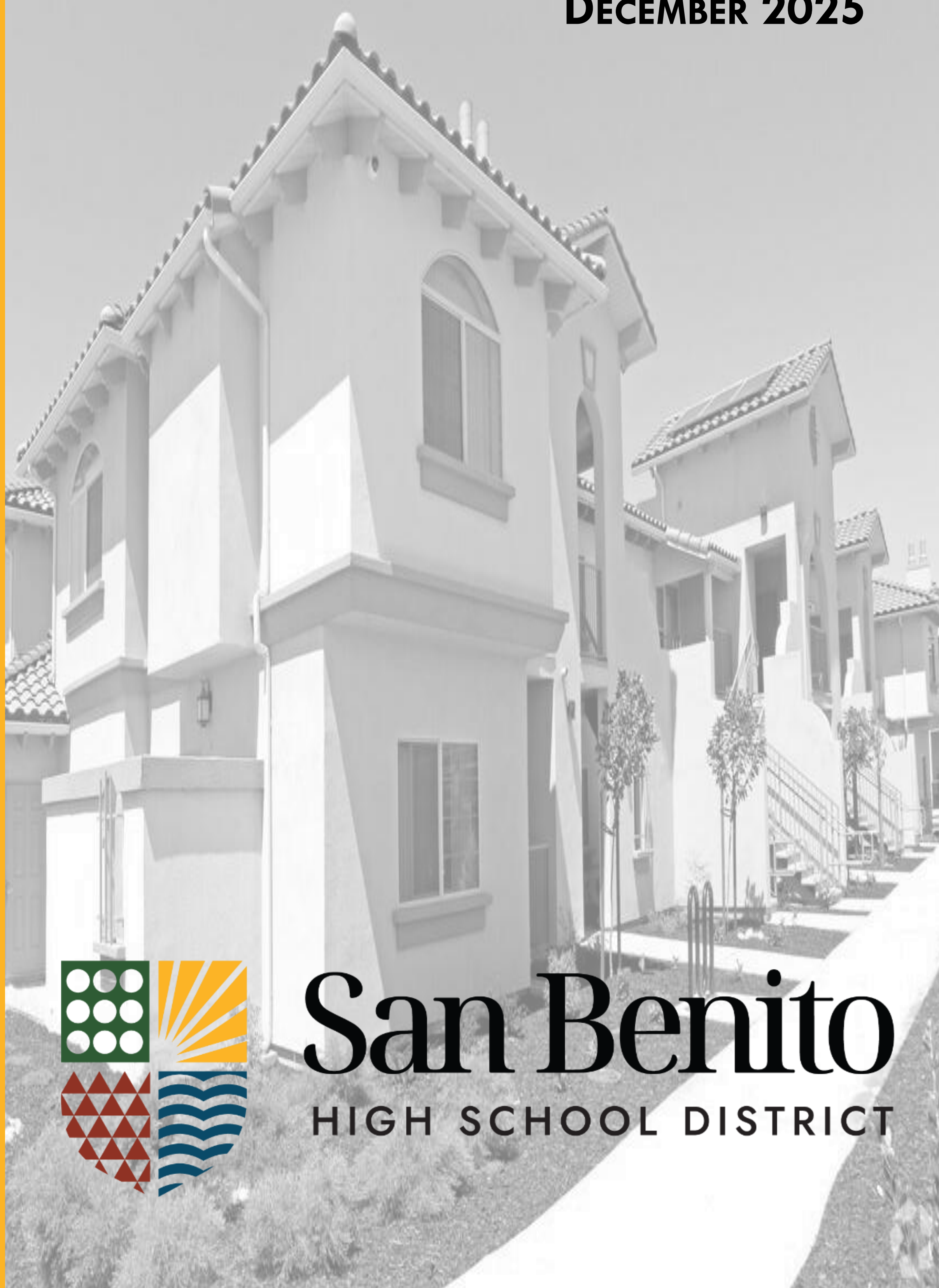
Executive Report: Education Workforce Housing Strategic Framework

December 2025



San Benito
HIGH SCHOOL DISTRICT

TABLE OF CONTENTS

Prepared by:

Capitol | PFG

Capitol Public Finance Group, LLC
www.capitolpfg.com

December 2025

BACKGROUND

Home Room Pledge

The Home Room pledge connects San Benito High School District staff to high-quality housing within the District. By providing teachers and staff with a stable home base, the Home Room Pledge strengthens retention, builds community ties, and ensures that those who nurture our students can thrive locally themselves.

The Home Room Pledge turns the idea of belonging into reality, where every school staff member has a place to call home, reinforcing the connection between strong schools and thriving neighborhoods. To be successful, SBHSD must ensure that those who shape young minds can also help shape the communities they serve. The Home Room Pledge supports recruitment, retention, and long-term community vitality because when our staff can live where they teach, learning takes root beyond the classroom.

The Home Room Pledge recognizes housing stability as essential to educational excellence and workforce longevity. By keeping staff close to campus and community, the District strengthens both our classrooms and our collective future, complementing close-knit community. This shared vision can only be realized through strong local partnership, with each part of our community working together to uphold the pledge and its promise.

Introduction

The purpose of the San Benito High School District's Home Room Pledge, Education Workforce Housing Initiative is to deliver a viable and sustainable housing solution to address the lack of affordable housing impacting District and public educators in San Benito County.

Over the past 20 years, San Benito County has become a bedroom community for Silicon Valley, as high costs have driven residents from coastal areas and Silicon Valley to relocate there, leading to an enormous percentage of the workforce living in the community and commuting daily. The severity of the housing crisis is underscored by a county-wide apartment vacancy rate of just 1.7%.

The San Benito High School District (District) educates the vast majority of public high school students in San Benito County at Hollister High School, the District's only comprehensive high school. With a five-year enrollment growth rate of 7%, the District anticipates enrollment at Hollister High School to exceed 5,200 students by 2040. With a growing population and student body, the District must ensure that it can recruit and retain teachers. The District is addressing this need by creating the San Benito Education Campus, which will feature over 100 affordable housing units for teachers and staff, located right next to the new second high school.

This Executive Report evaluates two distinct development and operational frameworks the District may pursue to achieve this goal:

- **The Private Developer Model:** Under this approach, the District executes a long-term land lease with a private partner. The developer assumes full responsibility for securing financing, construction, and daily operations, while the District retains a minority ownership stake in the project.
- **The Non-Profit Partnership Model:** This approach establishes a partnership with a mission-driven non-profit developer via a long-term ground lease. The non-profit serves as both developer and operator, leveraging state and federal financing mechanisms, including tax credits, loans and grants to fund the project.

In either case, the District's contribution is limited to land and State grants; no General Fund monies will be obligated to implement the Home Room Pledge.

This Executive Report provides a data-driven assessment of the workforce housing landscape, specifically quantifying the supply and asking rents of 3- and 4-star apartments in San Benito County and adjacent areas. The core objective is to evaluate prospective partners by highlighting their experience and approach to delivering a viable solution. Financial feasibility modeling is excluded, as the final pro forma is dependent on the partner selected to move the project forward.

Problem

San Benito County's rental market is critically constrained, with just 1,862 total units (spanning market-rate, affordable, and rent-restricted) and a vacancy rate of only 1.7%. The situation is even more dire for 3-Star and 4-Star properties—defined as average to mid-priced units—where the vacancy rate drops to 0% with no new inventory under construction. This severe shortage creates a significant barrier for San Benito High School District educators, making it difficult for them to live in the community they serve. The following section details the availability of these classes of apartments in the City of Hollister, San Benito County and nearby cities and counties.

