

Student Housing Zoning Study: Report and Recommendations



**Saint Paul Planning Commission
May 2012**

Background and Geography

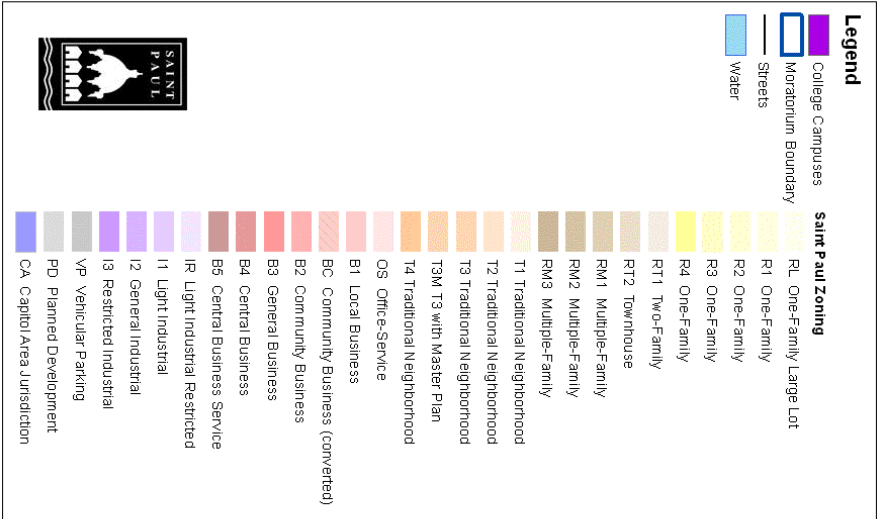
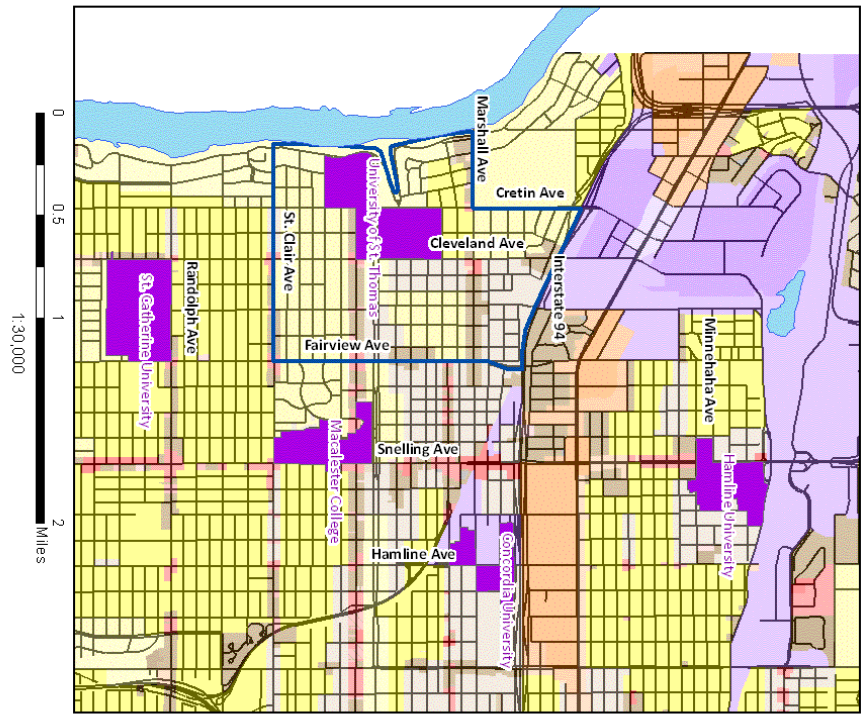
In August of 2011, the Saint Paul City Council enacted a one-year moratorium on the conversion of owner-occupied homes to rental in portions of the Highland Park, Macalester Groveland, and Merriam Park neighborhoods. Intended to temporarily prohibit the proliferation of new college/university student rental housing in neighborhoods of predominantly single-family and duplex housing, the moratorium applies in R1-RM2 zoning districts within an area bounded by Mississippi River Boulevard, Marshall Avenue, Interstate 94, Fairview Avenue, and St. Clair Avenue (see Figure 1). Accompanying the moratorium, the City Council requested that the Saint Paul Planning Commission study the issue and make recommendations regarding the regulation of student housing within the area of the moratorium.

