

CHAPTER 4: HOUSING DEMAND

Existing demand for all types of campus housing is substantial due to the shortage of campus residences and the high cost and shortage of housing in the private market of San Francisco and the surrounding Bay Area. Demand is expected to continue to grow as the availability and affordability of both rental and for-sale housing continues to diminish, although recently the pressure on the San Francisco rental market has slackened with the “dot com bust” and downturn in the economy.

The development of the Mission Bay campus is expected to exacerbate the University’s housing demand. It is estimated that the UCSF population at Mission Bay will be approximately 9,100 at full campus build-out. The Phase 1 Mission Bay campus population estimates for 2006 are projected at approximately half this.

In response to these concerns, the 1997 LRDP committed UCSF to develop a housing production program to create a sufficient number of reasonably priced housing units for 20 to 25 percent of the overall student population. In addition, the LRDP recommended that UCSF provide affordable housing for 20 to 25 percent of the total net new employees at the Mission Bay campus in certain employee categories who meet eligibility requirements.

In 2000, as concerns grew about the retention and recruitment of employees and students, particularly faculty and clinical residents, a Chancellor’s Advisory Committee on Housing was formed. Many faculty had left UCSF because their needs for more domestic space had grown while their incomes were unable to keep pace with rising rents and sale prices. More importantly, UCSF was having difficulty attracting new recruits and applicants because of the widely known high cost of housing in the Bay Area. Further, the lack of available, desirable housing stock was a problem. Simply put, there was not enough supply to meet demand. Consequently, the committee recommended increasing the goals for providing housing for and/or housing financial assistance to students, postdoctoral scholars/post graduate researchers, housestaff/clinical fellows and faculty.

A. STUDENT HOUSING

As of 2002-03, UCSF had an enrolled (three-term average) student population of 2,653. Excluding the temporarily occupied Phase 3 apartments in the Aldea complex, 370 students or 14 percent of the student body was accommodated in UCSF-controlled housing. Of these, approximately 62 percent were single and 38 percent were married or had domestic partners and a few have children. Of

the students who lived off campus, slightly more than half lived within $\frac{1}{4}$ mile of Parnassus Heights, and more than three-quarters, within $1\frac{1}{2}$ miles.

Student demand for UCSF housing remains high; approximately only 30 percent of the applicant pool actually succeeds in securing campus housing each year. Demand varies by the type and quality of housing available. Proximity is a key criterion; students seek to live close by the Parnassus Heights campus because their schedules require long hours in the library, hospitals or laboratories, and because 40 to 50 percent do not own automobiles and must rely on public transportation or campus shuttles, according to prior surveys.

On average, each year approximately 40 percent of (about 280) incoming students apply for housing. A large number of students do not bother to apply for housing because UCSF does not have the type of housing (e.g., single rooms) they want. Applicants who are not accommodated (including previous applicants) and continue to be interested in housing are placed on an active applicant wait list, which at the height of demand in 2001 was over 350 (including postdoctoral scholars). The wait list for single student housing at Turk Boulevard Apartments and URP Avenue Houses averages around 200 students. Typically, there are approximately 170 students on the wait list for family housing, which is only available at the Aldea complex.

Typically, only 30 percent of the housing supply becomes available each year. New single students are assigned to double rooms, regardless of their preferences for single rooms. The second year they may apply for single rooms, but because these are so limited in number, a high proportion of second year students still do not get their preferred choice. Married students have no choice in housing.

UCSF expects student enrollment to remain fairly stable through 2011. Because of the research orientation of the Mission Bay campus, the number of students there is expected to be relatively low compared to the number of employees. Consequently, the housing demand generated by the Mission Bay campus will be largely postdoctoral scholar and post graduate researcher demand. However, much of the student demand will be met with housing being constructed on Block 20 at the new Mission Bay campus site.

Future student campus housing demand will include both single and family housing units at rental rates that are lower than those in the area's private rental market (as they are now and as described in Chapter 3 Section B). In focus groups conducted in 1999, students' top criterion was "affordability" because, in general, the higher the rent, the higher a student must go into debt. Students reported that the high cost of housing in San Francisco almost absorbs the tuition differential between attending UCSF versus a private university elsewhere. For international and out of state students who pay higher tuition, the affordability problem is even greater, as it is as well for students with families who need more living space and additional bedrooms. In a survey conducted in 1999, students reported that they were paying a median rent of \$800 per month, but were willing to pay as much as \$950 per month for desirable housing.

