

# DAVID AVENUE SITE

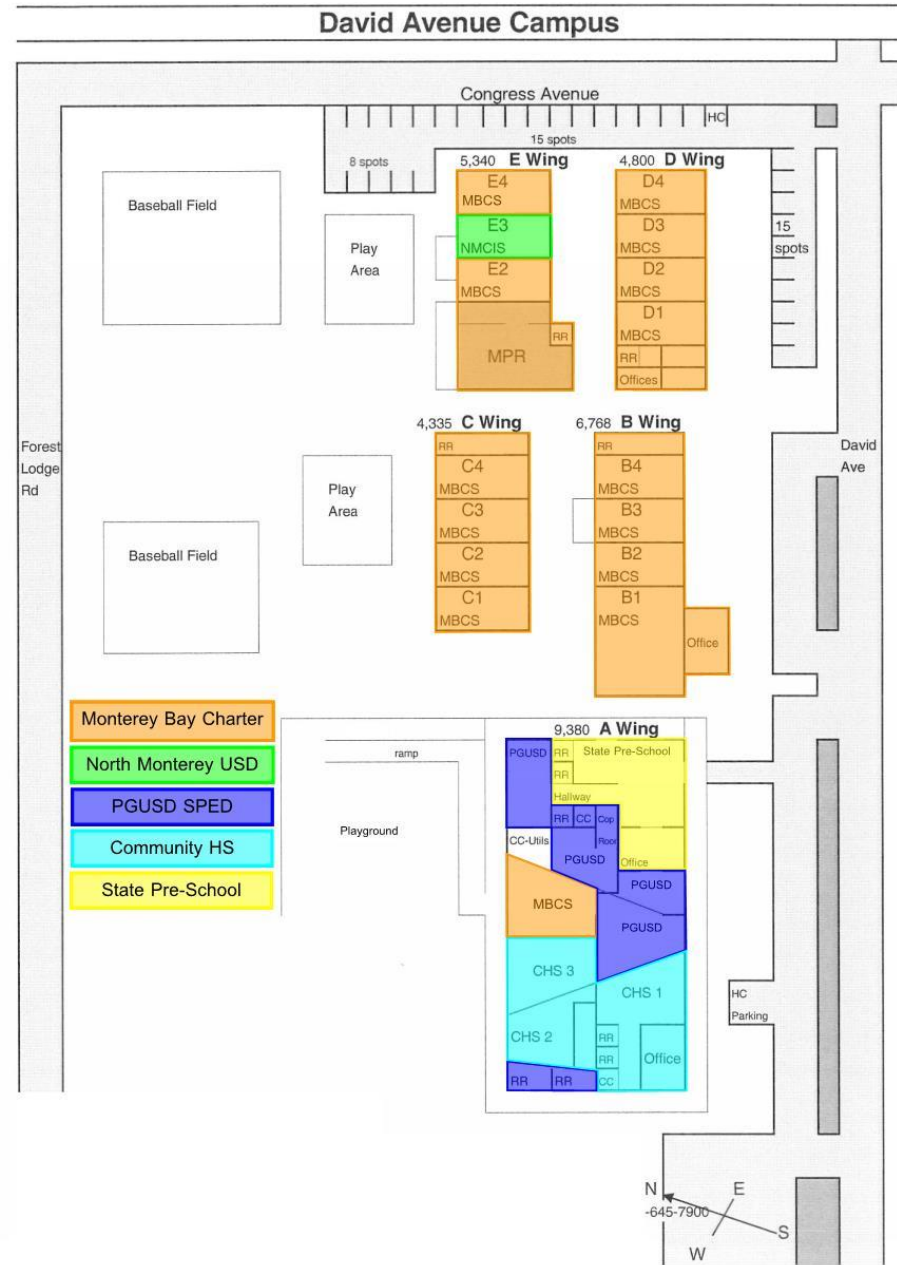
Board of Education

April 4, 2019

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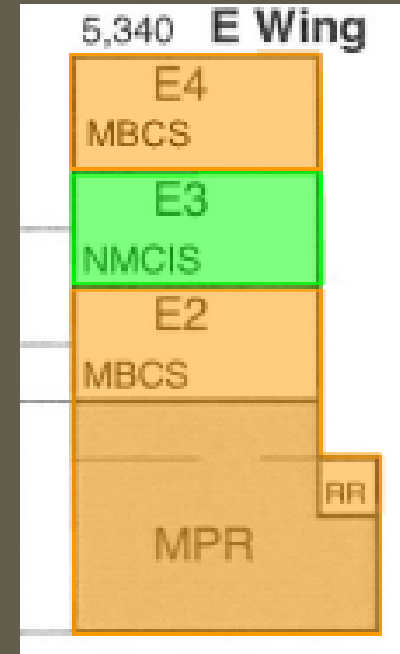
# DAVID AVENUE SITE MAP



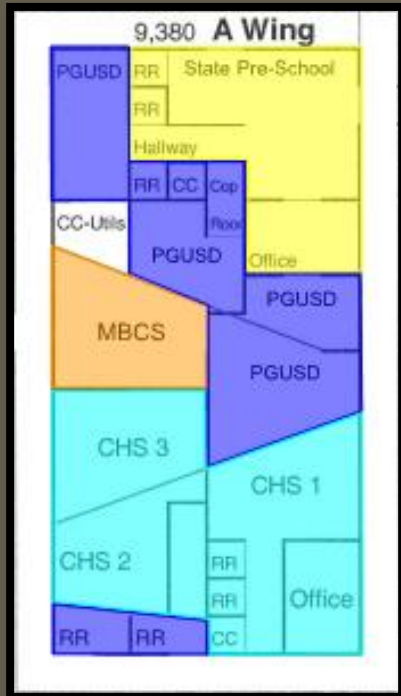
- Built in phases starting in 1950
- B & C Wings completed in 1951
- E Wing Completed in 1953
- C Wing Completed in 1956
- A Wing Completed in 1968
- 30,919 SF of Building Space
- 14 Acres of Land
- Programs
