

November 7, 2017 4:00 p.m. – 6:00 p.m.

City Hall Council Chamber Anteroom, Third Floor 65 Civic Avenue Pittsburg, CA 94565

> Council Members Sal Evola Juan Banales

<u>Planning Commission Members</u> Mark Gargalikis Wolfgang Croskey

#### 1. Public Comment for Non-Agenda Items

#### 2. Bike Share Pilot Program

The City is considering a partnership with Zagster to implement a bike share program to increase connections to/from the new Pittsburg Center BART Station, while also encouraging alternate modes of transportation. Key questions for consideration are included in the attached memo.

#### 3. 981 Railroad Avenue, Continued Office Use

The City is considering an "at risk" lease for the office space located at 981 Railroad Avenue pending completion of proposed zoning changes to the CP (Pedestrian Commercial) District. Staff would like feedback from the subcommittee as to whether this approach should be supported.

#### 4. PUSD Workforce Housing – Potential Development

Pittsburg Unified School District (PUSD) has submitted an application for a preliminary review of plans to construct up to 60 units of workforce housing intended for PUSD employees and their families. The proposed project site is located at 1025 Black Diamond Street (APN: 085-203-004), at the southwest corner of Railroad Avenue and West 10<sup>th</sup> Street, across from Marina Vista Elementary School, at the southern end of what is generally considered Downtown Pittsburg. Staff is requesting feedback from the subcommittee on the proposed conceptual project plans.

#### 5. Alves Ranch – Potential Development

A potential developer for the site has approached the City and is interested in discussing several potential site modifications for the master planned area. Staff is

requesting feedback from the subcommittee on the proposed conceptual modifications.

## 6. Miscellaneous Project Updates



## MEMORANDUM

Memo:November 7, 2017To:Land Use Subcommittee MembersFrom:Kristin Pollot, AICP, Planning Manager

#### RE: Bike Share Pilot Program

#### Background:

With the impending opening of the new Pittsburg Center BART station, city staff has been reviewing options to help further encourage alternate modes of transportation to connect people to the new station. One component of this approach is to establish a bike share in the community, where there currently is none.

Several months ago, the City started preliminary conversations with a bikeshare company called Zagster. This organization was appealing to staff because they not only offer a full service bikeshare program, but they also help the city find and work with potential sponsors to fund the program, which means there could be no capital or ongoing maintenance/operation costs for the City in connection with the program.

Attached is a proposal received from Zagster which outlines program offerings, including the types of bikes and other hardware provided, the software used, marketing options for sponsors, staffing and operations provided, as well as a suggested membership and cost structure for users.

Zagster has primarily been utilized within cities and universities on east coast; however, they are in the process of expanding on the west coast (particularly within the bay area). Currently, the cities of Healdsberg and Arcadia have executed agreements with Zagster, and they are also in early talks with the cities of Martinez, Vallejo, and Turlock.

#### Proposed Schedule:

If the land use subcommittee is supportive of moving forward with a pilot program to establish a bike share in conjunction with Zagster, then the next steps would be as follows:

- Conditional Bike Share Agreement (CBSA) to City Council for formal consideration.
- Begin working with City staff to find local sponsors to fund the program.

- Identify 4-5 station locations for roll-out of the program. Locations would be chosen to meet the goals of increasing connections to/from the new Pittsburg Center BART Station, and encouraging alternate modes of transportation in the vicinity of the station.
- Once funds/sponsors are secured, the City would execute the Master Services Agreement (MSA) for the funded stations.
- Program implementation would take approximately 45 days after signing the MSA to complete.
- Ongoing communication would occur with Zagster (by a designated city staff person) during the pilot program timeframe to ensure the program is meeting the City's needs.

#### Key Questions for Consideration:

- 1) What would be an appropriate pilot program timeframe (1-3 years would be standard)?
- 2) Does the City want to consider investing any funds towards the program (ie. paying for one or more stations, offering matching funds to sponsors, or limiting investment to staff time only)?
- 3) Are there any ideas on potential sponsors that we should reach out to?

#### ATTACHMENTS:

1. Zagster Proposal, dated 11/2/17



## CITY OF PITTSBURG BIKE SHARE PROPOSAL

PROPOSAL CONTACT: Zander Bonorris zander@zagster.com

PROPOSAL DATE: 11/2/2017

## **BIKE SHARE FOR THE CITY OF PITTSBURG**



Today the most progressive and forward thinking communities include bike sharing as a critical part of their multimodal transportation strategy and as a visible representation of their commitment to sustainability, efficiency, health and innovation.

Zagster is the leader in bike sharing innovation for cities, academic communities, and corporate campuses across the United States. Working with universities, SGAs, mayors, city councils, metropolitan councils of governments and community improvement districts. We have a track record of delivering scalable, cost effective and connected bike sharing programs for communities such as Fort Collins Colorado, College Park - Maryland, Duke, Purdue, Yale, Salesforce and Workday to name a few.

In total, Zagster operates more than 200 bike share programs across 35 states.

