and supply of rental units are not at equilibrium since many low-income residents must pay a higher rent. Simply put, supply is not meeting demand; the number of low-income residents exceeds the number of middle-income (\$40,000-\$50,000 range) residents, yet housing options favor the latter.

Additionally, it is also apparent that there is a lack of matching between **all** income groups and rental units. This fact undergirds why high-income residents must seek lower-income rentals. High income residents are not finding rental dwellings within their range (i.e., there is no or limited supply) and so must move to lower affordability ranges. For instance, if a household that can pay a rent in the \$50,000-\$60,000 affordability range is unable to find or locate rental units in that range, they presumably will move down to the next affordability range (\$40,000-\$50,000).<sup>11</sup> Unfortunately, this migration downwards from the \$50,000-\$60,000 range to the \$40,000-\$50,000 range below causes households in the \$40,000-\$50,000 range to move downwards too since suitable rental units for them are occupied by higher income occupants. This pattern continues to spiral downward. (Table 2 below provides the maximum rental allowance per month in the Charlottesville MSA per income category.) In all, because Charlottesville and its surrounding area have **not** matched the desires and needs of **all** rent-seekers, invariably those at the lowest income bracket suffer. Low income residents suffer because they must make an unenviable decision between migrating out of the proximate area or region or become cost-burdened.

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<sup>11</sup> At the moment, assume that the household will not move up in affordability range. The reason for this assumption is that it would be illogical for such households to move up because in doing so they will over-burden themselves, something anyone voluntarily would not rationally do, especially if alternatives exist.

Income Category	Less than \$10,000	\$10,000 to \$19,999	\$20,000 to \$29,999	\$30,000 to \$39,999	\$40,000 to \$49,999	\$50,000 to \$59,999
Monthly Rental Allowance	\$0 - \$250	\$250 - \$500	\$500 - \$750	\$750 - \$1000	\$1000 - \$1250	\$1250 - \$1500
Maximum Home Value Allowed	\$0 - \$40,000	\$40,000 - \$80,000	\$80,000 - \$120,000	\$120,000 - \$160,000	\$160,000 - \$200,000	\$200,000 - \$240,000

Income Category	\$60,000 to \$74,999	\$75,000 to \$99,999	\$100,000 to \$124,999	\$125,000 to \$149,999	\$150,000 to \$199,999	\$200,000 or more
Monthly Rental Allowance	\$1500 - \$1875	\$1875 - \$2500	\$2500 - \$3125	\$3125 - \$3750	\$3750 - \$5000	\$5000 or more
Maximum Home Value Allowed	\$240,000 - \$300,000	\$300,000 - \$400,000	\$400,000 - \$500,000	\$500,000 - \$600,000	\$600,000 - \$800,000	\$800,000 or more

Table 2: Safe Monthly Rental Allowance/Maximum Home Value Allowed in the Charlottesville MSA

Source: Coalition for Housing Opportunity, Thomas Jefferson Planning District Commission

### The State of the Rental Market

Additionally, the Charlottesville rental market is rigid and as a result, is dangerously affecting low-income renters. The rental vacancy rate – the number of rental units for rent divided by the total number of rental units – is an indicator of the adequacy of rental supply relative to demand. Thus, a vacancy rate of below five percent signifies a ‘tight’ housing market where prices are volatile given that supply is low. Meanwhile, markets with vacancy rates above five percent are ‘weak’ in part due to excess supply of housing. Accordingly, rental prices are **not** volatile but predictable, if not cheap. In 2000, the renter vacancy rate for the Charlottesville MSA was 3.9% - indicating that the rental market in Charlottesville was ‘tight’ or ‘competitive’.<sup>12</sup> This figure also underscores the general lack of supply in the number of rental units available.

