

Education Workforce Housing

Workshop #2

Innovative Housing Solutions to Live Near Work



Project Team

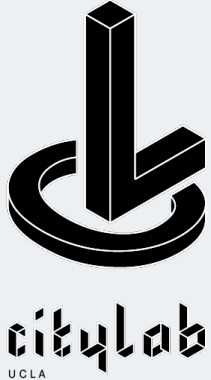
Project Lead



Research Team



**CENTER FOR
CITIES+SCHOOLS**
UNIVERSITY OF CALIFORNIA BERKELEY



Project
Coordination
Team



Workshop #1 Recap: Intro to Workforce Housing

Objectives

- ▶ Developed a foundational understanding of education workforce housing in California
- ▶ Collected and analyzed data on your local development context and formulate goals
- ▶ Visited and learned from a successful example of workforce housing in Los Angeles



Workshop #2: Community Engagement & Funding

Objectives

- ▶ Learn best practices for employee engagement and assessing local need
- ▶ Revise staff needs and preferences survey and begin developing a dissemination and analysis plan
- ▶ Understand financing tools related to developing housing projects on district-owned land



AGENDA

Timeframe	Agenda Item
8:30 am – 8:45 am	Welcome & Today's Agenda
8:45 am – 8:50 am	Revisit Questions from Workshop #1
8:50 am – 9:10 am	LEA Share Out: Power Maps
9:10 am – 9:25 pm	Community Engagement: Power Mapping
9:20 am – 10:00 am	Community Engagement: Staff Needs & Preferences
10:00 am – 10:15 am	LEA Share Out
10:15 am – 10:30 am	Break
10:30 am – 11:20 am	Financing Education Workforce Housing
11:20 am – 11:50 am	Financing Education Workforce Housing Q&A
11:50 am – 12:00 pm	Wrap up



Revisit Questions from
Workshop #1

Workbook & Workshop Adaptations

- ▶ Workbooks now separate Classified & Certificated staff data
- ▶ Tenant Agreements will be discussed in Workshop #3 & #4
- ▶ EWH streamlining is currently for rental, not for-sale, housing



Density Bonus & EWH

- ▶ According to Sacramento experts, SHOULD apply
 - Will be tested by early attempts
- ▶ Density Bonus broadly depends on % affordable and level of affordability
- ▶ Further discussion in Workshop #3



