

Assembly Bill 1381 (Muratsuchi)

Education Workforce Housing Predevelopment Budget Proposal

Proposal

Assembly Bill 1381 would establish a revolving loan account in the Office of the California State Treasurer to provide no-interest loans to local educational agencies, specifically school districts and county offices of education, to prepare feasibility studies for education workforce housing projects. Loan amounts would be up to \$150,000 per LEA to cover the cost of feasibility studies. The exact size of each loan will depend on the size of the LEA and project scope.

Background

Affordable housing has long been a challenge to the recruitment and retention of classified and certificated education staff alike. The cost of housing has skyrocketed since the Great Recession, fast outpacing the ability of teachers and classified staff to afford the cost of rent or to own their own home. EdSource, a leading public education news outlet, recently published an article titled "[Crowded classes, staff shortages, insufficient pay are making some California teachers rethink careers](#)," reporting that the lack of affordable housing near their jobs is one of the main challenges facing new and veteran teachers. It further reported that 91 percent of the educators surveyed who rent reported that they can't afford to buy a home. Only 12 percent of the teachers surveyed said they were able to save a comfortable amount for the future, while 31 percent said they are living paycheck to paycheck."

Over the last several years, the California School Boards Association (CSBA) has partnered with UCLA's cityLAB and UC Berkeley's Center for Cities + Schools to provide LEAs with the resources and knowledge needed to build education workforce housing. This included a [report](#) highlighting the ways the state could further expand and support efforts to provide housing for its education workforce. The report found that:

"To help catalyze developments, LEAs need access to funding for both the 'soft costs' of redevelopment (e.g., soils testing, architectural plans, community engagement) as well as the 'hard costs' of actual construction. To make projects feasible, LEAs need access to both capital as well as cost containment options. State policymakers could support these efforts by establishing a revolving fund for predevelopment activities that provides grants to qualifying LEAs to support project start-up costs, staffing, management, and other feasibility/predevelopment analysis."

Request

A one-time grant of \$10,000,000 in non-Proposition 98 funding that will be distributed by the California State Treasurer's Office to LEAs that have engaged in at least 20 hours of training, conducted stakeholder engagement and performed other due diligence activities. Applicants would be reviewed by a statewide educational nonprofit organization with a proven track record of assisting LEAs with education workforce housing projects selected by the State Treasurer's Office to help identify awardees of one-time grants of up to \$200,000 depending on the size of the LEA. These no-interest loans would be repaid three years after disbursement, free of interest. Importantly, this small amount of money would unlock thousands of homes for educators earning in the 30 percent to 120 percent area median income (AMI) (range, help address the achievement gap through teacher retention, and prove a pioneering housing model that could continue in perpetuity.

