



**City of Fremont
Fremont Unified School District
Liaison Committee
Agenda**



January 23, 2018

5:30 p.m.

Fremont Unified School District, Board Room

4210 Technology Drive, Fremont CA

1. Call to Order
2. Roll Call
3. Public Comment
4. Share results of Workforce Housing Survey & Cities of Residence for Current Employees
(Raul Parungao, Associate Superintendent, FUSD)
5. Discuss Housing Model and Financing Options
(Raul Parungao, Associate Superintendent, FUSD)
6. Report on the City's authority and limitations regarding transfer of City property to the District for School Purposes (including building housing for school employees and for school sites) and providing city funds for school purposes (including for housing for school employees and constructing schools)
(Harvey Levine, City Attorney)
7. Next Agenda
8. Adjournment

In compliance with the Americans with Disabilities Act (ADA) and upon request, Fremont Unified School District may furnish reasonable auxiliary aids and services to qualified individuals with disabilities. Individuals who require appropriate alternative modification of the agenda in order to participate in Board meetings are invited to contact Patty Sandoval at (510) 659-2542 by noon on the Monday preceding the scheduled meeting.



FUSD – Housing Presentation Joint Liaison Meeting

Raul Parungao, FUSD

Dominic Dutra, DCG

January 23, 2018

FUSD Recognition of Housing Affordability

- District previously completed initial feasibility study in 2017 on developing on underutilized property, on collaborating with other public entities & creative response to issue
- Sent a survey to FUSD employees in November 2017
- Previously held Board meetings and Joint City meeting on the teacher/staff housing issue

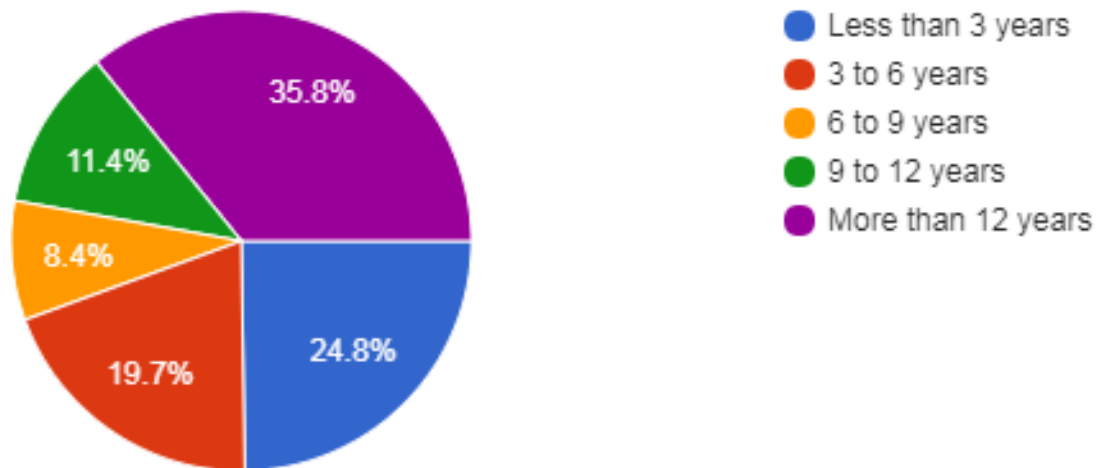
Survey Result

- Survey was conducted from November 6 - 14, 2017
- Sent to all 5,883 employees
- 30.3% or 1,784 employees filled out the survey

Survey Result

How long have you been employed in Fremont Unified School District?

