



# SAN FRANCISCO PLANNING DEPARTMENT

## Memo to the Planning Commission

HEARING DATE: JUNE 21, 2012  
Continued from the May 17, 2012 Hearing

*Date:* May 10, 2012  
*Case No.:* 2011.0206T  
*Project Name:* **Planning Code Amendments: Student Housing**  
*Initiated by:* Planning Commission  
*Legislative Sponsor:* Supervisor Wiener & Supervisor Kim  
*Staff Contact:* AnMarie Rodgers, Manager, Legislative Affairs  
*Recommendation:* **Approval with Modifications**

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### UPDATE

On June 6, 2012, the Director of Planning hosted a stakeholders discussion of student housing. At this meeting were representatives of academic institutions, housing-related nonprofits, neighborhood associations, SRO owners and operators, affordable housing developers, and city agencies. While many items were discussed, here is a short summary of some points of discussion:

- There was some debate about whether the 11 SROs reported as “vacant” to the Department of Building Inspection, are truly vacant.
- The San Francisco Art Institute requested the exemption presented at last month’s Commission hearing.
- Some requested that the City beef up enforcement of existing laws for vacant buildings and use of SROs.
- Some questioned if there was a real threat to SRO housing from student housing.
- There was also a request to separate out the issues by allowing the original student housing to move forward and to address vacant and underutilized SROs through a separate future.

After listening to the diverse opinions, it seemed there was agreement that the Student Housing proposal, including Supervisor Wiener’s exceptions, should move forward and that the potential threat (if any) of student housing to SROs should be further considered. **For this reason, the Department recommends approval of the draft Ordinance from the Commission with the following modifications, which are described more on pages 5-8:**

1. **Approval of the draft Ordinance from the Commission.** This proposal includes earlier recommendations described on page five—except that the general prohibition on the conversion of existing housing to student housing is proposed to be a time limited prohibition of six months.
2. **Modify the proposal to incorporate the modifications recommended by Supervisor Wiener.**
3. **Modify the proposal to ban conversions of existing housing to student housing so that this ban is only a temporary ban for six months.** By regulating this issue with an interim control will provide the City and stakeholders additional time to consider the topic.
4. **Add protections for tenants from unfair evictions and to ensure rent control protections.**

**REPORT STRUCTURE**

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## Background

On October 27, 2011 the Commission initiated amendments to the Planning Code controls for Student Housing. At that hearing and pursuant to Planning Code Section 306.3, the Planning Commission authorized the Department to prepare for a hearing to consider the Planning Code amendments contained in the draft Ordinance. On November 10, 2011 the Planning Commission adopted Resolution 18485 recommending that the Board of Supervisors adopt a proposed Ordinance to amend the Planning Code controls for Student Housing.

The Commission's proposed Ordinance would amend the Planning Code (herein after "Code") to achieve the following:

- 1) encourage the production of new Student Housing;
- 2) protect the existing housing stock from institutional use (Note: there are no current regulations that would limit institutions from using the existing housing stock.);
- 3) create a definition of Student Housing that may be used throughout the Code; and
- 4) make additional modifications to the Planning Code for consistency and clarity.

The proposed Code amendment creates a definition of Student Housing that is based on occupancy and ownership and/or control. With the adoption of the proposed Ordinance, Student Housing would take the form of dwelling units (as defined in Code Section 102.6), Group Housing (as defined in Code Section 209.2), or Single Room Occupancy (SRO) units (as defined in Code Section 890.88), and must be owned, operated, or otherwise controlled by an accredited Post-Secondary Educational Institution (as defined in Code Section 209.3 (i)). Additional Code changes have been included in the proposed Ordinance in order to encourage the production of new Student Housing while protecting San Francisco's existing housing stock.

On January 10, 2012, Supervisor Wiener signed on as a Board Sponsor and introduced the legislation for hearing at the Board of Supervisors.

Since the Commission's November 2011 recommendation there have been requests to reconsider the prohibition on the conversion of existing housing. Currently, the following methods of conversion are being considered:

- **Supervisor Wiener** proposed to allow three limited exceptions where the conversion of existing housing and SROs would be permitted to be converted to student housing.
- **Supervisor Kim** proposed that residential and SRO buildings that have been vacant for at least one year or underutilized for at least two years and create blight could be converted to student housing via Conditional Use authorization.

On May 17, 2012, the Commission considered the proposals from Supervisor Wiener and Supervisor Kim and continued the items to June 21, 2012.

## **CURRENT PROPOSAL**

### **A Review of The Way It Would Be Under the Commission's Recommendation:**

The **Planning Commission** recommended approval of a proposed Ordinance with modifications that would achieve the following:

- Create a new Code section 102.36 would create a citywide land-use definition of Student Housing. This new definition would reflect the variety of Student Housing types that are anticipated. The definition would be based on the occupancy as well as the ownership or control of the space. Student Housing would take the form of a dwelling unit, Group Housing, or an SRO that is occupied by students of an accredited Post-Secondary Educational Institution . In addition, the housing must be owned or otherwise controlled by the educational institution.
- Conversions from any existing form of housing to Student Housing would be prohibited with proposed amendments to Code Section 317.
- Conversions from Student Housing to any form of residential use permitted in the underlying zoning district would be approvable by the Zoning Administrator, provided that all Planning Code Requirements have been met or appropriately modified. At the time of the conversion, the property owner would need to comply with the Inclusionary Affordable Housing Program per Section 415. This is reflected in the proposed addition of Code Section 307(j).
- Student Housing would be exempt, as are Group Housing, SROs, and dwellings offered at Below Market Rate, from the unit mix requirement within RTO, NCT, DTR, and Eastern Neighborhood Mixed-Use Districts. If at any point the housing no longer qualifies as Student Housing (as would be defined in new Section 102.36), the exemption from the unit mix requirement would no longer be applicable, and modifications to the unit mix may be required. This is reflected in the proposed amendment to Section 207.7(B)(3).
- Dwelling units that are less than 350 square feet plus a bathroom – including those that are considered Student Housing – would have the same reduced open space requirement (one-third that of dwelling units) as Group Housing and SROs, with the proposed amendment to Section 135(d)(2).
- A change of use to Group Housing within an NC district would require neighborhood notification pursuant to Section 312.
- Qualified Student Housing, as defined in Planning Code Section 401, may consist of all or part of a building, with the proposed modification to the definitions in Section 401.
- The Commission recommended that the Board modify Planning Code Section 317(f)(1) to clarify that for the purposes of conversion residential uses are defined as follows: “For the purposes of this subsection, residential uses that have been defined as such by the time a First Certificate of Occupancy has been issued by the Department of Building Inspection for new construction shall not be converted to Student Housing.”

The Way It Would Be Under the Newly Proposed Amendments:

Supervisor Wiener's Newly Proposed Amendments:

At the March 26, 2012, Land Use Hearing, **Supervisor Wiener** recommended the following amendments. **Supervisor Wiener** proposed to amend Section 317(b)(1) of the proposed Ordinance to allow the following limited exceptions where the conversion of existing housing and SROs would be allowed to student housing if:

- 1) the housing was built by the Post-Secondary Educational Institution that will own, operate or otherwise control the Student Housing,
- 2) is in a convent monastery (or similar religious order facility), or
- 3) is on a lot directly adjacent to the post-secondary Educational Institution that will own operate or otherwise control the Student Housing, so long as the lot has been owned by the Post-Secondary Educational Institution for at least ten years as of the effective date of this ordinance.

**Supervisor Wiener** also proposed to amend the proposed Ordinance by amending Section 124<sup>1</sup>, to create a new subsection (k), to permit additional square footage above the floor area ratio limits for Qualified Student Housing projects in buildings in the C-3-G and C-3-S Districts, that are not designated as Significant or Contributory pursuant to Article 11.

Since the Land Use hearing, the Department has received a letter dated April 10, 2012 from the San Francisco Housing Action Coalition (SFHAC) that described additional modifications. **Supervisor Wiener's** office has indicated that the Supervisor would support these modifications from SFHAC upon the Commission's recommendation. The amendments proposed by SFHAC include the following:

- 1) replacing the requirement that institutions be in "long-term master lease for a period of at least 20 years" with a requirement of being in an "other contractual agreement";
- 2) specifying that those projects which convert a "non-residential" building are eligible for the exemption from the inclusionary requirement;
- 3) adding a requirement that the Zoning Administrator may approve the conversion of a "Student Housing" use to "Non-Student Residential Use" only if the building owner has made an "extensive and good faith effort" to find another qualified institution to lease the space;
- 4) minor technical clarifications such as specifying that more than one "Qualified Student Housing Project" may be in a building and that a project may remain "Qualified Student Housing" if the owner or lease-holder transitions from one "Qualified Educational Institution" to another.

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<sup>1</sup> In Board File No 111374-2 as referred to the Planning Commission, the Legislative Digest and long titled of the Ordinance refer to amendments to Planning Code Section 214. There is no Section 214. The amendments described in the Ordinance are actually to 124 Basic Floor Area Ratio.

Supervisor Kim's Proposed Amendments:

**Supervisor Kim** proposed that residential and SRO buildings that have been vacant for at least one year or underutilized for at least two years and create blight could be converted to student housing via Conditional Use authorization. To be considered "vacant" a Residential Building would have to be completely vacant and listed on the Department of Building Inspection's Vacant Building Registry for at least one year from the time of application. To be considered "underutilized" a building would need to be 20% or less occupied for at least two years prior to application, as proven by an affidavit of the buildings owner. Note: the Ordinance, as written, applies to all residential buildings, including single-family, group housing, apartments, and residential hotels. The Supervisor's office reports that the Supervisor's primary concern is blighted Residential Hotel buildings in the Tenderloin.

## REQUIRED COMMISSION ACTION

The Department recommends that the Commission recommend *approval with modifications* of the new amendments proposed by Supervisor Wiener and Supervisor Kim and adopt the attached Draft Resolution to that effect.

## BASIS FOR RECOMMENDATION

**Overall Recommendations:** Under existing laws, housing units and SROs may be converted to student use—there are no existing limits on this change. The pending law would initiate the first limits, by way of a complete prohibition, on this conversion. As discussed in the May 17, 2012 Commission report<sup>2</sup>, the Department identified this sort of conversion as a potential future threat. In December, 2010, Ordinance Number 321-10 was passed providing an Affordable Housing Program exemption for Qualified Student Housing.<sup>3</sup> When the Planning Commission considered this Ordinance, introduced by Supervisor Dufty, it recognized *both* the need for additional Student Housing *and* for protections for existing forms of housing from conversion to Student Housing. The goal of the proposed Ordinance is to encourage the production of new Student Housing while protecting the City's existing housing stock. Of primary concern is that there is no current mechanism to regulate the conversion from any form of housing to this new definition Student Housing. In considering this, the Commission recommended a prohibition on such conversions. The Department also prepared for a future potential in the event that approved Student Housing units would seek to convert to standard housing. The recommended process would allow this conversion provided that the requirements for standard housing have been met.

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<sup>2</sup> Available at <http://commissions.sfplanning.org/cpcpackets/2011.0206Tc4.pdf>

<sup>3</sup> Ordinance No. 321-10 (Board File 101095) amends Section 415 of the Code to provide an exemption from Inclusionary Housing fees for "Qualified Student Housing," which is defined as housing that is owned or controlled through a long-term lease in which a minimum of 30% of beds are occupied by students who are eligible to receive need-based financial aid, including but not limited to Pell Grants, Perkins Loans, Stafford Subsidized Loans, or other grants or loans.

The new proposed Ordinance initiated by the Planning Commission this fall and now sponsored by Supervisor Wiener is consistent with the 2010 Ordinance. The two-pronged approach of offering significant incentives by the relieving student housing from the Affordable Housing Inclusionary requirements and prohibiting the conversion of existing housing to student housing will ensure that the City will benefit from the production of new student housing without losing existing housing to purely institutional use.

In conversation with the Mayor's Office of Housing (MOH), MOH felt that the primary emphasis should not be ensuring that low-income students occupy the Student Housing units, but rather that the City ensure true students occupy the units *and that* the City is able to monitor the units to ensure that if the units return to unrestricted residential use the required fees would be collected. Therefore, in consultation with MOH, the Department would recommend the following modifications:

- The definition of Qualified Student Housing in Section 401 should be replaced with the newly proposed the definition for "Student Housing" in Section 102.36.
- The definition of Qualified Educational Institution in Section 401 should be replaced with the existing definition of Post-Secondary Educational Institution in Section 209.3(i).
- The definition of Qualified Student in Section 401 should be amended to replace the need-based criteria with a description "a student who is enrolled at least part-time or more in a Qualified Educational Institution".
- The monitoring requirements of the Mayor's Office of Housing in Section 415.3 (c) (4) (C) (i) and (ii) should be amended to clarify that the Qualified Educational Institution can present a lease with at least a five year term and that the report will not include information on rents and the type of dwelling unit provided for each student.

**Technical Amendment.** The Department recommends a minor technical modification. In the long title of the Ordinance this FAR exemption cites Section 214. The proper section should be 124.

**Add protections for tenants from unfair evictions and to ensure rent control protections.** The Department recommends the following:

- To resolve Costa-Hawkins related issues the City could require an amended certificate of occupancy instead of a new certificate of occupancy for changes from housing to student housing.
- To avoid risk of increased evictions, the City should require the signing of an affidavit stating that no evictions have occurred similar to the condo conversion Ordinance.

**Recommendations for Supervisor Wiener's Proposed Amendments:**

**Three Permitted Conversions.** Supervisor Wiener's proposed amendments (described on page 3 of this report) do provide three avenues for allowing the conversion of a relatively small amount of existing housing to student housing use, however, the circumstances whereby such conversions would be allowed are very limited. For this reason, the Department recommends *approval of these permitted conversions*.

First, allowing housing that had been built by an institution to be converted to student housing is fair. Second, allowing parcels that are adjacent to the institutions to be converted *but only* where the institution had owned the land for at least 10 years "*as of the effective date of the Ordinance*" is also a limited subset. While it is the Department's understanding that this exemption for adjacent properties was intended to apply to private dorms for University of San Francisco, it has come to the Department's attention that there are at least four former Parkmerced buildings (with a total of 180 units, some of which are occupied by students and some by San Francisco's general population) adjacent to San Francisco State University that have been owned by the university or the SFSU Foundation since 2001 (over 10 years) that might qualify for this exemption. The buildings at the former Stonestown Apartment complex were purchased by SFSU in 2005 and would not be affected. Similarly, very little housing in San Francisco is estimated to qualify for the convent and monastery exemption, the last of the Supervisor's three exemptions.

**FAR Exemption.** True to the original spirit of the Ordinance, Supervisor Wiener also introduces additional incentives for building new student housing. Under the proposal student housing in the C-3-G and C-3-S districts would be permitted above the FAR limits, provided that the housing was not in a designated Significant or Contributory building as designated in Article 11. This type of FAR exemption is already provided for affordable housing and parking in these districts. The Department originally recommended disapproval of removing the FAR limits, but is now prepared to *recommend approval*. This is based upon the fact that only Affordable Housing and, if this proposal were to be adopted, also Student Housing would be exempt from FAR in the C-3. Therefore, the FAR exemption would only enable Student Housing or, should the Student Housing use fail, Affordable Housing. There is no avenue, either by Conditional Use authorization nor Variance, to allow other residential uses in excess of FAR limits.

**SFHAC Amendments.** The Department also recommends *approval with modification* for the SFHAC proposed amendments, primarily these are minor in nature. The major substantive change would be to relieve educational institutions from entering into a 20 year lease for buildings which were not owned by the institution. As described by SFHAC, 20-year leases for commercial property are difficult to obtain. The Mayor's Office of Housing (MOH) stated concern that merely requiring a contractual agreement to be monitored by the Mayor's Office of Housing provides insufficient assurance that the agreements could be monitored effective. Therefore, MOH is concerned that the building owner may not be compelled to pay inclusionary fees if the building converts to a non-student housing use. For this reason, MOH would prefer to keep a requirement for the length of the lease for these uses. MOH is comfortable lessening the period of the lease from 20 years to 5 years. The Department defers to the MOH on enforceability of this clause and therefore also *recommends requiring at a lease for at least five years* in order to qualify for the exemption from the Inclusionary Affordable Housing requirement.



**SFAI Amendment.** The Department *does not recommend adding the amendments* suggested by Mr. Sanger on behalf of the San Francisco Art Institute. First, the current recommendation is only for a six month prohibition on conversion, which does not seem to be an excessive hardship. Second, the suggested amendments are overly specific effectively creating a waiver for one institution. The letter suggests that SFAI should be allowed to convert because this institution has followed the law and no other institution appears eligible for this exemption. This does not appear to be a good policy reason for granting an exception.