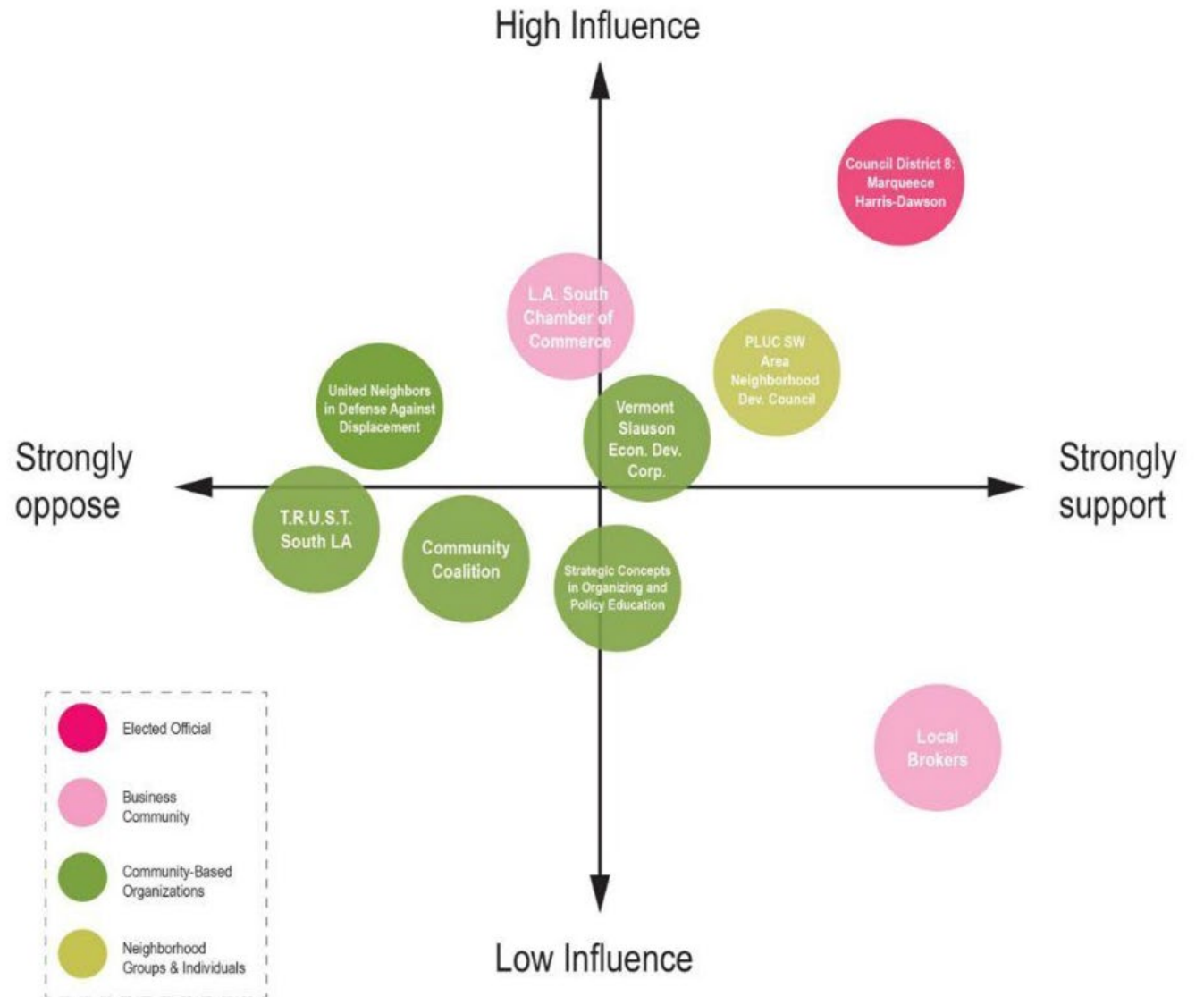
Community Engagement: Power Mapping

LEA Share Out

Power Maps demonstrate **advantages**

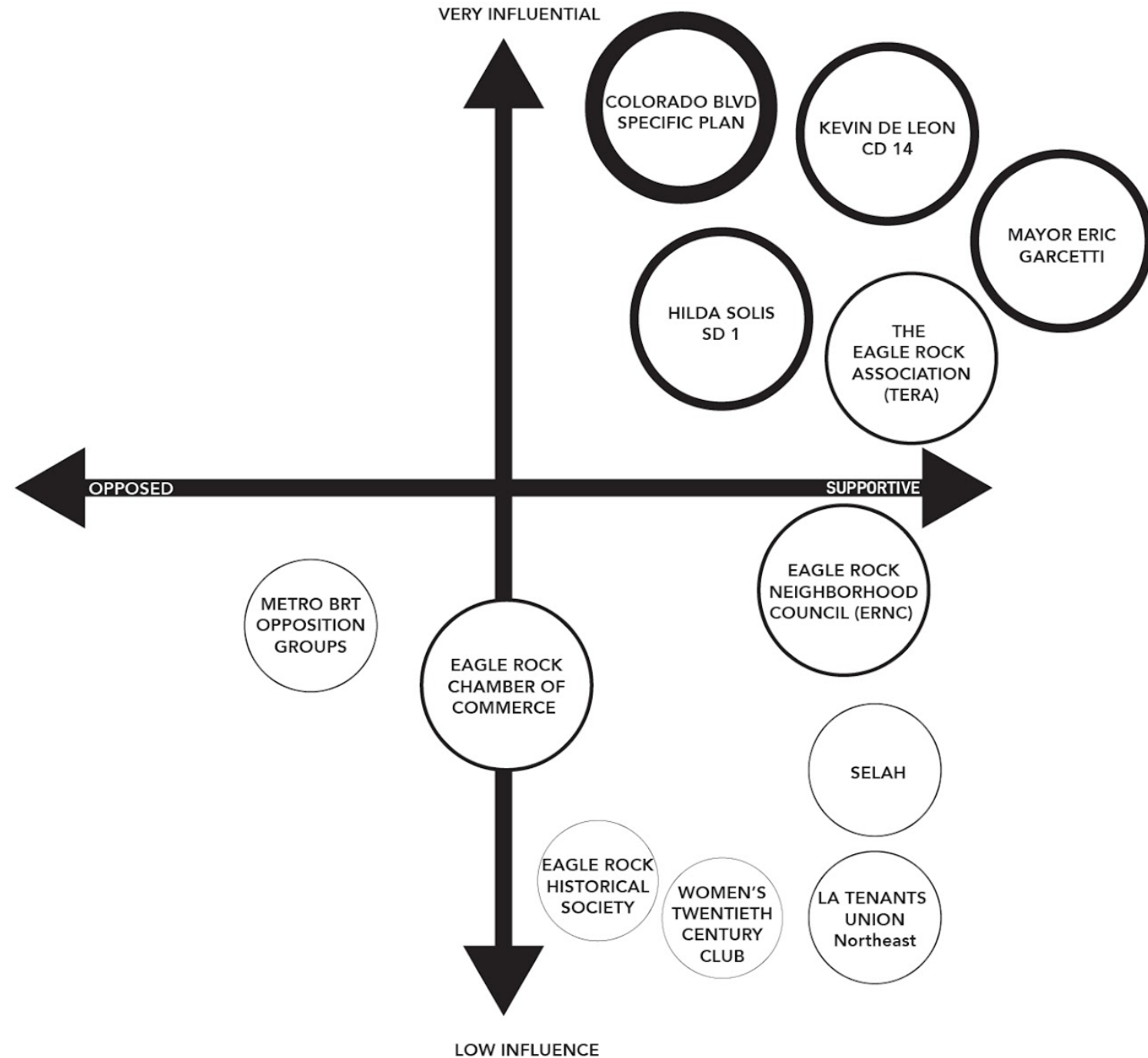
Projects may have more supporters than you think

3.B STAKEHOLDERS



Power Maps frame **strategic** approaches

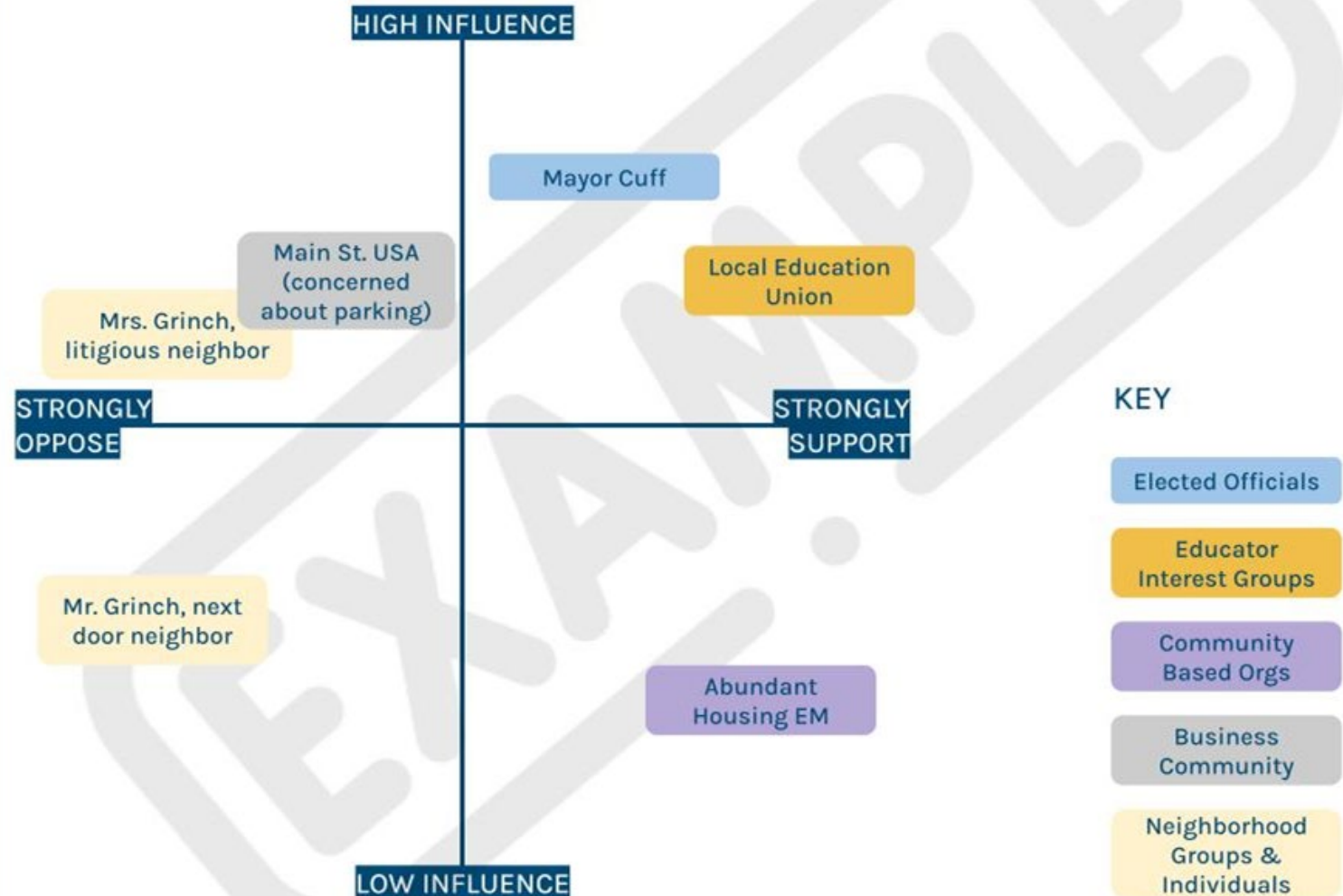
Understanding support and opposition in the context of influence is the first step forward