In 2005, however, the HUD reported that renter vacancy rates in the region had increased to 5.4%, indicating that a sensible balance between supply and demand now exists.<sup>13</sup> In other words, the Charlottesville region is at a healthy equilibrium between the supply of rental units and the demand for

<sup>12</sup> *Ibid*

<sup>13</sup> *Ibid*

them. Unfortunately, though, this would be a misinterpretation. While a 5.4% renter vacancy rate is commendable, it fails to acknowledge the discrepancies within vacancy rates more generally. That is, vacancy rates make no distinction between the type of rental units available. It makes **no** distinction if units are for high-income rent-seekers or for low-income rent-seekers. Thus, for instance, suppose a city saw that its renter vacancy rates were too low (say at 3%). It could then, in order to increase the rate, commission new, upscale apartments for rent in the city center. Certainly, this will increase renter vacancy rates and make the city appear, in economic terms, healthy, but it does little for low-income residents who still feel the pressure of a lack of supply of dwellings suitable and affordable to them. Thus, vacancy rates, in general, are a vague and obscure metric that requires deeper analysis if to be cited correctly.

In fact, it is this very issue that occurs in the City of Charlottesville. The city, on its website, holds that the market of multifamily rental units is very “tight” in the city.<sup>14</sup> The same web page also remarks that new rental units have been constructed to alleviate this lack of supply, yet underlines that claim when it states that these new units have been geared towards upscale residents and university students. So, even where there is evidence of the rental market leveling, such statistics (as is aptly-noted on the city website) are perhaps biased by higher end, upscale development and not development geared towards low-income residents or renters. Nevertheless, the critique of vacancy rates more generally aside, the rental vacancy rate in Charlottesville today signifies that the housing market is competitive and that this tightness will push rents higher (or to be more volatile) unless the supply of housing increases substantially. This, in turn, will have noticeable adverse effects on lower-income residents who will not be able to afford rents.<sup>15</sup>

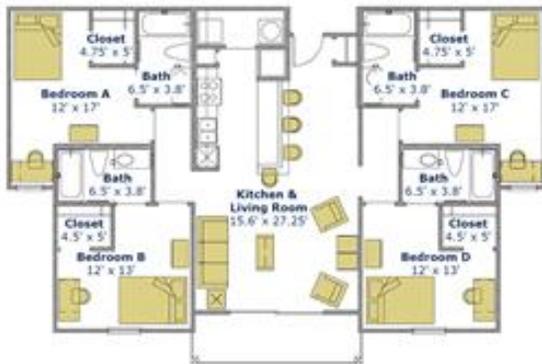
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<sup>14</sup> City of Charlottesville. 2008. “Chapter Six: The Economy.” <http://www.charlottesville.org/Index.aspx?page=842>.

<sup>15</sup> Given the trend from the last decade, if rental units are built, they will most likely be built for up-scale residents, not low-income residents. Yet, while this may bode well as high-income residents can move upwards to rental

## Student-Community Housing Differences

Student rental housing is not fungible with rental housing designed for the rest of the community. Put differently, the two types of housing are inherently distinct and separate. Consequently, the supply of rental housing available to non-students is further diminished. It is often noted that students may find it difficult to live in housing designed for families, while at the same time, families may find it difficult to reside in residences built especially for students. This is in large part to the architectural design of both types of housing. For instance, student housing is usually comprised of a unit broken into quads or three bedrooms with separate living facilities (i.e., bathrooms). This is useless for families who desire more interaction with one another. Likewise, students may find the openness of more family-orientated dwellings to be unattractive; it allows for too great a breach in personal privacy. Thus, because the architecture differs between students and others in the community, the rental housing markets do not



overlap. This, theoretically, constricts the apartment rental dwellings available for community members as well as restricts choices available to low-income renters who can, ostensibly, benefit from having as many rental options available to them.

**Figure 4: Grand Marc Floor Plan** (source: <http://www.grandmarcuva.com/floorPlans.php>)

Moreover, some in the community have expressed concerns about fair housing violations or near violations involving landlords of student-orientated complexes and families seeking rentals in those complexes. Although based on hearsay, experts and individuals, who have devoted time and study to

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units in line with their affordability range, such a move or its consequences are neither guaranteed nor predictable.

the issue of affordable housing and renting in Charlottesville, have repeatedly stated that landlords, in the past, have discouraged families from seeking rentals in particular complexes. For instance, for a complex geared towards college students, a family of four would, presumably, have been told not to apply or if they do apply are given severe restrictions towards occupying an apartment even though they qualify. In contrast, students do **not** receive this type of treatment. Hence, landlords themselves are part of the problem. They have geared the market towards satisfying the desires and needs of students, who are able to pay, even at the expense of families, who, too, can pay. In all, the consequences of this action is greater segregation between students and families as well as the separation of a market between student off-grounds housing and the rest of community, thereby limiting the renting options available to the rest of the community. Not only does this inflate prices but decreases the supply of vacant, affordable units.

