

# Swimming Upstream

*How to build teacher housing to recruit  
and retain great teachers*

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A REPORT BY  
KEYSTONE POLICY CENTER



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## Executive Summary

### Critical preconditions for successful educator housing projects

- **Community support.** Although there could be initial public resistance to ‘affordable housing’ in any community, even for teachers, public support on some level is essential:
  - › To pass bond issues when necessary
  - › To support large-scale district expenditure of funds on an issue not directly connected to classrooms.
- **Committed district leadership.** The superintendent, cabinet, and school board must be behind any successful effort, and be willing to develop expertise in a subject far removed from education

### Critical elements of a successful project

- **Creative, entrepreneurial thinking.** Colorado school districts must be “opportunistic in their pursuit of housing options for educators and other staff:
  - › When appropriate, the district can manage the project itself, or contract management
  - › Use bond issues or Certificates of Participation to fund, as well as funds from Proposition 123, and possibly Low income Housing Tax Credits
  - › At other times, partner with for-profit developers who need affordable housing set-asides to meet state requirements
- **Keeping the complexity in-house.** Make it simple for those involved. Districts can use master leases when working with developers to keep transactions simple
  - › Districts can be responsible for collecting rents, even withholding payments from paychecks
- **Know your staff demographics and provide a suitable variety of housing options.** While rentals will most likely be the largest and most viable option, consider providing ownership opportunities as well.
  - › Single teachers generally require smaller units, while married teachers with children might need more space.
  - › Partner with Habitat for Humanity or other non-profit housing providers for affordable homeownership options
- **Partnerships are key.** An expansive, creative view of partnerships will yield greater success.
  - › Local governments are often better prepared to manage housing development and maintenance than are school districts
  - › As mentioned above, for-profit developers are often seeking partners to help meet state affordable housing set-aside requirements
  - › Nonprofit housing developers have expertise in financing, logistics, construction, maintenance, and property management.



## Introduction



*To see if homeownership is affordable for teachers and other professionals in your community, access our **Colorado Homeownership Affordability Map***

**A 2022 Keystone Policy Center report laid out in stark terms how difficult it is for public school teachers in Colorado to live where they work.** The report revealed that fewer than 20 percent of for sale homes in the state are valued at a price that is affordable for teachers earning the average salary in the school district in which they work.

In many places, rents are also out of reach, especially for early-career teachers. Rents nationally were 17.6 percent higher in July 2023 than in February 2020.<sup>1</sup>

As housing costs – both rental and ownership – have spiraled to unprecedented levels both in the urban corridor and in mountain resort communities, educator pay has failed to keep pace. This has problematic implications for school districts that need to attract and retain teachers.

Housing affordability for educators has been an issue for several years, but has grown more acute in Colorado, and elsewhere, since the Covid-19 pandemic led to a spike in real estate prices and rents beginning in 2020. While prices have flattened over the past year, rising interest rates have more than offset any modest declines in home prices.

<sup>1</sup> <https://www.wsj.com/us-news/education/why-schools-are-building-housing-for-teachers-6838dbe4>

The Colorado Futures center estimated in a 2022 report – when interest rates were close to a percentage-point lower than they are today – that a return to 2015 levels of affordability would require a 32 percent decline in housing values, which, the report says, would cause considerable “market pain.”<sup>2</sup>

While solutions at scale are challenging to come by, there are school districts in Colorado that have begun tackling the housing challenge. **This report will focus on how Roaring Fork and Eagle, two Colorado mountain school districts near resort areas, have worked over the past several years to build or buy affordable rental properties for their employees, primarily teachers.** They have also partnered with nonprofits to create affordable homeownership opportunities as well.

School districts face multiple obstacles when entering the field of affordable housing. These include a lack of expertise, challenges with financing, and community opposition. One major barrier districts don’t have to worry about is acquiring land. School districts own parcels of land scattered throughout their boundaries. Some are adjacent to school buildings, others are elsewhere in the community.

