



SAN FRANCISCO PLANNING DEPARTMENT

Executive Summary Building Code Text Change

HEARING DATE: JUNE 28TH, 2012

Project Name: **Changing the Definition of Efficiency Units**

Case Number: Board File No. 120191
Initiated by: Supervisor Weiner
Introduced on: February 2, 2012
Staff Contact: Kimia Haddadan, 415.575.9068
kimia.haddadan@sfgov.org

Reviewed by: AnMarie Rodgers, Manager Legislative Affairs
anmarie.rodgers@sfgov.org, 415.558.6395

90-Day Deadline: *Not applicable. This item was not referred by the Clerk of the Board for policy review.*

Recommendation: **Recommend Approval with Modifications**

1650 Mission St.
Suite 400
San Francisco,
CA 94103-2479

Reception:
415.558.6378

Fax:
415.558.6409

Planning
Information:
415.558.6377

BUILDING CODE AMENDMENTS

The proposed Ordinance would initiate amendments to the San Francisco Building Code by 1) amending Section 1208.4 to reduce the square footage requirements for Efficiency Dwelling Units pursuant to Section 17958.1 of the California Health and Safety Code; and 2) making environmental findings.

The Way It Is Now:

The San Francisco Building Code currently regulates efficiency dwelling units to have a living room of not less than 220 square feet of floor area along with a kitchen sink, cooking appliance and refrigeration facilities. The California Health & Safety Code under Section 17985.1 authorizes a city or county to reduce the required square footage of Efficiency Dwelling Units to a minimum of 150 square feet along with kitchen and bathroom facilities. Given the lack of supply for affordable housing, maximizing the allowable efficiency units in projects comprise one practical solution.

The Way It Would Be:

The proposed Ordinance would lower the required minimum square feet in the Building Code to match with the California Health and Safety Code. Under the proposal, the total area of the unit could be no less than 220 square feet and the living area to be no less than 150 square feet. No more than two people could occupy the efficiency. The Ordinance would maintain existing requirements for kitchen appliances and workspace as well as a separate bathroom. Supervisor Wiener has indicated that when the

Ordinance returns to the Land Use Committee in July, he will further amend it so the proposed smaller requirements applied to new construction only and not to renovations of existing buildings.

ISSUES AND CONSIDERATION

- **Application.** The Ordinance, as currently drafted, would affect both existing and future residential units. There have been concerns about how applying this change to existing residential units might result in two new units that would not be subject to rent control any more. Supervisor Wiener has responded to these concerns by pledging to amend the Ordinance to only apply for future units. His proposed amendment would be consistent with the San Francisco's policy of preserving existing rent control units. The new, smaller efficiency units which could be built could provide for the entire spectrum of household income including, market-rate, affordable, and SRO residential units. Given the small size of the units, they will more likely be offered for moderate and low income households. The Housing Action Coalition has developed a Q & A for efficiency units (Exhibit B) that discuss the market for efficiency units more in detail.

- **Density implications.** Decreasing the minimum required unit size would potentially increase the number of units allowed in the building envelope. Staff conducted a quick analysis of how such increase would affect density in different zoning districts in the City. Many of the City's zoning districts¹ already include residential density controls per square foot of lot area; projects with the smaller efficiency units would still be subject to such controls and therefore no additional density would occur. Other districts especially within City's Area Plans have removed the per square foot density controls², for which the proposed Ordinance might result in additional density. However, even within these districts there are other types of controls that would limit the potential to increase density³.

In order to roughly estimate the potential increase in density as a result of the proposed reduction in minimum unit sizes, staff conducted an analysis, illustrated in Exhibit A. Assuming a 50,000 sq. ft. site, option one represents the current provisions for efficiency units (290 sq. ft.) and option two represents the proposed Ordinance with reduced sized efficiency units. These two options are evaluated for three types of projects (a, b, and c). The analysis shows, for example, that if the project includes the required mix of 2-bedrooms and efficiencies the number of efficiencies would only increase by just over 10%-- from 60 to 66 efficiency units. However, if the project includes only SRO units, the unit count would potentially increase up to 30%-- from 172 to 227 efficiency units. It is important to note that this analysis has not taken into account that with the increased number of units, requirements for common and open space would also rise and therefore these numbers are conservatively high.

