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## **Agenda Item #6**

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**LOS ANGELES UNIFIED SCHOOL DISTRICT**  
**Board of Education Report**

<b>Report Number:</b>	317-08/09
<b>Date:</b>	April 14, 2009
<b>Subject:</b>	Authorization to Issue Request for Qualifications and/or Proposals to Develop Workforce Housing and Amenities at Norwood Elementary School.
<b>Responsible Staff:</b>	
Name	Joseph A. Mehula, Chief Facilities Executive
Office/Division	Facilities Services Division
Telephone No.	(213) 241-4811

**A. EXECUTIVE SUMMARY**

**Action Proposed:** Staff proposes that the Board of Education adopt a resolution authorizing District staff to issue a Request for Qualifications / Proposals (RFQ/P) pursuant to California Education Code sections 17515 – 17526 for the development of workforce housing, school parking, a joint-use facility, and community amenities on a District parking lot across the street from Norwood Elementary school (Attachment A).

**Staff Recommendation and Rationale:** Staff recommends that LAUSD solicit proposals to determine the feasibility of and benefits to the District by leasing land across the street from Norwood Elementary to a developer for the creation and management of workforce housing, a joint-use facility, and community amenities while retaining parking for use by the school. The California Education Code sections 17515 *et seq* allows for the creation of long-term land leases for up to 66 years on District property. The lease-holder will be responsible for all construction and on-going operation and maintenance costs of the development.

The guiding principle for District workforce housing projects are to maximize the value of underutilized land by partnering with industry professionals to develop projects that will benefit LAUSD at no cost to the District. The creation of workforce housing will seek to serve teachers and classified staff working in the LAUSD schools serving the West Adams area. The expectation is that creating below-market rate housing will reduce turnover in this area, resulting in reduced costs in recruiting, retention and professional development. Staff also expects a development to create a new facility to support District academic, administrative, professional development and/or extracurricular programs, also at no cost to LAUSD.



## LOS ANGELES UNIFIED SCHOOL DISTRICT Board of Education Report

### **Background:**

The subject site is a District-owned 31,000 square foot parking lot with 90 spaces across Oak Street from Norwood ES. The lot is bordered on two sides by housing, and is adjacent to a commercial lot for which there is a planned 142 luxury condominium development. The lot is used by Selma ES staff during the day, and occasionally at night by community members attending meetings at the school.

Norwood ES has long been a cornerstone of its community. However, the surrounding neighborhood is changing. Eighty eight percent (88%) of the housing in this area is rental. Lower-income families that have rented for decades are being priced out of their apartments as landlords meet a demand for USC student housing by raising rents. Even with the current economic downturn, rents have increased 3.5% in the past year, with an average rent of \$1509 in the fourth quarter of 2008.

Rents in the West Adams area are not affordable to the 936 classified staff earning low, very low or extremely low incomes at 23 LAUSD schools within 1 ½ miles of Norwood. The area rents are also not affordable for newly-established teachers, who may have to spend up to 50% of after-tax salary on rent in this area. The three-year turnover rate for newly-hired teachers at the LAUSD schools is approximately 40%. It is intended that below-market rate housing targeted to high-turnover staff should help reduce thus saving money.

This site is located in Local District 7 and Board Member District 2 (Garcia).

### **Policy Implications:**

This action supports an objective included in the Board-adopted Facilities Services Division Planning and Development Strategic Execution Plan calling for “evaluating opportunities to enter into public-private partnerships...to include developing...workforce housing.”

### **Budget Impact:**

The requested action will direct the expenditure from the Planning and Development budget allocated from the general fund for staff time to develop and review the Request for Qualifications / Proposals. It is anticipated that these costs will be reimbursed from a good faith deposit made by the selected developer.

