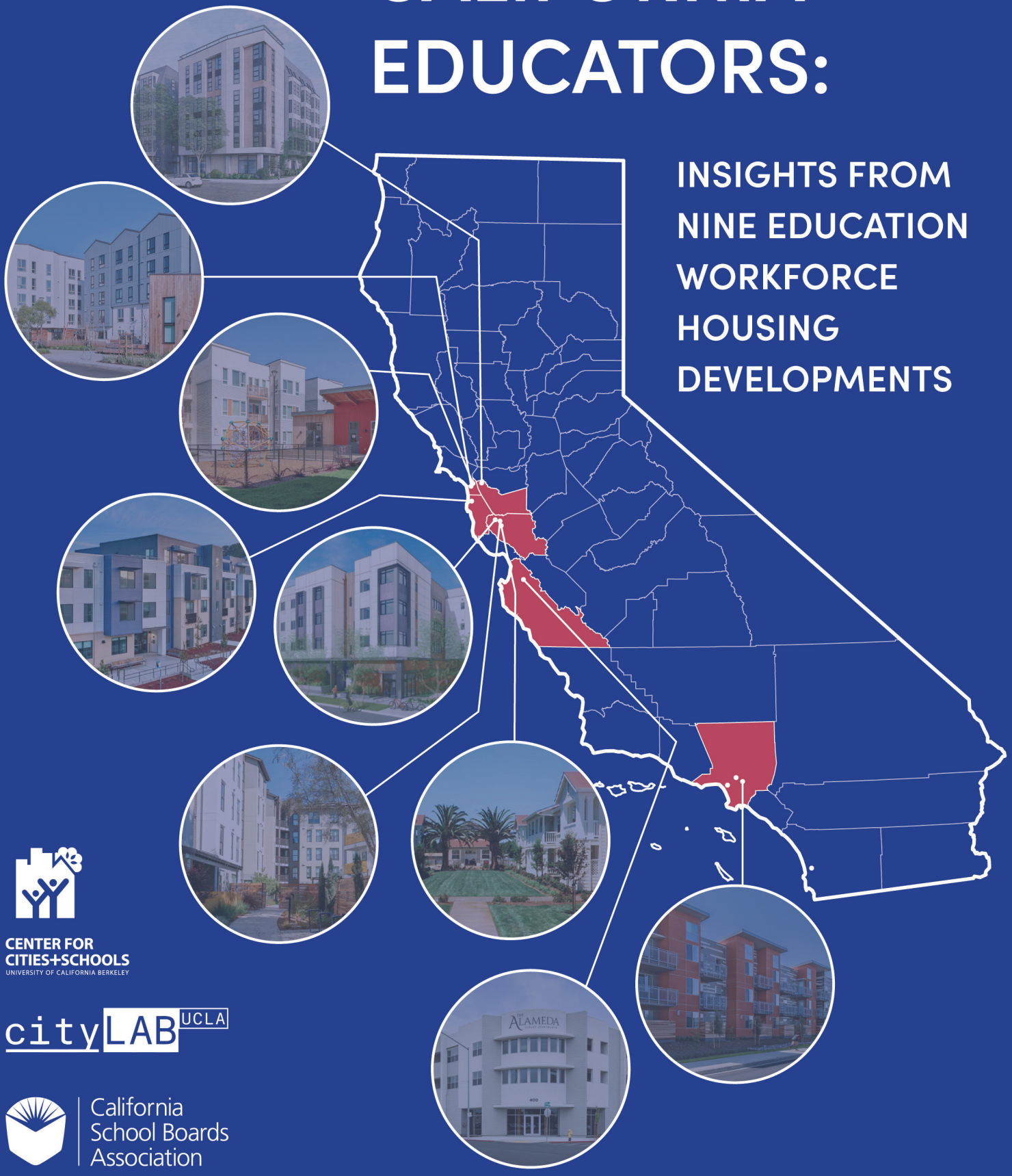
HOUSING CALIFORNIA EDUCATORS:

INSIGHTS FROM NINE EDUCATION WORKFORCE HOUSING DEVELOPMENTS



CENTER FOR CITIES+SCHOOLS
UNIVERSITY OF CALIFORNIA BERKELEY

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California School Boards Association

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RESEARCH TEAM

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Center for Cities + Schools (CC+S), founded in 2004, is a national leader in policy research on school facility issues. CC+S, housed in the College of Environmental Design at UC Berkeley, is an applied policy center with 15+ years experience helping local, state, and federal policy makers advance solutions that close the opportunity gap and create trajectories of opportunity for young people, no matter where they live. CC+S has a specific focus on school facility infrastructure policy and finance.

https://citiesandschools.berkeley.edu

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cityLAB, founded in 2006, is a multidisciplinary center in UCLA's Architecture and Urban Design Department focused on addressing spatial justice concerns. cityLAB leverages design, research, policy, and education to create more just urban futures with real impacts for communities in Los Angeles and beyond. Specifically, the lab explores the challenges facing the 21st century metropolis, expanding the possibilities for our cities to grow more equitably, livably, sustainably, and beautifully, with affordable housing at the center of its efforts.

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ABOUT THIS PROJECT

Since 2020, the Center for Cities + Schools at UC Berkeley and cityLAB at UCLA have worked in partnership with the California School Boards Association (CSBA) to train and advise local educational agencies (LEAs) on the workforce housing development process. In 2022 our team released *Education Workforce Housing in California: Developing the 21st Century Campus* and began a series of academies to help LEAs interested in building education workforce housing (EWH) achieve their development goals.

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The report can be found at **https://www.csba.org/GovernanceAndPolicyResources/Education-Workforce-Housing/ResearchandMedia**. Additional resources on education workforce housing can be found at https://www.csba.org/workforcehousing. A primer on the development process and one on architecture & design will be available as companion pieces in mid-2025.

ACKNOWLEDGMENTS

COMMUNITY PARTNER

This project would not have been possible without our community partner: the California School Boards Association (CSBA), which represents the elected officials who govern public school districts and county offices of education, nearly 1,000 educational agencies statewide.

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ADDITIONAL RESEARCH SUPPORT

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- Graduate students Melody Wang and Sarah Zureiqat (UCLA) and Natalie Olivas (UC Berkeley) provided research and design support.
- Tenants of three developments took time to respond to our survey and provide their own perspectives on the developments and how housing affected them.
- Richard Barrera, Barry Fike, Elizabeth Kneebone, Ken Lippi, Robin Pendoley, and Sabrena Rodriguez provided invaluable feedback on our drafts. Ken Doane provided advice and editing. All remaining errors and shortcomings are our own.
- Finally, more than 20 interviewees took the time to answer questions about their experiences with education workforce housing, share plans, distribute our tenant survey, and show us around their developments. We are continually inspired by the dedication of those making education workforce housing a reality in their communities.

EXECUTIVE SUMMARY

The rising cost of housing in California has made it increasingly difficult for teachers and other school staff to live near their places of work, exacerbating teacher shortages and staff retention challenges. In response, local educational agencies (LEAs) across the state have begun developing workforce housing to provide affordable living options for school employees. This report examines the experiences of nine LEAs that have successfully navigated the complex process of planning, financing, and constructing education workforce housing (EWH).

Key findings from the study include:

- **The development process is complex.** Negotiating land use regulations and permitting was an onerous and uncertain process for most of the LEAs we studied. Legislation that has taken effect since these projects began—such as AB 2295 (passed in 2022), SB 35 (2017), and SB 423 (2023)—which aim to streamline land use approvals for housing, may accelerate future EWH projects.
- **Early stakeholder engagement and a strong development team are key**. The nine developments took an average of 7.5 years from concept to occupancy, which is about the same time frame as other multifamily housing projects in California. LEAs all found it was important to build consensus and trust with labor and community partners throughout the development process. Strong developer teams kept projects moving even when there was turnover in LEA leadership.
- **LEAs are offering housing that is affordable to their staff.** The vast majority of EWH units are offered at significantly below market rate, fulfilling the LEA goal of offering housing that is accessible to both teachers and classified staff. Tenants reported in surveys that housing availability influenced their decision to remain in or join their LEA. Anecdotes from LEA hiring managers provided additional evidence that EWH supports the goal of workforce stability.
- **EWH developments are livable and appealing for tenants.** Tenants reported satisfaction with the quality and amenities of the developments. LEAs chose designs that align with best practices for maximizing space and circulation, and they prioritized features such as family-friendly unit sizes, shared meeting rooms, and outdoor spaces that foster community and livability.
- **Financing moderate-income housing remains a challenge.** Most state and federal housing programs focus on low-income households, which excludes most teaching staff. Assembling financial packages from multiple sources has become especially important as development costs rise.
- **LEAs are pursuing innovative models.** LEAs are exploring new approaches to housing their staff, such as collaborating with multiple public agencies, purchasing units in private developments, and building mixed-income developments. LEAs are also exploring strategies for long-term housing support for staff, such as homebuyer assistance programs, housing that can be purchased by staff, or down payment savings accounts.