**Technical Amendment.** Lastly, the Department *recommends a minor technical modification*. In the long title of the Ordinance this FAR exemption cites Section 214. The proper section should be 124.

**Recommendations for Supervisor Kim’s Proposed Amendments:**

The Commission has recently taken two actions: first in November 2010 and later in 2011 to affirm that institutions seeking to establish Student Housing should build new housing and should not convert existing housing. For this reason, the Department maintains that conversion of existing housing stock should *generally be prohibited for at least six months while the City and stakeholders further consider the issue*. It is our understanding that the Supervisor’s primary concern is blighted SRO buildings in the Tenderloin, therefore the Department struggled with a circumstance whereby some limited conversions could be allowed. The City does not allow the conversion of Residential Hotel units into Tourist Hotel units to address blight and it should not allow the conversion of Residential Hotel units into Student Housing to address blight.

The Department believes that allowing conversions of SROs to student housing may present some risks to an identified and vulnerable housing asset, San Francisco’s SRO housing stock. Two of these potential risks, risk of evictions and loss of rent control<sup>4</sup>, may be able to be addressed by adding the tenant protections described on page seven of this report.

Perhaps most importantly, at the last inventory there are just over 18,000 Residential Hotel units in San Francisco. Housing more people than all of the City’s public housing, this represents no minor fraction of the housing stock, yet this is significantly less than the estimated existing shortfall of student housing. Once these units are converted to Student Housing, the units will no longer be available to the City’s general low-income population but instead will be only for student tenants. For this reason applying the prohibition for six months will give the City and stakeholders additional time to consider whether certain conversions would be appropriate.

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| <b>RECOMMENDATION:</b> <b>Approve with Modifications</b> |
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<sup>4</sup> The first threat—unfair evictions—arose because the proposal as suggested would allow the conversion of “vacant” or “underutilized” SROs units to student housing in certain circumstances. Although qualified, this language may encourage property owners to evict existing tenants and/or to encourage existing tenants to vacate the unit. While individuals may determine to vacate a unit for a number of units the Department is concerned that the units may be lost purely because the units are vacant. Once a protected SRO unit is lost, it is unlikely to be replaced at the same level of affordability. Second, the units may no longer be protected under rent control. The Department believes that these risks can be mitigated by the proposal on page seven of this report.

## ATTACHMENTS AND EXHIBITS

- Attachment A: Draft Planning Commission Resolution: Recommending Approval with Modifications of Amendments to the Planning Code
- Attachment B: Draft Ordinance as Referred to Commission with Supervisor Wiener's New Proposed Amendments
- Attachment C: Memorandum from Supervisor Kim and her Proposed Amendments
- Attachment D: Letters of Comment from the Public

- Exhibit A: Planning Department Map of Post-Secondary Educational Facilities
- Exhibit B: Executive Summary of Report Commissioned by the Human Services Agency (The complete report is available the Department's website at: [http://www.sf-planning.org/ftp/files/legislative\\_changes/HSA\\_Report\\_on\\_SROs\\_2009.pdf](http://www.sf-planning.org/ftp/files/legislative_changes/HSA_Report_on_SROs_2009.pdf).)
- Exhibit C: Map of the C-3-G and C-3-S Districts
- Exhibit D: Map of Residential Hotels
- Exhibit E: Review of Existing Planning Code Controls for Student Housing
- Exhibit F: Department of Building Inspection's list of Most Common Residential Hotel Complaints

The May 17, 2012 case report for this proposal is not attached to this report but is available online at: <http://commissions.sfplanning.org/cpcpackets/2011.0206Tc4.pdf>



# SAN FRANCISCO PLANNING DEPARTMENT

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## Draft Planning Commission Resolution

HEARING DATE: JUNE 21, 2012

Continued from the May 17, 2012 Hearing

*Date:* May 10, 2012  
*Case No.:* 2011.0206T  
*Project Address:* **Planning Code Amendments: Student Housing**  
*Initiated by:* Planning Commission  
*Legislative Sponsor:* Supervisor Wiener & Supervisor Kim  
*Staff Contact:* AnMarie Rodgers, Manager, Legislative Affairs  
AnMarie.Rodgers@sfgov.org

*Recommendation:* **Approval with Modifications**

RECOMMENDING THAT THE BOARD OF SUPERVISORS ADOPT WITH MODIFICATIONS A PROPOSED ORDINANCE THAT WOULD AMEND THE PLANNING CODE TO ADD A NEW SECTION 102.36 TO CREATE A DEFINITION OF STUDENT HOUSING, TO AMEND SECTION 135(D)(2) TO ADJUST THE MINIMUM OPEN SPACE REQUIREMENTS FOR DWELLING UNITS THAT DO NOT EXCEED 350 SQUARE FEET PLUS A BATHROOM, TO AMEND SECTION 207(B)(3) TO EXEMPT STUDENT HOUSING FROM THE UNIT MIX REQUIREMENT IN RTO, NCT, DTR, AND EASTERN NEIGHBORHOOD MIXED-USE DISTRICTS, TO AMEND SECTION 307 TO PERMIT THE CONVERSION OF STUDENT HOUSING TO RESIDENTIAL USES THAT DO NOT QUALIFY AS STUDENT HOUSING, TO AMEND SECTION 312 TO REQUIRE NOTICE FOR A CHANGE OF USE TO GROUP HOUSING IN NC DISTRICTS, TO AMEND SECTION 317 TO PROHIBIT THE CONVERSION OF RESIDENTIAL USES TO STUDENT HOUSING, AND TO AMEND SECTION 401 TO MAKE CONFORMING AMENDMENTS AND TO MODIFY THE DEFINITION OF QUALIFIED STUDENT HOUSING.

### PREAMBLE

WHEREAS, the existing Code does not include a clear definition of Student Housing based on occupancy and ownership or control that is applicable citywide; and

WHEREAS, the Code sections controlling loss of dwelling units do not specifically address the conversion from housing to Student Housing; and

WHEREAS, the Code does not provide a clear process for converting Student Housing to housing; and

WHEREAS, the open space requirements for dwelling units that are smaller than 350 square feet plus a bathroom may be greater than the actual need; and

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WHEREAS, the dwelling unit mix requirement within the RTO, NCT, DTR, and Eastern Neighborhood Mixed-Use Districts may not facilitate the production of new Student Housing; and

WHEREAS, no neighborhood notification is currently required for the addition of new Group Housing within the NC Districts, which appears to be inconsistent with other noticing requirements within the NC Districts; and

Whereas, pursuant to Planning Code Section 306.3 the Planning Commission adopted Resolution No. 18477 initiating amendments to the Planning Code on October 27, 2011; and

Whereas, on November 10, 2011, the San Francisco Planning Commission (hereinafter "Commission") conducted a duly noticed public hearing at a regularly scheduled meeting to consider the proposed Ordinance; and

Whereas, on November 10, 2011, the Commission approved Resolution No. 18485 recommending approval of the proposed Ordinance; and

WHEREAS, On January 10, 2012, Supervisor Wiener signed on as a Board Sponsor and introduced the legislation at the Board of Supervisors; and

WHEREAS, March 26, 2012, Land Use Hearing, Supervisor Wiener recommended the following amendments. Supervisor Wiener proposed to amend Section 317(b)(1) of the proposed Ordinance to allow the following limited exceptions where the conversion of existing housing and SROs would be allowed to student housing if:

- 1) the housing was built by the post-secondary Educational Institution that will own, operate or otherwise control the Student Housing,
- 2) is in a convent monastery (or similar religious order facility), or
- 3) is on a lot directly adjacent to the post-secondary Educational Institution that will own operate or otherwise control the Student Housing, so long as the lot has been owned by the post-secondary Educational Institution for at least ten years as of the effective date of this ordinance.

WHEREAS, Supervisor Wiener also proposed to amend the proposed Ordinance by amending Section 124<sup>1</sup>, to create a new subsection (k), to permit additional square footage above the floor area ratio limits for Qualified Student Housing projects in buildings in the C-3-G and C-3-S Districts, that are not designated as Significant or Contributory pursuant to Article 11.

WHEREAS, since the Land Use hearing, the Department has received a letter dated April 10, 2012 from the San Francisco Housing Action Coalition (SFHAC) that described additional modifications. **Supervisor Wiener's** office has indicated that the Supervisor would support these

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modifications from SFHAC upon the Commission's recommendation. The amendments proposed by SFHAC include the following:

- 1) replacing the requirement that institutions be in "long-term master lease for a period of at least 20 years" with a requirement of being in an "other contractual agreement";
- 2) specifying that those projects which convert a "non-residential" building are eligible for the exemption from the inclusionary requirement;
- 3) adding a requirement that the Zoning Administrator may approve the conversion of a "Student Housing" use to "Non-Student Residential Use" only if the building owner has made an "extensive and good faith effort" to find another qualified institution to lease the space;
- 4) minor technical clarifications such as specifying that more than one "Qualified Student Housing Project" may be in a building and that a project may remain "Qualified Student Housing" if the owner or lease-holder transitions from one "Qualified Educational Institution" to another.

WHEREAS, on April 11, 2012 Supervisor Kim sent a memorandum to this Commission proposing further amendments to the proposed Ordinance. Specifically, Supervisor Kim proposed that residential and SRO buildings that have been vacant for at least one year or underutilized for at least two years and create blight could be converted to student housing via Conditional Use authorization. To be considered "vacant" a Residential Building would have to be completely vacant and listed on the Department of Building Inspection's Vacant Building Registry for at least one year from the time of application. To be considered "underutilized" a building would need to be 20% or less occupied for at least two years prior to application, as proven by an affidavit of the buildings owner.

WHEREAS, the proposed legislation is intended to resolve the aforementioned issues; and

Whereas, the Commission has heard and considered the testimony presented to it at the public hearing and has further considered written materials and oral testimony presented on behalf of the applicant, Department staff, and other interested parties; and

Whereas, the proposed Ordinance has been determined to be categorically exempt from environmental review under the California Environmental Quality Act Section 15060(c)(2); and

Whereas, the pertinent documents may be found in the files of the Department, as the custodian of records, at 1650 Mission Street, Suite 400, San Francisco; and

Whereas, the Commission has reviewed the proposed Ordinance.

**MOVED**, that the Commission hereby adopts this Resolution to recommend *approval with modifications* of the draft Ordinance to the Board of Supervisors; and

**The specific modifications include:**

- **Previous Recommendation:** Modify Planning Code Section 317(f)(1) to clarify that for the purposes of conversion residential uses are defined as follows: “For the purposes of this subsection, residential uses that have been defined as such by the time a First Certificate of Occupancy has been issued by the Department of Building Inspection for new construction shall not be converted to Student Housing.
  
- **New Overall Recommendations:**
  - **Add protections for tenants from unfair evictions and to ensure rent control protections. The Department recommends the following:**
    - To resolve Costa-Hawkins related issues the City could require an amended certificate of occupancy instead of a new certificate of occupancy for changes from housing to student housing.
    - To avoid risk of increased evictions, the City should require the signing of an affidavit stating that no evictions have occurred similar to the condo conversion Ordinance.
  - **SF Housing Action Coalition Amendments.** The Commission recommends support for most of the SF HAC proposed amendments, primarily these are minor in nature. The major substantive change would be to relieve educational institutions from entering into a 20 year lease for buildings which were not owned by the institution. The Mayor’s Office of Housing (MOH) stated a preference for maintaining a requirement for at least a 5 year lease. The Commission defers to the MOH on enforceability of this clause and therefore also recommends requiring at a lease for at least five years in order to qualify for the exemption from the Inclusionary Affordable Housing requirement.
  - **Technical Amendment.** The Commission recommends a minor technical modification. In the long title of the Ordinance this FAR exemption cites Section 214. The proper section should be 124.
  - **Recommendations from the Mayor’s Office of Housing.** In consultation with MOH, the Commission would recommend the following modifications:
    - The definition of Qualified Student Housing in Section 401 should be replaced with the newly proposed the definition for “Student Housing” in Section 102.36.
    - The definition of Qualified Educational Institution in Section 401 should be replaced with the existing definition of Post Secondary Educational Institution in Section 209.3 (i).
    - The definition of Qualified Student in Section 401 should be amended to replace the need based criteria with a description “a student who is enrolled at least part-time or more in a Qualified Educational Institution”.
    - The monitoring requirements of the Mayor’s Office of Housing in Section 415.3 (c) (4) (C) (i) and (ii) should be amended to clarify that the Qualified Educational Institution can present a lease with at least a five year term and that the report will not include information on rents and the type of dwelling unit provided for each student.

- **New Recommendations in Response to Supervisor Wiener's Proposals:**
  - **Three Permitted Conversions.** Allow Supervisor Wiener's proposed amendments (described on page 3 of the Executive Summary) to provide avenues for allowing the conversion of a relatively small amount of existing housing to student housing use, however, the circumstances whereby such conversions would be allowed are very limited.
  - **FAR Exemption.** True to the original spirit of the Ordinance, Supervisor Wiener also introduces additional incentives for building new student housing. Under the proposal student housing in the C-3-G and C-3-S districts (See Exhibit C) would be permitted above the FAR limits, provided that the housing was not in a designated Significant or Contributory building as designated in Article 11. This type of FAR exemption is already provided for affordable housing and parking in these districts. The Commission recommends approval.
  
- **New Recommendations in Response to Supervisor Kim's Proposals:**
  - The Commission has recently taken two actions: first in November 2010 and later in 2011 to affirm that institutions seeking to establish Student Housing should build new housing and should not convert existing housing. For this reason, the Commission maintains **that conversion of existing housing stock should generally be prohibited for at least six months while the City and stakeholders further consider the issue.** It is our understanding that the Supervisor's primary concern is blighted SRO buildings in the Tenderloin, therefore the Department struggled with a circumstance whereby some limited conversions could be allowed. For this reason applying the prohibition for six months will give the City and stakeholders additional time to consider the proposal.
  - It is the Commission's understanding that the Supervisor's primary concern is blighted SRO buildings in the Tenderloin, therefore the Commission struggled with a circumstance whereby some limited conversions could be allowed. For the reasons outlined in this Resolution and the accompanying staff report, the Commission recommends that **conversions of SROs to Student Housing could be permitted but only when one to one replacement of the lost units would be provided consistent with the current controls for conversions of SROs to Tourist Hotels as defined in Administrative Code Section 41.**
  - Lastly, the Commission recommends that **further avenues be explored for increasing funding for acquisition and rehabilitation of existing SROs including but not limited to expanding the Small Site Acquisition and Rehabilitation Program and Mills Act Tax Relief.**

## FINDINGS

Having reviewed the materials identified in the preamble above, and having heard all testimony and arguments, this Commission finds, concludes, and determines as follows:

1. The Ordinance, as modified, will encourage the production of new student housing while protecting the City's existing housing stock by prohibiting the conversion from any form of housing to student housing, and by providing incentives for the construction of new student housing;
2. The new definition of student housing acknowledges the different forms that new student housing may take, such as very small efficiency dwellings with individual kitchens and bathrooms in addition to group housing;
3. The Ordinance, as modified, provides incentives to construct new student housing such as an exemption from the unit mix requirements within RTO, NCT, DTR, and Eastern Neighborhood Mixed-Use districts, a reduction in the open space requirements for very small dwelling units, and a streamlined process by which student housing may be converted to standard housing.
4. In December, 2010, Ordinance Number 321-10 was passed providing an Affordable Housing Program exemption for Qualified Student Housing. When the Planning Commission considered this Ordinance, introduced by Supervisor Dufty, it recognized both the need for additional Student Housing and for protections for existing forms of housing from conversion to Student Housing.
5. The Commission believes the goal of the proposed Ordinance should be to encourage the production of new Student Housing while protecting the City's existing housing stock. Of primary concern is to prohibit the conversion from any form of housing to Student Housing.
6. The Commission recommended process would allow for conversion from Student Housing to other residential uses provided that the requirements for standard housing have been met.
7. The new proposed Ordinance initiated by the Planning Commission this fall and now sponsored by Supervisor Wiener is consistent with the 2010 Ordinance. The two-pronged approach of offering significant incentives by the relieving student housing from the Affordable Housing Inclusionary requirements and prohibiting the conversion of existing housing to student housing will ensure that the City will benefit from the production of new student housing without losing existing housing to purely institutional use.
8. The General Plan states that the City should "preserve and maintain the existing housing stock, which provides some of the City's most affordable units".
9. The Office of the Legislative Analyst report states, "The overwhelming increase in the numbers of homeless people in the last 20 years, combined with the shortage of affordable housing since the 1960s, has made SRO hotels an important housing option for many low-income adults."



