

**From Project Concept to Completion:
Leveraging Partnerships in Workforce
Housing**

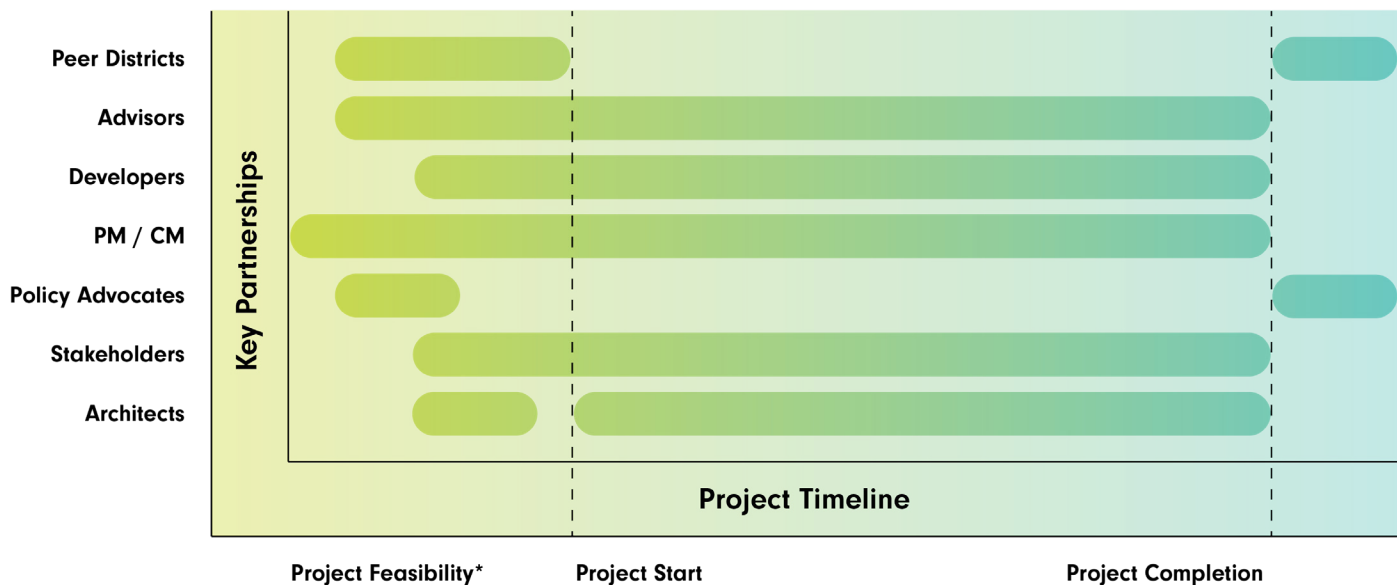
multistudio

From Project Concept to Completion: Leveraging Partnerships in Workforce Housing

In November 2023, Multistudio’s San Francisco office hosted leaders from the real estate, financial, policy, and education sectors to advance discussions around the potential benefits and the real-world challenges of K-12 workforce housing at the first in a series of K-12 workforce housing think tanks.

Session #1, [Identifying a Path Forward for Workforce Housing](#), facilitated the discussion around affordable housing for K-12 teachers and staff in California to identify and eliminate barriers to workforce housing. More recently, Multistudio hosted Session #2 focused on building upon the lessons learned during Session #1 and connecting K-12 districts interested in building workforce housing with resources, partners, and potential pathways towards feasible, affordable housing for K-12 teachers and staff.

In June 2024, Session #2 gathered multiple K-12 districts at various stages of workforce housing development—some just beginning the process and others with projects underway or completed. The event also included developers, advisors, policy advocates, contractors and architects, each bringing their unique skills and perspectives to the table. The goal of Session #2 was to equip districts with a **comprehensive guide to “getting started”** and to forming effective partnerships with peer districts, developers, advisors, financiers, community members, policy advocates, and architects—throughout the phases of their workforce housing projects.



*Several Go/No Go Decisions Take Place During Feasibility Phase

Key Partners

Peer School Districts

Peer school districts can provide insights on their experience and lessons learned building workforce housing and can share resources that helped push their project forward.

