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# Item 16

## District-Owned Rental Housing for Employees

December 6, 2017

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# Background

## August 2017 School Board Meeting:

- Four potential sites with 50 to 200 units at a cost from \$32m to \$74m
- Legally feasible for the District to finance and build rental units but not units for employees to own
- Potential financing options worth exploring: state tax credits, Alameda County Affordable Housing Bond (Measure A1, 2016), City of Berkeley Housing Trust Fund, and a possible BUSD Housing Bond
- Survey was recommended

Board directed survey be conducted and that staff return with potential financing options that had no impact on the General Fund

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# Available Options

## Option 1A: Pursue a (District or City) bond measure in 2018

- If District bond: one-time, increased cost to the General Fund of up to \$50,000

## Option 1B: Pursue a bond measure in 2020

- No increase in anticipated costs to the General Fund

## Option 2: Pursue a Public-Private Partnership

- One-time, increased cost to the General Fund of up to \$15,000

## Option 3: Decline to move forward

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## Survey: Main Takeaways

- Employees who don't own their homes are experiencing financial pressures due to high housing costs
  - This may impact their ability to stay with BUSD long-term
- There is significant interest in BUSD housing among renters
- BUSD housing would help recruit and retain employees

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# **BUSD Employee Survey**

## Preliminary Findings

Sean Doocy  
Center for Cities + Schools // UC Berkeley

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# Key Questions

1. Do BUSD employees *need* assistance with rental housing?
2. Is there an expressed *interest* among employees in district-owned rental housing?



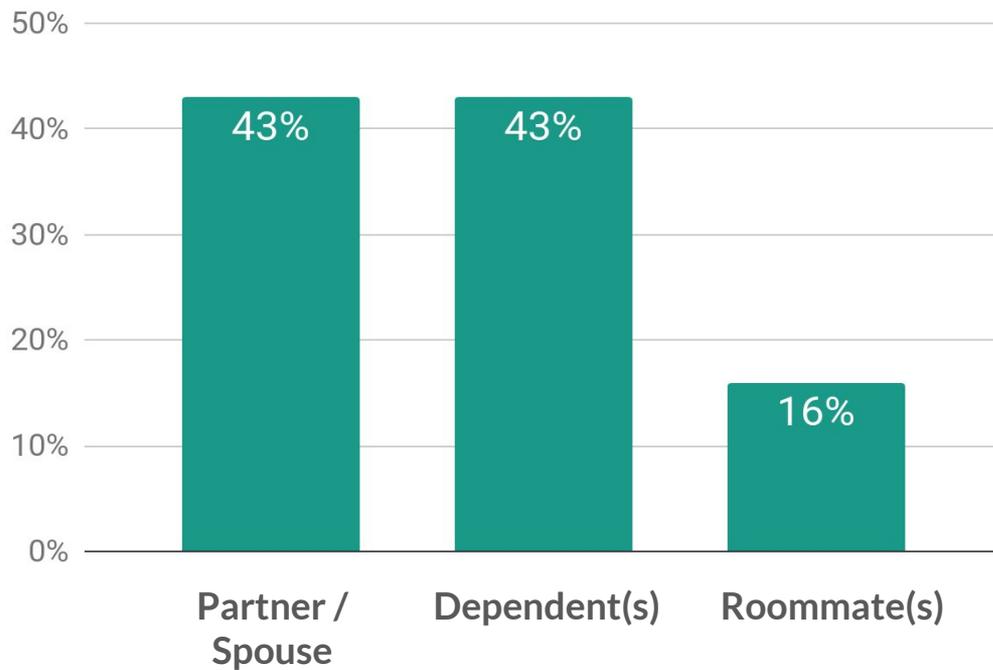
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## Current Housing

Only 26% of renters live in Berkeley – vs. 36% of owners

16% of renters live with a roommate (this rises to 31% for renters under 35 years old)

### Who do renters live with?



## Housing Costs

Renters face **greater exposure** to housing cost increases

39% of owners had **no monthly housing cost increase** since 2014 (compared to only 10% of renters)

Monthly Base Costs	Owner	Renter
Less than \$1,000	7.4%	16.2%
\$1,000 - \$1,499	10.5%	25.8%
\$1,500 - \$1,999	20.1%	26.7%
\$2,000 - \$2,499	20.1%	18.0%
\$2,500 - \$2,999	16.7%	17.1%
\$3,000 or more	25.2%	5.8%
	100.0%	100.0%

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## Cost Burden

54% of renters are Low, Very Low, or Extremely Low income, based on local Area Median Income (AMI) limits

More than half of all renters are **cost burdened** (spend more than 30% of income on rent) and 20% are **severely cost burdened** (spend more than 50%)

Category (% of income spent on housing)	All	Owner	Renter
Cost Burdened (more than 30%)	42.3%	22.2%	52.6%
Severely Cost Burdened (more than 50%)	14.3%	5.8%	20.5%