Power Maps differentiate tactics

by highlighting where
internal vs external
community engagement
is called for

EMMANUEL POWER MAP

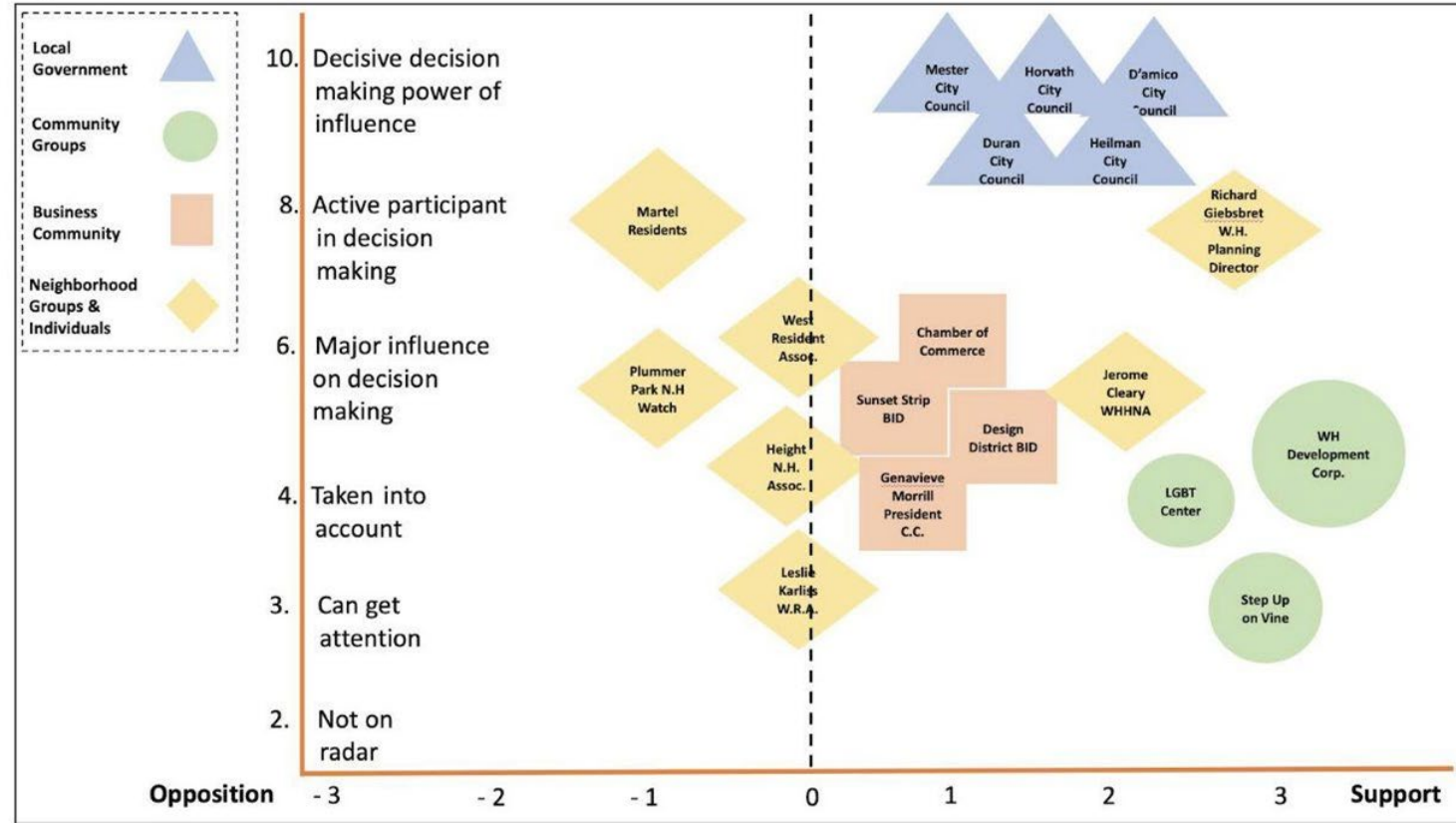


Power Maps define & describe **impact** to clarify decision making

Building projects intended to sit well within the surrounding context, making its density so as to not overwhelm the neighboring residents. Because of these decisions we are confident we can get the support of neighbors, major stakeholders, and the city council.

Our power map below visually demonstrates where we believe key stakeholders and decision makers stand in relation to our proposed development.

Figure 2. Power Map



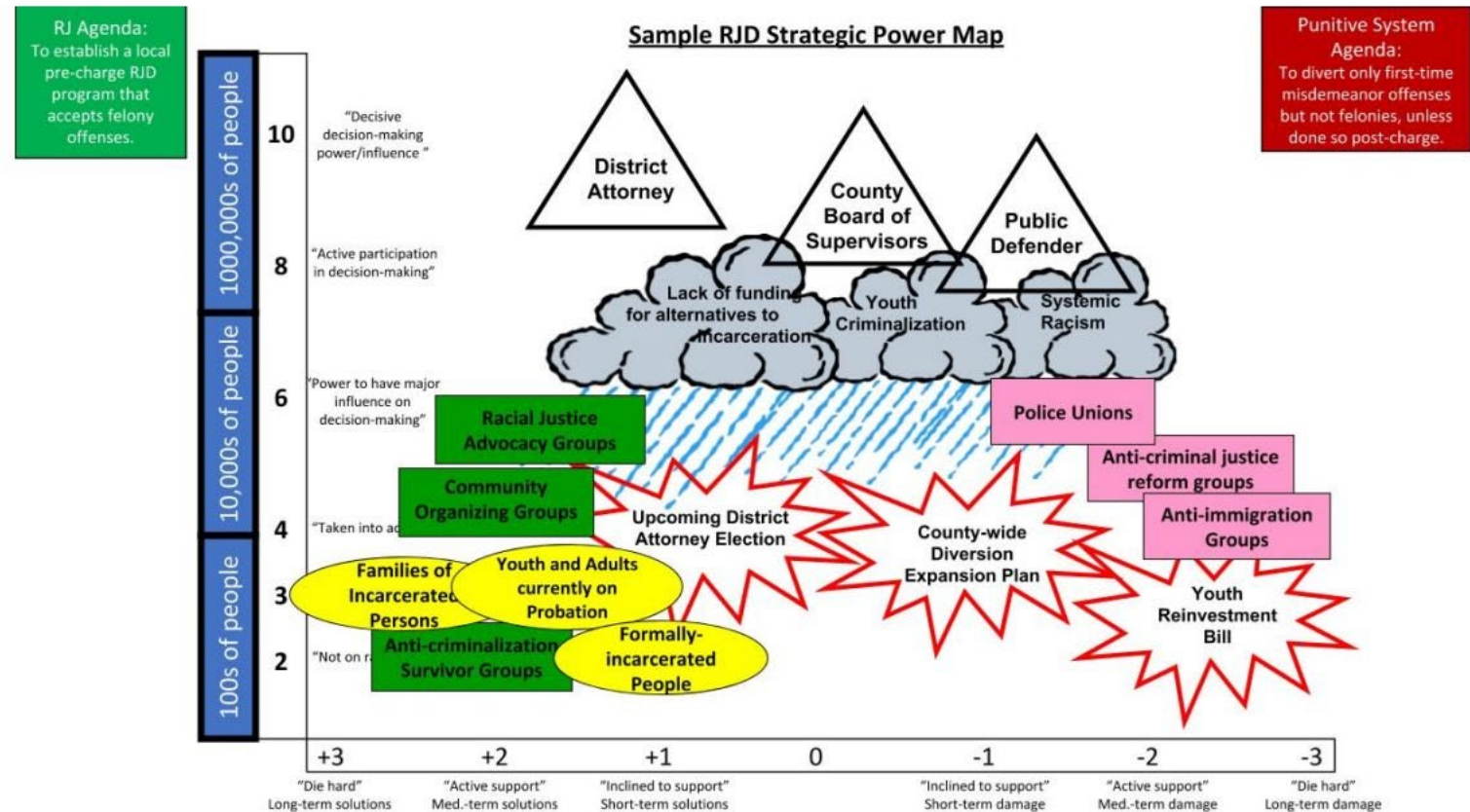
Entitlement Timeline

The entitlement process starts with an optional pre-application meeting with city employees from the planning department. The purpose of this meeting is for our project team to discuss and

