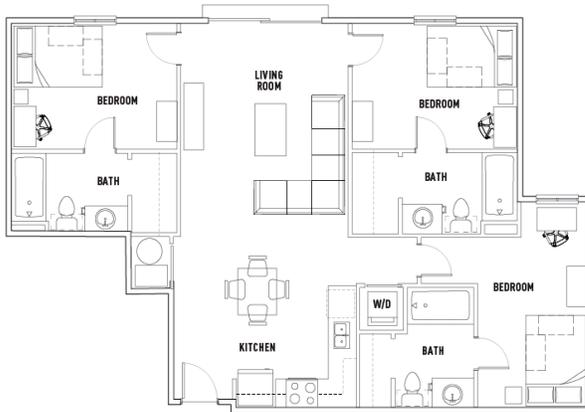


2018 Purpose-Built Student Housing Analysis



Cobb County...Expect the Best!

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Introduction

Purpose-Built Student Housing (PBSH) is a segment of the rental housing market aimed at college students. It has been built with the cooperation of nearby colleges and universities or completely developed by private investors. While PBSH is being built across the country, it is relatively new to Cobb County. In recent years, several PBSH apartment communities have been planned and/or developed in the areas surrounding the main campus of Kennesaw State University (KSU). Since 2012, six different PBSH projects have been constructed, both in unincorporated Cobb County and the City of Kennesaw.



This trend has occurred largely in response to the recent growth of KSU, which is transitioning from a non-traditional commuter school to a four-year research institute. Since its consolidation with Southern Polytechnic State University, KSU is

now the second largest school by enrollment in the University System of Georgia. Due to these recent growth trends, there is not enough on-campus housing to accommodate KSU's growing enrollment, resulting in a flourishing private market to fill that specialized housing need.

At the current rate of construction, some individuals in the community have expressed concerns such as the potential for overbuilding, crime, etc., which has led to the request to conduct this analysis. The following assessment seeks to provide of an overview of PBSH, detail its unique characteristics, and identify the short-term and long-term effects of PBSH on the surrounding areas, Kennesaw State University, and Cobb County.

For the purposes of this study, apartment is defined as multi-family rental housing that is within a complex or a structure containing four or more units. Data was obtained from a variety of sources, including: Cobb County Tax Assessor's Office, Cobb County Community Development, Town Center Community Improvement District, Kennesaw State University, and other jurisdictions encountering PBSH. This study should be seen as a companion to the 2018 Apartment Density Study, where more general information on apartments in Cobb County can be found.

Previous Studies

In July 2013, Cobb County Community Development produced a memorandum providing an overview of the then-current PBSH situation. The memo detailed KSU's profile, its enrollment, projected enrollment growth, and factors affecting KSU's student population increase. The analysis detailed the current supply of PBSH, both built on campus by the KSU Foundation and built off campus by private developers. At the time of writing, there were approximately 6,837 beds contained within PBSH in areas surrounding KSU,



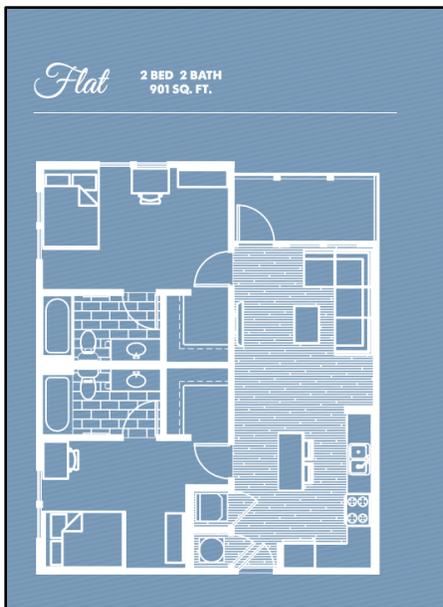
Haven at Kennesaw

with an additional 3,500 planned. The memorandum discussed the floor plan of a typical PBSH and the difficulty in converting the layout to another use.

The analysis expressed concern of the potential for overbuilding PBSH. Between the beds built by the KSU Foundation and beds constructed by private developments, combined by a slowing enrollment growth rate, saturation of the market could occur. At the time, the KSU Foundation had placed a housing project for 1,500 beds on hold due to an oversupply of beds. The failure of one of the developments could have a large negative impact on the community, especially KSU.

Overview of Purpose-Built Student Housing (PBSH)

PBSH, generally, is rental housing (usually apartments) marketed to students and leased on a per-bed basis. While PBSH is sometimes built by universities in partnership with private developers, this analysis is focused on PBSH developed and built in total by private companies.