Understanding the Issue

There are nine college or university campuses located within the City of Saint Paul. Five of these institutions—Hamline University, Concordia University, St. Catherine University, Macalester College, and the University of Saint Thomas (UST)—are located proximal to or within the moratorium area (see Figure 1). While these institutions all provide some degree of housing on campus, limited capacity of on-campus housing and the preference of some students for off-campus housing options result in demand for housing in the surrounding neighborhoods.

The conversion of housing to student occupancy, particularly the conversion of previously owner-occupied single-family and duplex housing, has substantially affected the character of the neighborhoods in and around the moratorium area and has had a negative impact on quality of life for many residents. Students tend to live at higher concentrations of adult residents as compared to rental housing as a whole. As a result, traffic and parking impacts tend to be greater than for rental housing in general. In addition, students as a population have a different lifestyle than the population as a whole, and in particular in comparison to families with young children. Students also are a transient population with respect to the neighborhoods they inhabit, and so have less connection to the long-term well-being of that neighborhood than more permanent residents may. As a result, noise can be an issue, and inattention to things like litter or property appearance can lead to negative associations with students and student housing for other residents. Finally, poor student behavior, exacerbated by alcohol use and abuse, can have a dramatic, negative impact on neighborhood livability. In general, these negative impacts associated with student housing are felt more acutely in lower-density neighborhoods, as the conversion of even a single unit measurably changes the make-up of the neighborhood.

Student Housing Zoning Study - Figure 1



But student housing is a complex issue, and goes well beyond conversion of owner-occupied homes to student rentals. While problematic, these conversions can be

understood as a natural market response to demand for housing. Students want to live close to classes and on-campus facilities, but on-campus housing may be limited or undesirable. In neighborhoods such as those within the moratorium area, demand exceeds what is available in existing rental stock, and opportunities for new multifamily construction are limited. Similarly, the impacts of student housing are, as noted above, tied to issues of behavior, housing maintenance and property upkeep, and transiency.

Complex, multi-faceted problems generally require complex, multi-pronged responses that can address all aspects of the problem. The City, school administrators, landlords and developers, the students themselves, and even neighborhood residents all play roles in the student housing system. As a consequence, all need to be involved in addressing neighborhood impacts of student housing.

In recognition of the broad and complex nature of student housing issues, the recommendations address both the issue of conversions contained within this report fall into two broad categories. In response to the request from the City Council, the report recommends an ordinance which creates an overlay zoning district to limit the density, and therefore impact, of student rental housing in low-density residential neighborhoods. In recognition of the fact that the trend of housing conversion to student rental is in response to continuing demand for student housing, and that a number of factors not addressed by the density ordinance contribute to the neighborhood impacts of student housing, the report also recommends a variety of other potential approaches to complement and broaden the impact of the density ordinance.

Data and Research Findings

DATA ON EXISTING STUDENT HOUSING

The exact number of students living in the areas of concern is not known. During Fall of 2010, 3,002 of 5,715 full-time undergraduate students at the UST Saint Paul campus lived off-campus. According to a report issued by the West Summit Neighborhood Advisory Committee (WSNAC), UST estimates the number of these students living within one mile of the UST campus number to be approximately 1,700, a number that has stayed relatively stable over the last 20 years despite an overall increase in undergraduate enrollment at the Saint Paul campus¹. Another 2,600 full time students from the other four nearby schools live off-campus, though not necessarily all in the surrounding neighborhoods.