## **The Economy**

As if the natural state of housing in Charlottesville was worrisome enough, the recent recession has exacerbated the trend of dangerously burdensome rentals. For over the past three years, the Charlottesville area has experienced both a strain on area household incomes as well as unpredictability and instability in the housing and rental markets. Unemployment, too, has increased in the region since the recession (by about 3 percentage points) hence depriving many families of a source of income to assist in or essentially pay rents.<sup>16</sup> And to add fuel to the fire, rental prices, concurrently, have been steadily increasing by an average of 3.96% over the past five years.<sup>17</sup> Put simply, as families are more cash-strapped, fear instability and unpredictability in the market, and face unemployment, the cost of living is not simultaneously dropping. Instead, it is rising, thereby burdening homeowners, but more

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<sup>16</sup> Economic Research: Federal Reserve Bank of St. Louis. 2011. Charlottesville MSA Unemployment Rate. [http://research.stlouisfed.org/fred2/graph/?s\[1\]\[id\]=CHAR851URN](http://research.stlouisfed.org/fred2/graph/?s[1][id]=CHAR851URN).

<sup>17</sup> Thomas Jefferson Planning District Commission. 2007. "State of Housing Report of the Thomas Jefferson Planning District." <http://www.tjpd.org/pdf/housing/stateofHousingReport.pdf>.

particularly renters, in the community. Lamentably, this trend of an increasing cost burden to renters in the Charlottesville region will continue to climb, even in light of more somber economic and fiscal trends.

### **Impact of Affordable Housing**

Nevertheless the implications of the lack of affordable housing are more significant than the fact that it exists. In other words, the lack of affordable housing in a region has monstrous effects onto the quality-of-life and lifestyles of a community both on a micro- and macroscopic level. Thus, a brief overview of the importance of affordable housing merits discussion.

Housing is the largest feature of the average American family budget. Of all the items in the household budget, housing is the most constant, if not untouchable. Thus, families who occupy unaffordable dwellings must make sacrifices in other areas of their lives, such as food, health care, insurance, clothing, etc. in order to maintain a roof over their head. This has disastrous consequences. According to the Center for Housing Policy, “Stable, affordable housing may improve health outcomes for individuals with chronic illnesses and disabilities...”<sup>18</sup> Likewise, several studies have found that children in low-income households are more likely to suffer from iron deficiencies, malnutrition, and underdevelopment in comparison to similar families who receive housing assistance.<sup>19</sup> Thus, as evidenced, there is a strong causal link between low-income households who must devote considerable income to paying for accommodations and subsequent affects onto health, nutrition, etc. The consequences of unaffordable housing are severe, especially to individuals.

But the impact of unaffordable housing in a community does not stop there. Adequate provision of affordable housing is vital for attracting and retaining businesses and a strong, robust economy. In a

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<sup>18</sup> Center for Housing Policy. 2007. “The Positive Impacts of Affordable Housing on Health.” <http://www.nhc.org/media/documents/HousingandHealth1.pdf>.

<sup>19</sup> *Ibid*

2007 study, one of the major concerns large companies report around the nation is the lack of affordable housing for which their employees can reside in. In particular, these companies complain about the lack of affordable housing within close proximity to the workplace.<sup>20</sup> But the praise affordable housing receives is not limited to the business sector. Policy-wonks, too, agree. As Benson Roberts, vice president of public policy at the Local Initiatives Support Corporation states, “Housing and commercial real estate are vital to the economic health of communities...Physical development supports service and amenities, helps attract a stable income mix, and makes communities better places for families to live.”<sup>21</sup> In all, affordable housing development can influence economic growth at the neighborhood or community level, spark new business investment, and increase the tax base, all positive developments in any community. Thus, the presence of affordable housing is, economically, significant.