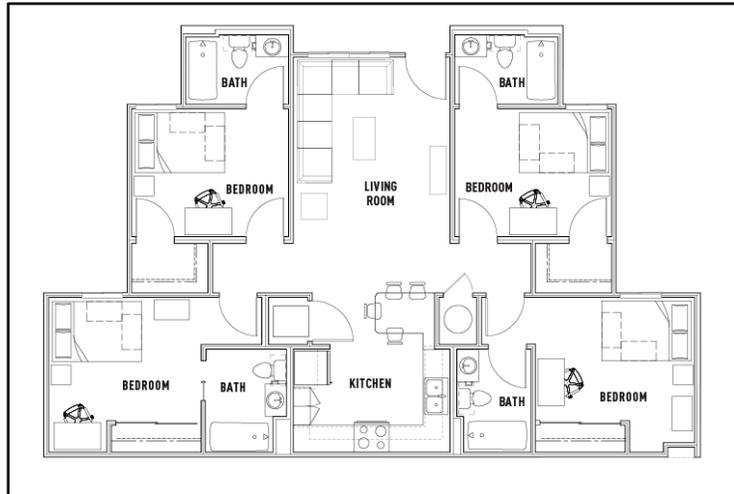


West 22 Floor Plan

Purpose-Built Student Housing developed and constructed by private developers began appearing in Cobb County in 2012, with the construction of three complexes located near the KSU Kennesaw campus. Two of the complexes, West 22 and U-Club on Frey, are located in the City of Kennesaw. The third complex, The Blake, is in unincorporated Cobb County. Since 2012, three additional developments have been constructed. One existing apartment complex near the KSU Marietta campus has been converted to PBSH. One development, The Haven at Kennesaw, consists of detached private cottages that range from four to five bedrooms.

These existing PBSH complexes total approximately 1,200 units with 4,197 beds. There are two developments in process. There is a planned additional PBSH community on Hidden Forest Court that will add 248 units with 816 beds. This development is currently going through site plan review. In Fall 2017, Cobb County rezoned an additional student housing project on George Busbee Parkway that will add 176 units.

Existing PBSH in Cobb County offers a wide variety of floor plans, square footage, and rents. Floor plans range from 1 bedroom/1 bathroom to 5 bedroom/5 bathrooms. Layouts also range from typical apartment floor plans to two- and three-story townhomes with common areas on the first floor and bedrooms on upper floors. Many of these apartments have floor plans similar to pod-type layouts found in dormitories. Individual leases, furnished units



(including televisions), private bathrooms, swimming pools, fitness U Club on Frey Floor Plan centers, clubhouses, computer rooms, gaming rooms, wi-fi, and 24/7 service are typical amenities found at these developments.

PBSH can take a variety of forms, floor plans and layouts; however, the most distinguishing characteristic that differentiates it from typical apartments is the leasing terms. Leasing occurs on a per-bed basis, rather than a per-unit basis. Known as individual leases, these agreements hold lessees responsible for only one bedroom, not an entire unit. These leases usually run with the academic year. Purpose-Built Student Housing usually provides kitchens, communal living rooms, multiple bedrooms and multiple bathrooms or bathrooms attached with each individual bedroom, depending on the floor plan. They are often furnished and provide various amenities.



The Blake

Unit floor plans can also deviate from a typical apartment, appearing more like a dormitory pod type layout.

Purpose-Built Student Housing has become increasingly appealing to private developers and investors, and can be found across the country. Many colleges and universities are experiencing an increase in enrollment, resulting in the lack of on-campus housing resources. Developers and investors have identified opportunities to meet this demand. These entities view PBSH as a stable investment due to a continuous need

and a unique product. This is the case, despite the fact, that economic growth has not been as significant as with traditional apartments. Developers often work in partnership with the colleges and universities, forming public-private agreements to build and maintain needed housing on campus. Schools such as the University of Kentucky, Arizona State University, and the University of Georgia have formed such partnerships. Over the last decade, the inventory of off-campus student housing nation-wide has increased by 56%. There are estimates that there could be an additional 70,000 beds to come online across the country through 2020. Proximity to campus plays a major role in locating the housing, rising rental rates, and the success of these complexes.

Purpose-Built Student Housing appeals to students for many reasons. The individual leases offer reassurance to students and their parents. For those seeking off campus housing, they would not be responsible for the entire rent of a typical apartment if roommate situations do not work out. These rental units tend to offer a variety of amenities typically offered at an apartment complex, such as swimming pools and exercise rooms, while also providing amenities that would appeal to students. These amenities include furnished units, study rooms, security, fire pits, and grilling areas. Living off campus can provide freedom from the restrictions that can be found living on campus.

While PBSH is built for and marketed to students, the complexes cannot exclusively lease to students. The Fair Housing Act of 1968 prevents the property owners from excluding non-students from leasing the bedrooms. The individual leases, proximity to the university, and student-focused amenities may help lessen the potential of non-students living in the complexes. There is no publicly available data on the percentage of non-student leases.

The Town Center Community Improvement District (CID) has provided data on apartments and PBSH within the CID boundaries and the immediate area. There are 34 apartment communities in the area totaling over 10,300 units. Five of the complexes are PBSH, with just over 1,200 units or 11.7% of the total units. The PBSH consists of 21.9% of the total digest value of all the apartments in and around the CID.

