

**MEMORANDUM**

**To:** Board of Regents  
**From:** Board Office  
**Subject:** Report on University Apartments  
**Date:** June 9, 2003

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**Recommended Action:**

Receive the Report on University Apartments at the University of Iowa.

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**Executive Summary:**

The Banking Committee and the Board received a communication at its May meeting from the University Apartments Residents' Action Committee at the University of Iowa regarding grievances of the residents of Hawkeye Court and Hawkeye Drive Apartments. (Attachment A)

The communication identified four areas that the residents wanted addressed:

1. Rent must be kept low.
2. Transportation to and from the University Apartments must be improved.
3. The condition of the apartments and grounds should be improved.
4. Services like cable TV, high-speed Internet, and calling plan should be optional.

In response to that communication, the Board asked the University of Iowa to prepare a report on its apartment facilities that addresses the issues outlined in the students' note and work to rectify the issues within the budget constraints available.

The University's report is presented in Attachment B.

  
Deb A. Hendrickson

Approved:   
Gregory S. Nichols

University Apartments Residents Action Committee  
March 2003

To Whom It May Concern,

We, the undersigned, would like to call to your attention the unsatisfactory situation that exists in the University of Iowa Apartments. Like tuition and fees, rent at these apartments is increasing, while living conditions are deteriorating. In order to provide an affordable, safe, and inviting home for the diverse body of students living in University housing, we would like to propose the following:

1. **Rent must be kept low.** The tenants of Hawkeye Drive and Hawkeye Court include international students and/or students with families, students with disabilities, and other low-income residents. These groups of non-traditional and traditional students face special financial difficulties. They have a higher cost of living than traditional students, and most have fewer sources of financial aid. Low-cost student housing is a vital service to these students, who bring so much diversity to the University of Iowa. Many of the residents would be unable to attend college without affordable housing.
2. **Transportation to and from University Apartments must be improved.** There are many potential solutions to this problem. Increasing Cambus service by running Hawkeye Express all day and/or adding additional routes is certainly within the University's power. It has also been suggested that, with the rent increases, the University might contract the Iowa and Coralville City bus systems to run routes to Hawkeye Court and Hawkeye Drive, and provide residents with bus passes for the duration of their leases.
3. **The condition of the apartments and grounds should be improved.** While we realize that the University apartments were "built cheap," there are some basic issues like mildew, pests, and insulation that are serious concerns to the tenants, and effectively addressing these issues would measurably increase the quality of life here. Residents are also concerned about the lack of sidewalks and the lack of access to the recreational facilities on the property.
4. **Services like cable TV, high-speed internet, and calling plan should be optional.** An insufferable monopoly exists over Hawkeye Drive and Hawkeye Court phone lines and cable service. This results in an unnecessarily high phone bill, a cable bill (included in the rent) for graduate students who rarely watch TV, and makes high-speed internet access absolutely impossible. In order for residents to have greater control over the services they use, the University of Iowa must let them contract the providers that they choose, for the services they want.

There are many more concerns, and many more proposed solutions that we would like to discuss. We, as a body of students that adds much diversity and academic excellence to the University, ask you to meet with our representatives and help us take action to improve our learning experience at the University of Iowa.

Sincerely,

Grievances of the residents of Hawkeye Court and Hawkeye Drive  
March 2003

There is a list of 60-70 complaints regarding the University Apartments. Some of these problems have quick, easy solutions. Others might require more energy, but are still solvable. The vast majority of our grievances, however, stem from poor planning, neglect, and the original cheap design and construction of the apartments. These latter problems require much more energy to solve than the university is currently willing to invest. We urge the university to take action to resolve these problems.