The company uniquely delivers a full service: bike sharing hardware, technology, operations and analytics which work together seamlessly through mobile applications and connected cloud services. The sharing technology and biking hardware is continuously improved by the

company and delivered to every program at no additional cost.

Also, because of our unique "bike share as a service" model, Zagster is able to deliver scalable, successful programs to cities like Pittsburg with transparent operations, predictable costs and a guaranteed level of service. It takes serious resources to manage, maintain and market a municipal bike share program. Zagster's principal product strategy is to ensure that all members of the community have access to the most time-efficient, fun, sustainable and healthy way to get around.

The City of Pittsburg needs a comprehensive bike share solution for its community to offset parking congestion, supplement current transit options, to mobilize its population seeking alternative methods of transport. This proposal outlines our service and how we plan to meet your goals as a partner

We are excited to help strengthen the community of Pittsburg and we welcome any questions or feedback you have regarding the details included in this proposal.

## ZANDER BONORRIS SOUTHWEST SALES CONSULTANT, ZAGSTER

zander@zagster.com | (617) 714-9932



## Leading the way

OUR CITY PARTNERS INCLUDE:





## WHY BIKE SHARE?

Bike sharing has emerged as one of the most successful public transportation movements in North American Cities.

Many cities implement bike sharing programs in order to reduce driving trips, improve access to transit, enable healthy lifestyles, stimulate local economic activity and promote sustainability.

With distributed bike sharing programs, bikes are made available throughout the city for on-demand, local trips.

Zagster's comfortable cruiser bicycles are designed for transportation—to get to and from work, run errands, for leisure and exploring the city.









## **SERVICE OVERVIEW**

Zagster's service includes everything needed to run a bike share program.Pittsburg simply provides space for the docking stations and a designated contact for communicating with Zagster's dedicated customer success team regarding the program's rollout and administration.

Because Zagster is continuously upgrading its bikes and technology, certain features may change over time. However, in general, Zagster's offering spans four categories: hardware, software, marketing and operations.

Hardware	Software	Marketing	Operations
Bikes	iOS and Android Apps	Custom Website	Dedicated launch and success teams
Locking Technology	Text reservation support	Printed & Digital Assets	Complete Maintenance
Docks	Real-time cloud data	Press Relations	Repairs & Replacements
Custom Signage	Administrative reporting	Local Promotion	24x7 Rider Support
			\$4M Liability Coverage



## **KEY HARDWARE INFORMATION** ZAGSTER BREEZER UPTOWN - CRUISER BIKE



## THE SHARED BIKE RIDERS LOVE

- Unanimously voted the most comfortable bike share bike by The Ohio State University
- 30% lighter than competitive bike share bikes
- Custom built with heavy-duty, easily sourced components



## LOCKING TECHNOLOGY (BLUETOOTH RING LOCK)

Riders can unlock, ride and return any bike with any data or text message capable mobile phone. Because all the locking technology is automated and installed on the bike, there's no need for expensive kiosks.

- Bluetooth<sup>™</sup> low energy (BLE) smart lock
- Locks/Unlocks at the touch of a button within the app, or by typing a code on the on-bike keypad
- Solid-state design prevents tampering or removal
- Securely mounted to the bike
- Made exclusively for Zagster by AXA

#### **ON-BIKE KEYPAD**

- Controls the ring lock
- Allows access for riders using feature phones or smartphones without BLE compatibility
- Robust and weatherproof
- Enables one-touch locking





## FLEXIBLE, SECURE DOCKING STATIONS

- Individual docks allow for flexible applications and multiple siting options
- Can be anchored or freestanding
- Signage includes instructions and space for sponsorship
- Security cable attached to each dock keeps bikes anchored between trips





## EQUITY THROUGH ACCESSIBILITY

Accessible bikes are on the ground at Ohio State University and in Corvallis, OR; Rome, NY; Westminster, CO; Fort Collins, CO; Carmel, IN; College Park, MD.

Accessible bikes enable access for riders who would otherwise be unable to use bike-share systems.







TRICYCLE

**RECUMBENT TRICYCLE** 

**SIDE BY SIDE TANDEM** 







CARGO

**HEAVY DUTY** 

HANDCYCLE



## **BRANDING OPPORTUNITIES**

#### **PHYSICAL**

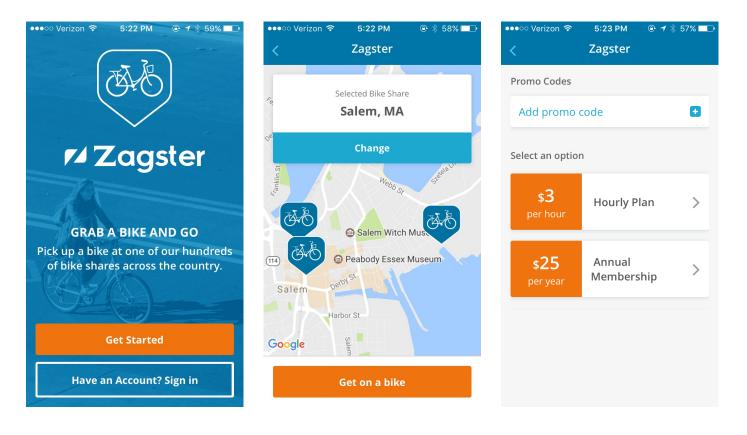
- Bike basket signage
- Station signage
- Full-bike customization\*