Education workforce housing is emerging as a viable strategy for LEAs to address education staffing shortages, improve retention, and enhance community stability. As more LEAs pursue these developments, lessons learned from early adopters can help streamline future efforts and expand housing options for these essential members of our communities and pillars in the lives of students.

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1 INTRODUCTION

In response to ongoing challenges in attracting and retaining school staff, there has been a surge of interest among local education agencies (LEAs—a term that includes school districts and county offices of education) in building workforce housing. Beginning in the early 2000s, many California LEAs began exploring the possibility of developing affordable housing, and several LEAs have built, or are currently building, multifamily housing on LEA-owned land. As interest has grown, so too has the variety of approaches, the need for policy clarification, and the need for guidance in best practices and technical assistance.

While each LEA's circumstances and approach are unique, there are common challenges in moving from an idea to a fully occupied housing development. With nine LEAs now having completed or nearly completed education workforce housing (EWH) developments, we can draw some conclusions about what the development process is like, what types of developments are possible, and whether these developments are achieving the goals set by LEAs. To do so, we studied the experiences of LEA leaders, school staff, housing consultants, and other stakeholders in nine LEAs: five with occupied housing developments and four with developments that are nearing completion.

In 2024, State Superintendent of Public Instruction Tony Thurmond convened a public summit on EWH, emphasizing its potential to address two critical and connected statewide goals: stabilizing California's education workforce and expanding the supply of housing affordable to moderate-income households. We hope this evaluation of the processes and outcomes of EWH is useful to those LEA leaders who have been engaged in housing initiatives for years as well as those who are just beginning to explore the possibility.

OUR RESEARCH METHODS

Document review: We analyzed public documents, staff presentations, consultant reports, meeting agendas, financial documents, and other relevant materials.

Interviews: Across 2024 and 2025 we interviewed 24 LEA staff, elected officials, and consultants who were closely involved in the development or operation of the nine completed projects. Beyond discussing the development process, we asked what guidance they would offer their peers pursuing similar projects, what they would have done differently, and what they wish they had known along the way that would have facilitated their work.

Tenant survey: We surveyed residents in the three oldest developments in the study to understand how housing influenced their job decisions, their satisfaction with various aspects of the housing, and details about their household composition and tenure.

Architectural review: Our team examined photographs, site plans, project websites, feasibility studies, and other materials. Where possible, we visited the developments to get a first-hand sense of project design and livability.

KEY TERMS

Affordable housing: Generally, housing that is leased to residents at less than the prevailing market rate. A common benchmark of affordability is housing that costs 30% or less of a household's gross monthly income. Federal and state housing programs typically define affordability in reference to ranges of household incomes (see "AMI" below), with a share of available units designated for lease to households within each range.

Workforce housing: This term can refer to moderate-income housing generally, or housing that is reserved for a specific workforce. Workforce housing fills the gap between market-rate and low-income housing and may especially benefit public workers who earn incomes high enough to make them ineligible for government housing assistance programs, but who nonetheless struggle to afford market-rate rents.

Education workforce housing (EWH): In this report, EWH refers to newly built housing developments where units are leased exclusively or primarily to LEA staff.

Area median income (AMI): AMI is a key metric on which local definitions of affordability are often based. For example, to qualify for density bonuses and other zoning allowances, local governments may require that a certain share of units in a proposed development must be affordable, and affordability is usually defined as a percent of AMI. Federal tax credit programs also evaluate rental expenses in relation to AMI. Typically, AMI is determined by county and based on household size. AMI figures are published by the California Tax Credit Allocation Committee (CTCAC) based on U.S. Department of Housing and Urban Development (HUD) data.

Certificated and classified staff: School staff fall into two categories. Certificated staff, including teachers, counselors, and administrators, hold specific state-issued credentials and typically earn higher, full-time salaries based on education and experience. Classified staff, including paraeducators, clerical staff, food service workers, and custodians, typically earn lower hourly wages and often work part time.

Local Educational Agency (LEA): School districts and county offices of education. While all of the developments we study were built by school districts, we use the term LEA throughout this report.

General Obligation Bond (GO bond): Voter-approved bonds paid for by *ad valorem* property taxes that LEAs may use to fund educational infrastructure, including education workforce housing.

Certificate of Participation (COP): A form of infrastructure financing available to special districts, including LEAs, that is often used to finance education workforce housing and paid back using the rental income stream.

Low Income Housing Tax Credit (LIHTC): A federal tax credit program for affordable housing developments that meet certain criteria, including a set percentage of units for low- and very-low income households, with rents capped at 30% of the qualifying income level.

2 THE CONTEXT OF EDUCATION HOUSING

SCHOOL STAFF CAN'T AFFORD TO LIVE WHERE THEY WORK

California's stubbornly high housing costs are hurting the ability of LEAs to recruit and retain qualified staff, negatively affecting students' learning outcomes. In survey after survey, educators have told their employers that they struggle to find affordable and decent housing close to work. The gap between staff salaries and the incomes needed to afford an average rental continues to widen in most of California, despite the recent trend of salary increases.[1]

Many factors contribute to high housing costs, but in California a key driver is lack of supply.[2] Housing construction has failed to keep pace with demand, particularly demand for multifamily housing that is accessible to people earning around the median income. Researchers and policymakers know that building more housing is a key part of the solution.

LEAs across the state are interested in leveraging their property assets to better serve their workforce and student populations. This growing interest is generating demand for better information about how LEAs go about the housing development process, what pitfalls they should look out for, and how they can effectively build local community support for these projects.

Salary and rental data in the nine LEAs we studied reflects this challenge. As Figure 1 shows, starting teacher salaries in most LEAs are significantly below area median income (AMI). To rent an average apartment, starting teachers have to spend more than 30%—in some cases more than 50%—of their income.

TEACHER ATTRITION AFFECTS STUDENT OUTCOMES

The negative impacts of staffing shortages are well documented: turnover and the prevalence of less-experienced teachers have adverse effects on student achievement.[3] Teacher turnover is also costly to LEAs. The Learning Policy Institute estimates that teacher turnover can cost up to $25,000 per position in an urban district.[4] Teacher attrition is highest among early career teachers, which makes interventions that support this population especially important.[5]

Figure 1: LEA salaries, area median incomes, and market rents

LEA	Starting teacher salary	Share of AMI (1 person)	Affordable 1BR rent (starting teacher)	Share of income on market rent
Santa Clara USD	$92,273	72%	$2,307	35%
Los Angeles USD	$69,304	101%	$1,733	35%
Jefferson Union HSD	$65,207	50%	$1,630	52%
Salinas Union High SD	$69,311	96%	$1,733	41%
Jefferson Union ESD	$66,172	51%	$1,654	51%
San Francisco USD	$73,689	56%	$1,842	46%
Mountain View Whisman SD	$81,726	63%	$2,043	40%
Palo Alto USD*	$91,546	71%	$2,289	35%
Berkeley USD	$67,606	62%	$1,690	38%

** Palo Alto USD is just one of the LEAs participating in The Acacia development*

There are also community impacts when school staff cannot afford to live near the schools where they work. Employees may endure long commutes, limiting their ability to take on additional responsibilities such as coaching school sports, tutoring, and sponsoring after-school clubs. In addition, long automobile commutes contribute to local air pollution, congestion, and carbon emissions.

