

BOARD OF EDUCATION OF THE CITY OF LOS ANGELES  
Governing Board of the Los Angeles Unified School District

FACILITIES COMMITTEE MEETING NOTES

333 S. Beaudry Avenue, Board Room

10:00 a.m., Thursday, June 4, 2009

Board Members Present:

Yolie Flores Aguilar, Chairperson  
Marlene Canter  
Mónica García  
Marguerite P. LaMotte

District Staff Present:

Guy Mehula, Chief Facilities Executive

External Representative Present:

Scott Folsom, Bond Oversight Committee

- - - -

The meeting convened at 10:15 a.m.

- - - -

OPENING REMARKS

Chairperson Yolie Flores Aguilar provided brief opening remarks and introduced the first item for discussion.

SELMA ELEMENTARY SCHOOL WORKFORCE HOUSING PROPOSAL

Mr. Sam Mistrano, Senior Facilities Project Manager, Facilities Services Division, Planning and Development Branch, discussed the proposal to develop the Selma Elementary School Workforce Housing and Joint Parking project. He stated that the guiding principle was for the partners to do the construction, improve the site, and manage and maintain the development via a ground-lease with the District. He indicated that no District funds would go to develop or operate the housing portion of the project. Mr. Mistrano described the project as 60 below-market rate apartments, 110 covered parking spaces, and amenities such as a community center, computer lab, and free internet in each apartment. He concluded by stating that the project would be ready for leasing by July 2012. Ms. Julie Kane, Selma Elementary School Principal, expressed her support for this project.

***Chairperson Flores Aguilar, requested that Mr. Mistrano describe the different types of workforce housing projects that exist and provide an income level plan to maximize opportunities for teachers.***

CONSTRUCTION LABOR FORCE UPDATE

Ms. Veronica Soto, Small Business Outreach Manager, introduced Ms. Sonia Fernandez, Laborers Union, Ms. Jane Templin, IBEW Local 11, and Ms. Sharon Coleman, Coleman Construction, who shared their experiences as women in male dominated trades. Ms. Soto identified the program goals as having a 50% local worker participation, providing pre-apprenticeship construction training, connecting residents to the “green” economy through training, and to engaging and exposing high school and middle school students to architecture, engineering and construction. Ms. Soto stated that the program objectives were to cultivate a skilled labor force, ensure that local district residents have an opportunity to participate in the program, increase the diversity of the design and construction industry, and expose students to the opportunities and

careers within our industry. She identified the program process, and provided specifics on the I'm a Student Exploring Excellence (ISEE) programs. Ms. Soto concluded by stating that 1,070 students have graduated from the We Build program, and of the graduates, 7% are female and 93% are male.

### 2009-2019 CAPITAL IMPROVEMENT PROGRAM SEP FOR 2009-2011 RECOMMENDED INVESTMENTS

Mr. Christopher Thornberg, Founding Principal, Beacon Economics, discussed his forecast for the assessed valuation for the District. He stated that the variables used were unemployment, home prices and household growth. He stated that in general, the population growth would be slowing as a result of the economic turmoil; however it is expected to grow 1.5% over the next few years. Mr. Thornberg stated that his analysis was based on peak unemployment and long run home prices. He reported that unemployment is currently at 11% and is expected to rise to approximately 14% before it stabilizes to 6% in the overall county. He stated that home prices have fallen to their lowest and are expected to rise. Mr. Thornberg stated that the projected declines are due to current trends and concluded his presentation by stating that this is a forecast and it is the best projection for now.

Ms. Ruth Alahydoian, Financial Advisor to the District, provided a presentation on the effects of Mr. Thornberg's presentation and how assessed valuations effect the District. She discussed the debt limit and the debt capacity. She stated that the Mr. Thornberg's forecast identifies a 1% decline, which would mean that the debt limit and debt capacity would fall. As a result, the District would not be able to issue as many bonds as projected, and tax rates would increase.