Table 1

| Town Center CID Apartment Data | | | | | | | | |
|---------------------------------------|----------------------------|----------|------------------------|----------|---------------------|----------|--------------------------|----------|
| | Number of Complexes | % | Number of Units | % | Market Value | % | 2016 Digest Value | % |
| Regular Apartments | 29 | 85.3% | 9,231 | 88.9% | \$826,341,306 | 78.1% | \$330,536,522 | 78.1% |
| PBSH | 5 | 14.7% | 1,147 | 11.7% | \$231,605,282 | 21.9% | \$92,642,113 | 21.9% |
| Totals | 34 | 100.0% | 10,378 | 100.0% | \$1,057,946,588 | 100.0% | \$423,178,635 | 100.0% |

Source: Town Center CID

In August 2018, Cobb County staff conducted a survey of the six PBSH surrounding Kennesaw State University, to obtain additional current information on the existing complexes. All the complexes operate under individual leases, which are 12 months, running from August to July. If a resident decides to move out, it is their responsibility to find another person to take over the

lease. Rental rates vary, depending on the floor plan, types of amenities, and the number of bedrooms in the unit. A one bedroom/one bathroom unit ranges from \$1,019 to \$1,150. A 4 bedroom/4 bathroom unit ranges from \$699 to \$755 per bed. Occupancy rates have been at 100% over the last several years. At the time of the survey, occupancy rates for the 2018 fall semester ranged from 96% to 100%. All complexes anticipated reaching 100% by the beginning of the school year. Security provided on-site also varied. Many of the complexes had officers living on-site, while having security provided by a third-party company on the weekends or at night. All complexes have access to the KSU bus system and some have access to Cobb County transit. The complexes have amenities that are popular with the residents, such as pools, fitness centers, study rooms, and computer rooms. All complexes indicated they have adequate parking for residents, but that guest parking could become an issue. None of the complexes tracked the number of non-students who lived in the complex, while one complex estimated that 5 to 7% of the residents were non-students.

The table below provides details on the PSH located in unincorporated Cobb County and the City of Kennesaw.

Table 2

| Name | Location | Types of Units | Square Footage | Rent (per mo) | Units | Beds | Year of Construction |
|-----------------------|---|--|----------------|------------------|-------|------|-------------------------|
| The Blake | 3453 Busbee Drive, NW Kennesaw, GA 30144 | 1 BR/1BA to 4 BR/4 BA | 709 to 1,506 | \$749 to \$1,125 | 300 | 736 | 2012 |
| The Haven at Kennesaw | 1805 Shiloh Road, NW Kennesaw, GA 30144 | Private detached cottages 4 BR/4 BA to 5 BR/5.5 BA | 1,920 to 2,408 | \$745 to \$755 | 32 | 150 | 2017 |
| Stadium Village | 3044 Hidden Forest Court Marietta, GA 30066 | 4 BR/4 BA | 300 to 400/BR | \$699 to \$729 | 198 | 792 | 2014 |
| U-Club on Frey | 3995 Frey Road Kennesaw, GA 30144 | 4 BR/4 BA to 4 BR/4.5 BA | N/A | \$719 to \$739 | 215 | 864 | 2012 |
| U Pointe Kennesaw | 3079 Hidden Forest Court Marietta, GA 30066 | 2 BR/2 BA to 4 BR/4 BA | N/A | \$699 to \$839 | 215 | 795 | 2015 |
| West 22 | 3615 Cherokee Street, NW Kennesaw, GA 30144 | 1 BR/1 BA to 5 BR/5 BA | 586 to 2,400 | \$719 to \$1,009 | 245 | 850 | 2012 |
| Campus Edge | 950 Hudson Road Marietta, GA 30060 | 1 BR/1 BA to 4 BR/2 BA | N/A | N/A | 120 | N/A | 1983 conversion unknown |

Source: Cobb County Community Development, Development Websites

Kennesaw State University

The enrollment for Kennesaw State University’s 2017 fall semester was 35,846. KSU currently has four (4) housing complexes on the Kennesaw campus and five (5) housing complexes on the Marietta campus for a total of 5,200 beds. According to the 2016 Kennesaw State University Campus Master Plan, approximately 5,000 students were living on campus. Nearly 3,000 of those were freshmen. As provided by KSU, 4,939 students will be living on both the Kennesaw and Marietta campuses in the fall of 2018. Freshman will make up over half (53%) of the students living on campus and just 11% will be seniors. The breakdown of the students living on campus is provided in the table on the following page.

Table 3

| Fall 2018 Housing by Class | | | |
|-----------------------------------|------------------------|------------------------|---------------|
| | Kennesaw Campus | Marietta Campus | Totals |
| Freshman | 2,069 | 543 | 2,612 |
| Sophomore | 714 | 425 | 1,139 |
| Junior | 341 | 304 | 645 |
| Senior | 243 | 300 | 543 |
| Totals | 3,367 | 1,572 | 4,939 |

Source: Kennesaw State University

The Campus Master Plan also states that the Kennesaw campus has housing for approximately 13% of that campus’s student population while the Marietta campus has enough housing for 25% of its population. Freshmen enrolled at the Marietta campus are required to live on campus. KSU provides a variety of housing types, from traditional dormitories (Marietta campus) to apartment type floor plans. The Campus Master Plan notes the potential for up to 7,400 total beds at the Kennesaw campus. KSU has stated that some redevelopment of existing housing is needed on both campuses and any redevelopment could include additional beds.