Two other critical criteria identified were "proximity to UCSF campuses" and "privacy". Proximity is important because students go to and from campus

frequently and at all hours of the day, and about half do not own vehicles. Hence, the demand for parking is similarly high. The current view is that all new housing should provide parking for at least 60 percent of the units in order to meet student needs. Greater privacy is more important to today's students, especially UCSF students because they are older graduate students who study all hours and who prefer living alone.

Table 3 below indicates that there will be a combined 404-bed shortfall in student and postdoctoral scholar/post graduate researcher housing in 2005-06 after the Mission Bay housing project is available for occupancy and 130 existing beds at Aldea and Turk are not, based on a student goal of 40 percent.

B. POSTDOCTORAL SCHOLAR/POST GRADUATE RESEARCHER (PGR) HOUSING

Prior to 2003, Campus Housing Services made units at Aldea available to postdoctoral scholars (and PGRs) only after all students had been accommodated to better alleviate the housing crunch for students. At that time, there were about 60 postdoctoral scholars/PGRs on the family housing wait list, and none of the housing was available to the 864 postdoctoral scholars/PGRs at UCSF because of the high student demand.

With a goal of meeting 25 percent of this growing group's demand for housing, a new policy was recently implemented to make all campus housing available to postdoctoral scholars/PGRs, as well as to students. As can be seen in Table 3, there will continue to be a shortfall in postdoctoral scholar/PGR housing even after the Mission Bay housing project is completed in 2005-06, based on the goal of 25 percent.

Similarly to students, this group is also concerned about the affordability of housing. Postdoctoral scholars/PGRs have an average annual gross income of \$26,000 and household income of \$40,000 or less. According to a UCSF survey undertaken in 2000, they spend approximately 42 percent of their household income on rent, exceeding the recommended industry maximum of 28 to 38 percent. Proximity to campus facilities, privacy and parking are also important to this group.

TABLE 3: PROJECTED STUDENT/POSTDOCTORAL SCHOLAR/PGR HOUSING DEMAND

	2004-05	2005-06
Enrollment (Yr. Average Headcount)		
Students	2,786	2,813
Postdoctoral Scholars/Post Graduate Researchers (PGR)	1,060	1,080
Projected Demand		
Students - 40% goal	1,114	1,125
Postdocs - 25% goal	265	270
Projected Bed Demand	1,379	1,395
Bed Supply (Students/Postdoctoral Scholars/PGRs)		
Existing Bed Capacity	370	370
Aldea Family Apts (demolition)		(-65)
Turk Apts (converted to Faculty Housing)		(-65)
Proposed Mission Bay Housing*		717
Parnassus Apartments (min. 145 Irving)		34
Total Bed Capacity	370	991
Shortfall in Student/Postdoctoral Scholar/PGR Total Beds	1,009	404
*This figure excludes family members and will fluctuate with the proportion of singles versus families in the housing.		

C. FACULTY HOUSING

In 2002-03, there were approximately 2,203 faculty at UCSF, including adjunct and certain clinical faculty whose salaries were not state funded. This figure is expected to increase by about 900 to 3,100 with the development of Mission Bay, although only a small portion will be junior faculty, the faculty group who can least afford housing in the Bay Area. The high cost of housing, and more recently the state budget crisis and related freeze on salary increases, has had an adverse impact on recruiting and retention success for all faculty groups.

Currently, 15 units are available to faculty, most of which are located on Fifth Avenue: two unfurnished flats at 1422-24, unfurnished houses at 1420, 1428, 1452 and 1454, four unfurnished apartments at 1468 and one unfurnished house at 1490. These are occupied by a mix of single faculty and faculty with and without children. In addition, there are four faculty families housed in 24 and 30 Kirkham Street.

Housing is provided first for newly appointed faculty who need temporary housing, and then for visiting faculty who will be on campus for up to a year, if any housing remains available. Currently, 24 faculty are on the wait list for these few apartments. Approximately 75 faculty inquire annually about housing.