With concern for all these impacts on their students and communities, school board members and staff in the LEAs we studied saw staff housing as central to their educational mission.

LEAs BUILD SOLUTIONS

Santa Clara Unified School District was the first K-12 LEA to pursue and complete an education workforce housing project. Casa del Maestro ("house of the teacher") opened in 2002, followed by a second phase in 2009. In the 2010s, Los Angeles Unified School District worked with affordable housing developers to complete three developments prioritizing LEA employees, opening in 2014, 2016, and 2017. A flurry of LEA efforts began in the late 2010s, several of which are just now being built and completed.

These examples have helped attract other LEAs to the idea of developing housing for their staff. Declining enrollment has left many California LEAs with available properties, adding to the significant acreage of underutilized land owned by LEAs that we documented in 2022.[6] This includes parking lots, undeveloped portions of school sites, and administrative buildings that are no longer being used.

Building multifamily rental housing is not the only strategy that LEAs have used to address staff housing challenges. They have also explored down payment assistance, rental deposit assistance, moving allowances, and securing units in private developments. Some LEAs have considered building housing that staff can purchase, following a model like Habitat for Humanity or shared equity housing, but to date no LEAs have pursued such an approach in California.

EWH HAS UNIQUE CHARACTERISTICS

LEA-owned housing is unique because of the legal context around the disposition of LEA-owned property, the specific governance structures and educational mission of California LEAs, and the ongoing relationship that LEAs have with the community surrounding a development, including as a neighbor or joint user of the property. In some cases, the circumstances under which school land becomes available for development are politically charged and shape the response of stakeholders to proposed developments. These dynamics all inform the lessons

HOUSING DRIVES STAFFING CHALLENGES

Every LEA representative we interviewed provided examples of the difficulty of filling staff positions, both certificated and classified. Their comments highlight how housing costs impact the challenges of hiring and retaining qualified staff:

> "We were trying to recruit but people would take the job tentatively and then find out the cost of living and back out."

> "We thought if we had housing we could attract young teachers out of college."

> "During the dot-com boom we were recruiting teachers from the Midwest, they were living in substandard housing, moving further away, leaving the district for places with lower costs of living, or leaving the profession."

> "Even candidates who accept a job frequently rescind their acceptance after struggling to find housing."

learned from the developments that we discuss throughout this report.

While LEAs are familiar with the process of funding and constructing school buildings, and developers are familiar with building housing, the process of building housing on LEA property is distinct in important ways.

Building housing is different than building school facilities:

- Unlike school facilities, housing developments built by LEAs are subject to local land use regulations. This is a different experience for LEAs than building schools, which are exempt from local zoning ordinances (although new school facilities are subject to the California Environmental Quality Act (CEQA)).[7]
- Some EWH projects are funded using GO bonds, the funding mechanism that LEAs commonly use for school facility construction. But housing developments also require LEAs to use financing products and strategies that are less familiar.

Building EWH housing is different than building other housing

EWH has several advantages:

- LEAs own their own land; this both gives them more control and reduces overall project costs.
- LEAs can access tax-exempt financing, allowing them to borrow money at lower costs than traditional developers, which reduces overall project costs.
- LEA-owned housing developments are typically exempt from property taxes, which reduces operational costs.
- LEAs can issue GO bonds, property tax funded infrastructure bonds that can be used to pay for staff housing.
- LEAs target a specific tenant population that can be surveyed about housing needs and engaged in the development and design process.
- EWH serves a dual public purpose by adding to the housing supply while helping schools attract and retain teachers, which typically boosts community support.

EWH also faces some unique challenges:

- LEAs are typically trying to serve moderate-income households, as most certificated staff have household incomes above the threshold of many affordable housing programs and policies. Situated between traditional affordable and market rates, moderate-income housing can be hard to finance.[8]
- School board composition and leadership turns over frequently; average superintendent tenure is less than the average development timeline. This instability can jeopardize momentum, especially in the early stages of EWH exploration.
- Available school properties are likely to be in residential areas with little or no multifamily housing, so workforce housing developments may require several regulatory changes and a lengthy approval process.
- Because housing is outside LEAs' core mission of educating students, staff and leadership may be reluctant to spend time and resources pursuing such a complex endeavor.

SEVERAL STATE POLICIES FACILITATE EWH

The challenges of building housing in California are well-documented.[9] LEAs—or their developer partners—must navigate a web of city, county, and state policies that regulate what can be built on LEA-owned land, what development regulations apply, and what financing is available. This policy context has evolved significantly since 2020, coinciding with LEAs' growing interest in EWH. Several important pieces of legislation have been passed that clarify and enhance the ability of LEAs to build staff housing.

The Teacher Housing Act (SB 1413, Leno, 2016) permits LEAs to establish housing programs, to use local or state funds including affordable housing tax credits, and to restrict tenancy to "teachers and school district employees."[10] The Teacher Housing Act 2020 (AB 3308) refined this language to further clarify that housing with such tenancy restrictions can still use public funding sources including affordable housing tax credits.[11] These laws are important because federal fair housing laws generally prohibit limiting

tenancy to specific populations (aside from the income limits tied to affordable housing policies), unless there is a state program explicitly permitting such restrictions.

AB 1157 (Mullin, 2017) waives the state's requirement that LEAs establish a "7-11" committee to oversee the process of selling, leasing, or renting excess property if it is to be used for "teacher or school district employee housing."[12] AB 1157 also clarifies that the property tax exemption for LEA property applies to staff housing on LEA-owned land. Finally, the law authorizes LEAs to use any funds generated under this provision to develop workforce housing.

AB 2295 (Bloom, 2022) streamlines land use approvals for EWH projects that meet certain conditions. Most significantly, the law allows for LEAs to develop EWH without needing to change their parcel's zoning designation, although they must still meet local objective zoning and design standards. The law also includes development standards to help LEAs build appropriate projects.[13]

THE NINE DEVELOPMENTS

3

This report is based on nine of the twelve education housing developments in California that are either occupied, nearing completion, or under construction (Figure 2).[14] These developments cover a 20-year period during which policy and financial contexts have evolved significantly, and they represent a range of financing and development approaches.

The oldest project was built in 2002, and the newest is expected to be occupied in 2027. They range from 50 to 144 units. Two developments were purchased from private developers, one is a county-led project developed with multiple LEAs, and the remainder were developed and owned by a single LEA to serve its staff. The LEAs used a different mixes of financing tools and have taken different approaches to setting eligibility and tenant prioritization standards.

They also vary in physical design. Projects range from two to six stories, with densities ranging from 18 to 141 dwelling units per acre (Figure 3). Some are single large buildings shaped around a courtyard or along a street front; others are multiple buildings distributed on a site. Some are open and airy with exterior hallways and outdoor shared space, while others are more enclosed and focused on interior shared spaces. All provide parking, laundry, and amenities such as gyms and community rooms. Most are located in large urban areas.

The LEAs that have built EWH range from moderately-sized to very large (relative to the state median enrollment of about 2,500 students); with staff ranging from 437 to nearly 60,000 (Figure 4). Two LEAs have housing units for about one quarter of their total staff; the remainder range from 0.2% to 11.4%.

Measured from when the school board took up discussion of EWH to the day tenants moved in, these projects took an average of 7.5 years to complete. Move-in averaged five years from after the LEA executed a contract with a developer. In the remainder of this section, we provide a brief overview and photos of each development.