Metric	San Benito County	Monterey County	Santa Clara County	Santa Cruz County
Inventory Units (Total Supply)	547	6,823	106,544	3,861
Vacancy Rate	0%	3.40%	5.60%	7.40%

Metric	Hollister	Gilroy	Morgan Hill	Marina	San Juan Batista	Salinas	Monterey
Inventory Units (Total Supply)	502	821	1,020	1,085	45	6,823	1,358
Vacancy Rate	0%	5.80%	5.60%	3.5%	0%	3.4%	4.1%

Housing is generally considered "affordable" when rental costs do not exceed 30% of a household's gross monthly income. Under this standard, a teacher earning the median salary of $92,000 requires a unit priced at approximately $2,500 per month, which is a scarce find given the severe shortage of inventory. The affordability gap is even more acute for Very Low to Low-Income staff; to remain within Area Median Income (AMI) guidelines, these employees require monthly rents between $1,050 and $2,100.

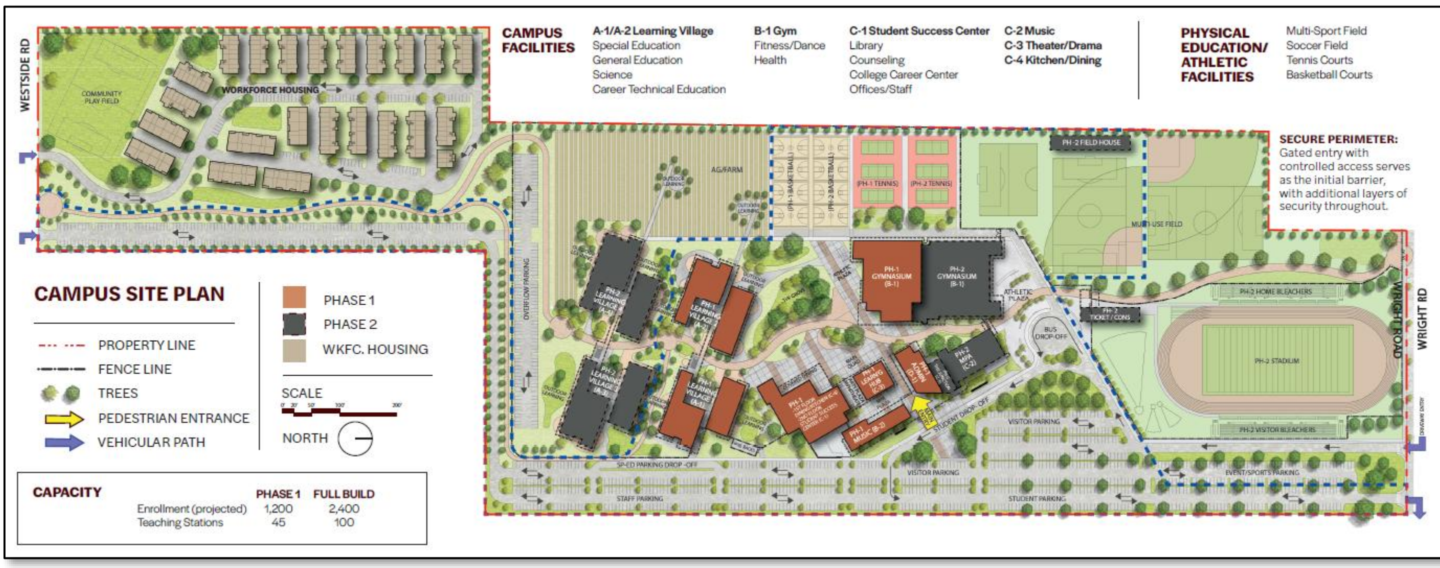
The following tables show the 3-Star and 4-Star asking rents for 1 and 2 bedroom apartments for the City of Hollister, San Benito County and nearby cities and counties.

Metric	San Benito	Monterey County	Santa Clara County	Santa Cruz
1 Bedroom Asking Rent	$2,073	$2,138	$3,066	$2,971
2 Bedroom Asking Rent	$2,565	$2,691	$3,707	$3,835

Metric	Hollister	Gilroy	Morgan Hill	Marina	San Juan Batista	Salinas	Monterey
1 Bedroom Asking Rent	$2,080	$2,231	$3,364	$1,623	$2,003	$2,138	$2,364
2 Bedroom Asking Rent	$2,729	$2,653	$3,854	$2,854	$2,310	$2,691	$3,058

Solution

The San Benito Education Campus is envisioned as a holistic community that integrates a new second high school with a dedicated residential village. This component will deliver 100–150 high-quality units (ranging from one to three bedrooms) in a park-like setting complete with soccer fields, an amphitheater, and community gathering spaces. By offering a variety of floor plans, the project will provide attainable and exciting housing options for very low, low, and moderate income educators directly within the community they serve.



Progress Report - Highlights

Event	Activity
March 2024	Acquisition of 50 acres for Second High School Site
July 2024	Acquisition of 14 acre parcel adjacent to Second High School Site
October 2024	In-Person meeting with Blach Construction (San Jose)
February 2025	District responds to CalHFA Request for Information
May 2025	Begin work with Civil Engineer
May 2025	87 faculty members express interest in workforce housing survey
July 2025	Budget Act of 2025 appropriates $3 million for workforce housing infrastructure
July 2025	In-Person meeting with Anderson Homes (Hollister)
August 2025	In-Person meeting with Ten South (Roseville)
August 2025	In-Person meeting with Ten South (Hollister)
August 2025	In-Person meeting with The Honorable Fiona Ma (Sacramento)
August 2025	District retains local land use consultant
August 2025	County Planning Commission establishes a housing preference for school employees
September 2025	In-Person meeting with PEP Housing (Petaluma)
September 2025	In-Person meeting with Ten South (Roseville)
September 2025	In-Person meeting with Eden Housing (Hollister)
October 2025	In-Person meeting with CHISPA (Marina)
November 2025	In-Person meeting with Eden Housing (San Jose)
November 2025	District adopts Facilities Master Plan

Collaboration

The District is dedicated to making affordable housing a top priority, a commitment that directly aligns with State policy goals. Realizing this vision, however, requires a robust partnership with the State of California, San Benito County, and the City of Hollister. Critical entitlement milestones include expanding the City's Sphere of Influence and annexing the San Benito Education Campus to secure essential water and sewer services. Furthermore, the District must determine the applicability of Measure A, the slow-growth initiative approved in November 2024 to this specific development. Close collaboration is therefore crucial to navigating these complex regulatory steps and addressing the region's housing needs.

To advance these goals, the District is currently in discussions with developers and non-profit organizations and intends to select a partner for exclusive negotiations in the near term. This Report provides an evaluation of these potential partners and their proposed housing solutions.

Our Community Element: Our Three-Legged Stool

The Home Room Pledge is built on partnership. Just as a three-legged stool cannot stand without balance, our community's success depends on shared commitment, coordinated action, and mutual accountability.

San Benito High School District, the City of Hollister, and the County of San Benito represent the three legs of this shared foundation. Each plays a vital role in educating and supporting the next generation, ensuring thriving communities, and aligning local and regional priorities. Together, they form the structure that allows the Home Room Pledge to succeed.