Power Maps clarify goals

Here, project contexts and impacts are made visible and ranked

Example of a Power Map



Community Engagement:
Staff Needs &
Preferences Survey

Survey staff on housing needs & preferences

- ▶ Assess staff needs and interest
- ▶ Make the case to community/voters and district leadership
- ▶ Know what/who your designer should be designing for



Key Steps

- ▶ Design survey instrument

Create a draft from template provided.

- ▶ Approve/finalize survey instrument

Who needs to review and sign off on questions?

- ▶ Create dissemination plan

What survey tool to use? Web-based & 'paper'?

- ▶ Create analysis plan

Who will analyze and summarize findings?

To Live in the
Community You Serve

School District Employee
Housing in California



Sean Doocy



Web-Based Survey Tools

There are many easy to use online survey tools. Examples:

1. [Google Forms](https://docs.google.com/forms) / docs.google.com/forms
1. [Survey Monkey](https://www.surveymonkey.com) / www.surveymonkey.com
1. [Alchemer](https://www.alchemer.com) / www.alchemer.com
1. [Typeform](https://www.typeform.com) / www.typeform.com
1. [Qualtrics.xm](https://www.qualtrics.com) / www.qualtrics.com
1. [JotForm](https://www.jotform.com) / www.jotform.com



Design Survey Instrument (from template)

- ▶ **Introductory Statement**

- ▶ **Section A: Current Housing**

Intent: understand the current housing situation of staff

- ▶ **Section B: Travel to Work**

Intent: understand commute pattern/burden of staff

- ▶ **Section C: Employee Housing**

Intent: understand opinions about the school district building affordable housing and whether or not respondents are interested