As with students and postdoctoral scholars, faculty are most concerned about housing affordability, both rental and for sale property. Those in greatest need are junior faculty who get approximately \$50,000 a year less than senior faculty

and new recruits who typically arrive from other areas of the country where housing values are considerably lower than those in the Bay Area. According to a UCSF survey conducted in 2000, the next most important considerations to faculty were, in order, proximity to campus facilities, access to good schools, availability of on-site child care and access to parks and open space. Faculty generally want two and three bedroom residences with parking.

The goal established by the Chancellor's Advisory Committee on Housing and approved by the Chancellor is to provide reasonably priced housing for 60 percent of new faculty and 10 percent for existing faculty, as well as housing financial assistance to 40 and 10 percent, respectively. Achieving these goals is challenging due to escalating property values in the Bay Area, the high costs of construction and the lack of UCSF property on which to build.

D. HOUSESTAFF AND OTHER NON-FACULTY STAFF HOUSING

No housing currently exists for non-faculty staff. The LRDP targets between 25 and 30 units for non-teaching academic staff (and junior faculty) and between 105 and 130 units for non-Medical Center staff. More recently, goals were adopted to provide reasonably priced housing for 50 percent of housestaff/clinical fellows and housing financial assistance to the other 50 percent.

The housing needs and criteria of this group were found to be quite similar to postdoctoral scholars in the survey conducted in 2000, although housestaff generally have gross household incomes of approximately \$10,000 more than postdoctoral scholars. Because these individuals frequently travel among the various UCSF sites and work at night, they are dependent on their private automobiles; having a short commute was reported to be an important additional housing location consideration

E. GUEST HOUSING

The demand for short-term housing is also high. In 1999, the Campus Housing Office had 4,400 requests for housing and lodging guides (produced annually by Housing Services) from visiting students and scholars, University guests, faculty, staff and patient families. Requests for accommodations vary between one night and six months or more. The average length of stay in the Kirkham Street apartments, the only UCSF apartments that were available to guests until they were recently converted to faculty housing, was ten nights.

Because space is not available for this demand, individuals are referred to private facilities off-campus. These include hotels, motels and bed and breakfasts, a half a dozen of which offer discounts to UCSF-affiliated guests.

Because of the extraordinary demand for this type of housing, UCSF-owned and operated guest housing, if developed and offered, would provide substantial revenue needed to help subsidize student, faculty and staff housing.

F. OFF-SITE HOUSING

As a member of the San Francisco Consortium on Higher Education, UCSF worked for several years with the Consortium and Presidio Trust to obtain below market rental housing in the Baker Beach Wherry housing complex to help meet student and faculty demand. However, as rental vacancy rates in the city declined to one percent in 2000 and rents escalated to an all-time high, the Presidio Trust terminated their discount agreement.

As part of the base closure and redevelopment plan for Treasure Island, the Consortium and City of San Francisco pursued negotiations to reuse former Navy quarters as housing for member students, faculty and staff. Because of the lack of amenities and public transit between Treasure Island and UCSF campuses, university interest was low, so this opportunity was relinquished.

In 2002, a consultant was hired to work with campus staff to investigate and evaluate potential housing development sites. UCSF was contemplating a partnership with a non-profit housing developer with University of California (UC) experience to develop housing for students, faculty and staff. The developer would build and manage housing on property owned and entitled by the University, and UCSF would provide a long-term ground lease to the non-profit developer for the housing, after which all improvements would be owned by The Regents. The advantages to the developer would be use of property secured at a discounted price through UCSF's tax exempt status under 501c(3) and access to tax exempt financing, such as UC Student Housing Revenue Bonds, for construction. The partnership arrangement would be advantageous for UCSF, which lacks the cash flow for development.

At the time this arrangement was being considered, several UC campuses had built similar projects utilizing ground leases to third party developers, or were considering doing so, to meet the California housing crisis. A UC Housing Task Force was also in the process of analyzing this and other approaches. It was finally determined that rating agencies would count the debt incurred against the overall UC housing system debt, and that UC should not attempt another project using the tax exempt strategy since the system was already at capacity with recently approved and planned housing projects.