Mr. Mehula provided an overview of the four local bonds, and explained how the \$13.6 billion in local bonds has been leveraged into \$20.1 billion. He provided an update on the workload for Existing Facilities and New Construction. Mr. Mehula discussed three options for the Bond Execution program. He stated that all options enable completion of current programs, do not exceed \$60 tax rate per \$100,000 of assessed valuation, maintain debt limit of 2.5% of assessed valuation, allow the maximum tax rate to remain below the authorized level, and require 40 year bonds. He stated that he is recommending option B, which allows for the sale of \$3.9 billion of K, R, and Y Bonds in fiscal year 09-10 in order to execute additional Measure Y Priority Projects.

### SPEAKERS

The following speakers expressed their views on this item:

Ms. Kim Pattillo Brownson, Advancement Project  
Ms. Sandy Escobedo, California Community Foundation  
Mr. Corey Jackson, Los Angeles Universal Preschool  
Ms. Angelica Solis, Alliance for a Better Community  
Mr. Al Lum, Public Counsel

### EXISTING FACILITIES STRATEGIC EXECUTION PLAN (SEP) ANNUAL UPDATE

Mr. Terry Dillon, Deputy Chief Facilities Executive, Existing Facilities, provided an SEP update. He stated that there are 2,300 remaining construction projects, with a value of \$1.238 billion and that this year Facilities will be starting about 1,250 projects, with a value of just under \$500 million. He stated that 21 SEP amendments have been approved by the Board of Education, which added 225 projects, with a value of \$47 million. He discussed the June 30, 2009 forecast, which indicated the completion of 18,675 projects valued at \$3.5 billion, 900 construction projects valued at \$640 million, and \$630 million in

preconstruction. He concluded by presenting a forecast of construction projects through Fiscal Year 2011-2012.

PLANNING AND DEVELOPMENT BRANCH STRATEGIC EXECUTION PLAN (SEP)  
AMENDMENT – CHARTER CO-LOCATION PROJECTS

Ms. Ana Teresa Fernandez, Charter Planning and Development Branch, presented the proposal to amend the Planning and Development SEP to add 23 Proposition 39 Charter School Renovation Projects. The amendment would serve 24 charter schools and approximately 5,000 students. The proposed budget is \$16 million and the projects are expected to be completed by September 2009. Ms. Fernandez provided an overview of lessons learned and identified the need to formalize instructional input with District accountability, expand outreach, make multi-track schools ineligible, and maintain existing open enrollment programs. She concluded her presentation by reporting that this year there were 68 applicants for co-locations, 57 were eligible; 16 withdrew, and 30 offers were extended as of June 1, 2009. Eleven are pending.

EXISTING FACILITIES – MONTHLY STATUS REPORT

Mr. Dillon provided an overview of the Repair and Modernization Program. He stated that 18,391 projects were completed. He indicated that the construction starts were at around \$500 million, which was short from the \$537 million goal. He concluded his presentation by stating that the program was struggling and there would be changes to the organization to achieve the construction completions.

NEW CONSTRUCTION – MONTHLY STATUS REPORT

Ms. Fred Smith, Acting Deputy Chief Facilities, New Construction, presented the New Construction monthly status report. He stated that 292 of the 418 new construction projects have been completed, for a total of 98,621 seats. Of the 131 new school projects, 77 have been completed, and 32 are under construction. He stated that five addition projects are pending completion. Mr. Smith concluded his presentation by highlighting upcoming events at Valley Region Span K-8 No. 1 and at Central Region High School No. 16.

***Ms. LaMotte requested that Mr. Smith provide a forecast of the enrollment rate and the construction program for the next four or five years.***

PLANNING AND DEVELOPMENT – MONTHLY STATUS REPORT

Mr. John Creer, Director of Planning and Development, provided an update on the Joint-Use and Innovation fund. He stated there were 34 joint-use and innovation projects that have been approved by the Board of Education, and that approximately \$64 million was executed on 111 campuses. He stated that the Fremont High School track and field improvements were approved, and that four health clinics and two additional youth centers would be coming in the fourth quarter of this fiscal year.

***Ms. LaMotte requested that Mr. Creer identify the locations of the four health clinics proposed.***

-----  
The meeting adjourned at 2:00 p.m.  
-----

Notes by: Janet Saavedra  
Office of the Board Secretariat