San Mateo Union High School District
Preliminary Employee Housing Study
Why Is Staff Housing Important?

• The Peninsula is among the most expensive places to live
  • San Francisco is the 5th most expensive city in America to live
  • San Jose is the 6th most expensive city in America to live

• Regional housing costs are exorbitant

• Bay Area Cost of living is very high

• Average commutes are significantly worse in the past five years

• Employees are choosing to work and live in areas with cheaper rents requiring longer commutes
Why Is Staff Housing Important?

• Employees are opting to create a balanced quality of life that incorporates reasonable housing costs with minimal commutes.

• Future staff will find working and living on the Peninsula unattainable, significantly diminishing the District’s teacher hiring pool.

• Offering staff housing could allow the District to attract exemplary staff and remain a high performing school district.
CALIFORNIA IMPENDING TEACHER SHORTAGE

• California is ranked dead last (50th) in student-to-teacher ratio, and will need 100,000 additional teachers to bring that ratio to the national average.

• Over the next ten years, California will need to replace 106,000 teachers (one-third of the current workforce) just to maintain current student-to-teacher ratio and maintain 50th ranking.

• California faces significant challenges in recruiting and retaining teachers.

• Thirteen percent of teachers leave the profession by the end of their second year.

• Nearly 1 in 3 teachers leave the profession within seven years.

• Estimated teacher hires for the 2015-16 school year increased by 25 percent from the previous year, while preliminary credentials issued to fully prepared new teachers increased by less than 1 percent from the previous year, and enrollment in teacher education programs increased by only about 2 percent.

Source: Washington Post, CTA
CALIFORNIA IMPENDING TEACHER SHORTAGE

- California School Districts estimate their hiring needs at roughly 4,500 special education teachers in 2014–15, only about 2,200 fully prepared new special education teachers emerged from California’s universities in 2014-15.

- Although shortages are occurring across a range of subject areas, the problem is most acute in mathematics, science, and special education. Each of these high-need fields has been marked by a drop in the number of preliminary credentials issued to new teachers and a significant increase in the number of temporary permits, waivers, and intern credentials.

- In mathematics and science, the number of preliminary credentials awarded to new, fully prepared teachers dropped by 32 percent and 14 percent, respectively, over the last four years.

Source: Washington Post, CTA
San Mateo County Housing Market

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<thead>
<tr>
<th>Housing</th>
<th>Monthly</th>
<th>Annually</th>
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<tbody>
<tr>
<td>Studio</td>
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<tr>
<td>2 bedroom</td>
<td>$3,108</td>
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<tr>
<td>3 bedroom</td>
<td>$4,045</td>
<td>$48,540</td>
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Source: San Mateo County Realtor
### San Mateo Union High School District

#### Percent Rent to Salary

<table>
<thead>
<tr>
<th>Teacher Salary</th>
<th>Teacher Net Salary (Column V-60 Units)</th>
<th>SPOE Salary</th>
<th>SPOE Net Salary (Range 136-C)</th>
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<tr>
<td>$77,879</td>
<td>$52,958</td>
<td>$49,344</td>
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<tr>
<td>52.8%</td>
<td>81.8%</td>
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# Certificated Staff Age Distribution

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Number</th>
<th>Percent</th>
<th>Cumulative</th>
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<tbody>
<tr>
<td>20-25</td>
<td>4</td>
<td>0.73%</td>
<td>0.73%</td>
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<tr>
<td>26-30</td>
<td>40</td>
<td>7.34%</td>
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<tr>
<td>31-35</td>
<td>69</td>
<td>12.66%</td>
<td>20.73%</td>
</tr>
<tr>
<td>36-40</td>
<td>95</td>
<td>17.43%</td>
<td>38.17%</td>
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<tr>
<td>41-45</td>
<td>86</td>
<td>15.78%</td>
<td>53.94%</td>
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<td>46-50</td>
<td>87</td>
<td>15.96%</td>
<td>69.91%</td>
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<tr>
<td>51-55</td>
<td>53</td>
<td>9.72%</td>
<td>79.63%</td>
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<tr>
<td>56-60</td>
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<td>10.09%</td>
<td>89.72%</td>
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<tr>
<td>Over 61</td>
<td>56</td>
<td>10.28%</td>
<td>100.00%</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>545</strong></td>
<td><strong>100.00%</strong></td>
<td><strong>100.00%</strong></td>
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# Classified Staff Age Distribution

