



# **Practical Steps to Developing Teacher Housing October 20, 2017**

**Thank You**  
**Chan-Zuckerberg Initiative**  
**Housing Leadership Council**

## Panelists

- **Rick Williams**  
Architect/Partner, Van Meter Williams Pollack
- **Shepherd Heery**  
Chairman/CEO, Brookwood Group
- **Sailesh Mehra**  
Chief of Planning, City of South San Francisco
- **Wendy S. Tukloff**  
Superintendent, Pacifica School District

## Background

- Past workshops
  - San Mateo College District example
- SB 1413
  - Districts allowed to develop teacher housing on district-owned property
- Surveying teacher interest
- Surplus land
- COPS financing

## Questions answering today

- We have a site we want to develop (or an opportunity we want to pursue), how do we get started?
- How do we manage the process?
- Who can help us?
- What can we expect from a feasibility study?
- How do we transition to predevelopment?



## Development Process





Interest

Feasibility study

Predevelopment

Construction

Completion

## Development Process



## Who can manage or help with a feasibility study?

- Districts staff
- Architecture firm
- Fee developer
- Program manager
- Construction manager





# Phase 1 – Feasibility and Initial Due Diligence Phase

- Current zoning review
- Rezoning/General Plan amendment
- Site plan
- Environment (phase 1/CEQA)
- Traffic study
- Site geotechnical
- Utility capacity
- Appraisal
- Project budget
- Pro forma
- Schedule



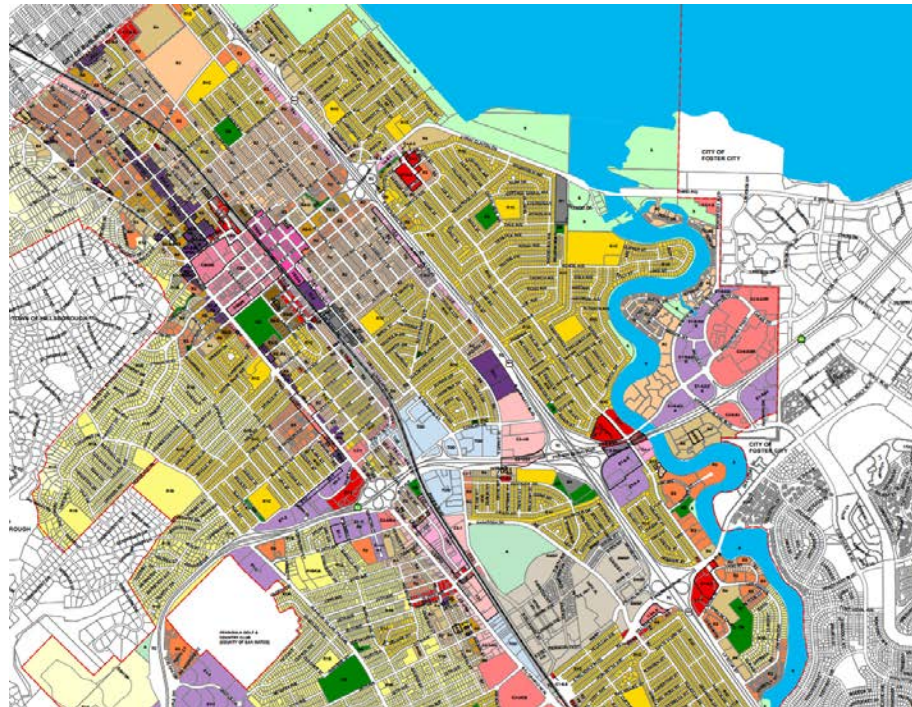


# Current Zoning Review

## Rezoning/General Plan amendment

### Sample review items

- Density
- Density Bonus
- FAR
- Height
- Setbacks
- Lot coverage
- Parking
- Res. Open space
- Architectural design



### Zoning Map

#### LEGEND

##### Zoning Districts

See text on map for complete Zoning District

- C1- Neighborhood Commercial
- C2- Regional/Community Commercial
- C3- Regional/Community Commercial
- C4- Service Commercial
- CBD- Central Business
- CBD/S- Central Business Support
- E1- Executive Park
- E2- Executive Offices
- M1- Manufacturing
- R1A- One Family Dwelling "A"
- R1B- One Family Dwelling "B"
- R1C- One Family Dwelling "C"
- R2- Two Family Dwellings
- R3- Multiple Family Dwellings (Med. Density)
- R4- Multiple Family Dwellings (High Density)
- R5- Multiple Family Dwellings (High Density)
- R6-D- Multiple Family Dwellings Downtown
- A- Agricultural
- OS- Open Space