### **Race and Ethnicity**

The racial and ethnic makeup in the surrounding Charlottesville region is characterized as diverse. Although not completely representative of the at-large Virginia statistics, Charlottesville MSA is still significantly and increasingly diverse. In 2000, 80.2% of the population was white, with 15.0% black and a total of 4.8% other or Asian.<sup>22</sup> In comparison to 1990, the Charlottesville MSA witnessed an increase in the Asian and “other” populations, while simultaneously seeing a decrease in both whites and blacks. As for the level of segregation, no block group (i.e., a neighborhood unit as defined by the U.S. Census) in 2000 within the Charlottesville area reported a segregation index score or dissimilarity score<sup>23</sup> of 0.60 or greater – the cut-off for labeling an area as segregated or not. In fact, the overall score of the Charlottesville region of 0.397 (in 2000) represented little change from the previous census in 1990,

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<sup>20</sup> *Ibid*

<sup>21</sup> Roberts, Benson. 2008. “Beyond Units: Economic Benefits of Federal Home Loan Bank of Atlanta’s Affordable Housing Program.” <http://corp.fhlbatl.com/Print.aspx?id=2500>.

<sup>22</sup> U.S. Census, 2000.

<sup>23</sup> This is a numeric that indicates the percentage of the members of a one racial group (whites or blacks) that must move to a different census block group in order for there to be an even distribution of racial groups among block groups.

which reported a segregation index score of 0.398.<sup>24</sup> Thus, as of 2000, the level of segregation between blacks and whites is not significant nor an ultimate pressing concern for the region. However, this level varies among areas in the region. Within Charlottesville City, the segregation score is highest, at 0.516, while in Greene County, to the north of Albemarle County, it is the lowest, at 0.211.<sup>25</sup> Nonetheless, even after the extremes in variation are accounted for, racial segregation is not an **extreme** concern in the Charlottesville-Albemarle region.

But to discard race and ethnic concerns as a non-issue would be negligent, especially when discussing housing policy. In other words, just because Charlottesville appears to be a racially diverse, integrated environment, does not mean that a deficiency in affordable housing is not a racial or class-based issue. Indeed, it, partially, is. Of among all residents, the poor are to be disproportionately affected by a volatile rental market. In fact, in 2000, the TJPDC estimated that 23.2% of all renter-occupied dwellings in the Charlottesville MSA were occupied by people living below the poverty line.<sup>26</sup> Thus, if rent prices increase, or greater pressure is placed on those renters in general, those poor will be affected first and most severely. Furthermore, in Charlottesville, blacks are the group most likely to be poor.<sup>27</sup> Thus, the lack of affordable rental units, though on the surface appears race-neutral (especially when one looks at the racial heterogeneity of the Charlottesville region), is in fact a race-class issue. This is because the poor, who are most likely to be renters who are affected by increasing cost-of-living, also happen to be black. Charlottesville, if it continues on this path, will become more and more homogenous as poor black residents become excluded from the community.

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<sup>24</sup> Thomas Jefferson Planning District Commission. 2007. "State of Housing Report of the Thomas Jefferson Planning District." <http://www.tjpd.org/pdf/housing/stateofHousingReport.pdf>.

<sup>25</sup> The statistics of racial dissimilarity or segregation is not yet available as the U.S. Census Bureau has not released the statistics for the state of Virginia yet.

<sup>26</sup> *Ibid*

<sup>27</sup> OnPoverty.org. 2008. "Infant mortality soars among poor blacks in Charlottesville, Va." <http://onpoverty.org/2011/03/infant-mortality-soars-among-poor-blacks-in-charlottesville-va/>.

## Chapter Two: The University

### Housing and the University

One often overlooked facet of the University's impact on affordable renting is its influence as an employer. The University of Virginia is the largest employer in the region, providing over 16,000 full and part time jobs. In addition to their direct influence as the region's largest employer, the University also creates jobs through businesses attracted to the area because of the University's presence. However, with great power also comes great responsibility to ensure that all employees are amply compensated. As of 2007, the weekly average wage at U.Va. was \$819, which converts to an annual wage of \$42,588. However, this is an average. There are numerous U.Va. employees, predominately at the entry-level, whose annual wage was, in 2007, \$19,490, less than 30% of the AMFI. This is defined as extremely low income. Thus, there are employees part of the University's payroll, who are unable to safely afford living accommodations in the Charlottesville region. The University is, in essence, not permitting some residents to reside in Charlottesville because the wages it pays are insufficient.

