

SUPERINTENDENT'S PROPOSAL

Subject: Resolution No. 75-23Sp1

**IN SUPPORT OF A PILOT PROGRAM TO CREATE AFFORDABLE
RENTAL HOUSING FOR EDUCATORS OF THE SAN FRANCISCO UNIFIED
SCHOOL DISTRICT**

WHEREAS, The Board of Education of the San Francisco Unified School District (the "Board") is committed to serving our children by attracting and retaining well-qualified classroom teachers and paraprofessionals who provide quality education, and

WHEREAS, The availability of affordable housing for classroom teachers and paraprofessionals of the San Francisco Unified School District ("the District") is critical to the overall success and stability of each school in San Francisco ("the City"), and

WHEREAS, District students and the community at large benefit from classroom teachers and paraprofessionals of the District ("SFUSD Educators") living in the community in which they practice their profession, which promotes stability, community involvement, and stronger ties between educators, students, and families, and

WHEREAS, Any shortage of SFUSD Educators negatively impacts the quality of education in the District schools, student academic achievement and morale of teachers, staff and administrators, and

WHEREAS, The District requires a total of 3,600 teachers annually to meet classroom needs but is challenged by a teacher attrition rate of approximately 10 percent annually, which is primarily attributed to less experienced teachers leaving and inevitable retirements, as 33 percent of the District's teachers are over 50 years of age and 19 percent are over 60 years of age, and

WHEREAS, Enrollment in teacher preparation programs in California has dropped by 75 percent in the past decade thereby decreasing the number of eligible classroom teachers and increasing competition between school districts for certificated staff and

WHEREAS, The high cost of housing in the City along with the teacher shortage is making it more difficult for the District to recruit new educators and is cited as a factor in

attrition of SFUSD Educators, and

WHEREAS, Based on a survey administered by the District in June 2016, many SFUSD Educators are paying more than 30 percent of household income toward rent with nearly 58 percent of teachers surveyed and nearly 67 percent of paraprofessionals surveyed reporting that it is “somewhat difficult” or “very difficult” to afford housing costs each month, and

WHEREAS, Over 70 percent of SFUSD teachers surveyed and 56 percent of SFUSD paraprofessionals surveyed also reported that their salaries provide the majority of their household income, and

WHEREAS, between 2011 and 2017, average market rents increased 50% and home prices increased 72% (Zillow), deeply exacerbating an already inadequate housing supply for households earning less than 120% of AMI, including many SFUSD Educators, and

WHEREAS, Many SFUSD Educators who reside in the City face untenable rent burdens: an experienced educator earning 100% of AMI (\$80,700 for an individual) must pay 47% of his or her income for a market-rate 1-bedroom apartment (\$3,173; Trulia, Zillow, Zumper), and

WHEREAS, The high cost of housing is also a statewide challenge, given that California has six of the most expensive rental markets in the nation and almost half of Californian renters pay more than 35 percent of their income toward rent according to the Public Policy Institute of California’s report dated January 2017 and 75 percent of public school districts are experiencing teacher shortages at an increasing rate, and

WHEREAS, The City and the United States Department of Housing and Urban Development (“HUD”) support housing opportunities for teachers through programs like the Teacher Next Door program and the Teacher Housing Initiative, which the latter was a partnership between HUD and the District pursuant to SFUSD Board Resolution 04-25A4 adopted May 23, 2000, and

WHEREAS, Section 42(g)(9) of the Internal Revenue Code (26 USC § 42(g)(9)) allows the use of tax credits for projects with occupancy restrictions that favor tenants who are members of a specified group under a State program or policy that supports housing for such a specified group, and

WHEREAS, The Teacher Housing Act of 2016 (Health & Safety Code § 53570 et seq.) was enacted by the California Legislature to create a specific state policy supporting housing for teachers and school district employees as set forth in Section 42(g)(9) of the Internal Revenue

Code and permit school districts and developers in receipt of local or state funds or tax credits designated for affordable rental housing to restrict occupancy to teachers and school district employees on land owned by school districts, and

WHEREAS, The Board desires to work with the San Francisco Mayor's Office of Housing and Community Development ("MOHCD") to implement the Teacher Housing Act of 2016 pursuant to Resolution _____ of the SFUSD Board of Education, and

WHEREAS, The District and MOHCD desire to work together to utilize tax credits, tax exempt bonds, public and private partnerships and other innovative financing to develop affordable housing for SFUSD Educators, and

WHEREAS, The purpose of this Resolution is to state the Board's policy to create affordable housing opportunities for SFUSD Educators and support the District's implementation of the Teacher Housing Act of 2016, and

WHEREAS, The Board finds and declares that it is a necessary and important public purpose to provide affordable housing to SFUSD Educators, and the Board of Supervisors of the City and County of San Francisco has made the same findings pursuant to Resolution _____, and

WHEREAS, The Board finds and declares that a restriction for affordable housing for SFUSD Educators unable to afford market rents is necessary to achieve the important public purpose of increasing opportunities for such persons to continue to live in the City, reduce turnover of SFUSD Educators, and support the educational success and stability of each school in the District and the children in the City, and Board of Supervisors of the City and County of San Francisco has made the same findings.

NOW, THEREFORE BE IT RESOLVED:

That the Board hereby authorizes the Superintendent or his designee to work with the City and County of San Francisco, and specifically MOHCD, to develop a pilot program for the development and construction of affordable housing for SFUSD Educators, with the use of a variety of funding sources, including but not limited to tax credits, tax exempt bonds, public and private partnerships and other innovative financing for such purpose.

05/23/17