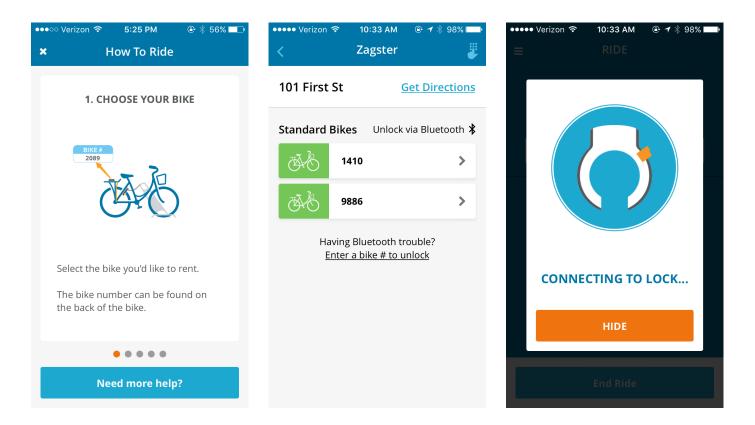
## **ZAGSTER MOBILE APP**

#### **SIGNUP FLOW & RIDE FLOW**

- Intuitive interface makes signup quick and easy
- Location Service optimized
- Map shows bike station locations









## **HOW IT WORKS**

#### **1. BORROW**

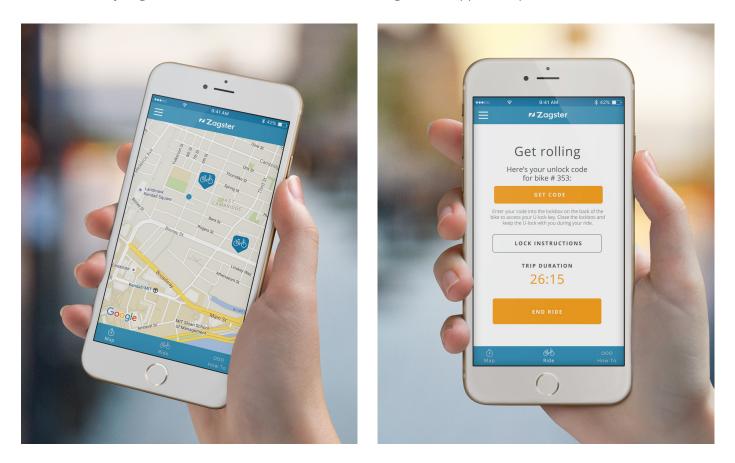
Enter the bike's number into the app and tap START RIDE. You'll get a unique code to open and close the lockbox.

#### 2. UNLOCK

Use the key from inside the lockbox to operate the U-lock that attaches the bike to its station. Be sure to shut the lockbox before you ride.

#### 3. RIDE

Have fun! Use the U-lock to keep the bike secure if you make stops along the way. When you're done, lock the bike back to any Zagster station and close the lockbox. Then go to the app and tap END RIDE.



## **STAFFING AND OPERATIONS**

## **GENERAL LIABILITY COVERAGE**

Zagster holds industry-standard insurance coverage that includes:

- \$2,000,000 General Aggregate
- \$2,000,000 Umbrella Coverage
- \$2,000,000 Product Liability
- \$1,000,000 Each Occurrence
- \$1,000,000 Personal/Advertising Injury Limit
- \$1,000,000 Employer's liability coverage

A Certificate of Insurance is available to customers upon request.

## **COMPLETE MAINTENANCE**

All operations and maintenance related to the bike share program is included in the cost of the Zagster service. Zagster services all bikes on a routine basis to make sure that the program is operating effectively and safely.

## **CORE MAINTENANCE SERVICES**

- Local mechanic dedicated to servicing your bike share system
- Proactive, comprehensive 30-point maintenance checks for every bike, every two weeks
- Bike and station cleaning during maintenance checks
- Immediate remote disablement of bikes flagged for maintenance
- Free replacement parts (including labor)
- Replacement bikes every three years

## LOCAL, ZAGSTER CERTIFIED MECHANICS

The Zagster Certified Mechanic (ZCM) program hires local bike maintenance professionals. Applicants are required to have at least two years of professional bike maintenance experience to be considered.

Zagster holds multiple interviews and conducts knowledge tests and background checks on qualified applicants. Zagster provides selected ZCMs with training on its leading internal mobile app maintenance technology.





## **REPAIRS AND REPLACEMENTS**

Zagster performs all repairs and replacements on bikes to keep them in perfect working order as needed.

## REBALANCING

On an ongoing basis, Zagster's mechanics use location data generated by our ride tracking technology to reset stations to their optimal bike counts in order to make the bikes available to as many potential riders as possible.

If a more efficient way to position stations is determined over time, Zagster's Customer Success team may make strategic recommendations for moving, reallocating or adding bike parking.