# Income Categories

## Renters Interested in BUSD Housing

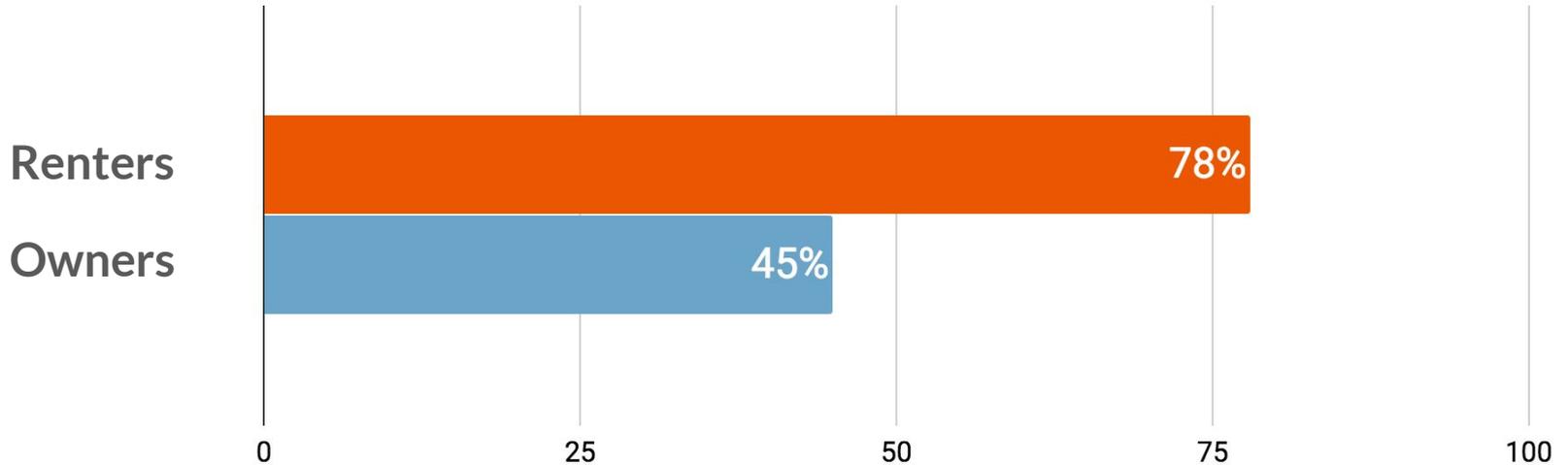
Income Category (% AMI)	<i>Certificated</i>		<i>Classified</i>	
	%	N	%	N
Extremely Low (30% and below)	6.7%	12	21.5%	32
Very Low (31% - 60%)	11.7%	21	42.3%	63
Low (61% - 80%)	20.5%	37	18.1%	27
Moderate (81% - 120%)	37.8%	68	12.1%	18
Above Moderate (above 120%)	23.3%	42	6.0%	9
	100.0%	180	100.0%	149

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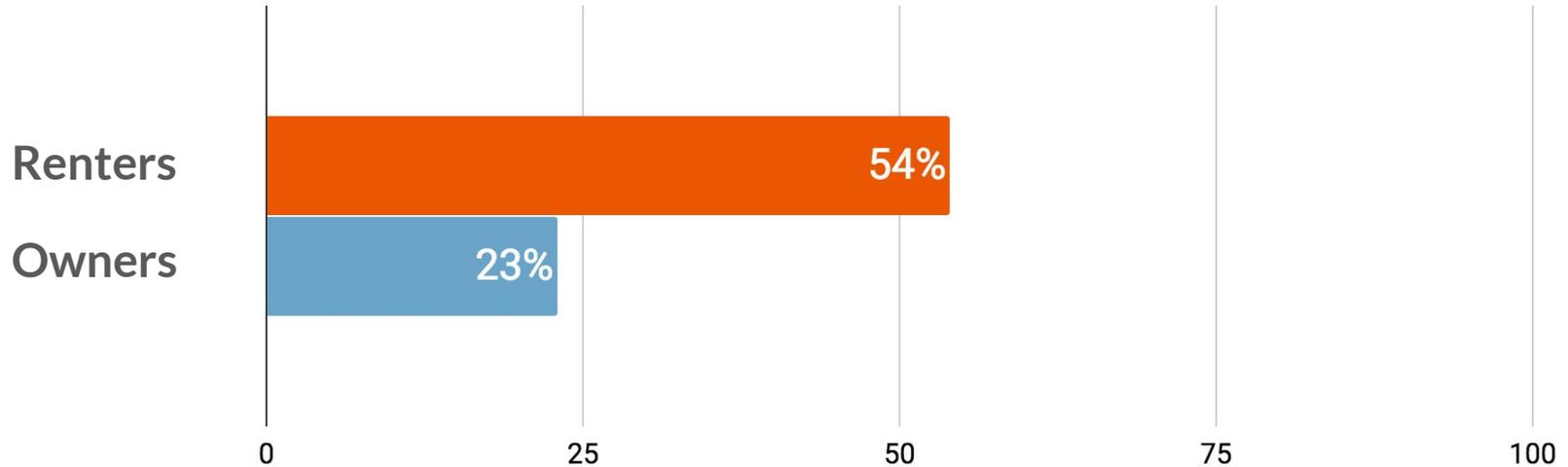
# Housing Pressures

