

WORKFORCE HOUSING PROPOSAL



PRESENTED TO MOUNTAIN VIEW WHISMAN SCHOOL DISTRICT

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PRELIMINARY STUDY ON WORKFORCE HOUSING

School districts have always sought to recruit and retain the best and brightest to educate our children. However, over the past few decades, there has been a steady and alarming increase in the shortage of qualified teachers and staff available in the state. The supply of new teachers in California is at a 12-year low and enrollment in educator preparation programs has dropped by over 70% in the last decade. Exacerbating this shortage is a rise in teacher attrition, prompting many districts and lawmakers to rethink what they can do to attract and keep top quality employees. One constraint, the availability of affordable housing has surfaced as a major issue. The issue of housing costs is of particular importance for public school districts to recruit and retain high-quality teachers, administrators and other employees.

California housing has become cost-prohibitive for most teachers and staff, especially those considering teaching as a profession and those that have been employed for less than 5 years. In 2016, the real estate website Redfin completed a survey of homes for sale and found that zero percent of the homes for sale in Silicon Valley (San Mateo and Santa Clara Counties) were affordable on the average teacher salary. In Mountain View in particular, the median home value is over \$1,560,000, putting home ownership out of reach for all but a very select few, let alone public servants like educators with an entry annual salary of ~\$60,000. Mountain View Whisman School District (“the District”) has learned this first hand. In its 2016 survey, the District found that 59% of respondents were dissatisfied with their housing situation because of the high cost of rent and more than two-thirds were spending over 30% of their paycheck on housing costs (even though financial experts and the U.S. Department of Housing and Urban Development agree that individuals should spend 30% or less of his or her income on housing costs).

The District does have two key advantages in this effort to recruit and retain educators in the face of rising housing costs: forward thinking leadership and available property. The District’s leadership has recognized the importance of this issue in publically discussing it in numerous school board meetings and commissioning an employee survey for teachers and classified staff. In that survey over 75% of respondents said they would be interested in living in a below-market-rate teacher housing project if it became available. Additionally, the District is unique in that it does have an underutilized property which can be studied for the potential development of workforce housing. The District’s 9.5 acre property at 333 Eunice Avenue, Mountain View, CA 94042 presents the opportunity to re-purpose a physical asset to meet a current need and be a long-term investment in the continued high-quality education that Mountain View Whisman School District is known for - including the future retention of this rental revenue as an ongoing and unrestricted source of income for the District.

Dutra Cerro Graden (“DCG”) is a leader not only in providing community-based real estate consulting to K-12 School Districts, but also in providing workforce housing studies for districts across the state. DCG is available to guide the District through all phases of this project from feasibility analysis to completion of construction but recommends beginning with a preliminary feasibility study. DCG proposes to complete a preliminary feasibility study on 333 Eunice to determine the estimated number of units and cost for developing workforce housing at that site. While this is just the first step in creating workforce housing for the teachers, staff and administrators of the District, it is an opportunity to invest in the long-term educational success of the community.

PHASE I: PRELIMINARY FEASIBILITY STUDY

PHYSICAL AND FINANCIAL FEASIBILITY STUDY WORKFORCE HOUSING ON SELECTED SITE

The feasibility study on 333 Eunice Avenue will detail the number and type of proposed workforce housing units (through site plans and elevations) and the financial analysis will evaluate the most probable sources of financing and any resulting “gap” in funding, if any. Based on the results of the study, the direction of the Board of Education and feedback from key stakeholders, if the District chooses to move forward with the project then DCG would manage the community engagement process, required entitlement process and the release of the project for prospective builders to bid on constructing the housing units. DCG will assemble a team of experience and qualified consultants to prepare the feasibility report including;



- a. A land use analysis identifies development opportunities and constraints. This is accomplished by reviewing existing zoning regulations, development standards, subdivisions requirements and contextual influences and discussing the property with the local City Planner. This will also incorporate any relevant teacher housing bills currently under review at the California State Legislature.
- b. Site planning by a licensed architect will determine the number, size and type of units, while also producing conceptual elevations to communicate the “look and feel” of the housing. This will include conceptual imagery to establish the scale, mass and character of the potential units. Plans will illustrate the key ideas for the community guidelines, the location of the land-uses and housing types, automotive and pedestrian circulation, parks and open space and other community elements that make each plan unique. The site planning will also take into account the proposed academic center also to be incorporated into the development and potential innovative construction methods such as modular construction.
- c. A financial analysis will determine preliminary development costs and financing gaps. Once a determination of the size and number of units is reached through the site analysis and design, a financial analyst will create a financial model to determine project feasibility including construction costs, potential rent rates and gap funding requirements. This will include a review of likely available funding sources for a District workforce housing development that could be applied to mitigate the financial costs of a project.

