

University Hills Principal Residency Requirements

The University Hills residency requirement has been an important part of the University Hills housing program since its inception, based on the idea that the homes are intended to be used only by university faculty and staff who need to live and work in the UCI community. The University relies heavily on the availability of University Hills homes to aid in recruiting the high level of faculty and staff that have made UCI the world class institution it has become. Although University Hills is one of the largest academic workforce housing communities in the country, there are still not nearly enough homes to satisfy the demand, and hundreds of UCI faculty and staff are on waitlists to obtain homes here.

The Ground Sublease, per Section 3.07, for each University Hills home states that:

“the Home Owner ***shall reside on the Property***, and the Property shall be used only as ***the principal place of residence*** of such Home Owner and for no other purpose.”

A homeowner’s failure to comply with this requirement can have detrimental consequences, as the University has the right to purchase the home from homeowners who are not using their home as their principal place of residence. The rules of Ground Sublease does not allow the homeowner to retain the home, lease them out as income rental property when the homeowner is not the primary resident nor to keep it as a second home.

Homeowners often ask ICHA what it means for their University Hills home to be their “principal place of residence.” In a nutshell, it means that the home is the one in which you spend the most time, the place to which you always return. A principal place of residence is where an individual or a household resides for the majority of the year and considers their main place of habitation. It is the place where they typically spend the most time, where they have their personal belongings, receive mail, and maintain strong connections to the local community. A principal place of residence is distinguished from secondary or vacation homes, as it serves as the primary center of daily life, work, and familial activities for the occupants.

In determining whether a homeowner is using their home as a principal place of residence, ICHA will look at a number of factors, such as:

- Is the homeowner still employed by UC (other than retirement)? Have they accepted another position outside of Irvine?
- Does the homeowner live in and sleep in the home the majority of the time?
- Is the home claimed as a primary residence for income tax or other tax purposes?
- Has the homeowner filed a “Homeowner’s Exemption” for the home with the Orange County Assessor?
- Do other public records suggest that the homeowner is no longer residing in the home?
- Do the homeowner’s parents, spouse, partner, and/or children need to live in the home in order to attend nearby schools, employment or social activities?
- Is the home the address designated for things such as voter registration, driver’s licenses, motor vehicle registration, and the like?
- Is the home used primarily for rental income?
- Does the mortgage lender understand that the home is the principal place of residence?
- Does the home insurer understand that the home is the principal place of residence?

ICHA is required by The Regents to determine whether a homeowner is using the University Hills home as a principal place of residence. As a result, ICHA completes regular employment verification in collaboration with UC Irvine as well as other records searches. In determining if a homeowner is no longer complying with the Ground Sublease, ICHA will look at all of the facts and circumstances in determining whether a University Hills home is the principal place of residence of a homeowner. There is no one factor that automatically qualifies use of the property as the homeowner’s principal place of residence but rather the preponderance of the facts and information.

Academic professionals may need to live in more than one home for a variety of reasons. As a result, there are certain exceptions to the principal residence requirement for:

- Short-term rental of the home (up to two years) while the homeowner is away from the campus on a university-approved sabbatical or leave.

- Temporary rental of the home when the homeowner has left University employment but has been unable to sell the home.

These exceptions are intended to allow homeowners to retain the home when it is necessary to live elsewhere for limited periods of time. However, these exceptions are intended to be narrow and are not aimed at maximizing the owner's investment return on the home. Instead, they are designed to allow homeowners who need to be absent from their homes for finite periods to retain their homes.

ICHA will ask all homeowners to sign a certification of primary place of residence and provide the required proof of home insurance, as stated in the Ground Sublease.

Frequently Asked Questions Regarding Principal Residency

Below are examples of frequently asked questions related to Primary Residence. While not exhaustive, they provide specific examples of situations. It is always best to contact the ICHA Real Estate Sales and Administration department at (949) 824-7345 to review primary residence questions.

Question: I have retired from UC Irvine and taken a job in another county/state. Can I keep my University Hills home with the intent of retiring in a few years and returning to the home? During this time may I rent out my University Hills home?

Answer: Residents may keep their home after retiring from University of California, however it must consistently remain their primary residence. There may not be extended gaps in primary residence during ownership and homeowners may only rent their home for 13 months out of a 36 month period per the Primary Residency Rules: <https://icha.uci.edu/wp-content/uploads/2022/07/Primary-Residency-Rules-rev-7-13.pdf>

Question: I have moved out of the area, but use my University Hills home for several weeks out of the year. Do I need to sell?

Answer: Yes, University Hills homes must be the owner's primary residence and used for no other purpose. The definition of principal residence does not include the University Hills home being used as a vacation or second home.

Question: I am on a University-Approved sabbatical, may I rent my home during this period?



Answer: Yes, in fact ICHA will assist with providing your rental information to University faculty or staff who are looking to rent. Please visit: <https://icha.uci.edu/sabbaticals/> or contact our office at (949) 824-7345 or sales@icha.uci.edu.

Question: In the event of a divorce, separation, termination of Domestic Partnership or other legal proceedings, can the Non-University Associated Person receive occupancy rights in the home?

Answer: No, if your partner/spouse is not a UC employee then per the Ground Sublease if a court or tribunal has awarded the home to a non-University faculty or staff member, this does prompt the sale of the home.

Question: I am going on vacation and would like to rent my home for several months. I plan to post the rental period on the ListServ to see if neighbors family/friends would like to rent my home during my time away. May I do this?