City staff also analyzed several data sources, including informal records kept by UST of the locations of off-campus student housing, student housing locations identified by the

¹ West Summit Neighborhood Advisory Committee, *Off-Campus and On-Campus Student Housing Study*, 2011

Saint Paul Department of Safety and Inspections, Ramsey County parcel and land use data, and a study conducted by the UST Geography Department. UST records identified 426 dwelling units as student houses² within one mile of the UST campus. Excluding those students living in structures containing three or more units, this would put the number of students residing in single-family and duplex units² in this area at 1,704 (assuming maximum legal occupancy of four students per unit).

Ramsey County records show 348 separate addresses in this same area where three or more units are located. Comparison to UST data shows 154 separate addresses (with a total unit count of 1665) with a least one-student occupied unit. Assuming two students per unit and only one student-occupied unit per address, this would mean at least another 308 students within a one-mile radius of the UST campus. However, this number is likely much higher.

This analysis suggests at least 2,000 UST students living in the neighborhoods within 1 mile of the UST campus, with the potential for higher numbers. This number is markedly higher than the UST estimate from the WSNAC report of around 1,700. It does not include any students from the other four nearby institutions who may be residing in the neighborhood.

Other data sets also suggest an incomplete picture of student housing in the area of concern. Comparison of the locations of student rentals identified by UST with a data set of student rentals compiled by the Saint Paul Department of Safety and Inspections (DSI) found approximately substantial, but not complete, overlap. Within an area bounded by the Mississippi River, I-94, Snelling Avenue, and Randolph Avenue (the same area studied by the UST Department of Geography, as discussed below), UST identified 478 student rental units and DSI identified 158, with 122 units appearing on both lists. These lists include all student dwelling units, regardless of structure size, type, or ownership.

CONCENTRATION OF STUDENT HOUSING IN THE NEIGHBORHOOD

At issue is how the demand for student housing has been accommodated within the neighborhoods. Both anecdotal evidence and analysis of property records suggest that, despite large numbers of students already living in the neighborhood, there continues to be demand for new student rental units, particularly near the UST campus, where the housing stock is primarily single-family homes and duplexes. While exact numbers are not available, it is generally accepted that significant numbers of single-family homes and duplexes within this area² have been converted from owner-occupied to rental, many now housing college students. Visual analysis of the spatial distribution of known UST student housing location around the campus reinforces the notion that students place a premium on proximity to campus (**see Figure 2**).

² Units in single-family or duplex homes, regardless of ownership; assumes both units in duplexes are student rentals.

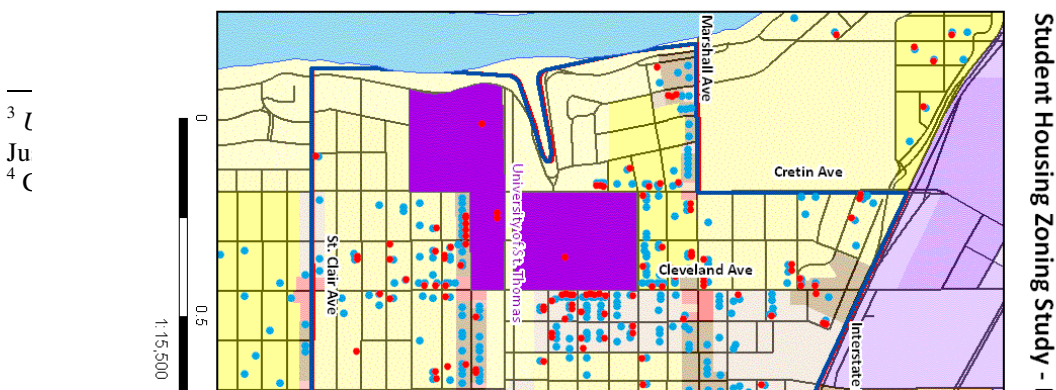
UST GEOGRAPHY DEPARTMENT STUDY

These conclusions are congruent with the findings of a study conducted by the UST Department of Geography.³ The study examined the conversion of single-family and duplex homes between homestead and non-homestead status, as a proxy for owner-occupied and rental statuses, respectively. The report found that between 2002 and 2009, homes were converted from homestead to non-homestead at a rate notably higher than the city-wide average, and the neighborhood had changed from 14% non-homestead in 2002 to 25% non-homestead in 2009, with almost all of that increase due to an increase in residential non-homestead properties. Using UST enrollment data, the study identified only approximately 1,000 UST students living in the study area at 438 non-homestead properties, accounting for less than half of all residential non-homestead properties. While this would suggest that either students of other nearby institutions or non-students play a major role in driving demand for rental housing in the area, it should also be noted that it is not mandatory for students to provide local address information to UST, nor is the data verified in any way.