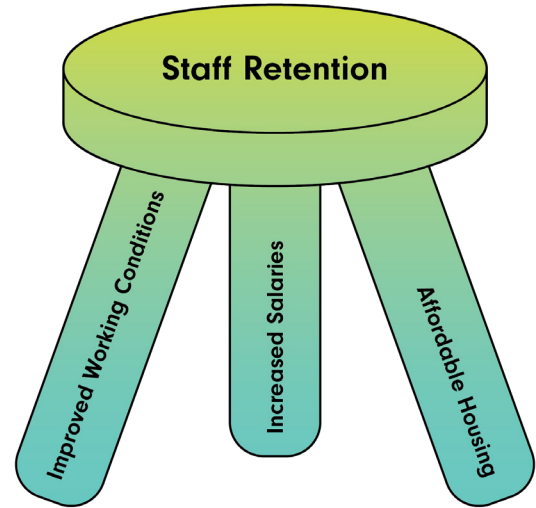
Kalimah Salahuddin and Andy Lie of Jefferson Union High School District presented their staff housing project, 705 Serramonte, motivated by an early survey showing 35% of staff intended to leave the district due to high housing costs. Another 25% of those surveyed expressed strong interest in district-owned rental housing at below-market rents. In June 2018, the \$75 million project secured \$33 million through Measure J, with the remaining \$42 million financed by Certificates of Participation.

Completed in 2022, the development features 122 apartments at 50% market rate and is fully occupied as of June 2024. **The district attributes starting the school year fully staffed to this affordable workforce housing project.** More information about the 705 Serramonte can be found in the [case study on page 9](#).

Dr. Ayindé Rudolph, Superintendent of Mountain View Whisman School District (MVWSD), discussed their strategic approach to staff retention: increasing salaries by 60% since 2014, improving working conditions, and addressing well-located, affordable housing. A 2017 MVWSD survey revealed 79% of staff spent over 35% of their income on housing, with 59% expressing a willingness to live in staff housing. MVWSD partnered with a developer to designate 123 units to school staff within a larger 716-unit project, funded by Measure T in 2020. The project is currently under construction and will offer affordable rents for the area, with the goal of ensuring the district starts each school year fully staffed.

Dr. Rudolph identified seven key steps in his district's journey to affordable teacher and staff housing, including:

1. Identify the Need
2. Generate Broad Support
3. Select a Funding Pathway
4. Determine a Housing Option
5. Build Partnerships and a Project Team
6. Communicate Progress & Celebrate Milestones
7. Persevere to the Project's Completion



Mountain View Whisman School District (MVWSD) likens staff retention to a three-legged stool, with the three legs being:

1. Increasing Salaries
2. Improving Working Conditions
3. Providing Well-Located, Affordable Housing

More information about these steps can be found in Dr. Rudolph's roadmap to affordable teacher housing, "[Laying the Foundation](#)." For more information about MVWSD's workforce housing project, please see the [case study on page 10](#).

Al Grazioli, Director of Real Estate & Business Development for Los Angeles Unified School District (LAUSD) urges districts to explore alternative methods to building workforce housing. With ground up construction taking anywhere from five to seven years, alternative options like exchanges and master leases can accelerate the pace of delivery. Acquiring existing housing units affects the ability to customize units and amenities to meet user preferences which may result in reduced demand from teachers and staff.

LAUSD previously worked with affordable-housing developers to build three projects where District employees receive priority in leasing the units. Keeping in mind the relationship between "risk" and "control" (i.e. the party that assumes risk will want control) Mr. Grazioli remarked that it is important to consider which party remains in control of the tenancy so that district employees are prioritized as tenants.