DEVELOPMENT OPTIONS AND RECOMMENDATIONS

Based on the aforementioned financial analysis and modeling, DCG will determine the development options facing the District and the ways to best address the likely funding gap between costs of development and typical available funding sources for workforce housing projects. As the “funding gap,” is typically a significant cost, the financial analyst will partner with DCG to offer options and recommendations based on the District’s needs, financial status and timeline. There are a number of proposed bills in the State Legislature which will also affect District surplus property and potential sources of development funds so DCG will also investigate potential impacts and opportunities from that legislation. The revenue and timeline for receipt of funds are key considerations for the realization of a workforce housing development. A review of options for development funding will include:

- o Sale of surplus property
- o General obligation bonds
- o Pay as you go (conventional bank loan)
- o Lease-leaseback
- o Public grants
- o Private equity investment
- o Certificates of participation
- o Partnership with for-profit builder (joint use/joint occupancy)

PHASE I - SCHEDULE & COMPENSATION

The fee for the above scope of services, including all third-party consultant studies, is \$35,000. DCG expects to be able to complete the project in 9-12 weeks. Our standard invoicing arrangement is to invoice 50% of the fee for each service upon project initiation with the remaining balance due upon project completion.

DESCRIPTION OF FIRM

Over a decade ago, three successful real estate professionals – Dominic Dutra, Alan Cerro and Landis Graden – were united by their belief in the importance of giving back to the community through public service. They recognized that organizations providing support and resources to local communities all too often faced limited or declining revenues. So in 2005, Dominic, Alan and Landis joined together to create Dutra Cerro Graden, Inc., a private California Subchapter S Corporation real estate firm that provides these specialized clients with the knowledgeable, caring expertise they need to create healthier, more sustainable real estate management strategies.

For 12 years, Dutra Cerro Graden (“DCG”) has been a team of real estate professionals who puts people before property or profits. As specialists in managing real estate investments for school districts, our people understand that the traditional rules of real estate change when viewed with an eye toward strengthening your community.

Our 10-person team is made up of full-service consulting, property planning and commercial real estate professionals, but our passion lies in bringing education, hope and healing to area communities by helping our clients realize the full potential of their real estate assets. The team at DCG offers a wide range of services to guide you through the often complex world of non-traditional real estate management. Unlike standard commercial real estate agencies, we respect the collaborative focus that’s unique to community-driven organizations like Mountain View Whisman School District, and we adapt our approach accordingly to create the best possible solution for your needs.

A small sampling of the academic institutions we’ve assisted over the past 12 years include:

- Albany Unified School District
- Burlingame School District
- Campbell Union High School District
- Chabot-Las Positas Community College District
- Fremont Unified School District
- Greenfield Union School District
- Hayward Unified School District
- La Mesa-Spring Valley School District
- Larkspur-Corte Madera School District
- Livermore Valley Joint Unified School District
- Marin County Office of Education
- Monterey Peninsula Unified School District
- Napa Valley Unified School District
- New Haven Unified School District
- Newark Unified School District
- North Monterey County Unified School District
- Norwalk-La Mirada Unified School District
- Pittsburg Unified School District
- Pomona Unified School District
- Rescue Unified School District
- Riverside County Office of Education
- Ross Valley School District
- San Juan Unified School District
- San Lorenzo Unified School District
- Solano Community College District
- Twin Rivers Unified School District
- Vallejo City Unified School District
- Woodland Joint Unified School District

MISSION & VALUES

Dutra Cerro Graden is an alternative to conventional real estate firms with a distinct mission to serve California's community-benefit organizations. DCG was founded under the premise that we could seek profits while also building value within our community. Our founders and employees have always believed that working at DCG is about building something bigger than ourselves.

Most recently, DCG has adopted the Benefit Corporation designation, joining the growing movement of companies across the United States as well as globally, who see part of their corporate responsibility as contributing to a material positive impact on society and the environment. The Benefit Corporation designation is a natural extension of our vision; that by optimizing opportunities and resources for our community-based clients, we can help create long-term gains that benefit and strengthen the communities we serve. We eagerly undertook the Benefit Corporation process to ensure our firm's operations, management practices and governance were at the highest levels and to place us in the best position possible to effect change to benefit our community, our environment, our stakeholders and our clients.