There are several policy decisions KSU is considering that could greatly impact their housing needs. KSU is contemplating expanding the requirement for freshman to live on campus to include the Kennesaw campus. This means there would need to be a significant increase in housing options on the Kennesaw campus.

The university has seen steady and intense growth over the last fifteen years. Student enrollment was 18,000 in 2004. The largest enrollment in KSU’s history occurred in the fall of 2016, with a student population of 34,600. The student population has doubled from 2004 to 2017. The university is now determining whether student enrollment should be slowed and stabilized for the foreseeable future.

The KSU Foundation is a non-profit organization that was established to provide supplementary financial support to the college from the community, contributing to many of the most recent building projects on campus.



U-Club on Frey

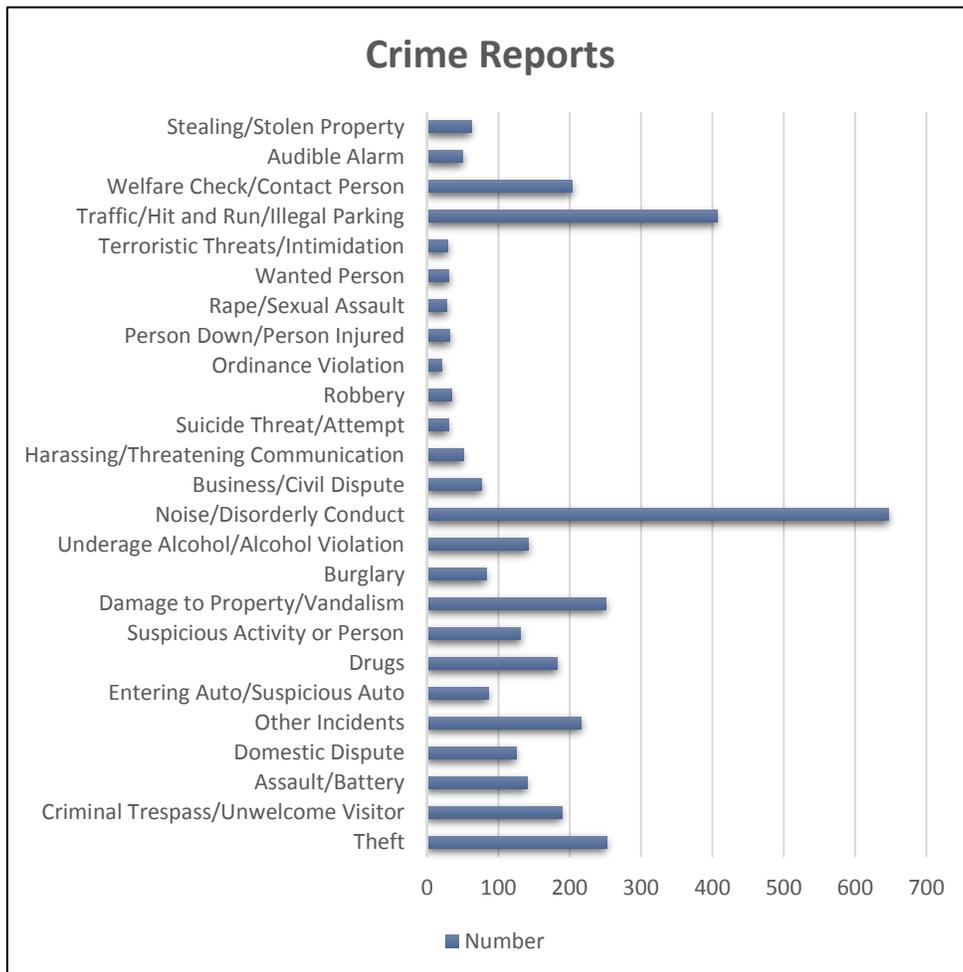
Neither KSU nor the KSU Foundation have any student housing projects currently under construction, nor are any proposed. They are working towards updating their market study, which will provide a better idea of the composition of the student population and the associated housing needs. The Campus Master Plan identifies locations for potential new housing and notes the potential for seeking public-private partnerships to meet on-campus housing needs. Redevelopment of existing housing is an issue KSU is seeking

to address. As redevelopment occurs, increasing the density of the rebuilt complex could provide needed additional units of on campus housing.

Impacts of PBSH

Due to the unique nature of PBSH, as well as the rapidly increasing numbers of beds, there could be negative impacts associated with these new developments. Changing KSU policies could potentially impact future student enrollment. KSU and the KSU Foundation have plans for redevelopment of existing housing and new housing on campus. With these factors, there is the possibility that PBSH could be overbuilt in Cobb County. If one of the off campus PBSH complexes were to fail, it is unknown what would happen to the larger complexes. Conversion to traditional apartments or other uses would be difficult due to the uniqueness and variety of floor plans. Vacant large buildings or unwanted uses could prove to have an immense impact on KSU and the surrounding community.