Developers & Advisors

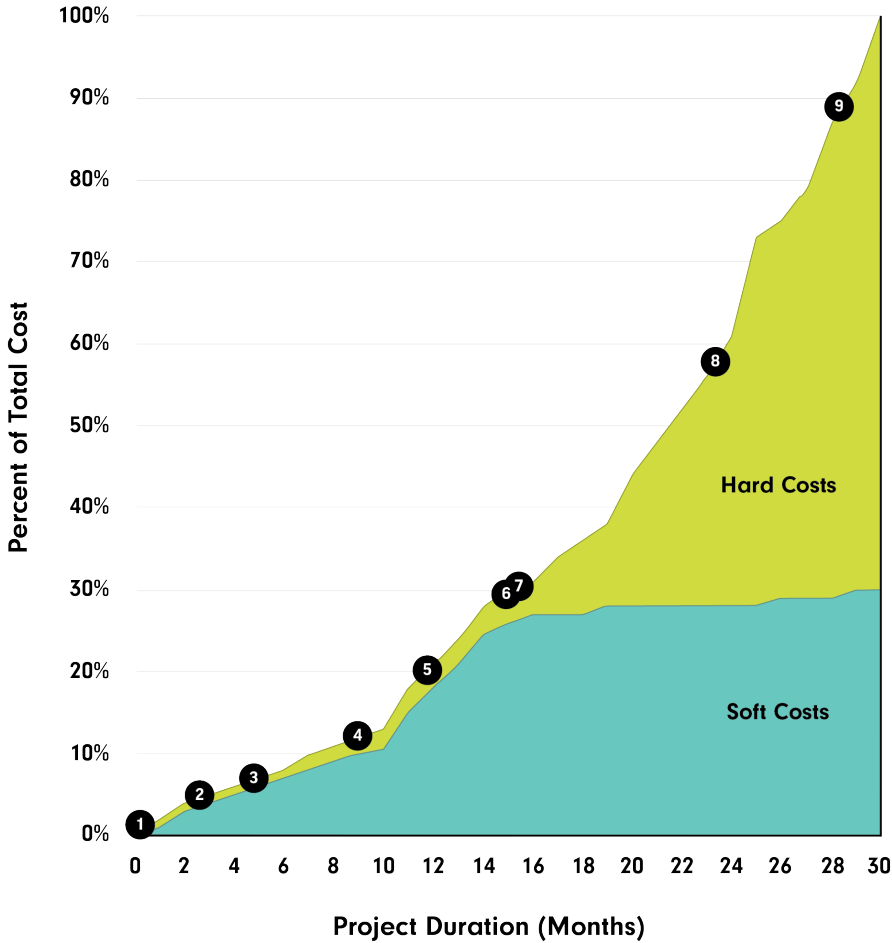
[Developers and Advisors can work with districts to assess the feasibility of a workforce housing project and can help districts understand their financing options.](#)

After a significant budget surplus in California allowed for a class size reduction in K-5 classrooms, Santa Clara Unified School District's (SCUSD) began a hiring surge of teachers to fill the new classroom sections. Because these teachers were being hired at a time when housing costs were rapidly increasing, the need for affordable and well-located staff housing became more important. Bruce Dorfman of Thompson Dorfman Partners—acting as a consultant to the district through their nonprofit division called Education Housing Partners—worked with SCUSD to build 40 units of staff housing.

Thompson Dorfman has identified the three key elements for building workforce housing project success:

1. **Surplus land:** The Surplus Lands Act in California requires K-12 school districts to prioritize affordable housing development when disposing of or re-purposing surplus land no longer needed for educational purposes.
2. **Internal Champion:** One or more high level administrators should "own" the housing initiative and be accountable for advancing it to a "go or no-go" conclusion.
3. **Financing:** Education Housing Partners guided SCUSD through a **feasibility process** that concluded with a feasibility report that allowed the district to understand all feasible financing options. The process included site identification and land use analysis, physical site and market analysis, architectural design, and economic analysis and budgeting.

Relatively minimal costs are incurred by the district up to the completion of the feasibility report. Once design begins and entitlement applications are submitted, rising costs may require the need for third party capital. According to Bruce Dorfman, many of the districts he sees moving forward with workforce housing projects float General Obligation bonds after submitting entitlement applications and before securing development approval.



Capital Requirements

- 1 Retain Design Team
- 2 Complete Due Diligence
- 3 Submit Entitlement Application
- 4 Secure Development Approval
- 5 Prepare Construction Documents
- 6 Receive Construction Permits
- 7 Retain GC with Guaranteed Max Price Contract
- 8 Manage Construction Projects
- 9 Retain Property Manager and Begin Lease-Up

This chart has been adapted from the "Capital Requirements" chart found on page 9 of Thompson Dorfman's Think Tank #2 presentation, which can be found in our attendee resource library.