## 24/7 RIDER SUPPORT

Zagster provides 24x7 rider phone and email support to every rider on every system. This comprehensive customer service program includes:

- 24x7 phone and email support
- Empowered, multilingual staff who are trained to handle 95% of calls without escalation
- A partnership with a third-party translation service
- Automated tools that provide support staff with instant data about the member, including identify and contact information, bike share membership information and trip history
- Elasticity to support unlimited system members

## **DEDICATED ACCOUNT MANAGEMENT**

Zagster provides every bike sharing partner with a dedicated customer success manager. Zagster's customer success team has extensive experience, training and resources to help meet your needs and ensure that your program is successful.



## **SPONSORSHIPS**

Zagster will strategize with the City of Pittsburg to identify potential sponsors and to customize a sponsorship package that meets the growth needs of the program and fully subsidizes the ongoing operations of the program.

## FORT COLLINS, CO & LAKELAND, FL COLLABORATIVE SPONSORSHIP MODEL



## EVANSVILLE, IN (ZAGSTER.COM/EVANSVILLE) 70 BIKES ACROSS 7 STATIONS (\$0 CITY INVESTMENT)

Sponsored by



## CARMEL, IN (ZAGSTER.COM/CARMEL) 90 BIKES ACROSS 10 STATIONS (22-BIKE INITIAL CITY INVESTMENT)

Sponsored by





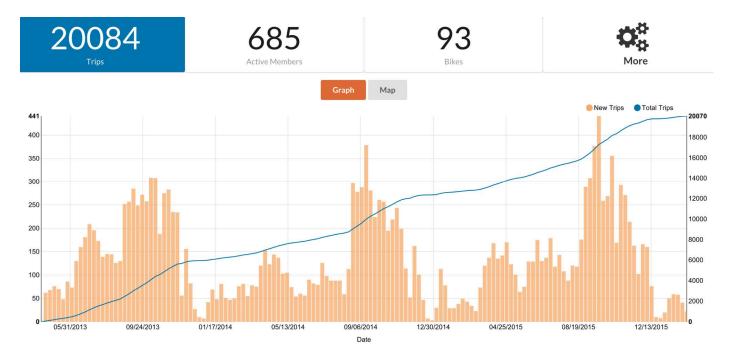
## **ADMINISTRATIVE DASHBOARDS**

Zagster shares its data with customers for usage, planning and safety purposes via a web-based dashboard portal. This data is updated in real time and allows for critical insight into the performance of the bike share. Zagster uses two main sources of data to track bike share activity: trip data collected when members start and end trips, and the location of bikes during trips. Any time a member starts or ends a trip, Zagster records the trip information, such as the member name, membership plan, bike number and start and end time.

Then, Zagster tracks the site of bikes in real time using its mobile app and geofence technology. Based on decades of experience in the transportation sharing economy, Zagster has built dashboards that clearly display the important data needed to evaluate the success of the program.

Reports include member reporting (new and total memberships by plan), trip reporting (number of trips, trip length, and distance), location reporting (trip type, heat mapping, and direction requests), issue reporting (call center inquiries or incidents), and financial reporting (membership and usage revenue).

Below is an example of an administrative dashboard that Pittsburg will be able to view at any time.





## **QUARTERLY REPORTS**

Additional reporting will be prepared by the dedicated CSM (Customer Success Manager) working with Pittsburg and shared on a quarterly basis. The CSM will compile the system data in an easily digestible format and review the reporting details with the customer during each quarterly review call.

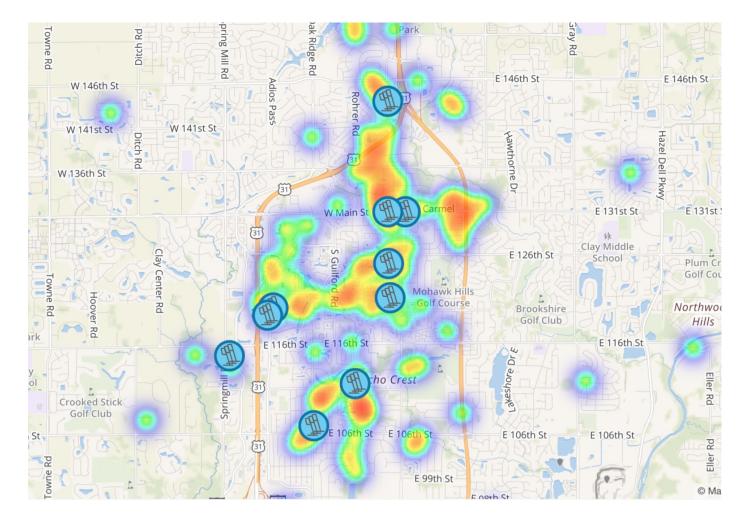
The goal of the quarterly review is to use the data provided to highlight system strengths, identify system opportunities, and present recommendations to further improve upon the success of the system

