

Education Workforce Housing

Workshop #3

Innovative Housing Solutions to Live Near Work



Project Team

Project Lead



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Research Team



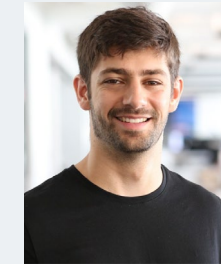
Dana Cuff, *Director, UCLA cityLAB*



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Rayne Laborde Ruiz, *Associate Director, UCLA cityLAB*



Emmanuel Proussaloglou, *Graduate Researcher, UCLA cityLAB*



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Project Coordination Team



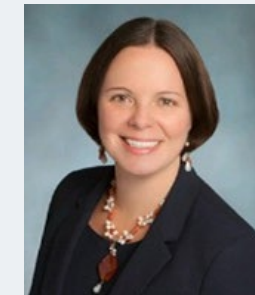
Danny Serrano, *Senior Associate, LDC*



Annmarie Rodriguez, *Associate, LDC*



Craig Adelman, *Senior Principal LDC*



Jessica Ripper, *Principal, GPLA*



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



Workshop #3: Land Use and Site Considerations

Objectives

- ▶ Casa del Maestro development
- ▶ Get overview of key land use considerations that shape EWH planning
- ▶ Understand site capacity planning on selected sites



AGENDA

Timeframe	Agenda Item
9:00 am – 9:15 am	Welcome & Today's Agenda
9:15 am – 9:45 am	Opening Reflection & Share Out
9:45 am – 10:15 am	Guest Speaker: Bruce Dorfman, Principal, Education Housing Partners
10:15 am – 10:35 am	Land Use Considerations
10:35 am – 10:50 am	Break
11:00 am – 11:50 am	Site Talk
11:50 am – 12:00 pm	Wrap Up



Opening Reflection & Share Out

Lessons Learned from Jefferson Union HSD

- ▶ One thing each LEA learned
- ▶ Examples:
 - Focus on benefit to existing teachers, first
 - Have designated persons who always talk about the project in public meetings; etc



Guest Speaker:

Bruce Dorfman,

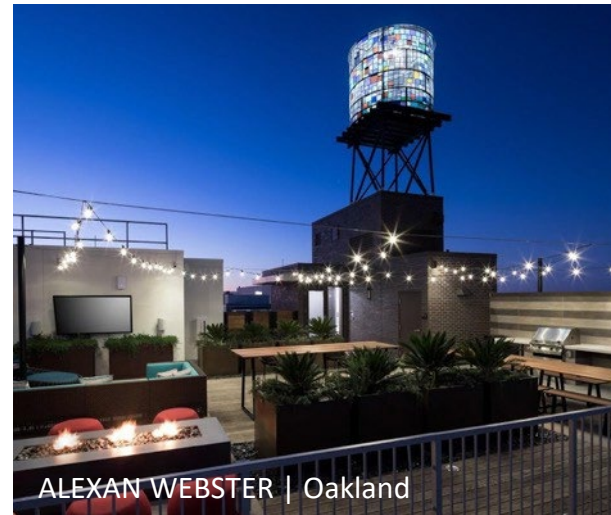
Principal,

Education Housing

Partners

THOMPSON | DOREMAN

URBAN RESIDENTIAL DEVELOPMENT



THOMPSON | DOREMAN

URBAN RESIDENTIAL DEVELOPMENT

- 35 years of development experience in California
- 75+ projects in California; 17,000+ units
- Focus on developing high quality, urban infill housing and mixed-use properties
- TDP principals formerly managed divisions for Trammell Crow Residential and the Irvine Company's "off ranch" apartment development and investment operations in Southern California and provided development advisory services to a number of corporate and public agencies
- Founded Education Housing Partners to support public school districts in the evaluation and development of educator housing in 2004

EDUCATION HOUSING PARTNERS

A THOMPSON | DOREMAN COMPANY



EDUCATION HOUSING PARTNERS

A THOMPSON | DORFMAN COMPANY

- 
- Created as a resource for public agencies seeking to recruit and retain a quality workforce
 - Provide quality workforce housing at rental rates significantly below market
 - Rents are set at levels to cover all operating costs and debt service
 - Resident base similar to TDP market-rate projects with the primary difference being income levels

Case Study: Casa del Maestro

EHP Role:	Design-Build and Development Advisory Services
Use:	Faculty/Staff Housing
District:	Santa Clara Unified School District (SCUSD)
Density & Size:	20 units/acre (700-1,170 sq. ft.) 40 units – Phase I (2002) 30 units – Phase II (2009)
Financing:	Certificates of Participation (COPs) were issued by the District and secured by the housing. The first phase was structured as interest-only.
Rental Rates:	The rental rates were set to cover (1) principal and interest on the COPs, (2) operating expenses and (3) reserves. Initial rental rates were less than 60% of the market rate for comparable units.
District Findings:	Five years after completion of Phase 1, SCUSD found that employees living at Casa del Maestro were three times as likely to stay with the District.



Site Considerations

- Physical Constraints
 - Topography
 - Infrastructure
 - Other
- Political
 - General Plan
 - Zoning
 - CEQA
- Economic
 - Design
 - Amenities
 - Parking
- Site Adjacencies/ Community Context



EHP's Advisory Role with Public Agencies

- Predevelopment & Development Services
- Due Diligence
 - Physical
 - Political
 - Economic
- Project Programming
- Financing
- Design, Schedule, & Budget Management
- Entitlements and Community Outreach
- Permitting/Owner's Rep
- Operations/Fair Housing
- Turnover/Property Management
- Asset Management



Thank You

- Q&A



APPENDIX

EHP Engagements

Faculty/Staff Housing Business Plan Engagements

- Pasadena Unified School District
- Sonoma County Office of Education
- Southern Humboldt Joint Unified School District
- Soledad Unified School District
- City College San Francisco: Eddy Street Site
- College of Marin: Indian Valley Campus
- Jefferson Elementary School District: MP Brown Elementary School
- Jefferson Union High School District: Serramonte Site
- Pacifica School District: Oddstad Campus
- San Jose Unified School District:
 - Lenzen Site
 - Metro Ed Campus
 - Pine Hill Middle School
 - River Glen Elementary School
- San Mateo Community College District: San Bruno Campus, including SFR Surplus Land Disposition

Development Advisory Engagements

- Cal Poly Corporation
- Marin County Office of Education
- San Mateo Community College District
 - Cañada Vista
 - College Vista
- Santa Clara Unified School District
 - Casa del Maestro, Phase I
 - Casa del Maestro, Phase II
- Sausalito/Marin City School District: Bayside Campus

Other Engagements

- Alameda Unified School District: Alameda Point – Feasibility Study and Development Agreement
- Mill Valley School District: Forrest Street – Joint Venture
- Novato Unified School District

EHP Services

Coordinate all design activities

- o Selection of designers, engineers and consultants
- o Conceptual design
- o Schematic design
- o Design development
- o Construction documents (architectural and engineering plans & specifications)

Coordinate all required reports and studies

- o Surveys and topography
- o Soils and geotechnical
- o Environmental
- o Traffic
- o Utility availability
- o Sound attenuation

Coordinate all entitlements and permits

- o Zoning
- o Environmental Review
- o Architectural Review
- o Building Permits

Provide construction management services

- o Coordinate contractor and subcontractor selection
- o Establish budgets, negotiate contracts, prepare monthly cost variance reports
- o Coordinate site and building construction, punch work and warranty
- o Review and approve all contractor and subcontractor payments, lien releases, and insurance certifications
- o Coordinate certificate of occupancy process
- o Coordinate unit turnover from the general contractor to the property manager



CASA DEL MAESTRO | Santa Clara

Land Use Considerations:

Policy and Regulatory Overview

New Legislation and Financial Tools

- ▶ The Teacher Housing Act of 2016 (SB 1413)
- ▶ Low-Income Housing Tax Credits (LIHTC)
- ▶ Leveraging land ownership as a financing tool
- ▶ Momentum for new workforce housing legislation

“Students and the community at large are benefited by teachers living *in the community in which they practice their profession*. It ensures stability, community involvement, and stronger ties between teachers, their students, and their families.” —Teacher Housing Act of 2016



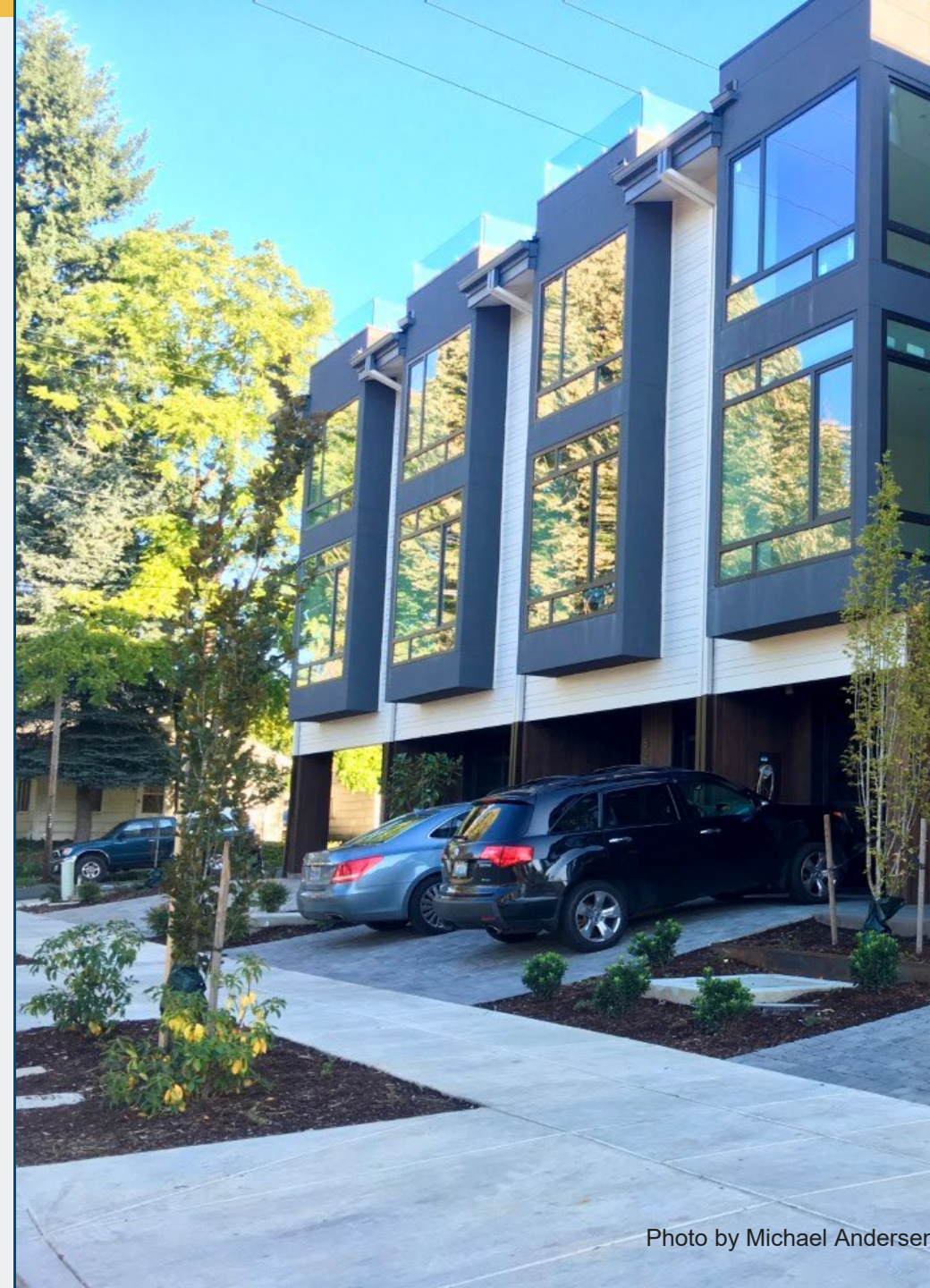
Key Concepts

- ▶ Zoning
- ▶ Objective Standards
- ▶ Site Yield
- ▶ Density Bonus
- ▶ Types of Entitlement Approval
- ▶ CEQA
- ▶ New State Policies on Education Workforce Housing