Meanwhile, as the University is not paying some of its employees a 'living wage', it is also contributing to the reason why those making less than a 'living wage' are finding it difficult to reside in Charlottesville. It goes without mentioning that the University is an educational setting and hence is home to many students. These students, presumably, must find accommodations, whether on or off the campus (herein referred to as 'grounds'), to live in. As of 2011, all students must live on-grounds their first undergraduate year at the university. After this inaugural year though, students have the option of living off-grounds. Students, if they choose the off-grounds option, usually opt to reside in a rental-apartment unit.<sup>28</sup> Further, among all undergraduate students, the most popular option is living off-

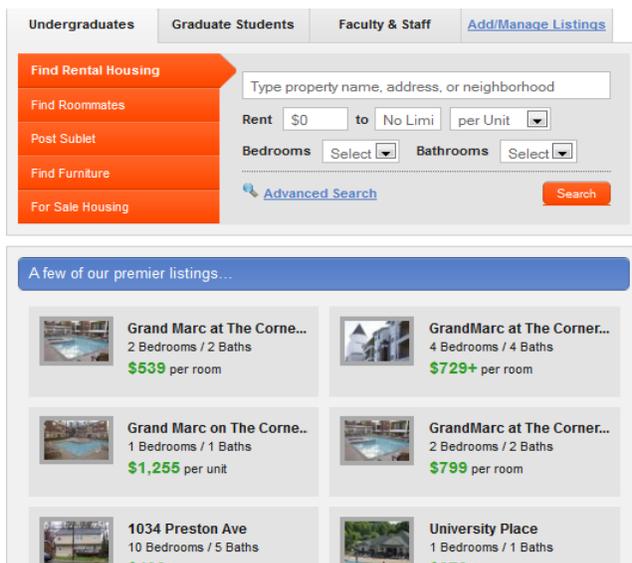
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<sup>28</sup> Moreover, returning undergraduate students have other forms of on-grounds housing (e.g., residential colleges [Hereford College, the International Residential College, or Brown College], Lambeth Field apartments, Copley residences, Faulkner residences, Bice House, or any of the five language houses [French, Spanish, Shea, Russian, or

grounds. In 2010, 57.3% of students chose this option. There are multiple reasons for this. Chief among them is the freedom associated with living with no or limited rules. For instance, in first-year dorms there are rules dictated by RAs. This includes prohibitions on drinking, drugs, and smoking as well as curfew restrictions. Likewise, students, if they live off-grounds, may not have to share a bathroom, and perhaps most of all, students may not have to share a room with another student. These are all compelling reasons why students leave on-grounds housing.

Moreover, on-grounds housing simply does not have the capability to house **all** students throughout their career at the University. If 20,000 plus students all desired to remain their full, four years on-grounds, UVA would not be able to accommodate their desires. Simply, the university does not have the space to build more residences. Thus, the practical lack of space to build new dorms and the fact that such dorms, which though may contribute to the undergraduate experience during one’s first-year, are not attractive options for many returning undergraduate students are major reasons why students

**Figure 3: Off-Grounds Housing Website**



migrate off-grounds.

### Off-Grounds Housing

In fact, so many students migrate off-grounds that the University has established an office devoted to matching students’ desires to live off-grounds with actual apartments or rental units. This office is known as the Off-Grounds Housing Office. For instance, if one were to visit

the off-grounds housing website (<http://web.offcampuspartners.com/8>), upon first glance one would

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German houses]) available to them as well. Returning undergraduates can also become Residential Assistants (RAs), who live in first-year dorms and serve as a guardian of sorts in those dorms, as well.

see postings of available apartments near or in the vicinity of the University. (See figure 3: a snapshot of the homepage of the website.) As one can see, it allows interested parties to see rentals within their price range and with a particular number of bedrooms and bathrooms. This is a neat way to put together to interested parties. However, clearly lacking from the website is any discussion about the impact of living off-grounds has on the larger Charlottesville community and region. There is no mention or effort to inform students about how their choices to live off-grounds has directly, over the years, caused the cost-of-living in Charlottesville to concomittantly increase as well. Nor is there a discussion about what can be done to combat these measures (e.g., negotiate with landlords or put pressure on landlords to change rent prices). In essence, the off-grounds housing office has simply served as a medium between students and off-grounds landlords to *ease* the process of living for undergraduates and plays no role in informing students about their impact onto the community.