Hiring DCG as a Real Estate Advisor is like choosing a dedicated partner who puts you first. The professionals at DCG believe that finding the perfect solution for your educational facilities should feel nothing like "business as usual." Our goal is not only to provide a welcome alternative to the typical commercial real estate firm, but also to work as a committed partner for community-minded organizations like Mountain View Whisman School District.

When you work with us, your interests will be protected with the help of our comprehensive consulting, property planning and real estate services. You can feel confident that we'll research all your options, offer expert advice and work as closely with you to guide you through your options. We help to mitigate and manage risk throughout the process. Our ultimate goal is to assist you in transforming your real estate into resources.

SERVICES FOR EDUCATIONAL ORGANIZATIONS

Dutra Cerro Graden has years of experience providing real estate services to California school districts. Given the long history of financial challenges facing school districts, we understand it is imperative that they look to alternative funding resources to provide for the essential work of educating our youth. We understand that using real property assets can help stabilize funding uncertainties and assists the District in maximizing revenue. Proceeds realized through lease, acquisition, sale and joint occupancy of District property has the potential of aiding the District in moving to a more efficient, cost-effective and sustainable service-delivery model.

While most school districts and academic institutions understand and appreciate the benefits of Real Property Assessments, they often lack the time and resources to successfully manage the long, complicated, and controversial process from beginning to end. The experienced DCG team works closely with clients to ensure prudent planning, clear communication, timely action, and efficient management of all projects. Our consulting, asset management and brokerage services have helped our district clients:

- Realign assets to better serve the overarching educational mission
- Realize operational efficiencies as a key strategy to fiscal sustainability
- Identify leasing opportunities to bring in passive investment income
- Create "win-win" community partnerships with other public and private entities

PROJECT TEAM

DCG's 10-person team consists of in-house consultants, advisors and brokers. Below is a brief resume of those personnel who will be participating in any assignment that could be assigned to DCG through the District.

Name of person:	Dominic Dutra, Co-Chief Executive Officer
Experience with public institutions:	Dominic has extensive commercial real estate experience throughout California and in particular with public K-12 School Districts and public facilities. Some of Dominic's clients have included Ross Valley School District, San Juan Unified School District, Napa Valley Unified School District, City of Hayward, City of Fremont, Newark Unified School District, San Lorenzo Unified School District, New Haven Unified School District, Larkspur-Corte Madera School District and more.
Other certificates, licenses, or relevant qualifications:	<i>CCIM Designation</i> - Dominic has received the exclusive national designation of Certified Commercial Investment Manager (CCIM). A CCIM is a recognized expert in the commercial and investment real estate industry. The CCIM designation is awarded to commercial real estate professionals upon successful completion of a graduate-level education curriculum and presentation of a portfolio of qualifying industry experience. Taught by established practitioners, the program provides a real-world education in: financial analysis, market analysis, investment analysis and negotiations.



The Dutra name has long been recognized and respected in the real estate and development field. The Dutra family has made significant contributions and is committed to public service at the municipal and state level. Dominic Dutra has followed in his family's footsteps, founding Dutra Cerro Graden with Alan Cerro and Landis Graden in 2005. As Chief Executive Officer at DCG, Dominic's drives the company in its focus on improving cities by *Creating Communities of Value™*.

From 2000-2005, he was President of Dutra Enterprises, Inc., a privately held development company which primarily focuses on the entitlement and development of residential and commercial land. In addition to numerous residential sales and entitlement projects, the company has also been responsible for the development of commercial and office buildings throughout the East Bay. To this day, he remains a Board member of the company.

A strong believer in giving back to the community, he served as a member of the Fremont City Council from 2002-2006 and was re-appointed to the Council for the 2010-2012 term. Dominic is a graduate of Santa Clara University where he earned a Bachelor of Science Degree in Business Management and a Masters in Business Administration (MBA). Prior to Santa Clara University, Dominic also attended Ohlone College and was honored as alumni of the year in 2004. He has extensive commercial real estate experience as evidenced by his CCIM designation, the premier commercial real estate designation in the country.