Answer: First a search for a UC Irvine faculty or staff member for the rental period must be conducted (ICHA staff can assist- <https://icha.uci.edu/sabbaticals/>) and if no UC Irvine-affiliated candidate can be identified, you may look for a non-UC Irvine affiliated tenant.

Question: Can I post my home on AirBnB or another short-term rental website for weekly or monthly rental?

Answer: No. Homeowners must first seek UC Irvine faculty and staff prior to renting to non-UC affiliates. By posting the home on a public-facing vacation rental website, this does not follow the University Hills rental rules.

Question: Can I use a Real Estate Agent to seek a tenant for my time away on sabbatical?

Answer: Yes, however homeowners must first seek UC Irvine faculty and staff prior to renting to non-UC affiliates. An agent may not post the rental listing on the multiple listing service prior to seeking a UC Irvine faculty or staff member for the rental.

Question: Can I keep my University Hills home if I retire from UC Irvine and take another position out of the area that is remote or hybrid work?



Irvine Campus
Housing Authority

Answer: Yes, if you retire from the University and provided that the University Hills home remain's the primary residence, which precludes the owner from residing out of area and/or rent the University Hills home.

Question: My family size has grown since purchasing my University Hills home and this prompted me to purchase a home outside of University Hills. May I house my family members in my University Hills home?

Answer: No, the University Hills home must be the primary residence of the homeowner, which is defined as the qualifying University Hills employee and domestic partner/spouse.

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Certificate of Continuing Eligibility for Participants in the UC Irvine For-Sale Housing Program in University Hills

In recognition of my continuing obligations under the UC Irvine For-Sale Housing Program in University Hills, I certify the following statements to be accurate.

- | | <u>Yes</u> | <u>NO</u> |
|---|------------|-----------|
| 1. I continue to be a full-time employee of the University of California. If yes, skip to question 4. | ___ | ___ |
| 2. I am an emeriti/retiree of the University of California. If yes, please include the month and date of retirement in the notes section below and skip to question 4. | ___ | ___ |
| 3. I am a surviving domestic partner/spouse of a University of California employee/emeriti/retiree. | ___ | ___ |
| 4. I am using the residence as my principal place of residence, and such use is primarily for residential non-income-producing purposes. | ___ | ___ |
| 5. I continue to own at least a 50% ownership interest in the residence. | ___ | ___ |
| 6. My residence is currently not rented or sub-leased. (If the answer is no, please provide information about the term of the lease or rental agreement in the blank space provided below.) | ___ | ___ |

Please explain any answers marked "No" in the space provided below.

Signature

Print Name

Date

Academic Title

Employee Number

University Hills Address



PRIMARY RESIDENCY RULES IN UNIVERSITY HILLS

The following rules are intended to supplement the provisions of the Ground Sublease and, in particular, Section 3.07(c), with regard to renting a home in University Hills.

Home Must Remain Principal Residence

The Owner's home must remain his/her principal residence and Irvine Campus Housing Authority (ICHA) may from time to time require the Owner to provide evidence of principal residency. Examples of such evidence include voter registration, where children go to school, car registration, the address on tax returns or other financial dealings. Except as provided in the rental rules below, the Owner must be able to prove that he/she actually lives in the home.

Permitted Rentals

In general, Owners may enter into a lease or rental agreement of their primary residence without prior written consent of the University when meeting the following criteria:

- The term is no longer than 12 months; and
- When added to the term of any prior lease or rental agreement would not exceed a total of 13 months of occupancy by tenants in any 36-month period.

Exceptions for long rentals include:

- Sabbatical or other University approved leave of up to 2 years.
- A demonstrated inability to sell the property. The property must remain on the market during the rental period, and the rental agreement must be month to month or shorter.
- Hardship exceptions, such as fulfillment of a military obligation, University service away from home, or the long-term hospitalization of an owner. Exceptions requested on a hardship basis will be handled case by case and at the sole discretion of the University.

Permitted Tenants

Generally, rentals are permitted to University-Associated Persons as defined in Section 1.01 (bb). Only after reasonable efforts have been made to find a tenant among the University-Associated population may a residence be rented to a non-University-Associated person. Except for rentals of less than thirty (30) days, the Owner must notify ICHA of the rental, including the name of the tenant(s), the tenant's campus affiliation, and term of the rental. Reasonable efforts include the following:

- Personally attempting to find potential tenants among the University-Associated population.
- Informing ICHA of the home's upcoming availability at the earliest possible date to assist in the search for a tenant.

Ground Sublease Excerpts

Section 3.07(c) Subject to rules which may be promulgated by The Regents, the Home Owner will be permitted to rent a housing unit to a University-Associated Person on a short-term basis i.e., for periods not to exceed two (2) years), as when he/she is away from the UCI campus on sabbatical or has left the employment of the University but has been unable to sell said housing unit. Subject to rules which may be promulgated by The Regents, a Home Owner will be permitted -to rent a housing unit to a Non-University-Associated person on a short-term basis (i.e., for periods not to exceed two (2) years), as when he/she is away from the UCI campus on sabbatical or has left the employment of the University but has been unable to sell said housing unit, if, as determined in the sole discretion of The Regents, the Home Owner has made reasonable efforts to rent to a University-Associated Person and has been unsuccessful in so doing.

Section 1.01(u) "University-Associated Person" means any person who is a member of the Academic Senate, the University's salaried nonfaculty academic staff or management, or the University's salaried nonacademic staff, as such positions may from time to time be defined by the President of the University.