10. At the last inventory there are just over 18,000 Residential Hotel units in San Francisco. Housing more people than all of the City's public housing, this represents no minor fraction of the housing stock, yet this is significantly less than the estimated existing shortfall of student housing. Once these units are converted to Student Housing, the units will no longer be available to the City's general low-income population but instead will be only for student tenants.
11. Residential Hotels have typically not been attractive for other residential uses but as demand for Student Housing increases, the threat to this affordable housing stock will increase *unless* institutions are encouraged to build new housing.
12. The Residential Hotel Ordinance regulates and protects the existing stock of residential hotels. This ordinance requires that residential hotel rooms replaced with tourist rooms should be replaced at a 1 to 1 ratio.
13. According to a 2009 report commissioned by the Human Services Agency, "The City of San Francisco is unable to meet [existing] residents' demand for affordable housing. Many of the city's most vulnerable populations, including families with children seniors and adults with disabilities, and other public service recipients, are often at risk for homelessness. SROs account for a substantial portion of San Francisco's affordable housing stock, as they provide housing for more low-income people than all the city's public housing developments".
14. **General Plan Compliance.** This Resolution is consistent with the following Objectives and Policies of the General Plan:

#### **I. HOUSING ELEMENT**

##### **OBJECTIVE 1**

TO PROVIDE NEW HOUSING, ESPECIALLY PERMANENTLY AFFORDABLE HOUSING, IN APPROPRIATE LOCATIONS WHICH MEETS IDENTIFIED HOUSING NEEDS AND TAKES INTO ACCOUNT THE DEMAND FOR AFFORDABLE HOUSING CREATED BY EMPLOYMENT DEMAND.

##### **POLICY 1.1**

Plan for the full range of housing needs in the City and County of San Francisco, especially affordable housing.

##### **POLICY 1.9**

Require new commercial developments and higher educational institutions to meet the housing demand they generate, particularly the need for affordable housing for lower income workers and students.

**POLICY 1.10**

Support new housing projects, especially affordable housing, where households can easily rely on public transportation, walking and bicycling for the majority of daily trips.

**OBJECTIVE 2**

RETAIN EXISTING HOUSING UNITS, AND PROMOTE SAFETY AND MAINTENANCE STANDARDS, WITHOUT JEOPARDIZING AFFORDABILITY.

**POLICY 2.2**

Retain existing housing by controlling the merger of residential units, except where a merger clearly creates new family housing.

*The proposed Ordinance with the Commission's recommended modifications would protect the existing housing stock from conversion from standard housing to student housing.*

**HOUSING ELEMENT POLICY 3.1**

Preserve rental units, especially rent controlled units, to meet the City's affordable housing needs.

Sixty-two percent of San Francisco's residents are renters. In the interest of the long term health and diversity of the housing stock the City should work to preserve this approximate ratio of rental units. The City should pay particular attention to rent control units which contribute to the long term existence and affordability of the City's rental housing stock without requiring public subsidy, by continuing their protection and supporting tenant's rights laws. Efforts to preserve rental units from physical deterioration include programs that support landlord's efforts to maintain rental housing such as: maintenance assistance programs, programs to support and enhance property management capacity, especially for larger companies, and programs to provide financial advice to landlords.

**HOUSING ELEMENT POLICY 3.5**

Retain permanently affordable residential hotels and single room occupancy (SRO) units. Residential or single-room occupancy hotels (SROs) offer a unique housing opportunity for lower income elderly, disabled, and single-person households.

The proximity of most SROs to the downtown area has fueled pressure to convert SRO's to tourist hotels. In response to this, the City adopted its Residential Hotel Ordinance, which regulates and protects the existing stock of residential hotels. This ordinance requires permits for conversion of residential hotel rooms, requires replacement on a 1 to 1 level in the case of conversion or demolition

*The proposed Ordinance with the Commission's recommended modifications recognizes the need for new student housing, and is intended to encourage the production of new student housing while protecting the City's existing housing stock. The proposed Ordinance will provide incentives for providing new student housing in transit-rich neighborhoods such as RTO, NCT, DTR, certain C-3 Districts and Eastern Neighborhoods Mixed-Use Districts. In addition, the*

*proposed Ordinance with the Commission's recommended modifications recognizes that the City's existing housing stock, particularly forms such as Group Housing and SROs that often provide housing for low-income residents, need protection from conversion to student housing.*

15. This Resolution is consistent with the eight General Plan priority policies set forth in Section 101.1 in that:
- A) The existing neighborhood-serving retail uses will be preserved and enhanced and future opportunities for resident employment in and ownership of such businesses will be enhanced.
  - B) The existing housing and neighborhood character will be conserved and protected in order to preserve the cultural and economic diversity of our neighborhoods.
  - C) The City's supply of affordable housing will be preserved and enhanced.
  - D) The commuter traffic will not impede MUNI transit service or overburden our streets or neighborhood parking.
  - E) A diverse economic base will be maintained by protecting our industrial and service sectors from displacement due to commercial office development. And future opportunities for resident employment and ownership in these sectors will be enhanced.
  - F) The City will achieve the greatest possible preparedness to protect against injury and loss of life in an earthquake.
  - G) That landmark and historic buildings will be preserved.
  - H) Parks and open space and their access to sunlight and vistas will be protected from development.

I hereby certify that the Planning Commission ADOPTED the foregoing Resolution on May 17, 2012.

Linda Avery  
Commission Secretary

AYES:

Resolution No. \_\_\_\_\_  
Hearing Date: June 21, 2012

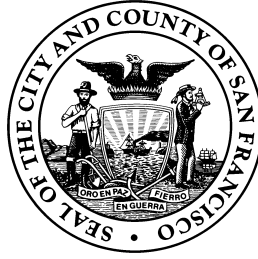
CASE NO. 2011.0206T  
Definition of Student Housing and Modifications

NAYS:

ABSENT:

ADOPTED:

**BOARD of SUPERVISORS**



**City Hall**  
**Dr. Carlton B. Goodlett Place, Room 244**  
**San Francisco 94102-4689**  
**Tel. No. 554-5184**  
**Fax No. 554-5163**  
**TDD/TTY No. 554-5227**

March 27, 2012

Planning Commission  
Attn: Linda Avery  
1660 Mission Street, 5<sup>th</sup> Floor  
San Francisco, CA 94103

Dear Commissioners:

On March 26, 2012, the Land Use and Economic Development Committee accepted amendments to the proposed legislation and requested it be re-referred back to the Planning Department and Commission for consideration.

**File No. 111374-2**

Ordinance amending the San Francisco Planning Code by: 1) adding a new Section 102.36, to create a definition of Student Housing; 2) amending Section 135(d)(2), to adjust the minimum open space requirements for dwelling units that do not exceed 350 square feet, plus a bathroom; 3) amending Section 207(b)(3), to exempt Student Housing from the unit mix requirement in RTO, NCT, DTR and Eastern Neighborhoods Mixed Used Districts; 4) amending Section 307, to permit the conversion of Student Housing into residential uses, when certain conditions are met; 5) amending Section 312, to require notice for a change of use to Group Housing; 6) amending Section 317, to prohibit the conversion of residential units into Student Housing, except in specified circumstances; 7) amending Section 401, to make conforming amendments and amend the definition of Qualified Student Housing; 8) amending Section 214, to create a new subsection (k), to permit additional square footage above the floor area ratio limits for Qualified Student Housing projects in buildings in the C-3-G and C-3-S Districts, that are not designated as Significant or Contributory pursuant to Article 11; 9) amending Tables 814, 840, 841, 842 and 843, to make conforming amendments; and 10) making findings, including environmental findings and findings of consistency with the priority policies of Planning Code Section 101.1 and the General Plan.

The proposed ordinance is being transmitted pursuant to Planning Code Section 302(b) for public hearing and recommendation. The ordinance is pending before the Land Use & Economic Development Committee and will be scheduled for hearing upon receipt of your response.

Angela Calvillo, Clerk of the Board



By: Alisa Miller, Committee Clerk

Land Use & Economic Development Committee

- c: John Rahaim, Director of Planning
- Scott Sanchez, Zoning Administrator
- Bill Wycko, Chief, Major Environmental Analysis
- AnMarie Rodgers, Legislative Affairs
- Nannie Turrell, Major Environmental Analysis
- Brett Bollinger, Major Environmental Analysis

1 [Planning Code - Creating a New Definition of Student Housing]

2  
3 Ordinance amending the San Francisco Planning Code by: 1) adding a new Section  
4 102.36, to create a definition of Student Housing; 2) amending Section 135(d)(2), to  
5 adjust the minimum open space requirements for dwelling units that do not exceed 350  
6 square feet, plus a bathroom; 3) amending Section 207(b)(3), to exempt Student  
7 Housing from the unit mix requirement in RTO, NCT, DTR and Eastern Neighborhoods  
8 Mixed Used Districts; 4) amending Section 307, to permit the conversion of Student  
9 Housing into residential uses, when certain conditions are met; 5) amending Section  
10 312, to require notice for a change of use to Group Housing; 6) amending Section 317,  
11 to prohibit the conversion of residential units into Student Housing, except in specified  
12 circumstances; and 7) amending Section 401, to make conforming amendments and  
13 amend the definition of Qualified Student Housing; 8) amending Section 214, to create  
14 a new subsection (k), to permit additional square footage above the floor area ratio  
15 limits for Qualified Student Housing projects in buildings in the C-3-G and C-3-S  
16 Districts, that are not designated as Significant or Contributory pursuant to Article 11;  
17 9) amending Tables 814, 840, 841, 842 and 843, to make conforming amendments; and  
18 10) making findings, including environmental findings and findings of consistency with  
19 the priority policies of Planning Code Section 101.1 and the General Plan.

20 NOTE: Additions are *single-underline italics Times New Roman*;  
21 deletions are *strike-through italics Times New Roman*.  
22 Board amendment additions are double-underlined;  
23 Board amendment deletions are ~~strikethrough-normal~~.

24 Be it ordained by the People of the City and County of San Francisco:

25 Section 1. Findings. The Board of Supervisors of the City and County of San  
Francisco hereby finds and determines that:

Supervisor Wiener  
BOARD OF SUPERVISORS

1 (a) The Planning Department has determined that the actions contemplated in this  
2 Ordinance are in compliance with the California Environmental Quality Act (California Public  
3 Resources Code sections 21000 et seq.) Said determination is on file with the Clerk of the  
4 Board of Supervisors in File No. 111374 and is incorporated herein by  
5 reference.

6 (b) On November 3, 2011, the Planning Commission, in Resolution  
7 No. 18485 approved and recommended for adoption by the Board of Supervisors  
8 this legislation and adopted findings that it is consistent, on balance, with the City's General  
9 Plan and eight priority policies of Planning Code Section 101.1. The Board adopts these  
10 findings as its own. A copy of said Resolution is on file with the Clerk of the Board of  
11 Supervisors in File No. 111374, and is incorporated by reference herein.

12 (c) Pursuant to Planning Code Section 302, this Board of Supervisors finds that this  
13 legislation will serve the public necessity, convenience, and welfare for the reasons set forth in  
14 Planning Commission Resolution No. 18485, and incorporates such reasons by  
15 reference herein.

16  
17 Section 2. The San Francisco Planning Code is hereby amended by adding Section  
18 102.36, to read as follows:

19 **SEC. 102.36. STUDENT HOUSING.**

20 Student Housing is a living space for students of accredited post-secondary Educational  
21 Institutions that may take the form of dwelling units, group housing, or a SRO. Unless expressly  
22 provided for elsewhere in this Code, the use of Student Housing is permitted where the form of  
23 housing is permitted in the underlying Zoning District in which it is located. Student Housing must be  
24 owned, operated or otherwise controlled by an accredited post-secondary Educational Institution, as  
25 defined in Section 209.3(i) of this Code. Student Housing may consist of all or part of a building.



1  
2 Section 3. The San Francisco Planning Code is hereby amended by amending Section  
3 135(d)(2), to read as follows:

4 **SEC. 135. USABLE OPEN SPACE FOR DWELLING UNITS AND GROUP**  
5 **HOUSING, R, NC, MIXED USE, C, AND M DISTRICTS.**

6 (d)(2) For group housing structures, ~~and~~ SRO units, and dwelling units that measure less  
7 than 350 square feet plus a bathroom, the minimum amount of usable open space provided for  
8 use by each bedroom shall be 1/3 the amount required for a dwelling unit as specified in  
9 Paragraph (d)(1) above. For purposes of these calculations, the number of bedrooms on a lot  
10 shall in no case be considered to be less than one bedroom for each two beds. Where the  
11 actual number of beds exceeds an average of two beds for each bedroom, each two beds  
12 shall be considered equivalent to one bedroom.

13 Section 4. The San Francisco Planning Code is hereby amended by amending Section  
14 207.6(b)(3), to read as follows:

15 **SEC. 207.6. REQUIRED MINIMUM DWELLING UNIT MIX IN RTO, NCT, DTR, AND**  
16 **EASTERN NEIGHBORHOODS MIXED USE DISTRICTS.**

17 (3) This Section does not apply to buildings for which 100 percent of the residential  
18 uses are: group housing, dwelling units which are provided at below market rates pursuant to  
19 Section 326.3(h)(2)(B) of this Code, Single Room Occupancy Units, ~~s~~Student ~~H~~Housing (as  
20 defined in Sec. ~~315.1.38-106.36~~), or housing specifically and permanently designated for  
21 seniors or persons with physical disabilities.

22  
23 Section 5. The San Francisco Planning Code is hereby amended by adding Section  
24 307(j), to read as follows:

25 **SEC. 307. OTHER POWERS AND DUTIES OF THE ZONING ADMINISTRATOR.**

1           (j) Conversion from Student Housing to Non-Student Residential Use. If a residential  
2 project no longer qualifies as Student Housing as defined in Planning Code Section 102.36, the Zoning  
3 Administrator may allow the conversion of the Student Housing to any permitted residential use in the  
4 zoning district in which the Student Housing is located upon determination that the converted Student  
5 Housing has complied with any applicable Inclusionary Affordable Housing Requirements as outlined  
6 in Planning Code Section 415.3(c)(5)(C)(iii), and that all other Planning Code requirements applicable  
7 to that residential use have been met or modified through appropriate procedures.

8  
9           Section 6. The San Francisco Planning Code is hereby amended by amending  
10 Section 312(c), to read as follows:

11           **SEC. 312. PERMIT REVIEW PROCEDURES FOR ALL NC AND EASTERN**  
12 **NEIGHBORHOODS MIXED USE DISTRICTS.**

13           (c) Changes of Use. In NC Districts, all building permit applications for a change of  
14 use to a bar, as defined in Section 790.22, a liquor store, as defined in Section 790.55, a  
15 walkup facility, as defined in Section 790.140, other large institutions, as defined in Section  
16 790.50, other small institutions, as defined in Section 790.51, a full-service restaurant, as  
17 defined in Section 790.92, a large fast food restaurant, as defined in Section 790.90, a small  
18 self-service restaurant, as defined in Section 790.91, a self-service specialty food use, as  
19 defined in Section 790.93, a massage establishment, as defined in Section 790.60, an  
20 outdoor activity, as defined in Section 790.70, an adult or other entertainment use, as defined  
21 in Sections 790.36 and 790.38, ~~or~~ a fringe financial service use, as defined in Section  
22 790.111, or Group Housing as defined in Section 790.88(b) shall be subject to the provisions of  
23 Subsection 312(d). In all Eastern Neighborhoods Mixed Use Districts all building permit  
24 applications for a change of use from any one land use category to another land use category  
25 shall be subject to the provisions of Subsection 312(d). In addition, any accessory massage

1 use in the Ocean Avenue Neighborhood Commercial Transit District shall be subject to the  
2 provisions of Subsection 312(d).

3 For the purposes of this Subsection, "land use category" shall mean those categories  
4 used to organize the individual land uses which appear in the use tables in Article 8,  
5 immediately preceding a group of individual land uses, and include the following: residential  
6 use, institutional use, retail sales and service use, assembly, recreation and entertainment  
7 use, office use, motor vehicle services use, industrial home and business service use, or other  
8 use.

