



community *Housing*  
dialogue series



# Workforce Housing

*August 9, 2017*

Sponsored by





**community** *Housing*  
**dialogue series**  
**INFORM. ENGAGE. INVOLVE.**



# FRAMING THE CHALLENGE

---







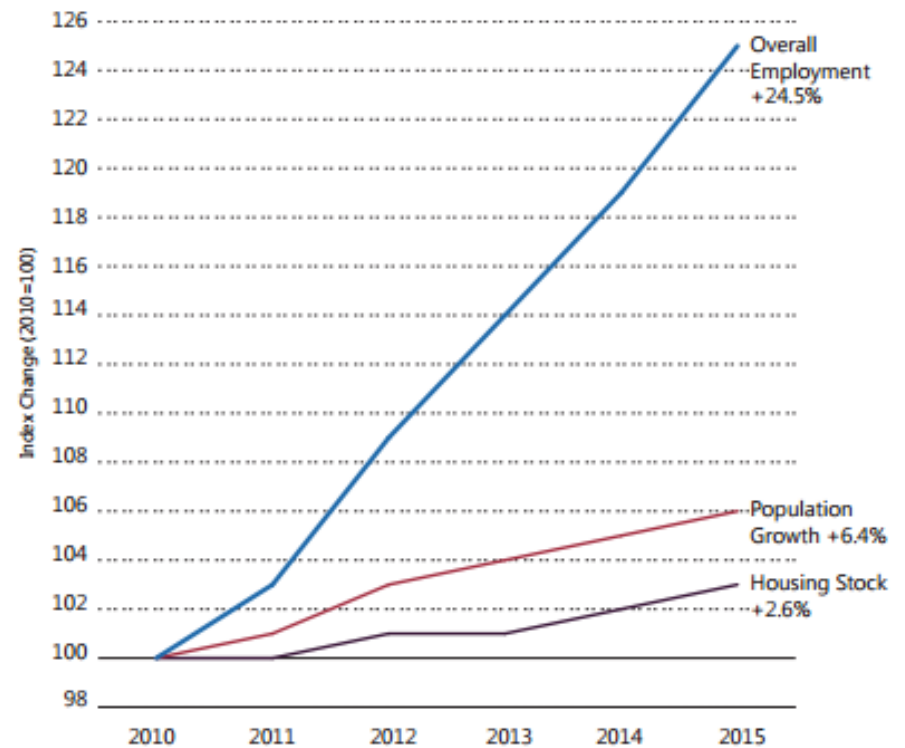
54,600



2,100



### Growth in Employment, Population and Housing Stock Silicon Valley (Index 2010=100)



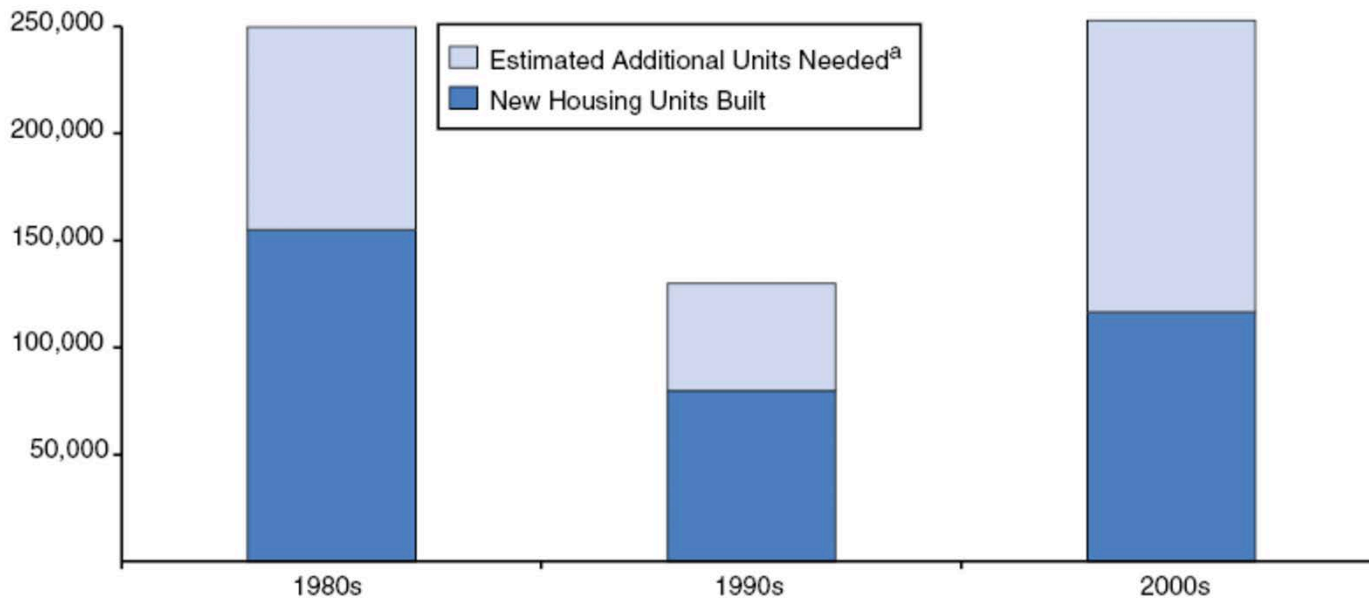
Source: US Census, American Community Survey; California Department of Finance, Bureau of Labor Statistics  
Analysis: Collaborative Economics



**Figure 7**

## Building More Housing Would Have Slowed Rising Housing Costs

*Average Annual Number of New Housing Units Built by Decade, 1980-2010*



<sup>a</sup> Estimated new housing construction needed to prevent home prices from growing faster than the rest of the country.



Partners of T. Jack Foster & Sons surround a model of Foster City.  
From the left: T. Jack Foster, John R. (Bob) Foster,  
Richard H. (Dick) Foster, and T. Jack Foster, Jr.

- “Over ten thousand new residents arrive in northern California each month.”
- “San Mateo County estimates an increase of 250,000 by 1975.”
- “These facts, plus the scarcity of developable land, especially in desirable locations, and an already existing acute housing shortage provide reason enough to believe that Foster City's homes will fill as fast as built.”
- “The only question is that of price versus income.”