To further underscore this point, the University's community relations relations office, in partnership with the off-grounds housing office, has released a *Good Neighbor Guide* for students living off-grounds. Within the guide are useful pieces of information about how to be a good neighbor, respecting the community, issues surrounding lease agreements, roommate troubles, and other concerns. But, absent from the booklet, is any discussion informing students about their role as part of a larger community. Put simply, the pamphlet is predominately directed at the concerns of students and students alone. Interestingly, the closest feature that is relevant to discussions about off-grounds housing, UVa, and the community is the rental price ranges, which notify students about what to expect when renting. This, though, does little by way of informing or enlightening the University community about its role or relationship with the community. If anything, it underscores how rent can be astronomically high and how this is indirectly caused by student demand.

Additionally, students have been complacent in this process. Students are one of the major reason why rent prices have increased. As discussed in the introduction the financial resources available to students dictates why rent prices are so high. Students either come from well-endowed, privileged backgrounds, see accommodation prices as part and parcel and/or a minor cost of one's total tuition, and/or have assistance from awards and scholarships such that rent prices can, concurrently, be high. But this reasoning can only go so far. True, students have the financial resources to pay, but landlords are not, totally, basing their rent prices based on these factors. After all, this sort of information, though to a perceptive person can be estimatable, is nonetheless difficult to measure. So why are rent prices so high? Well, the answer falls back onto students, who demand to live in *particular* places and their necessity to ensure that they live in that particular place.

The most in-demand residences for students is a small geographic area behind what is called 'The Corner', a popular strip of shops, restaurants, bars, and other amenities designed for students. This small area is also home to majority of rental apartments. Rent is high in these areas because a large number of students wish to occupy the geographically limited supply of units. For instance, in the popular Grand Marc apartment complex the demand is extremely high with many units already taken up by October the year prior to its occupancy. The same is true for many other popular apartment complexes. Hence, because demand for particular units and complexes is high and students are willing to shell out large sums of money (sums greater than the market rate), the land-lords, without fail, reply by setting higher rental costs. This has had a disastrous impact on the state of affordable housing and will only make the lives of low-income residents worse.

## **Chapter Three: History**

### **History**

The University's history with housing in Charlottesville and the region has been brief, if not non-existent. Very little communication has existed between the two and in fact, the University believes that its obligation to the Charlottesville community in this area is minimal. Evidence of this is the University's absence on a number of boards related to the issue of affordable housing as well as on regional and city-wide planning commissions. Yet, even when present, many outside members of these boards and commissions complain of the little assistance the University or its representative give. Thus, as a matter of historical fact, the University has done little (or not enough) to engage with the community over setting and guiding housing policy in the region.

Yet, the University does see as valuable the need to ensure that all of its students are served, in terms of living arrangements, housing, food, etc. For instance, during an undergraduate's first year, the University ensures that all features of the student's life are taken care of, from cleaning and janitorial services, to dining, and most of all housing. Likewise, through the Dean of Students office, the University attempts to ensure that students are served in the best possible way after their first year, when they may or may not be on-grounds. In fact, the Dean of Students has made it is explicit mission statement to facilitate: "student learning and interpersonal growth that creates engaged citizen leaders... [and develop] a unique student experience, grounded in the history and traditions of one of the finest higher education institutions in the world. Thus, the University puts at the forefront the interests and issues of its students."<sup>29</sup> Therefore, UVa is predominately a student, as opposed to community, centric entity; thus, policies that disturb students' experiences are **not** exactly serving the University's interest. This fact has undergirded the history between UVa and the community.

But, this is not to say that the interests of the students and the interests of the community are mutually exclusive. At times and in the University's history, the two can be mutual or inclusive. For

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<sup>29</sup> U.Va. Dean of Students. 2011. "About the Dean of Students."  
<http://www.virginia.edu/deanofstudents/aboutodos.html>.

instance, in the 1980s the number of students enrolling in the University was steadily increasing. This, in turn, created a need to house those students. At the same time, this initiative to house more students coincided with a fear from the City and surrounding areas, that they will be bombarded with students which will in turn increase rent prices. As a result, Hereford Residential College was born. This dormitory space was built to house more students, offset greater student migration off-grounds and into Charlottesville and presumably to avoid escalating rent prices in Charlottesville. Thus, community and University interest can be aligned and work for each other's mutual benefit.