- ▶ **Section D: About You**

Intent: to understand differences by employee type

- ▶ **Section E: Additional Comments**

Intent: get open-ended responses



Example Findings: Berkeley USD

42%

Owners

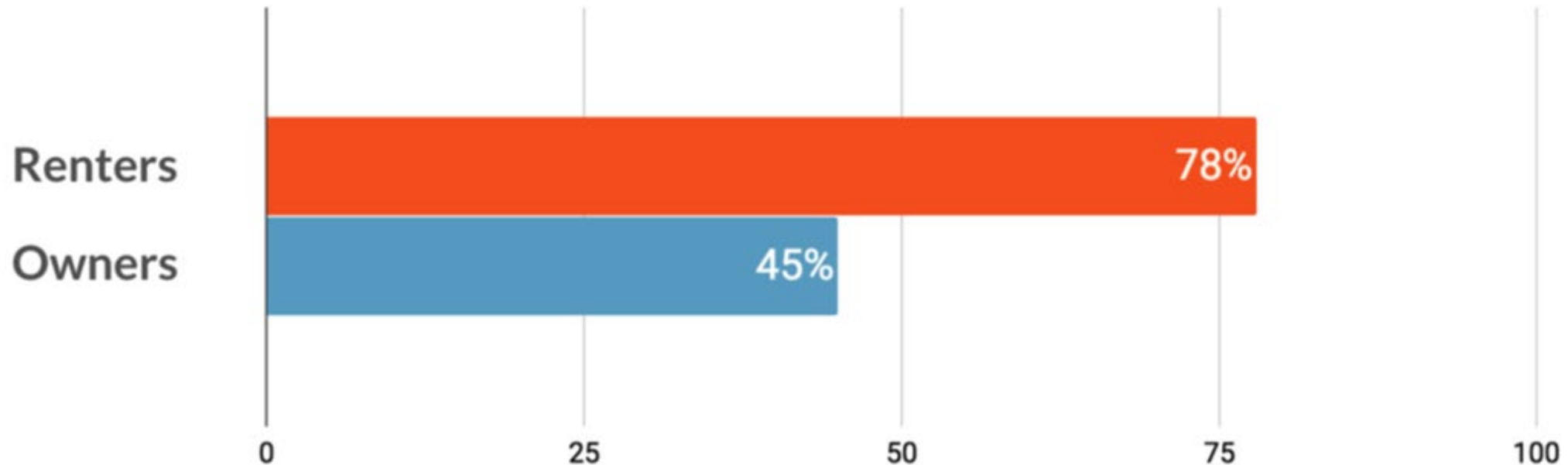
58%

Renters



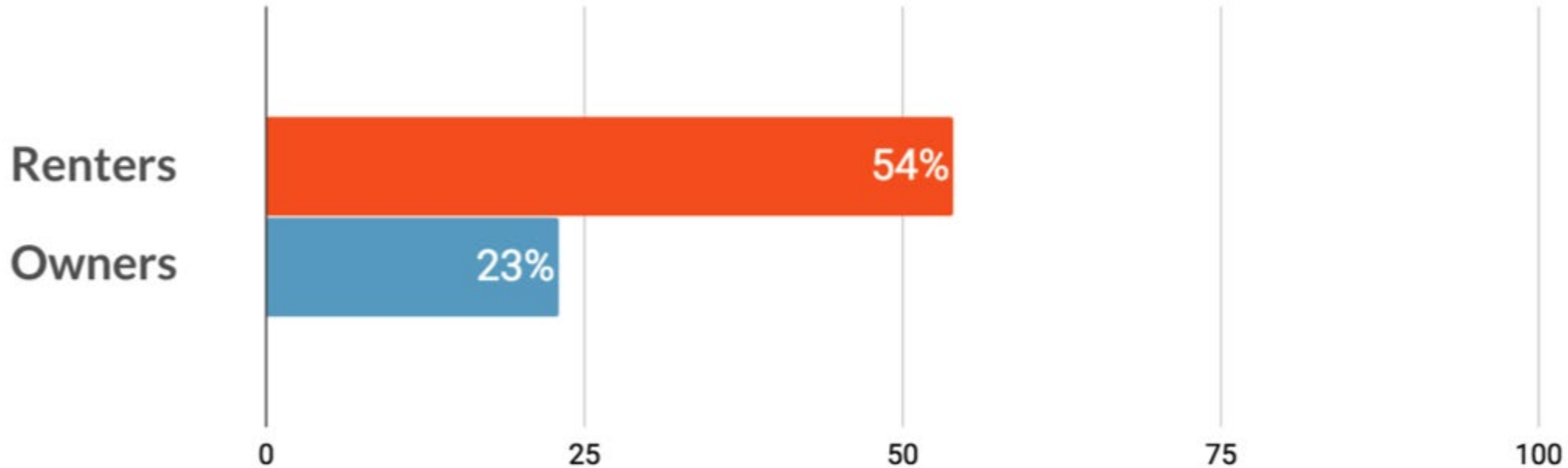
Example Findings: Berkeley USD

78% of renters are experiencing financial pressures due to high housing costs



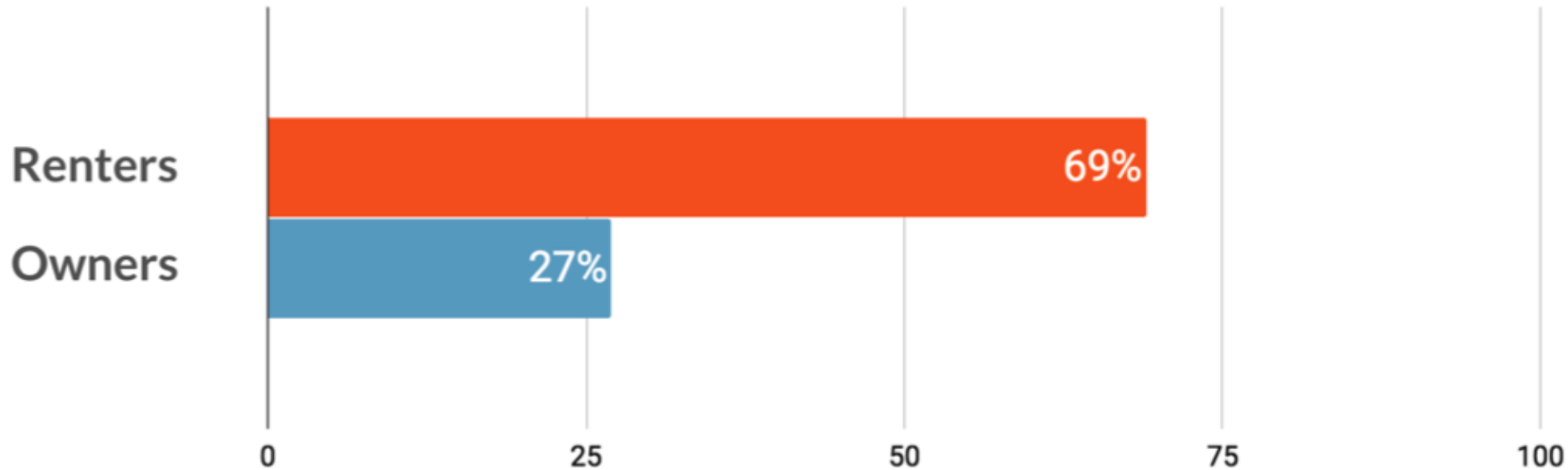
Example Findings: Berkeley USD

54% of renters have considered leaving BUSD because of high housing costs



Example Findings: Berkeley USD

69% of renters think the high cost of housing negatively impacts their long-term ability to stay at BUSD



Source: BUSD Employee Housing Survey, 2017

Universe: All respondents; All: N=774; Renter: N=449; Owner: N=324



Example Findings: Berkeley USD

74%

of renters **would be interested** in living in BUSD-owned employee housing

83%

of **young renters** would be interested in living in BUSD-owned employee housing

Example Findings: Berkeley USD

Table 2: Distribution of Employees by Household Income

Income Category (% AMI)	All	Owner	Renter	Certificated	Classified
<i>Extremely Low (30% and below)</i>	7.8%	2.2%	11.9%***	3.7%	14.7%***
<i>Very Low (31% - 50%)</i>	11.1%	2.2%	17.6%***	4.6%	22.0%***
<i>Low (51% - 80%)</i>	17.7%	8.3%	24.5%***	13.7%	24.5%***
<i>Moderate (81% - 120%)</i>	26.7%	27.2%	26.4%	32.0%	17.8%***
<i>Above Moderate (above 120%)</i>	36.7%	60.2%	19.6%***	46.1%	21.0%***
	100.0%	100.0%	100.0%	100.0%	100.0%

Source: BUSD Employee Housing Survey, 2017

Universe: All respondents; All: N=774; Owner: N=324; Renter: N=449; Certificated: N=483; Classified: N=250

Asterisks indicate statistically significant difference from the adjacent comparison category (Renter vs. Owner, Classified vs. Certificated); * p < .05; ** p < .01; *** p < .001



Example Findings: Berkeley USD

Table 4: Distribution of Employees by Household Income

Category (% of income spent on housing)	All	Owner	Renter
<i>Cost Burdened (more than 30%)</i>	42.7%	26.2%	53.1%***
<i>Severely Cost Burdened (more than 50%)</i>	14.3%	5.8%	20.5%***

Source: BUSD Employee Housing Survey, 2017

Universe: All respondents; All: N=774; Owner: N=324; Renter: N=449

* $p < .05$; ** $p < .01$; *** $p < .001$



Example Findings: Berkeley USD

Table 1: Overview of BUSD Employee Characteristics

Category		All	Owner	Renter
Status	<i>Certificated</i>	65.4%	76.1%	57.8%***
	<i>Classified</i>	33.9%	23.2%	41.5%***
Hours	<i>Full-time</i>	82.9%	82.3%	83.3%
	<i>Part-time</i>	17.1%	17.7%	16.7%
Gender Identity	<i>Male</i>	26.5%	28.6%	24.9%
	<i>Female</i>	68.8%	67.2%	69.9%
	<i>Non-binary</i>	0.9%	0.6%	1.2%
	<i>Prefer not to say</i>	3.8%	3.6%	4.0%
Age	<i>Under 35 years old</i>	20.3%	7.8%	29.3%***
	<i>35 to 54 years old</i>	59.4%	66.6%	54.2%**
	<i>55 years old and above</i>	20.2%	25.6%	16.4%***

Source: BUSD Employee Housing Survey, 2017

Universe: All respondents; All: N=774; Owner: N=324; Renter: N=449; * p < .05; ** p < .01; *** p < .001



Example Findings: Berkeley USD

- o BUSD renter employees are experiencing financial pressures due to high housing costs
- o Most BUSD employees do not live in Berkeley, and their travel to work compounds the pressure they are experiencing from their housing situation
- o Housing costs and commute may both impact employee ability to stay with BUSD long-term
- o There is significant interest in BUSD employee housing among renters
- o BUSD employees believe that district-owned housing would help the district recruit and retain employees



Example Findings: Berkeley USD

- o High housing costs negatively impact the district's ability to retain current employees (79% of renters, 73% of owners)¹⁰
- o The option of BUSD housing would increase the district's ability to recruit employees (86% of renters, 78% of owners)¹¹



5 Point Likert Scale Example

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
I would be interested in living in low-rent school district-owned employee housing				<input checked="" type="checkbox"/>	



Team Workshop

- ▶ Design survey instrument

Create a draft from template provided.

- ▶ Approve/finalize survey instrument

Who needs to review and sign off on questions?

- ▶ Create dissemination plan

What survey tool to use? Web-based & 'paper'?

- ▶ Create analysis plan

Who will analyze and summarize findings?

