

WHO HAS A SAY AT UK?

During Global Pandemic Greystar Corporation Has Seat at the Table in Reopening Decisions While Impacted Stakeholders are Left Out

Executive Summary

Since the emergence of COVID-19, the United Campus Workers of Kentucky (UCW) — a union of over 230 staff, faculty and graduate workers affiliated with the Communications Workers of America — has worked with a broad coalition of community and student organizations (“Coalition for a Justice at UK”) to advocate for safe and equitable working conditions on the UK campus. Demands include:

- The implementation of Kentucky’s minimum safety requirements for businesses during the pandemic (i.e. transparent contact tracing, the right for staff and faculty to work remotely whenever possible, effective daily screenings);
- The provisioning of affordable and comprehensive healthcare for graduate students and part-time workers;
- Hazard pay compensation for workers unable to do their jobs remotely.

The administration at the University of Kentucky has offered no platform for United Campus Workers to participate in campus decision-making around COVID-19.



If the most affected students and workers are not involved in COVID-19 response, who is?

In August, 2020, the United Campus Workers of Kentucky submitted an open records request that revealed an outsized role for Greystar Corporation — a privately-held real estate investment and management company that currently controls 90% of UK housing — in decision-making around campus reopening and student life more generally. This report describes:

- A lack of transparency about the influence UK private partners have over campus decision-making;
- The impact privatized housing is having on the cost of living on UK campus;
- Concerns about Greystar’s commitment to providing undergraduate resident advisors (RAs) and other workers with safe and fair working conditions throughout and beyond the COVID-19 pandemic.

UCW details the unanswered questions about Greystar meetings with top UK administrators and lack of accountability in managing workers and student life in the dormitories. **We call for greater transparency in dorm operations and in the role of private companies at UK.**

Introduction

The United Campus Workers of Kentucky (UCW) — a union of over 230 staff, faculty, and graduate workers — was not given the opportunity to participate in the University of Kentucky’s (UK) Fall 2020 reopening plans and continued operations during COVID-19. After being denied the opportunity to address these issues directly with President Eli Capilouto, campus workers publicly called on UK to meet the Kentucky Labor Department’s “Healthy-at-Work” Minimum Requirements for all Businesses during the COVID-19 pandemic. They have also held a number of demonstrations with a broad coalition of community and student organizations, “Coalition for a Just UK.” The minimum state requirements that the UK administration has been unwilling to implement university-wide include effective daily screenings, transparent contact tracing, and the right for staff and faculty to work remotely whenever possible.

This is despite the fact that UK has the highest number of cases for its employees in central Kentucky by some margin (Jeremy Chisenhall. "These Lexington Businesses had the Most COVID-19 Cases During Latest Surge."). Moreover, UK student cases have consistently accounted for 20-25% of the total infections in Lexington, where there was a serious outbreak in November 2020 with an infection rate consistently over 5% (WKYT News Staff. "UK students now make up 25% of Lexington's COVID Cases."). This spike in cases at UK and throughout Lexington has led to speculation that K-12 education may be conducted remotely for the foreseeable future, negatively affecting children and working parents in the region. This is to say nothing of the loss of human life and the long-term health complications for those who have contracted the virus.

Working closely with allies in Lexington such as the Movement for Black Lives at the University of Kentucky, the UK Democrats, the Lexington Democratic Socialists of America, Lexington Housing Justice Collective, and others, UCW has also called for hazard pay for workers unable to work remotely and affordable, comprehensive healthcare for graduate and part-time workers. During a time of national reckoning around systemic racism, it is important to note that custodial and grounds workers at UK, who are disproportionately Black and are the lowest paid employees on campus, face a significant risk for contracting the virus. Standing in solidarity with the demands of Black students on campus, UCW has called for cuts to the UK police department to help fund a hazard pay increase for in-person staff and the other recommended health and safety measures.

While United Campus Workers were given no platform to present their concerns and influence campus decision-making around COVID-19, the same cannot be said for Greystar Corporation employees, including top company executives. Information gathered through an open records request submitted by the United Campus Workers of Kentucky has raised critical questions about the organizational culture at UK: a small group of corporate representatives whose interests are not fully understood and may be in conflict with public safety are contributing to decisions which impact the livelihoods and health of students and workers in uneven ways.

In this report, we summarize what is currently known about the role Greystar played in UK's COVID-19 reopening plans, highlight the need for greater transparency, and argue for a more inclusive approach to campus decision-making moving forward.

WHAT IS GREYSTAR?

