LAUSD Employee Housing Initiative

Utilizing assets to better support students, schools, employees, and the neighborhoods we serve

Presentation Overview

Background and context

- Why employee rental housing?
- LAUSD Real estate assets
- Guiding principles for use of real estate
- Existing workforce housing projects

Employee housing initiative

- Goals and priorities
- Next steps

Background and Context

Why Employee Rental Housing?

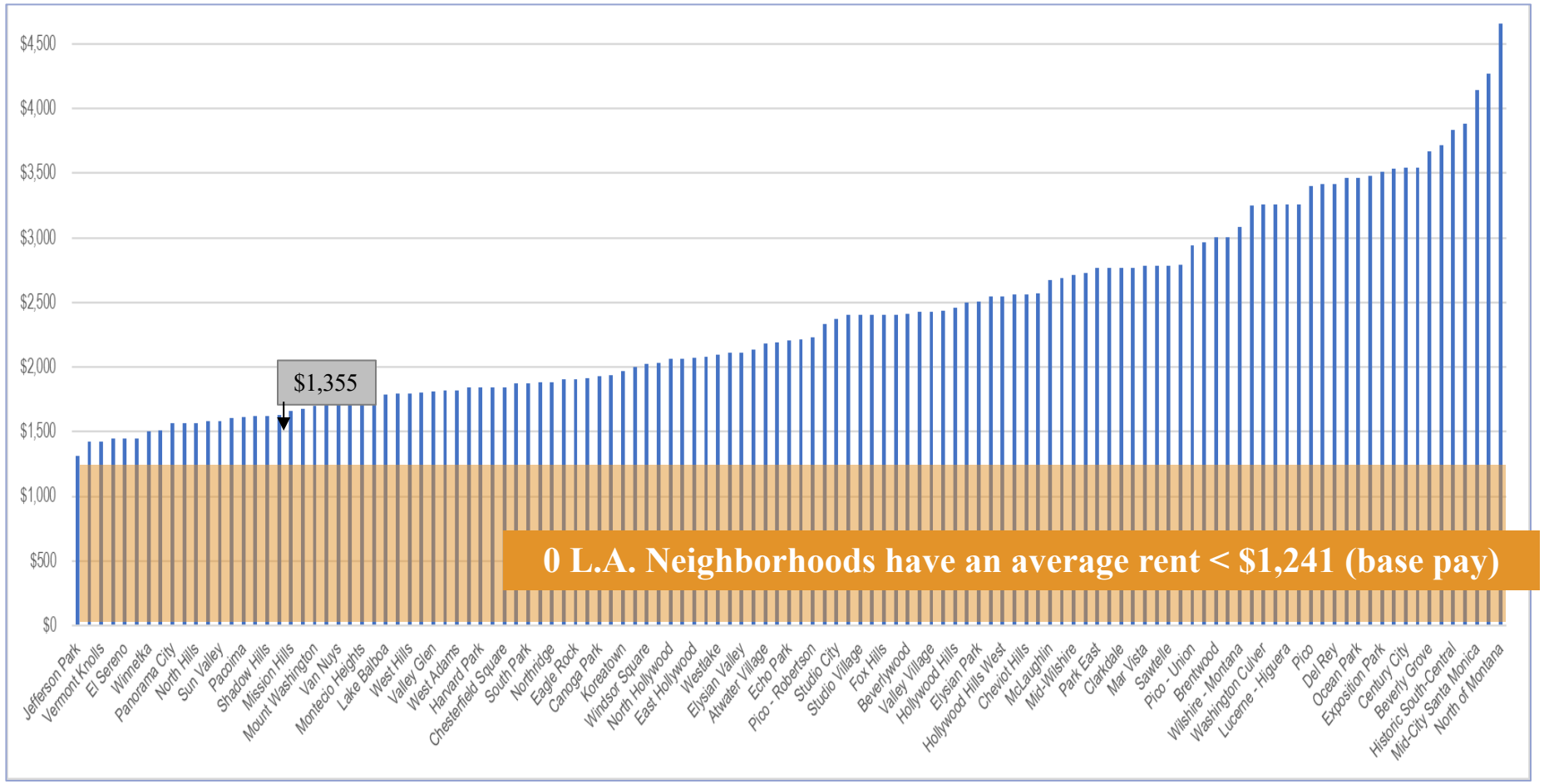
- To support and invest in our employees -- they are our most valuable asset
- The high cost of living in Los Angeles is a challenge for all who work in our schools
- Critical need for access to housing that is more affordable
- Many employees are experiencing long commutes
- Developing housing for our teachers and employees will allow them to live in the community alongside those they serve, fostering a stronger bond with communities
- We have land -- Los Angeles Unified is one of the regions largest landowners
- Our properties have the potential to be better utilized to support our employees
- We are NOT Google, Oracle or Tesla, we cannot move to a more affordable state