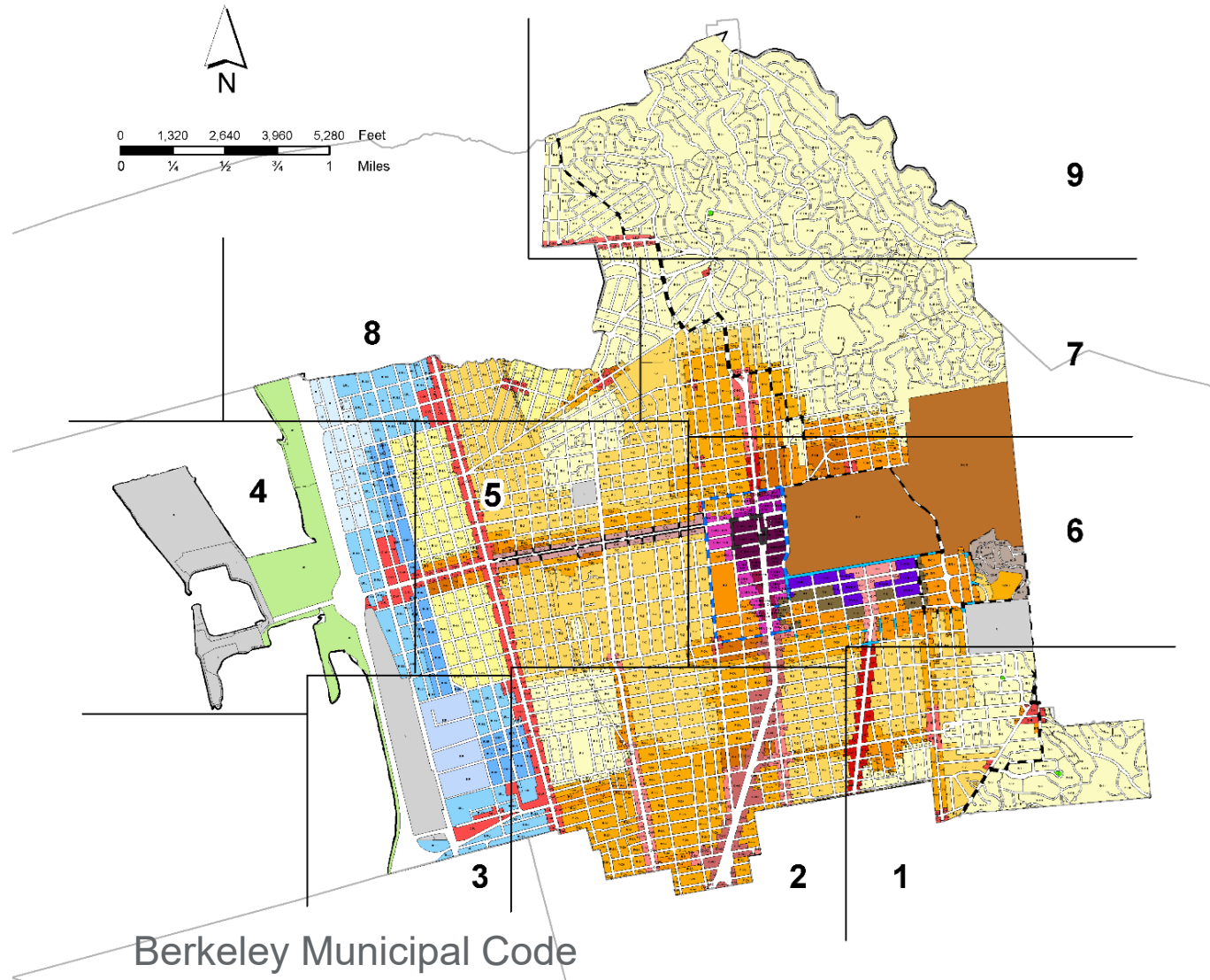


The Basic Components of Zoning Codes

- ▶ **Use** What the land may be used for (i.e., residential, commercial, industrial, parks, etc.)
- ▶ **Density** Allowable max buildout on a site (e.g., size/massing/# of buildings or individual units, height, etc.)
- ▶ **Parking Minimums** Number of off-street parking spaces required per building area, building, or unit.



Local Municipalities Create Zoning Maps



Official Zoning Map

of the
City of Berkeley, California

Adopted by the Berkeley City Council on
March 18, 1999 - Ordinance No. 6478-N.S.

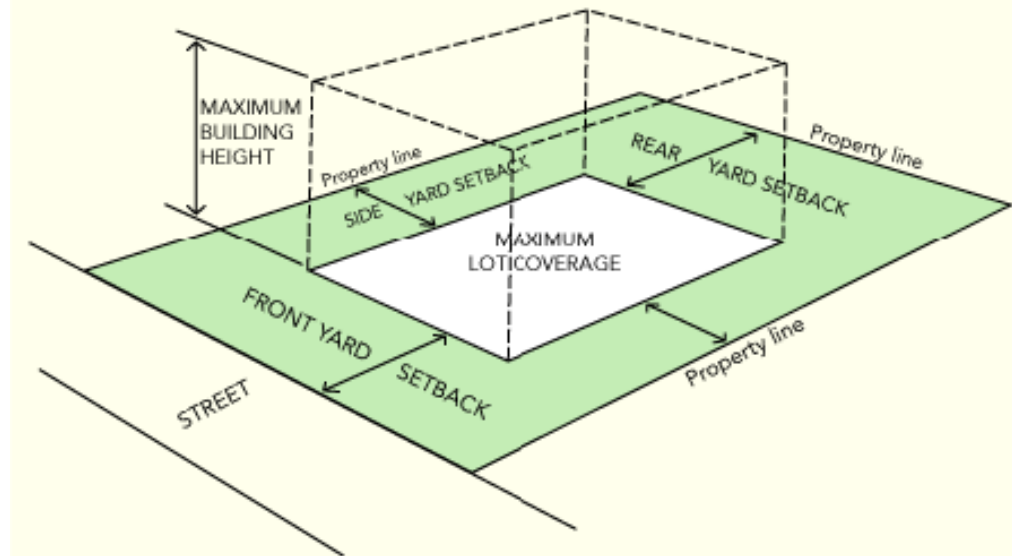
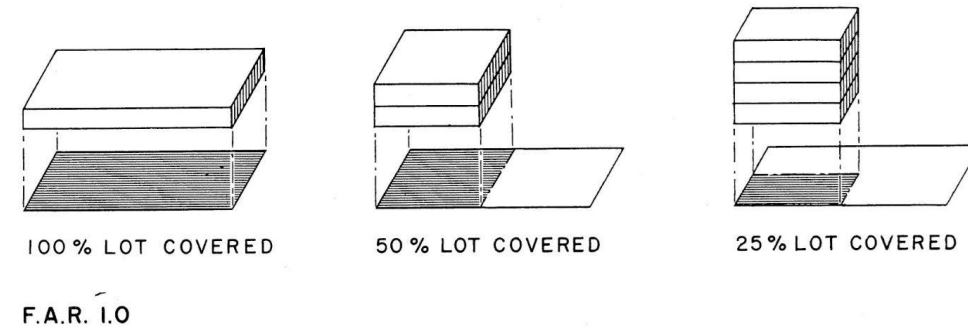
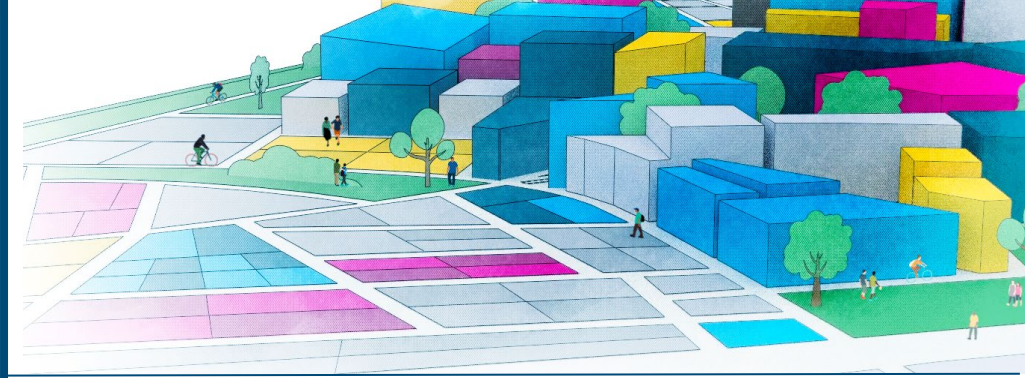
ZONING DISTRICTS

R-1	Single Family Residential
R-1A	Limited Two-family Residential
R-2	Restricted Two-family Residential
R-2A	Restricted Multiple-family Residential
R-3	Multiple-family Residential
R-4	Multi-family Residential
R-5	High Density Residential
ES-R	Environmental Safety-Residential
R-S	Residential High Density Subarea
R-SMU	Residential Mixed Use Subarea
C-DMU	C-DMU Core
C-DMU	C-DMU Outer Core
C-DMU	C-DMU Corridor
C-DMU	C-DMU Buffer
C-C	Corridor Commercial
C-E	Elmwood Commercial
C-N	Neighborhood Commercial
C-NS	North Shattuck Commercial
C-SA	South Area Commercial
C-AC	Adeline Corridor Commercial
C-SO	Solano Avenue Commercial
C-T	Telegraph Avenue Commercial
C-U	University Avenue Commercial
C-W	West Berkeley Commercial
M	Manufacturing
MM	Mixed Manufacturing
MUL	Mixed Use-Light Industrial
MUR	Mixed Use-Residential
SP	Specific Plan
U	Unclassified



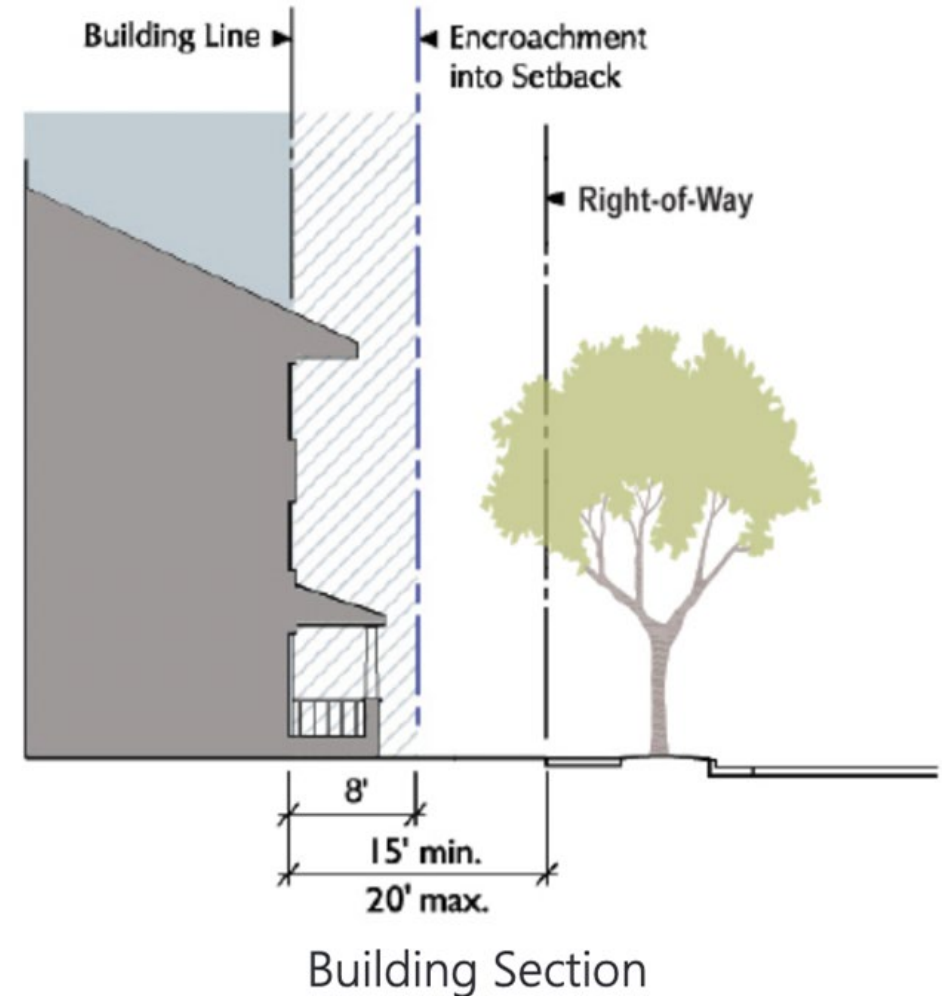
Density/Design Components of Zoning Codes

- ▶ **Building Heights** Vertical height of building, either in feet or stories
- ▶ **Lot coverage** Portion of the lot that a building footprint covers
- ▶ **Setbacks** Minimum distance a structure must be from the property line
- ▶ **Density factors**
 - ▶ **FAR** Floor area ratio
 - ▶ **Dwelling Units/Acre** Sometimes used to restrict density in residential zones



Objective Standards

- ▶ Objective standards include **a broad set of standards used by an agency to regulate development**
- ▶ Certain projects may only be denied approval if they violate these objective standards, which must be **verifiable and measurable**
- ▶ Objective standards for **density**
 - ▶ Ex: du/acre, FAR, height
- ▶ Objective standards for **design**
 - ▶ Ex: setbacks, lot coverage, visual aesthetics



Site Yield

- ▶ **Number of units you can fit on a parcel.**
- ▶ **Determined by the zoning standards.**
- ▶ Two shorthand assumptions:
 - ▶ **Site:** ~80% of the selected site can hold units + ~20% open space (allowances for light, air, communal space etc.)
 - ▶ **Building:** ~70% of the building footprint for residential area + 30% for laundry rooms, corridors, etc.)