CHOICE OF HOUSING BY PRICE RANGE

| TYPE OF DWELLING        | Under \$7500 | \$7500-8750 | \$8750-11,250 | \$11,250-13,750 | \$13,750-18,750 | \$18,750-26,250 | \$26,250-31,250 | Over \$31,250 | TOTAL       |
|-------------------------|--------------|-------------|---------------|-----------------|-----------------|-----------------|-----------------|---------------|-------------|
| High Rise Studio        | 193          | 46          | 92            | 73              | 37              |                 |                 | 6             | 447         |
| Garden Apartment        | 193          | 46          | 92            | 184             | 92              | 19              | 19              |               | 645         |
| High Rise 1 Bedroom     |              | 238         | 138           | 110             | 46              | 37              | 46              |               | 615         |
| Garden Apt. 1 Bedroom   |              | 285         | 138           | 110             | 100             | 92              | 46              |               | 771         |
| Row House 1 Bedroom     |              |             | 193           | 92              | 46              | 46              | 46              |               | 423         |
| High Rise 2 Bedroom     |              |             | 92            | 92              | 46              | 9               | 9               | 9             | 257         |
| Garden Apt. 2 Bedroom   |              |             | 184           | 92              | 55              | 55              | 9               |               | 395         |
| Row House 2 Bedroom     |              |             | 92            | 184             | 230             | 46              | 9               |               | 561         |
| Single Family 2 Bedroom |              |             |               |                 | 615             | 460             | 138             | 56            | 1269        |
| Garden Apt. 3 Bedroom   |              |             | 238           | 266             | 46              | 46              | 9               |               | 605         |
| Row House 3 Bedroom     |              |             |               | 221             | 147             | 83              | 9               |               | 460         |
| Single Family 3 Bedroom |              |             |               |                 | 423             | 248             | 83              | 55            | 809         |
| Row House 4 Bedroom     |              |             |               | 37              | 65              | 37              | 19              |               | 158         |
| Single Family 4 Bedroom |              |             |               |                 | 138             | 129             | 92              | 37            | 396         |
| Single Family 5 Bedroom |              |             |               |                 |                 | 19              | 55              | 19            | 93          |
| Single Family 6 Bedroom |              |             |               |                 |                 |                 | 19              | 9             | 28          |
| <b>TOTAL</b>            | <b>386</b>   | <b>615</b>  | <b>1259</b>   | <b>1461</b>     | <b>2086</b>     | <b>1326</b>     | <b>603</b>      | <b>191</b>    | <b>7932</b> |

17

“A full range of housing types will be provided for single people and families of the range of income, social characteristics, and family size indicated by adjacent employment opportunities and the local housing market; such housing to include single family detached houses, single family attached houses, garden apartments, high-rise apartments, houses for the elderly, and hotels and other transient and recreational quarters.”



- Majority of houses and apartments will be for households having incomes between \$7,000 and \$20,000 per year. (source: Foster City General Plan Report – 1961)
- This equates to \$60,000 to \$190,000 in today's dollars.

ESTIMATED DISTRIBUTION OF 1,000 HOUSEHOLDS BY INCOME LEVEL AND FAMILY SIZE

| <i>Income</i> | <i>Total</i> | <i>1 Person</i> | <i>2 Persons</i> | <i>3,4,6 Persons</i> | <i>5 Persons</i> | <i>7 or More Persons</i> | <i>Anticipated Monthly Housing Expenditure</i> | <i>Equivalent House Price</i> |
|---------------|--------------|-----------------|------------------|----------------------|------------------|--------------------------|--|-------------------------------|
| \$20,000+     | 20           |                 | 3                | 11                   | 5                | 1                        |  | \$35,000+                     |
| 12,000-19,999 | 46           |                 | 14               | 27                   | 5                |                          | \$187-210                                      | 31,250                        |
| 11,000-11,999 | 18           |                 | 6                | 11                   | 2                | 1                        | 176-197  | 28,750                        |
| 10,000-10,999 | 34           | 1               | 9                | 19                   | 4                | 1                        | 165-184  | 26,250                        |
| 9,000- 9,999  | 42           | 2               | 14               | 19                   | 6                | 2                        | 153-170  | 23,750                        |
| 8,000- 8,999  | 64           | 2               | 20               | 33                   | 8                | 2                        | 141-157  | 21,250                        |
| 7,000- 7,999  | 86           | 4               | 26               | 42                   | 11               | 2                        | 128-143  | 18,750                        |
| 6,000- 6,999  | 112          | 6               | 32               | 56                   | 14               | 3                        | 116-129  | 16,250                        |
| 5,000- 5,999  | 155          | 8               | 44               | 80                   | 19               | 4                        | 106-116  | 13,750                        |
| 4,000- 4,999  | 148          | 10              | 46               | 70                   | 16               | 5                        | 90-100   | 11,250                        |
| 3,000- 3,999  | 98           | 12              | 32               | 42                   | 8                | 4                        | 71- 83   | 8,750                         |
| 2,000- 2,999  | 75           | 13              | 20               | 33                   | 7                | 2                        | 49- 55   | 6,250                         |
| Under 2,000   | 102          | 42              | 23               | 28                   | 6                | 3                        | 26- 28   | 4,750                         |
| <b>TOTAL</b>  | <b>1000</b>  | <b>100</b>      | <b>290</b>       | <b>470</b>           | <b>110</b>       | <b>30</b>                |  |                               |

NOTES: Due to rounding, sub items may not add up to Total indicated.  
 Monthly housing expenditure includes principal and interest payment on loan, local taxes, mortgage insurance, maintenance and utilities.  
 Table based on San Francisco and San Mateo County Wage Rates, Family Sizes and Income Distribution.  
 Of the families who will be employed in Foster City, 15% cannot afford to live there. These are the families represented by the colored area of the chart.