Though they require voter approval, General Obligation (GO) bonds allow for the lowest cost of capital and eliminate a project-based debt service coverage covenant. If passed, **ACA-10**—which will be on the ballot in November 2024, will lower the voter threshold for passing GO bonds from 66% to 55%. Certificates of Participation are another commonly employed workforce housing financing tool. However, the use of Certificates of Participation may be less feasible in today's market with interest rates higher than GO Bonds.

Education Housing Partners helped SCUSD complete 70 units over two phases using Certificates of Participation issued by the district. The rental rates covered the principal and interest on the COPs and operating expenses and reserves. Initial rental rates were less than 60% of the market rate. **SCUSD found that employees living in faculty and staff housing 5 years after project completion were three times as likely to stay with the district.**

PMs / CMs

Program Managers (PMs) and Construction Managers (CMs) can help districts carry out their facilities master plans, often funded by general obligation bonds. After creating a Program Implementation Plan, the PM/CM will bring in and oversee necessary Professional Service firms through all stages of the project.

Tony Mirenda of Kitchell notes that because educator workforce housing is a new area for many districts, **having a PM or CM with experience in affordable housing is crucial for districts unfamiliar with developing, building, and managing these specialized projects.**

Housing Advocates

Housing advocates can help advocate for policy changes at the State level that make building workforce housing more accessible and efficient.

Corey Smith of Housing Action Coalition (HAC), a 501(c)(3) and 501(c)(4) member-funded organization funded by the housing industry to promote housing advocacy at all income levels, emphasized that K-12 districts hold the most power in the conversations around K-12 workforce housing. If districts, developers, architects, and other key players can each bring a part of the solution to the table, it becomes easier to identify policy changes that need to happen as a result of those experiences. HAC can help identify those policy changes that need to happen and push that legislation to the table.

Mr. Smith also noted that it's important for districts to stay up to date on current housing legislation so that they can better understand how workforce projects are built. Tony Mirenda of Kitchell identified the **Teacher Housing Act**, which allows school districts to build staff housing on any property they own without requiring zoning changes from city or county officials, as a pivotal piece of legislation for workforce housing in California. Furthermore, **Assembly Bill 2295** (AB 2295) streamlines the process for local educational agency (LEA) property to utilize surplus property for workforce housing without cumbersome zoning and surplus property processes. Also helping to streamline the pathway towards workforce housing is **Assembly Bill 3210** (AB 3210), known as the Affordable Housing on K-12 Lands Act of 2024, which aims to facilitate affordable housing development on K-12 school lands. Mr. Mirenda's comprehensive summary of California teacher housing legislation can be found in our resource library [here](#). For a full list of housing legislation supported and/or sponsored by Housing Action Coalition, please visit [this page](#).

Stakeholders

Internal stakeholders, including district leadership, board members, teachers, and staff, are crucial in building consensus on workforce housing projects, helping move them forward. An internal "project champion" should be identified to maintain a consistent voice and advocacy throughout the project.

External stakeholders also support these efforts by facilitating public financing and removing roadblocks in planning, entitlement, financing, and construction. Districts should engage these stakeholders through celebrations, press releases, and other forms of communication throughout the project.

As noted by nearly every participant in this Multistudio-held session on workforce housing, community support is essential for successful K-12 workforce housing. According to Mountain View Whisman School District's "Laying the Foundation," public outreach should begin after the school board has shown support for the project. Since housing development is a lengthy process, districts must communicate progress and celebrate milestones with the community. Workforce housing addresses the state's housing affordability crisis, which often forces teachers out of the communities they serve. When presenting projects, it's vital to emphasize their benefit to students, as teacher turnover negatively impacts student achievement.

Andy Lie of Jefferson Union High School District stressed that once the board commits to a workforce project, leadership, especially the board, must fully support it. Even one dissenting board member can hinder progress. Internal outreach to staff is also critical—they must understand how district funding works and why educator housing may be a better option than raising salaries. Alignment among leadership, the board, superintendent, executive cabinet, and unions is key, particularly when pursuing a bond measure for housing.

Architects

Architects can assist districts in understanding the development potential of their surplus sites and analyze local zoning regulations to maximize units and amenities per density classifications. Architects can also assist in bringing your project to life through renderings to help gain community support of your project and by providing early project pricing.