The first section of this report will briefly survey the issue from a national perspective, with a focus on California, where the acuteness of affordability challenges is extreme and longstanding, and where school districts and the state legislature have begun chipping away at the problem.

We will then take a detailed look at how Roaring Fork and Eagle school districts have approached tackling the issue in their communities over the past few years. We will conclude with a cautionary tale out of Denver, and a brief description of the types of partnerships between districts, developers, municipalities, and nonprofits that are necessary to make any school district-led housing initiative succeed. We will also briefly examine Proposition 123, approved by Colorado voters in 2022, which will create significant sums and incentives for developers and nonprofits to build affordable housing. School districts could conceivably form partnerships to take advantage of these opportunities.

While the challenges of providing educator housing in expensive real estate markets might seem daunting, they are surmountable. Rob Stein, who served as superintendent of the Roaring Fork School District from 2016 to 2022, urged districts to look at this as an opportunity worth pursuing.

“School districts are uniquely positioned to do this, because they have land that can’t be used for other purposes,” Stein said. “Whether it’s vacant school buildings, or whether it’s little corners of property here and there, districts own land that can be utilized for housing.”



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**Rob Stein**

*Former superintendent for  
Roaring Fork School District*

<sup>2</sup> <https://source.colostate.edu/colorado-futures-center-a-market-correction-wont-solve-the-states-affordable-housing-challenge-without-an-unprecedented-drop-in-home-prices/>



## National Context: California

**In California, where a widespread housing affordability crisis has prevailed for longer than most other places, legislators passed a law called the Teacher Housing Act in 2016, which allowed Local Education Agencies (LEAs) to pursue affordable housing for district employees and “shifts the playing field on development finance.** LEAs can now address employee housing by leveraging a range of programs and fiscal resources available to other housing developers,” according to a 2022 report by the Center for Cities + Schools at the University of California - Berkeley.<sup>3</sup>

The law allowed LEAs to apply for federal Low Income Housing Tax Credits. Unfortunately, in many places in both California and Colorado teachers are paid just a bit too much to be eligible for tax-credit-subsidized housing.

But the study’s researchers identified 43 LEAs in areas with high housing prices pursuing projects on 86 sites.

And the pace of new development could soon accelerate, thanks to a law passed during California’s 2022 legislative session. That law, Assembly Bill 2295<sup>4</sup>, makes “housing development projects on property owned by an LEA to be an allowable use of the property, provided certain conditions are met.”

This was significant, because districts trying to build workforce housing were facing persistent opposition from neighbors. The new law “basically says that any school district that wants to build housing can build a minimum of three stories in any neighborhood,” as long as the development is adjacent to a residential area, said Jeff Vincent, cofounder of the Center for Cities + Schools.



**2.3M**  
million units of housing

**California’s school districts own more than 150,000 acres of land and that 75,000 acres could be developed into affordable housing. At 30 units per acre, there could be 2.3 million units of housing,** according to a 2021 joint study by the Center for Cities + Schools and the Turner Center for Housing Innovation, both at UC Berkeley, along with CityLab at UCLA.

<sup>3</sup> <https://source.colostate.edu/colorado-futures-center-a-market-correction-wont-solve-the-states-affordable-housing-challenge-without-an-unprecedented-drop-in-home-prices/>  
<sup>4</sup> <https://bbklaw.com/resources/ab-2295-housing-developments-now-allowable-use-on-lea-owned-properties#:~:text=On%20September%2028%2C%202022%2C%20Governor,provided%20certain%20criteria%20are%20met,>

Taller buildings mean greater density, which helps make the numbers work when it comes to financing projects, Vincent said. But often it's those taller, denser developments that draw the most significant community pushback. Hence, AB 2295.

Under the new law, LEAs can also build workforce housing without having to request zoning changes from local governments, often another locus of obstructionism.<sup>5</sup>

It's helpful for school districts to be smart when crafting messages about the housing developments, Vincent said. First, he said, they need to provide compelling reasons why they need to step in and essentially become a real estate developer, which is far outside their wheelhouse.