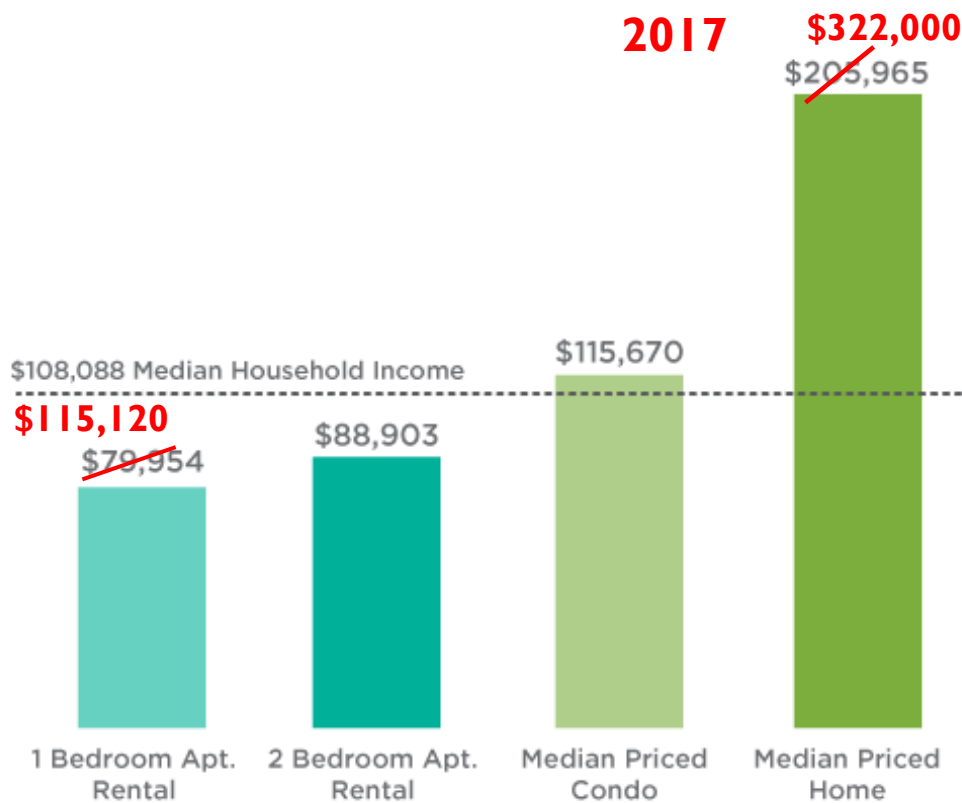


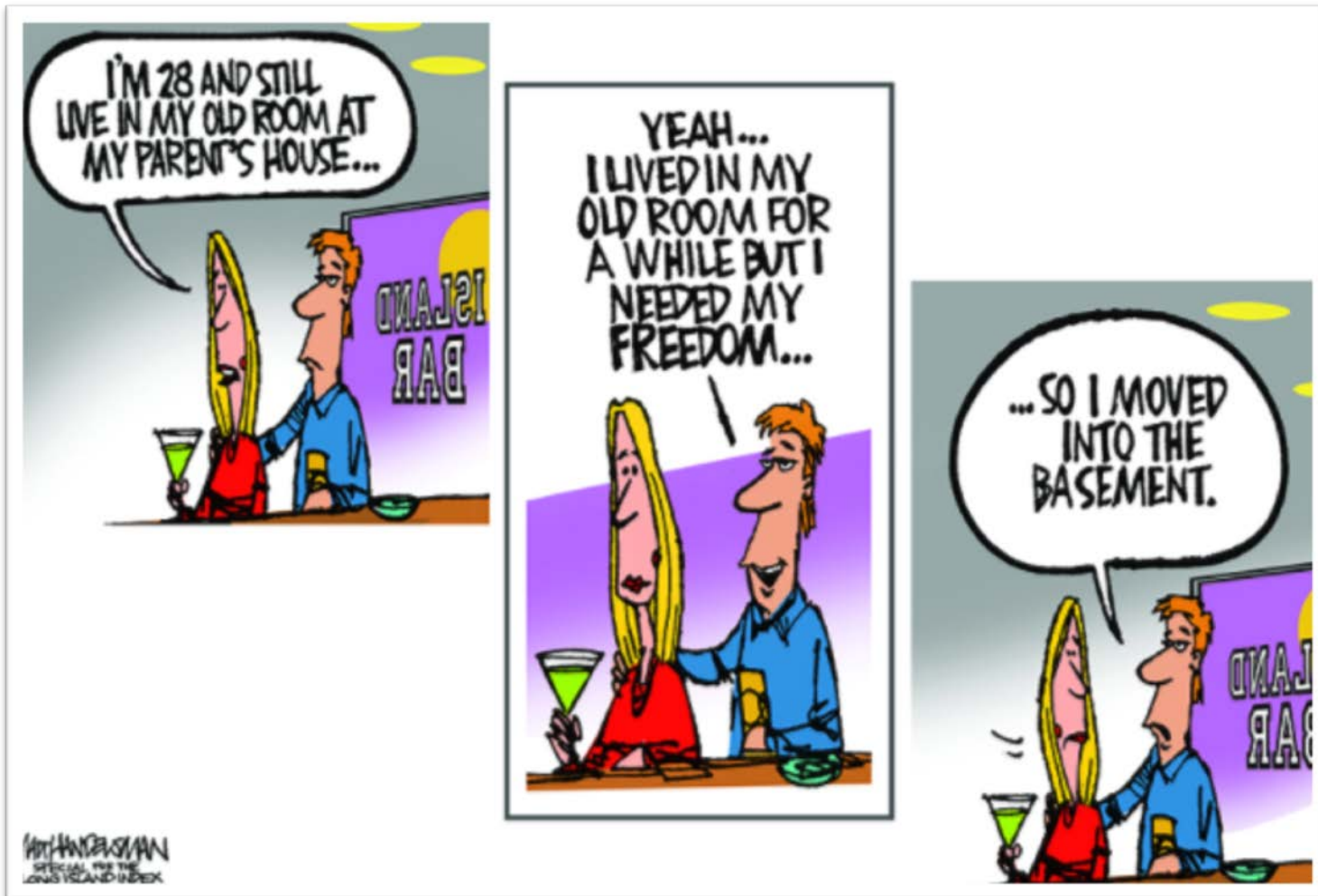
|                    | Original Master Plan Projections (1961) | Current Conditions | YR 2021 Projections |
|--------------------|---|--------------------|---------------------|
| Population         | 35,000                                  | 33,100             | 34,000              |
| # of Housing Units | 11,000                                  | 12,800             | 14,000              |
| # of Jobs          | 13,000                                  | 16,000             | 20,000              |