When all three stand in alignment, our educators, families, and neighborhoods thrive. The stability of this partnership ensures that the promise of the Home Room Pledge of strong classrooms and a strong community, remains within reach for generations to come.

POTENTIAL WORKFORCE HOUSING PARTNERS

Anderson Homes - Local Builder Manager

Founded in 1984, recognized for superior quality, value, and exceptional customer service.

Geographic Focus - Northern California (Lodi, CA hometown)

Buckingham Property Management - Property Managers

Full-service residential property management firm, established in 1982. Manages over 7,500 units of conventional and compliance apartment communities. Extensive experience with specialized programs: Sec 42 Tax Credit, RD 514-515, HUD, HCD, AHP, Bond and CalHFA.

Geographic Focus - Servicing California (Corporate offices in Fresno/Clovis)

CHISPA - Non-Profit (Build/Manage)

Since 1980, has built and renovated 2,447 single-family homes and apartments for low- and moderate-income people, including over 1,400 rental apartments.

Geographic Focus - Monterey, San Benito, and Santa Cruz Counties

Eden Housing - Non-Profit (Develop/Manage/Assist with Funding)

Own and manage over 11,000 units serving very low, low, and moderate incomes families; seniors; veterans and people living with disabilities. Their developments utilize low income housing tax credits (LIHTC). S&P Global Ratings assigned an impressive "AA-" issuer credit rating to Eden Housing.

Geographic Focus - Throughout California (Corporate office in Hayward)

Jamboree Housing Corporation - Non-Profit Affordable Housing Developer, Owner

Develops, constructs, manages, and preserves low-income and workforce housing by working with city/county government and community partners.

Geographic Focus - Orange County, San Diego County, Inland Empire (Riverside and San Bernardino Counties), Los Angeles County, and the greater Sacramento region.

Mercy Housing, Inc. (MHI) - National Non-Profit

National office providing oversight to regional development corporations, property operations (Mercy Services Corporation), and a loan fund (Mercy Loan Fund). Also focuses on a Preservation Initiative to acquire at-risk affordable housing.

Geographic Focus - National (Corporate office in Denver, CO)

MidPen Housing - Non-Profit (Developer, Owner, Manager)

One of the largest, most trusted non-profit affordable housing developers and managers in Northern California. Focuses on "beautifully designed and well-managed homes built near good schools, jobs and transit".

Geographic Focus - Northern California (Corporate office in Foster City)

Pacific West Communities, Inc. (PWC) - Real Estate and Financing / Builders

Specializes in developing and owning multifamily and senior citizen housing. Employs specialty project management staff to coordinate all development and entitlement activities, viewing the process as a partnership with local government.

Geographic Focus - California, Arizona, New Mexico, Utah, Oregon, Montana, North Dakota, Idaho, Nevada, Colorado, Washington, and Wyoming

Ten South - Full Service (Build, Own, Operate, Fund)

Over 25 years of experience operating luxury, mixed-income, workforce, and affordable housing. They control all management functions to deliver high customer service and ensure meticulous compliance with all federal and state regulatory requirements.

Geographic Focus - Highland Park, Ill. (National presence implied by "Full Service")

Workforce Housing Partnership Opportunities

Partnership with CHISPA

The Community Housing Improvement Systems and Planning Association (CHISPA) is identified as a potential partner for District's plan to develop affordable workforce housing co-located with a new second high school. CHISPA is a non-profit affordable housing developer whose mission focuses on equity and providing stable homes with on-site services, reinforcing the goal to support school, city, and county employees.

CHISPA has an established history in the region, having developed multiple projects in San Benito County (including the Sunrise Apartments) using low-income tax credits.

Partnership with Eden Housing

Eden Housing, a well-established non-profit housing developer, has demonstrated the innovative capacity and community alignment necessary to bring the San Benito High School District's vision to fruition.

Eden Housing brings specific experience relevant to the challenges facing SBHSD:

- **Regional Presence:** Eden Housing has an established track record in the area, having built multiple projects in San Benito County, including the West Fairview project in Hollister. This will be a 100-unit, 100% affordable multifamily apartment community primarily for low, very low and extremely low income families and farmworkers. The project was approved by the Hollister Planning Commission in 2023, and it has been moving through the development and financing process. Construction is anticipated in 2026.

- **Creative Financing Mastery:** Eden is expert at structuring complex financing without relying solely on incompatible local bond funding. They have successfully layered state and local funding, including securing Joe Serna dollars and state tax credits, even for components of affordable projects.
- **Financial Stability:** S&P Global Ratings assigned an impressive "AA-" issuer credit rating to Eden Housing. Thei rating reflects their opinion of Eden Housing:
  - Extremely strong liquidity
  - Very strong debt profile
  - Strong financial performance
  - Extremely strong management and governance
- **Local Government Relationships:** Eden has successfully partnered with the Hollister City Council and Planning Commission bodies.

Eden Housing offers a viable path forward by proposing a financially robust and community-focused model:

1. **Mixed-Income Model (80/20):** Eden advocates for a mixed-income approach, such as an 80% affordable/20% unrestricted (market-rate) model. This strategy allows the project to use tax credits for the bulk of the units (the 80% affordable portion) while using the 20% unrestricted units to cover essential costs.
2. **Project Phasing for Flexibility:** Recognizing the scale (up to 180 units are desired), Eden would recommend building the housing in no less than three separate buildings. This phasing optimizes financing by allowing different funding tranches (like Joe Serna funds, state grants, and tax credits) to be layered in independently, minimizing delays.
3. **Educational Campus Vision:** Beyond housing, Eden strongly supports the District's broader goal of creating an educational campus where people can live, work, and walk to the second high school. They welcome District input on

site plans, visuals, and architectural compatibility to ensure the housing blends seamlessly with the new campus.

Eden Housing brings a deep war chest, a demonstrated willingness to be truthful and transparent, and the expertise to navigate political and financial hurdles to deliver a high-quality, long-term asset.

Partnership with PEP Housing

PEP Housing represents a partner with deep technical expertise in the complex landscape of Low-Income Housing Tax Credits (LIHTC). As a non-profit developer, PEP brings a mission-driven focus that aligns well with the District's need for a low-risk, high-impact affordable housing solution.

While PEP Housing is widely recognized for senior housing, their development team possesses extensive experience in the broader multi-family affordable sector. They are currently managing active projects in comparable markets, including Santa Cruz, Salinas, San Jose, and Los Altos.

PEP's philosophy emphasizes that in California's funding environment, project success hinges not just on *feasibility* (can it be built?), but on *competitiveness* (can it win funding?). Consequently, PEP proposes an immediate 'soft score' analysis. This financial review will evaluate the District's site against State scoring criteria to determine the realistic probability of securing tax credits before significant resources are committed.

Partnership with Ten South

Ten South brings a privately funded public-private partnership to address the District's need for workforce housing. Unlike traditional models that rely on complex, time-intensive Low-Income Housing Tax Credits (LIHTC), Ten South's approach is rooted in pragmatism and speed.

They intend to deliver a high-quality, market-proven project through private funding sources that remove the delay and uncertainty associated with government funding sources. By leveraging Ten South's vertically integrated model, which includes their own permanent workforce and internal supply chain, they can better control costs than market competitors.

