

## Background

It is critical for there to be a highly qualified teacher in front of every student in every classroom in order to achieve optimal student outcomes. In North Carolina alone, over 10,000 teachers left the profession in 2023. Charlotte Mecklenburg Schools is not immune to these unprecedented shortages. At CMS there is limited capacity to increase salaries for the most valuable employees and therefore we must seek alternative methods in order to recruit and retain those that are charged with educating and shaping the future of our students. The housing crisis that many face in Charlotte is also impacting our ability to retain and recruit teachers, as they simply are not able to afford housing within Charlotte/Mecklenburg County, without supplemental income. In fact, we have some teachers that are homeless. This is an opportunity to support our students, families and workforce.

### CMS Teacher Salaries and Turnover Rate

- Currently beginning teacher pay in NC is \$39,000 however thanks to county support of our local supplement, \$46,301 is the current starting new teacher annual salary in CMS. The mean teacher salary is \$60,092, with most teacher salaries centering in the \$46,302.00 range.
- Median home price in Charlotte - [\\$645,787](#) (source: May 23, 2024, Mecklenburg County X post)
- Median price for 1- bedroom apartment in Charlotte - \$1435/mo./\$17220/yr.
  - Requiring annual salary of **\$61,479**
- 2022-2023 Teacher turnover in CMS - **1,588** teachers; **18.2%** rate of attrition

### CMS Teacher Insight Survey 2023

- 5,172 of 9000+ teachers responded
- 57% of respondents are interested in home-purchasing
- 30% of respondents are interested in rental
- 93% of respondents have housing cost as the most important consideration
- 61% state that housing may impact continuing work in CMS

## Goal

To build a first-of-its-kind Teacher Village in Charlotte-Mecklenburg. This community will be a purpose-built facility with about 100 housing units as well as common spaces that serve and support the needs of teachers.

## Objective & Scope

### 2024-2027 Teacher Village

#### Build new affordable housing development to offer teacher housing

- Identify CMS land/property for the pilot that is surveyed for the build, with an estimated minimum land market value of no less than \$1,500,000 (\$15k land price per unit x 100 units)
- Identify a developer with local expertise in affordable housing complexes
- Create a program for teacher education and support to bridge rental to purchasing

- Private equity investors will assume responsibility for housing construction
- Seek a third-party partner to serve as the property manager
  - Target Timeline for Building 1:
    - June 2024 – CMS land identified; CMS Board approval; city and county commitments finalized
      - Summer of 2024 CMS land usage agreement with Mecklenburg County
    - February 2025 - Building design completed, and permit completed
    - April 2027 - Building complete and ready for occupancy (100 Unit Complex)
- Completion of Building 1 creates a blueprint for future affordable housing projects for other critical city/county workers and CMS staff

**Other Considerations:**

**Cost Efficiency:**

- The Teacher Village project will deliver housing at a cost that is approximately one-third of what the city typically pays for affordable housing developments. This cost efficiency is achieved through strategic use of CMS assets and innovative funding approaches.

**Funding Request:**

- We are seeking \$1 million from the City of Charlotte to pilot the Teacher Village initiative. This funding will not impact the city’s housing fund but rather from the interest of ARPA funds. The total cost of the initiative is estimated to be \$30 to \$40 million, 100 Unit Village that will be located on **CMS** land with the city’s \$1 million investment assisting this innovative project.



**Pre-Development Budget - Teacher's Village**

Architectural Design Services	\$	550,000
Site Design/Civil Engineering Services	\$	200,000
3rd Party Due Diligence	\$	100,000
Legal Fees	\$	50,000
Development and Other Consultant Services	\$	100,000
<b>TOTAL</b>	<b>\$</b>	<b>1,000,000</b>

**Maintain Tax Status**

- We are asking the City of Charlotte to afford the developer to maintain its tax status given we are utilizing the land for affordable housing for teachers. This significantly lowers the cost of the housing and the interest of private financing partners and rates. By affording CMS to have a tax grant or be reimbursed city taxes does not impact the budget as the lands tax status is exempt.

**Conclusion**

The Teacher Village represents an investment in a potentially sustainable, long-term solution to the housing affordability crisis faced by teachers and many service community members in Charlotte-Mecklenburg. By investing in this initiative, we can support our educators, reduce turnover, and ultimately improve the quality of education in our schools. The innovation and thought leadership behind finding a solution that leverages non budgeted funds is essence of economic development.