## Household Income Needed for Housing Costs, ~~2014~~





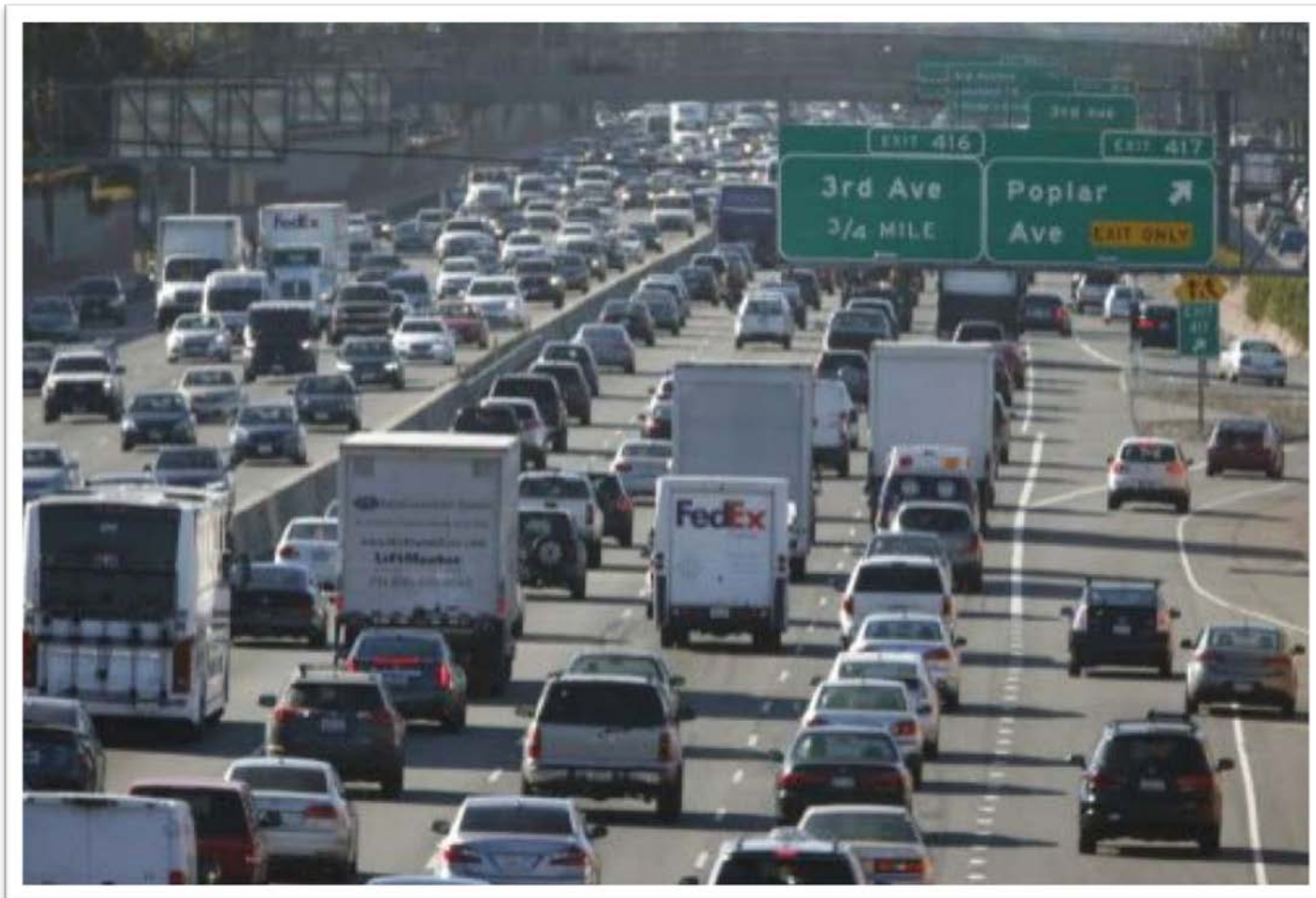




You Can Work Here But You Can't Live Here

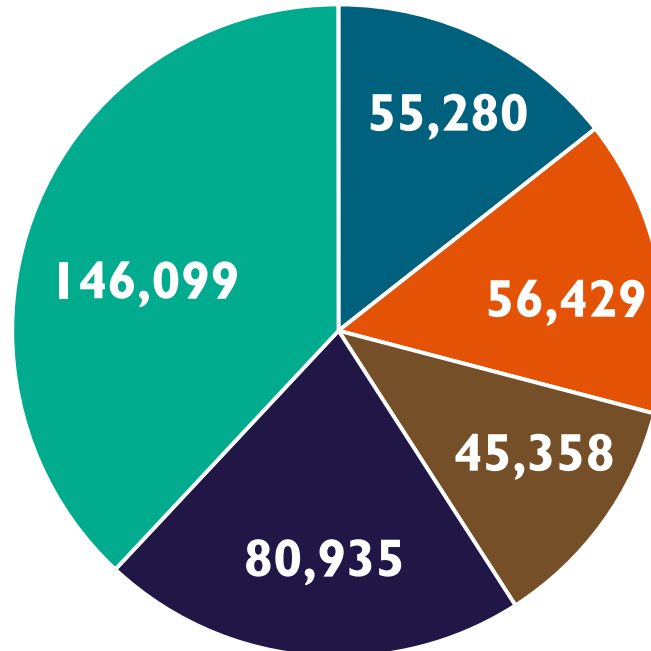








## Of the 384,100 Jobs in San Mateo County, 269,664 Workers Live Outside the County



■ San Francisco ■ Santa Clara ■ Alameda ■ Other Counties ■ San Mateo



# Affordable Housing In Foster City





# Information Tables



The Housing Endowment and Regional Trust

## HEART of San Mateo County



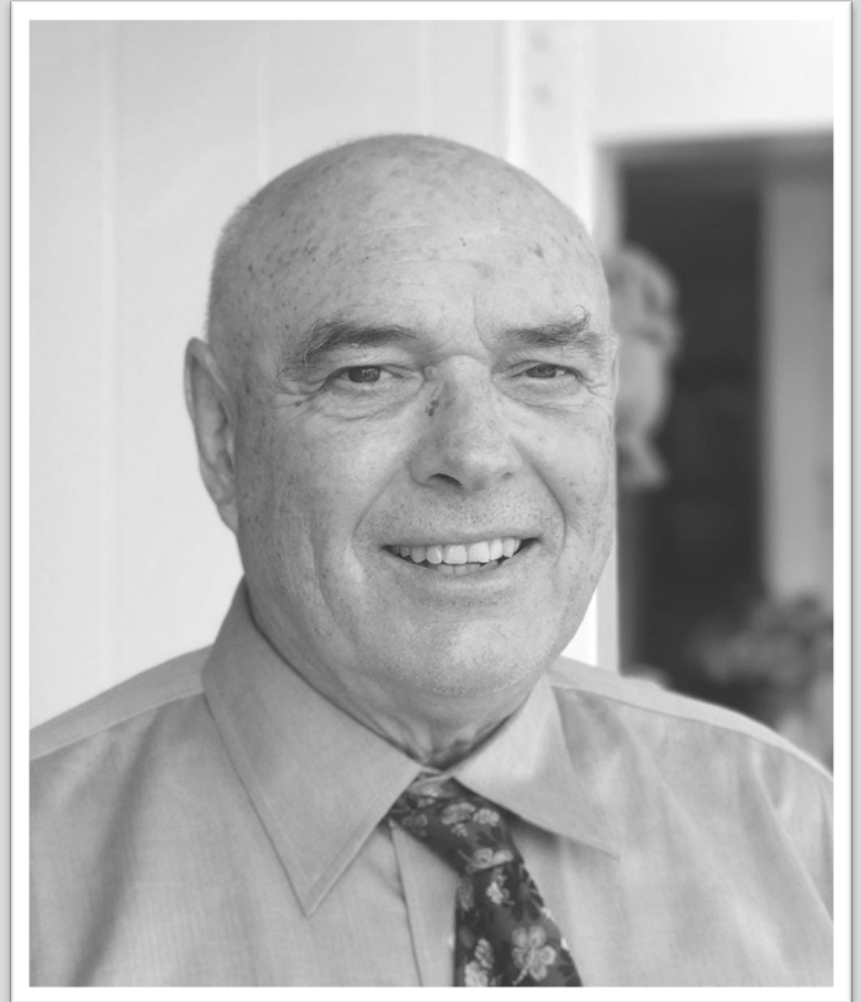


# Moderator



## ***Jeffery Baird***

Baird & Driskell Community Planning





# Panel Presentations & Discussion



**community** *Housing*  
dialogue series

***Rick Williams***

Van Meter Williams Pollack LLP







# Primary Issues Which Impact the Cost of Housing

- Land Costs
- Fees, Financing & Other "Soft Costs"
- **Construction Costs and Amenities**