Figure 2: Nine education workforce housing developments

Figure 3: Characteristics of the nine developments

Development	Open date	# of units	Site acreage	Number of stories	Density (units per acre)	% Open space
Casa del Maestro	2002/2009	70	3.61	2-3	19.4	37%
Sage Park	2015	90	4.95	2-3	18.2	53%
705 Serramonte	2022	122	4.04	4	30.2	44%
The Alameda	2023	50	1.67	3	29.9	14%
Eastmoor Heights	2024	56	2.36	2-3	23.7	36%
Shirley Chisholm Village	2025	135	1.38	3-5	97.8	48%
The Sevens	2025	144	1.80	3-5	80.0	43%
The Acacia	2025	110	1.39	4	79.1	59%
1701 San Pablo	2027	110	0.78	6	141.0	14%

% open space = site area that is not covered by the building footprint or parking and driveways

Figure 4: Characteristics of the nine LEAs

Development	LEA	Enrollment	Certificated staff	Classified staff	Units / total staff
Casa del Maestro	Santa Clara USD	14,236	747	738	9.4%
Sage Park	Los Angeles USD	529,902	27,077	30,349	0.2%
705 Serramonte	Jefferson Union HSD	4,155	216	221	27.9%
The Alameda	Salinas Union HSD	16,225	739	724	3.4%
Eastmoor Heights	Jefferson Union ESD	5,985	278	213	11.4%
Shirley Chisholm Village	San Francisco USD	55,452	2,562	1,648	3.2%
The Sevens	Mountain View Whisman SD	4,591	242	277	27.7%
The Acacia	Multiple*	--	--	--	--
1701 San Pablo	Berkeley USD	9,077	532	487	10.8%

Staffing information from 2022-23, enrollment from 2023-24 // California Department of Education
** We did not calculate figures for the Acacia because of the number of LEAs and agencies involved*

Casa del Maestro (2002 & 2009)

Santa Clara Unified School District
Santa Clara, Santa Clara County

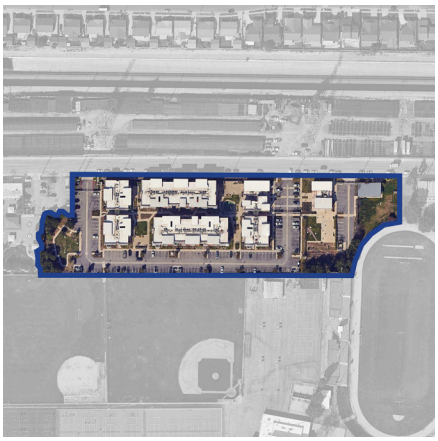
First K12 education workforce housing project in California, built in two phases to meet demand.

Summary: 3.6-acre development adjacent to an active school campus on what had been underutilized district-owned fields.

Design: Three two-to-three story U-shaped buildings with a central landscaped area. The two-story townhome-type buildings are designed to blend into a community of single-family homes, and each unit has an individual entry and garage.

Financing: Financed entirely by certificates of participation.

Units: 70 units available to certificated LEA staff with household incomes up to 120% of AMI. 47% one-bedroom units, 43% two-bedroom units.



Sage Park (2015)

Los Angeles Unified School District
Gardena, Los Angeles County

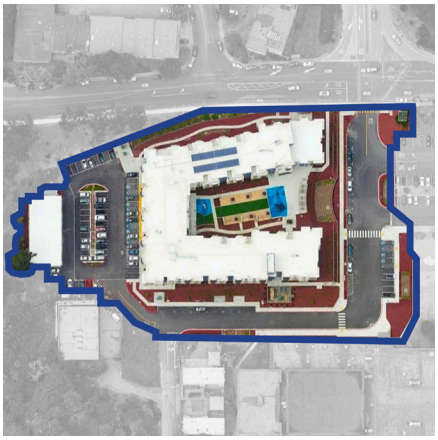
One of three developments built by LAUSD between 2015 and 2017.

Summary: 4.95-acre development adjacent to an active high school campus on what had been a parking lot.

Design: Six two-to-three story buildings organized around a central outdoor space. The landscaping of the central area is particularly high-quality. So too is the exterior circulation that brings sunlight and natural ventilation to all units.

Financing: Financed primarily with federal housing tax credits, meaning all tenants must meet income limits and rents are set at 30% of the associated income limits.

Units: 90 units available to the public who meet federal housing income guidelines, with priority given to LEA staff working within a 3-mile radius. Units are awarded based on a lottery (waitlist is currently closed). 32% one-bedroom units, 34% two-bedroom units, 33% three-bedroom units.



705 Serramonte (2022)

Jefferson Union High School District
Daly City, San Mateo County

Summary: 4.0-acre development built on a former high school site. Adjacent to the district's adult school and a large parking area which will host a future mixed-income housing development.

Design: Single four-story building with a central courtyard and interior hallways. The large number of thoughtful interior shared spaces and drought tolerant planting in this project make it unique.

Financing: Financed by a district general obligation bond and certificates of participation.

Units: 122 units available to LEA staff with household incomes from 60-120% of AMI. 48% one-bedroom units, 45% two-bedroom units, 7% three-bedroom units.

The Alameda (2023)

Salinas High School District
Salinas, Monterey County

Summary: 1.7-acre development consisting of two buildings purchased from a larger market-rate development project.

Design: Two three-story buildings organized in a bar with ground-floor commercial space, surface parking, and interior hallways.

Financing: Financed by a district general obligation bond and certificates of participation.

Units: 50 units available to LEA staff with household incomes up to 80% of AMI. 4% studios, 44% one-bedroom units, 52% two-bedroom units.

Eastmoor Heights (2024)

Jefferson Elementary School District
Daly City, San Mateo County

Summary: 2.4-acre development built on an underutilized field adjacent to an active elementary school.

Design: Fifteen two-to-three story buildings surrounded by parking with exterior entrances directly accessible from the courtyard and communal staircases that face inwards. This is a modular project meaning the units were built offsite and assembled as a series of prefabricated boxes.

Financing: Financed by a general obligation bond, certificates of participation, and proceeds from a land sale.

Units: 56 units available to LEA staff with household incomes from 60-120% of AMI. 54% one-bedroom units, 36% two-bedroom units, 11% three-bedroom units.

Shirley Chisholm Village (2025)

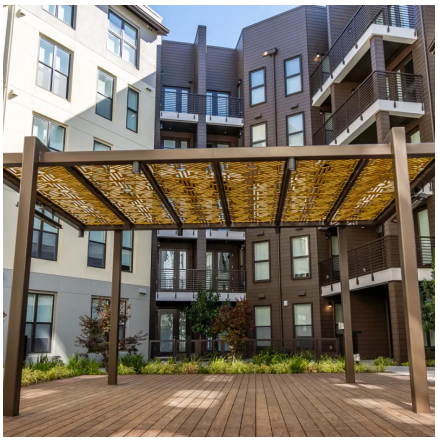
San Francisco Unified School District
San Francisco, San Francisco County

Summary: 1.4-acre development built on a former elementary school site that was being used as a community park.

Design: Three connected three-to-five story buildings organized around three exterior courtyards and connected with glass-lined bridges. This project has a significant amount of well-appointed exterior shared space, some which is accessible to the general public. The facade materials and building organization help the five-story development fit in with its residential neighborhood.

Financing: Financed by a City of San Francisco general obligation bond, federal housing tax credits, and other public funding.

Units: 135 units available to LEA staff and the public with household incomes from 39-120% of AMI; rents based on household income. 18% studios, 32% one-bedroom units, 43% two-bedroom units, 7% three-bedroom units.



The Sevens (2025)

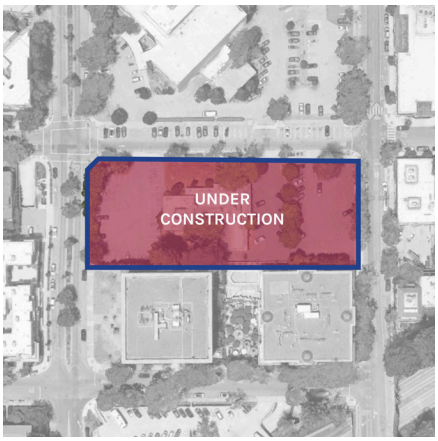
Mountain View Whisman School District
Mountain View, Santa Clara County

Summary: 1.8-acre site purchased from a larger market-rate development project.

Design: Single 3-5 story building with a central courtyard and interior hallways. Tenants have access to a suite of market-rate amenities in the neighboring buildings.

Financing: Financed by a general obligation bond and certificates of participation.

Units: 144 units available to LEA staff with household incomes up to 120% of AMI. 13% studios, 60% one-bedroom units, 26% two-bedroom units.



