



UNIVERSITY OF RICHMOND

Policy Manual

Policy #:	PRM-2001	Policy Title:	Policy for Management and Use of University-Owned Houses
Effective:	04/25/2022	Responsible Office:	Office of Business & Finance
Date Approved:	04/25/2022	Approval:	University President
Replaces Policy Dated:	06/01/2019	Responsible University Official:	Executive Vice President and Chief Operating Officer

PURPOSE:

The University’s policy for the management and use of University-owned houses is intended to establish a framework for ensuring that the University-owned houses are managed and utilized strategically to advance the University’s mission. The express purpose for University-owned houses is to enable faculty and staff to live adjacent to the campus, allowing them close interaction with the campus community, more effective job performance, and full participation in campus life.

SCOPE:

This policy applies to the University of Richmond and all of its Affiliates. As used in this policy, the term “Affiliates” means organizations or entities in which the University owns a controlling interest or has the right to elect the majority of the entity’s governing board.

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General Principle

Generally, all University-owned real property, including University-owned houses, is intended to support the academic mission of the University as determined by the Board of Trustees. As such, this policy should not limit the University’s ability to meet its academic needs as those needs change from time to time.

Background

The University has, since shortly after its move to its present campus in 1914, offered to faculty and staff (tenants) arrangements for residence in houses located on the University's campus. Although the legal and economic details of the arrangements have changed somewhat from time to time (as a result of changes in tax laws, changes in the residential real estate market and other reasons), the essential nature of the arrangements has remained unchanged.

The intent of the University has always been to maintain a program under which, in effect, the tenant "buys" his or her house (but not land) from the University and the University "re-purchases" it at the end of the arrangement in accordance with a formula that allows the two parties (University and tenant) to share in the appreciation in the value of the house (but not land). Sharing in appreciation in the value of the house ONLY applies to homes that are "re-purchased" after the fifth anniversary of the closing date. Due to the legal issues involved in separating ownership of land and improvements, the real estate tax implications of doing so, and other reasons, the economic and ownership objectives of the University have been implemented through a program that is based upon a lease of the properties rather than any technical legal sale and repurchase.

General Guidelines

The guidelines for the use and management of University houses include the following:

1. The presumption will be that a University house that becomes available will be advertised for sale to full-time faculty and staff and sold according to the process outlined below. The University President, however, may reserve a house that becomes available for a strategic institutional use rather than making it available for sale. Such strategic institutional uses may include meeting academic or student life programmatic needs, meeting administrative office space needs, serving as temporary student housing, or providing an incentive to recruit or retain a University administrator or faculty member. Any recommendation for such strategic institutional use of a University house for purposes like those described above should be made to the Executive Vice President and Chief Operating Officer (EVP/COO) by the appropriate member of the President's Cabinet at the time the need is identified (i.e., not at the time it becomes known a house is available). At the time notice is received that a house will become available, the EVP/COO will review with the President and Executive Vice President and Provost (EVP/Provost) possible alternative uses of the house prior to the house being offered for sale to faculty, staff, and administrators. No action will be taken with respect to the house without the explicit approval of the President. In addition, the President may elect at any time to lease an available house to a non- University tenant or, in consultation with the Board of Trustees, to sell a house.
2. Should no strategic institutional use be identified as outlined in (1) above, the house will be advertised for sale to University faculty and staff. Prospective buyers are prioritized based on the number of continuous years of service to the University of Richmond. Faculty and staff with the longest continuous service are first on the list followed by others with fewer years of continuous service. In instances in which both members of a couple are University employees, seniority will be assigned

based on the years of service of the individual in the couple with the longest years of service. Faculty or staff already living in University houses who are interested in purchasing another house that is for sale by selling their current house back to the University will be given lowest priority, regardless of years of service.

3. Once someone indicates that she or he is interested in purchasing the house, the prospective buyer will meet with the Assistant Director of Maintenance, and Director, Campus Operations Business & Finance to have dialogue and resolution on the following items in order to enter into a purchase agreement:
 - a) Settlement date
 - b) Amount of the earnest deposit
 - c) Renovation to house, if necessary
 - d) Construction loan, if necessary
4. Purchase agreement will document several details associated with the sale of the house including but not limited to the following:
 - a) University responsibilities and decision-making with respect to renovations.
 - b) Generally, major infrastructure and health and safety repairs are addressed by the University, at its discretion and expense, prior to buyer's possession of property. Additional renovation expenses, additions and upgrades to the house, and minor infrastructure improvements not reflective in the current appraisal, if requested by the buyer, are reviewed by the University and if approved by the Senior AVP of Campus Operations, are shared by the University and the buyer. Other improvements, such as painting, carpet, and appliances are the responsibility of the buyer. Major infrastructure and health and safety repairs discovered after possession are addressed by the buyer and University on a case-by-case basis and the sharing of costs will be discussed and determined in good faith by both parties.
 - c) Repurchase of the house by the University
 - d) Rights and responsibilities of the buyer before and after settlement
 - e) Rights and responsibilities of the University before and after settlement
5. The University will prepare the following documents for closing:
 - a) Deed
 - b) Credit line deed of trust
 - c) Promissory note
 - d) Schedule of loan payments
 - e) Payroll deduction authorization form
 - f) Settlement statement
6. The deed and credit line deed of trust will be recorded in the appropriate circuit court house.
7. The buyer of the house may seek an equity loan from the University of Richmond, provided the loan does not exceed eighty percent (80%) of the buyer's equity.

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RELATED POLICIES:

N/A

POLICY BACKGROUND:

Current policy reviewed by President’s Cabinet prior to approval. Revision to reflect 5 year minimum for appreciation sharing and title change adjustments made on 04/25/2022.

Title change adjustments made in in May 2019

Revisions to policy dated 02/15/2016

Original policy dated 07/09/2012

POLICY CONTACTS:

Executive Vice President and Chief Operating Officer

Senior Associate Vice President of Campus Operations