New Teachers Priced Out of All LA Neighborhoods

Teacher Starting Salary = $51,440

Affordability Threshold for Monthly Rent & Utilities (30% of Gross Income) = $1,286

Affordability Threshold for Monthly Rent Only: $1,241



WE NEED TO HIRE 1,100 NEW TEACHERS EACH YEAR IN THE FORSEABLE FUTURE!

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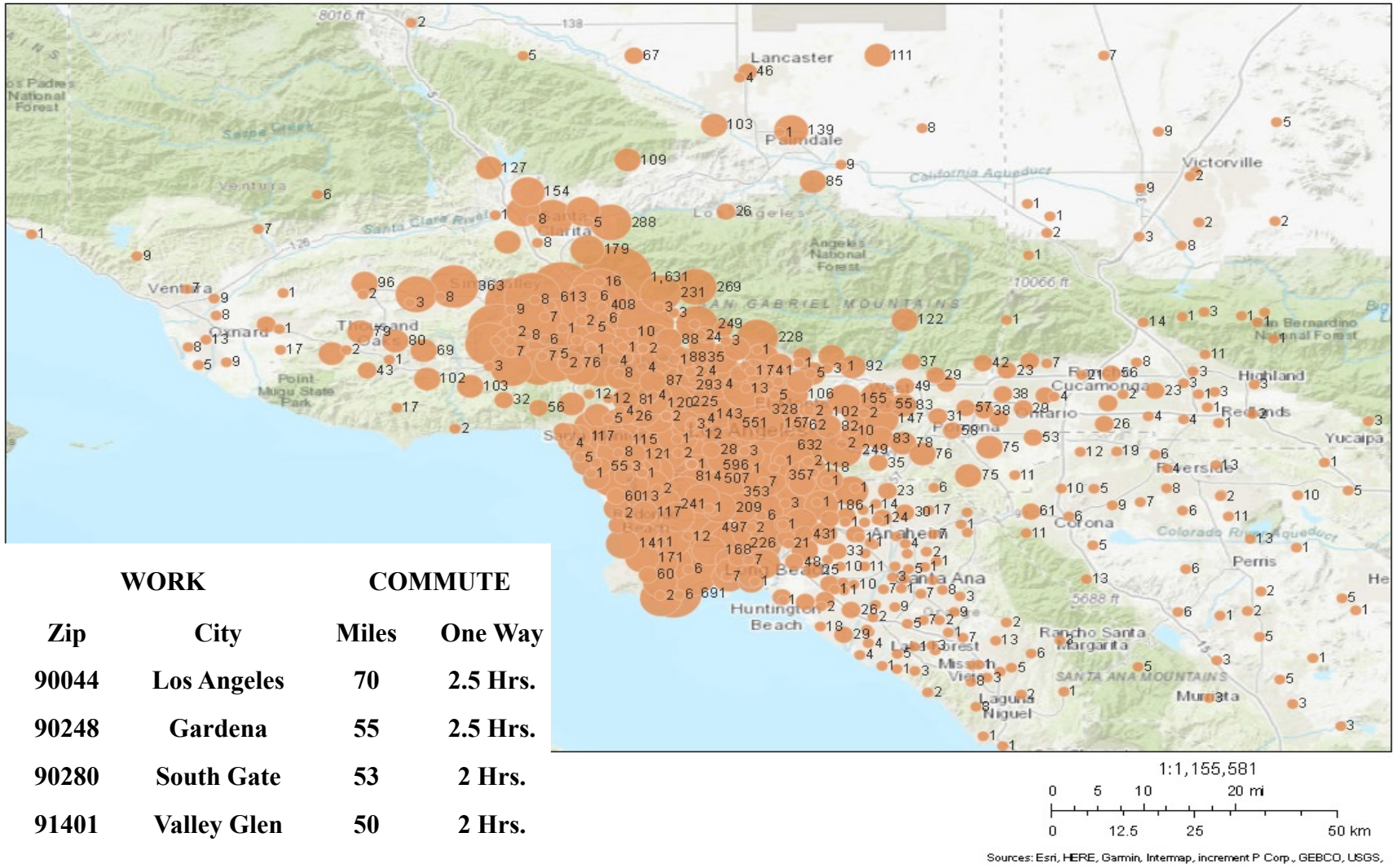
Where Our Employees Live and How Far They Commute