"They can make an effective case that the market isn't providing this, and that they are strategically positioned to do so using their own staff, and that this is a valid use of their time and money, which of course is public money," Vincent said.

Second, they need to be clear that these affordable developments are intended for district employees, primarily teachers, and not the larger pool of area residents in need of subsidized or affordable rents. "It's possible to build a strong narrative around this being essential to the betterment of the district and its students," he said.

School districts also have to ensure when designing the projects that they appeal to the people they are trying to assist. If a district is trying to attract new teachers, who tend to be younger, then it might be possible to build larger numbers of smaller units – studios or one-bedrooms. If the goal is to retain more veteran educators being priced out of the market, then mixing in two- and three-bedroom units would be important.

"That last thing you would want is to be super successful in designing and building and paying for this thing and then the folks you were doing it for all along aren't that interested in what you created," Vincent said.

For this reason, assembling a committee of educators to be involved in the planning stages would be an important component of any educator housing project.

California districts working on educator housing have forged a variety of partnerships with nonprofit developers as well as municipal and county governments, Vincent said. Nonprofit developers possess the expertise on financing housing developments that school districts lack, and often have connections that help them secure highly competitive tax credits and other subsidies that make projects financially feasible.

In some cases, local governments have shown interest in partnering with school districts and helping with funding in exchange for a percentage of the units going to their employees.

"There is a lot of concern about firefighters and paramedics being able to live in the communities where they work as well, so there have been discussions – around those issues," Vincent said.

**We will now examine how two rural Colorado school districts have dealt with the challenges of providing affordable housing for their employees, primarily teachers.**

<sup>5</sup> <https://edsource.org/2022/newly-signed-bill-will-make-it-easier-for-california-school-districts-to-build-staff-housing/679095>



## ROARING FORK SCHOOL DISTRICT

The 5,800-student, 14-school Roaring Fork School District encompasses the towns of Glenwood Springs, Carbondale, and Basalt, and rural areas in between. The district lies downstream from the billionaire’s playground of Aspen, and as a result has experienced even more extreme increases in home prices and rentals than some other mountain communities.

According to Roaring Fork Realty<sup>6</sup>, the median price of a home grew between 2020 and the first half of 2023 by 135 percent in Basalt (to \$2.1 million), by 71 percent in Carbondale (to \$2 million), and by 33 percent in Glenwood Springs (to \$825,000).

While rents haven’t increased at quite the same blistering pace, they’re still tough for local educators to afford. The rent.com website shows the average rent for a one-bedroom apartment in Basalt at \$3,500 per month, in Carbondale at \$1,450 per month, and in Glenwood Springs at \$2,240 per month – up 9 percent over the prior year.

The starting salary for a first-year RFSD teacher with a bachelor’s degree is \$50,000.

“It became clear over time that we needed to do something about housing, because as the cost went up, people were being forced to live further and further out, and we were starting to hear more often ‘I can’t take a job with you because I can’t afford it,’” former superintendent Stein said.



**\$50,000**

starting salary for a first-year  
RFSD teacher with a bachelor’s degree



**7%**

of housing stock available  
for the average teacher salary in the  
Roaring Fork School District

<sup>6</sup> [https://storage.googleapis.com/idx-acnt-gs.ihouseprd.com/AR299987/file\\_manager/RE%20Website%20Median%20Price%20063023.jpg](https://storage.googleapis.com/idx-acnt-gs.ihouseprd.com/AR299987/file_manager/RE%20Website%20Median%20Price%20063023.jpg)

When the district passed a bond issue in 2015, it included \$15 million for teacher housing initiatives, evenly divided among the three communities. The local school board added another \$5 million from the general fund, bringing the total to \$20 million.

Rather than settle on one strategy for acquiring rental housing for teachers, Stein said, “as we started to figure it out we realized that we should just be opportunistic.”