Key benefits to the District include:

- 5 Star Comparable Property: The only 5 star property with high quality, luxury amenities and superior appointments. The District has visited two Ten South apartment complexes and their door and cabinet manufacturing facilities.
- Speed to Market: A streamlined, privately financed timeline ensures housing is available to teachers sooner.
- Prevailing wage: we believe that prevailing wage can be avoided if the project is funded solely through private financing.
- Revenue Generation: The partnership provides the District with an equity interest, generating a revenue stream that can offset costs for the second high school.
- Long-Term Quality: The financial model includes dedicated reserves for revenue stabilization and capital improvements every 10–15 years, ensuring the asset remains a point of pride for the community.

MARKET SURVEY

The following table shows the name, developer, number of stories, total units and mix of units of affordable housing apartment projects as well as the market rate Santa Ranch and market-affordable rate Campus Oaks projects. All projects are in Hollister except for Campus Oaks which is in Roseville (Placer County). The sample selection was based on possible partners.

	Developer	Stories	Total Units	1 Bed	SQ. FT.	2 Bed	SQ. FT.	3 Bed	SQ. FT.
Santana Ranch	Anderson Homes	2	56	16	582	40	933		
Campus Oaks	Ten South	3	396	123	766	149	1,161	98	1,557
Vista Meadows	MidPen	2	72	67	565	5	750		
Vista de Oro	Pacific West	2	80	16	680	40	1,002	24	1,295
Gateway Palms	Eden Housing	3	31	8	677	6	895	11	1,250
Rancho Park	Eden Housing	2	54			8	924	37	1,151
Buena Vista	CHISPA	2	41	21		20			
Average:					**654**		**944**		**1,313**

The following table shows the rent type, units, rents per unit and rent per square foot.

		1-Bedroom			2-Bedroom			3-Bedroom		
	Rent Type	Units	Rent	Rent/ SQFT	Units	Rent	Rent/ SQFT	Units	Rent	Rent/ SQFT
Santana Ranch	Market	16	$2,195	$3.77	40	$2,690	$2.88			
Campus Oaks	Market-Affordable	123	$2,161	$2.82	149	$2,674	$2.30	98	$3,184	$2.04
Vista Meadows	Affordable-Rent Restricted	67	$1,223	$2.16	5	$1,266	$1.69			
Vista de Oro	Affordable-Affordable	16	$1,183	$1.74	40	$1,484	$1.48	24	$1,684	$1.30
Gateway Palms	Affordable-Rent Restricted	8	$469	$0.69	6	$535	$0.60	11	$1,161	$0.93
Rancho Park	Affordable-Rent Restricted				8	$499	$0.54	37	$1,287	$1.12
Buena Vista	Affordable-Rent Restricted	21			20					
Average			**$1,446**	**$2.24**		**$1,525**	**$1.58**		**$1,829**	**$1.35**

SPRING 2025 WORKFORCE HOUSING SURVEY

A survey was carried out to gauge current SBHSD staff interest in a potential workforce housing project. 133 of 352 SBHSD staff members responded. Income level is a key factor in the planning and design of affordable workforce housing. The survey does not include potential staff yet to be hired such as first time and newer teachers starting out below the median teacher income. Below is analysis of the survey indicating the applicable income levels and interest by income level, job description and distance.

Income Level by Job Decription			
	Very Low	Low	Moderate
Classified Staff	34.1%	31.8%	34.1%
Confidential / Supervisorial	11.1%	22.2%	66.7%
Educator / Certificated Staff	17.1%	20.0%	62.9%
Other	33.3%	33.3%	33.3%
Administrator	0.0%	16.7%	83.3%

Interest by Household Income Level			
	Not Interested	Maybe Interested	Interested
Under $50,000	6.9%	24.1%	69.0%
50,000 to $100,000	31.3%	25.0%	43.8%
Over $100,000	46.5%	21.1%	32.4%

Interest by Job Description			
	Not Interested	Maybe Interested	Interested
Classified Staff	20.5%	27.3%	52.3%
Confidential / Supervisorial	55.6%	22.2%	22.2%
Educator / Certificated Staff	37.1%	22.9%	40.0%
Other	33.3%	0.0%	66.7%
Administrator	66.7%	0.0%	33.3%

Interest by Distance from HHS			
	Not Interested	Maybe Interested	Interested
Less than 5 miles	31.7%	25.6%	42.7%
5 – 10 miles	28.0%	20.0%	52.0%
11- 20 miles	50.0%	20.0%	30.0%
More than 20 miles	46.7%	13.3%	40.0%

SURVEY INCOME MIX

Affordable housing projects are built with an income mix that meets the needs of the intended future participants and is economically feasible. In the case of affordable apartments, an income mix is the number of units that are priced at a rate that is affordable based on the income of the future residents. Below are results of the survey indicating the respondent income levels.

Income Level Responses		
Household Income Level	**Number of Responses**	**Percentage**
Under $50,000	29	22.0%
50,001 to $100,000	32	24.2%
Over $100,000	71	53.8%

Refer to page 34 for 2025 U.S. Department of Housing and Urban Development income and rent limits for specific household and unit size limitations. A possible income mix for the workforce housing project is 20% very low, 30% low and 50% moderate.

The Apartments at Santana Ranch

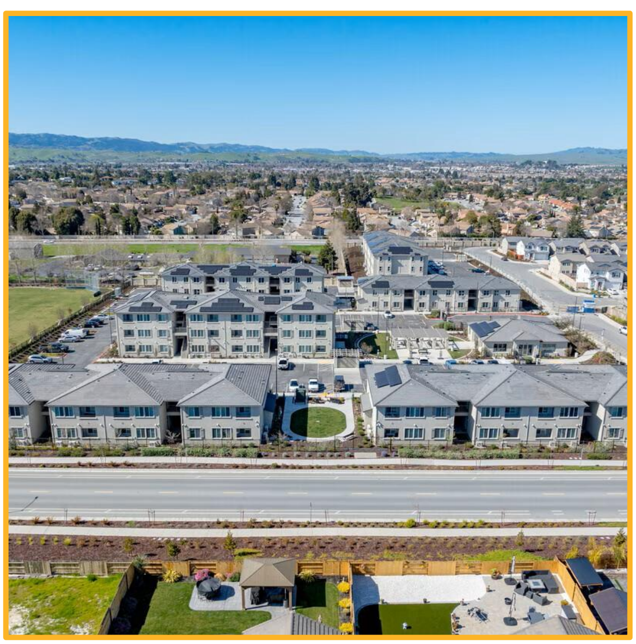
1231 Pine Rock Drive
Hollister, CA 95023

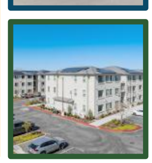
The Apartments at Santana Ranch is a 56-unit, 4 Star Garden Apartment property built in March of 2023. The property includes Class A, market rate 1- and 2-bedroom apartments with an average unit size of 832 square feet. The aggregate asking rent per unit is $2,549 and $3.06 per square foot. **Anderson Homes, Inc.**, built and manages the property.

The 2-story property includes 6 buildings totaling 108,676 square feet of Gross Building Area and covers 1.7 acres (33 units/acre). The property is gated and includes a fitness center and picnic area. The property is car dependent.

The unit amenities include air conditioning, balcony, heating, oven, patio, range, refrigerator, tub/shower and washer /dryer.