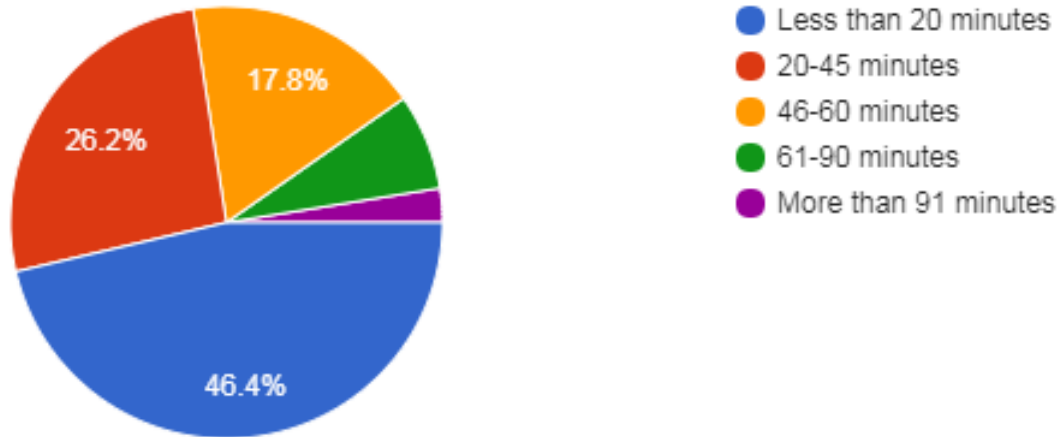
1,769 responses



Survey Result

How many minutes is your commute (one way) on an average day?

1,769 responses



Where do most FUSD employees reside?*

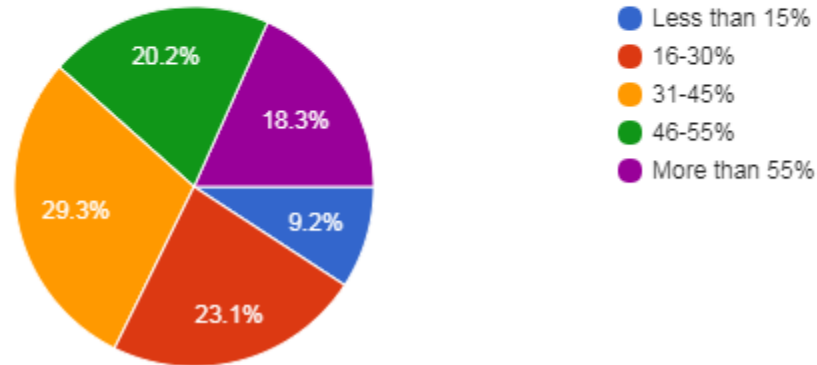
City	# of FUDTA Member	%	City	# of CSEA Members	%	City	# of SEIU Member	%
Fremont	790	41.3%	Fremont	598	76.8%	Fremont	236	41.3%
San Jose	125	6.5%	Newark	41	5.3%	Hayward	39	9.1%
Livermore	111	5.8%	Union City	35	4.5%	Newark	32	7.5%
Newark	104	5.4%	Hayward	28	3.6%	Union City	18	4.2%
Hayward	102	5.3%	San Jose	10	1.3%	Livermore	16	3.7%
Union City	91	4.8%	Pleasanton	9	1.2%	San Leandro	10	2.3%
Pleasanton	78	4.1%	Milpitas	7	0.9%	Oakland	9	2.1%
Oakland	58	3.0%	Livermore	6	0.8%	Tracy	8	1.9%
San Ramon	47	2.5%	Tracy	5	0.6%	Castro Valley	6	1.4%
San Leandro	41	2.1%	Oakland	4	0.5%	San Lorenzo	6	1.4%
Other	364	19.0%	Other	36	5.6%	Other	47	11.0%
Total	1,911	100.0%	Total	779	100%	Total	427	100.0%

*Note: results for FSMA members almost identical percentages for SEIU

Survey Result

What percentage of your household income goes to rent/mortgage payments (excluding taxes, insurance, utilities, etc.)?