That meant using different approaches in different places. It has resulted in 66 rental units built or acquired to date, with another 50 in the pipeline. Some were built by the district itself, others were available affordable units in developments under construction.

A district committee decided that as rental units came online, 80 percent of them would go to teachers, and the remaining 20 percent would go to classified staff, all selected by random lotteries. The district hired an outside firm to manage all of the properties, so that employee-tenants with complaints or repairs could go to a third party for resolution, rather than to their bosses.

RFSD employees pay their rent directly to the district through the management company, and can even have their rent deducted directly from their paycheck.

The district set rents for all units based on actual teacher median income in the district, ensuring that no tenant paid more than 30 percent of their household income for rent and utilities. Because RFSD had no debt on any of the properties, the district was able to focus on affordability rather than revenue generation, said Jeff Gatlin, who was RFSD’s chief operating officer until last year.

Even so, rents have more than covered maintenance and upkeep expenses, and the district has been able to set aside money to put toward future housing construction projects, including 50 units now under construction in Carbondale (see below).

For its initial project in Carbondale, the district used a piece of land it owned on Third Street, where a bus barn once stood, to build 20 units of affordable rental housing in the center of town. The units were funded from the bond issue, and the district managed the project itself.

While RFSD, like all school districts, had extensive experience managing construction projects, this was its first foray into residential building. The district hired an architect and contracted with a project manager to act as a liaison with the town government.

## HOUSING EXAMPLE

### MEADOWOOD



The RFSD Meadowood staff housing project consists of 50 units of staff housing with a mix of studio, 1 bedroom, 2 bedroom, and 3 bedroom units to meet the need for additional staff housing in alignment with the district’s strategic goal to recruit and retain high-quality staff. There will be three buildings with shared outdoor spaces and on-site parking for residents. The project will be developed as an all-electric site with no gas line, and will incorporate EV charging on-site. The development will meet the 2021 International Energy Conservation Code (IECC), which is estimated to be 10% more efficient than the 2015 IECC which the Town has adopted. The buildings have been designed to conform with the Town of Carbondale’s Unified Development Code, featuring strong architectural elements and human-scaled design in a central location.



The district also involved teachers in the design, to ensure that units met the needs of prospective tenants. “Doing this ourselves ensured that we would get exactly what we wanted and needed,” Stein said. “We wanted housing that was affordable, but we didn’t want it to look like affordable housing.”

Gatlin said the district decided to be a “good neighbor” by following all development codes for the town, even though the fact that it was on district-owned land exempted RFSD from those requirements.

***“It ended up being quite the showcase property. The town was really proud of it. We were really proud of it. It was a good partnership,”*** he said.

The remaining 46 units, 23 in Basalt and 23 in Glenwood Springs, are new construction, acquired using bond issue funds through deals with housing developers, who, under state law, must make a percentage of their units affordable.

“All of the pre-development or on-development opportunities that we engaged in were under some kind of affordability requirement the developer was under, and we were able to come in and buy those units,” Gatlin said.

In Basalt, RFSD bought 23 units of a new, 27-unit development in an area north of the town center called Willits in 2016. Initially, the district was going to buy 17 units, but in a moment of prescience, the school board decided to buy six additional units, in the correct belief that “things are never going to be cheaper than they are right now,” Gatlin said.

Gatlin said there were “rumblings” in the community about RFSD monopolizing the affordable units, while firefighters, police officers, nurses, and other essential workers were left in the cold. “Those are real, legitimate questions,” he acknowledged. “But it was win-win for us and the developer, because he had one buyer coming in and taking a lion’s share of these units. And school district housing was the will of the voters, who passed the bond issue.”

In Glenwood Springs, RFSD bought into two developments under construction in and adjacent to the town. The first was in a golf course development called Ironridge just south of town, which was expanding, and needed to provide some affordable units to meet state requirements.

RFSD bought three duplexes – six units – four of which were two-bedroom and two three-bedroom.

The district also bought 17 apartments in the expansion of a development in Cardiff Mesa. The expansion included five buildings and RFSD bought four of them.