The Acacia (2025)

Los Altos, Palo Alto, and Mountain View Whisman school districts; several San Mateo County schools; Foothill-De Anza Community College District
Palo Alto, Santa Clara County

Summary: 1.4-acre development built on a former county building as a collaboration between multiple partners, led by Santa Clara County.

Design: Two courtyard buildings connected by an elevated bridge. Three courtyards on the second level organize a large amount of exterior shared space, and ground-floor apartments have stoops facing the neighborhood.

Financing: Financed by county funds, San Francisco Housing Accelerator Fund loan, LEA contributions, a private grant from Meta, and certificates of participation.

Units: 110 units available to staff from several LEAs and other public agencies with household incomes from 60-140% of AMI. 22% studios, 55% one-bedroom units, 23% two-bedroom units.

1701 San Pablo (2027)

Berkeley Unified School District
Berkeley, Alameda County

Summary: 0.78-acre development on the parking area of an active adult school.

Design: Single six-story J-shaped building with interior hallways that wraps a second-level courtyard. The courtyard will hold a children's play area, exterior fitness space, vegetable garden, lounge, and food prep area.

Financing: Financed by a City of Berkeley general obligation bond, CalHFA loan, and federal housing tax credits.

Units: 110 units available to LEA staff and the public with household incomes from 30-120% of AMI. 54% one-bedroom units, 24% two-bedroom units, 23% three-bedroom units.

FINDINGS

4

LEAs NAVIGATED A COMPLEX DEVELOPMENT PROCESS

In our work with LEAs over the past four years we have identified a framework of the typical steps of developing EWH (Figure 5). The details and time required to complete each step was different for each LEA, but we found that all nine developments went through these steps in some form.

PRELIMINARY EXPLORATION

LEAs initiated their exploration of EWH in response to dire staff recruitment and retention challenges. Both reported anecdotes and data from staff surveys showed that LEA staff were struggling with housing costs, with a significant portion spending over 30% of their income on rent and considering leaving their LEAs within a few years because of housing costs. LEAs used this data to build support for their projects among staff and in the community. LEAs often hired consultants in this early phase to assess their property holdings and conduct a preliminary evaluation of the feasibility of housing on specific sites.

A critical factor in the success of these housing projects was the emergence of committed champions in this early phase—typically a combination of board members, superintendents, and facilities staff who could maintain momentum despite leadership turnover. The LEAs also engaged labor partners early, through both formal and informal means, including them in focus groups and conversations about design. LEAs that involved staff through surveys, focus groups, and committee participation found greater buy-in and were able to address concerns proactively. Common staff concerns included how limited units would be allocated, the temporary nature of the housing, and whether housing investments would siphon funds from salary increases.

FEASIBILITY & DECISION-MAKING

After building school board and staff support for moving forward with EWH, most of the LEAs contracted with a consultant to perform a complete feasibility study of housing on their available sites. These studies proposed a number and mix of units, a design framework, and financial options for one or more potential sites. Site selection plays a crucial role in the success of LEA-led housing developments, requiring careful consideration of future educational land needs, property values, zoning regulations, infrastructure availability, and potential community support or opposition.

During this phase, LEAs used guidance from the feasibility analysis to select a site, reviewed preliminary designs, and began working on assem-

Figure 5: The education workforce housing development process

bling a financing package. Internal negotiations over the size of the project, mix of unit sizes, desired amenities, and other considerations happened during this stage, usually involving LEA staff, an architectural team, and a small committee of LEA leaders.

In our survey of EWH tenants, respondents emphasized three aspects of site location: proximity to work; access to freeways (almost all tenants drive to work); and neighborhood safety. Figure 6 shows the community assets surrounding 705 Serramonte, a project that is close to commercial areas, green spaces, grocery stores, public transit, a major freeway, and a public school. 75% of residents surveyed there said they were satisfied with the neighborhood amenities.

DEVELOPMENT & CONSTRUCTION

After completing feasibility analysis, choosing the site, and deciding on a basic tenancy and financial plan, LEAs moved forward with selecting a development team and their desired construction delivery model. The approach to selecting a development team varied: for example, some LEAs hired developers early in the process (most common for those using an affordable housing developer); two used design-build entities that combine architectural and construction services rather than a traditional developer (one hired an owner's agent and one oversaw the process of coordinating architect and construction teams themselves). Most of the LEAs built their projects with a different architect than the one who produced the feasibility study designs.

Most of the developments had longer construction timelines than the LEA expected. Many were delayed by COVID-19-related cost increases and work slowdowns, while others faced delays in city permitting and inspections. Overall, these delays were in line with the timeline challenges faced by typical housing developments.

LEASING UP

LEAs are responsible for establishing eligibility and tenancy rules, within any constraints set by funding rules and applicable housing laws. Eligibility criteria vary across the developments. Most of the developments are open to all non-management staff at the LEA; the exception is Casa del Maestro, currently restricted to certificated staff. A handful of the developments are also open to employees of other public agencies or to members of the general public (in some cases only if units cannot be filled by LEA staff). Some reserve a small number of vacant units for new hires during a specified recruitment period (tax credit projects are not permitted to hold units vacant for this purpose).

Figure 6: 705 Serramonte asset map

All LEAs maintain waitlists prioritized by application date. Several rank their waitlist by other factors: ranking lower-income employees, full-time staff, and those without prior homeownership highest. Some maintain separate lists for classified and certificated staff so they can maintain a set tenant ratio. For the initial wave of applications, most developments used a lottery to allocate units.

How to handle tenancy transitions, such as when employees leave the LEA, is a key policy choice: a majority of the developments will evict tenants when they leave LEA employment. LAUSD's three projects, built before the law clarified the LEA's ability to restrict tenancy to staff, do not do so. Several have tenure limits of five to seven years to maintain housing availability for newer staff. These time restrictions are not permissible for developments that use housing tax credits.

MANAGEMENT & OPERATIONS

Many LEAs are concerned about managing housing developments after tenants move in. They do not want to act as landlords, particularly when it comes to handling tenancy issues involving their own employees. Property management requires expertise in application processing, legal compliance, and conflict resolution. In all the developments we studied, LEAs handed off this responsibility to a property management entity. As construction neared completion, LEAs secured property management firms to oversee maintenance and operations, including application processing and tenant relations. For the developments financed with housing tax credits, the property management arm of the affordable housing developer handles these responsibilities. Other LEAs selected firms through a bidding process.

As the governing body of an LEA, a school board maintains oversight of an EWH development. The board may delegate project governance to another body; most developments delegated governance to formal bodies that include LEA officials, union representatives, and community members. These governance models ensure continued oversight of educator housing policies while relieving LEAs of direct property management responsibilities.

ONGOING CONSIDERATIONS

FINANCING

Financing housing developments is a complex challenge for LEAs, which are accustomed to funding infrastructure using bonds but have lim-

Figure 7: How LEAs financed their developments

Development	Total cost	GO bond	COP	Tax credits	Other public $	Private $
Casa del Maestro	$12m	No	$12m	No	No	No
Sage Park	$28m	No	No	$20m	$8m	***
705 Serramonte	$75.5m	$33m	$42.5m	No	No	***
The Alameda	$23.5m	$13.4m	$10.1m	No	No	***
Eastmoor Heights	$34.3m	$30m	Yes	No	Land sales	***
Shirley Chisholm Village	$105m	City	Yes	$24m	$48m City loan	Developer loan
The Sevens	$104m**	$88m	Yes	No	$3m	$13m
The Acacia	$93.9m	*	Yes	No	Yes	$25m
1701 San Pablo	$77.7m	$26.5m (City)	Yes	Yes	Yes	***

All dollar values are nominal
** LEAs may use GO bonds to fund their contribution*
*** Total cost not certain*
**** Information not publicly available*

ited experience with traditional housing finance tools. Although most of the LEAs did not need to acquire land, and all benefit from property tax exemptions that reduce operating costs, it is still challenging to make EWH development financially feasible, especially when LEAs seek to offer rents at significantly below market rates.

The primary financing mechanisms used by the LEAs we studied were certificates of participation (COPs), general obligation (GO) bonds, and Low Income Housing Tax Credits (LIHTC) (see Figure 7). Each has unique implications for project funding and affordability. COPs are tax-exempt financing available for public infrastructure borrowing; they are repaid by the project's revenue. GO bonds passed by an LEA's voters may be used to fund staff housing if it was included as a potential use in the ballot measure. The overall bonding capacity of an LEA is limited by state law, so housing must be weighed against school facility construction and other needs.

