

Eligibility and Priority Policy Guidelines for the JESD Faculty and Staff Housing Educational Housing Corporation

April 25, 2023

The proposed policies set forth in this document are eligibility guidelines for initial lease-up and subsequent lease operations of the Faculty & Staff Housing.

Not all household situations can be addressed in a brief document. The Educational Housing Corporation is suggesting that it retain the right to interpret these guidelines—consistent with the intent of the eligibility and priority guidelines--on a case-by-case basis.

Due to the start-up nature of Jefferson Elementary School District Faculty and Staff Housing, the Board may revisit these guidelines and amend the guidelines from time to time.

Maximum Length of Tenancy

Tenancy will be offered to current JESD faculty and staff in one-year lease increments, to be renewed annually. There will be an established maximum length of tenancy—the goal being seven years--to allow other teachers and staff an opportunity to benefit from living at the property at a reduced rental rate to build savings to afford market rate rentals or buy property.

The Educational Housing Corporation has established a maximum length of tenancy of seven years. However, if the majority of the initial tenants choose to stay for the full seven years of tenancy, this would limit the ability to use the property to attract new teachers and staff to JESD.

To minimize this adverse outcome, an Evaluation Period will be established for the first three years following the start of the initial move-in period. During the Evaluation Period, the Educational Housing Corporation will monitor the natural turnover and determine the appropriate maximum length of tenancy.

During the three-year Evaluation Period, the maximum length of tenancy will be five years for leases executed during the Evaluation Period, including new leases executed after the initial lease-up. For example, a new lease executed in the second year of operations would receive an initial one-year lease with extensions to result in a maximum tenancy of five years.

Based on review during the Evaluation Period, changes could include offering a two-year extension to all existing tenants to increase their overall maximum lease term to seven years, creating a staggered limit for the leases, assigning new tenancies a maximum length of tenancy of seven years, or other changes as needed.

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If a large number of tenancies are set to expire at any given time, the Eligibility Committee may opt to offer one-, two-, and three-year extensions beyond the original maximum length of tenancy to create staggered tenancy expirations through a lottery system.

Leases as Recruitment Tool

The stated purpose of the property as a tool for both attracting and retaining faculty and staff necessitates a few units be set aside for recruitment.

During the initial lease-up, four units will be set aside for recruitment. The four units will be a mix of one- and two-bedroom units. Three-bedroom units are in short supply and will not initially be reserved for recruitment.

If recruitment units remain uncommitted as of September 1, they can be released to existing teachers and staff on the waitlist.

The Recruitment Season is typically March through August. As such, any units that become available during this time will alternate between the waitlist and recruitment, with a maximum number of recruitment units set aside for Recruitment Season being four.

All openings between September and February go to those on the waitlist.

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Household Members per Apartment Unit

The following table shows the minimum number of household members necessary to be eligible to live in each unit type:

| Unit Type | Minimum Household size |
|---------------|------------------------|
| One Bedroom | 1 |
| Two Bedroom | 2 |
| Three Bedroom | 4 |

Tenants may propose an alternative household size/configuration for consideration by the Eligibility Subcommittee.

Note 1: If two JESD employees apply for housing and intend to live together, they will each be considered individual JESD employees for purposes of a housing lottery. (I.e. They each will receive one lottery “ticket”.)

Note 2: A family of three (3) may be considered for the three bedroom units if single parent with multiple dependents.

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Priority & Waitlist

An effort will be made to maintain a proportional representation of 64% certificated and 36% classified staff assigned to the apartments, including selecting applicants from a lower priority group to select tenants that are in an underrepresented group. The 64%/36% allocation represents the rough proportion of employees at JESD.

To maintain the proportional representation between certificated and classified employees, two waitlists will be maintained. When a unit becomes available and is allocated to an applicant on the waitlists rather than recruitment, a person will be selected from either the classified or certificated waitlist based on the overall 64%/36% balance.

Names on the waitlist will be listed by employment category (Certificated or Classified) and priorities and will include the date the employee was first placed on the waitlist which will be used to determine who is called for vacancies that occur.

Employees will be called from each of the two waitlists according to:

- (1st) their priority category, and
- (2nd) their length of time on the waitlist.

Waitlist status will be reevaluated annually.

For purposes of establishing eligibility priority, a full time employee is defined as at least 0.8 FTE for Certificated staff, and .6667 FTE for Classified staff.