Buying those 66 units across three towns depleted the bond funds. But RFSD didn’t stop there. Using proceeds from rental revenue as well as certificates of participation, the district broke ground in July 2023 on a \$29 million, three-building, 50-unit teacher housing development in Carbondale. The Meadowood project is slated for completion in late summer 2024.

Once those units come online, RFSD will have built or bought 116 rental units for its employees. While that’s a big step in the right direction, it does not come close to meeting demand, Gatlin said. He estimated that the district will need at least 300 units to meet demand, and that number could rise if housing remains unaffordable.



In addition to the substantial work on acquiring rental housing, RFSD has partnered with Habitat for Humanity of the Roaring Fork Valley and the Pitkin County government to build and sell 14 of 27 homes built on district-owned land to district employees. This transaction was not part of the bond issue, and to buy the homes, employees had to meet more stringent income limits, based on federal area median income guidelines.

RFSD donated the land for the project, and Pitkin County paid for infrastructure improvements. Because the value of the land was slightly higher than the cost of infrastructure work, the district ended up with 14 homes to sell, and the county with 13.

The homes carry deed restrictions which require employees to sell their homes back into the program if they leave the district. There is also an appreciation cap on the homes, so that they don't become too expensive for future employees to afford.



## EAGLE COUNTY SCHOOL DISTRICT

The sprawling Eagle County School District (ECSD) encompasses the towns of Edwards, Avon, Eagle, Red Cliff, Gypsum, and Minturn, as well as the resort communities of Vail and Beaver Creek, which rival Aspen for affluence. Like the Roaring Fork Valley, which lies 45 miles southwest of Eagle, the school district has faced mounting challenges of housing affordability for staff over the past several years.

Unlike RFSD, however, the Eagle County district's boundaries include the resorts, which skews housing affordability data, given exorbitant ownership and rental costs in Vail and Beaver Creek. Still, housing even in the outlying towns and areas are pricey by any standard.

Using the town of Eagle, where the district is headquartered, as a proxy for the county, Zillow<sup>7</sup> reports that the average home value as of July 31, 2023 was \$891,135. That's an increase of 61 percent from March of 2020, when the average Eagle home cost \$552,941.

The median rent in Eagle for all property types and bedrooms was \$2,800 in July 2023, up \$1,350, or 91 percent from a year earlier.

ECSD operates 16 schools, and there are two charter schools operating within district boundaries. Total enrollment is 6,900.



**\$50,500**

starting salary for a first-year  
ECSD teacher with a bachelor's degree



**6%**

of housing stock available  
for the average teacher salary  
in the Eagle County School District

<sup>6</sup> <https://www.zillow.com/home-values/8747/eagle-co/>

Philip Qualman has been the ECSD superintendent since 2019, and has worked in the district for 15 years. When he took the helm, shortly before the COVID-19 pandemic struck, housing affordability was already approaching a crisis level.

“Finding a place for me to live was a challenge, and hiring staff has always been a challenge,” Qualman said. “When I became superintendent I realized I finally had an opportunity to make a difference on this issue.”

The first step Qualman took was to order development of a housing master plan. Housing had never been part of the district’s strategic plan, but Qualman felt it was important to push it to the forefront. “There was no action planning happening around the issue. We were waiting for everybody else to solve it and wallowing in our own misery,” Qualman said.

The plan, released in April 2020, had a 10-year time horizon for addressing housing challenges for district employees. It set as a goal building 120 units of employee housing to be completed in that time period. Those numbers clearly fall short of need, Qualman said, especially since after the master plan was drafted, housing prices doubled over the course of one year as the pandemic struck.

Building is a slow process, and the need was urgent, so the district took some intermediate steps. The first was to work with local developers and property managers to rent units through master leases. This entailed the district renting blocks of apartments and then essentially sub-letting them to staff. Master leases gave property managers the security of multi-year rentals and the school district’s screening and oversight of tenants. The district secured about 15 units in master leases through that process.