The report also looked at property values, and found that property values increased, with non-homestead properties having a mean value of \$366,000 compared to \$312,000 for homesteaded properties. Based on these findings, the report's authors concluded that while there was a significant increase in student rentals, that the overall impact on the housing market was to drive investment and was a positive one. However, this conclusion does not account for overall housing market factors, the value premium placed on income earning rental properties as opposed to owner-occupied properties, nor impacts to quality of life that may impact potential property buyers' decisions.

LOUIS SMITH STUDY

As a precursor to its own report and drawing on the data sets created by the UST Geography Department, the West Summit Neighborhood Advisory Committee (WSNAC) commissioned a study by Smith Partners⁴ to evaluate approaches for promoting livability and housing market stability in the neighborhoods around the UST campus. The Smith report concluded that conversion of owner-occupied housing to student rentals had occurred at levels that threatened to push the neighborhood into a self-reinforcing pattern of disinvestment and decline, a concept known as the "tipping point" theory.



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Student Housing Zoning Study - 1

While Saint Paul has an unusually high number of institutions of higher learning within its boundaries, it is by no means the only municipality to see impacts of student rentals on residential neighborhoods. In many cases, tipping point theory has been applied to explain how neighborhood change is driven by student housing. In 2005, the City of

Milwaukee, working with the University of Wisconsin-Milwaukee to address impacts of student housing on neighborhoods near the campus, identified one-third of properties in absentee ownership as the tipping point above which neighborhood disinvestment and decline occurs⁵. A Nottingham (UK) planning document from 2007 outlines policies for reducing and maintaining student households as 25% or less of households in districts within the city⁶, with a goal of preventing neighborhood “imbalance” (the document cites the same litany of effects on neighborhood livability described in the following section of this report). A 2002 survey conducted near the University of Georgia also found that neighborhood streets appeared the healthiest when student rentals were 25% or less of properties.

Other communities have identified differing limits on the percentage of student housing necessary to preserve community identity. Ohio University performed outreach activities in surrounding neighborhoods in Athens, OH, and identified a goal of a target maximum of 40% student rentals. By contrast, communities in Glasgow and Fife, Scotland, have identified a maximum student rental rate per block of just 5% in order to maintain community balance. The National HMO (Homes in Multiple Occupancy) Lobby in the UK, which includes student rental houses, has identified 10% of households as student households and students as 20% of total populations as targets for maintaining community balance⁷.

An appropriate balance of student housing as a percentage of households in a community varies depending on community or neighborhood characteristics. Much of the neighborhood in the area of the student housing moratorium is low-density residential, dominated by single-family homes. This environment is particularly sensitive to the changes in community character such that conversion of even few homes on one block from owner-occupied to student rental can be significant. The ‘tipping point’ in the neighborhoods in the moratorium area may be as low as 10-15%.

Impacts

Specific impacts of student housing may be a function of inadequate property maintenance, over-occupancy and adult residential densities greater than that of the surrounding neighborhood, and/or poor student behavior. These impacts are related to some inherent qualities of student housing: It tends to be almost exclusively rental with absentee ownership (i.e., owner not living in a unit on the premises), the students occupying the housing are generally transient with respect to the neighborhood where it is located, and it tends to be geographically concentrated in neighborhoods proximal to, or at least convenient to, college campuses. These impacts may be more acute

⁵ *A Strategy and Vision for the UWM Neighborhood*, City of Milwaukee, 2003 (pg. 38).