# Impacts to Construction Costs

- Amount of Parking: at \$50-60,000+ per space
- Amenity Package for Top 25% of the “Market”
- Unit Sizes and Desire for Individual Amenities
- Baths and Kitchens Proportion to # of Bedrooms
- Mechanical Systems and Energy Conservation
- Union vs Prevailing Wage vs. Non-Union Contractors
- All of these items have added to the cost of construction so that a current Cost per typ. unit of housing is \$4 to 500,000



# Parking and Amenities

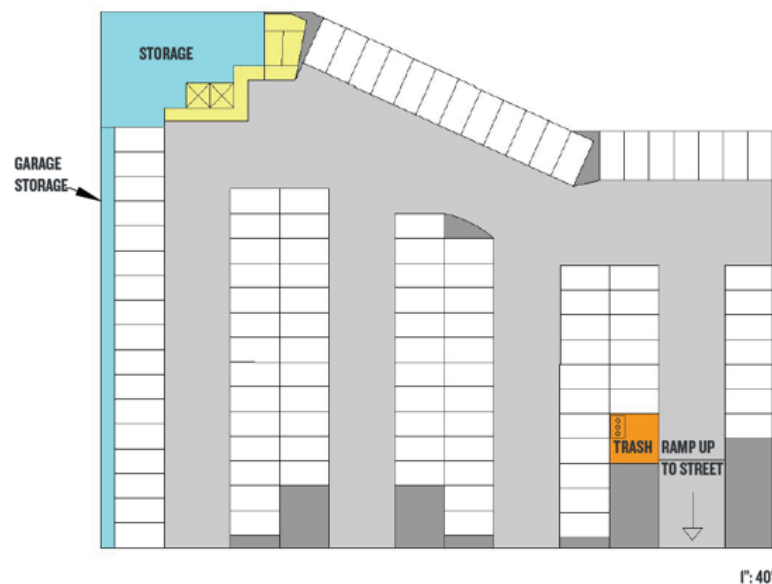


**STREET LEVEL / FIRST FLOOR**  
79 PARKING SPACES

**.25 -.3 Spaces per unit**

## LEGEND

|  |                   |  |               |
|--|-------------------|--|---------------|
|  | STUDIO            |  | 1 BR EMBEDDED |
|  | 1 & 2 BR          |  | CO-LIVING     |
|  | 4 BR - MACRO UNIT |  | UTILITY       |
|  | COMMON            |  | CIRCULATION   |