To Live in the
Community You Serve

School District Employee
Housing in California



Sean Doocy



LEA Share Out on
Survey Tool and Plan

Break

Financing Education
Workforce Housing

Financing Education Workforce Housing

- ▶ **DCG Strategies, Inc. (Dublin, CA)**
 - Lauren Jennings, President
 - Landis L. Graden, Chief Executive Officer

- ▶ **Jefferson Union High School District (Daly City, CA)**
 - Andrew Lie, JUHSD Board Member
 - Kalimah Salahuddin, JUHSD Board Member
 - Toni Presta, JUHSD Superintendent



FINANCING OPTIONS FOR DISTRICT OWNED EMPLOYEE HOUSING

A GUIDE BY THE EXPERTS AT DCG STRATEGIES



ABOUT US

DCG Strategies

Founded in 2005, DCG Strategies is a commercial real estate firm that specializes in serving the real estate needs of California's public schools and districts.

As the exclusive real estate partner and service provider for CSBA, DCG provides Property Planning Solutions to CSBA members and local educational agencies statewide.

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Agenda



Certificates of
Participation



General Obligation
Bond Funds



Public Subsidies



Conventional Debt



Sale of Surplus
Property

OPTION A

Certificates of Participation

District issues Certificates of Participation (COPs) which are similar to tax free bonds. COPs are offered to investors on a long term basis with annual debt payments made by the District.

Pros

- Can be issued by approval of Board of Trustees and does not request a District wide vote
- Issuance can be sized based on the financing need

Cons

- A majority of annual lease revenue is, oftentimes, applied to the debt obligation
- Typically used in conjunction with another financing source

Case: San Mateo Community College District, Santa Clara USD



OPTION B

Conventional Debt

District applies for a construction loan and borrows money from a lender. If approved, the District starts drawing funds in conjunction with each phase of construction of the project.

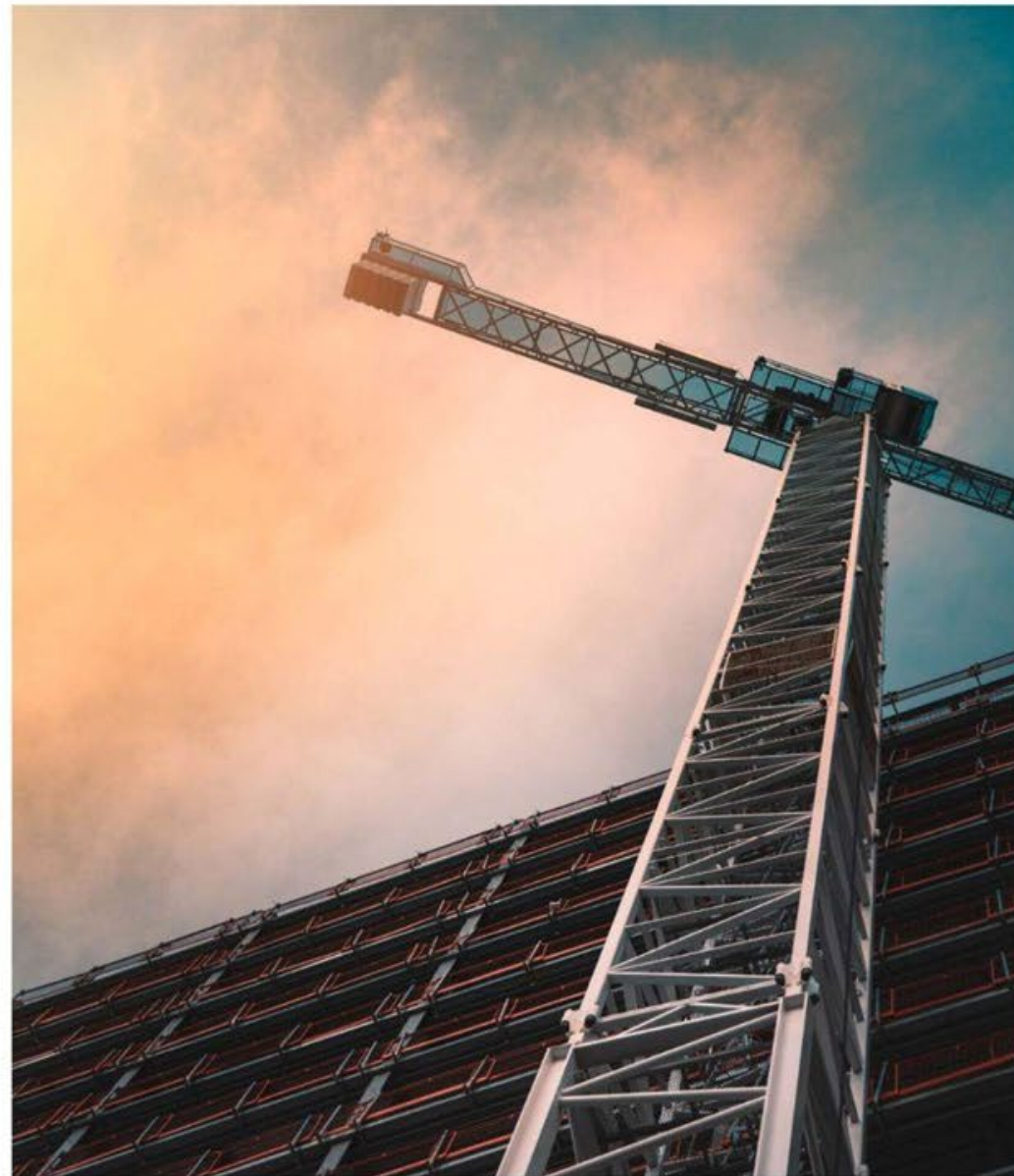
Pros

- Conventional Construction lending and permanent or “take out” funding from major lending institutions is a common funding mechanism for construction
- Could be used early on in the development project and paid off by other funding sources

Cons

- Short term funding solution compared to other options
- Typically used as a secondary source of financing in tandem with other funding sources
- Funds are typically distributed in stages, as opposed to lump-sum payments

Case: Los Angeles USD



OPTION C

General Obligation Bond Funds

District passes a General Obligation Bond (GO Bond), that is approved by voters and typically funded through increase in property taxes or other tax revenues.