9  
10 Section 7. The San Francisco Planning Code is hereby amended by amending Section  
11 317, subsections (b)(1) and (f)(1), to read as follows:

12 **SEC. 317. LOSS OF DWELLING UNITS THROUGH MERGER, CONVERSION, AND**  
13 **DEMOLITION.**

14 (b)(1) "Conversion of Residential Unit" shall mean the removal of cooking facilities in a  
15 Residential Unit or the change of occupancy (as defined and regulated by the Building Code),  
16 or the change of use (as defined and regulated by the Planning Code), of any Residential Unit  
17 to a non-residential use. The change of occupancy from a dwelling unit, group housing, or SRO to  
18 Student Housing is also considered a conversion of a residential unit. Notwithstanding the  
19 foregoing, the change of use or occupancy of a dwelling unit, group housing, or SRO to  
20 Student Housing is not considered a conversion of a residential unit if the dwelling unit, group  
21 housing or SRO (i) was built by the post-secondary Educational Institution that will own,  
22 operate or otherwise control the Student Housing; (ii) is in a convent, monastery (or similar  
23 religious order facility); or (iii) is on a lot directly adjacent to the post-secondary Educational  
24 Institution that will own, operate or otherwise control the Student Housing, so long as the lot  
25

1 has been owned by the post-secondary Educational Institution for at least ten years as of the  
2 effective date of this ordinance.

3 (f) Loss of Residential Units Through Conversion.

4 (1) Conversion of Residential Units not otherwise subject to Conditional Use  
5 authorization by this Code, shall be prohibited, unless the Planning Commission approves the  
6 building permit application at a Mandatory Discretionary Review hearing. The conversion of  
7 residential uses units to Student Housing is prohibited. For the purposes of this subsection,  
8 residential uses units that have been defined as such by the time a First Certificate of Occupancy has  
9 been issued by the Department of Building Inspection for new construction shall not be converted to  
10 Student Housing.

11  
12 Section 8. The San Francisco Planning Code is hereby amended by amending the  
13 definitions of "Qualified Student Housing Project" and "Student Housing" in Section 401, to  
14 read as follows:

15 **SEC. 401. DEFINITIONS.**

16 "Qualified Student Housing Project" shall mean any Student Housing project that  
17 contains housing for Qualified Students and which may also contain housing for persons who  
18 are enrolled students but not Qualified Students, created either through new construction or  
19 conversion of an existing building or space. A Qualified Student Housing Project may consist of  
20 all or part of a building.

21 "Student Housing." ~~A building where 100 percent of the residential uses are affiliated with~~  
22 ~~and operated by an accredited post-secondary educational institution. Typically, student housing is for~~  
23 ~~rent, not for sale. This housing shall provide lodging or both meals and lodging, by prearrangement for~~  
24 ~~one week or more at a time. This definition only applies in the Eastern Neighborhoods Mixed Use~~  
25 ~~Districts. As defined in Planning Code Section 102.36.~~

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Section 9. The San Francisco Planning Code is hereby amended by amending Section 214, to add a new subsection (k), to read as follows:

**SEC. 124. BASIC FLOOR AREA RATIO.**

(k) For buildings in C-3-G and C-3-S Districts that are not designated as Significant or Contributory pursuant to Article 11 of this Code, additional square footage above that permitted by the base floor area ratio limits set forth above may be approved for construction of a project, or portion thereof, that constitutes a Qualified Student Housing Project, as defined in Section 401 of this Code. Such approval shall be subject to the conditional use procedures and criteria in Section 303 of this Code.

Section 10. The San Francisco Planning Code is hereby amended by amending Table 814, in Section 814, and by adding a new # to the Specific Provisions section of that Table, to read as follows:

|           |                 |                                      |    |
|-----------|-----------------|--------------------------------------|----|
| 814.16(a) | Student Housing | § <del>315.1(38)</del> <u>102.36</u> | C# |
|-----------|-----------------|--------------------------------------|----|

**SPECIFIC PROVISIONS FOR SPD DISTRICTS**

| Article Code Section | Other Code Section | Zoning Controls  |
|----------------------|--------------------|--|
| <u>§ 814.16</u>      | <u>§ 102.36</u>    | <u>Student Housing generally is permitted where the particular form of housing is permitted in the underlying Zoning District in which it is located (see Section 102.36.) However, in the South</u> |

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|  |  | <u>Park District Student Housing is subject to a conditional use requirement subject to Section 303.</u> |
|--|--|--|

Section 11. The San Francisco Planning Code is hereby amended by amending Tables 840, 841, 842 and 843, in Sections 840, 841, 842 and 843, to read as follows:

|        |                 |             |   |
|--------|-----------------|-------------|---|
| 840.23 | Student Housing | § 315.1(38) | C |
|--------|-----------------|-------------|---|

|        |                 |             |   |
|--------|-----------------|-------------|---|
| 841.23 | Student Housing | § 315.1(38) | C |
|--------|-----------------|-------------|---|

|        |                 |             |   |
|--------|-----------------|-------------|---|
| 842.23 | Student Housing | § 315.1(38) | C |
|--------|-----------------|-------------|---|

|        |                 |             |   |
|--------|-----------------|-------------|---|
| 843.23 | Student Housing | § 315.1(38) | C |
|--------|-----------------|-------------|---|

Section 12. Effective Date. This ordinance shall become effective 30 days from the date of passage.

Section 13. In enacting this Ordinance, the Board intends to amend only those words, phrases, paragraphs, subsections, sections, articles, numbers, punctuation, charts, diagrams, or any other constituent parts of the Planning Code that are explicitly shown in this legislation as additions, deletions, Board amendment additions, and Board amendment deletions in accordance to the "Note" that appears under the official title of this legislation. This Ordinance

1 shall not be construed to effectuate any unintended amendments. Any additions or deletions  
2 not explicitly shown as described above, omissions, or other technical and non-substantive  
3 differences between this Ordinance and the Planning Code that are contained in this  
4 legislation are purely accidental and shall not effectuate an amendment to the Planning Code.  
5 The Board hereby authorizes the City Attorney, in consultation with the Clerk and other  
6 affected City departments, to make those necessary adjustments to the published Planning  
7 Code, including non-substantive changes such as renumbering or relettering, to ensure that  
8 the published version of the Planning Code is consistent with the laws that this Board enacts.

9  
10 APPROVED AS TO FORM:  
DENNIS J. HERRERA, City Attorney

11  
12 By:

  
\_\_\_\_\_  
ANDREA RUIZ-ESQUIDE  
Deputy City Attorney

Member, Board of Supervisors  
District 6



City and County of San Francisco

**JANE KIM**  
**金貞妍**

---

To: President Rodney Fong and Members of the Planning Commission

---

From: Supervisor Jane Kim

---

Date: April 11, 2012

---

Re: Amendments to Student Housing Definition – Planning Code

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Dear President Fong and Commissioners:

Thank you for the opportunity to address you on the Definition of Student Housing that you are considering. This legislation provides us with an important opportunity to create a definition of Student Housing for our Planning Code. It is my strong belief that all stakeholders have an interest in a strong and clear definition. I would like to explore a definition that would allow a certain degree of flexibility for those buildings that have historically been vacant and severely underutilized and create blight for our neighborhood. To address that specific issue I have included with this memo draft amendments to the original legislation that the commission considered and recommended on November 10<sup>th</sup> 2011. My amendments provide an opportunity for vacant and underutilized building to convert to student housing through a Conditional Use process. These amendments are included in the attached legislation and start of page 6 and continue on page 7 and include clear definitions for what we consider vacant and underutilized buildings.

Thank you for your consideration,

Regards,

A handwritten signature in blue ink, appearing to read "Jane Kim".

Supervisor Jane Kim



FILE NO.

ORDINANCE NO.

1 [Planning Code – Creating a New Definition of Student Housing.]

2

3 **Ordinance amending the San Francisco Planning Code by 1) adding a new Section**  
4 **102.36, to create a definition of Student Housing; 2) amending Section 135(d)(2), to**  
5 **adjust the minimum open space requirements for dwelling units that do not exceed 350**  
6 **square feet, plus a bathroom; 3) amending Section 207(b)(3), to exempt Student**  
7 **Housing from the unit mix requirement in RTO, NCT, DTR and Eastern Neighborhoods**  
8 **Mixed Used Districts; 4) amending Section 307, to permit the conversion of Student**  
9 **Housing into residential uses, when certain conditions are met; 5) amending Section**  
10 **312, to require notice for a change of use to Group Housing; 6) amending Section 317,**  
11 **to prohibit the conversion of residential units into Student Housing, except in specified**  
12 **circumstances; and 7) amending Section 401, to make conforming amendments and**  
13 **amend the definition of Qualified Student Housing; 8) amending Section 214, to create**  
14 **a new subsection (k), to permit additional square footage above the floor area ratio**  
15 **limits for Qualified Student Housing projects in buildings in the C-3-G and C-3-S**  
16 **Districts, that are not designated as Significant or Contributory pursuant to Article 11;**  
17 **amending Tables 814, 840, 841, 842 and 843, to make conforming amendments; and**  
18 **making findings, including environmental findings and findings of consistency with the**  
19 **priority policies of Planning Code Section 101.1 and the General Plan.**

20

NOTE: Additions are *single-underline italics Times New Roman*;  
21 deletions are *strike-through italics Times New Roman*.  
Board amendment additions are double-underlined;  
22 Board amendment deletions are ~~strike-through normal~~.

21

22

23 Be it ordained by the People of the City and County of San Francisco:

24 Section 1. Findings. The Board of Supervisors of the City and County of San

25 Francisco hereby finds and determines that:

Supervisor Wiener  
BOARD OF SUPERVISORS

1 (a) The Planning Department has determined that the actions contemplated in this  
2 Ordinance are in compliance with the California Environmental Quality Act (California Public  
3 Resources Code sections 21000 et seq.) Said determination is on file with the Clerk of the  
4 Board of Supervisors in File No. \_\_\_\_\_ and is incorporated herein by  
5 reference.

6 (b) On \_\_\_\_\_, 2011, the Planning Commission, in Resolution  
7 No. \_\_\_\_\_ approved and recommended for adoption by the Board of Supervisors  
8 this legislation and adopted findings that it is consistent, on balance, with the City's General  
9 Plan and eight priority policies of Planning Code Section 101.1. The Board adopts these  
10 findings as its own. A copy of said Resolution is on file with the Clerk of the Board of  
11 Supervisors in File No. \_\_\_\_\_, and is incorporated by reference herein.

12 (c) Pursuant to Planning Code Section 302, this Board of Supervisors finds that this  
13 legislation will serve the public necessity, convenience, and welfare for the reasons set forth in  
14 Planning Commission Resolution No. \_\_\_\_\_, and incorporates such reasons by  
15 reference herein.

16  
17 Section 2. The San Francisco Planning Code is hereby amended by adding Section  
18 102.36, to read as follows:

19 **SEC. 102.36. STUDENT HOUSING.**

20 *Student Housing is a living space for students of accredited post-secondary Educational*  
21 *Institutions that may take the form of dwelling units, group housing, or a SRO. Unless expressly*  
22 *provided for elsewhere in this Code, ~~T~~the use of Student Housing is permitted where the form of*  
23 *housing is permitted in the underlying Zoning District in which it is located. Student Housing must be*  
24 *owned, operated or otherwise controlled by an accredited post-secondary Educational Institution, as*  
25 *defined in Section 209.3(i) of this Code. Student Housing may consist of all or part of a building.*

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Section 3. The San Francisco Planning Code is hereby amended by amending Section 135(d)(2), to read as follows:

**SEC. 135. USABLE OPEN SPACE FOR DWELLING UNITS AND GROUP HOUSING, R, NC, MIXED USE, C, AND M DISTRICTS.**

(d)(2) For group housing structures, ~~and~~ SRO units, and dwelling units that measure less than 350 square feet plus a bathroom, the minimum amount of usable open space provided for use by each bedroom shall be 1/3 the amount required for a dwelling unit as specified in Paragraph (d)(1) above. For purposes of these calculations, the number of bedrooms on a lot shall in no case be considered to be less than one bedroom for each two beds. Where the actual number of beds exceeds an average of two beds for each bedroom, each two beds shall be considered equivalent to one bedroom.

Section 4. The San Francisco Planning Code is hereby amended by amending Section 207.6(b)(3), to read as follows:

**SEC. 207.6. REQUIRED MINIMUM DWELLING UNIT MIX IN RTO, NCT, DTR, AND EASTERN NEIGHBORHOODS MIXED USE DISTRICTS.**

(3) This Section does not apply to buildings for which 100 percent of the residential uses are: group housing, dwelling units which are provided at below market rates pursuant to Section 326.3(h)(2)(B) of this Code, Single Room Occupancy Units, ~~s~~Student ~~H~~Housing (as defined in Sec. ~~315.1.38~~106.36), or housing specifically and permanently designated for seniors or persons with physical disabilities.

Section 5. The San Francisco Planning Code is hereby amended by adding Section 307(j), to read as follows:

**SEC. 307. OTHER POWERS AND DUTIES OF THE ZONING ADMINISTRATOR.**

1           (j) Conversion from Student Housing to Non-Student Residential Use. If a residential  
2 project no longer qualifies as Student Housing as defined in Planning Code Section 102.36, the Zoning  
3 Administrator may allow the conversion of the Student Housing to any permitted residential use in the  
4 zoning district in which the Student Housing is located upon determination that the converted Student  
5 Housing has complied with any applicable Inclusionary Affordable Housing Requirements as outlined  
6 in Planning Code Section 415.3(c)(5)(C)(iii), and that all other Planning Code requirements applicable  
7 to that residential use have been met or modified through appropriate procedures.

8  
9           Section 6. The San Francisco Planning Code is hereby amended by amending  
10 Section 312(c), to read as follows:

11           **SEC. 312. PERMIT REVIEW PROCEDURES FOR ALL NC AND EASTERN**  
12 **NEIGHBORHOODS MIXED USE DISTRICTS.**

13           (c) Changes of Use. In NC Districts, all building permit applications for a change of  
14 use to a bar, as defined in Section 790.22, a liquor store, as defined in Section 790.55, a  
15 walkup facility, as defined in Section 790.140, other large institutions, as defined in Section  
16 790.50, other small institutions, as defined in Section 790.51, a full-service restaurant, as  
17 defined in Section 790.92, a large fast food restaurant, as defined in Section 790.90, a small  
18 self-service restaurant, as defined in Section 790.91, a self-service specialty food use, as  
19 defined in Section 790.93, a massage establishment, as defined in Section 790.60, an  
20 outdoor activity, as defined in Section 790.70, an adult or other entertainment use, as defined  
21 in Sections 790.36 and 790.38, ~~or~~ a fringe financial service use, as defined in Section  
22 790.111, or Group Housing as defined in Section 790.88(b) shall be subject to the provisions of  
23 Subsection 312(d). In all Eastern Neighborhoods Mixed Use Districts all building permit  
24 applications for a change of use from any one land use category to another land use category  
25 shall be subject to the provisions of Subsection 312(d). In addition, any accessory massage

1 use in the Ocean Avenue Neighborhood Commercial Transit District shall be subject to the  
2 provisions of Subsection 312(d).

3 For the purposes of this Subsection, "land use category" shall mean those categories  
4 used to organize the individual land uses which appear in the use tables in Article 8,  
5 immediately preceding a group of individual land uses, and include the following: residential  
6 use, institutional use, retail sales and service use, assembly, recreation and entertainment  
7 use, office use, motor vehicle services use, industrial home and business service use, or other  
8 use.

9

10 Section 7. The San Francisco Planning Code is hereby amended by amending Section  
11 317, subsections (b)(1) and (f)(1), to read as follows:

12 **SEC. 317. LOSS OF DWELLING UNITS THROUGH MERGER, CONVERSION, AND**  
13 **DEMOLITION.**

14 (b)(1) "Conversion of Residential Unit" shall mean the removal of cooking facilities in a  
15 Residential Unit or the change of occupancy (as defined and regulated by the Building Code),  
16 or the change of use (as defined and regulated by the Planning Code), of any Residential Unit  
17 to a non-residential use. The change of occupancy from a dwelling unit, group housing, or SRO to  
18 Student Housing is also considered a conversion of a residential unit. Notwithstanding the  
19 foregoing, the change of use or occupancy of a dwelling unit, group housing, or SRO to  
20 Student Housing is not considered a conversion of a residential unit if the dwelling unit, group  
21 housing or SRO (i) was built by the post-secondary Educational Institution that will own,  
22 operate or otherwise control the Student Housing; (ii) is in a convent, monastery (or similar  
23 religious order facility); or (iii) is on a lot directly adjacent to the post-secondary Educational  
24 Institution that will own, operate or otherwise control the Student Housing, so long as the lot

25

1 has been owned by the post-secondary Educational Institution for at least ten years as of the  
2 effective date of this ordinance.