Unit Mix				
Bedrooms	Units	Avg. Sqft.	Asking Rent/Unit	Asking Rent/Sqft.
1	16	582	$2,195	$3.77
2	40	933	$2,690	$2.88
Total	**56**	**833**	**$2,549**	**$3.06**




VISTA DE ORO

350 Miller Road
Hollister, CA 95023

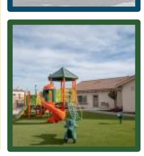
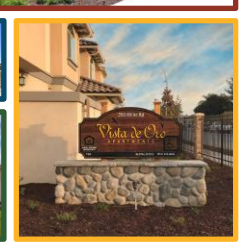
Vista de Oro is an 80-unit, 4 Star Garden Apartment property built in December of 2018. The property includes Class A, affordable 1-, 2- and 3-bedroom apartments with an average unit size of 1,026 square feet. The aggregate asking rent per unit is $1,484 and $1.45 per square foot. The property was built by **Pacific West Communities** and managed by **Buckingham.**

The 2-story property includes 5 buildings totaling 73,820 square feet of Gross Building Area and covers 3.94 acres (20 units/acre). The property includes a business center, clubhouse, conference rooms, fitness center and playground. The property is somewhat walkable.

The unit amenities include air conditioning, balcony, ceiling fans, dining room, dishwasher, disposal, fireplace, freezer, heating, high speed internet access, ice maker, microwave, oven, pantry, refrigerator.

Unit Mix				
Bedrooms	Units	Avg. Sqft.	Asking Rent/Unit	Asking Rent/Sqft.
1	16	680	$1,183	$1.74
2	40	1,002	$1,484	$1.48
3	24	1,295	$1,684	$1.30
Total	**80**	**1,026**	**$1,484**	**$1.45**



Buena Vista Apartments

810 Buena Vista Road
Hollister, CA 95023

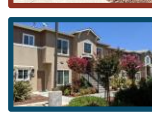
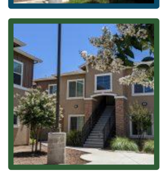
Buena Vista Apartments is a 41-unit, 3 Star Garden Apartment property built in 2017. The property includes Class C, affordable 2- and 3-bedrooms apartments. **CHISPA** is the owner and manager of the project.

The 2-story property includes 7 buildings totaling 41,000 square feet of Gross Building Area and covers 2.43 acres (17 units/acre). The property includes a business center, laundry facilities, multi-use room, and playground. The property is car dependent.

The unit amenities include air conditioning, freezer, heating, kitchen, oven, range, refrigerator, and tub/shower.

Unit Mix				
Bedrooms	Units	Avg. Sqft.	Asking Rent/Unit	Asking Rent/Sqft.
2	21	N/A	N/A	N/A
3	20	N/A	N/A	N/A
Total	41			




Gateway Palms

455 Westside Boulevard
Hollister, CA 95023

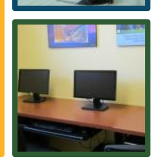
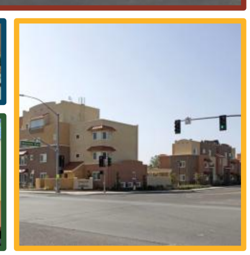
Gateway Palms is a 31-unit, 3 Star Garden Apartment property built in 2011. The property includes Class B, affordable studio, 1-, 2-, 3- and 4-bedroom apartments with an average unit size of 1,007 square feet. The aggregate asking rent per unit is $834 and $0.83 per square foot. **Eden Housing** is the owner and manager of the project.

The 3-story property includes 4 buildings totaling 25,000 square feet of Gross Building Area and covers 0.83 acres (37 units/acre). The property includes laundry facilities and a playground. The property is very walkable.

The unit amenities include air conditioning and wheelchair accessible rooms.

Unit Mix				
Bedrooms	Units	Avg. Sqft.	Asking Rent/Unit	Asking Rent/Sqft.
Studio	2	589	$451	$0.76
1	8	677	$469	$0.69
2	6	895	$535	$0.60
3	11	1,250	$1,161	$0.93
4	4	1,372	$1,308	$0.95
Total	**31**	**1,007**	**$834**	**$0.83**



Rancho Park

1200 Rancho Drive
Hollister, CA 95023

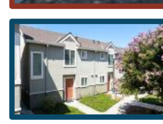
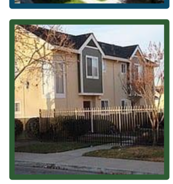
Rancho Park is a 54-unit, 3 Star Garden Apartment property built in 1993. The property includes Class C, affordable 2-, 3- and 4-bedroom apartments with an average unit size of 1,157 square feet. The aggregate asking rent per unit is $1,181 and $1.02 per square foot. **Eden Housing** is the owner and manager of the project.

The 2-story property includes 15 buildings totaling 63,000 square feet of Gross Building Area and covers 4.14 acres (13 units/acre). The property includes a clubhouse, laundry facilities, and playground. The property is very walkable.

The unit amenities include wheelchair accessible rooms

Unit Mix				
Bedrooms	Units	Avg. Sqft.	Asking Rent/Unit	Asking Rent/Sqft.
2	8	924	$499	$0.54
3	37	1,151	$1,287	$1.12
4	9	1,388	$1,352	$0.97
Total	**54**	**1,157**	**$1,181**	**$1.02**




Campus Oaks Apartments

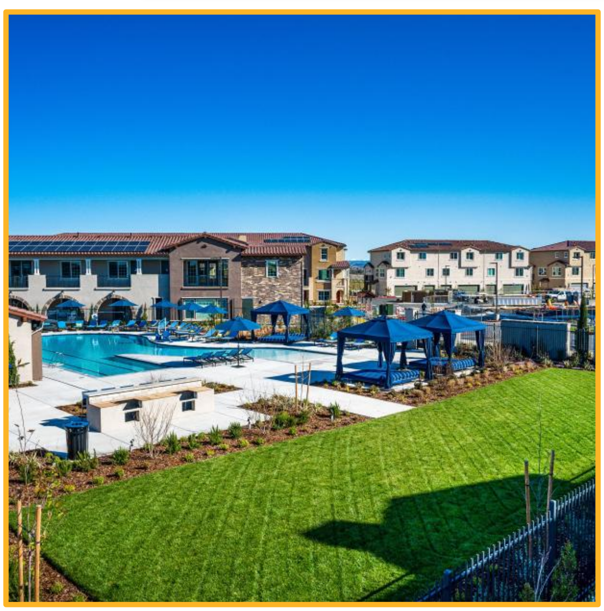
500 Roseville Parkway
Roseville, CA 95747

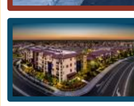
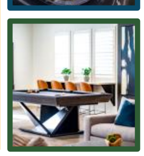
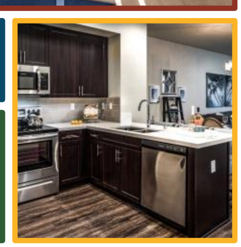
Campus Oaks Apartments is a 396-unit, 5 Star Garden Apartment property built in 2018. The property includes Class A, market/affordable 1-, 2-, 3- and 4-bedroom apartments with an average unit size of 1,175 square feet. The aggregate asking rent per unit is $2,705 and $2.30 per square foot. The property is built, owned and managed by **Ten South**.