Yet, this appears to be more of the historical exception than the historical rule. While the university and community can come together, in contemporary times, this has been much more difficult. The University has, since, not instituted any measures to increase the amount of housing for returning undergraduates. (Presumably, if they did, the university would find that many undergraduates would not choose it, as is demonstrated by the "failure" of Hereford College to attract many returning students). Therefore, while in the past there have been times of mutual agreement or mutual beneficence, given the constraints that exist today, such as limited space to build new, attractive and the University's desire to not engage with the community at-large for fear of greater demands being made of them, the past has become the past.

Furthermore, when dialogue has occurred between the University and the community, one piece of rhetoric from the University has been made clear and routinely stands out: 'the University has and is doing everything in its power to solve the housing/rental crisis in Charlottesville.' For instance, the University has made statements that its contribution to the community rests in placing *all* first-year students in dormitories. That it provides adequate housing for all interested returning undergraduates (though cannot provide for all), and that these initiatives should exhaust the University from active engagement with the community simply because that is *all* it can do. This type of discourse has

dominated the history of the University's relationship with the community over housing and in the foreseeable future, will continue to do so.

Overall, the history of the university represents a constrained dialogue with the community over how to engage with solving housing issues. Moreover, on a more indirect scale, the University has done little to ensure that its staff can live in Charlottesville by not paying some employees a living wage. Together, these historical developments make any effort to reach out more difficult because the past is strained. Yet, at the same time, the strained past can warrant overtures and gestures for the university to move forward in the right direction by more directly and openly engaging with the community. Which path will be taken remains to be seen.

### **Re-Zoning**

Fortunately, though, the city, as opposed to the University, has responded to this growing, nascent problem. In 2002 the city witnessing the general trend in the rise of off-grounds housing wished to, in essence, partition off the student housing community from the rest of Charlottesville. Their intention was to allow students to live off-grounds and continue paying their rent costs, but to block those ascending prices from affecting the surrounding area. Thus, the City was re-zoned thereby enabling immediate areas around the University, namely the 14<sup>th</sup> Street-Corner corridor and the Jefferson Park Avenue corridor to be marked as University-High-Density (UHD) or University-Medium-Density (UMD) areas. This allowed more students to live here, more apartment complexes to be built, and a partitioning of the university community from the rest of the community with the hope that rental prices would be high in only those newly-designated areas. This, in theory, sounded good. (The map in Appendix A shows this 2002 re-zoning.)

However, though armed with good intentions, the 2002 rezoning did little to change the effect of student rental prices on the larger rental market in the Charlottesville MSA. In a nutshell, the rezoning

created greater opportunities for students to live off-grounds, which though may have increased supply and thus satisfied demand, still did little to significantly bring down rental prices. Even more troublesome was that the rental rates increased outside of the UMD and UHD zones. Thus, renting, even after 2002, is still a noticeable concern.

## **Chapter Four: Future**

### **Future...**

To make matters worse, the University intends to expand its undergraduate population thereby heightening its already documented impact onto the surrounding communities. As recently as November of 2010, President Teresa Sullivan proposed the addition of 1,400 more undergraduate and 100 more graduate students beyond the University's already existent enrollment growth projections. (The current growth trend reports of a gradual increase of 1,500 students over a 10-year period that will conclude in 2013.) In proposing this policy, President Sullivan and executive Vice President Leonard Sandridge both stated that the University has sufficient facilities (i.e., dorms, dining, need-based financial aid, recreational facilities, and faculty and staff) to accommodate this change. To quote Mr. Sandridge himself, "We feel very comfortable that we would be able to accommodate [Sullivan's proposed number of new students]."<sup>30</sup> However, noticeably left out of their justification to accommodate this influx of students is these students' potential impact onto the housing market in Charlottesville. Put simply, the University may have the facilities to accommodate growth, but does Charlottesville? Even when discussing this proposed growth with a University representative familiar with the changes involved, that representative neglected to mention how the community figures into the University's calculation of new policies. It goes without mentioning that if the University does increase its student enrollment by its proposed figures, the pressure on the housing market will be

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<sup>30</sup> McNeill, Brian. 2010. "UVa developing Strategy for Increasing Enrollment." *Daily Progress*, November 27, 2010. <http://www2.dailyprogress.com/news/2010/nov/27/uva-developing-strategy-increasing-enrollment-ar-679911/>.

serious. This will, ostensibly, exacerbate the already worrisome statistics and make it even harder for low-income residents to live in Charlottesville.