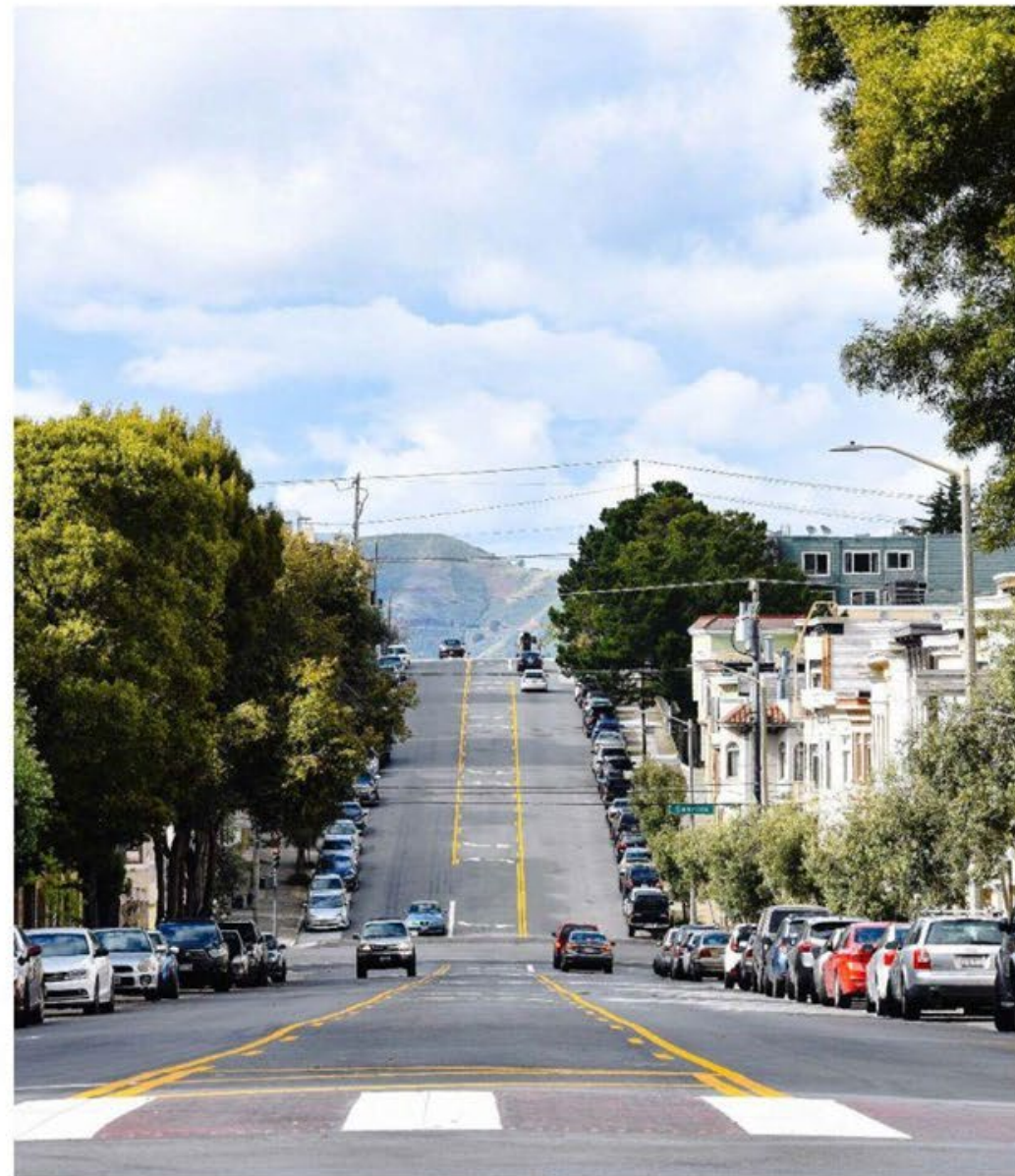
Pros

- GO bonds are not backed by collateral, but instead are backed by the state or local government's ability to tax, and to raise taxes if necessary, in order to pay bondholders.
- Funds received are not required to be paid back on the basis of income generated from funded projects
- Can be used as a sole source of financing

Cons

- As a voter approved measure, requires organization and majority approval

Case: Jefferson Union HSD, Soledad USD



OPTION D

Sale of Surplus Property

District sells surplus and/or underutilized property. The revenue from the sale is used to fund construction.

Pros

- Depending on property values, this could serve as the sole financing source
- Typically used as a secondary source of financing in tandem with other funding sources

Cons

- Could not be feasible based upon property values, size of District and number of properties available

Case: San Mateo Union HSD



OPTION E

Public Subsidies

The State of California manages a national tax program which provides Tax Credits for projects meeting certain affordable and design criteria. The awarded Tax Credits can be sold to investors looking to shelter income from Federal income Taxes. District applies for subsidies and, if awarded, receive a percentage of the project's total cost.

Pros

- Targets low incomes and allows the State to regulate rent increases

Cons

- Tax credits are typically not a viable option to fund the majority of housing intended for district employees due to their associated income restrictions
- Public subsidies are very competitive

Case: Los Angeles USD



Thank You

Please contact us if you have additional questions.



Landis Graden

Chief Executive Officer

LGraden@dcgstrategies.com



Building Educational Housing

The Story of 705 Serramonte



Mirjam Nilsson 07/20/2020

Agenda

Project Concept

Feasibility

Marketing & Outreach

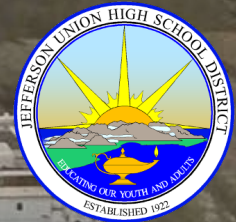
Funding

705 Serramonte Details

Educational Housing Corporation

BLVD Residential

Where We Are Today



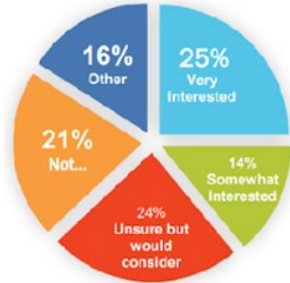


The Concept

- Retain and attract staff
- Build workforce housing complex on 3-acre parking lot at Serramonte Del Rey
- Rent units to current staff at below market monthly rates
- Use as recruitment tool
- Create a cost-neutral program

Feasibility Findings: Interest in District-Owned Housing

Q: Would you be interested in living in district-owned rental housing offered at below market rents reserved exclusively for JUHSD employees?



INTERESTING FIND

35% intend to leave the District due to housing costs/lack of housing

(n=266 responses out of 470 employees)

- ▶ Land-rich district
- ▶ Multiple site options
- ▶ Supportive community
- ▶ Minimal pushback from neighborhood
- ▶ Cooperative & collaborative labor partners
- ▶ Centrally located within district
- ▶ Bond necessary to get rents below 70% of market

Feasibility Study – Education Housing Partners

- Review similar projects
 - San Mateo Community College District
- Survey staff
- Assess property suitability
- Financial Analysis

Sub-Committee Review

- #of Units
- Bond Measure & COP

Marketing

Clear Messaging

- Developing a messaging plan and then having our entire district administrative team and board use only that messaging.
 - Why don't you just pay the staff more?
 - Why don't you just use the money for housing and give it to the staff?
 - Staff don't want to live in dorms.
 - Staff do not want to live next door to their coworkers.

Staff Buy-in

- Backing of Union and workforce before outreach to public.
 - Held site meetings just for staff
 - Higher pay and housing are two different things.
 - Building high quality housing
 - Visuals, renderings extremely important
 - Members of Union on workforce housing sub-committee
 - Part of decision-making process through-out





699 SERRAMONTE

251 | 22 | 475

Outreach – Building the Coalition



Board Unity

Check the egos. The goal is to build workforce housing not self promotion.