- **Quality of life issues.** The proposed Ordinance to decrease minimum efficiency unit size would not modify any of the regulations regarding light, air, open and common usable space, or exposure.

¹ RH, RM, NCs, M-1, M-2, Chinatown, and most of the RC districts.

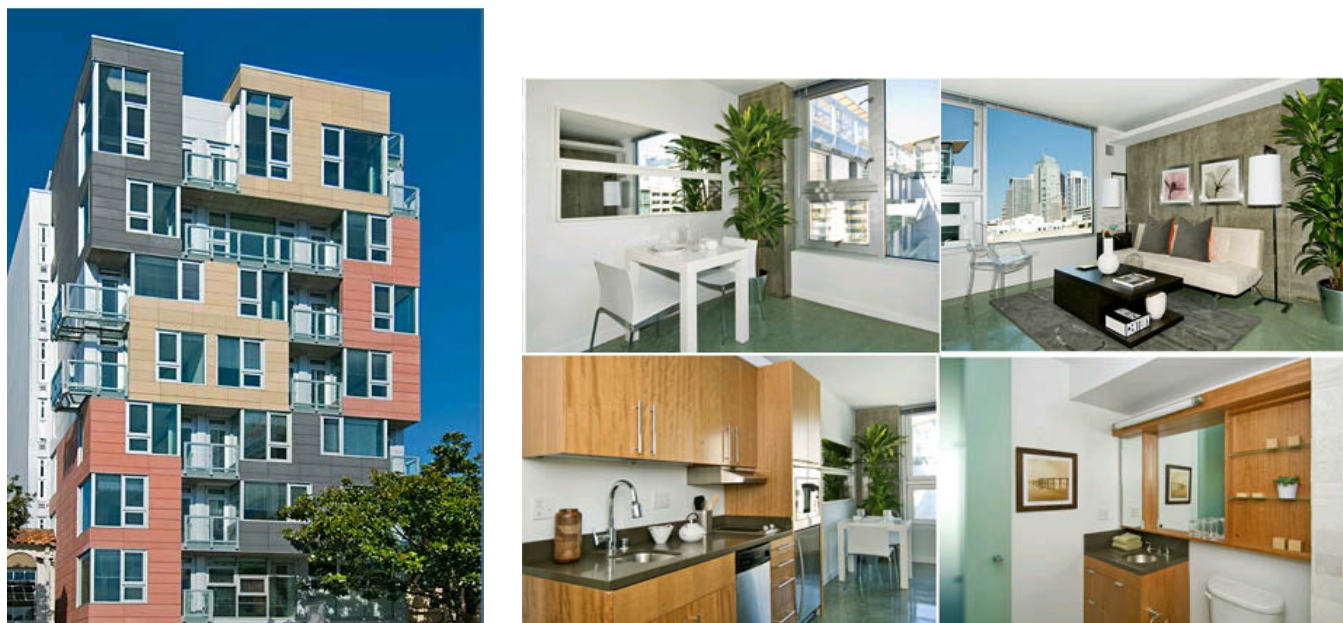
² In the Market & Octavia Area Plan: NCT and C-3 SUD and in the Easter Neighborhoods Area Plan: RTO, NCT, DTR, and EN Mixed Use.

³ Including: 40% of units must have 2-bedrooms, 30% of units must have 3 bedrooms, 100% of required affordable units must have at least 2-bedrooms. However, Parcels zoned RC within the Van Ness SUD (since adoption of the Van Ness Area plan in 1989), as well as C-3 districts have neither the maximum unit/ sq. ft. requirements nor the unit mix controls.

Smaller efficiency units would still be subject to such quality of life rules. In fact, since the amount of required open and common usable open space is calculated based on the number of units, the proposed Ordinance would result in larger and more open and common space. Further, the proposed amendments to the Building Code would not change any of the triggers for Planning Department and Planning Commission review. The Planning Commission is vested with powers of review and discretion that it has (see example below) and will use again to ensure new housing is livable.