3 (f) Loss of Residential Units Through Conversion.

4 (1) Conversion of Residential Units not otherwise subject to Conditional Use  
5 authorization by this Code, shall be prohibited, unless the Planning Commission approves the  
6 building permit application at a Mandatory Discretionary Review hearing. Except as set forth  
7 in subsection 317(f)(2), ~~T~~the conversion of residential uses units to Student Housing is prohibited.  
8 For the purposes of this subsection, residential uses units that have been defined as such by the time a  
9 First Certificate of Occupancy has been issued by the Department of Building Inspection for new  
10 construction shall not be converted to Student Housing.

11 (2) Conversion of Vacant or Underutilized Residential Buildings, as defined below,  
12 into Student Housing shall be subject to a Conditional Use requirement pursuant to Section  
13 303 of this Code.

14 (i) For purposes of this subsection, a Vacant Building is a Residential Building that  
15 has been completely vacant for at least one year from the time of application, and that has  
16 been on the Department of Building Inspection's Vacant Building Registry pursuant to Section  
17 103A.4 of the San Francisco Building Code for at least one year prior to the application.

18 (ii) For purposes of this subsection, an Underutilized Building is a Residential  
19 Building where 20% or less of the residential units have been occupied during the two years  
20 prior to the time of application. At the time of application, the project sponsor shall submit an  
21 affidavit declaring, to the best of his or her knowledge, what the total number of occupied  
22 residential units in the Residential Building has been during the last two years.

23 (iii) Nothing herein shall be construed as limiting or diminishing a tenant's rights  
24 under the City's Residential Rent Stabilization and Arbitration Ordinance, set forth in Chapter  
25 37 of the Administrative Code.

1           (23) Except for conversion of Vacant or Underutilized Residential Buildings into  
2 Student Housing as set forth above. ~~The~~ Planning Commission shall consider these criteria in  
3 the review of applications for Conversion of Residential Units;

4           (i) whether conversion of the unit(s) would eliminate only owner occupied housing,  
5 and if so, for how long the unit(s) proposed to be removed were owner occupied

6           (ii) whether conversion of the unit(s) would provide desirable new non-residential  
7 use(s) appropriate for the neighborhood and adjoining district(s);

8           (iii) whether conversion of the unit(s) will bring the building closer into conformance  
9 with the prevailing character of its immediate area and in the same zoning district;

10          (iv) whether conversion of the unit(s) will be detrimental to the City's housing stock;

11          (v) whether conversion of the unit(s) is necessary to eliminate design, functional, or  
12 habitability deficiencies that cannot otherwise be corrected.

13  
14           Section 8. The San Francisco Planning Code is hereby amended by amending the  
15 definitions of "Qualified Student Housing Project" and "Student Housing" in Section 401, to  
16 read as follows:

17           **SEC. 401. DEFINITIONS.**

18           "Qualified Student Housing Project" shall mean any Student ~~h~~Housing project that  
19 contains housing for Qualified Students and which may also contain housing for persons who  
20 are enrolled students but not Qualified Students, created either through new construction or  
21 conversion of an existing building or space. A Qualified Student Housing Project may consist of  
22 all or part of a building.

23           "Student ~~h~~Housing." ~~A building where 100 percent of the residential uses are affiliated with~~  
24 ~~and operated by an accredited post-secondary educational institution. Typically, student housing is for~~  
25 ~~rent, not for sale. This housing shall provide lodging or both meals and lodging, by prearrangement for~~

1 ~~one week or more at a time. This definition only applies in the Eastern Neighborhoods Mixed Use~~  
 2 ~~Districts. As defined in Planning Code Section 102.36.~~

3

4 Section 9. The San Francisco Planning Code is hereby amended by amending Section  
 5 214, to add a new subsection (k), to read as follows:

6 **SEC. 124. BASIC FLOOR AREA RATIO.**

7 (k) For buildings in C-3-G and C-3-S Districts that are not designated as Significant  
 8 or Contributory pursuant to Article 11 of this Code, additional square footage above that  
 9 permitted by the base floor area ratio limits set forth above may be approved for construction  
 10 of a project, or portion thereof, that constitutes a Qualified Student Housing Project, as  
 11 defined in Section 401 of this Code. Such approval shall be subject to the conditional use  
 12 procedures and criteria in Section 303 of this Code.

13

14 Section 10. The San Francisco Planning Code is hereby amended by amending  
 15 Table 814, in Section 814, and by adding a new # to the Specific Provisions section of that  
 16 Table, to read as follows:

17

|           |                 |                                      |    |
|-----------|-----------------|--------------------------------------|----|
| 814.16(a) | Student Housing | § <del>315.1(38)</del> <u>102.36</u> | C# |
|-----------|-----------------|--------------------------------------|----|

19

20

**SPECIFIC PROVISIONS FOR SPD DISTRICTS**

| Article<br>Code<br>Section | Other Code<br>Section | Zoning Controls  |
|----------------------------|-----------------------|--|
| <u>§ 814.16</u>            | <u>§ 102.36</u>       | <u>Student Housing generally is permitted where the particular</u> |

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|  |  | <p><u>form of housing is permitted in the underlying Zoning District in which it is located (see Section 102.36.) However, in the South Park District Student Housing is subject to a conditional use requirement subject to Section 303.</u></p> |
|--|--|---|

Section 11. The San Francisco Planning Code is hereby amended by amending Tables 840, 841, 842 and 843, in Sections 840, 841, 842 and 843, to read as follows:

|        |                 |             |   |
|--------|-----------------|-------------|---|
| 840.23 | Student Housing | § 315.1(38) | € |
|--------|-----------------|-------------|---|

|        |                 |             |   |
|--------|-----------------|-------------|---|
| 841.23 | Student Housing | § 315.1(38) | € |
|--------|-----------------|-------------|---|

|        |                 |             |   |
|--------|-----------------|-------------|---|
| 842.23 | Student Housing | § 315.1(38) | € |
|--------|-----------------|-------------|---|

|        |                 |             |   |
|--------|-----------------|-------------|---|
| 843.23 | Student Housing | § 315.1(38) | € |
|--------|-----------------|-------------|---|

Section 12. Effective Date. This ordinance shall become effective 30 days from the date of passage.

Section 13. In enacting this Ordinance, the Board intends to amend only those words, phrases, paragraphs, subsections, sections, articles, numbers, punctuation, charts, diagrams, or any other constituent parts of the Planning Code that are explicitly shown in this legislation

1 as additions, deletions, Board amendment additions, and Board amendment deletions in  
2 accordance to the "Note" that appears under the official title of this legislation. This Ordinance  
3 shall not be construed to effectuate any unintended amendments. Any additions or deletions  
4 not explicitly shown as described above, omissions, or other technical and non-substantive  
5 differences between this Ordinance and the Planning Code that are contained in this  
6 legislation are purely accidental and shall not effectuate an amendment to the Planning Code.  
7 The Board hereby authorizes the City Attorney, in consultation with the Clerk and other  
8 affected City departments, to make those necessary adjustments to the published Planning  
9 Code, including non-substantive changes such as renumbering or relettering, to ensure that  
10 the published version of the Planning Code is consistent with the laws that this Board enacts.

11  
12 APPROVED AS TO FORM:  
13 DENNIS J. HERRERA, City Attorney

14 By: \_\_\_\_\_  
15 ANDREA RUIZ-ESQUIDE  
16 Deputy City Attorney  
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San Francisco  
**HOUSING**  
ACTION  
COALITION

95 Brady Street  
San Francisco, CA 94103  
415 541 9001 tel  
415 431 2468 fax  
info@sfhac.org  
www.sfhac.org

April 10, 2012

Ms. Sophie Middlebrook Hayward  
San Francisco Planning Department  
1650 Mission Street, 4<sup>th</sup> Floor  
San Francisco, CA 94103

**Ref: Amendments to Student Housing Ordinance**

Dear Ms. Hayward:

Thank you again for meeting with members of the San Francisco Housing Action Coalition (SFHAC) yesterday – we are happy that this proposal, one we have worked on for over two years, is finally coming forward for a decision.

Attached to this letter are our final suggested revisions to the section covering definitions. In our discussions with potential housing developers and educational institutions, we have learned that the legislation as now drafted is too restrictive. It states that if the educational institution is not to be the owner it must have a master lease for 20 years. That is too long a period, something no commercial tenants would consider. Also the educational institution may not wish to be a master lessee.

The SFHAC believes it would be preferable to let the owner of the real property and the educational institution work out their own contractual relationship provided it remains clear that the subject units must be used for qualified student housing and that, if and when they are not, the owner must pay the inclusionary fee plus interest or provide the requisite number of inclusionary units. The language we suggest in the attachment retains all the current safeguards while allowing the desired flexibility.

We look forward to working with you to get this important housing policy advance over the finish line.

Sincerely,

Tim Cole, Executive Director

Cc: Chandra Egan, MOH  
Supervisor Scott Wiener

## **SAN FRANCISCO HOUSING ACTION COALITION**

### **PROPOSED CHANGES - APRIL 9, 2012**

#### **SEC. 401. DEFINITIONS.**

"Qualified Educational Institution" for purposes of Section 415 shall mean an accredited post secondary Educational Institution which has Qualified Students.

"Qualified Student" for purposes of Section 415 shall mean a student who receives or is eligible to receive need-based financial aid including, but not limited to, Pell Grants, Perkins Loans, Stafford Subsidized Loans or other grants or loans and is currently enrolled at a Qualified Educational Institution..

"Qualified Student Housing Project" for purposes of Section 415 shall mean any housing project that contains housing for Qualified Students and which may also contain housing for persons who are enrolled students but not Qualified Students, created either through new construction or conversion of an existing non-residential building or space. There may be more than one Qualified Student Housing Project in a building.

"Qualified Student Housing" shall mean housing or group housing (measured either by units or beds) or accessory living space within a non-residential space, either owned by a Qualified Educational Institution or controlled by a Qualified Educational Institution through a long-term master lease for a period of at least 20 years or other contractual agreement in which at least thirty percent (30%) of such beds are occupied by Qualified Students. The Qualified Student Housing may be on the site of the Institution or at another location in the City and County of San Francisco.

#### **Sec 415.3 (c)**

Section 415.1 et seq., the Inclusionary Housing Program, shall not apply to:

(5) A Qualified Student Housing Project that meets all of the following criteria:

(A) The building or space conversion does not result in loss or conversion of existing housing, including but not limited to rental housing and dwelling units;

(B) An institutional master plan (IMP) pursuant to Section 304.5 is on file with the Planning Department prior to the issuance of any building permit or alteration

permit in connection with the creation of the Qualified Student Housing Project, and, in addition to the requirements of Section 304.5, such IMP shall describe: (i) to the extent such information is available, the type and location of housing used by its students; (ii) any plans for the provision of Qualified Student Housing; and (iii) the Educational Institution's need for student housing to support its program; and (iv) the percentage of its students, on an average annual basis, that receive some form of need-based assistance as described in (113B).

(C) The Mayor's Office of Housing (MOH) is authorized to monitor this program. MOH shall develop a monitoring form and annual monitoring fee to be paid by the owner of the real property or the Qualified Educational Institution or Institutions. The owner of the real property and each Qualified Educational Institution shall agree to submit annual documentation to the Mayor's Office of Housing (MOH) and the Planning Department, on or before December 31 of each year, that addresses the following:

(i) Evidence that the Qualified Educational Institution continues to own or otherwise control the Qualified Student Housing Project under a master lease or other contractual agreement including a certificate from the owner of the real property and the Qualified Educational Institution attaching a true and complete copy of the master lease or other contractual agreement (financial information may be redacted) and certifying that the lease or contract has not otherwise been amended or terminated; and

(ii) Evidence, on an average annualized basis, of the percentage of Qualified Students in good standing enrolled in the Qualified Educational Institution or Institutions who are occupying the beds or accessory living space in the each Qualified Student Housing Project, including but not limited to the number and percentage of qualifying students; the rent paid by each student; the type of dwelling the rent covers (i.e. single room; double room; etc.); and

(iii) The owner of the real property ~~Qualified Educational Institution~~ records a Notice of Special Restrictions (NSR) against fee title to the real property on which the Qualified Student Housing is located that states the following:

- The Qualified Educational Institution, or the owner of the real property on its behalf, must file a statement with the Department if it intends to terminate the Qualified Student Housing Project at least 60 days before it terminates such use ("statement of termination");

- The Qualified Student Housing Project becomes subject to the Inclusionary Housing Ordinance requirements applicable to Housing Projects other than Qualified Housing Projects if (1) ~~the a~~ Qualified Educational Institution files a statement of termination with the Department and another Qualified Educational Institution or Institutions have not been substituted and obligated to meet the requirements of this section; or (2) the owner of real property ~~Qualified Educational Institution~~ fails to file a statement of termination and fails to meet the requirements for a Qualified Student

Housing Project, then within not more than one year of a Notice Of Violation issued by the Planning Department;

- If the units in a Qualified Student Housing Project or Projects become subject to the Inclusionary Housing Ordinance then ~~it~~ the owner of the units shall (1) pay the Affordable Housing Fee plus interest from the date the project received its first construction document for the project if there is no evidence the Project ever qualified as Qualified Student Housing or, if Qualified Student Housing was provided and occupied, then the Affordable Housing Fee with no interest is due on the date the units were no longer occupied by qualifying households and interest would accrue from that date if the fee is not paid; or (2) provide the required number of on-site affordable units required at time of original project approval and that those units shall be subject to all of the requirements of this Program. In this event, the owner of the real property project sponsor shall record a new NSR providing that the designated units must comply with all of the requirements of this Program.

- The Qualified Educational Institution is required to report annually as required in subsection (C) above;

- The City may commence legal action against the owner and/or Qualified Educational Institution to enforce the NSR and the terms of Article IV of the Planning Code and Planning Code Section 415 et seq. if it determines that the project no longer meets the requirements for a Qualified Student Housing Project; and

- The Qualified Student Housing Project may be inspected by any City employee to determine its status as a Qualified Student Housing Project and its compliance with this Section at any time upon at least 24 hours' prior notice to the owner of the real property or to the master lessee.

(d) For projects that have received a first site or building permit prior to the effective date of Section 415.1 et seq., the requirements in effect prior to the effective date of Section 415.1 et seq. shall apply.

### **Sec 307 Other Powers of the Zoning Administrator.**

(i) Conversion from Student Housing to Non-Student Residential Use. If a residential project no longer qualifies as Student Housing as defined in Planning Code Section 102.36, the Zoning Administrator may allow the conversion of the Student Housing to any permitted residential use in the zoning district in which the Student Housing is located upon determination that

(a) the Qualified Educational Institution has terminated its contractual agreement regarding occupancy of the Student Housing units proposed to be converted and the building owner has made an extensive and good faith effort to obtain an agreement with another Qualified Educational Institution or Institutions.as a replacement., and

(b) the converted Student Housing has complied with any applicable Inclusionary Affordable Housing Requirements as outlined in Planning Code Section 416.3(c)(5)(C)(iii) and all other Planning Code requirements applicable to that residential use have been met or modified through appropriate procedures.

**From:** [Richard Rabbitt](mailto:richard.rabbitt@alumni.stanford.edu)  
**Sent By:** [richard.rabbitt@alumni.stanford.edu](mailto:richard.rabbitt@alumni.stanford.edu)  
**To:** [smiddleb@gmail.com](mailto:smiddleb@gmail.com); [Andres.Power@sfgov.org](mailto:Andres.Power@sfgov.org); [Scott Wiener](mailto:Scott.Wiener@sfgov.org); [Sophie.Hayward@sfgov.org](mailto:Sophie.Hayward@sfgov.org)  
**Subject:** USF conversion of residence for 60 priests to 175 student dorm  
**Date:** 04/01/2012 06:36 PM  
**Attachments:** [4518\\_001.pdf](#)  
[4540\\_001.pdf](#)  
[4676\\_001.pdf](#)

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Dear Ms. Hayward,

thank you for your response.

In case it is helpful to you and Supervisor Wiener, I wanted to make you aware of some history of housing conversion at USF that illustrates a concrete concern of the neighborhood with respect to the change in use from religious housing to student housing. While this was a past occurrence and while the proposed ordinance looks to the future and envisions some changes in the rules, I think it is an example of a failure of an institution to properly notify the surrounding community of its intentions to convert housing to a more intensified use that was arguably not in compliance with the proper permitting requirements at the time. Accordingly, this is a subject of concern to a number of people in the area and suggests that careful drafting of the conversion language re religious housing may be appropriate.