BRE #00963281

Name of person:	Landis Graden, Co-Chief Executive Officer
Experience with public institutions:	Landis has extensive commercial real estate experience throughout California and in particular with public K-12 School Districts. Some of Landis’s clients have included Vallejo City Unified School District, Solano Community College District, Campbell Union High School District, Hayward Unified School District, Pittsburg Unified School District and more.
Other certificates, licenses, or relevant qualifications:	Certified Paralegal – University of California, Berkeley



As President and Co-Chief Executive Officer of DCG, Landis brings to the company over 20 years of business experience. At DCG, some of Landis’ clients have included Chabot-Las Positas Community College District, Price And Associates, Educational Services of America, St. Vincent de Paul, and YMCA.

In 1997, he founded Penn & Graden Properties, a residential properties acquisition company, leaving behind a very successful career at a Fortune 500 company. At Penn & Graden, Landis was responsible for acquiring, rehabilitating, managing, and selling several million in real estate assets. He also managed multiple real estate investment groups that were focused on acquiring, rehabilitating, and selling undervalued Bay Area properties, all of which resulted in positive returns for investors. Landis’ expertise also includes the founding and management of New Legacy, Inc., comprised of New Legacy Real Estate, a full-service real estate brokerage firm specializing in residential properties in the East Bay and New Legacy Lending Services, a residential mortgage company.

Landis is actively involved in community service and in his church. He currently serves as Chairman on the City of Vallejo’s Planning Commission, as a Board Member of Brighter Beginnings, and is President of the Board of Directors for Northern California Community Development, the non-profit arm of Glad Tidings Church of God in Christ. Formerly, he was a Director on the Hayward Chamber of Commerce Latino Business Roundtable and a member of the City of Hayward’s Economic Development Committee. In addition, he offers pro bono consulting services to entrepreneurs entering the marketplace, assisting them to understand and navigate the challenges facing small businesses.

A licensed real estate broker, Landis earned a Bachelor of Science Degree in Information Systems Management from the University of San Francisco, and an MBA from Holy Names University.

BRE #01461409

Name of person:	Jeffrey A. Slavin, Vice President of Real Estate Development Services
Experience with public institutions:	Jeff has extensive commercial real estate experience throughout California and in particular with public K-12 School Districts and in Southern California. Some of Jeff's clients have included Claremont School of Theology, La Mesa-Spring Valley School District, Norwalk-La Mirada Unified School District and more.



Jeffrey Slavin joined DCG in 2015 as Vice President of Real Estate Development Services. With 30 years of experience in the corporate and non-profit housing industry, he has been responsible for the development of thousands of homes across California. Jeff was drawn to DCG because of our mission and the fact that his core talents can help DCG clients become both fiscally sustainable and meet their missions as well.

Prior to joining DCG, Jeff was deeply involved in the activities of HomeAid America as a board member, board chair and as Chief Executive Officer. HomeAid is a leading national non-profit provider of housing for homeless populations. Over the past 25 years, HomeAid's 14 chapters have grown into the largest provider of housing for the temporarily homeless in the United States, serving more that 200,000 men, women, and children in their efforts to rebuild their lives.

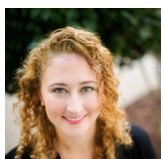
He also served on the Board of Directors for Volunteers of America, a faith-based non-profit with \$2 billion in assets that serves the poor in the United States.

In 1986, Jeff was named President and Chief Operating Officer of Ahmanson Developments where he managed the production of homes in four operating divisions and joint ventures with other homebuilders around the nation. He subsequently guided the transformation of the Donald Bren Company into California Pacific Homes as its President and Chief Operating Officer and led its resurgence on the Irvine Ranch as an active homebuilder.

Jeff Slavin graduated from Franklin and Marshall College and the Columbia Law School. Slavin's other industry activities include long service on the BIAS/SC Sales and Marketing Council, the Board of Directors of BIA/OC, and CBIA's PCBC Committee, including the presidency of the show in 2001.

Slavin and his wife Janice live in Irvine, CA, and have two adult sons.

Name of person:	Leah Denman, Senior Project Manager, K-12 Advisory Services
Experience with public institutions:	As a Senior Project Manager, Leah focuses on K-12 education institutions. Some of Leah's clients have included Norwalk-La Mirada Unified School District, Napa Valley Unified School District, La Mesa-Spring Valley School District, Burlingame School District, Livermore Valley Joint Unified School District, Newark Unified School District, San Lorenzo Unified School District, San Juan Unified School District and more.