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Number</th>
<th>Percent</th>
<th>Cumulative</th>
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</thead>
<tbody>
<tr>
<td>20-25</td>
<td>23</td>
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<td>5.3%</td>
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<td>26-30</td>
<td>41</td>
<td>9.4%</td>
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<td>31-35</td>
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<td>8.5%</td>
<td>23.2%</td>
</tr>
<tr>
<td>36-40</td>
<td>36</td>
<td>8.3%</td>
<td>31.4%</td>
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<tr>
<td>41-45</td>
<td>49</td>
<td>11.2%</td>
<td>42.7%</td>
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<tr>
<td>46-50</td>
<td>49</td>
<td>11.2%</td>
<td>53.9%</td>
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<tr>
<td>51-55</td>
<td>60</td>
<td>13.8%</td>
<td>67.7%</td>
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<tr>
<td>56-60</td>
<td>65</td>
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<td>82.6%</td>
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<tr>
<td>Over 61</td>
<td>76</td>
<td>17.4%</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>436</strong></td>
<td><strong>100.0%</strong></td>
<td><strong>100.0%</strong></td>
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### Certificated Staff Commute Time

<table>
<thead>
<tr>
<th>Less Than 1 Hour</th>
<th>Round Trip</th>
<th>Percent</th>
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<tbody>
<tr>
<td>279</td>
<td>10 to 40 min</td>
<td>51.2%</td>
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<tr>
<td>77</td>
<td>41 to 60 min</td>
<td>14.1%</td>
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<tr>
<td><strong>356</strong></td>
<td><strong>65.3%</strong></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>More Than 1 Hour</th>
<th>Round Trip</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>144</td>
<td>61 to 90 min</td>
<td>26.4%</td>
</tr>
<tr>
<td>37</td>
<td>91 to 120 min</td>
<td>6.8%</td>
</tr>
<tr>
<td>6</td>
<td>121 to 180 min</td>
<td>1.1%</td>
</tr>
<tr>
<td>2</td>
<td>Over 181 min</td>
<td>0.4%</td>
</tr>
<tr>
<td><strong>189</strong></td>
<td></td>
<td><strong>34.7%</strong></td>
</tr>
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</table>
# Classified Staff Commute Time

<table>
<thead>
<tr>
<th>Classified Employees</th>
<th>Round Trip Commute Time</th>
<th>Percent</th>
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</thead>
<tbody>
<tr>
<td><strong>Less Than 1 Hour</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>277</td>
<td>10 to 40 min</td>
<td>63.5%</td>
</tr>
<tr>
<td>47</td>
<td>41 to 60 min</td>
<td>10.8%</td>
</tr>
<tr>
<td><strong>324</strong></td>
<td></td>
<td>74.3%</td>
</tr>
<tr>
<td><strong>More Than 1 Hour</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>52</td>
<td>61 to 90 min</td>
<td>11.9%</td>
</tr>
<tr>
<td>47</td>
<td>91 to 120 min</td>
<td>10.8%</td>
</tr>
<tr>
<td>2</td>
<td>121 to 180 min</td>
<td>0.5%</td>
</tr>
<tr>
<td>11</td>
<td>Over 181 min</td>
<td>2.5%</td>
</tr>
<tr>
<td><strong>112</strong></td>
<td></td>
<td>25.7%</td>
</tr>
</tbody>
</table>
Goal
Retain and Attract Highly Qualified Staff

• Attracting new teachers and classified staff to support student enrollment growth, anticipated staff retirements and vacancies in the future is anticipated to be difficult

• The Peninsula is costly and is a fiscal deterrent for future staff

• A housing project will provide a mechanism for staff to save a down payment in order to purchase property and to live in the community, benefiting from reduced rent for a limited lease term.

• Minimal commute times to improve quality of life, participate in school activities and improve employee attendance
Housing Project Process

• Convened qualified task force
  o HKIT-Architect with teacher housing communities experience
  o Tom Shannon, Asset Manager
  o Todd Lee, Construction Manager
  o District staff

• Conducted Outreach
  o District administrative team
  o District bargaining units
  o City, Planning Departments in San Mateo, San Bruno and Millbrae
  o County, State and Federal Elected Officials
Housing Project Process

• Property Consideration
  o Purchase existing apartment complex
  o Purchase vacant land
  o Build on existing properties

• Interviewed Community College District regarding housing project experience

• Met with property developer

• Evaluated Seven District Properties based of the following criteria:
  o Available land
  o Proximity to public transportation
  o Impact to site
  o Impact to community
  o Parking
Housing Project Findings

• Seven District properties analyzed
• Received project support
• Determined the most cost effective solution was to utilize existing District property
• Determined approximate number of units
• Estimated project cost
• Identified funding options
• Determined next steps
Capuchino High School – Viable Option
Capuchino High School Details