1. In 1996, USF had an existing religious housing building (Xavier Hall) on its "main campus" that housed 60 Jesuits. It wished to build new Jesuit housing on the Lone Mountain campus to replace this housing and obtained a permit to build a new building; in evaluating the environmental impact of such a change, a Negative Declaration was filed, in part based on the assertion that the new housing would only house 35 Jesuits and that there would not be any increase in the campus population. The assertion was made that the existing Jesuit housing would become faculty offices.

2. However, once the replacement housing was completed in 1999, USF instead converted the existing building to a dorm for approximately 172 students without a conditional use permit, a conversion that would allow a 172 person increase in the campus population and an increased intensification of the use of the existing building (which was supposedly built for a maximum of 100 Jesuits).

3. So this was a past situation where the neighborhood was not only not informed but was misinformed and where the conversion resulted in an intensification of use without a conditional use permit.

See attachments for substantiation of these points.

Again, I realize that this was a past event, but, given that I understand that one of the objectives of the current legislation is to put in place protections for existing residential neighborhoods against undisclosed changes in use of existing buildings that may be used by an institution to expand its enrollment, I thought it would be worth noting this past example for your information and for your consideration in connection with any blanket exception for conversion of religious housing. I understand that there may be some sentiment behind the currently proposed ordinance that seeks to disincentivize behavior on the part of certain educational institutions that does not respect the proper planning rules; with that context in mind, you might find this information of interest.

Thank you for your consideration of this.



**From:** [Randy Shaw](#)  
**To:** [sophie.hayward@sfgov.org](mailto:sophie.hayward@sfgov.org)  
**Subject:** Fwd: Student Housing Legislation  
**Date:** 04/05/2012 10:28 AM

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fyi. Do not have anne-marie's address so please forward to her.

Dear Commissioners:

I am writing to request revisions to proposed legislation that would, among other provisions, ban educational institutions from purchasing or leasing single room occupancy hotels (SROs).

I did not express my concerns when this measure was before the Commission last fall because I was entirely unaware of it. It was not brought before the city's SRO Task Force, and even residential hotel owners only recently learned of it.

I have worked to protect and improve residential hotels to tourist lodgings for over 30 years. The Tenderloin Housing Clinic has been at the forefront of efforts to preserve the city's SRO's during this time, securing dozens of court injunctions against SRO's illegally renting to tourists and spearheading state legislation that exempts SRO's from the state Ellis Act. In 1999, we promoted the City's Hotel Leasing Program, a strategy that has dramatically increased occupancy levels among low-income tenants in SROs. You can be sure that if this proposed legislation helped preserve SRO's or protect tenants, we would strongly favor it.

But the measure does neither.

To the contrary, it addresses an alleged problem---educational institutions acquiring SRO's and then evicting longterm residents---for which there is no supporting evidence. Even worse, its chief impact would be to prevent SRO's that have not been primarily renting to permanent residents to begin doing so by leasing or selling to educational institutions.

There are 100% residential hotels that have had few if any permanent residents for years. In one case, the Globetrotter at 225 Ellis, my office has brought four lawsuits under multiple owners and lessees. While we stop each illegal conversion, we have not succeeded in restoring the 15-unit SRO to actual residential use. It would be far better for the City to allow the Globetrotter and similar hotels to sell or lease to educational institutions, as this would ensure 100% of the units are used for permanent housing.

I have heard that some believe the provisions in the legislation affecting SRO's is needed encourage schools to build new housing. But no educational institution is going to build 10x12 rooms without kitchen or private baths, the type of housing that constitutes much of the SRO market. Instead, schools will build apartment buildings. So while increasing development incentives for student housing makes sense, conditioning this on imposing an absolute ban on leasing or purchasing SRO's for student occupancy does not.

Students have always lived in Tenderloin apartments and hotels. This legislation is the first time I have heard student residence in the Tenderloin described as a negative.

Students do not cause violence or crime, they spend money in surrounding businesses, and are usually out walking in evenings. Students add to the neighborhood's public safety and should be encouraged.

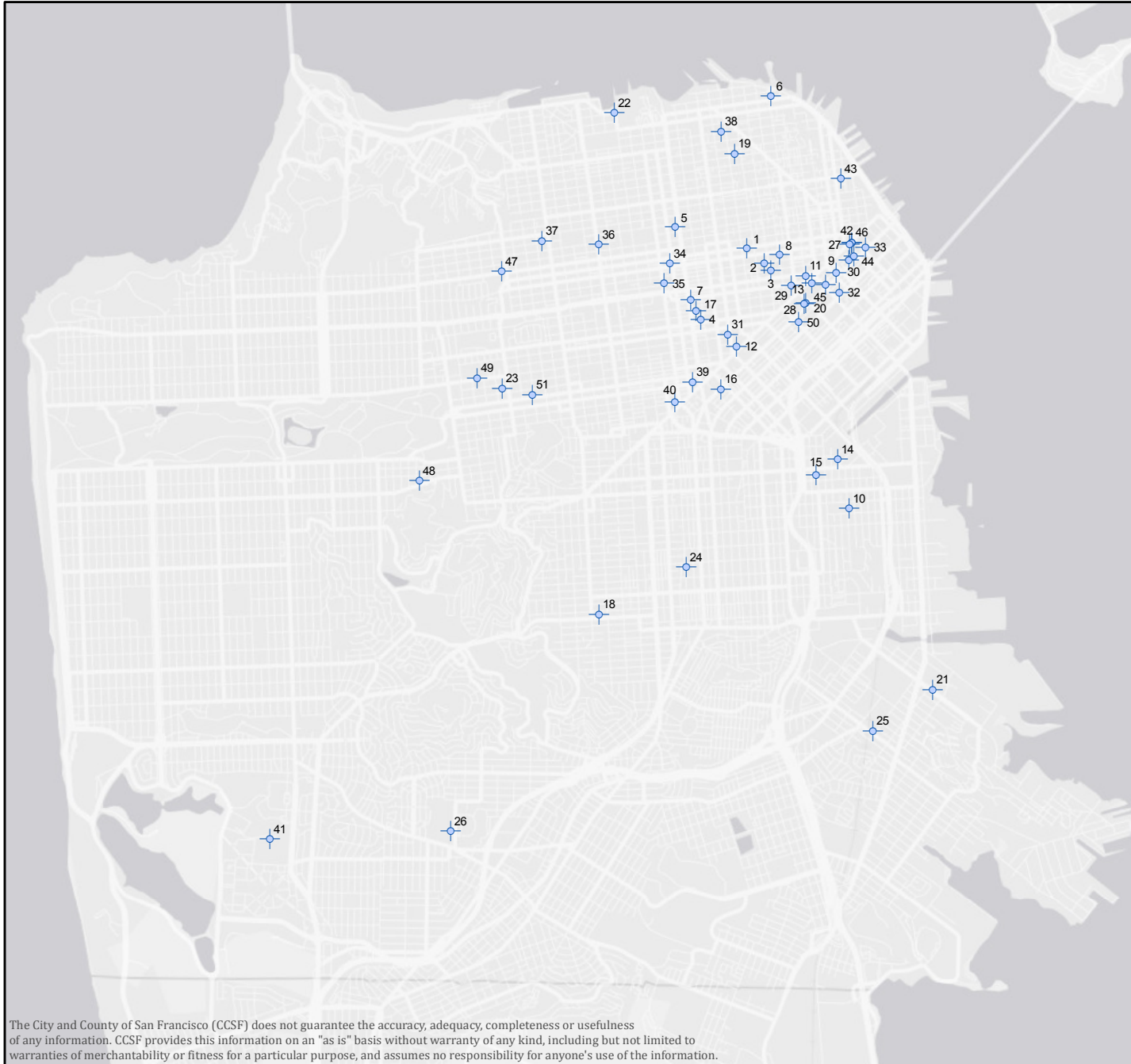
I see no factual basis for any restrictions on schools' leasing or purchasing SRO's. But if the Commission wants to address the issue, a far better solution would be to impose a conditional use requirement on purchases or leases by educational institutions. This would require Planning Commission approval for such leases or purchases, ensuring that long-term tenants were never put in jeopardy.

Thank you for your consideration.

Sincerely,

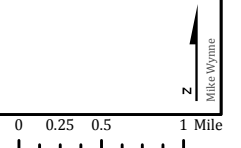
Randy Shaw  
Executive Director

# Post Secondary Schools



- 1 - AAU
- 2 - AAU
- 3 - AAU Liberal Arts
- 4 - AAU School of Fashion
- 5 - AAU School of Industrial Design
- 6 - AAU School of Interior Architecture
- 7 - Academy of Art
- 8 - Academy of Art College
- 9 - Academy of Art University
- 10 - American College of Traditional Chinese Medicine
- 11 - American Conservatory Theater
- 12 - Art Institute of California San Francisco
- 13 - Bryan College
- 14 - California College of the Arts
- 15 - California Culinary Academy
- 16 - California Institute of Integral Studies
- 17 - CCSF Alemany Campus Center
- 18 - CCSF Castro/Valencia Campus
- 19 - CCSF Chinatown/North Beach Campus
- 20 - CCSF Downtown Campus
- 21 - CCSF Evans Campus
- 22 - CCSF Ft Mason Center
- 23 - CCSF John Adams
- 24 - CCSF Mission Center
- 25 - CCSF Southeast Campus
- 26 - City College of San Francisco
- 27 - DeVry University
- 28 - Everest College
- 29 - Fashion institute of Design & Merchandising
- 30 - Golden Gate University
- 31 - Hastings College of the Law
- 32 - Heald Colleges of California
- 33 - Heald Colleges of California San Francisco
- 34 - Institute for Advanced Study of Human Sexuality
- 35 - Intercultural Institute of California
- 36 - Psychoanalytic Institute of Northern California
- 37 - Rudolf Steiner College
- 38 - San Francisco Art Institute
- 39 - San Francisco Conservatory of Music
- 40 - San Francisco Law School
- 41 - San Francisco State University
- 42 - San Francisco State University Downtown Center
- 43 - Saybrook University
- 44 - Sonoma College
- 45 - UC Berkeley Extension Art and Design Center
- 46 - UC Berkeley Extension Downtown Center
- 47 - UC Berkeley Extension Jewish Community Center
- 48 - University of California San Francisco
- 49 - University of San Francisco
- 50 - University of the Pacific Dugoni School of Dentistry
- 51 - Westmont College

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## **ADVANCED POLICY ANALYSIS**

### **San Francisco's Single-Room Occupancy (SRO) Hotels: A Strategic Assessment of Residents and Their Human Service Needs**

**A Study Conducted for the San Francisco  
Human Services Agency (SF-HSA),  
San Francisco, California**

by

**Aimée Fribourg**

**SPRING 2009**

The author conducted this study as part of the program of professional education at the Goldman School of Public Policy, University of California at Berkeley. This paper is submitted in partial fulfillment of the course requirements for the Master of Public Policy degree. The judgments and conclusions are solely those of the author, and are not necessarily endorsed by the Goldman School of Public Policy, by the University of California or by any other agency.

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## **Acknowledgements**

The process of gathering and synthesizing the information contained in this report would not have been possible without the continued support of Dan Kelly, HSA's Director of Planning, for working closely with me throughout this project; Noelle Simmons, HSA Deputy Director, for connecting me with numerous resources; Adam Nguyen, HSA Planning Unit, for his invaluable technical and moral support; all the members of HSA's Planning Unit: Gayathri Sundar, John Murray, Diana Jensen, Sarah Crow, and Candace Thomsen; and Trent Rhorer, HSA's Executive Director.

I would like to thank those individuals who contributed to this report by providing data and/or taking the time to speak with me: Rosemary Bosque, Jim Buick, Judy Chiang, Angela Chu, Jean Cooper, Tracy Dobronravova, September Jarrett, Deneen Jones, Jamie Lew, Janice Link, Maria Martinez, Mike McGinley, Teresa Ojeda, Johnson Ojo, Sam Patel, Alissa Pines, Michelle Rutherford, Luciana Tsay, Scott Walton, Hugh Wang, Cindy Ward, and Harry Williams.

I am also grateful to Larry Rosenthal and the members of my APA seminar for their feedback and encouragement throughout the semester.

## Executive Summary

This report provides a profile of Single-Room Occupancy (SRO) hotel residents and their human service needs, drawing on caseload data from various city programs, key informant interviews, and administrative records reviews. Specifically, this study describes SRO residents through four distinct lenses: an overall “master profile”, seniors and adults with disabilities, children and families, and public service utilization.

The city of San Francisco is unable to meet residents’ demand for affordable housing. Many of the city’s most vulnerable populations, including families with children, seniors and adults with disabilities, and other public service recipients, are often at risk for homelessness. SROs account for a substantial portion of San Francisco’s affordable housing stock, as they provide housing for more low-income people than all the city’s public housing developments.

Most of San Francisco’s SRO hotels were built in the early decades of the 20<sup>th</sup> century. Most of these buildings have less than 40 units, and average monthly rents range from \$500 and \$600. These residential hotels are concentrated in four neighborhoods: the Tenderloin (208 buildings), Chinatown (145), South of Market (60), and Mission (50). While these neighborhoods differ across many dimensions, they all have lower median household incomes, higher proportions of residents in poverty, more racial and ethnic diversity, and higher unemployment rates than citywide measures.

An estimated 18,500 people live in the 530 buildings classified as SROs by the Planning Department. The city works closely with 46 of these hotels through the Human Service Agency (HSA)’s Single Adult Supportive Housing program, including Care Not Cash, and the Department of Public Health’s Direct Access to Housing program. Sixty-six are owned by non-profits. The remaining hotels represent opportunities for mutually beneficial partnerships between service providers and hotel owners.

### I. Master Profile

The master profile is based on aggregated information from ten human service programs:

|  |  |
|--|--|
| <ul style="list-style-type: none"><li>• Adult Protective Services (APS)</li><li>• California Work Opportunities and Responsibility to Kids (CalWORKS)</li><li>• Cash Assistance Program for Immigrants (CAPI)</li><li>• County Adult Assistance Programs (CAAP, or General Assistance)</li><li>• Food Stamps</li></ul> | <ul style="list-style-type: none"><li>• Foster Care</li><li>• In-Home Supportive Services (IHSS)</li><li>• Medi-Cal</li><li>• Office on the Aging (OOA)</li><li>• Supplemental Security Income (SSI)</li></ul> |
|--|--|

These are all the programs for which Social Security Number was available, thus enabling the merging of caseload data into one master list of unduplicated individuals. While this dataset represents almost two-thirds of the estimated total number of SRO residents, it only includes those individuals connected with at least one of the ten above programs. People who receive other services or no services at all (e.g., those who are ineligible or not in need) are therefore



excluded. Nevertheless, this master profile is a good faith effort to capture as much information as possible about SRO residents. Key findings include:

- Most of the individuals in this dataset (57%) participate in only one of these ten programs.
- While males represent between two-thirds and three-fourths of SRO residents among African-Americans, Latinos, and Whites, they are the minority among Asian/Pacific Islanders (API) SRO residents.
- Close to half the individuals in the SRO resident master profile are API, just under one-fourth are White, and almost one-fifth are African-American.
- English is the primary language of more than half of these SRO residents; Chinese is the primary language of slightly over one-third.
- Younger SRO residents (under 18 years old) are mostly API and Latino. The API population also has the highest proportion of seniors living in SROs.

## II. Seniors and Adults with Disabilities

The profile of seniors and adults with disabilities who live in SROs draws on caseload data from Adult Protective Services (APS), In-Home Supportive Services (IHSS),<sup>1</sup> Office On the Aging (OOA),<sup>2</sup> and Supplemental Security Income (SSI). Data and key informant interviews suggest that seniors and adults with disabilities who live in SROs are generally more socially isolated than their non-SRO-dwelling counterparts, and that they often need a broad range of comprehensive support services. Key findings include:

- Males account for the majority of SRO residents who receive SSI, IHSS, OOA, and APS services, while they represent minority of non-SRO program participants.
- In all four programs, SRO residents are significantly younger than non-SRO residents.
- With respect to ethnicity, almost half of all IHSS recipients in SROs are Asian/Pacific Islanders, while Whites make up over half of those with reports of abuse. Among SRO residents in all four programs, about one-fifth are African-American and a small percentage is Latino.
- SRO residents are generally less functionally limited than non-SRO residents, according to IHSS rankings.
- Compared to non-SRO residents who receive OOA services, SRO residents are more likely to be disabled or unemployed (as opposed to retired or employed), single or divorced (as opposed to married or widowed), and have veteran status.
- With respect to abuse, SRO residents involved with APS are more likely to be reported for “self-abuse”, while non-SRO residents are more likely to be reported for abuse by others.