LIHTC offers federal tax credits for projects that meet strict affordability standards; investors provide project financing in exchange for the credits against their federal income tax obligation (they may also be eligible for state income tax credits). The credits are highly competitive and favor developments that accommodate primarily low- and very-low residents. Most California teachers earn too much to meet the income limits in LIHTC-funded units.

Both GO bonds and COPs give LEAs the flexibility to restrict tenancy and set rents. The LIHTC program, while offering substantial funding, imposes strict affordability requirements that often restrict eligibility to lower-income classified staff (as has been the case for Sage Park and other LAUSD developments).

In addition to the three most common financing mechanisms, several of the LEAs we studied also drew on city or county funds (such as housing bonds or revenue funds), and one received a large corporate donation from Meta. Smaller elements of funding include other tax credits (such as energy incentives), other public housing funds, and private loans or donations. As projects evolved, costs fluctuated due to construction changes, inflation, and unforeseen expenses, making early financial planning crucial to long-term success.

COMMUNITY ENGAGEMENT

Successful LEA housing development required buy-in from labor partners, city officials, financial backers, and community stakeholders. The extent and kind of engagement LEAs had with their communities, from building voter support for GO bonds, securing city funding, or addressing neighborhood concerns, depended on the project's location and financial plan. Some LEAs faced significant resistance from community members concerned about losing access to the site or worried about the impacts of increased development.

Figure 8: Changes from feasibility drawings to final plan

Sage Park initial sketch

Sage Park final building

Eastmoor Heights feasibility study sketch

Eastmoor Heights final plan

LEAs responded to community concerns in multiple ways: involving neighbors in design focus groups or standing committees; hosting community forums; and negotiating commitments to affordability or community benefits (often as part of the land use approval process). Developers typically managed this engagement, although school board members and staff were important advocates. School board meetings also served as public forums.

Navigating land use regulations also required significant developer time and occasional political outreach by LEA leadership. While some cities were leading partners in the developments and some saw EWH as an important tool for achieving Regional Housing Needs Allocation (RHNA) goals, in some cases city officials were ambivalent about the proposed housing. The local policy context for building housing varied across the projects (e.g. permissible density, the difficulties of rezoning, etc.) and significantly affected the cost and time frame for moving from feasibility to completion. Most LEAs found the land use approval process, involving multiple agencies and inspections, more challenging than the typical school construction process which involves a single state agency (the Division of the State Architect) and minimal interaction with the city.

PLAN ADJUSTMENTS

Plan changes in housing development are inevitable; in the projects we studied, both large and small project components shifted throughout the process. For example, while Sage Park's design ethos and exterior form stayed consistent from initial scheme to built project, the number of units was reduced from 120 to 90, reflecting the limited availability of LIHTC funds. In Eastmoor Heights the feasibility study and finished building differed markedly, increasing from 48 to 56 units with a different site plan organization. Figure 8 illustrates these examples.

The most significant design changes happened early in the development process, either in response to community feedback or when the development team took over and created new designs that diverged from the feasibility study. Most of the LEAs hired a different team to conduct their feasibility study than the team they hired to build the project. After feasibility, some

Figure 9: Building styles

Shirley Chisholm Village

Sage Park

705 Serramonte

Casa del Maestro

LEAs hired a design architect who produced a set of bridging documents that was then handed to a design-build firm to build. Staff who worked on 705 Serramonte cautioned that bifurcating the construction process in this way added complexity and time. Other LEAs used the same architect and developer throughout, and this team hired a contractor to produce a complete construction drawing set. This was the case with Sage Park, where staff attributed the project's successful construction to a close working relationship among the architect, developer, and contractor.

LEAs BUILT APPEALING DEVELOPMENTS

LEA staff and developers we spoke with emphasized the importance of high-quality design and construction. Many educators and communities initially worried that affordable housing would be unattractive or of poor quality, but the developments we studied demonstrate that EWH can be well-designed, appealing, and functional (see Figure 9 for examples of building styles). By incorporating amenities valued by tenants, maintaining high design standards, and integrating the developments into their neighborhoods, the LEAs were able to alleviate community concerns and maintain strong demand for the units.

Successful housing developments begin with well-chosen sites in neighborhoods where people want to live. In most cases, the architects then focused on integrating the EWH developments into their surroundings, both by designing building facades that draw the community in and by breaking larger buildings into multiple smaller structures that appear more open. In designing the project's site plan, architects arranged the buildings to maximize natural light and ventilation, and used building placement to directly engage with the surrounding neighborhood.

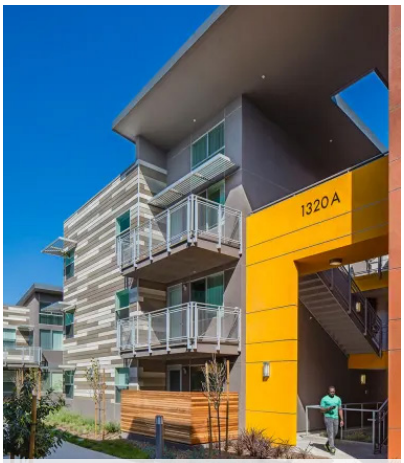
The developments also used landscaping, including gardens and playgrounds, and designs that tucked parking out of sight behind buildings to create welcoming environments for tenants and neighbors. This attention to exterior appeal and outdoor shared space was achieved in dense six-story developments as well as in low-rise clustered townhomes (see Figure 10).

While the developments lack luxury amenities such as pools and in-unit laundry, most have multiple common spaces, including gyms, community spaces, meeting rooms, playgrounds, and outdoor community space.[15] Several have meeting spaces on each floor that staff can use for collaboration or social meetups. The design and provision of these common spaces was in response to staff feedback during the design stage, and they are well-used by tenants. LEA staff focused on these amenities as adding to the sense that these are high-quality developments, contrasting with stereotypes of affordable housing.

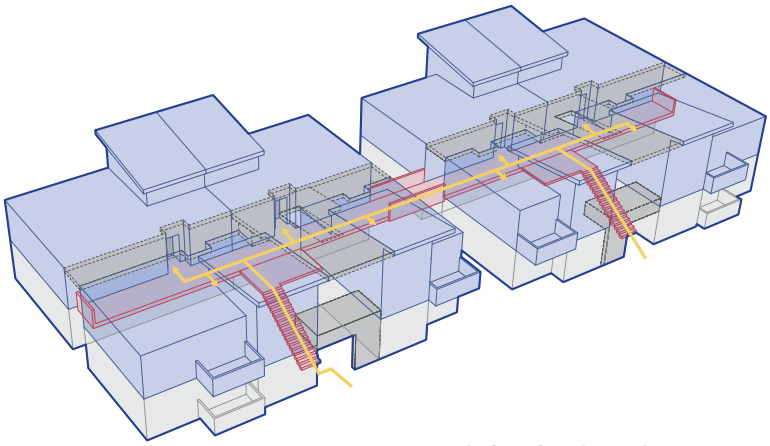
Architects also focused on maximizing the appeal of individual units; for example, some developments use open-air corridors to increase natural light and ventilation (see Figure 11). Maximizing the number of corner units, strategic placement of open staircases, and the addition

Figure 10: Outdoor shared spaces

Figure 11: Sage Park corridor design



The project's exterior staircases bring light and air into the structure.



Tenants enter their units through open corridors attached to external staircases.

of exterior balconies were other techniques used to enhance the sense of spaciousness.

Nonetheless, designs had to balance financial constraints with the goal of creating livable and desirable housing. Factors such as unit size, parking, open space, and amenities impact both project feasibility and resident satisfaction. LEAs found that while market-rate developers often prioritize smaller units, their staff prefer larger, family-friendly residences.

Several projects incorporated energy-efficient features such as solar shading and bio-filtration, and have received green building certifications such as Leadership in Energy and Environmental Design (LEED).