⁶ See: <http://www.nottinghamaction.org.uk/downloads/BBCSPD%20reissued%20March%202007.pdf>

⁷ See: <http://hmolobby.org.uk/39articles.pdf>

where student housing is concentrated and/or in lower-density residential neighborhoods.

Owners of student rental properties may not observe the same standards of property maintenance as residents of owner-occupied properties expect. This may be a function of lack of awareness of maintenance needs, or may reflect a desire on the part of property owners to minimize costs. It should be noted that the same potential issue exists with regard to rental properties as a whole.

Over-occupancy and density of adult housing may also be a problem, particularly in lower density residential neighborhoods. Where over-occupancy is not an issue, the nature of occupancy may be. A household composed of two adults and two minors has a different (lesser) impact on its neighborhood, particularly in terms of traffic generation and parking demand, than does a household composed of four adults. Again, it should be noted that the same holds true for both student housing and rental housing as a whole. However, it should also be noted that student housing is almost always composed of all-adult households, in contrast to the renting households as a whole. The effects of over-occupancy and increased adult housing density are likely to be more keenly felt, as a function of the number of student housing units, in lower-density residential neighborhoods.

Finally, student behavior is often an issue. Young adults living away from parents for the first time sometimes exhibit behaviors—such as playing loud music or talking loudly at late hours—that are a nuisance to surrounding residents. Such poor behavior is often magnified and augmented by alcohol consumption, leading to behaviors such as public urination and vomiting, or property destruction. Even where such flagrantly poor behavior is not an issue, the transient nature of student residents—they generally live off-campus in a community for no more than 3-4 years and often in a given unit for no more than one year—may be an issue. For example, most home or business owners will pick up trash left on the sidewalk in front of their property; the incentive to do so may not exist for a student renter who has no long term stake in the health of a neighborhood.

Responding to the Problem: Recommendations

While there are a wide-range of potential ways to address the neighborhood impacts associated with student housing, there are a relatively limited number of actions the City can take unilaterally, that is by virtue of its authority to regulate land use and enforce regulations regarding public health and safety. Moreover, the request from the City Council was specific to controlling proliferation of student housing in established neighborhoods composed of primarily single-family and duplex structures.

However, research conducted by staff to the Planning Commission suggests that mitigating the impacts of student housing requires a comprehensive solution.

Restricting conversion of single-family and duplex homes can prevent concentration of student housing in certain neighborhoods, but it will not reduce the demand for student housing that is driving those conversions, nor will it address student behavior. But an ordinance change can be paired with other efforts to both regulate new student housing and recognize demand, while also mitigating the impacts of existing student housing. A comprehensive approach will not only employ a city's land-use and public health and safety authority, but also engage educational institutions, students and their parents, landlords, and even other neighborhood residents in creating solutions.

In response, this report offers dual recommendations. First, in response to the request from the City Council, an ordinance is recommended to create an overlay district, within which the density of student rental housing would be limited. Second, the consideration of a number of additional approaches and tools, to be used in conjunction with the overlay ordinance to address the broader issues associated with student housing, is recommended.

ORDINANCE RECOMMENDATION

The August 2011 request from the Saint Paul City Council was for the Planning Commission to explore options for limiting proliferation of student dwellings in R1-RM2 districts within the moratorium area. The Planning Commission explored a number of options for regulating student housing, including looking at ordinances used in other communities (see FURTHER RECOMMENDATIONS below). In drafting the recommended ordinance (see Attachment A), it was also considered how a new ordinance would best fit within the existing Saint Paul zoning code, as well as the existing inspection, regulatory, and enforcement context.

In summary, the Planning Commission is recommending a new Student Housing Neighborhood Impact Overlay District that would define and require a 150 ft. distance requirement between student dwellings. The Commission is recommending an enactment of the overlay district in an area generally bounded by Mississippi River Boulevard, Marshall Avenue, Cretin Avenue, Interstate 94, Snelling Avenue, Summit Avenue, Fairview Avenue, and Saint Clair Avenue. This is slightly larger than the current moratorium area. Student dwellings are defined as a one- or two-family dwelling requiring a fire certificate of occupancy in which at least one unit is occupied by three (3) or more students. Existing student dwellings that do not meet this distance requirement are grandfathered in and become legally non-conforming.