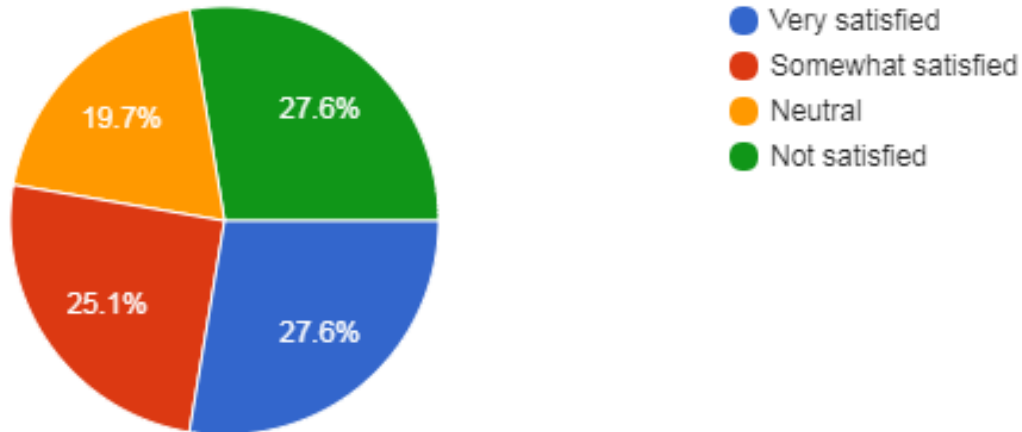
1,750 responses



Survey Result

How satisfied are you with your current housing situation?

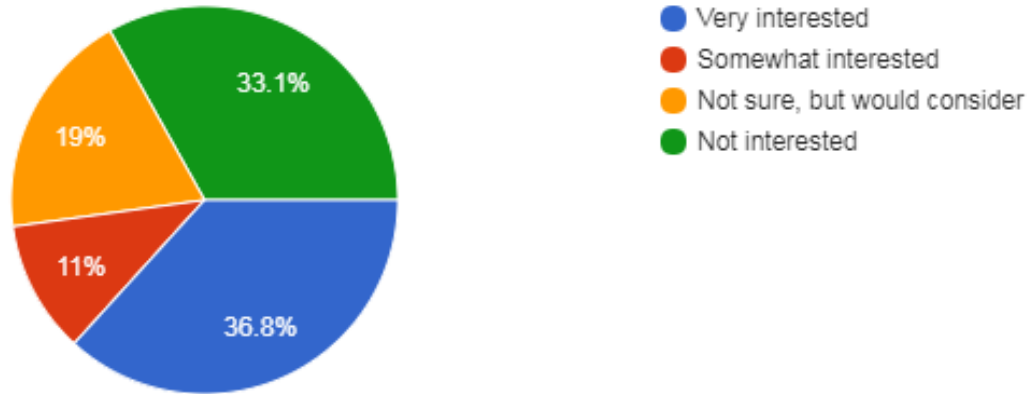
1,763 responses



Survey Result

If the District was to develop rental workforce housing at rents below market rate in Fremont would you relocate into this housing?

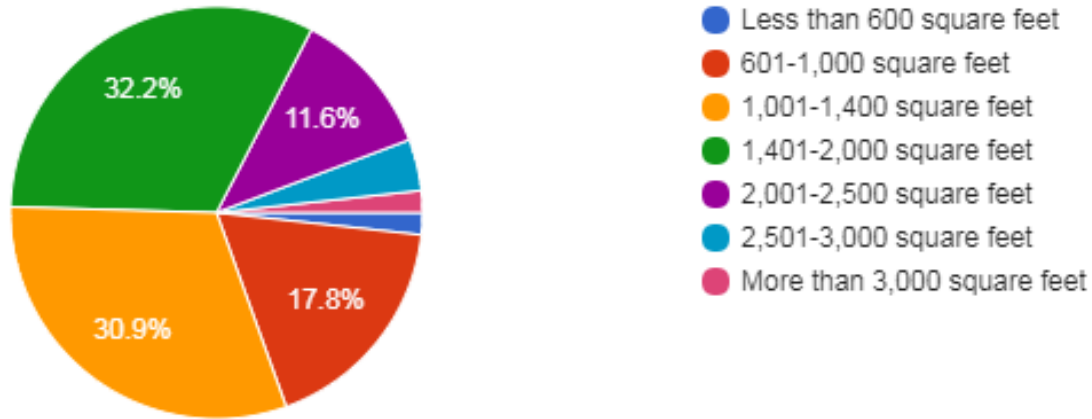
1,765 responses



Survey Result

Approximately how many square feet would accommodate your housing needs?