Most projects were built using Type V or "stick built" construction, the most common method of residential construction. Some projects employed Type V over Type I, which places multiple stick-built stories on top of a more fire-resistant (typically concrete and steel) ground floor. One of the projects was built using modular construction, where units were built offsite and then delivered for onsite installation.

HOUSING IS SUPPORTING LEA GOALS

For an LEA, the purpose of providing affordable EWH is to improve its ability to recruit and retain staff, thereby reducing the negative consequences of staff turnover and vacancies, and, ultimately, contributing to improved educational outcomes. We looked for evidence of these outcomes in our interviews, surveys, and document reviews.

UNITS ARE AFFORDABLE AND AVAILABLE TO LEA STAFF

The standard measure of affordability is spending no more than 30% of gross income on housing. All of the developments' one-bedroom units are affordable to the respective LEA's entry-level teachers (close to or below 30% of their annual income). We do not have data on staff household incomes, but teachers typically have above-median household incomes, so we expect that larger units will also be affordable to households with an entry-level teacher. Estimating typical classified staff incomes is more difficult, because many are paid hourly and work part time. LEAs have been successful in maintaining their targets for classified staff, but several reported that a majority of applicants are certificated staff, likely because they can more easily afford the rents.

The relationship between rents in the EWH developments and fair market rents varies across the developments (see Figure 12). Fair market rents vary a lot by county—a 2BR ranges from a low of $2,544 (Los Angeles) to a high of $3,359 (Santa Clara and San Francisco). For Sage Park and Shirley Chisholm Village, the rents are based on 30% of household income, so the relationship to market rent isn't as important. The highest rents charged in Shirley Chisholm Village are actually equal to market-rate rent for a household earning 120% of AMI.

The LEAs also prioritize low- and moderate-income staff. All of the developments limit eligibility to households earning below a certain income: typically 120% to 140% of AMI. (This is separate from any requirements set by housing tax credits). Several prioritize households with lower incomes on the waitlist. Households must establish their income eligibility annually.

HOUSING HAS HELPED WITH STAFF RECRUITMENT AND RETENTION

LEAs built EWH to improve their staffing in two ways: by housing staff who might otherwise leave, and by recruiting new staff who might not accept an offer without LEA housing. Increased staff stability should improve staff morale, reduce LEA costs, and improve student outcomes. Many factors affect staff recruitment and retention: the number of retirements; the subjects being recruited for; staff pay and benefits; and job satisfaction. Staff turnover and vacancies vary each year for many reasons, making it difficult to attribute causal factors.

Unfortunately, there are limited published data on education staffing in California. The most recent year the state published data on teachers' years of experience and other demographics was 2018-19. There is no centralized collection of data on vacancies or rates of turnover. While the state does report the percent of certificated staff who lack a "clear credential" or are teaching a subject for which they are not credentialed—strong indicators of recruitment challenges—those data are not released every year. In 2022-23, the LEAs home to Casa del Maestro, Sage Park, and 705 Serramonte had 11%, 17%, and 19% (respectively) of teachers without clear credentials, compared to the statewide average of 17%.[16]

However, several of the LEAs we studied provided anecdotal evidence in interviews that turnover had declined after their EWH project opened, and that the availability of housing was a persuasive factor for new staff candidates. Our tenant survey found that every employee for whom housing was part of a hiring offer listed it as a main reason they had accepted the position. Securing even a handful of new staff this way, or avoiding a few departures, can improve an LEA's ability to focus on other needs.

The number of housing units as a share of total staffing also affects the impact on an EWH project: for example, 705 Serramonte and The Sevens each has units for 28% of the LEA's workforce. In its 2023-24 Local Control Accountability Plan (LCAP), Jefferson Union reported certificated staff retention rates of 85% before their housing opened in 2022 and 90% the following year. Most of the developments serve a much smaller share of LEA staff, which may not be enough to change annual retention rates.

Figure 12: EWH rental rates and market rents

Development	How rents are set	1BR	1BR % market	2BR	2BR % market	3BR	3BR % market
Casa del Maestro	% of market, set by the governing body	$2,290	85%	$2,430	78%	-	-
Sage Park	30% of household AMI assigned to the unit		-	$1,276	50%	$1,506	46%
705 Serramonte	% of market, set by the governing body	$1,581	56%	$2,103	63%	$2,511	61%
The Alameda	% of market, set by the governing body	$1,470	62%	$1,680	58%	$1,750	44%
Eastmoor Heights	% of market, set by the governing body	$1,750	62%	$2,224	66%	$2,805	68%
Shirley Chisholm Village	% of household income	$959	34%	$1,049	31%	$1,440	35%
	(multiple AMI categories)	$2,330	83%	$3,375	100%	$3,860	94%
The Sevens	% of market	$2,225	83%	$2,875	93%	-	-
The Acacia	% of AMI assigned to unit	$2,015	75%	$2,408	77%	-	-
	(<80% and 80-140% AMI units)	$2,707	100%	$3,238	103%	-	-

Market = U.S. Department of Housing and Urban Development fair market rent

STAFF APPRECIATE AND VALUE THE HOUSING

We also wanted to know how tenants feel about their housing. To that end, we surveyed tenants in the three developments that had been occupied for at least a year, and we found that there is broad satisfaction with all aspects of the housing. Tenant satisfaction is important in any housing development to sustain long-term viability, but it is particularly important with educator housing because LEAs have an ongoing relationship with their employees, and dissatisfaction could affect staff morale.

Several data points evidence overall tenant satisfaction:

- 58% say they plan to stay at least 5 years or as long as they are allowed.
- 36% are extremely satisfied with access to transit and 70% with highway access, and average commute time has been cut in half (85% of respondents drove to work alone before and after moving in.) Nearly half say they are extremely satisfied with proximity to businesses.
- More than half are extremely satisfied with the overall layout and size of bedrooms. More than 40% are extremely satisfied with the size of living spaces. The trade-off in space does affect storage space—36% are dissatisfied with that amount.
- Safety is a priority for tenants; 25% are extremely satisfied with the safety of their housing. Comments from tenants highlighted petty theft and vandalism but no more serious concerns.

HOUSING MEETS OTHER LEA GOALS

LEAs voiced other explicit or implicit goals in the discussions and presentations we reviewed:

- that the development be financially sustainable and have no impact on the LEA's general fund;
- that the housing development be self-managed and not distract from the LEA's focus on its educational mission and day-to-day operations;

HOW TENANTS FEEL ABOUT EWH

In our survey, tenants emphasized the importance of affordability and community:

> "It has been a lifesaver to have a teacher housing option."
>
> "Overall having access to affordable housing is one of the main reasons I have stayed in this district and not relocated to a more affordable area."
>
> "Knowing we could save money towards down payment on a home one day, also makes it possible to have a child by putting some savings towards childcare."
>
> "[A] deep sense of community when we first moved in."
>
> "I love my neighbors, camaraderie and the opportunity to use the clubhouse."
>
> "Amenities for parents of young kids."
>
> "No pool or gym. But the complex is very nice for what I am paying. It's really nice living in an apartment that is nice and quiet and affordable."

The most common concerns raised related to the time limit on tenancy and where they would go afterwards:

> "We are here because we want our families to be part of the community - it's sad to have a time limit on that."

- that the development help build goodwill with labor partners, demonstrating the LEA's commitment to supporting the stability and longevity of staff; and
- that the development be seen as a positive contribution to the community.

To date, all of the developments have been financially and operationally self-sustaining; we found no evidence of LEA staff or budgets being negatively impacted by the developments. The developments financed by LIHTC have maintained affordability as required by law. In response to rising costs, however, the oldest development—Casa del Maestro—has increased rents relative to market rates—from about 50% of market rate at project opening to 80% today.

LEAs benefit when non-school uses positively benefit a community. Neighbors are invested in how school properties are used—they may have grown accustomed to using the space for activities, or they want to ensure that vacant properties do not become eyesores or hazards. Multifamily housing can bring more customers to local businesses, more students to local schools, and more riders to transit.[17] In these ways, EWH can serve as a community asset that strengthens an LEA's image. In a focus group, tenants at Casa del Maestro told the development team that outside community members often stopped by the leasing office in hopes that units might be available. Tenants were proud to tell them the development is exclusively for Santa Clara Unified employees.