The boundary for the recommended overlay ordinance can be seen in Figure 2, and the text of the ordinance can be found in Attachment A.

FURTHER RECOMMENDATIONS

The study yielded a wide-range of potential tools and approaches for addressing the impacts associated with student housing, from which the Planning Commission has identified a number of priority actions. While some of these recommendations involve

things typically beyond the scope of the Planning Commission, and a number require cooperation of entities other than the City of Saint Paul, the Planning Commission believes the identified strategies provide options for pursuing a more comprehensive approach to student housing, which would in turn enhance the effectiveness of the recommended density ordinance.

Priority actions identified by the Planning Commission include:

- Explore a requirement for residential colleges and universities to require first and second year students to live on campus. Freshmen and sophomores have been found to be associated with a higher rate of behavior-related neighborhood disturbances. Many schools require on-campus residency for first-year students, and provide residential supervision for all underclassmen living on campus.
- Conduct a small area planning process in the moratorium area, including a 40-acre study, to examine current zoning vis-à-vis the Comprehensive Plan and identify opportunities appropriate for zoning for multifamily housing.
- Create an historic conservation district that would put in place tools and regulations to encourage the preservation of the moratorium areas generally high-quality, historic housing stock

In addition to priority actions, the following is a list of various approaches that other cities have taken to help mitigate the proliferation of single-unit and duplex conversions and more generally address the issue of student housing in neighborhoods surrounding universities. This larger list represents both potential alternatives to the recommended ordinance as well as tools and approaches that could be implemented along with the ordinance in a more comprehensive approach.

City Zoning Approaches:

- Restrict student housing (occupancy limits, conditional reviews, distance separation requirements, zoning district restrictions); this approach has been used throughout the country. The challenge is to craft ordinances that are effective, legally defensible, and not overly-broad. Also, this approach generally will not impact existing student housing.
 - In 2005, a Greensburg PA city ordinance required that student homes not be within 500 feet of another student home. Homes in the downtown district are exempt from this requirement. The Greensburg PA ordinance also includes: occupancy limits, definition of a 'student', and landlord registration requirements.
 - Duluth (MN) reviews all new rental housing within 1.5 miles of the University
 - Newark (DE); Rooming houses must be 10 lot-widths apart?
 - The definition of a student home in Newark, DE does not include "RM zoning-permitted boarding houses or rooming houses; nor shall they include the taking of non-student, non-transient

boarders or roomers in any residence district; nor shall they include single-family detached, semi-detached, or row dwellings within the following subdivisions or fronting on the following streets.”

- West Chester (PA): Rooming Houses must be 400 ft. apart and are a special exception.
- Altoona (PA): student house is a special exception, with a 4x lot width separation.
- Charlottesville (VA); 3 unrelated persons allowed in University overlay districts, 4 unrelateds person allowed elsewhere.
- Poughkeepsie (NY): limits 3 unrelated persons per student household, 4 for all other households.
- Restrict the definition of a family
 - Needs to be non-discriminatory, broad enough to include unmarried and/or same sex partners. Exemptions can be written into ordinance.
- Reduce the number of unrelated persons allowed
 - Macomb (IL), East Lansing (MI), Salisbury (MD), Lawrence (KS), Lincoln (NE), Bloomington (IN)
- Accommodate higher-density student housing where appropriate; this approach has been used effectively in Milwaukee (WI), Austin (TX), and to some extent in Minneapolis. There are limited opportunity sites in Saint Paul in the area of concern.
 - Designate areas for higher density student housing near? transit (Austin TX, Milwaukee WI)

City Permitting Approaches:

- Require landlords to take responsibility. A city, by virtue of its police powers, can also play a role in encouraging or requiring landlords to help mitigate impacts.
 - Gainesville (FL) employs a point system which can lead to revocation of the rental license for problem properties. Adopting such a system would require a rental licensing program, which Saint Paul does not currently have.
 - Bethlehem, PA requires both tenants and landlords to sign supplemental agreements regarding conduct and property upkeep.
- Public posting (e.g., on city website) of information on legal number of occupants or which properties are licensed