MEMBERSHIP	<ul> <li>Reach: Membership as a % of total targeted segment</li> <li>Total number of Users during reporting period</li> <li>Number of new Users enrolled during reporting period by membership type</li> </ul>	
UTILIZATION	<ul> <li>Rentals per station, rentals per bike</li> <li>Rentals by time period (time of day, week/weekend, month, quarter, etc)</li> <li>Duration of rides</li> </ul>	
ADOPTION	<ul><li>Conversion: First Rides as a % of total members</li><li>Adoption: Repeat ridership</li></ul>	
RIDER SUPPORT	<ul> <li>% of tickets per rental</li> <li>Ticket volume by issue category and by ticket channel</li> <li>Ticket satisfaction rating</li> <li>Rider NPS Scores</li> <li>Voice of the Rider feedback</li> </ul>	
FLEET & FINANCIAL	<ul> <li>Maintenance frequency</li> <li>Repairs / replacement within quarter</li> <li>Rider Revenue</li> </ul>	



## **HEATMAPPING DASHBOARD**

Zagster shares its data with customers for usage, planning and safety purposes via a web-based dashboard portal. This data is updated in real time and allows for critical insight into the performance of your program.



## **SUGGESTED MEMBERSHIP & COST STRUCTURE**

## **MEMBERSHIP TYPES AND COSTS**

Based on our experience operating bike share programs at Zagster, we suggest the following membership structure:

Membership Type	Membership Cost
24-Hour Pass	\$6
Monthly Membership	\$10
Annual Membership	\$40
Sponsor Membership	Free

## **RIDE STRUCTURE AND LIMITS**

Regardless of which plan a member chooses, Zagster recommends the following rider structure for all bike usage:

Time	Cost
First 60 minutes of usage	Free
Each additional 60 minutes of usage	\$3
Per Trip / Day Maximum	\$30

These program structures are recommendations and Zagster will work with Pittsburg to determine the optimal rider pricing structure for the bike share.

## **RIDER REVENUE RECOVERY**

As a service, Zagster collects revenue from all riders and returns these revenues less a 7% processing charge to the sponsor. This means that with good ridership and a properly priced membership plan, many Zagster partners see financial return that helps to offset the cost of their bike share program on an ongoing basis.

## ZANDER BONORRIS SOUITHWEST SALES CONSULTANT - ZAGSTER

zander@zagster.com | 617.714.9932





## MEMORANDUM

Memo:November 7, 2017To:Land Use Subcommittee MembersFrom:Kristin Pollot, AICP, Planning Manager

#### RE: 981 Railroad Avenue, Continued Office Use

#### Background:

The 'Entrata Mixed Use Building' located at 981 Railroad Avenue (corner of Railroad Avenue and West 10<sup>th</sup> Street), includes ground floor commercial space that was most recently occupied by Pittsburg Disposal, which was permitted under current zoning as a quasi-public agency (since they provide a necessary public service). Since this organization moved out of the space in July 2017, it has remained vacant.

Recently, the City (which does not own the building, but has an agreement in place to manage the leasing) was approached by the International Institute of the Bay Area, as a potential new tenant for the space. Unfortunately, this new tenant does not qualify as a public agency; rather they would be classified as a standard office use according to the Pittsburg Municipal Code (PMC) section 18.08.080.20. The zoning for the site (CP-1 District) does not currently allow for office uses unless "the ground floor building exterior and the structure itself are not conducive to retail sales or eating and drinking establishments."

Staff inspected the site on October 16, 2017, and found that the exterior of the building is wrapped with large, floor to ceiling windows, and there is primary pedestrian access available from Railroad Avenue, with a secondary public plaza space available in the center of the building (visible form W. 10<sup>th</sup> Street). Even though the interior of the tenant space at 981 Railroad has been modified to accommodate an office, and the building itself is somewhat removed from the rest of the CP District, staff does not believe that the building structure itself qualifies for the limitation listed above. However, because the CP-District is in the process of being updated in order to allow for office uses in the CP-1 area, staff believes that the proposed use would be appropriate at the site. There is just no way to currently (and quickly) permit the use in advance of the zone changes currently scheduled for Planning Commission consideration on November 28, 2017.

For this reason, staff's recommendation related to this potential new tenant would be to allow the tenant to move into the space and sign an "at risk" lease agreement until the anticipated CP District zoning amendments have been completed and a use permit has

been obtained. The zoning amendments are estimated to go to City Council for initial consideration on December 18<sup>th</sup>. The amendments would require two readings, so the second meeting would not occur until January 2018. The amendments would take effect 30 days after the 2<sup>nd</sup> reading. Assuming approval of the amendments, a use permit could be filed in February 2018 and would take approximately 6-8 weeks to process.

At this time, staff requests subcommittee feedback on this recommended approach, and whether or not there would be support to allow an "at risk" lease agreement.

#### ATTACHMENTS:

1. n/a



## MEMORANDUM

Date:November 7, 2017To:Land Use Subcommittee MembersFrom:Kristin Pollot, AICP, Planning Manager

#### **RE: PUSD Workforce Housing – Potential Development**

Due in part to rising housing costs, many school districts in California, particularly those in urban areas, are experiencing teacher shortages. A 2016 study by the Learning Policy Institute noted that approximately 75% of districts reported having a shortage of qualified teachers for the 2016–17 school year. In recent years, school districts in areas with high housing costs have begun looking for alternative means of attracting and retaining employees, including constructing workforce housing as an incentive. In addition to a better quality of life, workforce housing would allow employees to live closer to the schools at which they work, therefore reducing commute times and fostering a connection with the communities they serve.