## Rising Costs

### --Rents

- exponential annual increases:  
1 bdrm in Hawk Ct: \$285/month in Fall 1997 → \$400/month in Fall 2003  
2 bdrm in Hawk Ct: \$336/month in Fall 1997 → \$445/month in Fall 2003  
2 bdrm in Hawk Dr: \$410/month in Fall 1997 → \$535/month in Fall 2003

### --Energy

- No insulation, high energy bills for small apts \$150+, summer and winter

### --Cable

- No choice, not optional
- No Int'l channels like BBC World
- Grad students don't watch much cable

### --Phone

- university monopoly on phone jacks
- high international rates set by university

### --Implicit Costs

- lost time in commute
- pests in household furnishings after residence ends
- damage to furniture and other belongings caused by mold, condensation on walls
- gasoline
- parking costs downtown/campus
- Unrented units increase costs, university does not promote them

### --Budget Transparency/Accountability

- new graduate assistantship considered for Univ Apts Office when calculating rent increase for 2003-2004; indications that the position will not exist despite Regents' approval of rent increases
- Did the large rent increase for 2002-2003 pay for cable service like apartment officials claimed to justify the huge increase? or Do dorm residents pay for Univ Apts cable like business manager Scott Seagren said?
- Every year, Residence Services should publish a clear budget with specific reasons for rent increases, what the new revenue will be spent on

## 2) Condition of the Units

### Interior

#### --poor air quality:

- extremely high humidity(cold apt) or extremely low humidity(furnace on):  
condensation and mold(cold apt) vs dry eyes, nose bleeds, sore throat  
(warm apt)

- denial of day parking permits to residents of University Apts

--Telecommuting:

- slow, unreliable, remote internet phone connection
- no high speed internet: cable, dish unavailable for internet b/c of UI monopoly

#### 4) Lack of Recreation

--absence of sidewalks:

- baby strollers, pedestrians, kids in the streets
- no sidewalk connecting Hawk Ct. and Hawk Dr.
  - university can build a new road(w/o sidewalk) between the Hall of Fame and the Hawkeye Lot but not a complete sidewalk between Hawk Ct and Hawk Dr in 37 years. This new road cut across the old soccer field in Hawk Dr.
- improvements of Hawkeye Lot: sidewalks, landscaping, resurfacing of lot but no such improvements in the Apts

--no access to recreation fields:

- Fenced in Hawkeye recreation fields with locked gates and signs, "Trespassers will be prosecuted"
- Improvement to Rec Fields, new lighted fields, shows money available for recreation improvements, but not for residents of University Apts

--Lack of fitness facilities

#### 5) Emotional/Psychological Issues

- lack of social activities
- disputes with neighbors
- isolation
- feelings of neglect/disregard because internationals
- "rat in a cage" feeling
- ghetto concept: low-income population fenced in/ isolated from the rest of the university community/city
- fear of reprisal, afraid to speak out: especially int'l's unfamiliar w/ rights

#### 6) Disparities between rest of Residence Services and Univ Apts

- Technology: no high speed internet connection, and no chance of it according to director
- Cambus
- Fitness Facilities
- laundry: no laundry in HC
- Amenities
- Conversion of Parklawn to freshman dorms
- extensive renovations

#### 7) Family Issues

--Child Care:

- university child care located along Melrose near hospital; parents take their toddlers on Cambus in all seasons—why not have the child care on site in University Apartments?

--Lack of housing for large families w/ 5+children:

- 3 br apts in IC/CV= \$800

**History of University Apartments Rent Increases**

1983-84 through 2003-04

**Hawkeye Court****Hawkeye Drive**

<u>Year</u>	<u>1 Bedroom</u>		<u>2 Bedroom</u>		<u>2 Bedroom</u>	
	<u>Rate</u> \$	<u>%</u> <u>increase</u>	<u>Rate</u> \$	<u>%</u> <u>increase</u>	<u>Rate</u> \$	<u>%</u> <u>increase</u>
1983-84	132.25	-	157.50	-	201.00	-
1984-85	136.00	2.8%	162.00	2.9%	209.75	4.4%
1985-86	140.50	3.3%	167.75	3.5%	219.25	4.5%
1986-87	148.25	5.5%	177.25	5.7%	228.75	4.3%
1987-88	176.25	18.9%	212.00	19.6%	265.50	16.1%
1988-89	181.50	3.0%	218.75	3.2%	274.25	3.3%
1989-90	188.25	3.7%	227.25	3.9%	284.75	3.8%
1990-91	200.75	6.6%	242.50	6.7%	307.25	7.9%
1991-92	217.00	8.1%	262.00	8.0%	335.00	9.0%
1992-93	230.00	6.0%	279.00	6.5%	353.00	5.4%
1993-94	239.00	3.9%	289.00	3.6%	366.00	3.7%
1994-95	248.00	3.8%	300.00	3.8%	377.00	3.0%
1995-96	259.00	4.4%	315.00	5.0%	391.00	3.7%
1996-97	272.00	5.0%	325.00	3.2%	400.00	2.3%
1997-98	285.00	4.8%	336.00	3.4%	410.00	2.5%
1998-99	296.00	3.9%	345.00	2.7%	419.00	2.2%
1999-00	320.00	8.1%	363.00	5.2%	438.00	4.5%
2000-01	330.00	3.1%	375.00	3.3%	455.00	3.9%
2001-02	346.00	4.8%	393.00	4.8%	475.00	4.4%
2002-03	373.00	7.8%	425.00	8.1%	512.00	7.8%
2003-04	400.00	7.2%	445.00	4.7%	535.00	4.5%