- Renters are experiencing financial pressures due to the cost of housing, which may affect their ability to remain with the district long-term

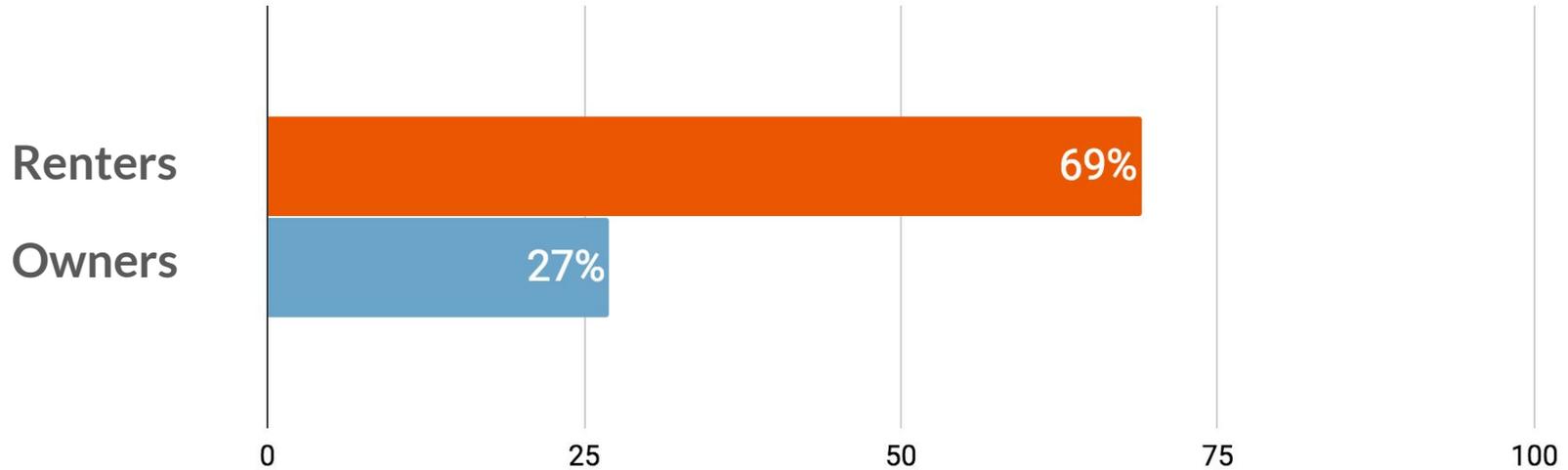
**78%** of renters are experiencing financial pressures due to high housing costs



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



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



## **50%** of respondents know an employee who has left BUSD due to housing costs

“I have heard from many excellent, highly trained, energetic young teaching professionals that they cannot afford to teach in Berkeley or anywhere else in the Bay Area specifically because of the lack of affordable housing.”

“I can’t count how many people have had to leave BUSD because they can’t afford housing.”

“We seem to lose employees who are getting married and/or about to have kids, who need to find larger, safer places.”

## **59%** of renters would like to live closer to work

“I don’t want to have to commute from great distances (i.e. Fairfield, Moraga) for cheaper housing only to have to spend that extra money on transportation or a car.”

“Commuting is stressful and expensive.”

“If I lived in Berkeley, it would cut down the cost of commuting. It would also save time in my daily commute to and from work. I would likely participate in more evening/weekend events at my school if I lived closer.”

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# Interest in BUSD Housing

- There is significant interest in BUSD-owned housing among renters
- Both renters and owners agree that BUSD housing would help with recruitment and retention

74%

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

67%

of renters think the option of BUSD housing would increase the likelihood that they continue to work in the district

## Both renters and owners agree that:

**High housing costs negatively impact the district's ability to retain current employees**

- 79% renters, 73% owners

**The option of BUSD housing would increase the district's ability to recruit employees**

- 86% renters, 78% owners

## BUSD housing would enable renters to **save up to buy** a home

“If there was low cost temporary housing, I could actually save for a down payment on a home. This could change everything for my family.”

“I would consider staying with the district if low cost housing was available.”

“I’m interested in affordable housing options because that would allow me the opportunity to save up money towards buying a home close to where I work... and thus continue to live in the community I serve.”

## Housing as **recruitment tool** and **incentive to stay** with BUSD

“If there was an option to offset some of the financial stress through low-rent teacher housing, it would definitely help teachers stay in the area, including myself.”

“Affordable housing, quite simply, would make ALL the difference.”

“Right now, I know that many newer teachers do not have a choice but to live outside of the Berkeley community. Thank you for considering this option for us. I know that it will help to recruit and retain teachers, especially teachers of color.”

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# Thank You!

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