**LOWER LEVEL**  
109 PARKING SPACES

**.8 - 1 Spaces per unit @ \$5-6 mil.**

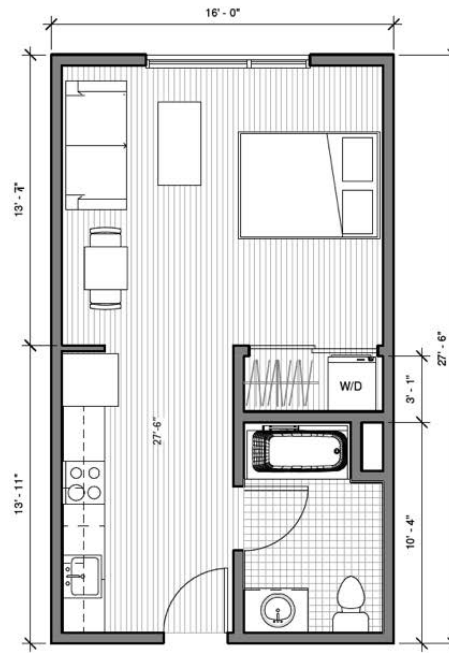


# Efficiency Studios

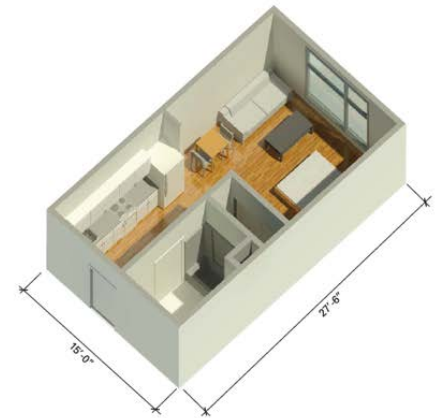
## STUDIO



**MODULAR**



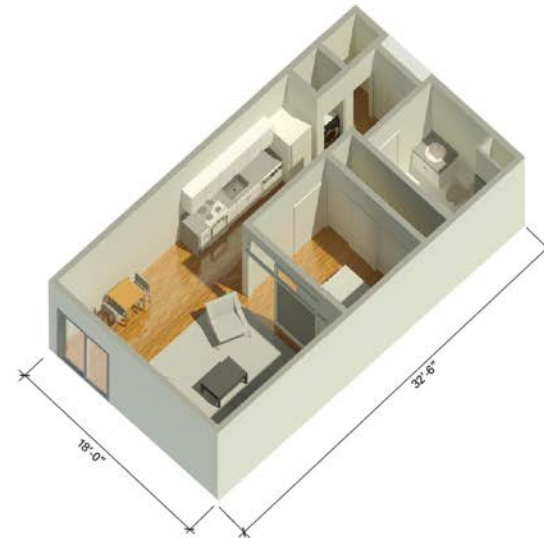
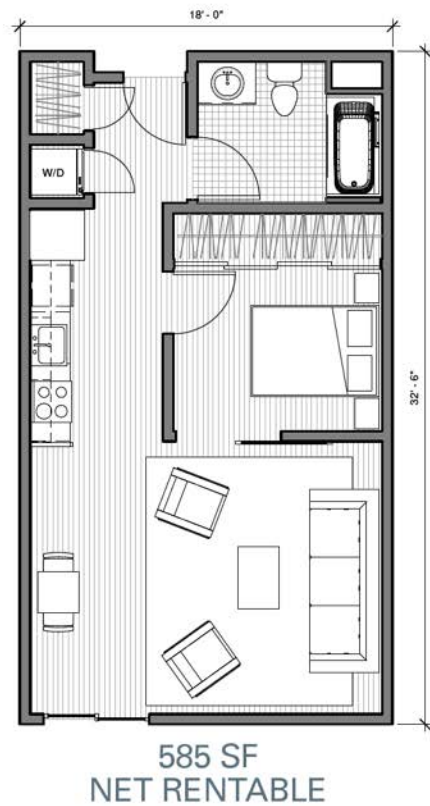
412 SF  
NET RENTABLE





# Embedded Bedrooms

## EMBEDDED | BEDROOM





# Efficiency 1s and 2s

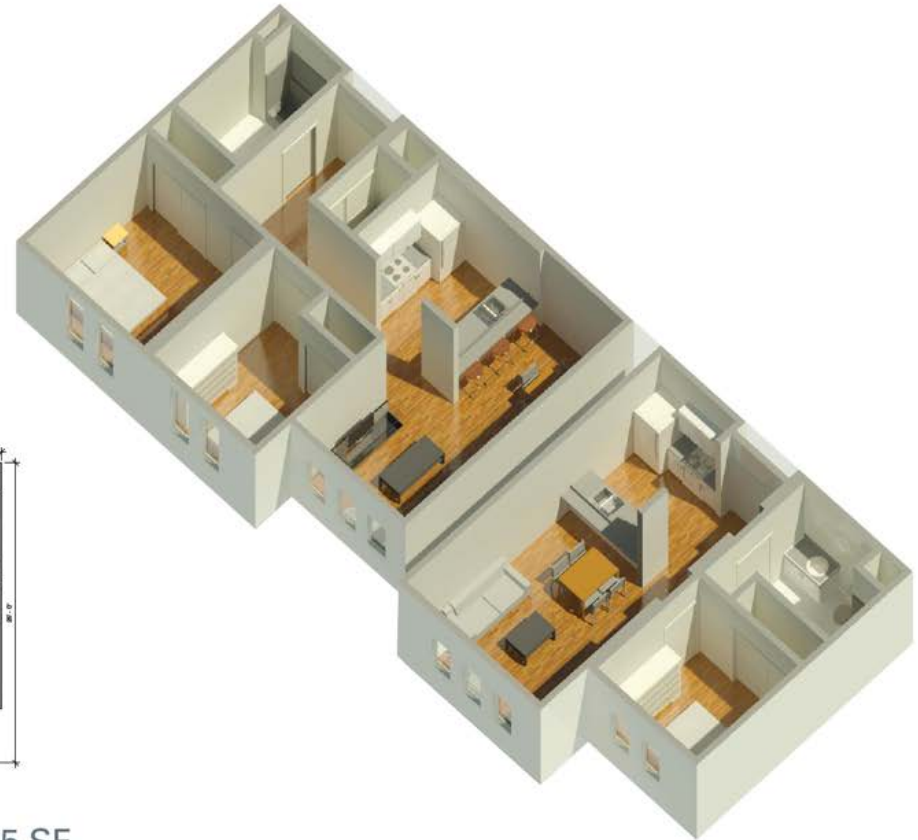
 **1 & 2 BR  
MODULAR**



**2 BEDROOM** 865 SF  
NET RENTABLE



**1 BEDROOM** 595 SF  
NET RENTABLE





# Shared Apartment Living

 **4 BEDROOM  
MACRO UNIT**



**2 BEDROOM + 1 BEDROOM = 4 BEDROOM**



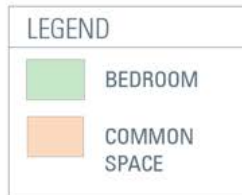
1,460 SF  
NET RENTABLE





# Co-Living: “Commons” “Apodments”

## CO-LIVING





# Testing This New Building Program

## LEGEND

|  |                   |  |               |
|--|-------------------|--|---------------|
|  | STUDIO            |  | 1 BR EMBEDDED |
|  | 1 & 2 BR          |  | CO-LIVING     |
|  | 4 BR - MACRO UNIT |  | UTILITY       |
|  | COMMON            |  | CIRCULATION   |





# Primary Issues Which Impact the Cost of Housing

- **Construction Costs and Amenities**
- **Parking, Amenities, Units and Living**