  - Monterey Bay Charter School
  - North Monterey USD Independent Study
  - PGUSD Community HS
  - PGUSD SPED Pre-school
  - State Pre-School

# TENANTS

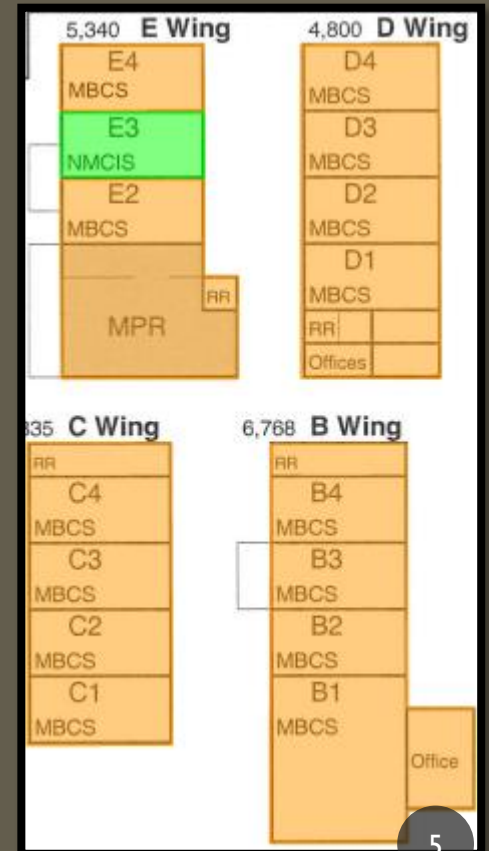
- North Monterey County Unified School District Independent Study
  - Use approximately 1,000 SF rent free
  - PGUSD provides custodial and maintenance services
  - 30 minutes per day and a 4-hour deep cleaning during summer.
  - 100 custodial hours/year at an average cost of \$2,219.00