- **Affordable by design.** The idea of “affordable by design” has been raised with this ordinance. In this instance, the term may be used to signify that because the units are small, the units would likely be the least costly way to enter San Francisco’s housing market with new construction. Looking at the cost of some of the units below, the cost per square foot of the units may be comparable to the cost per square foot of larger existing units—such as Noe Valley homes. However, the price per square foot doesn’t negate the fact that the final, absolute cost is reduced as the size of the unit is reduced.
- **Case Study of Similar Existing Buildings**
 - 1) **Cubix.** The Cubix building at 766 Harrison was developed and originally owned by HausBau/Hauser Architects. The Redevelopment Agency authorized the entitlements for the 8-story, 98 unit project within the Yerba Buena Center Redevelopment Area in 2008. According to SFGate, the original asking price for the 250-350 sq. ft units was \$279,000⁴ in 2008 but by winter of 2009 the price had dropped to a low of \$215,000. In spring of 2010, CurbedSF reported that the development went through foreclosure after only 20% of the units sold. At that time, CurbedSF further reported another drop in prices with “units are ranging from \$199,000 to \$259,000, with zero HOAs and square footage in the 250 to 350 range”. According to the project sponsor, the units when being built were targeting for \$1000/ sq. ft. sales price. A call to Vangaurd, the real estate agent listed on the Cubix-SF website, asking for more information went unreturned.

⁴ <http://blog.sfgate.com/ontheblock/2009/01/14/shrinking-prices-at-tiny-condos/>



The Cubix building features efficiency units that were built under the existing Building Code requirements. These images show the building and the interior of a unit. Retrieved from <http://www.cubix-sf.com/>

527 Stevenson Street. This project will convert an existing industrial building to residential building including studio (efficiency) and one bedroom units. The studio units range in size from 250 square feet to 380 square feet in area. One-bedroom units are either 440 square feet or 550 square feet in area. The project as it was originally proposed contained 67 units including 48 studio units with lofts and 19 one-bedroom units with lofts. It also required an exception from Section 134, Rear Yards to allow the existing building to be converted to residential use. The project also required a Variance from Section 140 for Dwelling Unit Exposure⁵. The project went through several revisions with the Planning Commission and staff. The final proposal reduced the number of dwelling units in the project from 67 to 60; combined and expanded the interior courtyards to provide more light and air to all units and to reduce the number of dwelling units requiring an exposure Variance from 40 to 2; and it also decreased the number of studio units from 43 to 27 and increased the number of one bedroom units from 19 to 33,

REQUIRED COMMISSION ACTION

The item is before the Commission for an informational hearing only, no action is required.

Attachments:

- Exhibit A: Spreadsheet Analysis of Density Implications
- Exhibit B: San Francisco Housing Action Coalition Analysis
- Exhibit C: Draft Board of Supervisors Ordinance [Board File No. 12-0191]

⁵ It includes 40 units that did not face onto a public street at least 25 feet in width, a Code complying rear yard or another defined open space. The majority of the units face onto an interior courtyard that does not meet the dimensional requirements of Section 140.

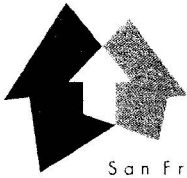
Exhibit A

Efficiency Units Minimum Size Reduction- Density Implications Analysis

Assuming 50,000 square foot building envelope

Requirement	a) 40% Two-Bedrooms			b) 30% Three-Bedrooms			c) SRO Building
Option One- Current Conditions							
	Efficiency	Two-Bedroom	Total	Efficiency	Three-Bedroom	Total	Efficiency
Unit Size (sqft)	290	800		290	1,000		290
Units	60	40	100	69	30	99	172
Square Feet	17,400	32,000	49,400	20,010	29,571	49,581	49,880
Population per Unit	1.50	3.00		1.50	3.00		1.50
Total Population	90	120	210	104	89	192	258
Option 2*- Proposed Conditions							
	Efficiency	Two-Bedroom		Efficiency	Three-Bedroom		Efficiency
Unit Size (sqft)	220	800		220	1,000		220
Units	66	44	110	77	33	110	227
Square Feet	14,520	35,200	49,720	16,940	33,000	49,940	49,940
Population per Unit	1.50	3.00		1.50	3.00		1.50
Total Population	99	132	231	116	99	215	341
<u>Difference</u>							
Units			10%			12%	32%
Population			10%			12%	32%

* This options does not take into account the additional open or common space requirements resulting from the increased number of units.