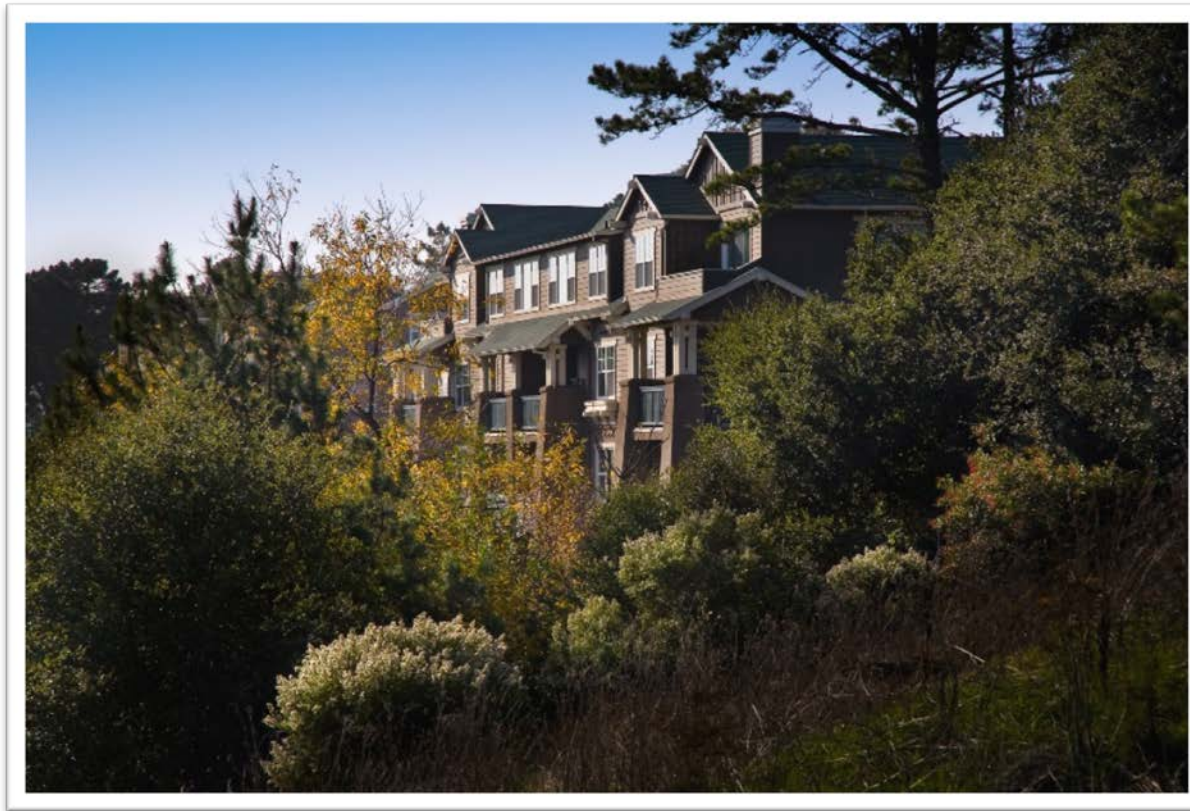
***Bruce Dorfman***

Thompson Dorfman LLC





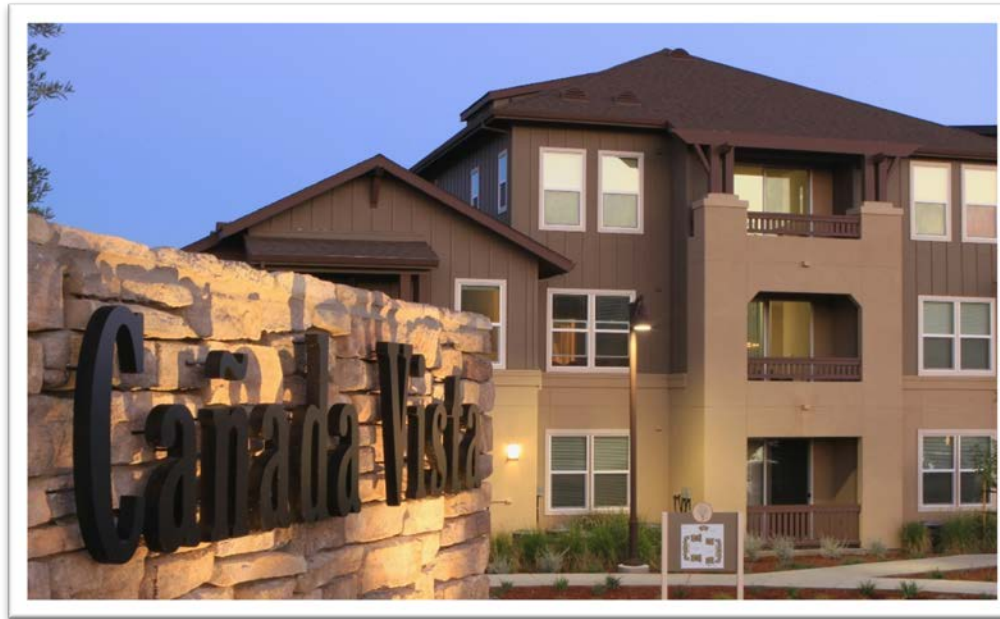
# Faculty / Staff Housing



## **EDUCATION HOUSING PARTNERS** A THOMPSON | DORFMAN COMPANY



# Overview and Goals



- Provides low-cost and high quality rental housing to teachers and staff
- Rents are typically under 50% of market
- Significant benefit for recruiting and retaining employees



# District / Agency Role

- Provide Surplus Site / Land
- Capitalize Development
- Facilitate Relationship with City
- Champion Project





# Capital Requirements



- No District general funds are required for development or operations
- 100% of pre-construction and construction costs are funded by certificates of participation issued by District
- Rents are set at levels that cover operating costs, principal, interest and reserves
- Rents are low due to:
  - No land costs (surplus site)
  - Lower operating costs and no property taxes (publicly owned)
  - Tax exempt financing
  - Limited municipal fees





# Design / Build Contractor (DBC)



- District hires 3<sup>rd</sup> party property manager responsible for maintenance, administration, operations and leasing
- Apartments offered to qualifying district employees
- District owns land and all improvements



**community** *Housing*  
dialogue series

***Andrea Osgood***

Eden Housing





# Eden Housing

- CA's oldest nonprofit affordable housing developer - started in 1968
- 10,630 affordable units / 157 properties
- (ever developed and/or owned and managed)
  
- Property Management
- 131 Properties - Family, Senior, Disabled
- 8,460 units under management
  
- Resident Services
- Families: Resources/education, after school, technology, community building, 'green'
- Seniors and Disabled: One-on-one support, resources, education, technology, 'green'





# Studio 819 – Mountain View, CA





# Studio 819 – Mountain View, CA





# Studio 819 – By the Numbers

- 49 Studio Apartments,  
~500 SQ FT
- 58 Units an Acre
- Completed in 2015
- Total Development Cost:  
\$18M
  - Tax credit financing:  
\$8.3M
  - Perm Loan: \$475K
  - Local soft debt: \$9M