The 3-story property includes 17 buildings totaling 461,833 square feet of Gross Building Area and covers 17.6 acres (22 units/acre). The property includes bicycle storage, business center, cabana, clubhouse, fitness center, game room, grill, picnic area, property manager on site, and a spa. The property is somewhat walkable.

The unit amenities include air conditioning, balcony, granite countertops, grill, patio, stainless steel appliances, and washer/dryer.

Unit Mix				
Bedrooms	Units	Avg. Sqft.	Asking Rent/Unit	Asking Rent/Sqft.
1	123	766	$2,161	$2.82
2	149	1,161	$2,674	$2.30
3	98	1,557	$3,184	$2.04
4	26	1,746	$3,654	$2.09
Total	**396**	**1,175**	**$2,705**	**$2.30**



Vista Meadows

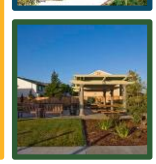
108 E Park Street
Hollister, CA 95023

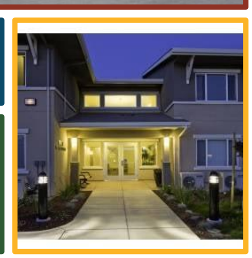
Vista Meadows is a 72-unit, 3 Star Low-Rise Apartment property built in 2011. The property includes Class B, affordable 1-, and 2-bedroom apartments with an average unit size of 578 square feet. The aggregate asking rent per unit is $1,226 and $2.12 per square foot. The property is owned and managed by **MidPen**.

The 2-story property includes 2 buildings totaling 41,605 square feet of Gross Building Area and covers 3.1 acres (23 units/acre). The property includes 24-hour access, clubhouse, controlled access, courtyard, elevator, grill, laundry facilities, multi-use room, online services, picnic area, and property manager on site. The property is somewhat walkable.

The unit amenities include air conditioning, balcony, freezer, kitchen, oven, patio, range, refrigerator, tub/shower, and wheelchair accessible rooms.

Unit Mix				
Bedrooms	Units	Avg. Sqft.	Asking Rent/Unit	Asking Rent/Sqft.
1	67	565	$1,223	$2.16
2	5	750	$1,266	$1.69
Total	**72**	**578**	**$1,226**	**$2.12**





SAMPLE EDUCATION WORKFORCE HOUSING PROJECTS

Jefferson Union High School District – 705 Serramonte

A single, 122-unit four story building with 1-, 2- & 3-bedroom units. Units are available for District staff with household incomes from 60-120% of AMI. Project developed and owned by Jefferson UHSD. This is an example of a district owned and financed project.

Salinas High School District – The Alameda

Two, three-story buildings with 50 units featuring studios, 1- & 2-bedroom units. Units are available for District staff with household incomes up to 80% of AMI. The project also includes 9,581 sqft. or office/retail space. Project was purchased from a larger market-rate development project.

San Francisco Unified School District – Shirley Chisolm Village

Three, three-to-five story buildings with 135 units featuring studios, 1-, 2- & 3-bedroom spaces. Units are available for District staff and public with household incomes from 39-120% of AMI. Project developed and owned by San Francisco USD and managed by **MidPen**.

Multiple District (Palo Alto) – The Acacia

Two courtyard buildings with 110 units featuring studios, 1- & 2-bedroom units. Units are available to several school district staffs and other public agencies with household incomes from 60-140% of AMI. Project is owned by Jamboree Housing Corporation and Mercy Housing. Project is managed by **Mercy Housing**. This is an example of multi-school and community college development.

Berkeley Unified School District – 1701 San Pablo (Under construction)

A single six story building with 110 units featuring 1-, 2- & 3-bedroom units. Financing from City of Berkeley general obligation bonds, CalHFA loan and federal housing credits. Units will be available for District staff and public with household incomes from 30-120% of AMI. Developed by **Satellite Affordable Housing Associates** and **Adobe Communities**.

Project Funding by Source						
Development	**Total Cost**	**GO Bond**	**COP**	**Tax Credits**	**Other Public $**	**Private $**
705 Serramonte	$75.5m	$33m	$42.5m	No	No	N/A
The Alameda	$23.5m	$13.4m	$10.1m	No	No	N/A
Shirley Chisholm Village	$105m	City	Yes	$24m	$48m City Loan	Developer Loan
The Acacia	$93.9m	Yes	Yes	No	Yes	$25m
1701 San Pablo	$77.7m	$26.5m (City)	Yes	Yes	Yes	N/A

Case Study: Monterey Peninsula Unified School District

The Monterey Peninsula Unified School District's (MPUSD) Affordable Housing Program is a direct response to the severe housing affordability crisis impacting employee retention.

Key Problem

- Turnover Rate: MPUSD loses 20% of its teachers annually due to housing costs.
- Recruitment Burden: This necessitates hiring 80–120 new teachers each year.
- Staff Impact: Many employees, including essential support staff, are forced to commute long distances, undermining community engagement and creating housing instability (e.g., evictions, risk of conversion to short-term rentals).

Program Solution and Logistics

- Funding: Project financed through the voter-approved Measure A.
- Acquisition: MPUSD spent $35 million to purchase and convert a former office space at 2300 Garden Road.
- Unit Count: The development provides 64 units in total, including studios, one, and two bedrooms.
- Affordability: Rents range from $1,265 to $1,628 per month.
- Allocation:
  - 70% of units are reserved for teachers.
  - 30% are reserved for support staff (custodians, maintenance, office personnel).
  - 13 units are designated for employees currently living outside the district.

- Timeline:
    - Applications opened in November via a lottery system (criteria approved by the MPUSD board).
    - Move-in is expected by December 2025.

  Expected Outcome

  The program is designed to provide secure, stable housing, enabling educators and staff to live within the communities they serve. This is the first of several planned "creative solutions" intended to reduce housing-related stress and significantly improve staff recruitment and retention rates.

Case Study - Santa Cruz City Schools (SCCS)

SCCS is acting as its own developer of workforce housing at 313 Swift Street. The District is building a 100-unit affordable housing complex for teachers and staff.

- **Status (as of Nov 2025):** The project has received necessary approvals (Planning Commission in Feb 2025, City Council in March 2025) and is in the pre-construction/groundbreaking phase. Completion is targeted for **2028.**
- **Funding:** Funded primarily through **Measures K & L** (voter-approved G.O. bonds from 2022).
- **Structure:** The project will utilize a specific "workforce housing" model where rents are set at roughly 60–65% of market rate, designed specifically to address retention issues in the high-cost Santa Cruz market
- **Unit Mix** (%)
    - Studios 11 units – 425 SF
    - One Bedrooms – 28 units – 725 SF
    - Two Bedrooms – 50 units 850 SF
    - Three Bedrooms – 11 units 1,150 SF

Case Study: Soledad Unified School District

The Soledad Unified School District (SUSD) project exemplifies a proactive, voter-supported strategy to address staff retention and recruitment challenges in a high-cost, low-availability housing market.

Project Summary:

- Goal: Recruit and retain quality certified and classified district staff by mitigating severe housing limitations and affordability challenges in South County.
- Scale: A 20-unit apartment complex consisting of a mix of one and two-bedroom units.
- Funding: Project made possible by a $13 million voter-approved bond.
- Affordability: All units will be available to district staff at below market rental rates.
- Timeline: The target completion for unit availability is the 2026-2027 school year.