Last summer, Qualman went to the county clerk and recorder and got a printout of all 30,000 Eagle County property owners and their physical addresses. He sent each of them a letter, laying out ECSD’s desperate need for housing and appealing to them to consider renting to district employees if they had vacant properties.

Despite construction projects completed and underway, Qualman wrote, “we still have a waiting list of about 50 employees who must find affordable housing soon or risk giving up their jobs with the district. We offer jobs daily but are frequently turned down because applicants can’t secure housing.”

Through this appeal, ECSD added 200 rental units to the available pool, Qualman said, though not all of them were affordable on educator pay. In some cases, district employees have rented directly from the landlord, and in others, the district has executed master leases, under which the ECSD pays the landlord and bills the employee.



Photo Courtesy of: Erik Martinez

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*“Finding a place for me to live was a challenge, and hiring staff has always been a challenge. When I became superintendent I realized I finally had an opportunity to make a difference on this issue.”*

**Phil Qualman**  
Superintendent for  
Eagle County School District

### *District Construction Projects, Current And Future*

Since the master plan was released, ECSD has started construction on a 37-unit apartment complex on district-owned land near Battle Mountain High School in Edwards. The project was funded through certificates of participation, an instrument similar to a municipal bond.

Qualman said the district went the COP route because he and the school board were reluctant at the time to ask voters to approve a bond issue, which would have resulted in a tax increase. He said the district finance team ran numbers and is confident that rental revenues will allow the district to repay the COP notes.

Ten of the Battle Mountain complex apartments will come online in the fall of 2023, Qualman said, and the remainder should be ready for occupancy in the spring of 2024. When completed, the development will consist of 19 one-bedroom units, 11 two-bedroom units and seven three-bedroom units.

Rent for all occupants, including utilities, will be capped at 30 percent of the starting salary for a first-year teacher, which is just shy of \$50,000. When the district ran its lottery for the 37 units earlier this year, 150 district employees put their names in for the 37 units. Under the lottery, the district reserved 25 percent of the units for domestic new hires, and 25 percent for international new hires. The remaining 50 percent were open to any district employee, not just educators.

Eagle County government, not the school district, will manage the properties. Qualman described ECSD as “reluctant property developers and even more reluctant property managers.” Managing rental units isn’t in the district’s sweet-spot, and the county runs a number of affordable housing projects. So it seemed a natural partnership.

As a next step in fulfilling the housing master plan, ECSD is looking to build apartment complexes on parcels of land it owns in Minturn and Gypsum. In addition to using COPs, these will require voter approval of a bond issue in November 2023. Bonds are required for these projects, Qualman said, because the cost will be higher than the Edwards project. Those costs are being driven in part by the relative remoteness of the Minturn property, which will require the district to “run \$8 million of infrastructure” – roads, electricity, water, and sewage – out to the property.

Ultimately, the Minturn development could produce up to 120 affordable apartments, Qualman said. The plan is to build the entire development in one phase, as soon as practically possible. Because the property is south of Minturn and therefore a long, mountainous commute to any schools, the district has to offer a compelling rental price-point to attract employees to the development. Qualman said the district conducted a survey and found prices that would make those units desirable.

The Gypsum property would include an early childhood center, K-8 classroom space, and 50 units of affordable rental housing.

In both those future developments, Qualman said, the district is debating adding some for-sale, deed-restricted homes as well, but nothing has been decided.

Like RFSD, Eagle County has entered into a partnership with Habitat for Humanity, which will yield 16 for-sale duplexes in Eagle on district-owned property. These homes will sell at about 60 percent of market value, and will carry deed restrictions to keep them in the district housing pool and cap appreciation to maintain affordability. An earlier project with Habitat yielded a dozen single-family homes in Gypsum.

## Colorado at the Forefront, but Challenges Loom

The Denver-based Donnell-Kay Foundation produced an excellent report in 2017 on the teacher housing issue.<sup>9</sup> It included examples of successful and unsuccessful efforts by school districts to build housing for their employees, both in Colorado and elsewhere. While now six years old, the study remains highly relevant to the conversation.