---

<sup>1</sup> IHSS provides personal assistance services that allow low-income people with chronic and disabling conditions to remain in their homes.

<sup>2</sup> OOA contracts with community-based organizations to provide services for seniors and people with disabilities.

### **III. Children and Families**

Findings about children and families who live in SROs are informed by individual-level data from the California Work Opportunities and Responsibility to Kids (CalWORKS), Child Welfare Services, First 5 San Francisco, and Subsidized Child Care; and neighborhood-level data from the Department of Public Health and the San Francisco Unified School District (SFUSD). SROs are generally far from ideal homes for children and families due to crowded conditions, lack of privacy, and often unsafe surroundings. Key findings include:

- Of the 910 SFUSD children living in SROs, over half are in Chinatown and close to one-third are in the Tenderloin.
- Over half of the SFUSD children who live in SROs are Chinese and almost one-fifth are Latino. The data suggest that many of these children are immigrants—over two-thirds of children living in SROs are in Chinatown and the Mission, and half of those in the Tenderloin, have English Language Learner status.
- With respect to public health services used by children who live in SROs, those in Chinatown's SROs made the greatest number of primary health care visits in 2008 and those in the Tenderloin's SROs account for the most Emergency Department and inpatient service visits. Children in those two neighborhoods also represent the bulk of mental health service clients among SRO residents.
- Children who live in SROs display a higher substantiation rate for child abuse reports than non-SRO residents, although the total number of child welfare referrals made for SRO residents decreased by about one-third between 2005 and 2008.

### **IV. Public Service Utilization**

This profile uses individual-level data from the Food Stamps program, County Adult Assistance Programs (CAAP, or General Assistance), and Medi-Cal; and neighborhood-level data from the Department of Public Health. Key findings include:

- Among SRO residents, males make up just over half of Medi-Cal recipients, about two-thirds of Food Stamps recipients, and over three-fourths of CAAP beneficiaries.
- The mean and median ages for Medi-Cal, Food Stamps, and CAAP recipients who live in SROs range from 43 to 55 years.
- Ethnicity varies across programs. African-Americans and Whites each make up slightly over one-third of CAAP recipients who live in SROs; Food Stamps recipients who live in SROs are relatively evenly distributed among African-Americans, Asian/Pacific Islanders, and Whites; almost two-thirds of Medi-Cal recipients who live in SROs are Asian/Pacific Islanders.
- English is the primary language of the overwhelming majority of CAAP and Food Stamps recipients who live in SROs, while Chinese is the primary language of just over half of SRO residents with Medi-Cal.
- Among all SRO residents, those in the Tenderloin used the largest portion of medical, mental health, and substance abuse services in 2008.

## Recommendations

### *1. Develop and use criteria to target specific SROs and populations of SRO residents for outreach.*

The data suggest that many SRO residents may not be taking full advantage of services for which they are eligible. Moreover, many private SRO owners have a strong interest in addressing tenants' needs, especially when they interfere with hotel operations (e.g., mental illness, substance abuse, hoarding and cluttering, criminal activities).<sup>3</sup> Potential criteria for targeted outreach include:

- a. Supplemental Security Income (SSI) recipients who do not receive In-Home Supportive Services (IHSS). This study found that, while all SSI recipients are income-eligible for IHSS and many would likely benefit from caretaker services, just under one-third of SSI recipients living in SROs also receive IHSS.
- b. SFUSD children with free/reduced lunch who do not receive Food Stamps. This study found that the number of children living in SROs who receive Food Stamps is less than half the number of children in SROs who receive free/reduced lunch. While some of these children may be ineligible (e.g., due to immigration status), those who do qualify would likely benefit from additional nutritional support.
- c. Concentrations of Personal Assisted Employment Services (PAES) recipients, especially in the Tenderloin. PAES recipients are employable adults, and SRO residents who receive PAES should be targeted by HSA's Boyd Hotel Workforce Development Center in the Tenderloin, which offers services for formerly homeless individuals living in supportive housing units.
- d. Concentrations of seniors and adults with disabilities, considering the Services Connection Program as a model. This program is a collaboration between DAAS, the San Francisco Housing Authority, resource centers, and community-based service providers.
- e. Concentrations of children and families. Target hotels with the greatest number of children and families for on-site services such as outreach for benefit screening, after-school activities, and exit strategies.

### *2. Preserve SROs as affordable housing stock in San Francisco.*

While new construction may take years, San Francisco's SROs already house more low-income people than the city's public housing developments. Strategies such as master leasing can be mutually beneficial to owners, service providers, and residents. Owners benefit from a guaranteed income stream, service providers are able to offer on-site support and, according to the San Francisco Planning Department, "the transfer of residential hotels to effective non-profit housing organizations...ensure[s] permanent affordability, livability, and maintenance."<sup>4</sup>

### *3. Bring key stakeholders together to strategize about how to better serve low-income SRO residents.*

Establishing partnerships that promote information-sharing between city departments,

---

<sup>3</sup> Conversation with Sam Patel, president of the San Francisco Independent Hotel Owners and Operators Association, on 5/7/09.

<sup>4</sup> San Francisco General Plan: Housing Element (2004)

community-based organizations, and hotel owners and residents will increase efficiency by fostering collaborative service delivery. For example:

- a. San Francisco Police Department. While some private SRO owners already work closely with local police,<sup>5</sup> formalizing these partnerships would grant owners more direct access to police services and allow police officers to better protect and serve the community.
- b. Human Services Agency (HSA) and community-based service providers. Establishing partnerships with human service providers would equip hotel owners with information about available services and more direct access to providers. Moreover, the HSA and community-based providers would have the opportunity to expand their client base.
- c. SRO Commission and/or Resident Councils. Creating a formal setting in which tenants may voice their concerns and communicate with hotel owners and property managers would help foster increased understanding and cooperation.

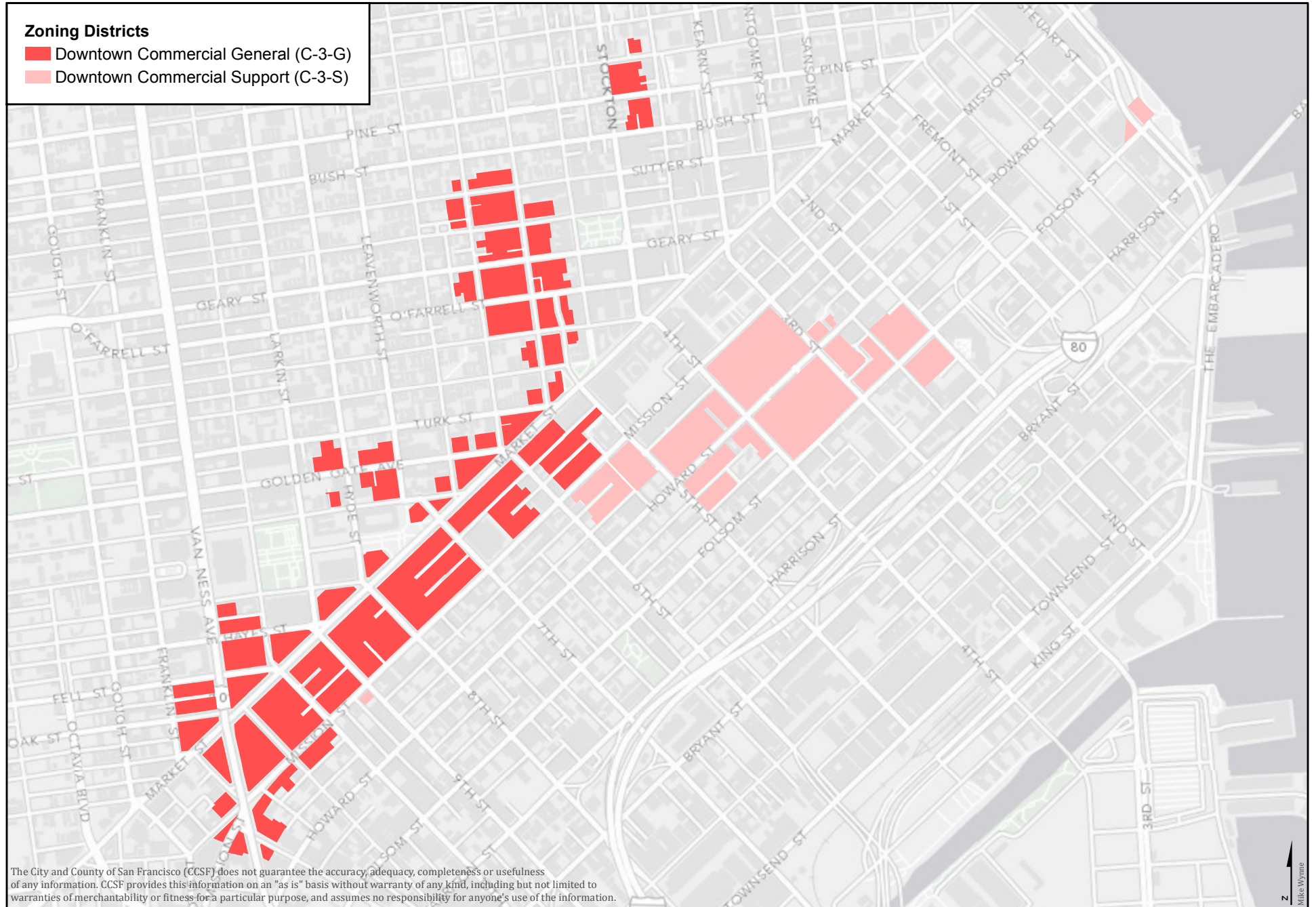
*4. Monitor changes in the SRO resident profile over time.*

San Francisco's SRO population is constantly shifting, and the HSA and other service providers should identify changing trends in SRO residents' demographics and human service needs. Monitoring changes in the SRO population will help ensure the provision of appropriate services based on clients' needs. This report may be used as a baseline against which to measure change.

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<sup>5</sup> Conversation with Sam Patel, president of the San Francisco Independent Hotel Owners and Operators Association, 5/7/09.

# C-3 Zoning Districts

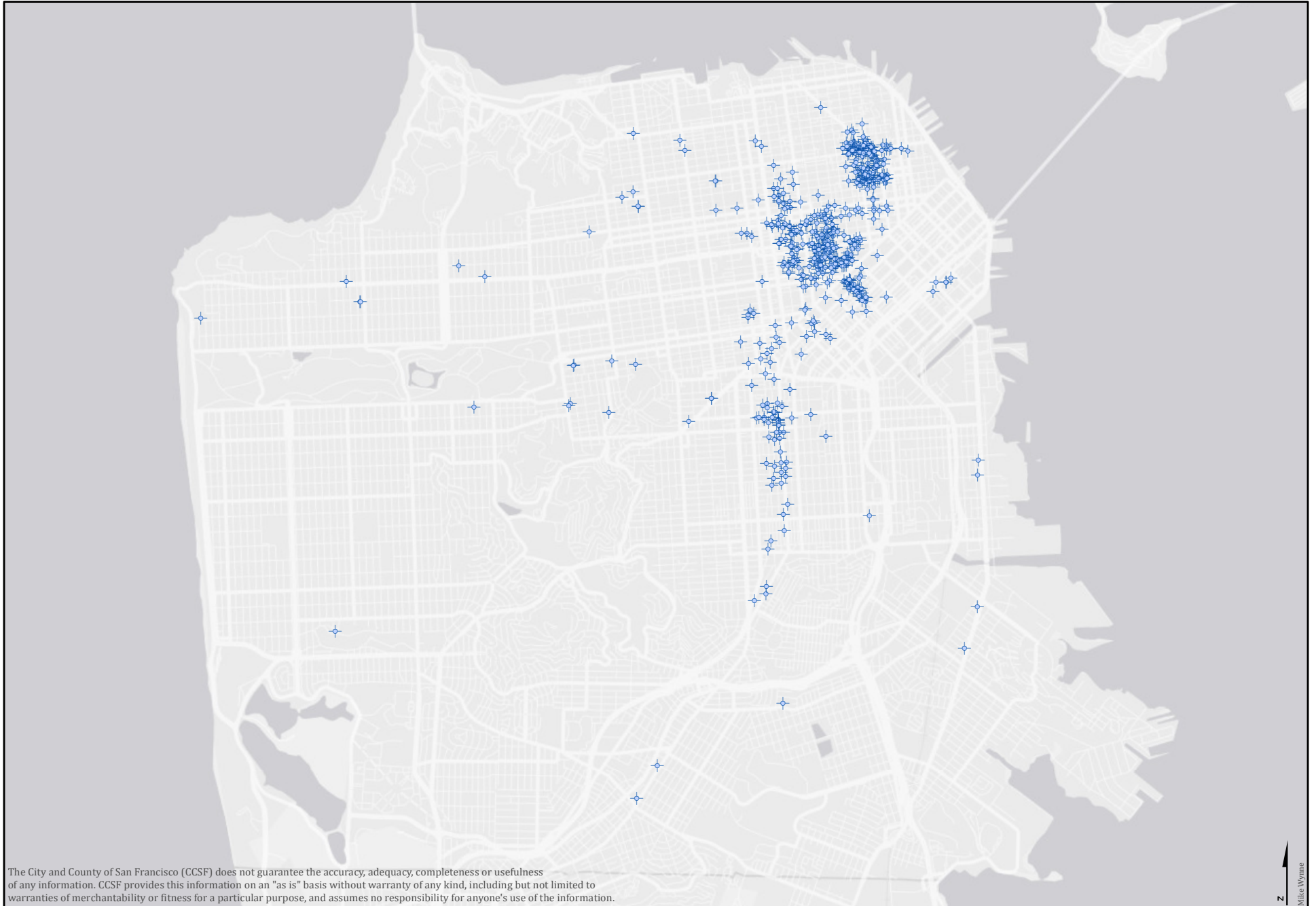


# Residential Hotels

Source: DBI's 2010 Inventory



SAN FRANCISCO  
PLANNING DEPARTMENT



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Printed: 7 May, 2012

0 0.25 0.5 1 Mile  
N  
Mike Wynne



# SAN FRANCISCO PLANNING DEPARTMENT

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## Exhibit E: Review of Existing Planning Code Controls for Student Housing

### The Way It Is Now:

The proposed Ordinance amends five existing Sections of the Planning Code (hereafter referred to as "Code"). Below is a concise summary of the pertinent components of the Sections proposed for amendment.

- There currently exist two relevant definitions in the Code:
  - **Student Housing in Eastern Neighborhood Mixed-Use Districts.** This definition, located in Planning Code Section 401, identifies Student Housing as a "building where 100 percent of the residential uses are affiliated with and operated by an accredited post-secondary educational institution. Typically, Student Housing is for rent, not for sale. This housing shall provide lodging or both meals and lodging, by prearrangement for one week or more at a time. This definition only applies in the Eastern Neighborhoods Mixed Use Districts." This definition only applies to a limited area of the City's zoning districts, and does not apply citywide.
  - **Qualified Student Housing.** This definition, also located in Planning Code Section 401, defines Qualified Student Housing as, "housing or Group Housing (measured either by units or beds) or accessory living space within a non-residential space, either owned by a Qualified Educational Institution or controlled by a Qualified Educational Institution through a long-term master lease for a period of at least 20 years in which at least thirty percent (30%) of such beds are occupied by Qualified Students. The Qualified Student Housing may be on the site of the Institution or at another location in the City and County of San Francisco." This definition relates to income level of the occupants and the ownership of the housing for the purposes of an exemption from the inclusionary housing fee, but does not define the form of Student Housing or where it is permitted.
- Code Section 317, which addresses the loss of dwelling units through demolition, merger, or conversion, does not specifically address the loss of residential dwellings through the conversion from housing to Student Housing.
- Code Section 135 outlines the requirements for usable open space for dwelling units and Group Housing. Section 135(d)(2) identifies a reduced requirement for usable open space for use by each bedroom in both Group Housing and SRO units, which is one-third that of required for a dwelling unit.
- Code Section 207.6 defines minimum dwelling unit mixes in certain zoning districts, in order to ensure an adequate supply of family sized units, which include at least two bedrooms. Section 207.6(b)(3) does not apply to buildings for which 100 percent of the uses are Group Housing, dwelling units which are provided at below market rates, Single Room Occupancy Units, or Student Housing pursuant to the existing definition located in Section 401 (which applies only to mixed-use districts within the Eastern Neighborhoods).