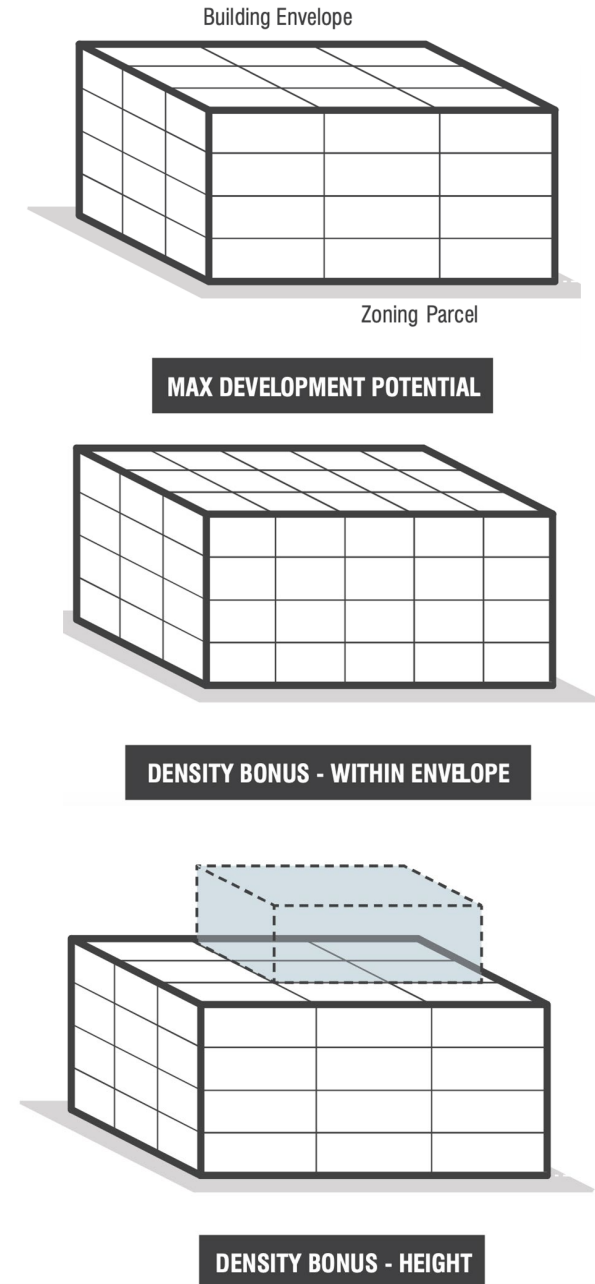
Density Bonus

Concept: more affordability = more “extra” units you can build (w/o rezoning)

- ▶ **AMI (Area Median Income):** midpoint of a region’s income distribution

Ex. If your base zoning designation allows for 100 units.

- ▶ 15% low income units (50%-79% AMI)
 - Density bonus of **27.5% = 128 units**
 - **1-2** Concessions
- ▶ 15% very low income units (<30-50% AMI)
 - Density bonus of **50% = 150 units**
 - **3** Concessions
- ▶ Concessions: loosened site setback requirements, fewer parking requirements etc.



Main Types of Entitlement Approval

By Right/Ministerial

- ▶ Fastest process - full adherence to objective standards in the zoning code
 - ▶ In some places there are triggers (ex. more than X units) that force a project to the discretionary path

Discretionary

- ▶ Slowest process, requires formal reviews and public hearings (Gov't relations are key)

There are tradeoffs

- ▶ Ministerial is fastest, but the standards are most restrictive
- ▶ Discretionary might present a better development package, but you become vulnerable to delays

Category definitions change frequently and vary across jurisdictions



CEQA

CA Environmental Quality Act

- ▶ **Environmental Factors Reviewed**
 - ▶ Air Quality
 - ▶ Biological Resources
 - ▶ Noise + More.. (21 total)
- ▶ **Example Categorical Exemptions:**
 - ▶ Infill housing
 - ▶ Transit Oriented Development
 - ▶ Multi-family development in regions that have not met RENA requirements + More...

Private by-right developments avoid CEQA review, but public projects require it → what about EWH?



AB 2295 (Bloom)

- ▶ Enables housing on all LEA properties
 - ▶ **no rezoning**
- ▶ Requirements...
 - ▶ 10+ units
 - ▶ 50%+ of units affordable
 - 30% of those for low/very low income
 - ▶ conform to all local objective standards
 - ▶ for education workforce
 - ▶ adjacent to residential use
- ▶ Cuts the development timeline **in half**



AB 2295 (Bloom)

- ▶ Implications for development
 - ▶ By right 35' height limit
 - ▶ By right Mullins density minimums

*Combined, **these two by-right benefits can supercede restrictive local zoning***

- ▶ AB2295 and the state density bonus law **multiply the impact** of each other
 - ▶ Site analyses will show this potential



Break

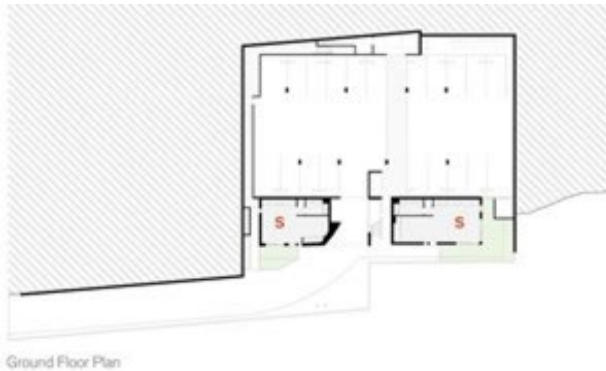
Land Use Considerations:

Site Talk



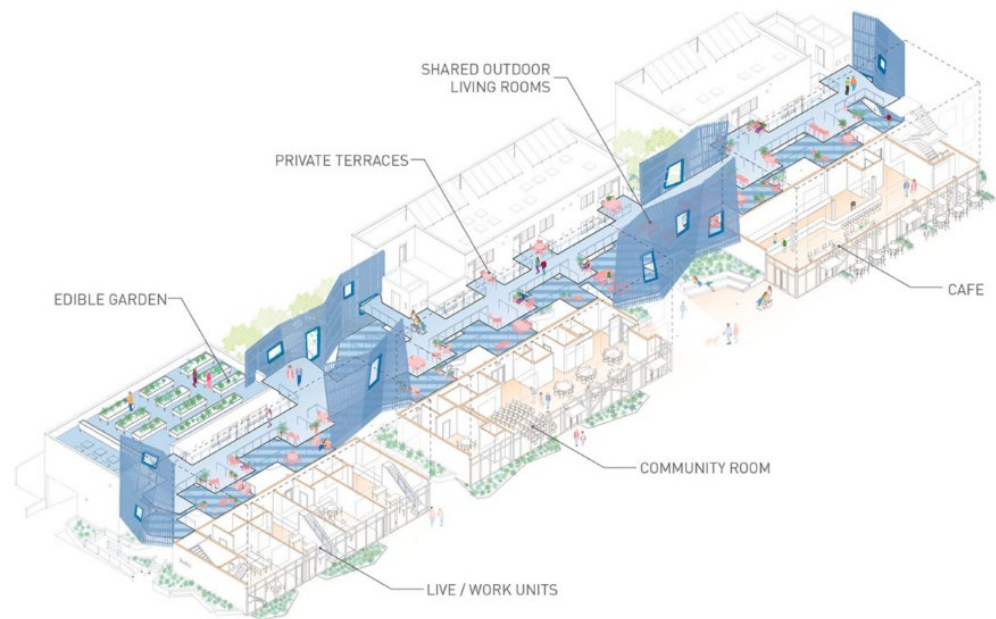
Ashland Apartments | Koning Eizenberg Architecture

10 units | 2019 | Santa Monica



T Townhome F Flat S Studio Private Open Space





Gramercy Housing | Kevin Daly Architects
64 units | 2021 | Los Angeles

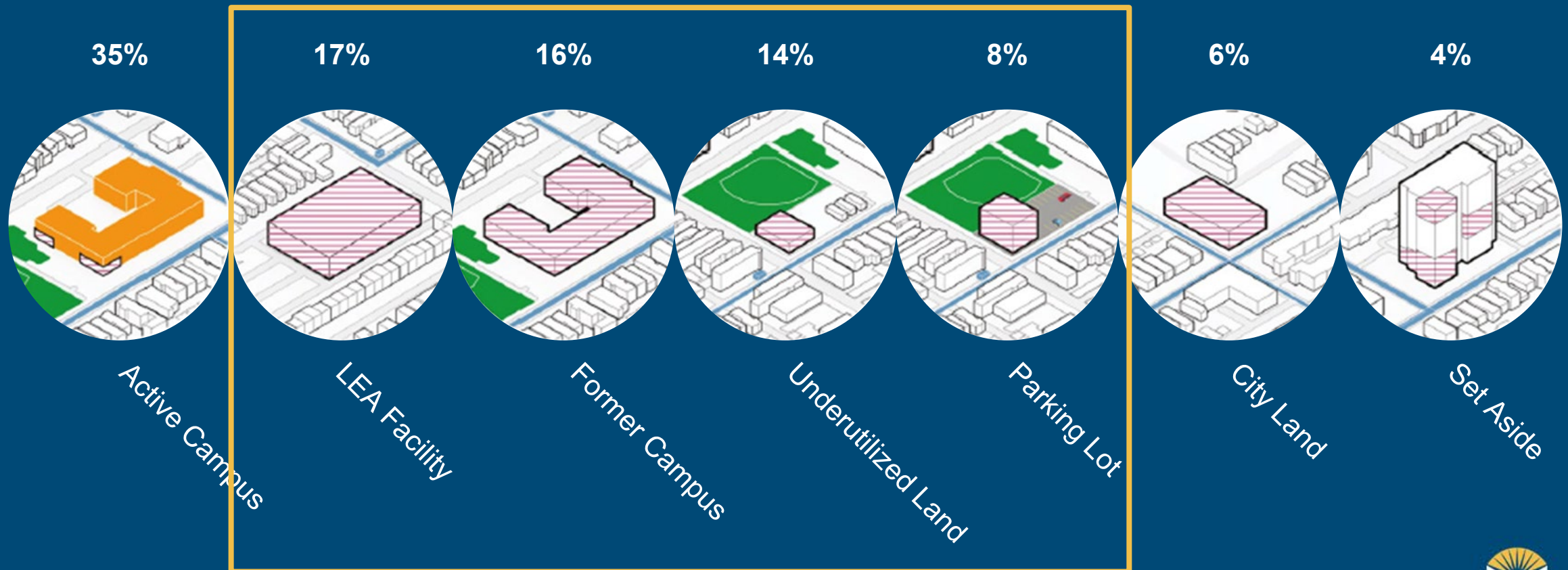


Avery Buildings | Fougeron Architecture
150 units | 2019 | San Francisco

Design starts with a **site**.