Every week, it seems, there is a new article in a local or national publication about a school district grappling with the housing affordability crisis and devising solutions. Kansas City<sup>10</sup>, Bentonville, Arkansas<sup>11</sup>, and Austin<sup>12</sup>, Texas are among the districts featured in recent articles. There are many others.

What's lacking is any kind of widespread, systematic effort to address the educator housing affordability issue. This means school districts are largely fending for themselves and figuring out how to address the problem on the fly, as urgency increases.

“Colorado districts that are doing this are pioneering,” said Roaring Fork’s Gatlin, who now works for Jeffco Schools, Colorado’s second-largest school district. “There is no model for this. We haven’t figured it out yet at scale.”

One promising, statewide development was the passage by voters in November 2022 of Proposition 123, which dedicates 0.1% of the state’s taxable income – currently about \$300 million per year – to affordable housing initiatives.

“Being able to properly access government resources in order to build teacher housing is going to be critical to keeping our public education systems going,” said Zach Martinez, a policy advisor at Gary Community Ventures, a leading Denver philanthropy.

While Proposition 123 will fund a range of initiatives, including some that assist people experiencing homelessness, two are especially relevant to future educator housing initiatives.

The first is the initiative’s equity program, which will comprise between 40% and 70% of annual Proposition 123 funding when it launches next year. Under this program, the state makes an investment in an affordable housing project rather than lending money or facilitating loan packages. In theory, Martinez said, the state could own a substantial percentage of a development, and reap “returnable capital” to the state. This investment helps keep debt costs down, making affordable projects more attractive to developers.



*This 2017 Donnell-Kay Foundation report on teacher housing provides a comprehensive look at the issue and initiatives that were underway at that time.*

<sup>9</sup> [https://dkfoundation.org/assets/img/DK-021-Affordable-Housing-Solutions-for-Educators\\_FA.pdf](https://dkfoundation.org/assets/img/DK-021-Affordable-Housing-Solutions-for-Educators_FA.pdf)

<sup>10</sup> <https://www.wsj.com/us-news/education/why-schools-are-building-housing-for-teachers-6838d8e4>

<sup>11</sup> <https://www.nwaonline.com/news/2023/jul/16/bentonville-other-school-districts-ponder-housing/>

<sup>12</sup> <https://www.nytimes.com/2022/10/06/education/learning/teacher-shortage-better-pay.html>

Another key element to the equity program, as well as Proposition 123's debt program, is its provision that mandates a "tenant equity vehicle." As the state collects returns on its equity and debt programs, a portion of those returns must go to the tenant equity vehicle. This allows renters to build up equity in their units over time, which will show up in the form of a rent rebate or cash back of up to several thousand dollars a year.

Martinez said this is akin to a salary boost for educators and others living in these developments.

The second initiative under Proposition 123 that could directly benefit school district teacher housing initiatives is the land banking program. Land banking provides a vehicle for school districts to sell land or unused buildings to other local governmental entities or nonprofits with a history of building affordable housing.

The land banking program provides grants to eligible local or tribal governments and forgivable loans to eligible nonprofits with a demonstrated history of providing affordable housing. These funds must be used to acquire and preserve land for affordable for-sale housing or affordable rental housing. Martinez said that school districts willing to sell land to nonprofit housing developers for slightly below market value in exchange for a guarantee of education housing give those developers an advantage when applying for those highly competitive dollars.

As Proposition 123 programs begin rolling out, some metro-area and Front Range districts are exploring the possibility of using land they own to build employee housing. To date, no new projects have been publicly announced as of the publication date of this report.

Denver Public Schools, the state's largest district, and located in a city where housing affordability has become a crisis, has not yet been a player in the educator housing arena. The district tried a few years ago, but neighborhood opposition killed its first and so far only attempt.