In response to questions and concerns presented in a petition by the University Apartment Action Committee to the Vice President for Student Services, the University President, and to the Board of Regents, the following document outlines the major concerns expressed by the committee and the University's responses to each concern.

**Annual Rent Increases**

The tenant committee expressed concerns that the apartment rents are increased every year. Apartment rates are set on an annual basis to cover the costs of operations, make debt service payments, and provide for major repairs and renovation projects. FY 2004 University Apartment Rates, as approved by the Board at the April 2003 meeting, represent a 5.52% increase over FY2003 rates. The 5.52% increase is projected to generate an additional \$197,400 in gross revenues. This entire amount is necessary to cover the increase in projected operating expenses for FY2004. Expenditures for operations for FY2004 are expected to increase by \$197,408 over FY2003, as detailed on the attached page.

It is important to note that rate increases for University Apartments over the past ten years have averaged only 4.55%. These rate increases are considerably less than the rate increases for residence hall room and board contracts, which have averaged 5.75% over the same period of time.

When comparing University Apartment rental rates to the average rates in the Iowa City/Coralville community, the rates are considerably lower than the average rental rates in the area, and even include several amenities that are not included in the basic rental rates for most non-University apartments. Cook Appraisal of Iowa City prepares an "Iowa City Area Apartment Rent Survey" on a biennial basis. The last survey was prepared in March 2001. At that time, the average rent in the Iowa City area for a one-bedroom apartment was \$389, while one-bedroom units at Hawkeye Court were renting for \$330. The average rent for a two-bedroom apartment was \$523. Two-bedroom units at Hawkeye Court were \$375 during that same time period, and two-bedroom units at Hawkeye Drive (heat is included in the rental rate) were \$455. Furthermore, it is important to note that included in the rates for University Apartments are utilities and services such as water, sewer, phone service, and cable television, that would cost a minimum of \$75-\$100 per month off-campus. Residence Services also covers the costs of Iowa City Public School tuition for children of University students living in the apartments.

**Deteriorating Apartments**

Both Hawkeye Court and Hawkeye Drive were constructed in the 1960's. The facilities were not constructed with the standards in place today, and as such, require significant maintenance and upkeep to maintain the facilities in basically sound, clean, safe physical condition. During FY2003, \$425,850 is projected to be spent on routine maintenance and repairs to the facilities. In addition, \$176,645 is budgeted for FY2003 for major projects such as replacing roofs and canopies at Hawkeye Court, parking lot maintenance at Hawkeye Drive, and improvements to the main phone lines at both complexes.

### **ADA Accessibility Issues**

It is important to note that there are no direct ADA violations at any of the University Apartments complexes.

The Department of Residence Services has renovated a number of apartments to be accessible for tenants with physical disabilities. There are currently more ADA accessible units available than the current demand for such units. Funds have been set aside to renovate additional units to be ADA accessible if the need arises in the future.

Concerns have been raised regarding the lack of an accessible route between Hawkeye Court apartments and the Hawkeye Drive/University Apartments Office area. In response to this concern, the University is planning the construction of a solid-surface walkway connecting Hawkeye Court to Hawkeye Drive, the University Apartments Office, and the recreation fields along Hawkeye Park Road. Preliminary cost estimates for this project are in excess of \$150,000. We plan to complete this project during 2003.