LEA-owned land comes in **many shapes & sizes**.



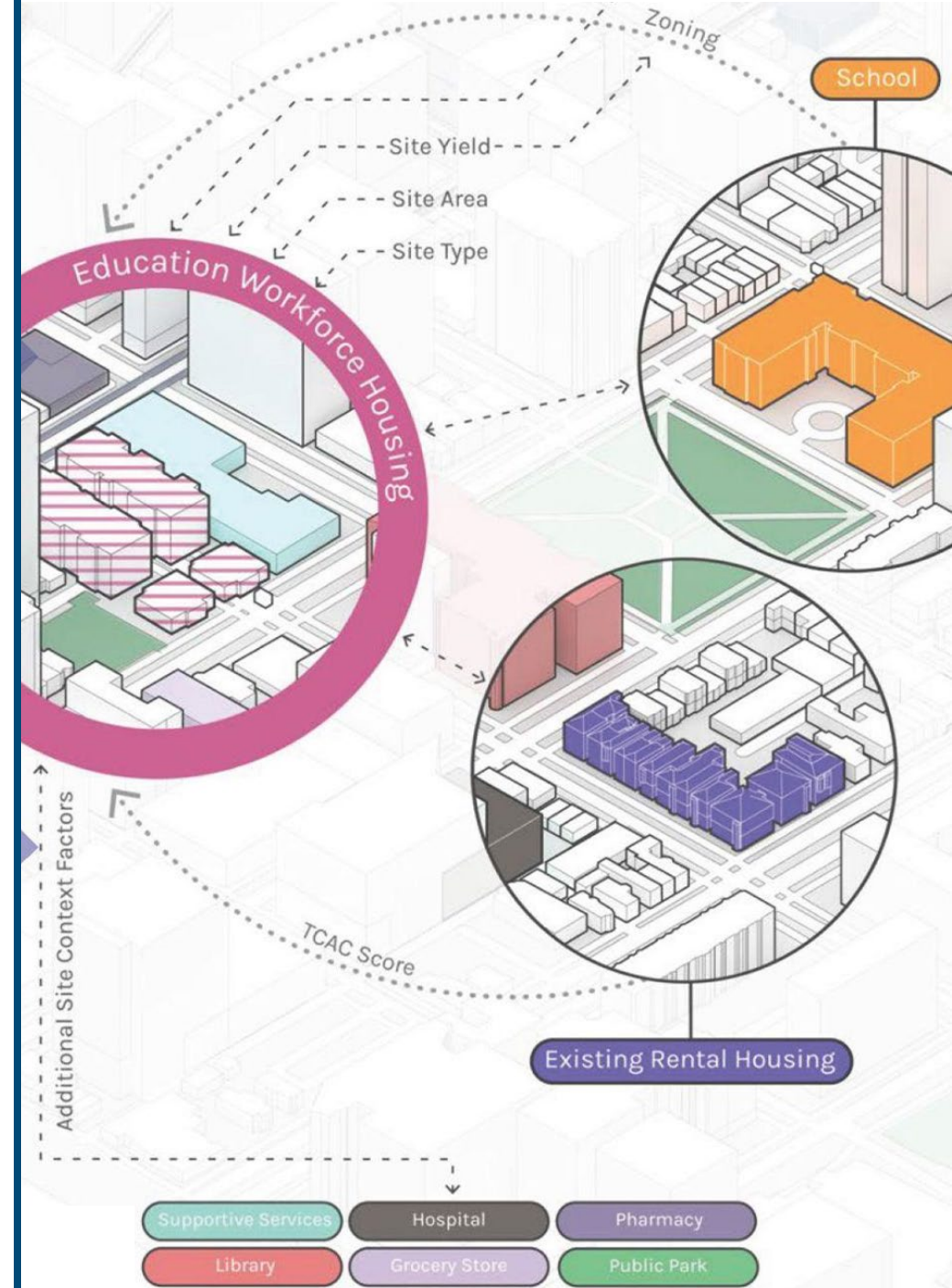
low(er) hanging fruit



The Basics of Feasibility

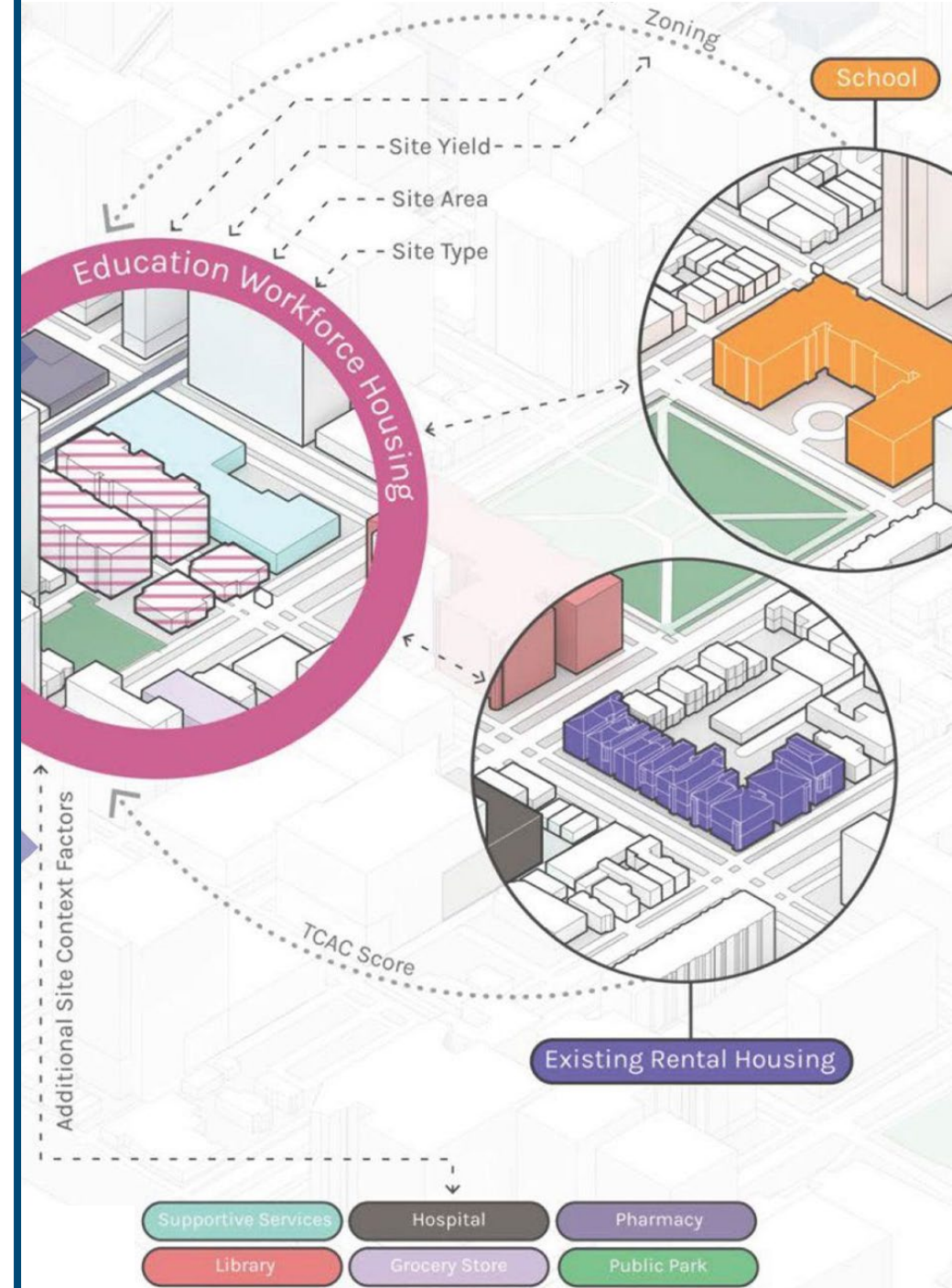
- ▶ Experts determine “Is the project feasible?”

- ▶ Site Analysis
 - Zoning
 - Environmental
 - Geotechnical
- ▶ Design Testing
 - Number & mix of units
 - Massing
 - Visualizations
- ▶ Financial Estimating
 - Funding sources
 - Construction costs



Site Considerations

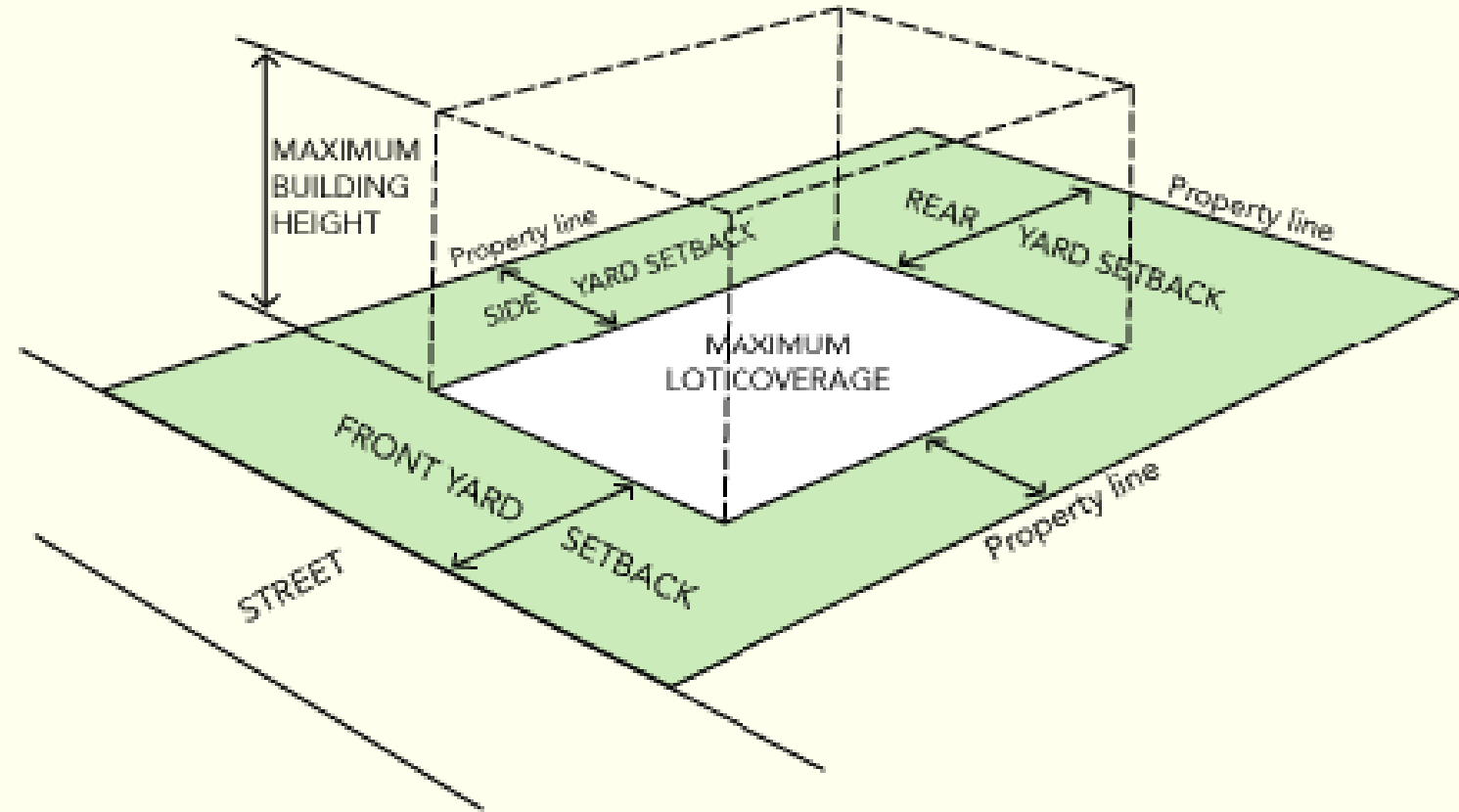
- Framing Constructability
- Considering Contexts
- Estimating Site Yield
- In Practice Spotlight



Framing **Constructability**



Every site has
a **buildable**
area.