#### PROPOSED PROJECT:

Pittsburg Unified School District (PUSD) has submitted an application for a preliminary review of plans to construct up to 60 units of workforce rental housing intended for PUSD employees and their families. The proposed project site is located at 1025 Black Diamond Street (APN: 085-203-004), at the southwest corner of Railroad Avenue and West 10<sup>th</sup> Street, across from Marina Vista Elementary School, at the southern end of what is generally considered Downtown Pittsburg. The site is bordered to the north by Marina Vista Elementary School, to the west by single and multifamily residential units, to the east by Railroad Avenue, and to the south by the BNSF Railway. The project site is currently owned by the applicant, and formerly functioned as the Riverside (continuation) High School. The site has been nonoperational for several years; however, a local trade union has used a portion of the site for training purposes during this period.

The applicant's goal for reuse of the site is to provide a variety of housing types and sizes to meet the needs of teachers, and possibly other public employees (if there are not enough interested teachers or school district classified staff to fill the complex). As part of the preliminary review package, the applicant has submitted three potential site designs:

• Option 1 proposes three buildings, with covered garage parking;

Memo: PUSD Workforce Housing - Potential Development

- Option 2 proposes several smaller buildings in two clusters, with covered canopy parking; and
- Option 3 proposes two larger buildings, with covered pedestal parking on the ground-level.

All iterations of the project would include a wellness/fitness center, laundry facilities, and uncovered tenant and guest parking. Access to the site would be from Black Diamond Street, along the western boundary of the site, and the wide landscaped area between the project site and Railroad Avenue would remain.

#### KEY QUESTIONS FOR CONSIDERATION:

- 1) Is the proposed density (at 60 total units, or approximately 25 units per acre) appropriate for the site?
- 2) Which site layout is preferable?
- 3) Any other concerns moving forward?

#### NEXT STEPS:

Following discussion by the Subcommittee, staff will schedule a full study session with the Planning Commission to review the proposal and provide more detailed feedback on the project design. After all comments have been collected and provided to the applicant, staff will work with PUSD to refine the project proposal, which is anticipated to be submitted for formal entitlement review in early 2018.

ATTACHMENTS:

- 1. Conceptual Plans, dated 10/11/17
- 2. "Can teacher housing entice educators to work in expensive cities?", article dated September 12, 2017



OPTION 1: THREE BUILDINGS (COVERED PARKING - GARAGES)





TEACHER WORKFORCE HOUSING





## Live Mortgage Rates

30 Year Fixed Rate 3.88% APR Averaç Executive Member Saves \$6909 costcohomefinance.com

PROPERTY LINES

# Can teacher housing entice educators to work in expensive cities?

Experiments in making life as a teacher more affordable show how rising real estate costs hurt urban districts

BY PATRICK SISSON | SEP 12, 2017, 12:42PM EDT



An aerial render of the recently finished Teacher's Village in Newark, New Jersey, a new experiment in providing affordable housing to teachers.

Teaching crises have challenged American education for decades. Increasing enrollment, substandard facilities, and a scramble to find a way to pay for solutions: Today's familiar pressures were making headlines back <u>in 1954</u>. At the time, in another example of "same news, different day," the San Francisco superintendent of schools declared that the city's teacher shortage was "acute."

While the issue may be the same, today's teaching crises in the Bay Area have taken on dimensions that postwar administrators couldn't have imagined. San Francisco and its surrounding communities offer the most extreme case studies that showcase the challenging math of making it, and making a home, as an urban school teacher.

According to <u>Apartment List data</u>, fifth-year teachers in the city have to spend nearly 70 percent of their income to rent a one-bedroom, and <u>Trulia</u> noted that the city's teachers can only afford .04 percent of the homes in the entire city. A recent profile in the <u>San</u> <u>Francisco Chronicle</u> told the story of a public high school math teacher, Etoria Cheeks, who is homeless, despite carrying a full load of classes as well as coaching and tutoring students after school.

Housing has become such a drain on salaries that San Francisco Mayor Ed Lee recently announced the city would <u>build its own rental housing</u> in the Outer Sunset neighborhood specifically for teachers. This is yet another sign, coupled with the prevalence of <u>couchsurfing and long commutes</u>, that its educators are losing the battle against escalating rent.



First grade students from left to right-Andy Ramirez, 7, Nathalie Valeriano, 6, Daisy Gonzales, 6, and Gustavo Gonzalez, 6, go into think time before answering a question by their teacher Samantha Pulliam, center, about what they just read in class at 24th St. Elementary School in Los Angeles on November 22, 2013. | Mel Melcon/Los Angeles Times via Getty Images

Teachers are often lionized for tackling a difficult job without the salaries and support they deserve. Yet increasingly, they also face affordability challenges outside the classroom. Rising rent and housing costs have made teaching jobs in pricy urban districts increasingly difficult for schools to fill. According to research by the Learning Policy Institute (LPI), the United States was short roughly 100,000 teachers last year, with compensation cited as a key reason many have left positions, or the profession altogether.