Chart 1

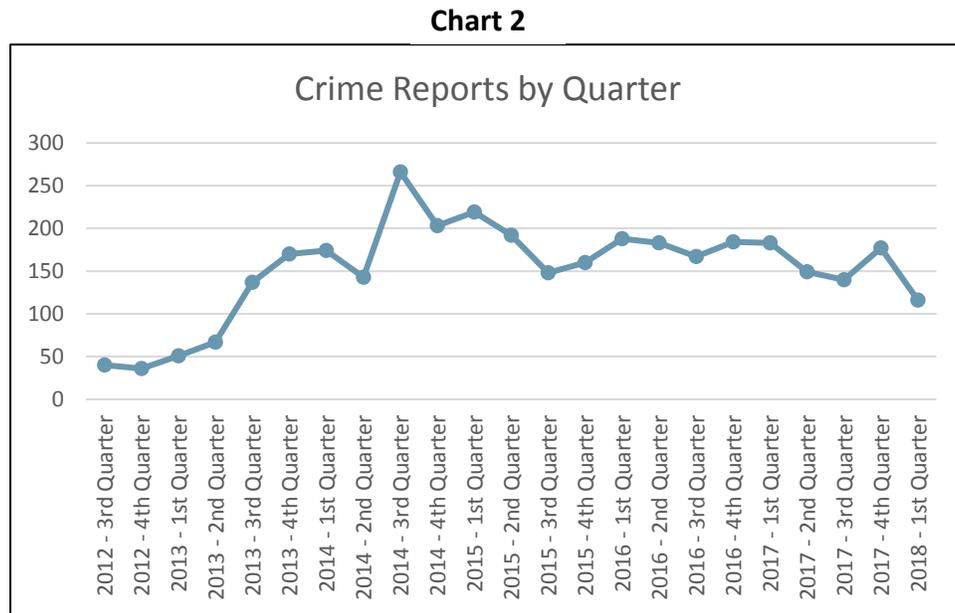


Source: Cobb County Police, City of Kennesaw Police

While PBSH offers more freedom and less restrictions for residents, living off campus means campus security and the associated safety net is not provided. Crime incidents were obtained

from both the Cobb County Police Department and the Kennesaw Police Department for the PBSH in their jurisdictions. Since 2012, there have been 3,502 reported incidents ranging from Noise/Disorderly Conduct to Audible Alarms. Other reports include Underage Alcohol/Alcohol Violation, Drugs, Assault/Battery, and Damage to Property/Vandalism. Chart 1 on the previous page details the variety of incidents reported.

Reports began mainly in 2012 as PBSH started to appear around KSU. The peak year for reported incidents was 2014, with 786. Incidents have decreased since then, even with more PBSH complexes coming online. Over 100 reports have been received in the first three months of 2018.



Source: Cobb County Police, City of Kennesaw Police

KSU has expressed concerns over liability issues related to providing transportation to and from off-campus PBSH to the KSU campus. Additional impacts relate to Cobb County potentially needing to revise ordinances and/or development standards to address problems unique to PBSH, such as parking, noise, and other nuisances.

There are some positive impacts from PBSH. The private housing fills a need for the growing KSU student population. The individual leases offered by PBSH provide an opportunity for off-campus housing while not making other lessees liable for all rent when a roommate leaves. Cobb County has had issues with students renting houses in existing single-family residential neighborhoods, causing noise and



U Pointe Kennesaw

parking issues. PBSH provides more beds, potentially drawing students that would otherwise be forced to find housing elsewhere, and helps to alleviate impacts on surrounding stable residential neighborhoods. Furthermore, PBSH, if done properly, can help further the efforts of the Town Center Community Improvement District in implementing their master plan, which calls for the confluence of retail, office and residential uses in appropriate areas.

The Experience of Others

This section of the analysis focuses on the tools available to local government entities to regulate PBSH. To better inform our research, we contacted planning departments of other cities that are home to a college or university. Each jurisdiction contacted was asked ten (10) questions. The questions focused on the regulatory and policy aspects of PBSH from a municipal perspective. Not all the questions were relevant to all the communities polled. The questions asked were:

- Does your community have private off-campus student housing (AKA PBSH)?
- Have there been any recent applications heard / approved for private off-campus student housing?
- What sections of your code/regulations would be applied to them? Do you have regulations specific to this kind of development or have changes been made to the code/regulations in response to this kind of development?
- In permitting private off-campus housing has your regulatory body (i.e. City Council, Planning/Zoning Commission, etc.) placed any stipulations/conditions on them that have proven effective in addressing any of the concerns related to incompatibility with surrounding uses – especially lower-density residential?
- Have any of these developments failed as student housing and been re-purposed?
 - If they have, to what were they re-purposed?
- Have the educational institutions for whose student body they are intended to serve worked with your community to help mitigate the impact on the community?
- Were there any built-in partnerships with the institution of higher education? If so, did it result in fewer incompatibilities with the surrounding uses?
- Have there been any issues related to non-students occupying the complexes?
- Has there been any observable concentration of crime associated with off-campus student housing in your community?

In-State

Four (4) jurisdictions in Georgia were contacted: Athens, Atlanta, Statesboro, and Valdosta. They were chosen because each is home to an institution of higher education like Kennesaw State University.