Workbook Example

- Objective Standards
- Buildable Area

PRELIMINARY ANALYSIS - 96 MacMillan Ave



Total Area 233,046 SF; 5.35 ac

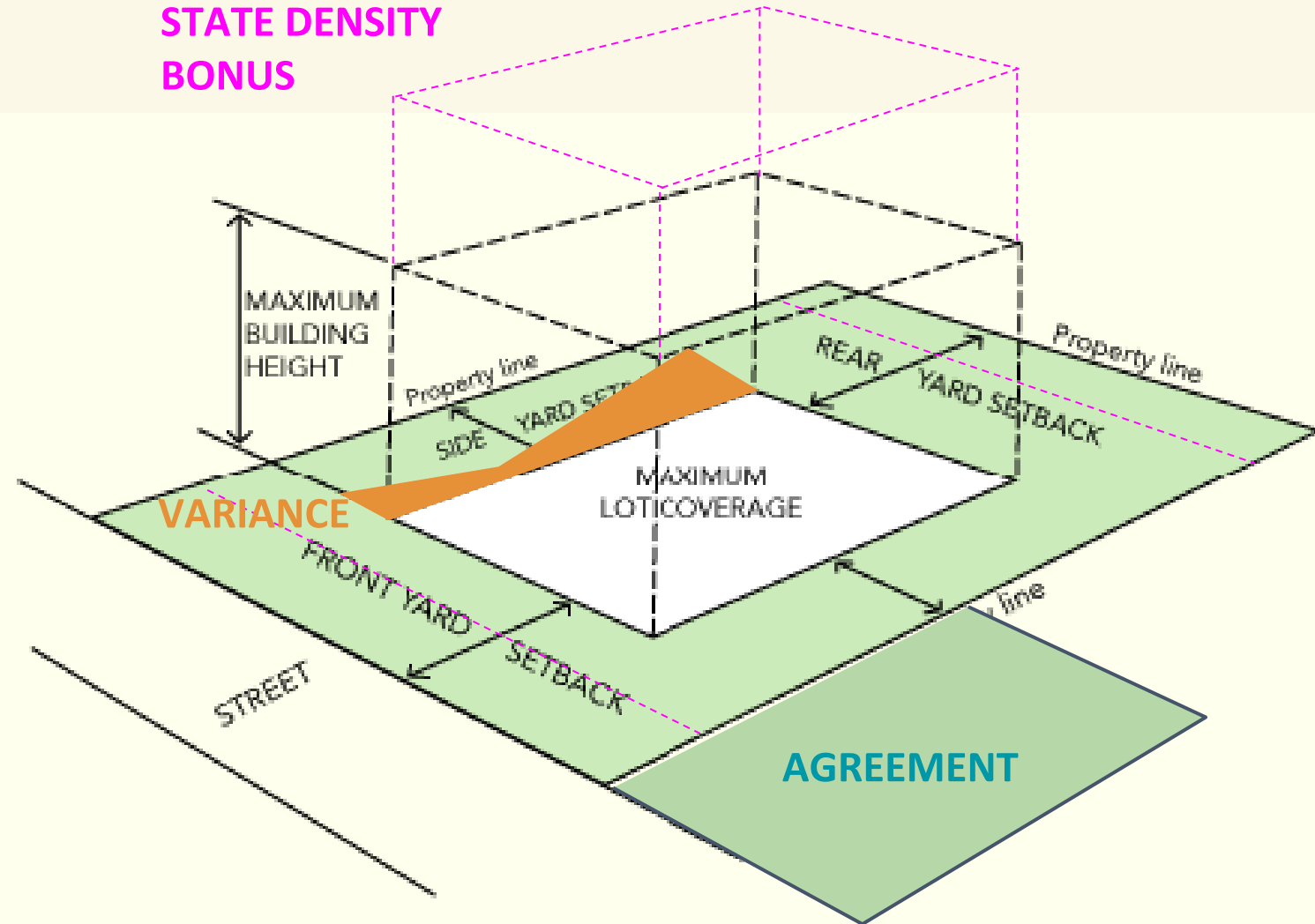
Zoning Designation R-3-5

R-3 Multi-Family Residential

Front Setback	20% depth up to 20'
Side Yard	10% width up to 5'
Rear Setback	25% depth up to 25'
Max Coverage	60% total area
Max Height	3 stories; 45'
Parking	2 stalls / 2+ bedroom

-5 1 unit/2,400 sq. ft. of land area
du/ac 18

Buildable area
can be expanded
through bonuses,
variances,
agreements



Workbook Example

- AB 2295
- Density Bonus

PRELIMINARY ANALYSIS - 96 MacMillan Ave



AB 2295

100% EWH of 10+ units

Minimum 51% affordable (lower + moderate)
of which 30% must be lower income

metropolitan du/ac: 30

97 units allowed

State Density Bonus

ASSUMING 15% Low Income OR Very Low

27.5% - 50% Bonus

27 - 49 bonus units

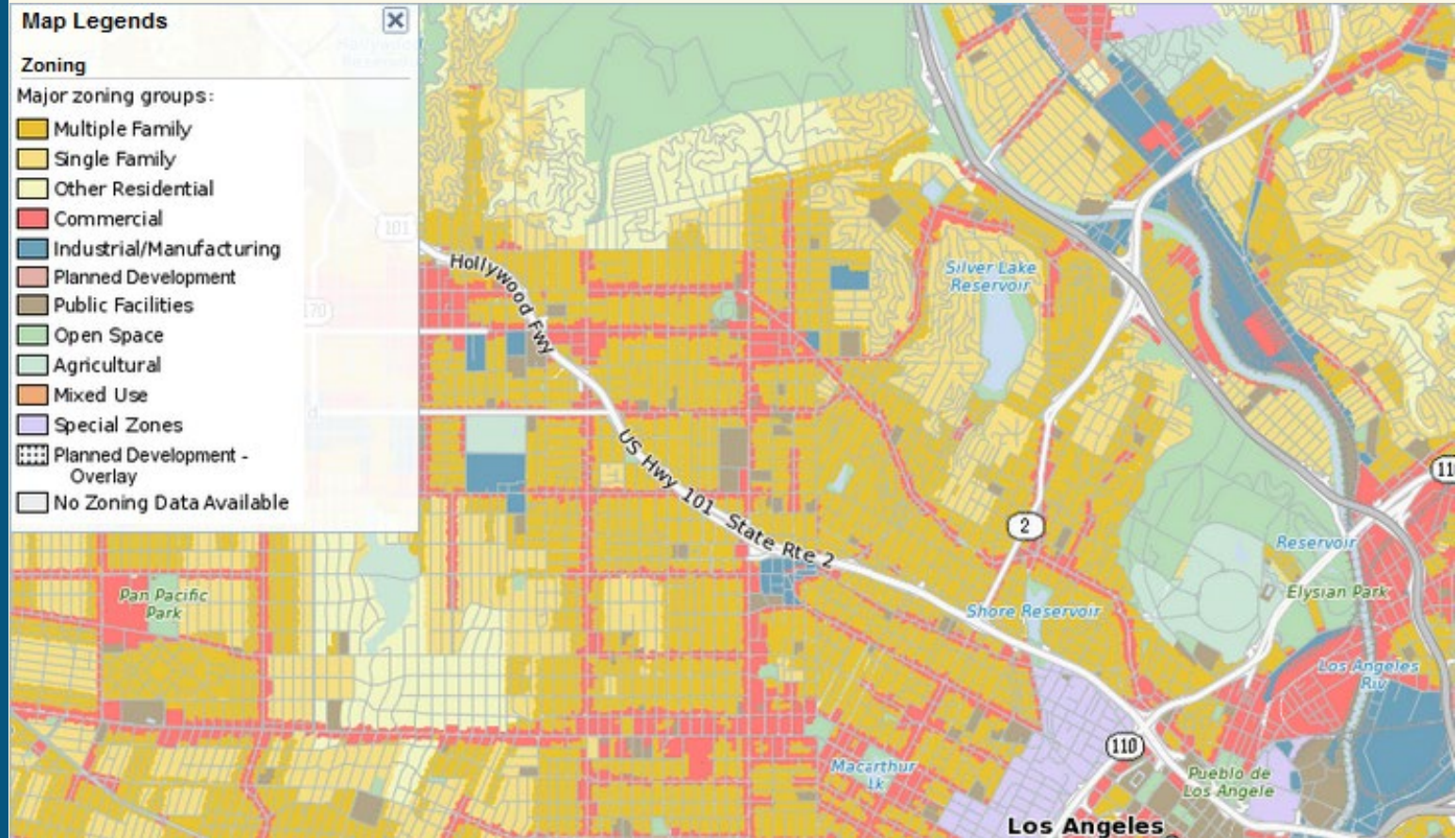
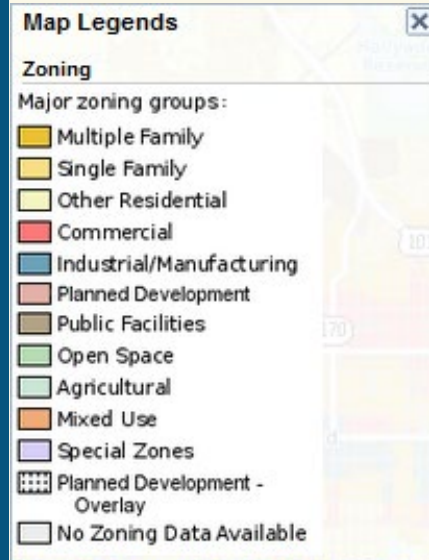
+ bonus height

124 - 146 units allowed

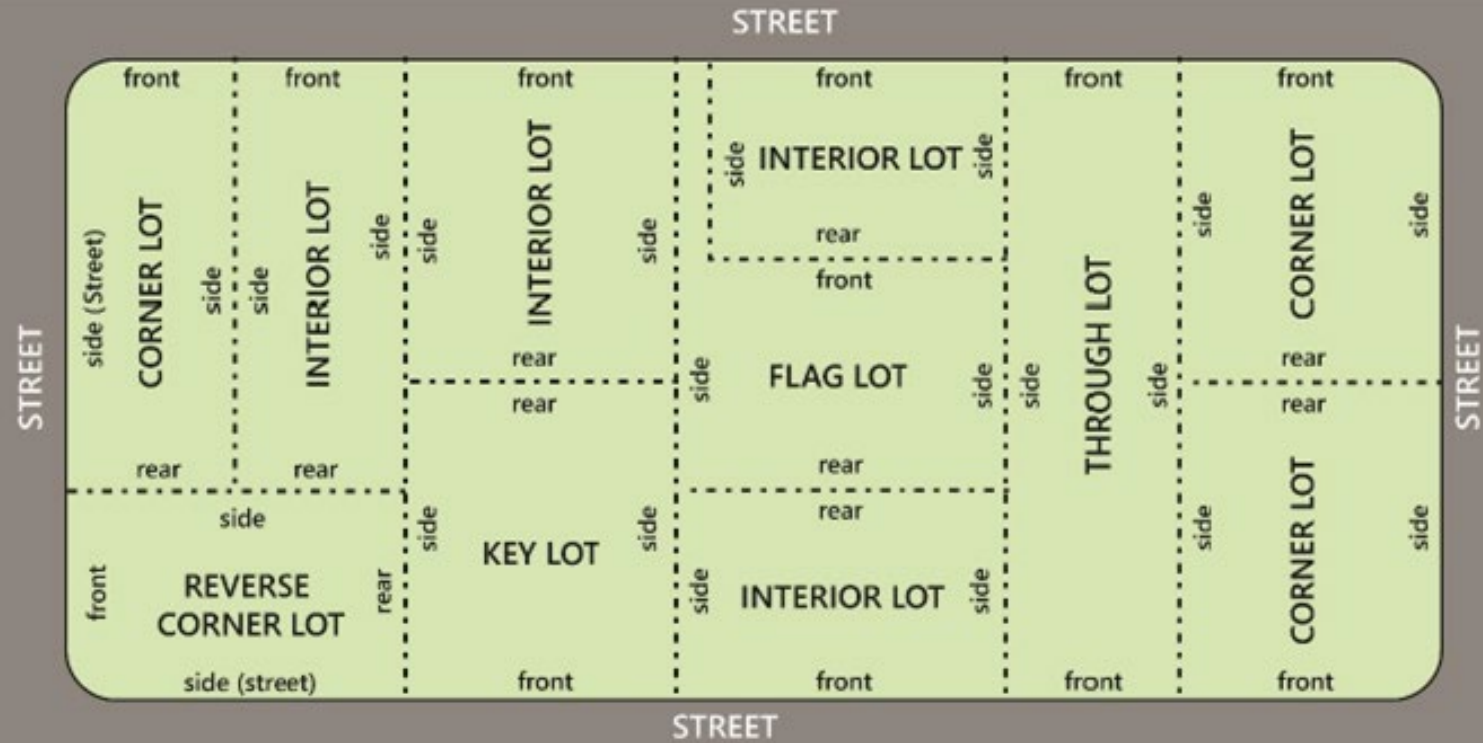
Site Yield Range

59 - 146 units

Constructability
is influenced by
land use
regulation.