### **Transportation Issues**

Because Hawkeye Court and Hawkeye Drive are located at the far west end of the University campus, tenants are very reliant on Cambus to get to and from the main campus. Tenants have requested more frequent service from Cambus, especially in the late evenings and during the summer periods. They have also expressed concerns regarding the location of bus stops and the speed at which the buses drive through the apartment complexes.

In April 2003, University Apartments tenants were given the opportunity to meet with Cambus officials and discuss these and other concerns. Cambus officials were very open to the suggestions and concerns of the tenants and will take their input into consideration as they further refine and develop their future plans.

### **Technology Issues**

The tenants concerns regarding technology involve three major issues: the lack of high speed internet access, high long-distance phone rates for international calls, and the desire for modifications to the cable television channels provided.

Some tenants in University Apartments are seeking high-speed internet access from their apartments, similar to the connections provided in the residence halls on campus. Several informal investigations and cost estimates of methods to provide these connections to University Apartments have been prepared in recent years, each of which has shown to be both difficult to do physically, as well as very costly. Because of the distance from the campus fiber optic backbone, the costs to bring the main fiber lines to the apartments is significant. Wiring of the individual apartments is also difficult and costly. The existing wiring for phone lines in the apartments is not adequate to carry the high-speed data signal, and wiring through the cinder-block walls is problematic. In the past, most tenants have not been willing to pay the additional costs necessary to provide this service. Because of the high costs and difficulties associated

with wiring the apartments, combined with the uncertain future and life span of the existing Hawkeye Court and Hawkeye Drive complexes, the University has not made the investment in wiring the complexes. However, in response to increased demand for such services, a formal cost estimate has been requested to provide the necessary connectivity and the residents will be asked again if they would be willing to pay the additional costs.

A large percentage of the tenants of University Apartments are foreign students, and some of them are unhappy with the long-distance rates charged by the University telephone system. The University is required to provide its international long distance connections through the ICN, and simply passes on the rates charged by the ICN to the users. The international long distance rates charged by the ICN have proven to be higher than most other carriers. The Department of Residence Services has advised tenants who make frequent international phone calls to use either dial-around numbers or prepaid calling cards to make their calls.

University apartment tenants are provided 55 channels of cable television free of charge. The channels offered to apartment tenants are the same as the channels offered in the residence halls and other campus connections. Because of the large population of international students in University Apartments, the tenants have requested more international channels currently not offered. Offering different channels to the apartments would require the purchase of an additional master control unit, as well as negotiations with the local cable provider, Mediacom, to arrange for the availability of additional channels. The University is working to develop a cost estimate for these proposed changes.

### **Future Plans**

The University has realized for some time now that the existing University Apartments are in need of replacement. Over the past ten years, several different studies have been conducted attempting to find an affordable solution to the problem of how to replace the existing Hawkeye Court and Hawkeye Drive complexes at a price level that is affordable for students with families and dependent children.

The studies have explored a variety of options, including building on the existing site, building at alternate locations, varying the total number of units constructed, varying the quality of construction and amenities provided, as well as the exploration of alternative financing options, including working with private developers. To date, the studies have all resulted in cost estimates that would necessitate rental rates significantly higher than the current rates unless subsidized by other units.

The University continues to seek a solution to the problem by gathering data related to the demand for University Apartments, as well as the income levels and demographics of the market being served by the existing apartments. That information will be used to determine the level of rent the intended tenants can afford, and in turn, what type of housing can be built based on that level of rental rates.



**University of Iowa**  
**University Apartments**  
**Projected Increases in Operating Expenses for FY2003-04**

Staffing Changes (Pro-rated share of Dept. of Residence Services HR Specialist & Computer Programmer plus a dedicated Graduate Assistant for University Apartments)	\$ 36,952
Salary & Fringe Cost Increases	38,974
Utility Cost Increases	56,066
Repair & Maintenance Cost Increases	45,025
Other Operating Cost Increases (Tuition, School Bus Costs, Insurance, etc.)	<u>20,391</u>
	<u>\$ 197,408</u>