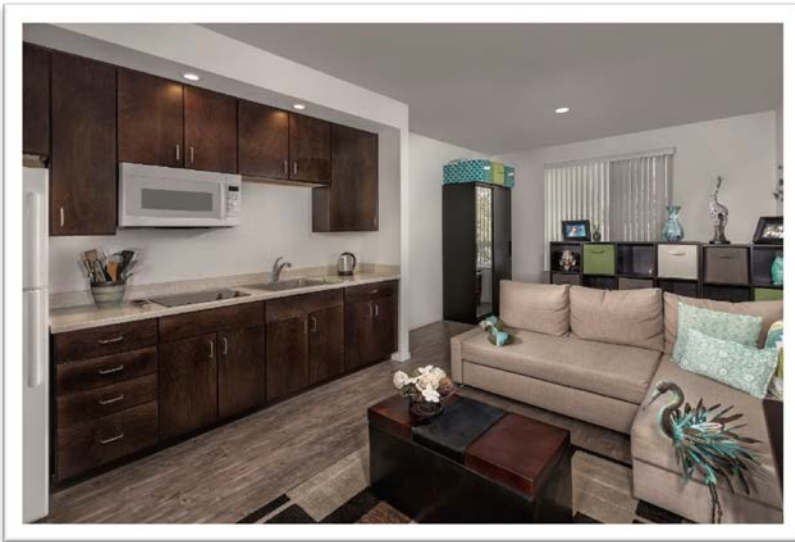
# Studio 819 – Households Served

## Age

| HH Age   | #  | %   |
|----------|----|-----|
| Under 18 | 9  | 15% |
| Under 55 | 33 | 55% |
| Over 55  | 18 | 30% |

## Income

| AMI | # of units | 1 person HH | Hourly equivalent |
|-----|------------|-------------|-------------------|
| 30% | 13         | \$ 25,080   | \$ 12.06          |
| 40% | 10         | \$ 33,440   | \$ 16.08          |
| 45% | 25         | \$ 37,620   | \$ 18.09          |

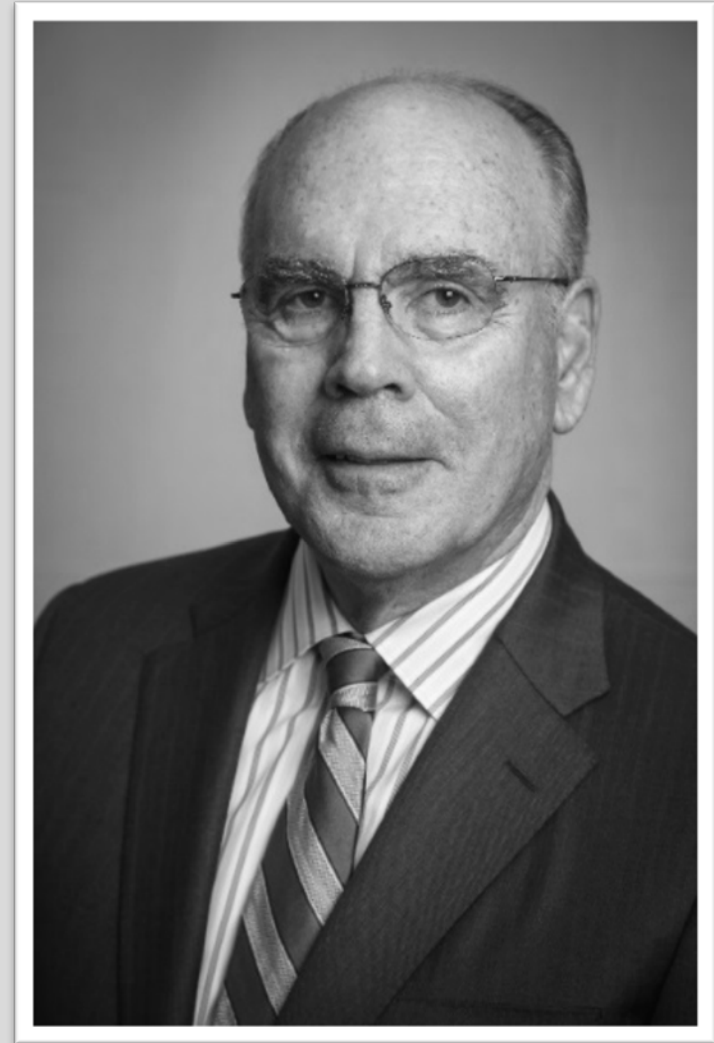




**community** *Housing*  
dialogue series

***Don Horsley***

San Mateo County Third District  
Board Supervisor







# Jobs-Housing Gap

Job opportunities are growing rapidly, but with limited housing available, there is a growing need for homes people can afford.

**Between 2010 – 2015:**



**72,800**  
JOBS



**3,844**  
HOUSING UNITS



# Jobs-Housing Gap

MEDIAN HOME  
SALES PRICE

**\$1.25 million**



In SMC, median rent for a 1  
bedroom apartment is **\$2,735.**  
For a 2 bedroom It is **\$3,409.**



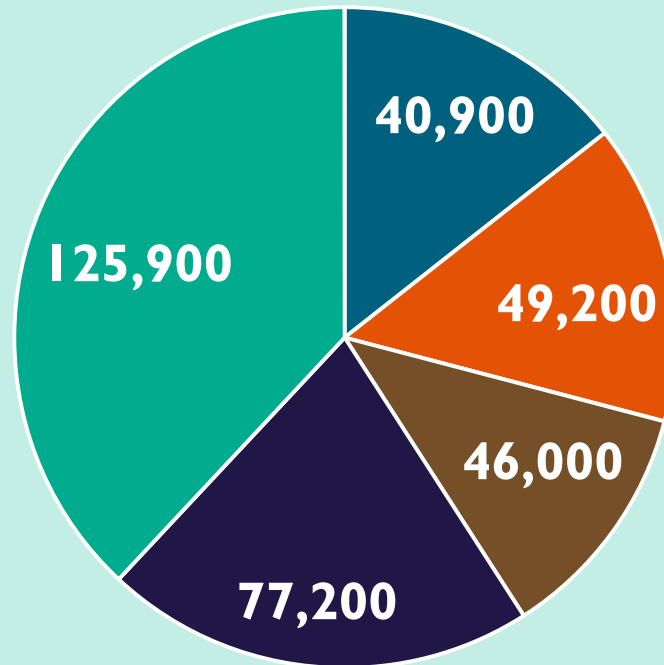
## Recruitment & Retention

- Housing Cost is #1 Business Challenge for Past Four Years
- Likely to Leave Bay Area: 40% of Bay Area Council Poll Respondents





## Of the 339,200 Jobs in San Mateo County, 213,300 Workers Live Outside the County



■ San Francisco ■ Santa Clara ■ Alameda ■ Other Counties ■ San Mateo



# County Support for Housing



## **\$94 Million From FY 2012 through FY 2019**

- FY 2017-2019
  - **\$43.75 million** in Measure K funding for housing development, preservation and programs
- FY 2012-2016
  - **\$50.3 million** in Measure A and other funds for housing development, preservation and programs



# Moderated Discussion and Q&A

*Visit [sustainable.fostercity.org/social](https://sustainable.fostercity.org/social)  
to take our online survey and have your  
voice be heard!*

---