City Enforcement Approaches:

- Reduce impacts of student housing through stepped-up enforcement of:
 - housing and fire safety codes,
 - reducing nuisance crimes,
 - nuisance ordinances

- pre-existing occupancy rules (Saint Paul allows no more than four unrelated adults)
- This approach is resource intensive, and will not alone solve problems. Level of enforcement, inspections, fees may vary. These tools may address a range of issues, but generally do not address the question of density of student housing as long as occupancy rules are followed.

City-Imposed Requirements for Universities:

- City-imposed campus housing requirements might also be a solution. Staff research did not turn up any examples of this approach elsewhere. However, Saint Paul already regulates aspects of college/university development and operation through conditional use permits; subject to legal review by the CAO, the City could potentially require a college or university to provide a prescribed amount of housing on campus as a reasonable condition of a conditional use permit.
- Require/provide more on-campus housing, special programs to encourage ownership, buyback programs.

Schools-Based Approach:

- Educating students regarding acceptable behavior and the impacts of poor behavior should be part of any solution. Parents, student organizations, and neighbors can also play a role.
- Impose penalties for poor behavior. UST in particular has such a mechanism in place, but its effectiveness has been questioned by some.
- Require first and second year students to live on-campus, provide alternative (to dormitories) choices for on-campus housing, or simply provide more on-campus housing relative to student population.
- “Turn back” houses and duplexes that have been converted to student rentals. As part of the 2004 conditional use permit which authorized the expansion of the University of St. Thomas (UST) campus, UST was required to buy, rehab, and sell with deed restrictions requiring owner-occupancy 30 student rental houses; approximately 18 houses have been turned back to date. An alternative approach would be for a school to provide financial incentives to faculty and staff (or others) to purchase and occupy homes in the neighborhoods adjacent to the campus.

Landlord Based Approach:

- Require better tenant behavior. Lease terms which allow eviction of problem tenants are one potential tool. Use of such a tool can be encouraged by schools (through promotion or endorsement of landlords meeting certain standards), neighborhood organizations, or even student groups. This would be an alternative to a City-imposed approach.

Parents of students, neighbors, and student groups:

- Encourage and model better behavior and community engagement. Examples of potential strategies include educational programs, informal outreach between neighbors and students, and student service projects (for example, a UST student-group recently led a neighborhood trash pickup). These strategies would generally be pursued in cooperation with schools.

Attachment A

ARTICLE VII. 67.700. SH STUDENT HOUSING NEIGHBORHOOD IMPACT
OVERLAY DISTRICT

Sec. 67.701. Establishment; intent.

The SH student housing neighborhood impact overlay district is established as shown on the official zoning map, generally the area bounded by Mississippi River Boulevard, Marshall Avenue, Cretin Avenue, and Interstate 94, Snelling Avenue, Summit Avenue, Fairview Avenue, and St. Clair Avenue, to ameliorate the impact of dedicated student housing within and preserve the character of predominantly one- and two-family dwelling neighborhoods.

Sec. 67.702. Student dwellings.

Within the SH student housing neighborhood impact overlay district, a student dwelling is a one- or two-family dwelling requiring a fire certificate of occupancy in which at least one unit is occupied by three (3) or more students. For the purposes of this article, a student is an individual who is enrolled in or has been accepted to an undergraduate degree program at a university, college, community college, technical college, trade school or similar and is enrolled during the upcoming or current session, or was enrolled in the previous term, or is on a scheduled term break or summer break from the institution.

Sec. 67.703. Standards and conditions.

Within the SH student housing neighborhood impact overlay district, the following standards and conditions shall apply for student dwellings:

- (a) A student dwelling shall be located a minimum of one hundred fifty (150) feet from any other student dwelling located on a different lot, measured as the shortest distance between the two lots on which the student dwellings are located.
- (b) Parking shall be provided in accordance with the requirements of article 63.200 for new structures.