

Strategies for dealing with S.F.'s housing crunch

From considering a different neighborhood to alternative models of living, here are some tactics to deal with the city's housing shortage



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September 10, 2014 | Updated: September 15, 2014

1:34pm

For those who can afford to live in San Francisco, it can be a gloriously dense network of professional opportunities, friends and artisanal edibles and goods. For those who are on the outside, it seems ridiculously unattainable - an image

Aubrie Pick/Special to The Chronicle

A 500-square-foot apartment for three

Erin Feher Montoya, her husband, Danny Montoya, and 1-year-old daughter, Orion, in the kitchen of their Tenderloin apartment.

[Click through for their space-saving ideas and three other case studies in San Francisco living.](#)

not helped by extreme rental listings (case in point: For the privilege of crashing in a Nob Hill living room, the renter was expected to pay a monthly rent of \$900 as well as contribute hours of Web programming).

San Francisco has the most expensive housing of any metropolitan area in the United States. According to data from real estate website Trulia, the median rent for a two-bedroom apartment is \$3,550, and consumes roughly half of the median monthly income. If your household makes that median income of \$84,000, you are almost entirely priced out of the home-buying market, since only 14 percent of homes are within \$440,000, the price at which the monthly payment would be 31 percent of your income.

It might be small comfort, but this situation is not new. "When we look at where housing prices are relative to income, they are roughly in line," says Jed Kolko of Trulia. "So compared to what is normal for San Francisco, the housing market is not particularly extreme. It is much less overvalued than during the bubble of 2006." According to Kolko, don't hold your breath waiting for a crash. It looks as if we're stuck here for a while.

What to do if you're looking to rent or to buy?



Look farther afield

One possibility is to consider neighborhoods that, while further from the epicenter, still offer city living. "Outer Sunset is becoming super-hip and cool, with surf shops and good food," says Susan MacTavish Best, a local lifestyle maven, who cites the Excelsior as another neighborhood where prices are still relatively affordable.

Development is also booming in Bayview-Hunters Point, where thousands of units are being built at the 775-acre San Francisco Shipyard development. "This is a whole new area where people can buy - it's the new South of Market," says Alan Mark of the Mark Co., who admittedly has a vested interest in its success since his company is marketing the development. But it's true that not that long ago, South of Market was also considered the boonies. In the longer term, development plans for up to 8,000 homes on Treasure Island are moving forward; construction of the first 1,000 homes could begin as soon as next year.

Think small but sufficient

From a design perspective, there are certainly ways to get more out of limited square footage.

Developer Patrick Kennedy of Panoramic Interests has been touting micro-units - studio apartments that make the most of their 300 square feet by using Murphy beds and other double-duty furnishings to go from day to night. His first building in San Francisco was devoted to student housing, but half of the 160 units in the Panoramic in SoMa will be market-rate rentals. Pricing is expected to start at around \$1,800 a month when the building is completed next summer.

The city is also taking steps to increase the number of in-law units on the market. Legislation passed earlier this year allows homeowners in the Castro to legally convert a garage, storage room or other space into a mini rental unit; it's a pilot program that may be extended to the rest of the city.

Join the sharing economy

Not unlike college projects that go on to be budding startups, the student housing model has also graduated. "Sharing housing can be good on a professional level for people," says MacTavish Best.

"We're using the term 'co-living' to freshen up the concept," says Ben Provan, co-founder of Open Door Development Group, which has created an open-source software platform to manage the complexity of sharing space, resources and responsibilities. "If you set things up right, co-living can provide way more value and a better lifestyle - it's not all about chores and house meetings." There are several houses that use the Modern Nomad software, some which offer short-term stays through the Embassy Network for those interested in giving the whole idea a try. Open Door is also launching a co-living house in Oakland with a "maker-artist" theme; in addition to 12 bedrooms, it has a shared workshop.

Meanwhile, the city's first large-scale co-living development (see Q&A with architect Mark Macy, Page 34) is in the plans for SoMa. The concept: Each person or household has their own small private suite but shares an expansive living and kitchen area, roof deck, patio, maker's workshop, and other amenities that would normally come with a much higher price tag.

Offering the camaraderie of college in a more luxurious setting, Campus is a network of 13 shared houses in the Bay Area. The monthly rent, which ranges from \$1,000 to \$2,200, gets you a private

room in a particular house and guest privileges at the other houses in the network, which includes a vacation cabin in Tahoe and another in Napa.

Go multigenerational

One way to make the city more family-friendly would be to develop more multigenerational housing - homes that accommodate three generations under one roof. Houses with an in-law unit and duplexes serve this market, but those where both units are vacant are rare, and they're not particularly affordable. Responding to the demand, residential developers have started to offer multigenerational homes, which have a second master suite with a kitchenette and sitting area, in suburban developments. But architect Brandon Baunach, who works for local firm BAR Architects, is promoting an urban version that could fit within a traditional multifamily complex.

In Baunach's scheme, there is a two-bedroom apartment next to a tiny studio unit; between them is a small shared space with storage and laundry facilities. Both units can be accessed from the main corridor and also have access to each other through the shared space. "It's a very simple concept," says Baunach. "But it can help young couples who are starting to have kids stay in the city, since their parents can live with them and help with child care." Baunach points out that developers could charge a premium for a multigenerational unit since two families would be pooling resources.

Rethink policy

San Francisco's perennial unaffordability is something the city has to decide it wants to change. "This is an issue for social equity and economic competitiveness," says Kolko, chief economist at Trulia. "We don't build enough housing, and this is a choice through regulations and the permitting process. So to some extent, this is a problem of our own making. And we can do something about it." The city is the country's second-densest metropolis, following New York City, but could theoretically accommodate another 1.2 million people by building to New York levels of density.

Earlier this year, the urban think tank SPUR released an online report, "8 Ways to Make San Francisco More Affordable," which featured public-policy recommendations mostly related to housing; they include speeding up permitting for smaller housing projects and increasing the supply of both affordable and middle-income housing.

"Our city is historically made up of a broad demographic - it has to have a continuum of housing to remain as diverse and vibrant as it always has." says Cynthia Parker, the president and CEO of Bridge Housing, California's largest nonprofit developer of affordable housing.

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