# TENANTS



- Monterey Bay Charter School
  - Use approximately 19,150 sf at a monthly rental rate of \$.957 per sf
    - Yearly revenue to PGUSD is \$219,918.60
  - Lease is year-to-year
  - Charter pays all utilities and custodial costs
  - PGUSD provides maintenance and grounds
    - Grounds - 208 hours/year at an average cost of \$4,852.64
    - Maintenance Work Orders Submitted
      - 56 of 919 work orders for School Year 2017/2018
      - 57 of 616 work orders to date for School Year 2018/2019



# TENANTS

- Monterey Bay Charter School Future
  - Pre-approved for a bond
  - Signed a land lease at CSUMB
  - Currently, sending out an RFP to engage a professional capital campaign manager to raise matching bond funds. No timeline to raise the matching funds.
  - 18 months to build campus
  - At minimum, three more years at David Avenue campus.

# DAVID AVENUE: CAPITAL IMPROVEMENTS NEEDED

## SHORT TERM NEEDS

- Roofing & Gutters - \$600,000
- Sewer Replacement - \$200,000
- Dry Rot Repair - \$20,000
- Playground Equipment Replacement - \$150,000
- Total - \$970,000

## LONG TERM NEEDS

- Exterior Painting - \$85,000
- Playground Blacktop Replacement - \$75,000
- Fire Alarm Upgrades - \$25,000
- Driveway Improvements - \$60,000
- Total - \$245,000

# HOUSING OPTIONS

- Site would have to be re-zoned for housing
- SB-1413 Teacher Housing Act of 2016
  - The purpose of the bill is to “facilitate the acquisition, construction, rehabilitation, and preservation of affordable rental housing for teachers and school district employees.” It authorizes school districts statewide to lease property owned by the district for the development of employee housing (leases for the development of housing on district sites typically run for 66 years). The bill permits school districts and developers in receipt of local or state funds designated for affordable rental housing to restrict occupancy to teachers and employees. In this way, Districts can lease their property for the development of workforce housing and use government low-income housing tax credits without violating federal Fair Housing laws.
  - Financial Transactions and day-to-day operations are managed by an independent third party.
  - Rents charged range from 30% to 60% of an area’s median income.



## HOUSING SHORTAGE:

- AB 72 passed in 2017, authorized state housing officials to report cities and counties to the attorney general for legal action if they do not adequately plan for housing construction to meet low income housing
- The legal fight advances an aggressive housing agenda that Governor Newsom has set in first weeks of his administration. Newsom has talked about building 3.5 million housing units by 2025 to meet projected population growth, a figure put forward by the building industry that would require California to quintuple its current rate of construction

# CO-LIVING IN TOUGH RENTAL MARKET:

- Companies spread trend across pricey cities in the Bay Area and beyond: co living, in which unrelated people share spaces and split costs
  - ❑ Bungalow, a 2-year-old San Francisco company, operates more than 300 homes with more than 1,300 residents in 10 cities, has \$14 million in investor funding plus a \$50 million line of credit
  - ❑ HubHaus and OpenDoor have similar approaches
  - ❑ Other current crop of startups pushing co-living:
    - ❖ Starcity
    - ❖ Common
    - ❖ WeLive (a division of co-working company We-Work)

“ Co-living is growing like wildfire,” said Robert Boyer, urban planner and sustainability researcher

# REAL ESTATE MARKET:

- Real estate rebound:
  - Existing home sales increased 11.8% from January to February – the largest month-over-month gain since December 2015, according to the National Association of Realtors. Three of the four major U.S. regions saw sales gains, while the Northeast remained unchanged from last month
- Strong Spring?
  - Increased affordability (mortgage interest rates) and inventory point to a strong spring housing market according to First American Financial Corporation Chief Economist Mark Fleming, “So far in 2019, we’ve seen mortgage rates decline and wages rise – both trends work to boost house-buying power and fuel greater market potential for home sales, setting the stage for a stronger than expected spring home-buying season. Additionally, millennials that were previously priced out of the market when rates were higher in 2018 are likely to jump back in....”
- Home sales in Pacific Grove?
  - Pacific Grove market trends indicate a decrease of \$64,750 (-7%) in median home sales over the past year. The average price per square foot for this same period rose to \$590, up from \$584.

• QUESTIONS ?