1,687 responses



New Construction



Comparable Faculty Project: Cañada Vista by San Mateo County Community College District

- Density: 22 units per acre
- Site Area: 2.75 acres
- Number of Units: 60 units
- Number of Stories: 2
- Unit Plan Sizes: 740-1,270 SF
- Total Building Area: 72,102 SF (with clubhouse)
- Financed through Certificates of Participation (COPs)

New Construction



Comparable Fremont Property:
Archstone Fremont Center
39410 Civic Center Drive
Fremont, CA 94538

Unit Plan (Monthly Rent)

- 510 SF, Studio (\$2,100)
- 620–710 SF, 1 Bd (\$2,350-2,500)
- 840 SF, 2 Bd (\$2,700)
- 960 SF, 2 Bd (\$2,820)

Sample Rental Rates and Construction Costs



- Studios (510 SF): \$1,430 (\$670 Savings)
- 1 Bd (620 SF): \$1,650 (\$700 Savings)
- 1 Bd (710 SF): \$1,800 (\$700 Savings)
- 2 Bd (840 SF): \$2,030 (\$670 Savings)
- 2 Bd (960 SF): \$2,180 (\$640 Savings)
- Total Number of Units: 80 units
- Total Building SF: 72,608 (w/clubhouse)
- Construction Costs: \$300,000 unit/\$24 Million in 2017\$^[1]

[1] Escalation cost will be added depending on the date of construction

Financing

- COP
- Partnership with developers
- Partnership with City of Fremont
 - Exemption from certain development fees
- School bond
- Mixed-market rate development



Financing - COP

Description	With Land Cost	Without Land Cost
Building (80 units @300,000 per unit)	\$24,000,000	\$24,000,000
Land (2.75 acres) ^[1]	\$9,625,000	\$0
Total Building and Land	\$33,625,000	\$24,000,000
Term (months)	360	360
Annual Interest	3.844%	3.844%
Monthly Debt Service	\$157,522	\$112,432

[1] The District owns the land. This amount illustrates the total debt service if land is included valued at \$3.5 million per acre

Unrestricted Revenue Potential

	# of Units	Market Rate	FUSD Rental Rate	% of Market Rate	Revenue Potential
Studio	10	\$2,100	\$1,430	68.1%	\$14,300
1 Bedroom (620 SF)	15	\$2,350	\$1,650	70.2%	\$24,750
1 Bedroom (710 SF)	15	\$2,500	\$1,800	72.0%	\$27,000
2 Bedrooms (840 SF)	20	\$2,700	\$2,030	75.2%	\$40,600
2 Bedrooms (960 SF)	20	\$2,820	\$2,180	77.3%	\$43,600
Total Monthly Rental Income	80				\$150,250

Sample Revenue and Expenditure Summary

Description	With Land Cost	Without Land Cost
Monthly Rental Income	\$150,250	\$150,250
Less: Operating Costs (20%)	\$30,050	\$30,050
Less Deferred Maintenance Reserve (5%)	\$7,513	\$7,513
Less: Debt Service	\$157,522	\$112,432
Net Monthly Cash Flow	(\$44,832)	\$256

Acquisition of Existing Units



Financing - COP

Description	With Land Cost	Without Land Cost
Building (57 units @272,000 per unit)	\$15,500,000	\$15,500,000
Monthly Rent ⁽¹⁾	\$107,053	\$107,053
Monthly Debt Service	\$72,613	\$72,613
Less: Operating Costs (20%)	\$21,411	\$21,411
Less Deferred Maintenance Reserve (5%)	\$5,353	\$5,353
Net Income to District	\$7,676	\$7,676

[1] Assumes same rent per unit as new construction

Eligibility

Factors to consider:

- Homeownership status (goal to create permanent local community residents)
- Area median income and salary
- Tenure with the District (a recruitment and retention tool)

Possible Location

New Construction

- Horse Property on Paseo Padre
- Regan Nursery
- Underutilized land in existing school site

Existing Units

- Will continue to monitor what is available for sale and provide financial analysis

Timelines for Acquisition and Development



DEVELOPMENT PROCESS