	HOME		WORK		COMMUTE	
Employee	**Zip**	**City**	**Zip**	**City**	**Miles**	**One Way**
School Admin. Asst.	92570	Perris	90044	Los Angeles	70	2.5 Hrs.
Window/Wall Washer	92503	Riverside	90248	Gardena	55	2.5 Hrs.
Teacher	91739	Etiwanda	90280	South Gate	53	2 Hrs.
Teacher	91711	Claremont	91401	Valley Glen	50	2 Hrs.
Teacher	91355	Santa Clarita	90017	Los Angeles	40	1.5 Hrs.
Teacher	93536	Del Sur	91340	San Fernando	58	1.5 Hrs.

Los Angeles Unified Real Estate Assets

- 1,386 schools and centers
- 21,000 buildings totaling more than 78 million square feet
  - Downtown LA office market – 68 million square feet
  - Downtown San Francisco office market – 76 million square feet
- 6,400+ acres of land equivalent to 10 square miles
  - Total area of Downtown, Westlake and Koreatown combined
  - Newhall Ranch – 6,000 acres
  - City of Santa Monica – 8.3 square miles

- Spans 710 square miles of Los Angeles and 26 adjacent municipalities
- Some properties, or portions thereof, are underutilized

Guiding Principles for Use of Real Estate

- Support educational mission - students at the center of everything we do
- Support and invest in our employees who serve our school communities
- Support communities Los Angeles Unified serves
- Use space and funding efficiently

Existing Workforce Housing Projects

Site	Authorization to Issue RFQ/P	Selection of Preferred Proposer and Authorization to Enter into Development Agreement	Completed	Developer	Total Units	Initial Staff Occupancy	Current Staff Occupancy
Sage Park Apartments on underutilized land at Gardena HS	June 2008	March 2009	2015	Bridge Housing	90	92%	66%
Selma Community Housing on parking lot adjacent to Selma ES	September 2008	June 2009	2016	Abode Housing	66	68%	47%
Norwood Learning Village on parking lot near Norwood ES	April 2009	December 2009	2018	Thomas Safran & Associates	29	79%	69%
						Avg. 82%	**Avg. 59%**

Income range: 30% - 60% Area Medium Income (AMI)

Lessons Learned from Previous Projects

- Traditional "affordable" housing projects need:
  - Low land cost
  - Low cost of construction
  - Low cost of financing (i.e. grants, subsidies, tax credits)
- Mission driven, little substantive revenue generation
- High employee demand – waitlists for all developments
- The type and form of financing can restrict flexibility
  - At 30% - 60% Average Median Income (AMI) teachers do not qualify
  - Occupancy can be restricted to affordable rates for 40+ years
  - Supply is limited, highly competitive and requires submittals that may not align with project timing
- Long lead times - ground-up development can take 5 – 7 years
- Projects fully occupied, but occupancy by District employees declining (District does not control occupancy)

Employee Housing Initiative

Goals and Priorities of Employee Housing Initiative

- 2,000 rental units available in the next 5+ years
- Develop housing for District employees
- District controls occupancy
  - Change in legislation will help address past occupancy issues --school districts retain the right to prioritize school district employees over local public employees or other members of the public to occupy housing
- Fast track projects, when possible, look for innovative ways to accelerate delivery of units
- No cost to District
- Transparent process
- Considerable engagement throughout the process

Site Selection Considerations

- Underutilized property
- Not currently or projected to be needed for school purposes
- No anticipated impact to school operations, instruction or safety
- Opportunity to foster stronger bond within the neighborhood
- Geographic diversity
- Reduce maintenance burden
- Eliminate property tax burden (closed school sites)
- Locations responsive to employee needs and interest
- Property that provides opportunity for exchange

Next Steps

- Advertise a Request for Proposal for a consultant to, among other things, prepare a survey of District employees to determine the depth and breadth of the interest in employee housing.
- Begin due diligence on a variety of potential sites for development or exchange

QUESTIONS