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Why School Districts Are Operating as Landlords.

As Colorado's housing costs skyrocket, a growing number of school districts, local leaders, and lawmakers are taking steps to make housing more affordable for teachers and staff.

For years, resort communities like Aspen, Colorado, and a rural district in the state's Eastern Plains have leased housing to employees at below-market rates. More recently, subsidized housing for educators has cropped up in pricey urban areas such as San Francisco, Boston, and Baltimore.

But lately, Colorado districts big and small are looking at building their own housing or collaborating with external partners to do so. Such projects are underway now in three rural districts, and Denver Public Schools, the state's largest district, is exploring the idea.

Driving these plans are fears that recruiting and retaining good teachers will shift from hard to impossible as housing costs rise. Compounding the problem is Colorado's perennial school-funding squeeze and the lagging teacher salaries that go with it.

"This year when it comes to hiring season, I will probably struggle to replace four to six teachers because of housing," said David Blackburn, the superintendent of the Salida school district in central Colorado. "It's in the middle of every conversation about quality staff."

In Denver, where an influx of new residents and a wave of gentrification have pushed up housing prices across the metro area, district officials say they're in the earliest stages of figuring out how the district could help employees with housing.

Currently, the Denver-based Donnell-Kay Foundation is compiling information for the district about models of subsidized teacher housing used across the country. Some have been spearheaded by school districts and others by real-estate developers with little involvement from districts. (Chalkbeat, which originally wrote this story, is a grantee of the Donnell-Kay Foundation.)

Allen Balczarek, who works on special projects for Denver Public Schools, said specific recommendations could go before the school board or district leadership team in 2017. He said the lack of affordable housing for teachers isn't yet a crisis in Denver, but called it a very serious issue.

City officials say growing concerns about affordability spurred a new ordinance to raise \$150 million over 10 years to create and preserve affordable housing for a wide range of Denver residents, from homeless individuals to families earning \$64,000 to \$96,000 a year.

Federal tax credits have already helped create affordable housing around the city, though many teachers make too much to qualify.

"There's some we can help, but there's probably many we can't because of their income," said Brent Snyder, the manager of the company that developed and owns the new WeltonPark apartment complex in Denver's Five Points neighborhood.

Most of the 223 units, which start around \$840 a month, are restricted to tenants earning up to 60

percent of the area's median income—around \$34,000 a year if they're single. There's a huge need for housing for middle-income Denver residents—those making more than 60 percent of the area median income, Snyder said.

Jim Wilson, a Republican state representative from Salida, said he plans to introduce a bill during the 2017 session that would give tax credits to employers that offer employee housing. While that wouldn't directly help school districts or other public entities that don't pay taxes, he said he'd like to find a way to do that.

Affordable housing is a statewide issue, he said. "It's going to be a big topic of conversation at the statehouse this year."

While there's limited data showing that housing costs directly impact teacher recruitment and retention, there's plenty of anecdotal evidence that it's a factor.

The first-year Jefferson County teacher Krista Degerness, 34, said she had no problem finding a job after earning her master's degree in special education last spring. But paying the bills has been trickier. She moved in with her sister to cut costs, paying \$700 of the \$1,700 rent for their Centennial, Colorado, townhouse. She earns \$42,000 a year.

Degerness loves her job, but says, "The money is very hard."

Alex Saldivar faced similar challenges when he moved from Indianapolis to Denver for a teaching job with Denver Public Schools in 2015. He and his girlfriend paid \$1,250 a month for their one-bedroom apartment, leaving when the rent increased to \$1,450 the following year.

"That frankly is untenable," he said. "They essentially pushed us out."

Saldivar left his teaching job after a year and now works for a nonprofit organization in Denver.

Some superintendents say they start teacher-candidate interviews with heart-to-hearts about the reality of housing costs in their communities. They don't want candidates, especially those from out-of-state, jumping in with visions of majestic mountain peaks and not the dollar signs that go with them.

Custer County Superintendent Mark Payler said when he surveyed the southern Colorado district's newer teachers recently, most indicated they planned to stay for only two to three years. One factor, he said, is the difficulty of securing decent housing on a starting salary of \$29,500.