Constructability
is influenced by
access.



Identify the lot type

PRELIMINARY ANALYSIS - 96 MacMillan Ave



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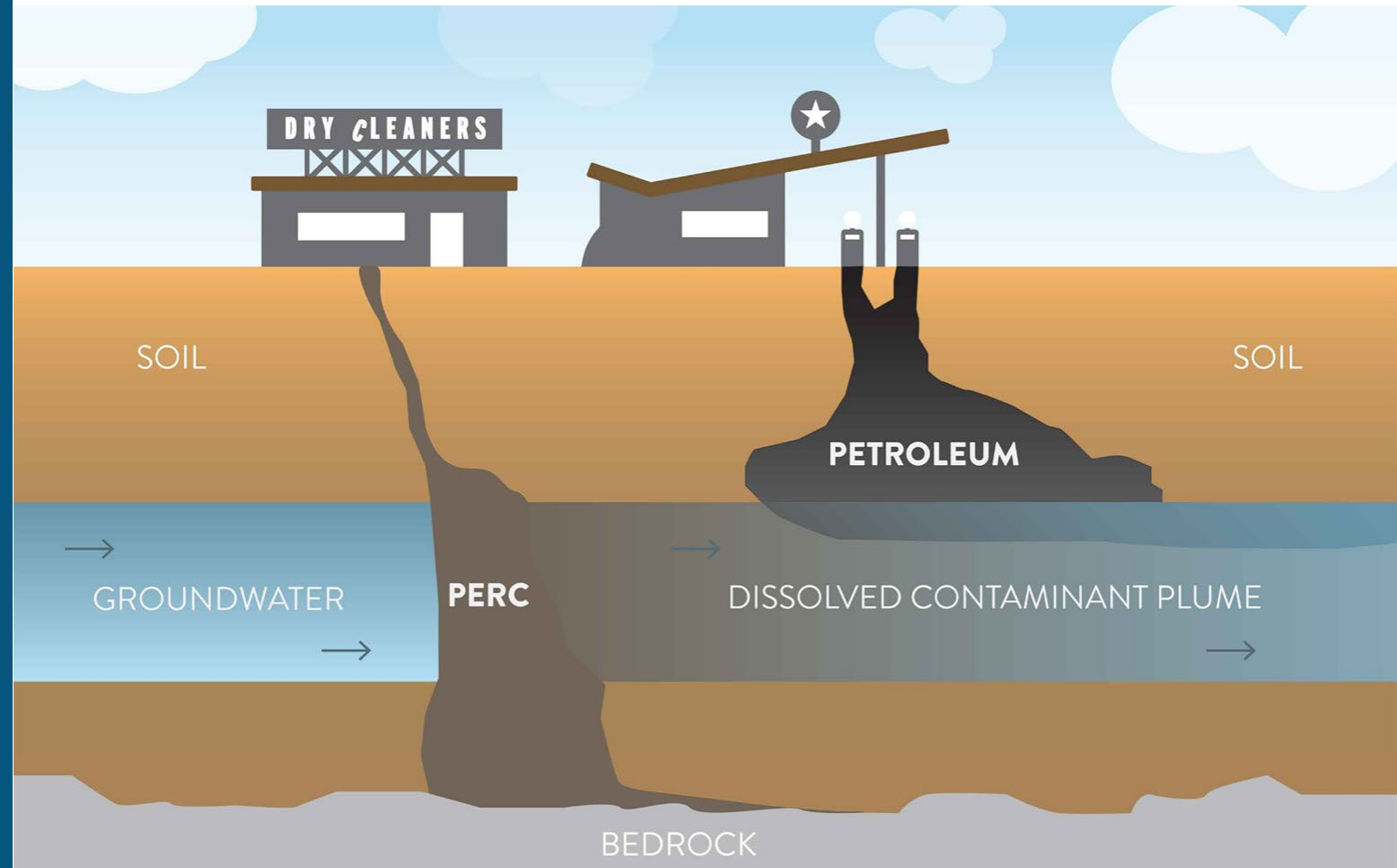
+ bonus height

124 - 146 units allowed

Site Yield Range

59 - 146 units

Constructability
is influenced by
past events.



Workbook Example

- Historic building on left (greyed out) portion of site

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+ bonus height

124 - 146 units allowed

Site Yield Range

59 - 146 units

Considering **Context**



**Community
contexts
influence site
choices**

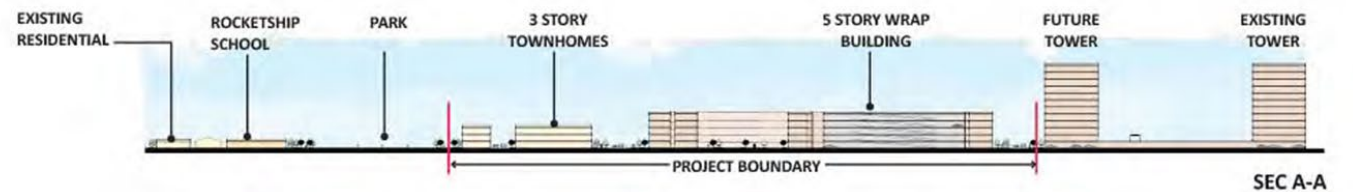


Community
contexts
influence site
choices

96 MacMillan Ave - 1/2 Mile Asset Map



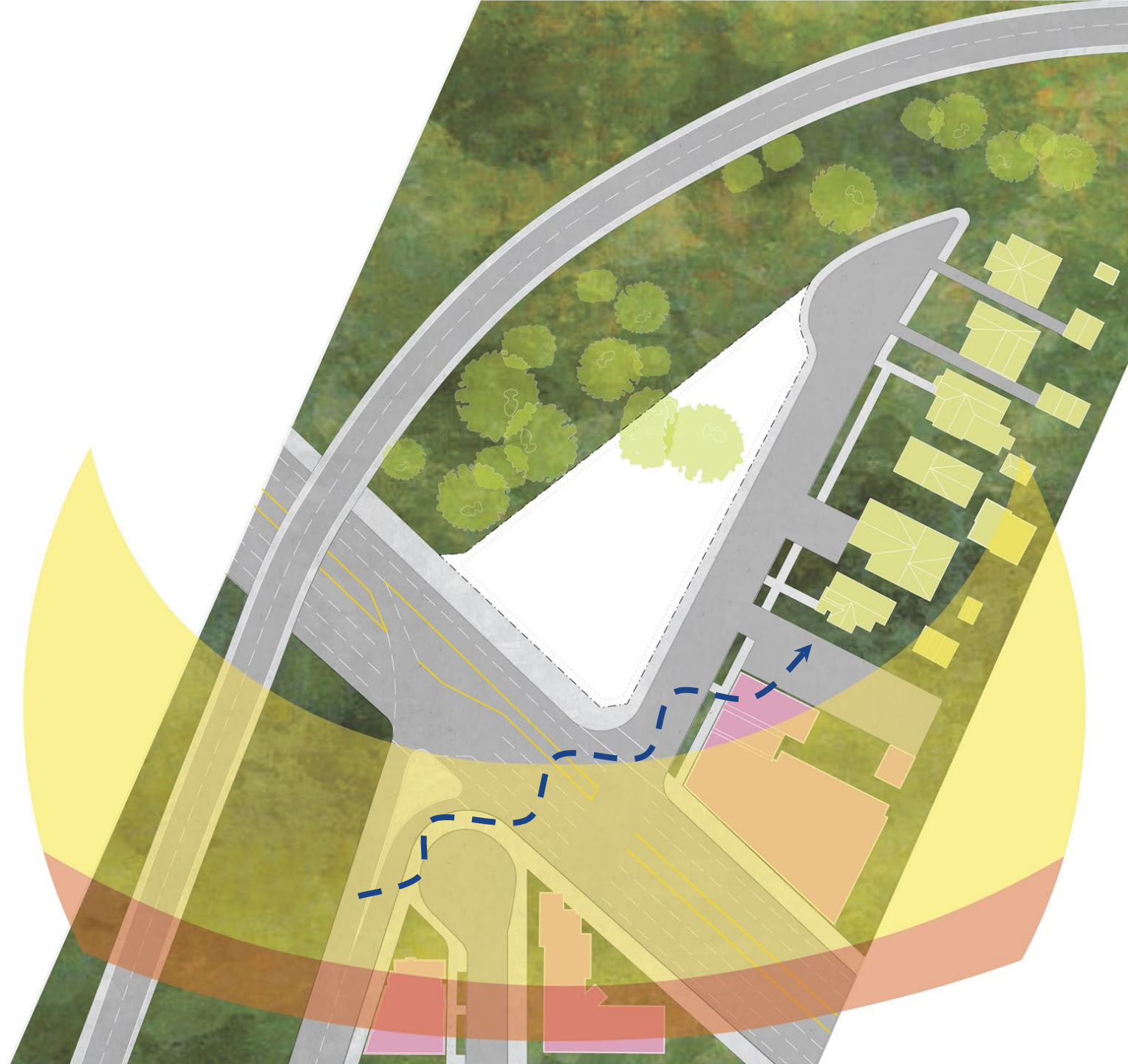
Community qualities influence site choices



Neighbors
influence site
choices



**Environmental
contexts
influence site
choices**



Site Yield



Site yield is
the DNA of a
development
project.