StubHub

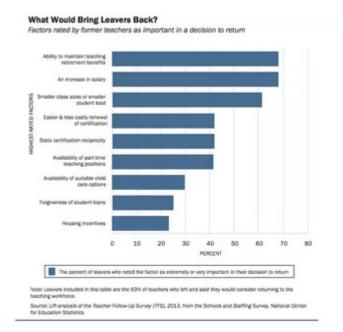
See more tickets

Dakhabrakha Wed Nov 01	Buy tickets
Nashville Predators at San Jose Sharks Wed Nov 01	Buy tickets
A R I Z O N A Tickets (21+ Event) Wed Nov 01	Buy tickets

What are you doing tonight?

For many school districts, especially in California, alleviating the real estate squeeze facing teachers is becoming a more prominent part of efforts to retain talent. For school districts, factoring housing into compensation and pay packages, or even becoming landlords themselves, is becoming a new way to offer more than just a salary bump. Teachers get a better quality of life, are able to afford housing closer to their classrooms, cut down on their commute, and retain a connection with the communities they serve. Without radical increases in education budgets, this is an increasingly popular and creative way to make salaries stretch further.

"The main thing to realize is there isn't a silver bullet," says Anne Podolsky, a researcher at the Learning Policy Institute. "Increasing compensation is good, but teachers also need good administrators, support, and resources to succeed."



Housing subsidies are one of many incentives that departing teachers say would convince them to stay on the job. | Learning Policy Institute

School districts see the advantage of getting involved in real estate because two detrimental trends are unlikely to reverse themselves anytime soon. Urban real estate seems destined to increase in value, putting more pressure on salaries—a 2014 <u>Center for American Progress</u> report found that in many states, mid-career teachers heading families of four or more are so financially strained, their families qualify for reduced-price school lunches, and an Economic Policy Institute study last year found weekly teacher pay had actually *decreased* between 1996 and 2015.

Unhappy teachers are also very costly. If the U.S. attrition rate among educators decreased from its current rate of 8 percent to 4 percent (the rate found in other highly educated countries), the current teacher shortage would disappear, according to the LPI, and a significant chunk of the <u>\$2.2 billion</u> the U.S. spends on teacher recruitment and retention efforts could be redirected elsewhere. A recent LPI study, "<u>A Coming Crisis in Teaching?</u>" lays out some stark figures suggesting the challenge of retaining talent will become even more difficult: between 2009 and 2014, teacher education enrollments dropped from 691,000 to 451,000, a 35 percent reduction. That's 240,000 fewer professionals on their way to the classroom at a time when retention is already straining school administrators and budgets.

Teacher shortages have hit both urban and <u>rural districts</u> hard, with the latter especially challenged by geographic, social and economic isolation. It seems especially perverse

that in the United States, where much of the educational funding comes from <u>property</u> <u>taxes</u>, a "successful," highly sought-after and expensive urban district in an expensive coastal area such as Silicon Valley would find itself facing a similar workforce challenge as a poorer rural one, which is given so much less to spend per pupil.

But that's the reality of the crisis, and one reason why housing incentives have arisen as a potential fix. Numerous concepts have taken shape: in addition to Mayor Lee's plan to build housing in San Francisco, the San Francisco Unified School District has long debated a plan to turn unused buildings into housing for staff. To help with such efforts, California passed a law, the <u>Teacher Housing Act of 2016</u>, that allows school districts to take advantage of state and federal low-income housing tax credits while restricting the buildings to teachers and district employees (under prior law, it would be illegal to discriminate based on profession). It's meant to spur school districts to get into the housing game: sponsor and State Senator Mark Leno, <u>said that</u>, "when high-quality teachers can't afford to live where they work, the entire community suffers."

Other districts across the country have offered incentives with varying degrees of success. New York City once offered <u>housing incentives</u> to teachers working in subjects with a shortage of instructors, such as mathematics, a solution which Podolsky found to be welldesigned. Texas provides teachers with <u>low, fixed-rate home loans</u> and offers grants for down payment assistance. The Los Angeles Unified School District attempted to develop the Sage Brush Apartment complex as affordable teacher housing, but, due to a <u>misunderstanding of the income requirements</u> that come with using low-income housing credits, created housing that excluded many teachers who made too much to qualify for the benefits. The building has instead been used to house other district employees, such as janitors and cafeteria workers.

While building physical sites for teacher housing is certainly more attention-grabbing than raising salaries, the Teacher Housing Act, which is yet to produce a new facility, raises the question of whether a large urban district can even build enough units to make a significant difference in staffing issues.