Impact and Rationale:

The SUSD initiative is crucial for stabilizing the workforce, as staff retention is directly tied to housing access. By providing this below-market option, SUSD helps employees establish community roots and provides the "foothold in the community" necessary for long-term commitment. This project is a foundational step in ensuring the continuous presence of quality personnel, which directly supports student success and stability. SUSD is now one of several districts in the county to take direct action against the statewide challenge of housing essential employees.

CONCLUSION

The San Benito High School District's "Home Room Pledge" represents a critical intervention to address the severe housing shortage and 1.7% vacancy rate currently threatening the recruitment and retention of qualified educators in San Benito County. By leveraging District-owned land adjacent to the new high school, the District creates a unique opportunity to deliver over 100 affordable housing units without obligating its general fund for construction or operation.

This report has outlined two distinct but viable pathways to realization:

- **The Non-Profit Partnership Model:** Partners such as CHISPA, Eden Housing, and PEP Housing offer deep expertise in navigating complex state and federal financing, including Low-Income Housing Tax Credits (LIHTC) and the Joe Serna Fund. This model prioritizes long-term affordability and leverages public subsidies to serve staff at various income levels.
- **The Private Developer Model:** Partners such as Ten South propose a privately funded execution that avoids the delays and uncertainty of competitive tax credit cycles. This approach focuses on speed to market and a "village concept" that may serve a broader mix of income levels through a standardized construction model.

Regardless of the selected model, success depends on the "Three-Legged Stool" of collaboration between the District, the City of Hollister, and San Benito County. The San Benito Educational Campus must be included in the City's sphere of influence and annexed to allow for essential infrastructure.

With land secured, a $3 million state appropriation in place, and high interest confirmed by the 2025 workforce survey, the District is positioned to move forward. The next critical step is the selection of a partner for exclusive negotiations to finalize the pro forma and development timeline. By executing the Home Room Pledge, the District will ensure that those who nurture the community's students can afford to live within the community they serve, creating lasting stability for local schools.

Glossary and Terms

Affordable housing

Generally, housing that is leased to residents at less than the prevailing market rate. A common benchmark of affordability is housing that costs 30% or less of a household's gross monthly income. Federal and state housing programs typically define affordability in reference to ranges of household incomes (see "AMI" below), with a share of available units designated for lease to households within each range.

Affordable Housing Bond Act of 2026

The proposed Affordable Housing Bond Act of 2026 represents a critical $10 billion legislative initiative to combat California's acute housing affordability and homelessness crisis. Championed by Assemblymember Buffy Wicks and Senator Christopher Cabaldon, this measure is widely supported by housing advocates and would authorize General Obligation funds for the construction, rehabilitation, and preservation of affordable and permanent supportive housing across the state, slated for the June 2026 ballot. An earlier effort (AB 1657) to place a $10 billion housing bond on the November 2024 ballot was not successful.

Area median income (AMI)

AMI is a key metric on which local definitions of affordability are often based. For example, to qualify for density bonuses and other zoning allowances, local governments may require that a certain share of units in a proposed development must be affordable, and affordability is usually defined as a percent of AMI. Federal tax credit programs also evaluate rental expenses in relation to AMI. Typically, AMI is determined by county and based on household size. AMI figures are published by the California Tax Credit Allocation Committee (CTCAC) based on U.S. Department of Housing and Urban Development (HUD) data.

Asking Rent

Represents the dollar amount the lessor is asking for in order to lease their building/space/land. It is represented as an annual or monthly amount depending on the area where the property is located.

Average Rent

Average rent is the weighted average rent for a building or market. Rents are weighted based on the total square footage available at a rental rate. If the rental rate is zero, TBD (to be determined) or negotiable; it is not counted in the average rent.

California Housing Finance Authority (CalHFA)

Provides critical long-term financing mechanisms for affordable multifamily rental housing projects. CalHFA offers several key programs:

- Permanent Loan Programs: These programs offer long-term financing through either tax-exempt or CalHFA-funded loans for affordable multifamily rental housing.
- Conduit Issuer Program: This program facilitates access for developers to taxable and tax-exempt bonds, which are used to finance eligible affordable multifamily housing projects.
- Mixed-Income Program (MIP): Created as a result of SB 2 (2017), the Building Homes and Jobs Act, this program provides long-term subordinate financing for new construction multifamily housing. The MIP is unique in that it requires units to be restricted at a mix of household incomes ranging between 30% and 120% of the Area Median Income (AMI), targeting lower-to moderate-income residents.

California Schools Finance Agency (CSFA)

CalHFA is a resource for school districts seeking to finance facilities. The CSFA can issue bonds on behalf of the district, which could provide a cost-effective way to secure funding for capital projects like a teacher housing development.

California Teacher Housing Act of 2016

Allows school districts and county offices of education (COEs) to develop rental housing for their employees, including teachers and staff. This was enacted to address the high cost of housing that contributes to teacher shortages and high turnover rates in California.

It includes rental housing constructed, owned, and/or operated by a school district or County Office of Education, or through a partnership with a private or non-profit entity. The housing is specifically designated for school employees, including teachers, administrators, and classified staff.

A school district may lease a portion of its land to a third party for the purpose of developing affordable rental housing for school district employees. This facilitates partnerships for financing and construction.

AB 1157 exempts teacher and school employee housing developments from the California Environmental Quality Act (CEQA) review if they meet specific criteria, such as being located on existing school district-owned property and serving households earning up to 80% of the Area Median Income (AMI). This accelerates the development timeline.

CoStar Rating System

The CoStar Five Star Building Rating System uses a 5-Star scale to evaluate and rate commercial buildings, including multifamily properties. It is designed to be a national, consistent benchmark of quality, distinguishing it from the traditional Class A, B, and C classifications, which are generally subjective and only comparable within a local market.

A 3-star rating is generally considered an indication of an average property and is often referred to as "mid-priced" properties. Demand for 3-star properties has been reported to rise due to factors like improved consumer confidence and is sometimes seen as outperforming luxury properties when there is an oversupply in the high-end market.

4-star properties fall just below the highest designation and are often grouped with 5-star properties as luxury assets. They are considered a step below 5-star, meaning they are not at the absolute "cutting-edge" level, but still represent a very high-quality structure with above-average maintenance and long-term desirability among tenants and investors.

The rating is based on the physical attributes and operational characteristics of the property, independent of its location. Factors evaluated include architectural attributes, structural and systems specifications, amenities and management, site and landscaping treatments and third-party certifications (e.g., sustainability).

Deed Restriction

A deed that contains restrictions that limit the use of the property in some way.

Ground Lease

A lease agreement where the landowner (lessor) agrees to lease their land for a set period of time. Depending on the contents of the agreement, the lessor can stipulate what the lessee can and cannot do with the property. The lease term is typically 20 years or more, with many being 99 years in length. The lessee pays the lessor a monthly, quarterly or annual rent payment. The lessee often constructs a building on the site and operates it or leases it as if they owned the ground in fee. At the expiration of the lease agreement, the lessor gains control of whatever is constructed on the land, unless the lease is renewed.

Housing and Community Development (HCD)

California Department of Housing and Community Development (HCD) is the state agency responsible for managing and implementing housing policies across California. Its mission is furthered through the issuance of grants and loans to various projects that align with state housing goals, including affordable housing, multifamily housing, transit-oriented, sustainability, and infill development. HCD not only administers state funding directly to approved project developers but also serves a vital role as a conduit for deploying state and federal resources to local city and county governments.