Steve Brezovec, an Associate Principal with Multistudio, presented the findings of a yield study conducted for a Bay Area district to the group of attendees. The study aimed to evaluate the development potential of the district's existing sites.

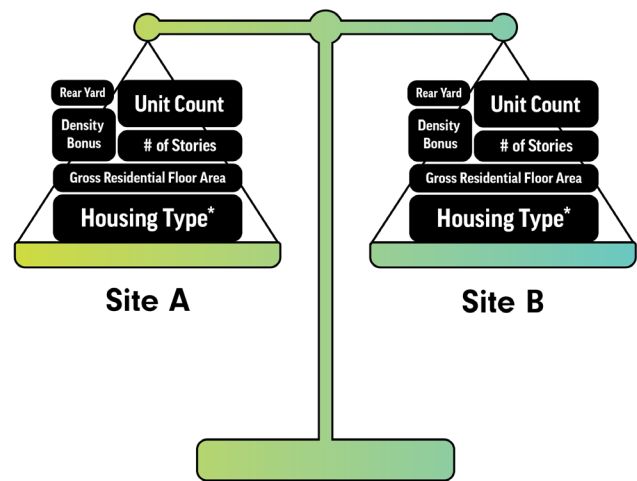
Two example feasibility studies were presented, each presenting unique challenges and opportunities. Both sites are located within the same jurisdiction and face property use restrictions, with the only acceptable use without rezoning being 100% housing or educator housing. The complexities of the bonus studies matrix showed the benefit of working with architects to understand the opportunities.

In both scenarios, bonus height allowances could be utilized for properties designated for affordable or educator housing. This was contrasted with the potential benefits of rezoning the properties to align with surrounding zoning and applying California Density Bonus Law (DBL) for market-rate developments.

In the first example, the DBL was applied to the square footage, due to the surrounding form-based zoning. While this approach did not significantly increase the usable area compared to height bonuses, it offered more flexible rates for developer partners. Conversely, the second example focused on a units-per-acre bonus, which provided a substantially greater benefit over height bonuses. However, the study revealed that accommodating the increased number of units was impractical without significantly altering the community's character.

These studies demonstrate that early collaboration with architects in feasibility assessments is crucial for evaluating options before developing a full Request for Proposal (RFP). This approach ensures a comprehensive understanding of a site's possibilities and limitations, guiding more informed decision-making and increasing the likelihood of a successful outcome.

Architects can help to weigh the challenges and opportunities at different sites, including housing type options, gross residential floor area, number of stories, unit count, density bonus, and rear yard.



*Housing types may include teacher housing, 100% affordable housing, and market-rate housing.

Christopher Roach with Studio VARA Architects began working with Santa Cruz Unified School District (SCUSD) in 2023 after the district released an RFP for the design-build team. The district began building workforce housing in 2015 after losing 100 teachers over 9 years due to the cost of living in Santa Cruz. After hiring a consultant to do a feasibility study and visiting other districts like Jefferson Union High School District with projects underway, the district started looking into financing options and began meeting with neighbors to do outreach.

In 2022, Measure K and Measure L, totaling \$371 million, were approved with 5% of the funds allocated for constructing 80-100 housing units for teachers and staff. The initial design-build RFP was based on 80 units as outlined in the project's bridging documents. However, a 50% design analysis revealed that constructing 100 units would be about 5% cheaper per unit than building only 80 units. Consequently, project administrators sought and obtained board approval to increase the project budget and proceed with the 100-unit plan. To accommodate this expansion, the architect modified the original footprint, adding another wing to the building which allowed for units with larger kitchens and more storage.

Summary

The focus of Session #2 was on identifying key partners—including peer school district, developers, advisors, policy advocates, community members, and architects—that K-12 districts will form relationships with during the lifecycle of a workforce housing project. **Peer school districts, developers and advisors, and architects were identified as crucial partners during the early project stages when project feasibility is being assessed.** Districts like Jefferson Union High School District and Mountain View Whisman School District, with successfully completed workforce housing projects, can offer insights into the project process as well as lessons learned along the way.

Developers, advisors, program managers and construction managers, internal and external community members, and architects will remain involved in the workforce housing project from project start to completion, and can act as valuable resources for K-12 districts interested in building workforce housing.