The priority categories for initial evaluation are as follows:

- **Priority 1a:** Full time employee, who has either never owned a home, or has previously owned a home and qualifies for Home Ownership Criteria per items 1, 2, or 3 below. The household income shall be less than 80% of AMI.
- **Priority 1b:** Full time employee, who has either never owned a home, or has previously owned a home and qualifies for Home Ownership Criteria per items 1, 2, or 3 below. The household income shall be between 81% of AMI and 120% of AMI.
- **Priority 2a:** Part time employee, who has either never owned a home, or has previously owned a home and qualifies for Home Ownership Criteria per items 1, 2, or 3 below. The household income shall be less than 80% of AMI.
- **Priority 2b:** Part time employee, who has either never owned a home, or has previously owned a home and qualifies for Home Ownership Criteria per items 1, 2, or 3 below. The household income shall be between 81% of AMI and 120% of AMI.

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- **Priority 3a:** Full time employee, who has previously owned a home and do not currently own a home, but does not qualify for Home Ownership Criteria per items 1, 2, or 3 below. The household income shall be less than 80% of AMI.
- **Priority 3b:** Full time employee, who has previously owned a home and do not currently own a home, but does not qualify for Home Ownership Criteria per items 1, 2, or 3 below. The household income shall be between 81% of AMI and 120% of AMI.
- **Priority 4a:** Part time employee, who has previously owned a home and does not currently own a home, but does not qualify for Home Ownership Criteria per items 1, 2, or 3 below. The household income shall be less than 80% of AMI.
- **Priority 4b:** Part time employee, who has previously owned a home and do not currently own a home, but does not qualify for Home Ownership Criteria per items 1, 2, or 3 below. The household income shall be between 81% of AMI and 120% of AMI.
- **Priority 5a:** Full time employee, who has either never owned a home, or previously owned a home but does not currently own a home and qualify for Home Ownership Criteria per items 1, 2, or 3 below. The household income is above 120% of AMI.
- **Priority 5b:** Part time employee, who has either never owned a home, or previously owned a home but does not currently own a home and qualify for Home Ownership Criteria per items 1, 2, or 3 below. The household income is above 120% of AMI.

Home Ownership Criteria

1. A person who hasn't owned a home in the past three years and received less than \$120,000 (1) in equity when they sold their home, OR
2. A person who divorced or separated in the past three years and vacated a primary residence and received less than \$120,000 (1) in equity from the sale, OR
3. A person who lost their home through a short sale or foreclosure and received less than \$120,000 (1) in equity from the sale.

Note (1): Using 2022 as the base year, adjusted for inflation with local CPI from the U.S. Bureau of Labor Statistics, Table A June 12 month data (https://www.bls.gov/regions/west/news-release/consumerpriceindex_sanfrancisco.htm).

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Prospective Employees Outside of the Bay Area

Prospective employees who own a home outside the Bay Area and are coming from outside of the Bay Area to take a job in the District, may be allowed to live in District housing for a maximum of 18 months at below market rates to allow them time to sell their home and re-settle in the Bay Area. For purposes of this subsection, “Outside of the Bay Area” is defined as a fifty mile radius from the location of primary work for the District.

Other Eligibility Guidelines

- JESD Housing must meet Daly City requirements for Affordable Housing Ordinance. Staff who qualify under this ordinance will have top priority.
- Qualified staff with students attending District schools will be considered high priority within a category to support the District in addressing declining enrollment.
- A tenant who moves out and wants to move back in goes to the end of the waitlist.

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Maximum Household Income for Establishing Eligibility Priority:

The household income used for qualifying tenants will be adjusted each year when new AMI information is released during the month of May. The household incomes shown in the table below would be used to institute the priorities listed on the preceding page, but wouldn't be used to establish the rental rates.

| 2022 Area Median Income for Reference | | |
|--|------------|-------------|
| <i>(Gross Income)</i> | | |
| % of AMI | 80% | 120% |
| <u>Family of 1</u> | | |
| Annual Household Income | \$92,960 | \$139,440 |
| <u>Family of 2</u> | | |
| Annual Household Income | \$106,240 | \$159,360 |
| <u>Family of 3</u> | | |
| Annual Household Income | \$119,520 | \$179,280 |
| <u>Family of 4</u> | | |
| Annual Household Income | \$132,800 | \$199,200 |

All prospective tenants will be subject to initial financial screening, and credit and tenancy guidelines that are set by the EHC Board and implemented by the property manager. The District will annually verify that the residents continue to be employees of the District and meet other criteria and rules.