DPS proposed a teacher housing development in partnership with the Urban Land Conservancy (ULC) on a vacant, 12-acre tract of land adjacent to Place Bridge Academy in southeast Denver in early 2017.<sup>13</sup>

ULC is a nonprofit with a mission of "preserving, developing, stewarding, and managing permanently affordable housing and commercial real estate for nonprofits and mission-minded organizations."<sup>14</sup> It has a 20-year track record of assembling financing and building affordable housing developments that use 99-year ground leases to ensure that the properties remain a public benefit in virtual perpetuity. It is, in other words, precisely the type of nonprofit partner a school district should be seeking to make these deals work.

But the proposal aroused vociferous neighborhood opposition. Neighbors said they worried that soil could be contaminated and disturbing it might cause environmental issues. The school board, under heavy pressure from the local neighborhood association, passed a resolution in February 2021 pledging to allow a committee made up primarily of neighborhood association members to exercise virtual veto power over any future attempts to develop that parcel of land for housing.

DPS hasn't proposed any kind of educator housing initiative since. But last year, at the urging then-Mayor Michael Hancock, five DPS board members took a trip to Houston to see how that city repurposed a vacated charter school building as a "housing navigation center," temporary shelter for unhoused people as more permanent solutions were sought.

<sup>13</sup> <https://www.denverpost.com/2020/01/13/place-bridge-academy-landfill-denver-housing/>

<sup>14</sup> <https://www.urbanlandc.org/>

At the time of the trip, DPS was pondering whether to close schools, and how many, because of declining enrollment. Superintendent Alex Marrero told board members he urged them to take the trip to see if DPS could use vacated buildings to help with the “plague of homelessness” and then, ultimately, to repurpose those schools as educator housing.

In the end, however, the board backed away from closing schools, opting for just two, both of which already had other programs occupying them. In the future, however, as enrollment drops force hard decisions, the district could revisit the issue. The Place Bridge Academy experience, however, calls into question the board’s appetite for confronting community opposition.

In 2021, ULC partnered with DPS and the Denver Housing Authority to purchase the 25-acre campus in the Park Hill neighborhood, formerly owned by Johnston and Wales University. Four former dormitory buildings on the Mosaic Campus are being converted to 154 permanently affordable apartments, under the terms of a ground lease held by ULC. Those units will be marketed to, among others, DPS staff and families. While DPS had no direct role in the housing portion of the campus, district leaders were enthusiastic about the prospect of having staff and families living there.

The district also commissioned an internal study of available tracts of land it owns that could be possible sites for educator housing developments. That study, never publicly released, found dozens of potential building sites on district-owned land, including adjacent to Northfield High School in Central Park, George Washington High School in southeast Denver, McAuliffe International School in the Park Hill neighborhood, and Kennedy High School in southwest Denver.

The November 2023 election of three new school board members will change board dynamics, likely in a positive direction. That, combined with the advent of an energetic new mayoral administration and the need for school consolidations and closures in the near future should create new opportunities to advance educator housing efforts in Denver.

Any future teacher housing developments, be they in Denver or elsewhere, will require foresight, partnerships, community involvement, and political courage. While it is difficult to bring all of those elements into play simultaneously, it can be done, and has been done, as Eagle County and Roaring Fork school districts illustrate.

## Conclusion

In expensive markets like Colorado’s Front Range and mountain towns, providing housing for educators is not a nice fringe benefit. Increasingly, it is an essential component of attracting top-tier talent.



## APPENDIX A

## Completed Roaring Fork School District Employee Housing Projects to Date

Community	Development	Open In	1-Bedroom Units	2-Bedroom Units	3-Bedroom Units	Total Units
Glenwood Springs	Cardiff Mesa	Oct. 2018	11	4	2	17
Glenwood Springs	Ironbridge	Sept. 2017		4	2	6
Carbondale	3rd Street	Aug. 2018	6	8	6	20
Basalt	Willits	Sept. 2017	8	11	4	23
<b>RFSD Total</b>			<b>25</b>	<b>27</b>	<b>14</b>	<b>66</b>

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