Because there is no one-size-fits-all solution to K-12 workforce housing in California, it is important that districts with successfully completed projects work together with fellow districts and policy advocates to **identify policy changes that help to remove the barriers to building teacher and staff housing in California.**

Thank You to Our Contributors

Special thanks to Ross Robb of RLR Ventures, Tony Mirenda of Kitchell, Corey Smith of Housing Action Coalition, Andy Lie and Kalimah Salahuddin of Jefferson Union High School District, Ayindé Rudolph and Nancy Villalba of Mountain View Whisman School District, Al Grazioli of Los Angeles Unified School District, Bruce Dorfman of Thompson Dorfman Partners, Steve Brezovec of Multistudio, Christopher Roach of Studio VARA Architects, as well as numerous Bay Area district representatives and developers for their contributions.

As ongoing discussions, these summits are intended to highlight opportunities for K-12 districts to capitalize on the potential to develop workforce housing.

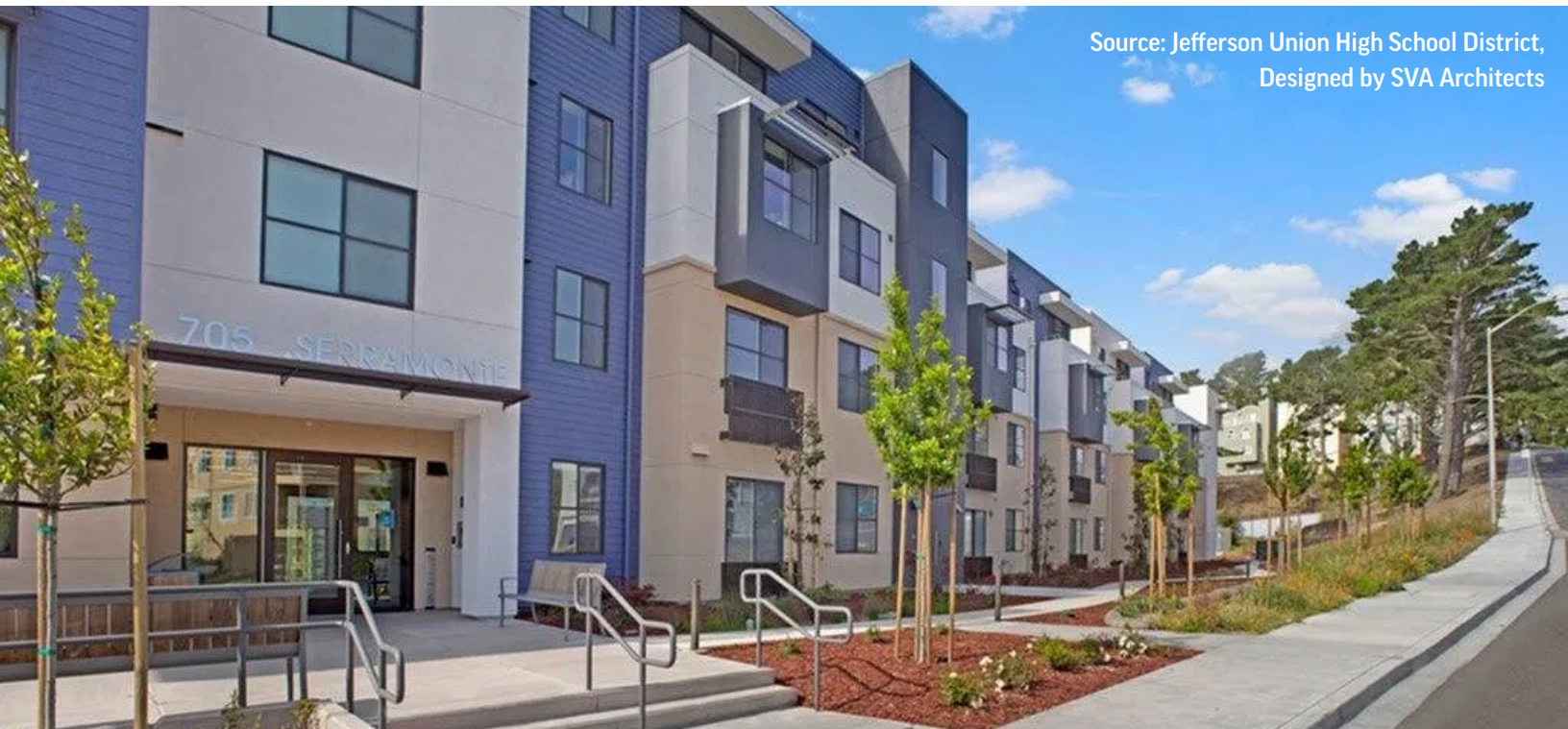
Case Studies

Jefferson Union High School District's 705 Serramonte

Kalimah Salahuddin, President of the Board of Trustees, and Andy Lie, Trustee from Jefferson Union High School District, presented the district's educational staff housing project, 705 Serramonte. The project gained momentum following a staff survey that revealed 35% of respondents intended to leave the district due to high housing costs and lack of available housing. The same survey indicated that 25% of respondents would be very interested in living in district-owned rental housing offered at below-market rents, exclusively for JUHSD employees. With the district facing a turnover rate of about 25%, the school board decided to proceed with plans to build housing for educators and staff.

In June 2018, the district's \$75 million workforce housing project secured \$33 million in bond funds through the successful passage of Measure J, with the remaining \$42 million financed via Certificates of Participation (COP) secured through rental income. By April 2020, the JUHSD school board had established the JUHSD Education Housing Corporation, a nonprofit entity responsible for managing the building's operations. The EHC Board is composed of two non-resident staff, three community members, and two school board members.

Completed in 2022, the 705 Serramonte development features 122 apartment homes, including 59 one-bedroom, 56 two-bedroom, and 7 three-bedroom units, ranging from 560 to 1,174 square feet. Rental rates are set at 50% of the market rate at the time of occupancy, with average rents ranging from \$1,400 for a one-bedroom to \$2,400 for a three-bedroom unit. As of June 2024, the building is fully occupied, housing 25% of JUHSD's staff—55% certificated