Athens, GA

Athens is home to the University of Georgia (UGA) and Athens Technical College. The student population of UGA was 36,574 as of 2017. It has both undergraduate and graduate programs. As of 2017, Athens Technical College, which offers undergraduate degrees, had a student population of 4,210; of those, 1,036 were enrolled on a full-time basis. The main campus of UGA is located just south of the downtown with ready access for students. Athens Technical

College is to the northeast of the city core. The government structure is unique in that the city and county are unified. Municipal officials have recently seen an increase in the number of applications for PBSH. As of mid-2018 there were four (4) under construction.

PBSH is regulated as multi-family. The zoning district in downtown allows for 200 bedrooms per acre if commercial is included on the first floor. In this zone, Athens-Clark County encourages the housing and commercial be designed around the associated parking deck, so that there is a walkable frontage. Outside of downtown, most of the complexes come in under the Planned Unit Development (PUD) regulations. Private student housing has not been developed in lower density residential areas that are not advantageous to the concept. Other factors limiting siting are lower building heights and a restrictive definition of family. There are no ordinances in the code that are specific to PBSH. Under this regulatory scheme, PBSH has brought with them some benefits. The benefits include constructing a portion of a rails-to-trails project, a downtown drugstore, increased ridership on busses, and pedestrian traffic downtown that helps to support the downtown businesses. While they have not seen any developments specifically built as student housing fail, they have seen one apartment complex that was converted to student housing revert to rental apartments. Local officials are unaware of any partnerships with the schools for developing housing.

Atlanta, GA

Atlanta is home to at least 15 colleges and universities. They include Morehouse College, Spelman College, Atlanta Technical College, Carver Bible College, Emory University, and Oglethorpe University, to mention a few. The two most notable are Georgia State University (Georgia State) with a student body of 32, 237 and the Georgia Institute of Technology (Georgia Tech) with a student enrollment of 26,839 in 2017. Georgia Tech is two (2) miles north of the center of Atlanta close to the commercial center referred to as midtown, while Georgia State is adjacent to downtown Atlanta. City officials indicated that there had not been any recent applications for a large student housing project. These developments are regulated as multi-family and there are no ordinances specific to them. A review of the Atlanta code however, reveals that there are area specific sections in the code that focus on encouraging student housing more than other types of housing. Presently, city officials are unaware of any private student housing developments that have been repurposed, or built in partnership with an institution of higher education. As an indication of an unfulfilled demand, Georgia State is buying up houses to be utilized for student housing. Although city planning officials mentioned that issues regarding crime have not come to their attention, there have been multiple high-profile incidents involving Georgia State (both on-and off-campus) and Georgia Tech (off-campus).

Statesboro, GA

Statesboro is home to Georgia Southern University (GSU). There are two (2) colleges located just outside of the city limits. These are East Georgia State College (EGSU) and Ogeechee Technical College. GSU, as of 2017, had an enrollment of 27,459; 24,040 of which were undergraduates, 3,419 of which were graduate students. EGSU is a smaller four-year institution that has three campuses. The campus in Statesboro has a student enrollment of 1,336, of which 1,214 are full time (as of 2016). In 2016, Ogeechee Technical College enrolled 2,872 students of which 1,663

were full time. Statesboro land use codes treat PBSH as multi-family, with no ordinances or requirements specific to them. City officials mentioned that they have dealt with older developments around the GSU campus that have turned to non-student populations. When this happened, it has been their observation that there is an increase in crime in the area.

Valdosta, GA

Valdosta is home to Valdosta State University and Wiregrass Georgia Technical College. Respectively, they have student enrollments of 11,341 and 3,939 (as of 2017). Like the other polled jurisdictions, Valdosta regulates PBSH as multi-family. There are no specific regulations pertaining to them and no consistent stipulations included in approvals. Typically, it is encouraged that the design includes buildings brought up to the curb, wrapped around parking, as close to the school as possible. There is a sunset on approvals that locks them into landscaping and access through a site plan.

Out-of-State

Three jurisdictions outside Georgia were contacted. They were Durham, North Carolina, Greenville, North Carolina, and Tallahassee, Florida. They were each chosen for a different reason. Durham was chosen because the primary university was private, to see if a private institution affected the city's approach towards student housing. Greenville was chosen due to the community's concern that it might be over built in student housing. Tallahassee was chosen because it is home to a university similar in size to Kennesaw State University.

Durham, NC

Durham, North Carolina is home to Duke University, a private institution with a total enrollment of 15,735, of which 6,609 are undergraduate (as of 2017). In contrast to the other universities in the cities and counties discussed here, it has a larger graduate enrollment than undergraduate. The City of Durham has a slightly different approach. Their ordinance includes a use called "Commercial Dorm" which does allow multiple bedrooms to be leased individually, as long as it is associated with a college or university. The use is allowed in certain residential districts with a special use permit from the Board of Adjustments. It has been used sparingly, and because the definition of "college and university" is so broad, it has been used more often by non-profits that have formal vocational programs. One commercial dorm was approved in association with Duke University. As far as local officials are aware, it is still in operation and there have been no problems with crime.