The Basics of Site Yield

- ▶ Respect the buildable area
 - ▶ Setbacks
 - ▶ Lot Coverage
 - ▶ Height Limits
 - ▶ FAR
 - ▶ du/ac
 - ▶ Environmental sensitivities
 - ▶ Historic areas

PRELIMINARY ANALYSIS - 96 MacMillan Ave



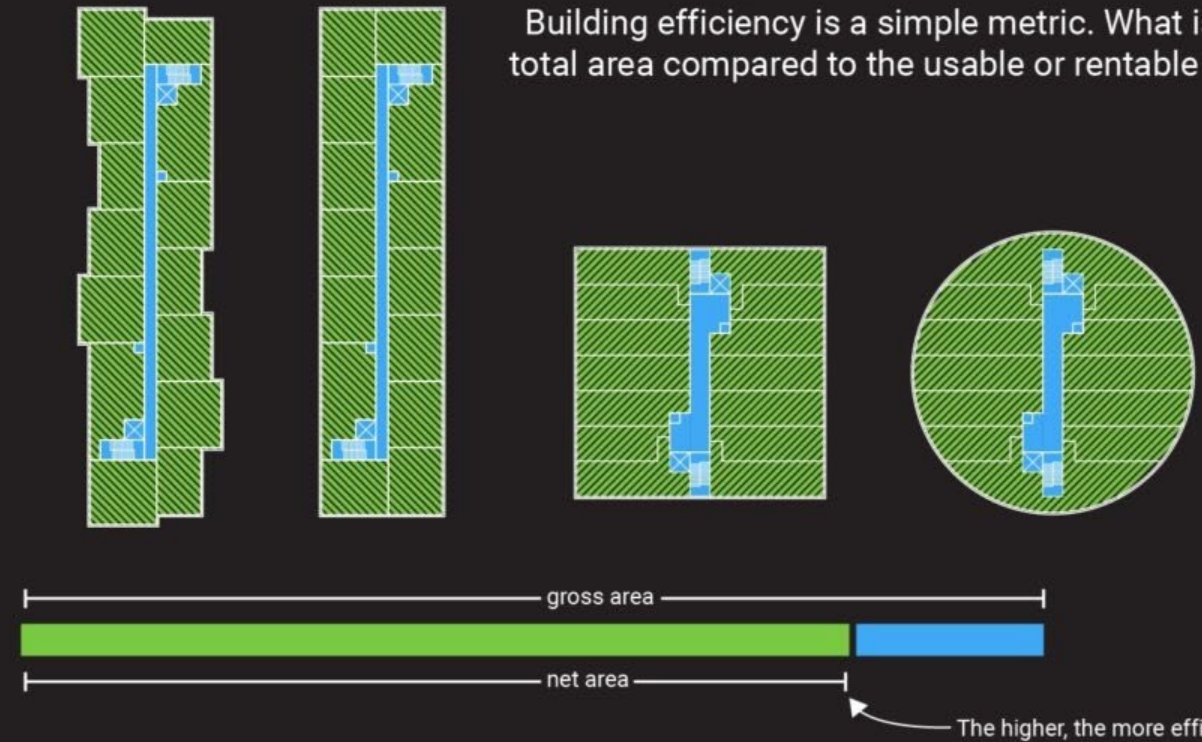
<u>Total Area</u>	233,046 SF; 5.35 ac
<u>Zoning Designation</u>	R-3-5
<u>R-3</u>	Multi-Family Residential
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Max Coverage	60% total area
Max Height	3 stories; 45'
Parking	2 stalls / 2+ bedroom
<u>-5</u>	1 unit/2,400 sq. ft. of land area
du/ac	18

The Basics of Site Yield

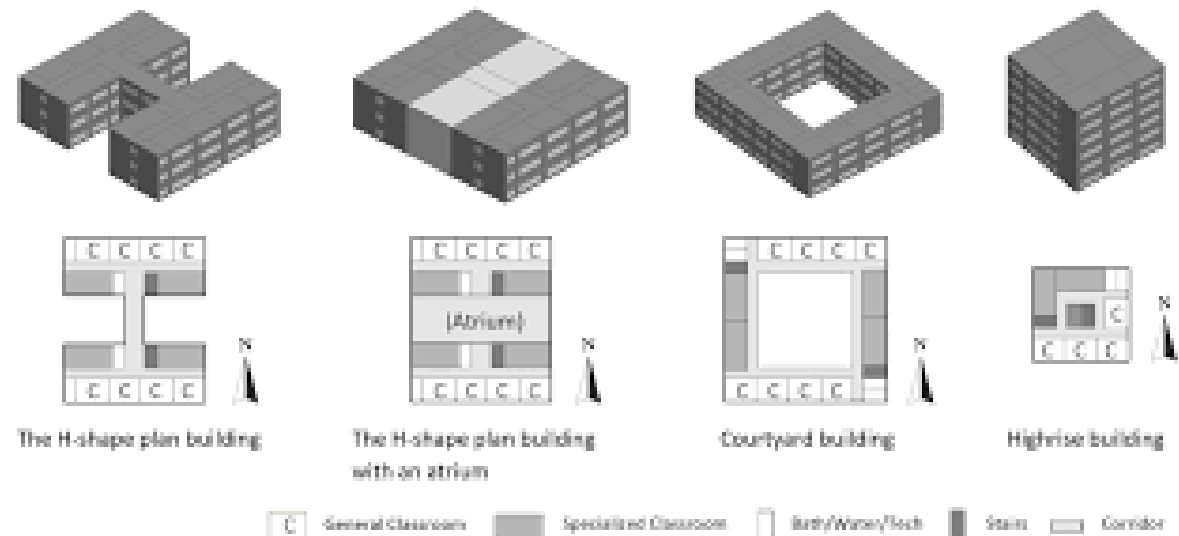
- ▶ Add realism
 - ▶ 65-80% Building Efficiency
 - ▶ open space on large sites

Building Efficiency

Building efficiency is a simple metric. What is the total area compared to the usable or rentable area?



testfit.io



The Basics of Site Yield

- ▶ Include bonuses and incentives
 - ▶ AB 2295
 - ▶ State Density Bonus
 - ▶ Many more

PRELIMINARY ANALYSIS - 96 MacMillan Ave



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of which 30% must be lower income
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27.5% - 50% Bonus
27 - 49 bonus units
+ bonus height
124 - 146 units allowed

Site Yield Range

59 - 146 units

The Basics of Site Yield

- ▶ Estimate for a desired unit mix
 - ▶ 100% 900SF 2-beds
=
▶ 33% 600SF 1-beds +
33% 900 SF 2-beds +
33% 1200 SF 3-beds
=
▶ 50% 600SF 1-beds +
50% 1200SF 3-beds



=

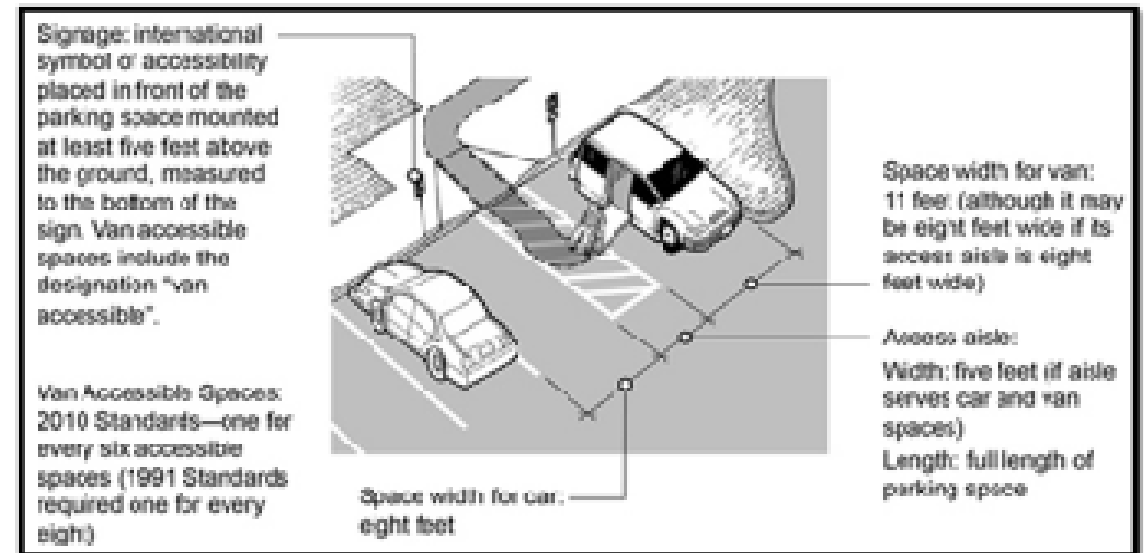
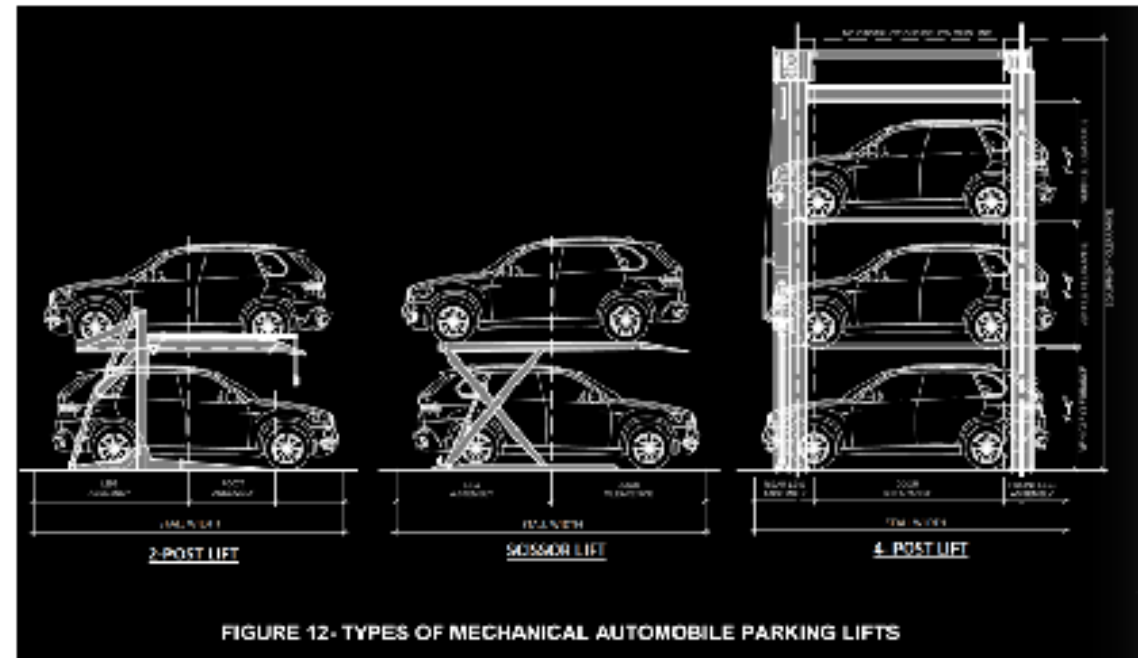


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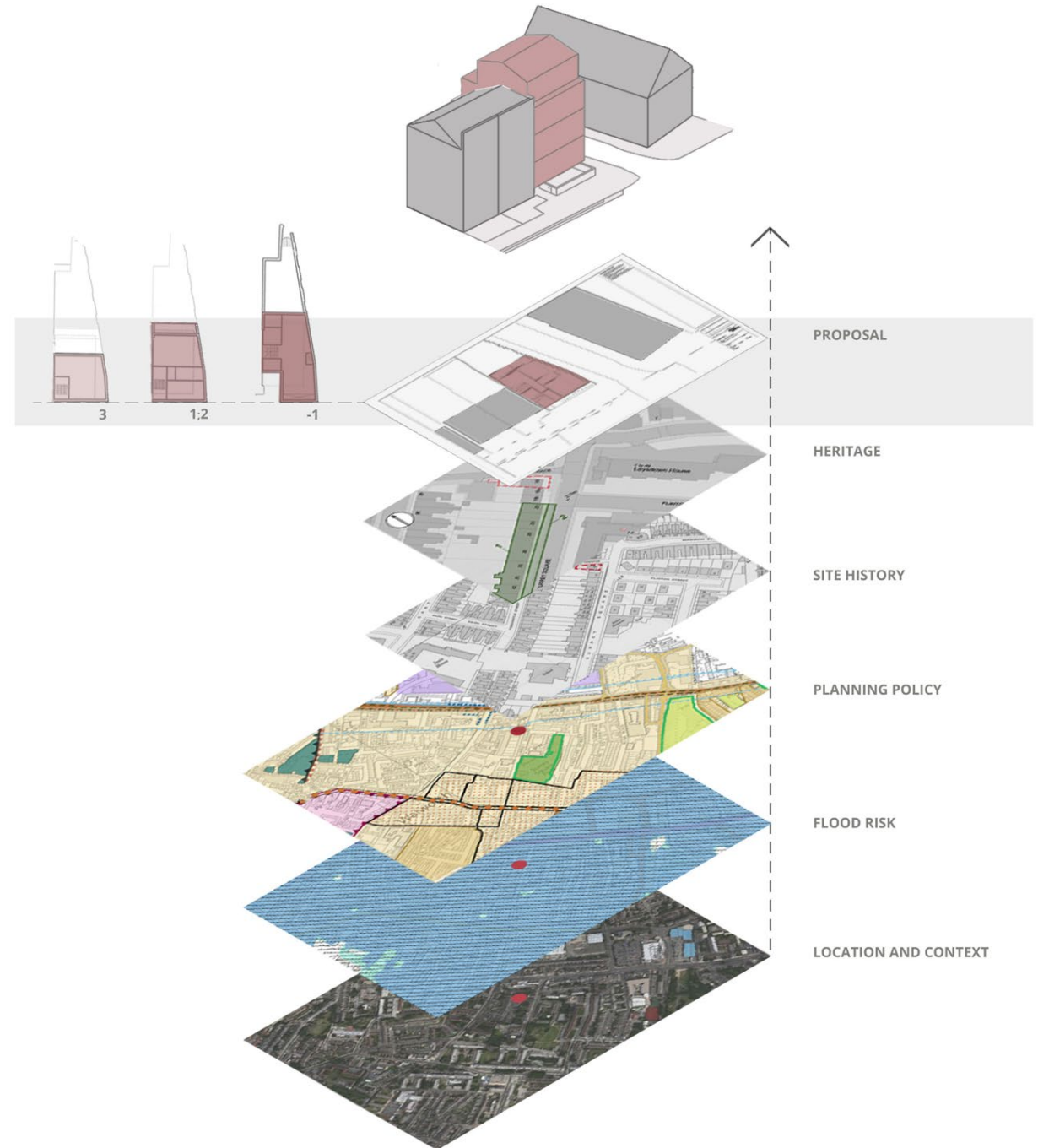
The Basics of Site Yield