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- Code Section 312(c) defines the circumstances in Neighborhood Commercial (NC) districts in which changes of use require neighborhood notification. Currently, a change of use to Group Housing from any other use does not trigger neighborhood notice.





## DEPARTMENT OF BUILDING INSPECTION

Housing Inspection Services

City and County of San Francisco

1660 Mission Street, 6th Floor, San Francisco, California 94103-2414

TEL (415) 558-6220 FAX (415) 558-6249

### **MOST COMMON COMPLAINTS RECEIVED BY DBI FOR RESIDENTIAL HOTELS**

(UPDATED NOVEMBER 7, 2011)

#### **BEGINNING WITH THE MOST PREVALENT COMPLAINTS:**

1.  Public Bathrooms (out of order, lack of maintenance, not sanitary, insufficient number)
2.  Bed bugs (DPH is the lead CCSF agency)
3.  Other insect, vermin infestation
4.  Mold & Mildew
5.  Lack of proper heat/hot water (seasonal)
6.  Leaking plumbing fixtures/roof
7.  Lack of proper secondary means of egress (blocked hallway/fire escape, etc.)
8.  Lack of sufficient garbage receptacles (or insufficient pick-up)
9.  Garbage room/area poorly maintained
10.  Broken/inoperative windows, lack of proper weather-stripping of windows
11.  Lack of proper sanitation/maintenance in the common areas and guest rooms
12.  Existing elevator in disrepair or out of order
13.  Lack of proper building security
14.  Poorly maintained community kitchen(s)
15.  Electrical Service insufficient for appliances
16.  Flooded/unsanitary light wells
17.  Smoke Detectors/ fire extinguishers/ fire sprinklers missing/not operational
18.  Lack of proper ventilation
19.  Broken/missing handrails/guards
20.  Excessive storage (hoarding & cluttering)
21.  Construction/building alteration without proper permit
22.  Illegal conversion without proper permit (including residential guest rooms under HCO)
23.  Lack of required post office mail receptacles
24.  Overcrowding in guest rooms
25.  Lack of proper exit signage
26.  Missing (135 degree) door viewers, or padlocks on guest room doors
27.  Missing self closing devices for public bath room, community kitchen, and entry doors
28.  Existing entry door- bell system inoperable
29.  Lack of guest room identification numbers
30.  Lack of proper artificial lighting in public corridors
31.  Lack of on-site caretaker (only required for hotels of 12 or more guest rooms)

Note: The Information above is subject to change without notice and does not describe a San Francisco Housing Code violation per se which must be verified by site inspection.

## John M. Sanger

---

**From:** John M. Sanger <sanger@sanger-olson.com>  
**Sent:** Thursday, May 17, 2012 9:55 AM  
**To:** 'Cindy Wu'; 'Gwyneth Borden'; 'Hisashi Sugaya'; 'Kathrin Moore'; 'Michael J. Antonini'; 'Rodney Fong'; 'Ron Miguel'  
**Cc:** linda.avery@sfgov.org; john.rahaim@sfgov.org  
**Subject:** Revised language substituted and proved in missing attachment re Student Housing Legislation Amendment  
**Attachments:** Suggested language for exemption addressing both USF and SFAI concerns by adding to language in Wiener.docx

My apologies but my prior email contained an earlier version of the proposed amendment which did not address certain concerns of the San Francisco Tenants Union and others. The correct version is attached and provided as follows:

### **REQUESTED ADDITIONAL LANGUAGE IN PROPOSED STUDENT HOUSING LEGISLATION TO ADDRESS REASONABLE NEEDS AND CONCERNS OF THE SAN FRANCISCO ART INSTITUTE AND POSSIBLY SIMILAR SMALLER COMPLYING POST-SECONDARY COLLEGES WHICH DO NOT OWN HOUSING AND CANNOT ACQUIRE IT**

Explanation: The following language in **bold** and underlined is requested to be added to the underlined language in Section 317(b)(1) in Supervisor Wiener's 3/26/12 draft ordinance for exemption addressing reasonable concerns of USF. The added language would address the concerns of SFAI and would involve a very limited exemption which would only assist those institutions which have been compliant with San Francisco's codes. SFAI does not know if any institution other than itself would qualify but it would. SFAI provides only 10% of its students any housing – first year students who cannot reasonably afford other housing or whose parents insist on supervised housing. This exemption would not have an adverse impact on any existing housing stock. SFAI has never rented any rooms which were not already vacant or rented to students. While modeled on the concept in Supervisor's Kim's proposed amendment, it is much more limited in its scope. If such an exemption is not provided SFAI, like other smaller institutions, will continue to suffer from the disadvantage of not being able to offer any supervised housing by contrast to its much larger for-profit competitors and the few younger first-year students will either not come to San Francisco to attend SFAI or be forced to compete in the regular market as do the other 90% of SFAI students and most students in the City.

"Notwithstanding the foregoing, the change of use or occupancy of a dwelling unit, group housing or SRO to Student Housing is not considered a conversion of a residential unit if the dwelling unit, group housing or SRO (1) was built by the post-secondary Educational Institution that will own, operate or otherwise control the Student Housing; (ii) is in a convent, monastery (or similar religious order facility); or (iii) is on a lot directly adjacent to the post-secondary Educational Institution that will own, operate or otherwise control the Student Housing so long as the lot has been owned by the post-secondary Educational Institution for at least ten years as of the effective date of this ordinance; or (iv) consists of Student Housing under the control or owned by a post-secondary Educational Institution with an accepted Institutional Master Plan on file as of the effective date of this ordinance which was previously group housing or SRO units in a building which was vacant or less than 20% occupied as of August 10, 2010 (when this ordinance was originally introduced) but for occupancy at that time by students at a post-secondary Educational Institution which had an Institutional Master Plan on file as of such date, such vacancy or low rate of occupancy to be demonstrated by reports filed as required by the Residential Hotel Conversion Ordinance with the Department of Building Inspection and/or, as applicable, verified information from such Educational Institution regarding its rental or lease of such units for its students as of such date. No such change in occupancy recorded as of the time of occupancy by students as provided herein shall cause such units to be deemed exempt from the Residential Stabilization and Arbitration Ordinance."

John M. Sanger  
Sanger & Olson, A Law Corporation

Received at CPC Hearing 5-17-12  
2011.02067  
(A. RODGERS)

**Aggregation of Amendments referred to in the May 10<sup>th</sup> Staff report as proposed by HAC, Supervisor Weiner and Mayor's Office of Housing.**

Received at CPC Hearing 5-17-12  
2011.02065  
(A. RODGERS)

**SEC. 401. DEFINITIONS.**

*STUDENTS HOUSING*

"Qualified Educational Institution" for purposes of Section 415 shall mean an accredited post secondary Educational Institution as defined in Sec. 209.3(i). ~~which has Qualified Students.~~

~~—"Student Housing. A building where 100 percent of the residential uses are affiliated with and operated by an accredited post-secondary education institution. Typically, student housing is for rent, not for sale. This housing shall provide lodging or both meals and lodging by prearrangement for one week or more at a time. This definition only applied in the Eastern Neighborhoods Mixed Use Districts. As defined in Planning Code Section 102.36~~

~~"Qualified Student" for purposes of Section 415 shall mean a student who is enrolled at least part time, in a Qualified Educational Institution, receives or is eligible to receive need-based financial aid including, but not limited to, Pell Grants, Perkins Loans, Stafford Subsidized Loans or other grants or loans and is currently enrolled at a Qualified Educational Institution.~~

~~"Qualified Student Housing Project" for purposes of Section 415 shall mean any Student Housing Project that contains housing for Qualified Students ~~and which may also contain housing for persons who are enrolled students but not Qualified Students,~~ created either through new construction or conversion of an existing building or space. A Qualified Student Housing Project may consist of all or part of a building and there may be more than one Qualified Housing Project in a building.~~

~~"Qualified Student Housing" shall mean housing or group housing (measured either by units or beds) or accessory living space within a non-residential space, either owned by a Qualified Educational Institution or controlled by a Qualified Educational Institution through a long-term master lease or other contractual agreement for a period of at least ~~20~~ five (5) years, ~~in which at least thirty percent (30%) of such beds are occupied by Qualified Students.~~ The Qualified Student Housing may be on the site of the Institution or at another location in the City and County of San Francisco.~~

**SEC. 102.36. STUDENT HOUSING.** Student Housing is a living space for students of accredited post-secondary educational Institutions that may take the form of dwelling units, group housing, or a SRO. Unless expressly provided for elsewhere in

this Code, the use of Student Housing is permitted where the form of housing is permitted in the underlying Zoning District in which it is located. Student Housing must be owned, operated or otherwise controlled by an accredited post-secondary Educational Institution, as defined in Section 209.3(i) of this Code. Student Housing may consist of all or part of a building

**Sec 415.3 (c)** Section 415.1 et seq., the Inclusionary Housing Program, shall not apply to:

(5) A Qualified Student Housing Project that meets all of the following criteria:

(A) The building or space conversion does not result in loss or conversion of existing housing, including but not limited to rental housing and dwelling units;

(B) An institutional master plan (IMP) pursuant to Section 304.5 is on file with the Planning Department prior to the issuance of any building permit or alteration permit in connection with the creation of the Qualified Student Housing Project, and, in addition to the requirements of Section 304.5, such IMP shall describe: (i) to the extent such information is available, the type and location of housing used by its students; (ii) any plans for the provision of Qualified Student Housing; and (iii) the Educational Institution's need for student housing to support its program; ~~and (iv) the percentage of its students, on an average annual basis, that receive some form of need-based assistance as described in (113B).~~

(C) The Mayor's Office of Housing (MOH) is authorized to monitor this program. MOH shall develop a monitoring form and annual monitoring fee to be paid by ~~the owner of the real property. Qualified Educational Institution.~~ The owner of the real property. Qualified Educational Institution shall agree to submit annual documentation to the Mayor's Office of Housing (MOH) and the Planning Department, on or before December 31 of each year, that addresses the following:

(i) Evidence that ~~the a~~ a Qualified Educational Institution continues to own or otherwise control the Qualified Student Housing Project under a ~~master lease or other contractual agreement~~ including a certificate from the owner of the real property and the Qualified Educational Institution attaching a true and complete copy of the ~~master lease or other contractual agreement~~ (financial information may be redacted) and certifying that the lease or contract has not otherwise been amended or terminated; and

(ii) Evidence, on an average annualized basis, of the percentage of Qualified Students in good standing enrolled in the Qualified Educational Institution or Institutions who are occupying the beds or accessory living space in the each Qualified Student Housing Project, ~~including but not limited to the number and percentage of qualifying students; the rent paid by each student; the type of dwelling the rent covers (i.e. single room; double room; etc.); and~~

(iii) The owner of the real property ~~Qualified Educational Institution~~ records a Notice of Special Restrictions (NSR) against fee title to the real property on which the Qualified Student Housing is located that states the following:

- The Qualified Educational Institution, or the owner of the real property on its behalf, must file a statement with the Department if it intends to terminate ~~the a~~ Qualified Student Housing Project at least 60 days before it terminates such use ("statement of termination");

- The Qualified Student Housing Project becomes subject to the Inclusionary Housing Ordinance requirements applicable to Housing Projects other than Qualified Housing Projects if (1) ~~the a~~ Qualified Educational Institution files a statement of termination with the Department and another Qualified Educational Institution or Institutions have not been substituted and obligated to meet the requirements of this section; or (2) the owner of real property ~~Qualified Educational Institution~~ fails to file a statement of termination and fails to meet the requirements for a Qualified Student Housing Project, then within not more than one year of a Notice Of Violation issued by the Planning Department;

- If the units in a Qualified Student Housing Project or Projects become s subject to the Inclusionary Housing Ordinance then ~~it~~ the owner of the real property shall (1) pay the Affordable Housing Fee plus interest from the date the project received its first construction document for the project if there is no evidence the Project ever qualified as Qualified Student Housing or, if Qualified Student Housing was provided and occupied, then the Affordable Housing Fee with no interest is due on the date the units were no longer occupied by qualifying households and interest would accrue from that date if the fee is not paid; or (2) provide the required number of on-site affordable units required at time of original project approval and that those units shall be subject to all of the requirements of this Program. In this event, the owner of the real property ~~project sponsor~~ shall record a new NSR providing that the designated units must comply with all of the requirements of this Program.

- The Qualified Educational Institution is required to report annually as required in subsection (C) above;

- The City may commence legal action against the owner and/or Qualified Educational Institution to enforce the NSR and the terms of Article IV of the Planning Code and Planning Code Section 415 et seq. if it determines that the project no longer meets the requirements for a Qualified Student Housing Project; and

- The Qualified Student Housing Project may be inspected by any City employee to determine its status as a Qualified Student Housing Project and its compliance with this Section at any time upon at least 24 hours' prior notice to the owner of the real property or to the master lessee.

(d) For projects that have received a first site or building permit prior to the effective date of Section 415.1 et seq., the requirements in effect prior to the effective date of Section 415.1 et seq. shall apply.

### **Sec. 307 Other Powers of the Zoning Administrator**

(i) Conversion from Student Housing to Non-Student Residential use. If a residential project no longer qualifies as Student Housing as defined in Planning Code Section 102.36, the Zoning Administrator may allow the conversion of the Student Housing to any permitted residential use in the zoning district to which the Student Housing is located upon determination that

**(a) the Qualified Educational Institution has terminated its contractual agreement regarding occupancy of the Student Housing proposed to be converted and the building owner has made a good faith effort to obtain an agreement with another Qualified Educational Institution or Institutions as a replacement, and**

(b) the converted Student housing has complied with any applicable Inclusionary Affordable Housing Requirements as outlined in Planning Code Section 416.3(c)(5)(C)(iii) and all other Planning Code requirements applicable to that residential use have been met or modified through appropriate procedures.

Other amendments.

FAR above base FAR in C-3-G and S for student housing

No CU in certain districts

Lower open space requirement for small dwelling units

February 29, 2012

To: Supervisor Scott Weiner

From: James Haas

Re: Student Housing – Problems in the Existing and Proposed Legislation

Received at CPC Hearing 3-17-12  
2011-0206T  
DEF. of STUDENT  
HOUSING  
(A. RODGERS)

The basic premise of the student housing initiative has been that the numerous educational institutions in the City have an acute need to secure decent and reasonable cost housing for their students but do not have the ability or financial capacity to develop and provide it themselves. This is particularly true of the smaller institutions. On the other hand private property owners and developers are unwilling and incapable of fulfilling the need because the Planning Code heretofore has not considered student housing as a special category of housing but as an aspect of ordinary market rate housing subject to the affordable housing set aside or payment in lieu. The rents which would have to be charged for market rate housing designed for students would be in excess of what most students could afford. Thus, none has been built. To remedy this situation, the Board of Supervisors added Section 415.3(a)5 to the Planning Code setting forth provisions to facilitate the private development of student housing exempt from the affordable housing requirement.

I set forth below several issues which in my opinion make the current and proposed legislation in effective unless further modified:

1. Owned, Operated or Otherwise Controlled The definition of Qualified Student Housing (Section 401) covers housing "either owned by a Qualified Educational Institution or controlled by a Qualified Educational Institution through a long term master lease for a period of at least 20 years..." Section 415.3(a)5(C)i exempting student housing from the affordable requirement calls for "Evidence that the Qualified Educational Institution continues to own or otherwise control the Qualified Student Housing Project under a master lease..." Proposed Section 102.36 definition of Student Housing states "Student Housing must be owned, operated or otherwise controlled by an accredited post-secondary Educational Institution..." The plain meaning of these clauses is that the Educational Institution is directly involved in the student housing through purchase of the completed project from the developer or controls and operates the facility under a lease with a 20 year term collecting rents from the students, maintaining the premises and making lease payments to the developer/owner.

I am unaware of any institution which is currently willing to enter into such an arrangement whereby they would expend their resources to purchase a property or incur the risks of operating a facility and collecting the rent from the students. The institutions want to place these burdens and risks on the developer owners while entering into less binding agreements. In return for the developer/owner building housing designed for their students and making a specified number of units available, the institutions would amend their institutional master plans as provided for in Section 415.3((a)5(B) to include the proposed student housing project so that it would become a Qualified Student Housing Project and thus exempt from the affordable housing requirement. They would also make their best efforts to inform and encourage their student seeking housing to rent units in the student housing project so affiliated with the institution. It does not seem to me that this sort of arrangement is covered in the language in the