Greystar is a privately-held real estate investment and management company. It is the largest apartment manager, the second largest developer and the eighth largest owner of multifamily apartments in the United States (National Multifamily Housing Council. "[2020 Rankings](#)"). **Greystar manages over \$35 billion in real estate assets globally** (Greystar Investment Management, "[Rental Housing Investment Management Solutions](#)"). Despite the COVID-19 economic recession, Greystar is acquiring new assets: on November 2, it bought 660 units in Charlotte, NC from Waypoint Real Estate Investments (Yield Pro. "[Greystar Picks up Pair of Multihousing Assets](#)").

Greystar has been subject to multiple lawsuits by tenants. One recent ongoing suit alleges that Greystar illegally charged excessive fees in addition to normal rent rates (Erin Shaak. "[Class Action Claims Greystar Real Estate Partners' 'Unchecked' Late Fee, Penalty Practices Violate California Law](#)").

How has Greystar, the country's largest manager of rental units, behaved in this time of a global pandemic and economic recession threatening the health, safety, housing and food security of millions? On October 26, 2020, NBC reported that **Greystar is among the list of corporate landlords evicting tenants despite a CDC-issued moratorium** (Gretchen Morgenson. "[Large Corporate Landlords have Filed 10,000 Eviction Actions in Five States since September](#)"). Additionally, students in Greystar's off-campus housing at the University of Colorado, Denver have reported the company is refusing to alter lease agreements in light of COVID-19 (Greta Anderson. "[Stuck with Off-campus Housing](#)"). A student reported that she had to continue paying rent on her apartment while the campus was closed.

WHAT ROLE DOES GREYSTAR PLAY ON COLLEGE CAMPUSES?

In 2018, Greystar became the second largest student housing corporation in the country behind American Campus Communities (Greystar. "[Home](#)"). Greystar manages on- and off-campus housing across the U.S. and internationally and has grown their student housing development and ownership through public-private partnerships (Greystar. "[Greystar's University Partnerships Development Pipeline Exceeds \\$1.7 Billion](#)"). Most public-private partnerships in higher education follow the same structure: the private company puts up the money for construction, creates development and construction plans, secures financings and/or offers services in the building. The company then makes profit from the service fees associated with the project.

Today 31% of Greystar's total monetary assets come from student housing (Greystar. "[Rental Housing Investment Management Solutions](#)"). It holds \$11.1 billion in student housing assets globally and manages 44,600 beds across 74 properties (Statista. [Leading Student Housing Owners by Beds](#); by [Number of Properties](#)). **To potential investors, Greystar describes its collegiate housing as an asset with "steady demand trends, resistance to new supply, and capital appreciation potential"** (Greystar Investment Management. "[US Overview](#)").

HOW DOES UK FIGURE IN GREYSTAR'S BUSINESS PROFILE?

Greystar took over about 90% of the University of Kentucky's housing after it acquired Education Realty Trust in 2018. Today Greystar owns and operates 14 UK dormitories with 6,850 beds. In 2018, shortly before EdR was bought by Greystar, EdR **executives reported enthusiastically to shareholders about their investment in dorms at UK, noting that "Kentucky has been a tremendous partner**. They do many things like providing scholarships to students who have great grades if you stay in University housing" (Education Realty Trust, Quarter 1 2018 Earnings Call).

EdR noted with excitement that UK was working to “make returning to on-campus housing more appealing and desirable for upperclassmen in order to retain more sophomores and juniors,” meaning more students living in EdR-operated dorms. **However, not everyone was as enthusiastic about this public-private partnership as these executives.** When news of the EdR deal was first announced, members within the Lexington community raised concerns about the benefits and disadvantages of the arrangement, specifically, why and how dormitory construction can secure stable profits for an outside corporate interest, why UK could not manage housing efficiently and yield similar revenues, whether these arrangements bypass state transparency requirements regarding contracts and operations, and whether these partnerships are a way to skirt fair labor practices, among others (Linda Blackford, "[University of Kentucky's Plan to Privatize Housing Raises Some Questions](#)").

WHAT IS AT STAKE?

Privatizing student housing involves more than just changing how dorm buildings are financed and constructed; it also involves **changes in the organizations and incentives influencing university decision-making on a wide range of issues that affect the university mission on behalf of students, workers, and the commonwealth.** Greystar’s integration into the organizational structure of UK is promoted as a ‘win-win’ for universities and investors alike in the company’s promotional materials. Greystar positions itself as the expert in constructing and managing student living environments, and argues that its influence on campus results in improved personal and academic growth for students (Greystar. "[Our Services](#)"). In a recent Lexington Herald-Leader article, UK spokesperson, Jay Blanton, described Greystar as offering “on-campus representatives who help in the management of the dorm buildings” (Rick Childress. "[I Don’t Want to Feel Unsafe at Work...](#)"). However, Greystar is not on university campuses to “help” public institutions fulfil their missions; P3 student housing arrangements, at UK and nationwide, have opened up new low-risk, high profit opportunities for private corporations.