Q & A ON SMALL EFFICIENCY UNITS

1. WHAT IS THE EFFICIENCY DWELLING UNIT LEGISLATION?

At present, San Francisco Building Code § 1208.4 provides that every dwelling unit must have a minimum living room of 220 square feet in addition to a separate closet and bathroom. California law allows cities and counties to reduce the minimum living area from 220 square feet to 150 square feet, so long as no more than two people occupy the unit. (California Health and Safety Code § 17958.1). Closets, a bathroom and kitchen areas do not count as “living area,” so the total size of efficiency dwelling units would be larger than 150 sq. ft.

2. DO OTHER CITIES ALLOW UNITS OF A SIMILAR SIZE?

A number of cities in California and other states allow efficiency units with living areas of 150 sq. ft. or less.

CITIES	EFFICIENCY UNIT DWELLING MIMIMUM SQUARE FOOTAGE
San Jose	150 sq. ft.
Santa Barbara	150 sq. ft.
Santa Maria	150 sq. ft.
Arcata	150 sq. ft.
Seattle	150 sq. ft.
New York	In each apartment in a class A multiple dwelling unit (e.g. permanent apt) there shall be at least one living room containing at least 132 sq. ft. of floor area. Every living room shall contain at least 80 sq. ft. of floor space. A one-room apartment in a class B multiple dwelling (e.g. temporary housing – dormitory) may be as small as 60 sq. ft. in its floor area.



3. WHY DOES SAN FRANCISCO NEED EFFICIENCY DWELLING UNITS?

San Francisco is the most expensive rental city in the country. Over the past year, average rental prices have spiked by 12%, and vacancy is at 3.7%. The rise in San Francisco rental rates has made traditional housing options unaffordable. Even studios average more than \$1,500 a month, well out of reach for too many.

Efficiency dwelling units are part of the solution to San Francisco's housing shortage. They are affordable by design, with construction-cost savings passed along to end-users. While some may save on housing costs by doubling up, many would prefer their own space—even a small one. In Seattle, for example, 150 sq. ft. units have proven to be a popular option. They have a less than one percent vacancy rate and rent for less than one-third the price of an average apartment.

The market for small units cuts across demographic lines:

- **Transitional Housing for the Formerly Homeless.** In San Francisco, living areas at or near the 220 sq. ft. minimum are common in housing built by community housing organizations for formerly homeless individuals. These include the Plaza Apartments at 6th and Howard and some units in the Veterans Commons, which is under construction at 170 Otis Street. Projects in other cities (Casa Feliz in San Jose, for example) are also built to the minimum unit size. With a homeless population among the highest in the nation, San Francisco should be getting the most bang from every housing buck. Smaller unit sizes are one way to accomplish that.
- **Student Housing.** In Seattle, several buildings with approximately 150 sq. ft. units are located around the University of Washington, suggesting that many students prefer solo living to doubling up in larger apartments. San Francisco has 125,000 students attending higher educational institutions with little in the way of dedicated student housing. Right now, many of those students are living in roommate situations and taking up scarce family housing in the surrounding neighborhoods. Small units can help meet the need for student housing and simultaneously relieve pressure on the stock of family-friendly units.
- **Low-Income and Special Needs Housing.** In Santa Maria, small unit sizes were permitted to facilitate adaptive reuse of declining tourist hotels along US-101. These had become *de facto* permanent residences for many low-income singles and couples, but could not be upgraded and formally converted into dwelling units because of

minimum unit size requirements and other zoning regulations. Though it seems unlikely given the strength of tourism in San Francisco, reuse of tourist hotels for residential use happens here too. A recently approved project at 3155 Scott Street will convert a hotel to create 24 units of housing for young adults (ages 18-24) who have aged out of the state's foster care system. Many of these units are approximately 150 sq. ft. in size. Permitting small units by law will help projects such as these get approved without the need for costly variances from minimum standards.

