

San Francisco rule would encourage building student housing

To protect rent-controlled units, San Francisco may ban converting apartments for student-only uses and create incentives for developers of student dwellings.



Derrick Spradlin, a student at the Academy of Art University, moves out of a building on Sutter Street in San Francisco as summer break begins. Nine apartment buildings and former hotels in the Lower Nob Hill neighborhood have been converted into dorms for the school's students. (Don Bartlett / Los Angeles Times / May 20, 2012)

By Lee Romney, Los Angeles Times
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SAN FRANCISCO — Lower Nob Hill, a once stately neighborhood whose shifting fortunes have proved a draw over the years for prostitutes and petty crooks, is buzzing with new activity.

The Academy of Art University has snatched up nine apartment buildings and former hotels in the enclave, converting them into dorms for students who pack the neighborhood's cafes and linger on the sidewalks to smoke and skateboard.

Private landlords have gotten in on the action, renting to students who, city officials say, pay as much as 20% more for their lodgings than permanent residents do.

But with the average rent for a San Francisco studio apartment hovering around \$2,000, Lower Nob Hill and the institution that transformed it are Exhibit A in a pointed policy debate over student housing.

In an effort to safeguard rent-controlled units, a proposed ordinance would ban the conversion of existing apartments for student-only uses. Passed overwhelmingly by the Planning Commission last month, the measure also would create incentives for developers of designated student dwellings.

A committee of the city's Board of Supervisors will take up the issue July 23, and the full board is expected to weigh in by fall.

"Having educational institutions and students here is a positive for the city," said the proposed ban's author, Supervisor Scott Wiener. "It adds to our vibrancy. It adds to our economy. But ... it doesn't make sense to cannibalize our existing housing stock."

San Francisco is following a handful of densely populated cities, most notably Boston, in pushing post-secondary schools to create their own student housing.

"They're big employers," said Linda Kowalcky, a Boston Redevelopment Authority deputy director, who noted that her city's efforts have led to the creation of housing for 11,000 students over the last decade. "We want these colleges to be successful," she said. "What we don't want them to do is take over our neighborhoods."

In San Francisco, the housing supply is squeezed.

Last year saw a net gain of just 269 units, according to city staff, the lowest growth since 1993.

Nearly 75% of the city's rental stock is protected by a rent-control law that applies to buildings constructed before 1979 — even if they change ownership. Rent control abates temporarily when a tenant moves out, and some landlords have used that opportunity to turn flats into vacation rentals, reducing the housing supply even more. Meanwhile, corporations are snapping up units for use as short-term employee lodging.

Against this backdrop, the Academy of Art University has provided a powerful example of the potential for students to transform neighborhoods.

With an open admissions policy, the for-profit school's student body topped 18,000 last year — a ninefold increase since President Elisa Stephens took over from her father in 1989. To manage growth, Stephens has bought and repurposed dozens of properties. (A fleet of private buses picks students up and drops them at classrooms throughout town.)

The conversions largely took place without required city permits. The Planning Department has not fined the university, but it is working to bring the buildings into compliance through a process that calls for a sweeping environmental impact review and public hearings.

The school emphasized that it has never evicted preexisting tenants.

John Elliott, 85, and one other resident have remained in their Sutter Street building since before it was converted into a dorm nearly nine years ago. Elliott still pays about \$600 a month, shares the hall bathroom with students and dines free at the school's cafeteria. But dozens of the tenants who once occupied the apartments and residential hotels have moved on, changing the feel of the neighborhood.

To some longtime residents of Lower Nob Hill, the concentration of students is simply too much for the area to bear.

Robert Garcia photographs every smudge of graffiti and notes each sidewalk loiterer. He said his building nearby was briefly overrun by rowdy students, including a group whose only furniture was a coffee table used as an indoor skateboarding ramp.

"This is certainly not the place for a campus," said Garcia, 64. "There are no parks, there's no community center.... You have so many groups of them coming in, and there's no place to go. They're on the streets."

Others see benefits. What was once a "fairly sketchy neighborhood at night" is safer because troublemakers "drift onto blocks other than this one," said Joel Roberts, 62.

Stephens said that the school was working to be a better neighbor and comply with planning codes, but that its scattered, urban campus and open admission policy were key to its identity.

"We're dynamic," said Stephens, who noted that the academy guarantees housing for incoming freshmen as well as a number of other students.

According to the city's planning staff, many of San Francisco's dozen-plus post-secondary institutions provide no accommodations for students, leaving an estimated 50,000 to fend for themselves.

The landscape can be daunting. The more exclusive San Francisco Art Institute leases two former hotels to house its 140 freshmen. Student Alex Peterson said having a place to land was essential. As a sophomore last year, he became his building's resident assistant — and watched his friends scramble.

"They couch surf and call themselves homeless," said Peterson, 20, who let two friends share his room for weeks until each found an apartment.

Five years ago — before the academy's building conversions were even on the city's radar — a developers group called the San Francisco Housing Action Coalition launched a discussion with local art, law, music and dentistry schools.

"One thing seemed to be a common" theme, said David Meckel, director of campus planning for California College of the Arts: The lack of housing meant "we were at a competitive disadvantage if we wanted to attract the best and the brightest to the Bay Area."

Out of those talks came a plan to create student housing by offering incentives to builders. A law to exempt them from paying steep subsidized-housing fees was passed in late 2010.

Patrick Kennedy of Berkeley-based Panoramic Interests has proposed what would be the city's first project under the law: an 11-story structure in the mid-Market area. Meckel's school has signed a letter of intent to occupy five floors. The building is slated to open in 2014 if approval comes on schedule, Kennedy said.

But the carrot, city officials realized, would do little without a stick — the measure approved last month by planning commissioners to ban the conversion of existing rentals.

"The need is incontrovertible," the San Francisco Housing Action Coalition's executive director, Tim Colen, said in arguing for the measure, "so we can finally get a [student housing] policy in place that will replace Craigslist."

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