Greenville, NC

Greenville, North Carolina is the home of East Carolina University. The university has a total enrollment of 12,246 students. As of January 2018, the city had 17 private student housing complexes that were leasing and at least 6 more were proposed or under construction. Also, after some controversy, a 605-bed, cottage-style student housing complex was recently approved.

Student housing in the Greenville zoning code falls under the definition of a "dormitory." Dormitories are accommodations for "persons not members of the same family group." Family

is defined as “An individual living alone, ... or a group of not more than three unrelated persons living together as a single housekeeping unit in a shared dwelling unit.” These dormitory developments are allowed in limited zones by special permit. Known as a Land Use Intensity Development (LUI), dormitories are subjected to two Special Permit processes. There are requirements for floor area, open space, non-vehicular space (i.e. livable space), recreational space, street setbacks, container pads, buffer yard setbacks, and vegetation. These special permits are decided by the Planning and Zoning Commission. The Commission must hold a public hearing in which it must consider:

- Availability of adequate utility services
- Traffic will not exceed acceptable capacity in arterial and collector streets
- No adverse effects to health or safety of persons residing or working in the neighborhood and it will not be detrimental to the public welfare
- The use meets all required conditions and specifications
- The use will not inure, by value or otherwise, adjoin or abutting property or public improvements, or that the use is a public necessity
- The location and character of the use will be in harmony with the area

The city commissioned a study of student housing that concluded the PSH market in Greenville is over saturated. One of the older student housing complexes has failed and is currently vacant. A proposal to repurpose it as affordable housing also failed. In speaking with city staff, they mentioned that there had been no discernable increase of crime associated with the student housing developments. Anecdotally, they said it has been observed that as the percentage of non-students increases, there appears to be more incidents of crime.

Tallahassee, FL

Tallahassee, Florida is the location of three (3) institutions of higher education. Florida State University (41,173 students), Florida Agriculture and Mechanical University (A&M) (9,619 students), and Tallahassee Community College (12,200 students as of 2017). While there have been some land swaps and sales between the private student housing developers and the colleges, there have been no partnerships for housing development of which the local officials are aware. In the past, students were moving into traditional residential neighborhoods due to the lack of housing on campus. This led to dissatisfied residents. To better deal with these issues, the city registered dwellings with too many unrelated individuals to meet the definition of family as rooming houses. This was followed with no longer allowing them. Since then, the number of rooming houses has reduced.

The privately developed student housing trend began in 2012 with the redevelopment of a warehouse district located near the schools. With the city rebuilding the roads and stormwater system in the district, along with the district’s location, this led to an uptick in student housing that has not slowed down since.

There have been several privately built student housing developments to go through the city permitting process recently. There were four (4) projects completed in 2017. Among them there are 187 units with 692 beds. As of June 2018, eight (8) more were under construction. These projects will have 1,296 units and 4,389 beds. Five (5) of these are expected to be completed by the fall of this year (2018). They will add 2,734 beds to the market. There is one site being redeveloped where a 114-unit, 189-bed building was torn down and a new 179-unit, 601-bed development will replace it. Another five (5) developments have approved site plans. Those total to 434 Units and 1,402 beds. Two (2) more projects are in the review process. If approved, those would add 349 units with 1,024 beds. At least one (1) of these is anticipated being completed in 2020. Three (3) more projects have gone through their pre-submittal process. If those move forward in the review process and gain approval, they will add another 377 units with 1,325 beds. This results in a grand total of 2,822 units with 9,433 beds that will be added to the market between 2017 and 2020. There was only one application that was withdrawn before it got approved, but it would appear it was due to factors related to the developer's circumstances. There have been no failed developments of which local officials are aware. Local officials assume that the private developers are studying the market before making such large investment. They are not showing any signs of thinking the market is saturated.

There are no code ordinances specific to privately developed student housing. They are regulated as multi-family residential. When located in specific zones, such as the Multi-Modal district, there are streetscaping and other additional requirements. In some districts, densities with bonuses can reach 50 units per acre (upa). Overall, this has worked well. A small adjustment that was just made in response to privately developed student housing was to increase the parking requirement to one (1) space for each bedroom.

Lessons Learned

When jurisdictions have identified specific areas as most desirable with regulations to encourage PBSH or when there is a more stringent review process through a special permit process, there seems to have been less conflict with other uses in the area.

- Establish zones in areas where PBSH is appropriate.
- An overlay zone could be utilized to designate a more desirable area without having to rezone large areas.
- Allow densities high enough to encourage PBSH in desirable zones and not in undesirable zones.
- Allow higher building heights in areas PBSH is to be encouraged.
- Set a standard of one parking space per bedroom in the parking requirements.
- Family definitions with fewer unrelated individuals can be used to limit locations of PBSH and discourage students from locating in single family houses in established neighborhoods, but may have other unintended consequences such as also limiting extended stay hotels, senior living facilities, etc. (We already have this in place with one of the most restrictive family and unrelated adult definitions in the area.)