Unless preapproved only subcommittee members spoke publicly about housing

Knowing and sticking to the talking points



Community Outreach

Training on presentation

Present everywhere

- Elected officials
- Community based orgs
- PTOs/PTAs
- Chamber of Commerce



Funding 705 Serramonte

- Overall cost of project: \$75.5 million
- \$33 million of cost was provided through a voter-approved bond -Measure J, passed in June 2018
- \$42.5 million balance paid through a certification of participation secured by rent

Funding 705 Serramonte - Considerations

- Would have only been able to build 45 units if no bond
- If no bond – with land and zoning – 87% of market rate rent at best at 45 units
- Financial advisor did market research supporting \$33M bond = \$8.00 / \$100,000 assessed value
- We asked: What's the most we could build to hit 50% BMR? Answer = 120 units = 25% of our staff – a risk!
- Fallback – rent to our feeder districts
- Achieved rent at 58% market rate
- Takeaway: Supplemental funding outside of COP is necessary

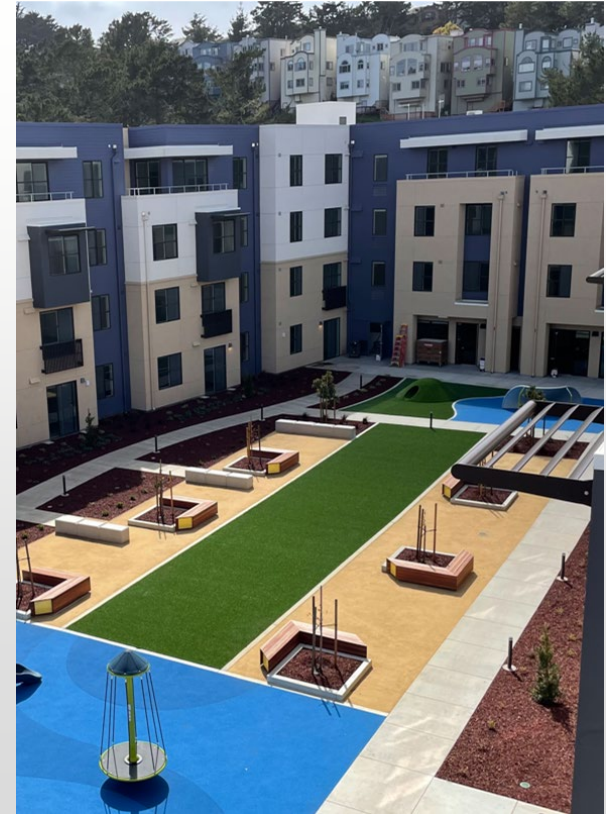
705 Serramonte Details



- 122 units of affordable housing
 - 50 one-bedroom homes
 - 9 one-bedroom+ homes
 - 56 two-bedroom homes
 - 7 three-bedroom homes
- Amenities
 - Fitness Center
 - Common workspace rooms and lounges
 - Laundry rooms on every floor
 - Playgrounds and community room
 - And more....

The Educational Housing Corporation

- April 2020: JUHSD Board of Trustees established the JUHSD Educational Housing Corporation (EHC), a non-profit corporation to manage the operations of 705 Serramonte.
- EHC oversees management, operations, budget, resident rules/eligibility and 3rd party property manager.
- EHC Board includes 2 non-resident staff, 3 community members and 2 school board members





GRAND OPENING

BREAKFAST WITH THE BOARD!



Where We Are Today

- As of November 2022, over 90 units are occupied
- 12-15 additional staff are in leasing process
- 12 of the new residents are new hires
- Residents represent the full range of staff
- Maximum length of stay is 5 years (for now)
 - Avg rent for 1 BR = \$1,400
 - Avg rent for 2 BR = \$1,890
 - Avg rent for 3 BR = \$2,400

CBS Evening News



Financing Education

Workforce Housing

Discussion / Q&A

Wrap Up

Workshop Series: Curriculum Overview

The Education Workforce Housing (EWH) Workshop Series includes five workshops hosted over seven months, covering the topics below.



Workshop #3: Sites, Regulations, Local Politics

Objectives

- ▶ Understand preliminary site capacity studies for 2+ sites
- ▶ Introduction to key regulations around affordable housing, particularly as related to chosen sites and tenancy
- ▶ Discussion of community outreach beyond the school community



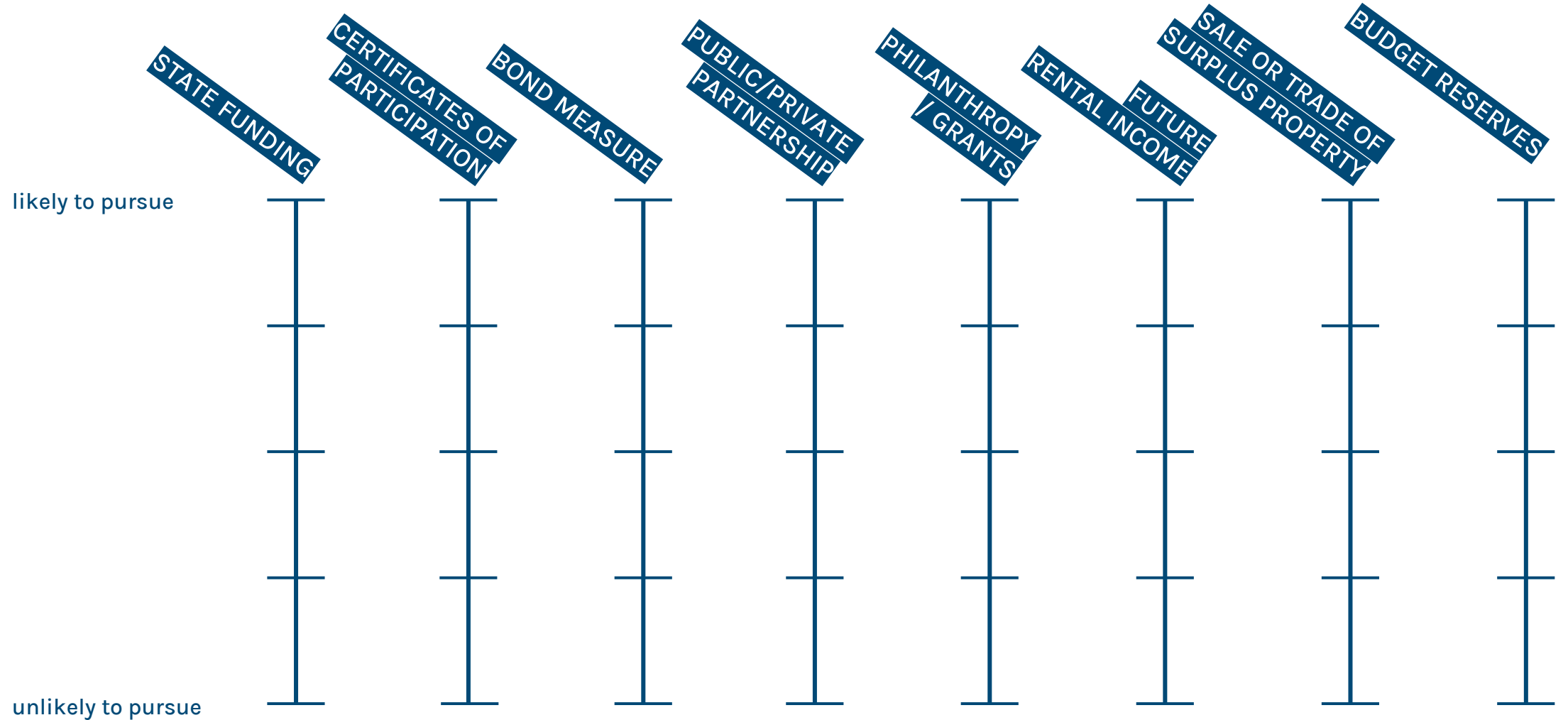


Workshop #2

Exit Survey



PREFERRED EWH FINANCING TOOLS



Thank you



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