and 45% classified. It is important to note that 705 Serramonte is designed as transitional housing, with residents expected to find permanent housing within seven years. As a pioneer in K-12 workforce housing in California, JUHSD continues to learn and adapt, drawing insights from similar projects by community college districts. For more resources, districts interested in workforce housing can visit JUHSD's website [here](#).



Source: Jefferson Union High School District,
Designed by SVA Architects



Source: Mountain View Whisman School District,
Designed by KTG (Design Architect) and TCA Architects (Executive Architect)

Mountain View Whisman School District's Staff Housing at the Sevens

Ayindé Rudolph, Superintendent for Mountain View Whisman School District (MVWSD), a K-8 district serving 4,800 students in an area with some of the highest living costs in the nation, noted that the district addresses teacher and staff retention through a multifaceted approach they liken to a three-legged stool: 1. Pay—teacher and staff salaries have increased by 60% since 2014; 2. Working Conditions—acknowledging that some educators might accept lower pay for better working conditions at private schools; 3. Housing—recognizing that higher salaries might disqualify teachers from affordable housing programs, pushing them to leave the district.

In 2017, MVWSD conducted a survey among its 650 staff members and found that 79% of respondents were spending more than 35% of their household income on housing costs, with 59% expressing a willingness to live in staff housing if it were available. Notably, 71% of these respondents fell into low to moderate income categories. This prompted MVWSD to explore various development options, including selling and swapping district property. Ultimately, they decided to partner with a developer to purchase an affordable housing property, allowing them to keep costs manageable while ensuring the developer's project remained viable. Since Certificates of Participation were not feasible at the time, the project was funded through the passage of Measure T in 2020.

Currently under construction, MVWSD's workforce housing development includes 123 units for staff as part of a larger 716-unit project. The project is comprised of 19 studios, 87 one-bedroom units, and 38 two-bedroom units, with rents starting at \$1,400. By incorporating the staff housing into the larger project, the district worked with the developer to relocate amenities to the market-rate building, reducing the staff units' costs. Since the project's commencement, the district has been able to begin each school year fully staffed.

**Stay tuned for future K-12 Workforce
Housing Think Tanks.**

Contact

Lauren Maass, Principal
lauren.maass@multi.studio
415.844.2114
www.multi.studio

multistudio