- Research whether it would be possible to encourage PBSH with more traditional apartment layouts, or that can easily be converted to more traditional apartment layouts. A sunset clause on approvals could discourage developers from seeking speculative approvals in a crowded market.
- If it does not seem appropriate for the community to limit PBSH to specific areas, establish a defined use such as PBSH, Dormitory or Commercial Dorm, add it to the uses already subject to a special permit process; and allow it in most residential and/or commercial zones. This would allow site by site consideration. The criteria would have to be crafted carefully to assure compatibility with surrounding uses and so it is not so restrictive that nothing can be approved under it. Legal council should be involved so that the regulations do not unlawfully infringe on private property rights.
- If the existing special permit criteria does not achieve the regulatory objectives, a more stringent one could be established, such as in the Greenville, North Carolina regulations.

Policy Recommendations

Creation of an Overlay District

The County could consider the creation of an overlay district encompassing the main KSU campus and adjacent areas. The overlay district would be regulatory in nature and would be codified within the Cobb County Zoning Code. The purpose of the overlay would be to encourage student housing within a defined area that offers proximity to the campus, KSU-operated bus service and pedestrian/non-motorized transportation infrastructure. The provisions of the overlay could vary based upon either the underlying zoning district or the overarching Future Land Use designation. For example, PBSH development occurring within the overlay area that is also in a CAC or RAC Future Land Use area could be strongly encouraged to build vertically and to have a minimum amount of space dedicated to commercial/retail uses on the ground floor of the building(s). Another example is to encourage certain urban design features (i.e. pedestrian lighting, street furniture, landscaping, etc.) depending upon whether the FLU designation is residential or commercial in nature. This could help ensure that the overlay promotes the development of student housing that is consistent with the existing character of the immediate area.

Special Land Use Permits (SLUPs)

Another consideration is to include PBSH within the list of uses identified in the special land use permit section of the County Zoning Code (Sec 134-37 (a)). Currently, PBSH is not a defined term within the Code. As a result, a definition for PBSH would need to be added to the appropriate subsection of the Code. Additionally, a new subsection would need to be created that covers the manner in which SLUPs would be used for PBSH developments. It would outline specific requirements that could pertain to factors such as, parking, lighting, security, and access to public/university transportation. For instance, all new PBSH built under a code requiring an approved SLUP could be subject to a building safety/security plan that has been vetted by local law enforcement and/or the University. In addition, applications would have to be weighed against the list of considerations in Section 134-37 (e) (1) – (15) and (f); and the procedure would

be as set forth in Section 134-37 (b) – (d) and (g). *Clubs and lodges*, located in Section 134-37 (a) (31), is set up in a similar manner.

Additionally, PBSH could be added to the existing subsection for *Fraternity and Sorority Houses and Residence Halls* (134-37 (a) (32)) because PBSH could fall under the definition of Residence Hall. “*Residence hall* means a house, apartment, boardinghouse or rooming house, or other multifamily housing for human dwelling (134-1).” However, doing so could mean that requirements applicable to PBSH would be applied to uses for which they may not be appropriate. One potential example is that PBSH could be required to provide one parking space per bedroom, which might be excessive for the other uses included under residence halls. Unlike the overlay district, requiring a SLUP would cover any PBSH built in the County.

Comprehensive Plan Amendments

Another item to consider is amending the Comprehensive Plan. The amendment could consist of a Small Area Policy Guideline that would reference an overlay district, if created. The language would encourage the inclusion of commercial/retail uses on the first floor of PBSH developments constructed in a commercial Future Land Use category within the overlay. The proposed guidelines would help encourage a mix of uses near KSU, rather than just having a concentration of student housing.

Conclusion

Purpose-Built Student Housing is a relatively new type of multi-family housing and therefore its long-term impacts to Kennesaw State University, the surrounding community, and Cobb County are unknown. PBSH is becoming more widespread across the country, so Cobb County is not unique in trying to address the associated issues. For the moment, PBSH remains a viable alternative to a shortage of on-campus student housing and investors remain interested in providing the product, as evidenced of existing PBSH and by two additional on-going projects near KSU. However, staff believes that additional regulation is necessary to protect surrounding stable single family residential subdivisions/communities.

Several issues factor into the longevity of PBSH, such as KSU maintaining current enrollment, along with any projected growth and plans for new on-campus housing. KSU will also need to address the possibility of expanding the freshman on-campus living requirement to the main campus. Addressing specific issues such as crime, noise, and parking at PBSH will continue to be a priority. Cobb County may also need to address how to approach redevelopment of any failed complex should a development no longer be viable or meet the needs of the student population. Redevelopment of these complexes could prove to be a challenge because of their unique characteristics.

The recommendations offered within this document would assist Cobb County in monitoring PBSH development, concentrating off-campus student housing closer to the KSU campus, and assist in keeping students out of single-family residential neighborhoods. These recommendations also provide the opportunity to address quality-of-life issues associated with PBSH, such as number of beds, noise, lighting, security, and parking. Cobb County will need to

continue to seek insight from peer jurisdictions as PBSH continues to develop in the County. Staff and elected officials should consider lessons learned from peer local governments and determine if any further policy or code revisions would address continued or emerging concerns regarding PBSH built in the community.

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