# Site Plan









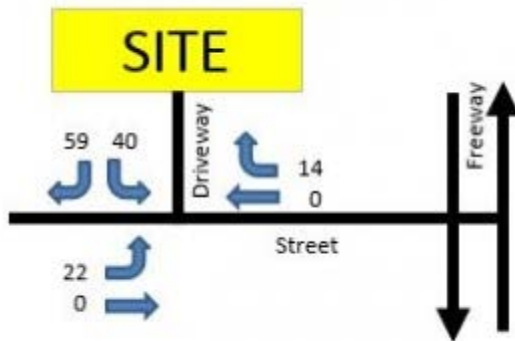
# Environmental (Phase I/CEQA)

## 7.1 SUBJECT PROPERTY RECONNAISSANCE FINDINGS

Identified		Observation
Yes	No	
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Hazardous Substances and/or Petroleum Products in Connection with Property Use
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Aboveground & Underground Hazardous Substance or Petroleum Product Storage Tanks (ASTs / USTs)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Hazardous Substance and Petroleum Product Containers and Unidentified Containers not in Connection with Property Use
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Unidentified Substance Containers
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Electrical or Mechanical Equipment Likely to Contain Fluids
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Interior Stains or Corrosion
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Strong, Pungent or Noxious Odors
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Pools of Liquid
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Drains, Sumps and Clarifiers
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Pits, Ponds and Lagoons
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Stained Soil or Pavement
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Stressed Vegetation
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Solid Waste Disposal or Evidence of Fill Materials
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Waste Water Discharges
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Wells
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Septic Systems
<input type="checkbox"/>	<input checked="" type="checkbox"/>	High Power Transmission Lines



# Traffic Study



# Site Geotechnical/Topography





# Appraisal

**FABBRO, MOORE & ASSOCIATES, INC.**

REAL ESTATE APPRAISERS - ANALYSTS - CONSULTANTS

APPRAISAL OF  
THE LEASED FEE INTEREST IN  
A POTENTIAL DEVELOPMENT SITE LOCATED AT

██████████  
REDWOOD CITY, CALIFORNIA 94061



PREPARED FOR

██████████  
PALO ALTO, CALIFORNIA, 94301

# Project Budget, Pro Forma & Schedule

## Development Costs

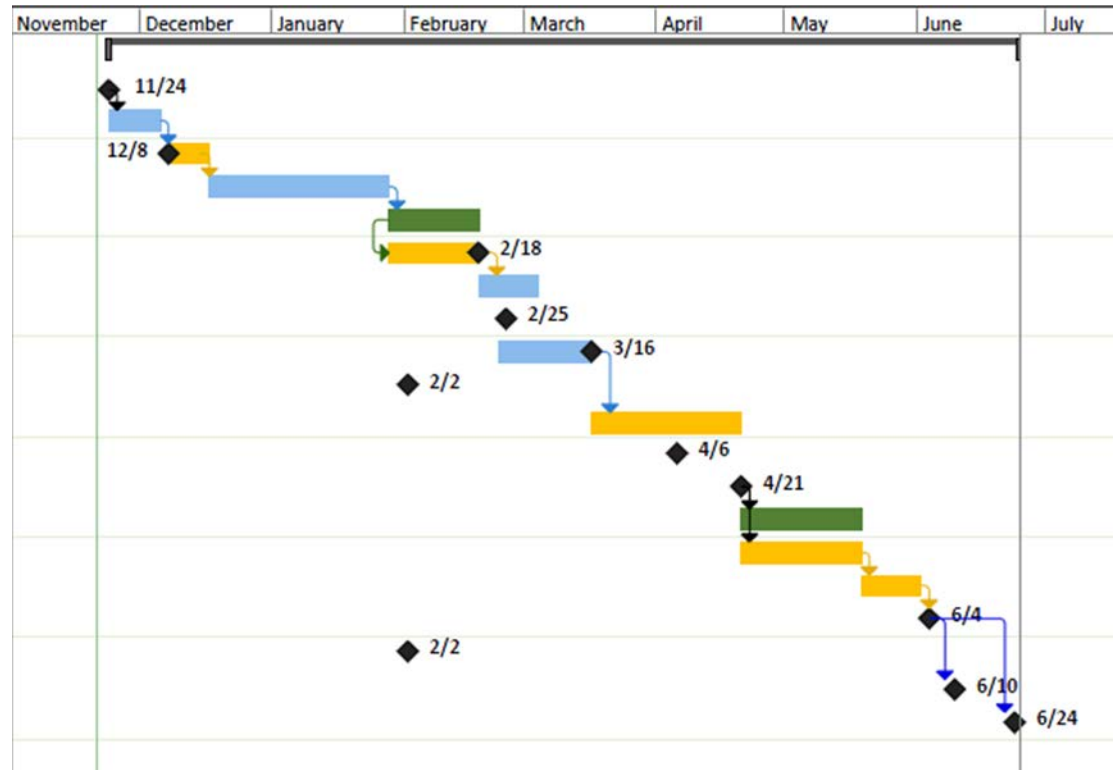
### Hard Costs

Land	\$ 5,500,000
Construction	
Off site Improvements	\$ 250,000
Site Improvements	\$ 668,968
Building Construction (See Comment)	\$ 10,437,104
Common Furnishings & Equip.	\$ 100,000
Commercial Space (all inclusive)	
Parking (see Comment)	\$ 2,650,000
Contractor Overhead & Profit	\$ 1,519,200
Construction Contingency	\$ 275,121
Owner/Enviro Contingency	\$ 1,683,549
Demo	\$ 125,000
Cost Inflation	\$ 1,633,549
Other	
Construction Total	\$ 19,342,491
Total hard Costs	\$ 24,842,491