- ▶ Park It
 - ▶ Requirements are changing
 - ▶ Incentives to reduce if right for your target tenants



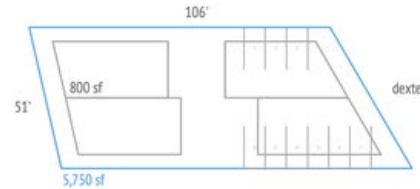
The Basics of Site Yield

- ▶ Recognize this process has limitations & uses
 - ▶ Pure math
 - ▶ Quick gauge of potential
 - ▶ Doable may not be desirable, vice versa
 - ▶ Start of a conversation



The Basics of Site Yield

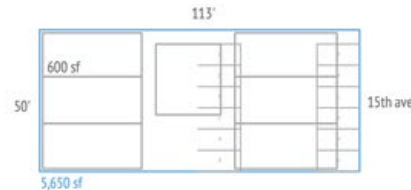
- ▶ Respect the buildable area
 - ▶ Include bonuses and incentives
 - ▶ Add realism
 - ▶ Estimate for a desired unit mix
 - ▶ Park it
 - ▶ Recognize this process has limitations & uses



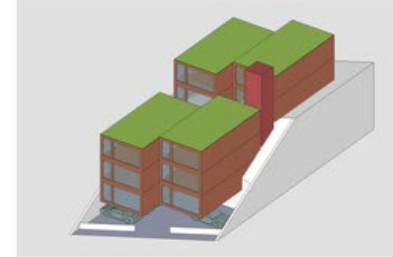
Dexter



Roosevelt



Interbay



Zoning

- 5,750 sf lot
- LR3 zone
- 2.0 FAR

Building

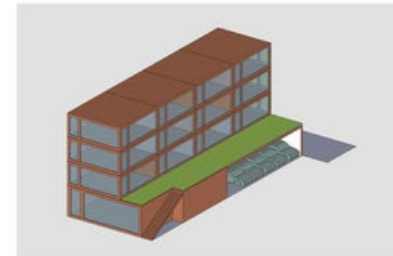
- (12) 800 sf units. (8) water views.
- 6 parking stalls required.
- elevator is optional
- all wood construction
- shoring required

Quick math

12 units at \$2,200 = \$264,000/ year
operating expense = \$40,000
net income = \$224,000

land cost = \$1,500,000
construction cost = \$200/ sf x 11,500 sf = \$2,300,000
development cost = \$300,000
total cost = \$4.1 million

cap rate = 5.5 percent



Zoning

- 4,000 sf lot
- NC2-40
- 3.25 FAR

Building

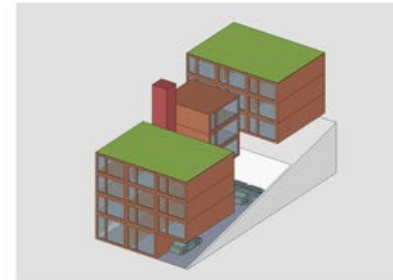
- (6) 700 sf units (6) 500 sf units
- no parking required
- (9) parking stalls
- elevator is optional
- all wood construction
- no excavation or shoring required

Quick math

6 units at \$1,500 = \$108,000/ year
6 units at \$1,200 = \$86,400/ year
2,000 retail at \$25/sf = \$50,000/ year
operating expense = \$40,000
net income = \$204,400

land cost = \$1,000,000
construction cost = \$200/ sf x 12,000 sf = \$2,400,000
development cost = \$300,000
total cost = \$3.7 million

cap rate = 5.5 percent



Zoning

- 5,650 sf lot
- NC3-40
- 3.25 FAR

Building

- (12) 600 sf view units
- (9) 600 sf units
- (2) live/ work units
- 11 parking stalls required
- 12 parking stalls provided
- all wood construction
- excavation & shoring required
- elevator is optional

Quick math

12 units at \$1,600 = \$230,400/ year
9 units at \$1,200 = \$129,600/ year
2 live/ work at \$1,600 = \$38,400/ year
operating expense = \$50,000
net income = \$348,400

land cost = \$750,000
construction cost = \$200/ sf x 18,000 sf = \$3,600,000
development cost = \$400,000
total cost = \$3.95 million

cap rate = 8.8 percent

The Basics of Site Yield

- ▶ Your Sites
 - ▶ Max. du/ac: 30 - 45
 - ▶ Max FAR: ~1.2
 - ▶ Max units: 67 - 964
- (most ~150)



Visualizing **Density**



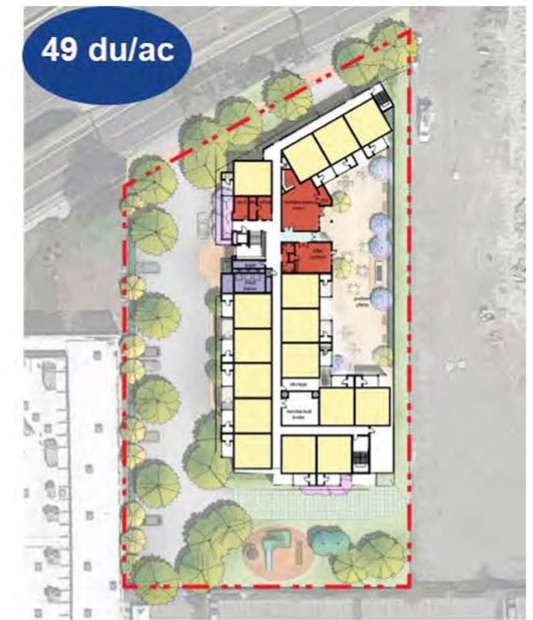
Understanding du/ac

- ▶ The same regardless of:
 - ▶ # of bedrooms/unit
 - ▶ unit SF
- ▶ The same building envelope can hold varying numbers of du/ac
- ▶ May choose to estimate from the ENTIRE site, even if only building on part *

* when relevant, in your workbooks we estimated off of selected areas so as not to generate extraordinarily dense numbers



- 1.3 acres
- 4 story building
- A mix of 1, 2 and 3 bedrooms
- 48 units @ 12 unit/floor



- 1.3 acres
- 4 story building
- Only 1 bedrooms
- 64 units @ 16 unit/floor

Unit Size and Mix



- Gross Density:
total dwelling units divided by overall area (as measured to centerline of adjacent streets)
- 6.5 DU/AC



- Net Density:
total dwelling units divided by lot area (exclusive of right-of-ways)
- 9.7 DU/AC

LOW

HIGH



UP TO 12 DU/

13- 24 DU/AC

20-30 DU/AC

+40 DU/AC

- SINGLE FAMILY, DUETS,
- FRONT OR ALLEY LOADED
- 1, 2 OR 3 STORIES

- TOWNHOMES
- FRONT OR ALLEY LOADED
- 2 OR 3 STORIES

- WALKUP APARTMENTS
- SURFACE PARKED
- 3 STORIES

- PODIUM OR WRAPS
- STRUCTURED PARKING
- 4 STORIES

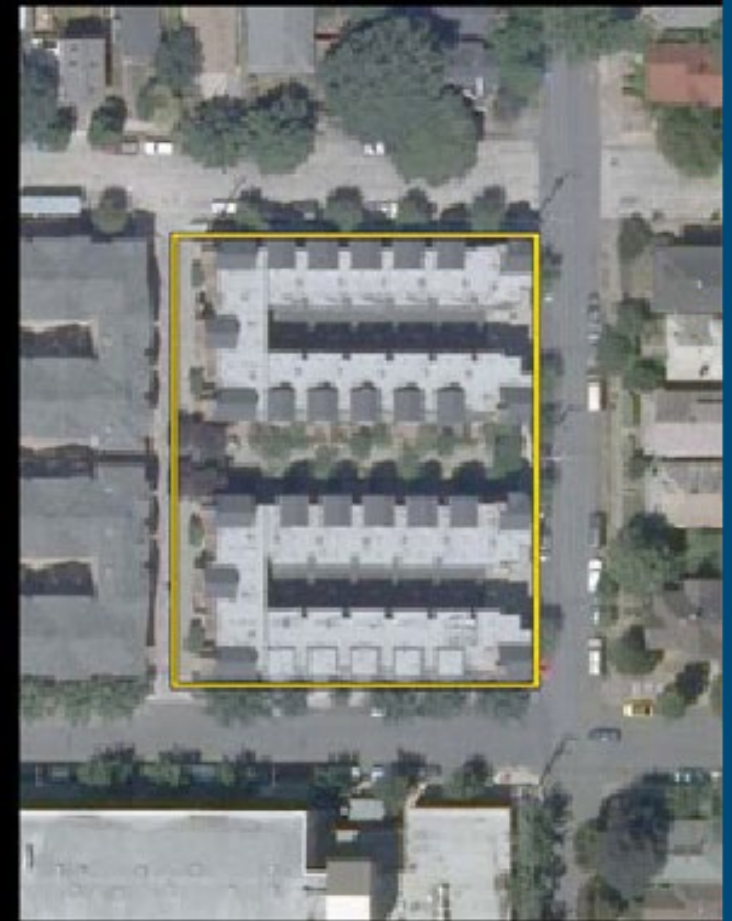




Single-Family Block
9.7 du/ac



Belmont Dairy Townhouses
Portland, Oregon
41 du/ac

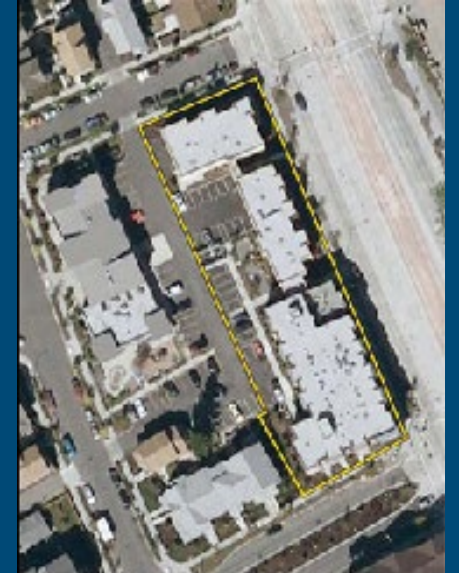




Park La Brea towers
Los Angeles, CA
60 du/ac



Genessee Apartments
Seattle, WA
66 du/ac





Apartments
18 du/ac
recreation areas
surface + underground parking



Single-Family Houses
36 du/ac



Townhouses
44 du/ac
underground parking





The Riverfront
Napa, CA
29 du/ac



Mixed Use Housing / Ground Floor Retail
West Hollywood, CA
NOTE: Lower height at residential edge
32 du/ac





Variety of Housing Types
15 du/ac (gross)



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

Exit Survey



Thank you



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