Joe Serna Farmworker Housing Grant Program

The Joe Serna Farmworker Housing Grant Program (FWHG) provides funding for the new construction or rehabilitation of affordable rental housing by using deferred-payment loans and grants for affordable rental housing for agricultural workers. It is administered by the California Department of Housing and Community Development (HCD).

- Eligible Projects: FWHG funds the new construction, acquisition, and rehabilitation of both owner-occupied single-family homes and rental units for farm workers.
- Target Population: Eligible beneficiaries are households where at least one person, or the household collectively, derives 50% or more of their income

(prior to retirement or disability) from agricultural employment. The program prioritizes lower-income households, specifically those earning 80% of the Area Median Income (AMI) or less, with a strong priority for extremely low-income households (less than 30% AMI).

- Financial Assistance: Assistance is offered as a combination of grants and deferred-payment loans.
    - For rental housing, the loans/grants typically require affordability restrictions for up to 55 years.
- Eligible Applicants: The funding is available to local public agencies, Native American Tribes, nonprofit corporations, limited liability companies, and limited partnerships.

Local Funds (City and County)

At the local city and county levels, there are a number of avenues for affordable housing project funds. Decision making authority to allocate funds ultimately rests with the city council and board of supervisors. The committed money is then administered as financial assistance to developers in the form of grants and loans. In certain cases, a city or region will establish a housing trust fund dedicated to receiving public funding to preserve and produce local affordable housing supply. Cities and counties may also receive federal funding directly from HUD or indirectly through the state. For example, in the case of the Community Block Development Program or HOME Program, some cities and counties qualify to receive a direct allocation of funds from HUD, while others may receive resources from the state's allocation.

Local Funds (School District)

School District financing options often utilize voter approved general obligation bonds and non-voter approved certificates of participation (COPs). COPs are secured by all legally available funds of a district including a district's general fund. General obligation bonds are repaid from an ad valorem tax levied on taxable property within a district.

Low Income Housing Tax Credit (LIHTC)

A federal program that allows state and local agencies to issue tax credits to private investors. In exchange for these credits, investors provide equity used to acquire, rehabilitate, or construct rental housing for lower-income households. The program features two primary federal tax credits: the 9% and the 4% tax credit, both administered at the state level by the California Tax Credit Allocation Committee (TCAC).

The approximate percentage associated with each credit is multiplied against a project's "qualified basis" to determine the annual federal credit award. The 9% credits are highly sought after because they are better able to fund larger projects, generating about 70% of a project's equity. However, due to their limited supply, they are awarded competitively through TCAC's scoring criteria and tiebreaker formula.

The 4% LIHTC is paired with federally funded, tax-exempt private activity bonds and are restricted by the state's bond cap, generally contributing about 30% of a project's equity.

LIHTC-financed units must meet specific federal set-aside requirements to restrict household incomes to a minimum of either 40% of units at 60% AMI, 20% of units at 50% AMI, or 40% of units at 80% AMI with an average of units at 60% AMI.

Despite the housing cost burden facing many teachers, a significant challenge is that their incomes often exceed these federal income requirements for LIHTC housing.

Market Rent

The rental income that a property would most probably command in the open market.

Multi-Family (Apartments)

Structure(s) typically containing five or more dwelling units that may also include common areas and facilities, e.g., entrances, lobby, elevators or stairs, mechanical space, walks, grounds, recreational facilities, and parking both covered and open. For purposes of this report, multi-family is not limited to five or more dwelling units.

Multi-Family (Apartments) Style

1-3 Stories, 4 or more buildings = Garden
1-3 Stories, 1-3 buildings = Low-Rise
4-14 Stories, 1 or more buildings = Mid-Rise
15+ Stories, 1 or more buildings = High Rise

Multifamily Tax Subsidy Project

The U.S Department of Housing and Urban Development (HUD) calculates rent based on multifamily tax subsidy project (MTSP) income limits. This is a specific set of include limits that projects funded with low-income housing projects LIHTC or tax-exempt bonds must use.

While it is similar to the AMI, the MTSP is the specialized set of income limits designed for tax credit and tax-exempt bond projects to ensure ongoing compliance.

Income Limits for 2025 (Based on 2025 MTSP Income)				
Persons	50%	80%	100%	120%
1 Persons	$46,800	$74,880	$93,600	$112,320
2 Persons	$53,450	$85,520	$106,900	$128,280
3 Persons	$60,150	$96,240	$120,300	$144,360
4 Persons	$66,800	$106,880	$133,600	$160,320
5 Persons	$72,150	$115,440	$144,300	$173,160

Rent Limits for 2025 (Based on 2025 MTSP Income)				
Bedrooms (People)	50%	80%	100%	120%
0 Bedrooms (1)	$1,170	$1,872	$2,340	$2,808
1 Bedrooms (1.5)	$1,253	$2,005	$2,506	$3,007
2 Bedrooms (3)	$1,503	$2,406	$3,007	$3,609
3 Bedrooms (4.5)	$1,736	$2,779	$3,473	$4,168
4 Bedrooms (6)	$1,937	$3,100	$3,875	$4,650

Public-Private Partnerships

Developer contributed equity or financing that can be leveraged in public-private partnerships.

Rent

Asking Rent. This represents the amount for which the landlord is offering their space per square foot, per year for lease for a listing. The amount for which the tenant will be responsible is negotiated between the tenant and landlord. Rents will vary depending upon the services provided. For example, full service rents are significantly higher than triple net.

Rental Rates

Rental rates are defined as the annual rental costs for a particular space quoted on a per square foot basis. Rental rates are based on the rentable square footage of a property. They are calculated by taking the annual rental obligation of a particular space divided by the rentable square footage of that space. Rental rate totals are calculated on a weighted average of the size of the space. That is, the bigger the square footage of a particular space, the more heavily that space's rental rate will factor into the overall rental rate calculation.

Rent Types (Multi-Family)

Affordable (Multi-Family): All of the community's rents are discounted or below market. Affordable properties must be further categorized with an Affordable Subtype such as rent restricted,

Market Rent (Multi-Family)

Rents that are set by the owner/operator and are independent of any regulatory conditions or restrictions.

Market/Affordable (Multi-Family)

A portion of the community's rents are discounted or below market. Once the project is flagged as Affordable or Market Affordable, it is categorized into the following rental subtypes such as rent restricted, rent subsidized and rent controlled.

Rent Restricted (Multi-Family)

Properties classified as Rent Restricted most commonly have rental rates based on Area Median Income (AMI). These properties typically receive tax-advantaged equity and/or debt financing, including Low-Income Housing Tax Credits (LIHTC). Low-income renters at these communities typically have an annual household income that is less than 80% of AMI but greater than 30% of AMI. This is the most common type of Affordable Subtype classification.

Senior Housing (Multi-Family)

A community in which residents must be over 55 years of age to live.

Tax Credit Allocation Committee (TCAC)

The Treasurer serves as the chair of the TCAC, which awards federal and state tax credits to developers for the construction of affordable housing. The district could partner with a developer to utilize these tax credits, which would make the project financially viable and allow for lower rents for teachers and staff.

Workforce housing

This term can refer to moderate-income housing generally, or housing that is reserved for a specific workforce. Workforce housing fills the gap between market-rate and low-income housing and may especially benefit public workers who earn in comes high enough to make them ineligible for government housing assistance programs, but who nonetheless struggle to afford market-rate rents.

Capitol | PFG