

November 2023

1. Why is RCSD considering construction of employee housing?

It is well documented that California’s affordable housing crisis is affecting the ability of school districts to recruit and retain a top-tier workforce. As some districts begin building workforce housing projects, they will realize a competitive advantage over districts in high-cost areas that do not offer housing.

The RCSD Board of Trustees (Board) approved a feasibility study for developing affordable housing for teachers and staff on the current district office property, citing that providing affordable housing to RCSD staff in Redwood City would 1) financially support RCSD staff, given the high cost of living in the Bay Area, 2) improve work-life balance by shortening commutes, 3) better incorporate its staff into the community in which they work, and 4) attract and retain talented professionals.

2. How will investing in workforce housing be consistent with RCSD’s mission, vision and values?

Mission: RCSD creates a safe and supportive, inspirational and rigorous, joyful and inclusive environment for all learners. This project would create a more affordable housing option for District employees right in the center of the community we serve. Employees who become residents in the building will be adding to – and benefiting from the inclusive community environment that the City is committed to.

RCSD vision to be a thriving, dynamic, innovative, and nurturing community will be enhanced by proactively addressing the extremely high cost of housing and enabling employees to live in the community in which they work.

RCSD’s stated values include Innovation and Partnerships. This project is fundamentally innovative, in that many California school districts are talking about workforce housing, but only a few have moved and acted to make a project reality. It is said that partnerships are in RCSD’s DNA. The only feasible way to repurpose the District office property into workforce housing is by partnering with Sobrato and leveraging this unique opportunity now.

3. Where is the proposed site for the housing?

Many school districts in California have underutilized lands that could be repurposed for workforce housing; however, RCSD does not have available land within its educational sites. Developing the current district office property in downtown RWC is the only viable way for RCSD to address its affordable housing needs.

4. Is RCSD doing this on its own?

No. The Board’s due diligence process has affirmed that neither party on their own would be able to achieve desired outcomes or realize the efficiencies of a joint development of the two contiguous properties. With a joint project, the value of the combined land is greater than the sum of its parts by sharing parking and leveraging state density bonus law and land use incentives built into the City’s Downtown Precise Plan.

5. Has the Board of Trustees made a final decision on moving ahead?

Not yet. The Board has taken a series of affirmative actions since agreeing to submit a joint development request with Sobrato to Redwood City in early 2020, including negotiating complex terms and conditions with Sobrato that will lead to a master partnership agreement. We expect the Board to conclude negotiations and consider a final go-ahead decision by the summer of 2024.

6. Is there interest among current staff?

Yes. A housing needs survey of district staff was conducted by HEART in Nov. 2020. Of the 360 District employees who responded, 220 indicated that they were not homeowners and 165 expressed their interest in district sponsored housing. RCSD believes the interest by our teachers and staff in more local affordable housing is only growing over time as we hire additional staff either new to the area or wanting a residence of their own.

7. What kind of housing is being considered?

Downtown Redwood City has a good mix of new buildings that reflect current trends and design for a high quality of life in an urban environment. Conceptual plans submitted for City review contemplate a modern, urban “market rate” apartment community with a mix of studios and one, two and three-bedroom homes. There will be community “amenity” spaces such as an outdoor terrace, exercise room, and indoor gathering spaces. As currently envisioned, the District’s central office would be co located on the same property with the housing complex.

8. What government agencies have jurisdiction for this kind of project? Unlike educational classroom facilities that are regulated by state agencies, school facilities that serve a support function, such as housing and central office support, must comply with local agency zoning and permitting requirements and processes. With Sobrato in the lead, we have been engaged with City staff in their preliminary review process since June 2021. This review and comment process has informed the District’s feasibility analysis and due diligence efforts at the same time.

9. What other options has the Board considered?

During the feasibility period from June 2021 to June 2023, the Board studied several alternative projects that would achieve anywhere from 68 to 122 workforce housing units and an off-site replacement district office – including a development of the Bradford property without a development partner.

10. How will the proposed project affect the district office?

Should the Board decide to proceed with the project, the district office staff would be relocated to a temporary, rented office so that the existing building can be demolished. The new replacement district office would occupy the first and second floor of the workforce housing building, with separate lobby entrances on Jefferson Ave. and Bradford St. It is anticipated that construction of the project would take about three years to complete.

11. How will this project be paid for?

The Board anticipates three funding sources for the entire project: Certificates of Participation (COPs), General Obligation bonds authorized by Measure S, and private funds.

12. Is there risk to the General Fund?

There is some risk associated with the use of COPs, since they are a general fund obligation in the form of a loan that must be repaid over a 30-year period. The Board's intent is to limit the size of the loan such that debt service payments will be paid from the building's rental income. Therefore, the financing plan must demonstrate how the General Fund's exposure to any costs are mitigated to an acceptable level.

13. Measure S was passed recently – what will the process be for setting spending priorities on educational facilities, and how does this project fit in?

RCSD is currently reviewing the existing Facility Master Plan and soliciting input from school sites, employees and the community on specific priority projects. There will be opportunities at school board meetings for the public to provide input as the school board makes decisions on the priority projects. Much of this planning work will take place in Nov. 2023 to Feb. 2024. Measure S authorizes a variety of school facility projects, including the development of workforce housing and the reconstruction/relocation of the district office, among numerous improvements to classroom facilities. Measure S was supported overwhelmingly by the local community.

14. When would construction of the building be completed?

Our current timeline anticipates construction beginning in July 2026 with completion slated for the end of 2028.

15. When would the first move-ins happen?

If all goes as planned, leases should be executed in the second half of 2028, and move-ins could begin as early as December 2028.

16. What are the rental rates going to be?

The District's goal is to offer all workforce housing apartments at 65 to 70% of current market rates in Downtown Redwood City at the time of occupancy.

17. Who will be responsible for the property, and how will it be managed? Other districts that have successfully implemented employee housing have instituted some type of a housing board, often a public benefit nonprofit organization, which have varying degrees of separation and autonomy from the district's governing board and administration. Such housing boards typically consist of members from different groups in the local community, such as district employees and residents, community members with expertise in real estate, and/or local business representatives. Some districts have chosen to include one or two trustees, while others have created a process for school boards to recruit and appoint housing board members. Once this organization is formed and in place, they would develop policies and procedures that answer questions such as:

- *How will rental market rates be surveyed and set for the building?*
- *Who will be eligible for this housing?*
- *How will the mix of classified, certified and other employees be determined?*
- *How will the employees be selected to live in the housing development?*
- *How long could an employee live in the building?*
- *What happens upon employee retirement, termination or dismissal?*

18. Are other districts doing this too?

Yes. Although we are early participants in this evolving movement, we are fortunate to have pioneering projects across the state to learn from. In our region, the districts that are operating employee housing are:

- The Jefferson Union High School District opened their 122-unit Education Housing complex in 2022
- The San Mateo County Community College District has employee housing available at CSM and Canada and is planning a project for Skyline
- Santa Clara School District has had employee housing in place since 2002

Other districts that are actively exploring or planning projects are:

- Pacifica School District
- Jefferson Elementary School District
- San Francisco Unified School District
- Mountain View Whisman School District

19. What are the next steps and how can I follow the project?

The District will create a Workforce Housing web page that will be easily accessed from the RCSD home page (<https://www.rcsdk8.net/>). This space will serve as the central clearinghouse for all information related to the proposed project.