• 109 units

• Project Cost: $40,592,513

• Site Upgrades:
  o 6 new tennis courts
  o 2 new basketball courts
  o Artificial turf baseball field
  o Artificial turf softball field
  o Renovated basketball courts

• Attributes/Concerns:
  o Residential neighborhood
  o Location by Hetch Hetchy pipeline
  o May limit future growth
  o Accessible to public transportation
  o Lose 2 tennis courts
  o Lose 2 basketball courts
Crestmoor High School - Viable Option
Crestmoor High School Details

• 150 units
• Project Cost: $42,015,303
• Attributes and Concerns:
  o Independent from school site
  o Greater privacy for residents
  o No impact to other school sites
  o Peaceful setting
  o Location
Mills High School - Viable Option 1
Mills High School Details

**Option 1**

- 143 units
- Project Cost $53,757,450
- Site Upgrades:
  - 8 new tennis courts
  - New artificial turf softball/soccer field
  - New artificial turf baseball field
- Attributes/Concerns:
  - Easy access to public transportation
  - Limits future growth
  - Project blends with community
  - Walk to stores
  - No change with basketball courts
  - No change with tennis courts

**Option 2**

- 149 units
- Project Cost $48,418,933
- Site Upgrades:
  - 8 new tennis courts
  - New artificial turf softball/soccer field
  - New artificial turf baseball field
- Attributes/Concerns:
  - Easy access to public transportation
  - Limits future growth
  - Project blends with community
  - Walk to stores
  - No change with basketball courts
  - No change with tennis courts
Mills High School Details

Option 3

• 126 units

• Project Cost $44,534,055

• Site Upgrades
  o 8 new tennis courts
  o New artificial turf softball/soccer field
  o New artificial turf stadium field

• Attributes/Concerns
  o Easy access to public transportation
  o Limits future growth
  o Project blends with community
  o Walk to shopping
  o No change in the number of tennis courts
  o No change in the number of basketball courts
San Mateo High School - Viable Option 1
San Mateo High School - Viable Option 2
San Mateo High School - Details

Option 1

- 138 units
- Project Cost: $58,837,845
- Site Upgrades:
  - Artificial turf baseball field
  - Artificial turf softball field
  - New two-story Adult Education Building
- Attributes/Concerns:
  - Adult School partial relocation
  - Inability to for future facility growth
  - Neighborhood
  - Parking

Option 2

- 138 units
- Project Cost: $59,399,942
- Site Upgrades:
  - Artificial turf baseball field
  - Artificial turf softball field
  - New 2-story Adult Education Building
  - 3 new tennis courts
  - 1 new basketball court
- Attributes/Concerns:
  - Adult School partial relocation
  - Inability to for future facility growth
  - Neighborhood
  - Parking
  - Lose 1 tennis court and 1 basketball court
# Housing Project Cost Estimate

<table>
<thead>
<tr>
<th>Site</th>
<th># of Units</th>
<th>Project Cost</th>
<th>Cost Per Unit</th>
<th>Site Improvements</th>
<th>Site Improvements</th>
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<tr>
<td>Capuchino HS</td>
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<td>Baseball/Tennis/Basketball Courts</td>
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<td>Baseball/Tennis</td>
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<td>2-Story Modular Bldg.</td>
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<td>31</td>
<td>31</td>
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</tbody>
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Capital Financing Options

- Certificate of Participation
- Potentially use proceeds from sales of site
- Property trade
- General Obligation Bond
- Private development financing and operation
Housing Project
Operational Structure

• Goal is to keep rents substantially below market rates so employees can save to purchase homes

• Independent property manager oversees complex

• Implement sinking fund and contribute monthly for future maintenance needs
Housing Project is Complex
Preliminary Work Complete
Continue Project Due Diligence

• Identify best District property
• Determine type and quantities of units
• Determine best project financing options
• Develop housing project pro forma rents, property management fees, insurances and contribution to sinking fund
• Generate detailed survey
• Continued housing project community and agency outreach
Housing Project is Complex
Preliminary Work Complete
Continue Project Due Diligence

• Secure long term location for Peninsula High School (Rollins Road)
• Verify legal compliance
• Determine the most responsible project financing options
• Develop housing project pro forma rents, property management fees, insurances and contribution to sinking fund
• Obtain soils study of Crestmoor property
• Obtain conceptual site plan at Crestmoor for housing
• Obtain detailed architecture design plans for faculty and staff housing developments
• Conduct further housing project analysis
Housing Project is Complex
Preliminary Work Complete
Continue Project Due Diligence

• Recommend the Board of Trustees authorize staff to continue the project due diligence including contracting with consultants to perform professional services

• Allocate $100,000 for continued due diligence professional services

• Direct staff of Housing Project to update Board with progress in October 2016