These profit-making arrangements are usually invisible to students and can have transformative effects for university governance and student life, suggesting mixed outcomes that complicate Greystar's celebratory narrative.

For one thing, **privatized student housing can lead to affordability challenges for lower-income students and can create socioeconomic divisions within a campus** if developers find it more profitable to appeal to affluent students through high-end housing options (U.S. Department of Housing and Urban Development. "Barriers to Success: Housing Insecurity for U.S. College Students."). A 2018 report commissioned by the UK Food and Housing Security Workgroup found 8% of UK undergraduates dealt with some form of housing insecurity, while 43% experienced food insecurity (The UK Food and Housing Security Workgroup. "Meeting Basic Needs of Students at the University of Kentucky."). Since this report, UK dining and housing rates have increased annually "mostly because of contractual obligations between the university and its private housing and dining partners" (Kentucky Herald Leader. "UK Housing and Dining Rates Increasing about 3 Percent Next Year.").

For some graduate teaching assistants, monthly stipends are less than the cost of one month's rent at a Greystar apartment. Former resident of the Flats and current graduate teaching assistant in the College of Design, Arianna Baird shares this story: "The cost of rent as a graduate assistant was \$986 a month last year, which was over a hundred dollars more than my monthly stipend. Moreover, the rent goes up 3% every year on every building. Why does this apartment cost as much as living in Washington, D.C.? I just think **UK should be paying its graduate assistants enough to cover the rent to live on campus or they need to do something about the absurd rent that Greystar is charging to students.**" UK's contract with Greystar (initially with EDR) provides for annual rate increase limited to the greater of: 4% or 2-yr rolling average increase in consumer price index or percentage rate increase of university-owned housing.

Secondly, workers and students express concerns about Greystar's commitment to their safety during the COVID-19 pandemic. Within the dorms, undergraduate resident advisors (RA) have described a lack of support and dedicated resources from UK Housing — co-managed by Greystar — to ensure their health and safety through this pandemic. Resident advisor Mary Sherman reports, **"When the pandemic started there were almost no safety precautions. For RAs over the summer, there was no plexiglass for the desk.** We have it now, but we are constantly having to ask our residents to follow the rules with COVID — to wear masks and follow quarantine protocols when they have been exposed to COVID. We are also expected to wipe down surfaces in the dorm, deliver food to quarantining residents, all in addition to doing our normal rounds and our four unpaid hours sitting at the front-desk." For extra hours working the front desk, RAs are paid \$7.50 an hour, with no hazard pay.

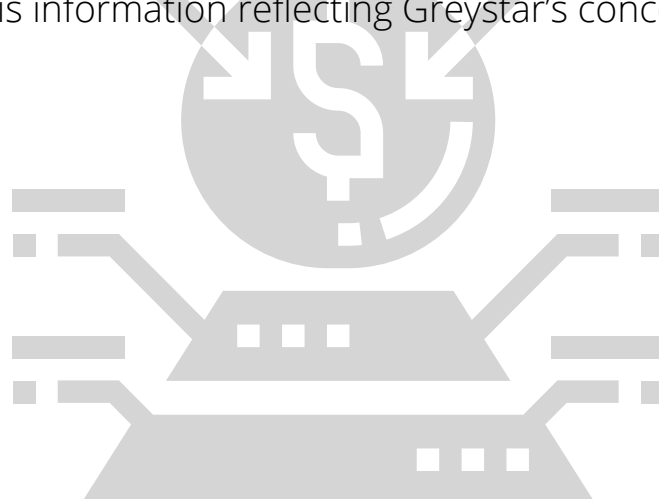
Like RAs, the facilities workers who maintain the dorms and buildings on campus have not received any hazard pay. **Donald Moore, a custodian on campus, reports: "I love being here and being of service to the students, but I've been working here for 19 years and I don't even make \$15 an hour.** I leave directly out of here and I have to go to a second job which takes me away from my family. As custodians, we are here during this pandemic and we're first in contact with students. I think two dollars in hazard pay is something we should be getting."