4. DO SMALL UNITS COMPROMISE HEALTH AND SAFETY?

Absolutely not. Small units must comply with the same seismic and life safety standards as other large units. Housing Code and Planning Code regulations set rules for open space, exposure and other habitability standards. In fact, the City's Housing Code already allows for units with living areas as small as 144 sq. ft., which are consistent with the goal of promoting sound and wholesome residential environments. Many small-unit projects provide amenities and common areas larger than those in typical buildings. These areas, where residents of the building can get together to socialize, read, study, or, in special needs projects, access social services, substitute for larger private spaces.

Large unit size requirements do not "protect" San Franciscans from poor living conditions; they simply foreclose reasonable, personal choices about the type of environment they live in and the price they must pay for it. Higher income earners may well prefer more spacious homes—and can afford them. For those who can't afford larger apartments—or who are willing to forego them for their own financial wellbeing—there is an inadequate supply of small-unit housing.

This problem can be seen in the rise in illegal in-law apartments, the number of people doubling up, and the migration to more affordable neighborhoods outside of the City. San Francisco residents should not have to compromise their safety, living accommodations or location preferences because of the exorbitant rental rates. There is a more than adequate solution to this problem - smaller efficiency dwelling units.

1 [Building Code - Definition of Efficiency Unit]

2

3 **Ordinance amending the San Francisco Building Code Section 1208.4 to reduce the**
4 **square footage requirement for Efficiency Dwelling Units pursuant to Section 17958.1**
5 **of the California Health & Safety Code; and making environmental findings.**

6

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

9

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

11 Section 1. Findings.

12 (a) Section 17958.1 of the California Health & Safety Code authorizes a city or county
13 to reduce the required square footage of Efficiency Dwelling Units, as defined in Section
14 1208.4 of the California Building Code, notwithstanding the requirement to make local findings
15 under Health & Safety Code Sections 17922, 17958, and 17958.5.

16 (b) On April 18, 2012, at a duly noticed public hearing, the Building Inspection
17 Commission considered this legislation.

18 (c) The Planning Department has determined that the actions contemplated in this
19 ordinance comply with the California Environmental Quality Act (California Public Resources
20 Code Section 21000 et seq.). Said determination is on file with the Clerk of the Board of
21 Supervisors in File No. 120191 and is incorporated herein by reference.

22 Section 2. The San Francisco Building Code is hereby amended by amending Section
23 1208.4, to read as follows:

24

25

1 **SEC. 1208.4. Efficiency dwelling units.** Efficiency dwelling units shall comply with
2 the following:

3 1. The unit shall be occupied by no more than two persons and have a living room of not
4 less than ~~220~~ 150 square feet (~~20.4 m2~~) of floor area. ~~An additional 100 square feet (9.3 m2) of~~
5 ~~floor area shall be provided for each occupant of such unit in excess of two.~~

6 2. The unit shall be provided with a separate closet.

7 3. The unit shall be provided with a kitchen sink, cooking appliance and refrigeration
8 facilities, each having a clear working space of not less than 30 inches (762 mm) in front.
9 Light and ventilation conforming to this code shall be provided.

10 4. The unit shall be provided with a separate bathroom containing a water closet,
11 lavatory and bathtub or shower.

12 5. The total area of the unit shall be no less than 220 square feet, which area shall be
13 measured from the inside perimeter of the exterior walls of the unit and shall include closets,
14 bathrooms, kitchen, living, and sleeping areas.

15 Section 3. Effective Date. This ordinance shall become effective 30 days from the
16 date of passage.

17 Section 4. This section is uncodified. In enacting this Ordinance, the Board intends to
18 amend only those words, phrases, paragraphs, subsections, sections, articles, numbers,
19 punctuation, charts, diagrams, or any other constituent part of the Building Code that are
20 explicitly shown in this legislation as additions, deletions, Board amendment additions, and
21 Board amendment deletions in accordance with the "Note" that appears under the official title
22 of the legislation.

23 APPROVED AS TO FORM:
24 DENNIS J. HERRERA, City Attorney

25 By: JUDITH A. BOYAJIAN, Deputy City Attorney