Podolsky says residency programs, which provide teachers-in-training with tuition and housing stipends in return for a commitment to teach in a certain district, have shown promise in attracting and keeping teachers in specific communities. She's spoken to educators and administrators in many districts who have just started or are planning to introduce some form of housing assistance, but says not yet enough literature, evidence, or research exists to determine the effectiveness of many of these ideas. But, along with the expected lifestyle benefits that would come from living closer to work, an LPI survey found that 25 percent of teachers would be more likely to stay at a job if it provided housing assistance.



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A unit inside Teacher's Village: developer Ron Beit thought "it would be great to tap into these teachers' energy and put them at the center of the community." | Photo by Halkin Mason Photography, courtesy KSS Architects

But what if it's not about schools getting into the market, but helping the market benefit from schools? One of the more intriguing examples of teacher-focused housing

developments came not from a school administrator, but an established real estate pro. Ron Beit, founding partner and CEO of RBH Group, has spent nearly a decade putting together <u>Teacher's Village</u> in Newark, New Jersey, a redevelopment project based on the idea that public and private social-impact investors see the need to help teachers, who as tenants also give back to both the community and the value of the investment.

The genesis of the idea came when Beit met with teachers working in the area and realized they were traveling from all over the region, often long distances, to work in Newark. It was eye-opening, he said, to come face-to-face with the energy they put into their jobs.

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"We knew that we needed public investment in downtown Newark," he says. "The project was going to be the first ground-up development in Newark in decades. I thought it would be great to tap into these teachers' energy and put them at the center of the community."

The \$150 million multi-use development, clustered in a four-block area near Newark's Penn Station, combines three charter schools with retail and residential space, with 70 percent of the project's 204 housing units currently occupied by educators, who receive a discount on market rent (there's a preference for newer teachers and those who teach in local schools). Rents start at \$1,000 for a studio, \$1,400 for a one-bedroom, and \$1,900 for a two-bedroom unit. Beit even got architect and Newark native Richard Meier to design the sleek, gridded white towers in his signature style.

## "I thought it would be great to tap into these teacher's energy and put them at the center of the community."

Beit says the value of social good is also good for business. Teacher's Village took shape during a time when roughly a billion dollars was flowing into the adjacent neighborhood, part of the New Jersey city's <u>booming real estate market</u>. But his project, which took nine years of wrangling to get funding, is also based around some of the lifestyle

improvements Podolsky says teachers want. Beit pushes the idea of clustering as a big advantage of the Teacher's Village concept. Get a group of teachers together, regardless of whether they are public, private, or charter teachers, and allow them to socialize and share ideas.

"This is absolutely necessary for cities such as San Francisco," Beit said, when asked about the scalability of his idea. "For the quality of life of teachers, to have the ability to train and recruit... San Francisco probably needs it on an even larger scale than we're thinking."

Beit's idea has already attracted interest in other markets. New Teacher's Villages are in the works in Hartford, Connecticut, and Chicago, and he says he's in talks with a handful of other municipalities. <u>Another somewhat similar project</u> in Washington, D.C., the Charter School Incubator Initiative, spent \$14.7 million on a former Catholic college, which it's transforming into teacher housing and charter school space.

Beit believes schools will struggle in their efforts to build housing for their teachers because it's analogous to affordable housing development, which as the Los Angeles school district discovered, can be tricky. In San Francisco, for instance, the upper income for qualifying for LITC subsidies is \$45,250, while the average teacher's salary is \$67,537.

"You can only capture a small subsection of the teaching market, since most teachers are making too much money for these kind of units," he says.

With the residential portions of the project having just opened, it's too soon to tell if Beit's concept works as both a real estate development and a tool to recruit and retain teachers.

But it's definitely not too soon to find ways for school districts to stretch their budgets and make it more affordable to live as a teacher. According to Podolsky, <u>surveys by LPI</u> suggest the teacher shortage plaguing schools will get worse; 80 percent of districts in California said they forecast more trouble finding and keeping talent in the future.

Ideally, finding ways to help teachers continue to live in and be valuable members of expensive urban communities creates solutions that can be applied to other public servants and workers. After all, teachers are <u>far from the only ones</u> feeling the squeeze of

creeping rent increases and the stress of having to live in a community different from the one you work in.

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## MEMORANDUM

Memo: November 7, 2017

**To:** Land Use Subcommittee Members

From: Kristin Pollot, AICP, Planning Manager

#### **RE:** Alves Ranch – Potential Development

#### Background:

A master plan and several design review entitlements were approved by the City in 2009, for the Alves Ranch development, located approximately ½ mile west of the Pittsburg/Bay Point BART Station. The master plan included 167 small lot, single family homes, up to 393 higher density apartment and/or townhome style units, and approximately 14 acres of office commercial development.

Since that time, the City has identified a significant need for more retail development (primarily grocery) in the area, and as such, staff would like to amend the commercial portion of this project site to accommodate a retail use, rather than the entitled office use; however, to date, staff has not had the resources to initiate such a change.

Recently, the City was contacted by a potential developer for this site (which is privately owned). The developer is interested in discussing several proposed site modifications and would like feedback from the subcommittee on their conceptual modifications. No modified site plans are available at this time; however, the developer will provide an exhibit during the meeting for discussion purposes.

#### ATTACHMENTS:

1. TBD