In Denver, a recent exit survey taken by teachers sheds some light on the subject. Of 219 teachers who left the district after the 2015-16 school year, 23 said Denver's high cost of living was a big factor in their decision. Nearly 50 cited moving as a key reason for leaving, though there is likely overlap because respondents could cite multiple reasons.

Additional evidence comes from a September report from the National Housing Conference and the Center for Housing Policy that examined housing affordability for school employees in the nation's biggest cities. Denver was among 24 cities where buying a house was unaffordable for teachers as well as lower-paid workers.

The "[Paycheck to Paycheck](#)" report also found that renting an apartment in Denver requires an annual salary of at least \$49,000. While the district's average teacher salary is around \$54,000 with an average of \$5,800 in additional stipends and incentives, the base salary for a beginning Denver teacher with a bachelor's degree is about \$40,000.

The concept of providing subsidized teacher housing has a long history in some Colorado districts.

Take tiny Woodlin on the Eastern Plains. The district owns 14 housing units, including trailers, houses, and apartments—most built around 1960 right on the school campus. Most employees pay rent of \$70-\$105 per month and the district covers water and propane.

Other rural districts, such as Karval and Deer Trail, offer employees similar deals. Then there's Aspen, which has 43 units of subsidized housing going for \$850-\$1,500 a month. Market rate rents easily surpass \$2,000 a month there, said the superintendent, John Maloy.

In the last 18 months, three other Colorado districts have launched projects to build employee housing—often with significant support from local civic leaders, banks, and the business community.

One area is converting a vacant district-owned building—formerly a preschool—to four apartments with the help of community volunteers and high-school students in the district's building-trades class. The one-bedroom units will be ready next July, with rent at \$550 a month.

Another district embarked on a similar project this fall, breaking ground for 10 new housing units in a nearby town. They'll eventually be sold to district employees at below-market rates.

And in western Colorado, the Roaring Fork district has the largest project underway, with plans to build a total of 60 new subsidized apartments in three locations using \$15 million from the district's 2015 bond issue. Those units will become available in 2018.

Superintendent Rob Stein said district officials initially shied away from including money for staff housing in the bond issue. They didn't think the public would support it. But when two local educators, a beloved principal and his wife, a teacher, departed because they couldn't afford a house in the area, things changed. "That single story may very well have allowed us to move forward with going to voters for a bond," Stein said. In turn, such projects may soon spread closer to Denver, and, perhaps, elsewhere.

"I think the mountain towns ... are the harbingers of what's to come," said Tony Lewis, the executive director of the Donnell-Kay Foundation.

Leaders in districts that already offer subsidized housing say it makes a big difference—serving as extra enticement to prospective teachers and making it easier for veteran teachers to stay.

"I've suddenly got a new tool I can go to market with when I'm looking for new teachers," said Payler, the superintendent of Custer County Schools.

But it also brings up lots of questions: Which employees get first dibs on the housing? Can some units be set aside for hard-to-fill positions? Will employees be allowed to stay in the units indefinitely? What happens if too few district staff need the housing?

For districts that have wrestled with these questions, the answers have evolved. For example, in 2015, the Aspen district established a five-year time limit for employees renting its subsidized units, in the hopes of making it a stepping stone as opposed to a permanent solution.

Beyond eligibility criteria, there's also the fact that school districts with subsidized housing double as landlords, either hiring property-management companies to handle leasing and maintenance or doing it themselves. Rose Cronk, the superintendent in the Woodlin district for more than a decade, said of the district-owned housing, "Sometimes I'm the one over there cleaning rainwater out of the bottom of the basement."

In some districts now considering subsidized housing, administrators worry such projects could distract from their educational goals. Balczarek said one of the key questions for Denver is, “How do we get into this without drifting too far from our mission?” One possibility, he said, is to work with an external partner—maybe the city’s housing authority or a nonprofit group—to develop and manage housing on district property.

Even with the many complications involved in financing and managing subsidized housing, some district leaders note that, unlike the state’s intractable school-funding system, it’s a problem that can be addressed locally. “It’s another creative solution to the fiscal crisis schools are facing” Stein said.

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