More generally, there is a frustration among RAs that UK Housing, even prior to the pandemic, had been pushing a management approach that prioritized profits over fair working and living conditions. In the Fall of 2019, UK Housing overbooked campus dormitories and RAs were forced to temporarily share their rooms with first-year students — despite the fact that private housing is the main form of compensation for RAs. **For winter break this year (2020), UK Housing has decided to charge RAs \$85 for the right to work over break, leading at least one RA to quit in protest.**

RAs also report that their residents have expressed frustration that housing applications closed this year before UK announced that many classes were going to be online. Students paid for housing with the expectation of needing to be close to campus for in person classes. Sherman says, **“I have more than a few residents that have no in-person classes and may have reconsidered paying for a dorm had they know what their courses would have looked like.”**

Lastly are the concerns and confusion surrounding Greystar’s role on campus and outsized influence over university decision-making more broadly. What influence did Greystar have over the UK administration’s decision to reopen housing and hold in-person classes in the midst of a global pandemic? In August 2020, the United Campus Workers of Kentucky submitted an open records request for all email communications sent to or from Greystar employees to members of UK COVID-19 Safe Return Workstreams between March and late July 2020. In late October, UK shared documents, though key information has been withheld or redacted.

The emails UCW received reveal an organizational culture at UK, not only in Housing but extending to upper administration, where **Greystar employees have input into running the institution: the company has decision-making power in its contract with UK to manage the dormitories, but its sphere of influence — through access to information and top UK administrators — goes well beyond that.** More troubling, in the small set of emails we received, is information reflecting Greystar’s concern about protecting its profits.



The following e-mail excerpts provide a sampling of communications between Greystar and UK, raising questions about how critical decisions have been made during the reopening process:

- On March 23rd, just a week into the COVID-19 campus shutdown, Greystar's senior managing director of university partnerships Julie Skolnicki sent an e-mail to UK Treasurer Peggy Cox with a request to meet to discuss a "financial impact analysis" spreadsheet; Skolnicki references a standing Tuesday meeting time. Copied on the email are Greystar employees Tom Trubiana, Executive Director, US Investment Manager, and Bryan Shelangoski, Senior Director of Real Estate, Campus Partnerships. The spreadsheet was not released by UK.
- According to the e-mail record, as of July 7, three hundred students were still without a housing assignment for the fall semester. In this crunch, Shelangoski pushed UK administrators to agree to fill upper-level-designated dorms with freshmen:

*"Under normal circumstances, I would certainly understand and tend to agree with the concern about assigning first year students in those areas. **However, given that we have 300+ students who have applied but do not have an assignment, it feels like the housing crunch should take precedence over the concerns related to marketing.** Is there any chance we can work to resolve this ASAP?"*

- Acting Dean of Students Trisha Clement-Montgomery cautioned care in mixing freshmen with upperclassmen: "I'm more concerned about the students support system and development in that hall. We received a number of complaints from parents of first year students who were placed with an upperclassmen. The complaints centered around their students' experience."

- On July 8, Greystar executive Tom Trubiana sent an e-mail titled, "University of Kentucky /Greystar COVID-19 Housing Issues - Greystar Proposal," which was removed from the PDF we received from UK. A response to his e-mail from Treasurer Peggy Cox reflects plans for a meeting with UK's Eric Monday, Executive Vice President for Finance and Administration and James Frazier, Executive Director for Risk Management and Administrative Services.
- At least **two Greystar employees, Bryan Shelangoski and Garrett Buehner, appear to be members of the UK Housing COVID-19 Safe Return Workstream.** And Buehner is also included on an e-mail to the "Marketing workstream."
- Greystar employees Buehner, Shelangoski, Zachary Newman, and Brooke Hall (Daniel) all have UK e-mail addresses and signature lines indistinguishable from UK employees (e.g. "Brooke K. Hall, Associate Director of Occupancy Management, Housing | University of Kentucky)

In the emails obtained through our open records request, there is no record of decisions or outcomes in the discussions referenced above. **The United Campus Workers call on UK and Greystar to release any Greystar proposals or other input for UK dormitory operations during the COVID-19 pandemic, including communications written or verbal, from UK administration in response to said proposals.**



We are concerned about Greystar employees having direct access to top UK administration officials and appearing to operate as employees of the university, despite serving as representatives of a for-profit corporation. **Greystar's role at UK poses serious questions about how our public institution is being operated in the midst of the COVID-19 pandemic.**

Workers at UK and their student and community partners have taken action to protest inadequate pay and unsafe conditions — most recently winning the expansion of free asymptomatic COVID-19 testing for all main campus workers despite initial reluctance on the part of the UK administration (Rick Childress. "[UK Expands COVID-19 Employee Testing Plan.](#)"). **Moving forward, students and workers are calling on all stakeholders in the UK community to join the Coalition for Justice at UK and to take action for health and safety at UK.**



United Campus Workers of Kentucky, Communications Workers of America Local 3365, www.ucwkentucky.org