### Soft Costs

Permits & Fees	\$ 834,071
Architectural	\$ 757,205
Engineering (soil, survey, etc.)	\$ 510,000
Construction Loan Fees	\$ 299,802
Construction Loan Interest	\$ 1,330,447
Permanent Loan Fees	\$ 106,533
Legal Fees (inclusive)	\$ 175,000
Title Fees & Escrow (inclusive)	\$ 45,000
Tax Credit Fees	\$ 198,927
Taxes (RE and other)	\$ 137,456
Insurance (inclusive)	\$ 94,418
Appraisal	\$ 7,500
Audit	\$ 20,000
Marketing & Lease-up	\$ 100,000
Operating Reserve	\$ 1,477,969
Syndication Fee	\$ 35,000
Soft Cost Contingency	\$ 1,527,424
Developer Fee	\$ 1,400,000
Other	
Total Soft Costs	\$ 9,056,752

Total Development Costs \$ 33,899,243



# Who can manage or help with a feasibility study?

- Districts staff
- Architecture firm
- Fee developer
- Program manager
- Construction manager

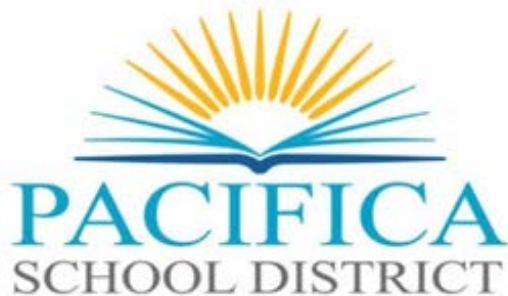


## Feasibility Study Cost/Time to Complete

- Range of total feasibility cost \$30,000 to \$100,000+
- Completion 3-6 months
- Feasibility study manager
- Consultants
- Not including district staff time

## Phase 2 – Transitioning to Predevelopment Phase

- Pacifica School District's transition from feasibility to predevelopment



## Phase 2 – Transitioning to Predevelopment Phase

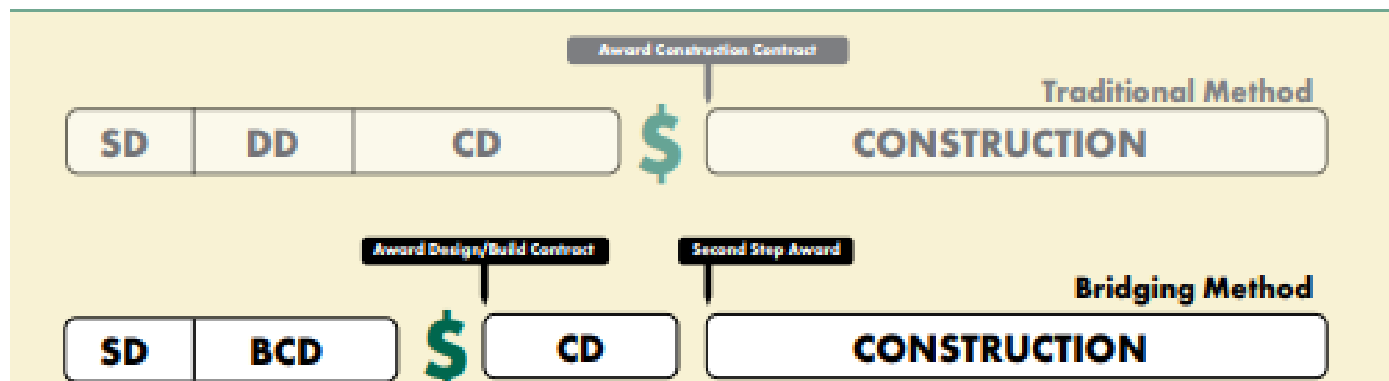
- RFQ/RFP for a developer
  - Two step process
  - Who can prepare it





## Phase 2 – Transitioning to Predevelopment Phase

- Bridging method of construction project delivery
  - Legal team recommendation



## Phase 2 – Transitioning to Predevelopment Phase

- Community meetings





## Phase 2 – Transitioning to Predevelopment Phase

- HEART predevelopment financing
  - 3-5 Years, renewable single year loans
  - Competitive rates
  - Technical assistance





# Q & A



Housing Endowment And Regional Trust

*[www.heartofsmc.org](http://www.heartofsmc.org)*