A native of the San Francisco Peninsula, Leah Denman joined DCG in September 2015. As a Senior Project Manager in Real Estate Development Services, she focuses on K-12 education institutions and community colleges.

Prior to joining DCG, she worked for four years as a project manager at the Brookings Institution,

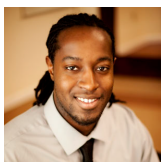
a non-profit public policy organization in Washington, DC. At Brookings, she managed a human rights project with the United Nations, which entailed working with numerous non-profit organizations and governments. Leah also previously worked for Stanford University's Office of Government and Community Relations to strengthen relationships with local, state, and federal governments, as well as its relationship with neighboring communities. At Stanford, Leah worked on various projects ranging from the annual Stanford Community Partnership Awards to land use issues for its 8,180 acre property.

After working at various non-profit and education institutions, Leah was drawn to DCG's value-driven mission. Outside of DCG, she volunteers at women's empowerment organizations and plays in an Irish sports league.

Leah graduated from Boston University with a Bachelor of Arts in International Relations and received a Master of Business Administration from the George Washington University.

BRE # 02041132

Name of person:	Jamil Muchell, Broker Services Manager
Education:	Cal State University East Bay <ul style="list-style-type: none"> • Bachelor of Science Degree in Business Administration Holy Names University <ul style="list-style-type: none"> • Master in Business Administration
Years with DCG:	7
Experience with public institutions:	Jamil has extensive commercial real estate experience throughout California and in particular with public K-12 School Districts. Some of Jamil's clients have included Rescue Unified School District, Albany Unified School District, Woodland Joint Unified School District, Pittsburg Unified School District and more.



Jamil Muchell joined DCG in 2010. Jamil oversees and manages DCG's broker activities as Broker Services Manager. His clients have included Northern California Community Development, Next Generation Churches, Price And Associates, and El Cerrito Chinese Community Church.

Previously, Jamil was a coach and trainer at Triple Threat Academy where he trained children, high school students, and some college students in age-appropriate basketball skills and sportsmanship. In addition, he managed various summer camp sessions – each focused on teaching children different skills. He was also responsible for supervising other trainers at Triple Threat Academy. Before that, he was an Administrative Assistant at AIDS Minority Health Initiative where he provided support to staff and clients. At Chabot College, Jamil worked as a Summer Youth Sports Camp Counselor where he mentored and advised youth in various sports activities. From 2005-2006, he was a Teleconferencing Technician at Holy Names University, where he operated multiple cameras in the campus' video control room.

Jamil received his MBA with a concentration in Management and Leadership from Holy Names University and a B.S. in Business Administration with emphases in Entrepreneurship and Corporate Management from Cal State University East Bay. He earned his California Department of Real Estate License in 2006.

BRE # 01763115

Name of person:	Angie Williams, Senior Project Manager, Real Estate Development
Experience with public institutions:	Angie has extensive commercial real estate experience throughout and in particular with public K-12 School Districts. Some of Angie’s clients have included La Mesa-Spring Valley School District, Rescue Unified School District, Albany Unified School District, Woodland Joint Unified School District, Pittsburg Unified School District, Albany Unified School District and more.



Angie Williams joined DCG in 2014 as a Senior Project Manager. In her role, Angie oversees all development projects and serves as our expert land planner. She was attracted to working at DCG because its core values reflected a social consciousness that often gets lost in the real estate world, and giving back to the community has been something she has always wanted to be able to do in a professional setting.

Prior to joining DCG, Angie was Job Captain at Korth Sunseri Hagey Architects managing projects of various size and scale including San Ramon City Hall, Menlo Circus Club and Pacific Union Club from schematic design to city submittals. In conjunction with attending graduate school at Columbia University she completed two internships with MTA –Transit Oriented Development and Lemor Realty Corp respectively. At the former, she provided financial modeling and analysis services for TOD sites along the Long Island Railroad corridor to ensure sustainable growth for Long Island while at the latter she provided design and financial services for affordable housing projects in Harlem and the Bronx.

Angie has additional experience in asset management, account management, retail design and development consulting / coordination. She volunteered with 826 Valencia in 2011, mentoring students at John O’Connell High School which culminated in a publication of the student’s stories. In addition, she served on the Executive Board for her local chapter of Alpha Rho Chi, a national co-ed professional fraternity for students and practitioners of architecture and the allied arts.