CONCLUSION: THE FUTURE OF EDUCATION WORKFORCE HOUSING

LEAs that initiate EWH developments in coming years will benefit from the pathbreaking models we studied, and from the growing experience of consultants in the field. The policy landscape also continues to evolve to facilitate housing and EWH in particular. While this momentum is encouraging, it is important for policymakers and stakeholders to understand the ongoing challenges that LEAs face in making these projects a reality.

5

FINANCING MODERATE INCOME HOUSING

One of the primary challenges in housing development is "making it pencil": balancing the goal of offering affordable rents with the need to generate sufficient income to cover financing and operational costs. Rising construction costs, fluctuating interest rates, and the uncertainties of the development process all contribute to the challenge of developing a sustainable financial strategy. Even for developments that don't need to generate investor profits, building below-market-rate housing in California is a steep challenge without some form of public subsidy.

Many aspects of moderate-income financing would benefit from policy focus:

- **Predevelopment costs:** While no LEAs spent operational funds on the housing development itself, they did need to allocate funds for predevelopment expenses: e.g. feasibility studies, legal advice, property analysis, and staff surveys. This poses both financial and political challenges—many board members are unwilling to allocate funds to housing exploration that could be spent on education. Dedicated predevelopment funding could help more LEAs take these initial steps.
- **Bond financing:** Some LEAs are located in communities with enough assessed property value and political support they can tap for GO bonds. LEAs with significant facility needs or lower available bonding capacity will be more limited. The legal ability to use these GO bonds for housing limited to their own staff is understood to be encompassed as an educational purpose, but as LEAs pursue more complex projects and collaborations with multiple agencies, they are seeking more legal clarity about their ability to use GO bonds as a funding source.
- **Affordable housing programs:** Most affordable housing funds focus on low- and very low-income households, which will exclude most certificated staff. There is increasing recognition that adding to the supply of moderate-income housing is both critical for addressing workforce challenges and contributes to alleviating housing shortages across income levels.[18]
- **Property tax exemptions:** There is some uncertainty about how the statutory language that exempts LEA-owned housing from property taxes (AB 1157) would apply to developments that house staff from multiple LEAs or agencies. Property tax exemptions represent a significant operational cost savings; policy certainty would add predictability.

POLICIES TO SUPPORT HOUSING DEVELOPMENT

After financing, navigating the land use and building approval process was frequently cited by developers and LEAs as the biggest obstacle to building education workforce housing.[19] Uncertainty and delays in the development process are costly—the more they can be reduced, the more LEAs will be able to achieve their goals. There was considerable variation in how difficult LEAs found it to navigate the local land use process, primarily driven by whether the city or

county joined the development as a partner.

The housing policy context in California is becoming more favorable to development, especially for affordable housing, but the volume of housing production remains well below demand, and not all policies extend to moderate-income developments. SB 35 provides a streamlined review path for projects in jurisdictions that are not meeting their Regional Housing Need Allocation (RHNA) goals, and can apply to both affordable and market-rate developments.[20] SB 35 went into effect in 2018 and has been used for more than 150 affordable housing developments, including at least one EWH project.[21] The law was renewed and expanded by SB 423 in 2024, and will likely become applicable in more jurisdictions as they fall short of their RHNA goals.[22]

The streamlining enabled by AB 2295 went into effect in 2024, but has not yet been used by an LEA. Proposed revisions may make it more accessible to LEAs in coming years.[23]

INNOVATIVE MODELS

In the original forms of workforce housing, LEAs contracted with developers to build housing on their own property and rented the units to their staff. Most of the developments we studied followed this model, but a growing number of LEAs are pursuing alternative pathways to generate new housing that their staff can afford.

COLLABORATIONS AMONG MULTIPLE AGENCIES

Not all LEAs have sufficient land or staff to support a housing development. Economies of scale can make it challenging for very small developments to pencil out, and some LEAs may be uncertain whether there will be enough sustained interested among their staff to support a development that would use the available land most efficiently. Being able to house staff from multiple employers increases viability for many LEAs, but it also raises questions about how to manage financing and ownership.

The Acacia in Palo Alto will be the first multi-LEA collaborative EWH to be completed; several LEAs paid a flat amount for their staff to have access to some of the units. Other developments have included potential tenants from other public agencies (e.g., Mountain View Whisman has spots set aside for city employees) or have included in their bylaws language that extends eligibility to other local employers if spots are not filled by LEA staff (e.g., 705 Serramonte). AB 2295 delineates a "waterfall" of potential tenants that can be included in EWH under the bill: LEA staff, followed by employees of adjacent LEAs, employees of other agencies within the LEA's jurisdiction, and the general public.

These collaborations may require new development vehicles and greater clarity about the implications of pooling public and private financing sources. There are questions LEAs need to resolve: How do collaborations allocate units among the participating agencies? What is the legal basis for restricting tenancy to these agencies, once the development is not exclusive to a single LEA? How can LEAs use their GO bonding power in such collaborations?

A Joint Powers Authority (JPA) is one vehicle through which multiple LEAs can own and develop land. JPAs are entities of two or more public agencies (including LEAs) that can own property, sign contracts, borrow funds, and issue bonds. LEAs will benefit from more legal clarification and examples of these options—especially when using bonds or other policies that have been framed in terms of educators and educational purpose.

BUILDING MIXED-INCOME HOUSING

In a challenging cost environment, the higher rents from mixed-income housing can help make a development financially feasible. Since the earliest EWH developments were built, both construction and financing costs have risen significantly, and there is greater recognition that moderate-income housing fills an important gap in housing policy and finance. Two developments, in Berkeley and San Francisco, combine affordable housing (units funded by LIHTC) with non-LIHTC units, and Jefferson Union High School District is exploring adding market-rate housing to its portfolio.

Local and state policy can support this middle path. Local housing programs that require a certain share of affordable units typically focus on low- or very low-income households, but LEAs have successfully negotiated compliance be-

cause of their large share of moderate-income units. AB 2295 requires that more than 50% of units be affordable to moderate-income households, and 30% to low-income households, offering flexibility in the range of household incomes that can be included.

PURCHASING DEVELOPMENTS

Two of the LEAs we studied purchased parts of market rate developments, using different ownership and financing structures. Salinas Union High did not have a suitable site for housing, and instead purchased a portion of such a development outright—both the building and the underlying land—using GO bond and COP financing. While it uses the same property management company as the remaining portion of the development, there is no ongoing relationship with the original developer. Mountain View Whisman, on the other hand, conducted a feasibility study on an LEA-owned site that met with significant community opposition. They pivoted to work with a market-rate developer who was seeking a community partner. The LEA paid for one building to house their staff, and is paying the developer annually for a long-term ground lease; the LEA's tenants have access to facilities in the market-rate development.

EXPLORING OPTIONS FOR LONGER-TERM HOUSING SOLUTIONS

Only one of these developments has been occupied long enough for tenants to reach their tenure limit; the others have not yet had to handle staff who have timed out of the EWH and can't find another affordable option. Many LEAs presented educator housing as an opportunity for staff to save for a down payment, but even with years of reduced rent, home prices likely remain out of reach for most staff. LEAs are exploring ways to help staff set aside the savings from discounted rent in down payment accounts, set up home buying assistance programs, and provide homeowner education for their residents.

CONCLUSION

What we have learned about EWH is primarily based on the experiences of LEAs that were ultimately successful in securing financing, community support, and development approval. The field would benefit greatly from future research that learns from the experiences of LEAs that abandon projects, those facing significant delays, and those that included staff housing in a bond measure but have not yet moved forward. In the next few years we will also have a clearer sense of how policies intended to facilitate EWH are working in practice.

Evidence from the nine developments we studied suggests that education workforce housing is a promising strategy for LEAs that are facing staffing challenges and have available land, and that purchasing new developments is a feasible strategy for LEAs without suitable land for housing. The policy context for building EWH continues to evolve, and while development and financial strategies require complex decision-making and commitment, the developments we studied demonstrate multiple pathways to achieving high-quality housing developments and offer clear examples of housing making a difference in attracting and retaining staff.

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