## **Chapter Five: Recommendations and Implementation**

### **Recommendations**

The following recommendations, in light of the above facts, should be implemented or considered by the University of Virginia (UVA):

- Continue to provide housing for all first-year students and housing options for other students. The University is correct when it states that it has assisted the Charlottesville area by housing first-year students and providing on-grounds housing options to returning undergraduates. Sustaining this policy and/or establishing further, attractive options for undergraduates is warranted. At the least, it would remove burdens to the outside Charlottesville community.
- The University should pay all employees, and strongly encourage their contractors to pay, a 'Living Wage.' This is to ensure that certain employees may reside in Charlottesville and close to their workplace.
- Incorporate a 'Community Impact' segment in any new policy adopted by the University. This procedure will ensure that the University has considered its impact onto the community and allows the community to respond accordingly. It will, most of all, encourage the University and its administrators to re-think or re-frame policies when adopted through a consideration of the community.
- Educating students who desire to live off-grounds about the impact of doing so. Namely, the impact it has on the cost-of-living and quality-of-life in the greater Charlottesville region

- On a more abstract level, it is the recommendation of this report that the University begin to acknowledge and understand the racial and class issues involved in housing and affordable housing. Once this is done, the University can more openly address the issues at hand.

## **Implementation**

Fortunately, the University and other partners have tools at its disposal to help institute these changes. For instance, the Office of Off-Grounds Housing may assist in informing students about their impact on the community. In fact, this very office may be able to deliver studies and reports, itself, on this matter. Likewise, the University has an academic department, the Urban and Environmental Planning department located within the Architecture School to do similar research and when necessary, provide a 'community impact' segment to proposed policies. Furthermore, the University is surrounded by numerous regional, local, and state-wide commissions that deal with issues of housing and affordable housing. These include the Thomas Jefferson Planning District Commission (TJPDC), its subsidiary the Coalition for Housing Opportunity, joint task forces commission by the City of Charlottesville to discuss these issues, the Piedmont Housing Alliance, the Charlottesville Housing and Redevelopment Authority, the Albemarle Housing Improvement Program, and similar organizations all are open to helping the University become a member of the housing dialogue in the region. Lastly, the University has the benefit of having an active, engaged student body who is, once notified of social wrongs existent in their communities, willing to fight for righting those wrongs.<sup>31</sup> Together these forces, if accepted by the University, can certainly reform housing policy in the Charlottesville region.

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## **Conclusion**

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<sup>31</sup> Look no further than the Living Wage Campaign headed and organized by students.

**What has the University done in ensuring that renting in Charlottesville is not restrictive, exclusive, or limited to persons who desire to reside in Charlottesville? And what is its role on this matter?**

Sadly, the University has done very little. Although the University has provided housing for first-year students as well as for returning undergraduates who desire on-grounds accommodations, it has, at the same time, only minimally engaged in the community when it comes to discussions of housing policy. Throughout its history, the University has felt, more or less, that it should keep an arm's distance from the rest of the community. Meanwhile, the surrounding Charlottesville area is experiencing huge financial cost burdens for those who wish to live. Unfortunately, renting in Charlottesville will continue to be restrictive, exclusive, and limited to many people, and not just for low or middle-to-low income households. Given the University's presence in the region, as both the largest employer and as well as a symbolic entity, it owes it to the community to assist on this crucial, quality-of-life issue. This paper has stressed the state of housing in Charlottesville at present as restrictive already. In part, the University, through its facilitation of allowing as many students as possible to live off-grounds, is responsible. Getting the University to understand its role on this issue will hopefully convince them to realize that housing is a serious issue, one that has implications for quality-of-life and dignity of families. Simply put, no longer can the University stand in the background; it must come to the table.