### **Issues/Considerations:**

The purpose of workforce housing at this site is to help recruit and retain teachers and staff. Staff turnover has a negative impact on the general fund. The District spends millions of dollars yearly in general and grant funds to recruit, hire, train and develop new teachers and staff. LAUSD offers dozens of mandatory and voluntary training courses, as well as



## LOS ANGELES UNIFIED SCHOOL DISTRICT Board of Education Report

professional development. These investments are lost when a teacher and classified staff leaves LAUSD. Staff proposes that the costs associated with LAUSD employee turnover will decrease due to the creation of quality, inexpensive workforce housing.

Educationally, workforce housing may allow teachers and staff to live within the communities they serve during their work day. This has the potential to deepen the knowledge, commitment and understanding of the issues students bring with them to the classroom.

The creation of a joint use facility and community amenities will be a benefit to the campus and the community. Initial feedback from the residents and stakeholders indicates support for the creation of a computer lab, park space, a teacher and community training center, and/or other facilities that may be accomplished by a development at no cost to LAUSD.

A development here will also generate additional income to LAUSD via the payment of a ground lease for use of District land.

### **Effect of “yes” vote:**

A “yes” vote will authorize the staff to issue a Request for Qualifications/Proposals to determine the viability of developing teacher and staff housing along with a joint use facility and community amenities on District property across the street from Norwood Elementary School. A “yes” vote will also meet the notice requirements set forth by the California Education Code section 17521 requiring the Board to declare its intention to receive proposals for this project and fixing a time not less than 90 days from this resolution to consider all proposals. In the event that the date fixed in this resolution is postponed, LAUSD will give an additional 30 days public notice of the revised Board date to receive such submissions.

### **Effect of “no” vote:**

A “no” vote will not authorize staff to release a Request for Qualifications/Proposals.



# LOS ANGELES UNIFIED SCHOOL DISTRICT

## Board of Education Report

### B. BOARD REPORT

**Action Proposed:** Staff recommends that the Board of Education adopt the following resolution authorizing District staff to issue a Request for Qualifications / Proposals (RFQ/P) pursuant to California Education Code sections 17515 – 17526 for the development of workforce housing, school-use parking, a joint-use facility and community amenities on District property located across the street from Norwood Elementary School (Attachment A):

IT IS HEREBY RESOLVED THAT, PURSUANT TO EDUCATION CODE SECTION 17521, THE BOARD OF EDUCATION DECLARES AS FOLLOWS:

1. The Board intends to consider proposals for the development of a workforce housing, joint-use facility and community amenities pursuant to Education Code sections 17515-17526.
2. The site upon which the proposed development is to be constructed is approximately 31,000 square feet located at the south east corner of Oak Street and West 21<sup>st</sup> Street across from the existing Norwood Elementary School (Attachment A).
3. The portion of the project to be occupied by the District is intended to be an improvement that enhances the school's learning environment by supporting its academic, administrative, professional development and/or extra-curricular programs.
4. The Board shall meet in open session on September 22, 2009 at its regular place to receive and consider all proposals submitted. In the event that this date is postponed, LAUSD will give 30 days public notice of the revised Board date to receive such submissions.

**Expected Outcomes:** Approval of this action will allow staff to proceed with writing and release of a Request for Qualifications/Proposals to determine the feasibility of a developer building and managing workforce housing, school-use parking, a joint-use facility, and community amenities on District property located across the street from Norwood Elementary school.

Staff expects developers to respond to the request in a way that highlights the benefits and challenges of creating workforce housing, parking and amenities on District land in the West Adams area.



# LOS ANGELES UNIFIED SCHOOL DISTRICT

## Board of Education Report

Staff expects the issuance of a Request for Qualifications/Proposals will solidify and deepen the public-public and public-private partnerships with agencies seeking to support the LAUSD Workforce Housing Initiative.

Staff will bring to the Board the results of the solicitation along with recommendations for implementation. At such time, the Board may decide whether to authorize pursuit of a formal agreement to develop the appropriate facilities.

The following time frame is expected:

- Issue an RFQ: May 1, 2009
- Issue an RFP: June 19, 2009
- Proposals evaluated: September 4, 2009
- Board review and selection: September 22, 2009
- State Board of Education review: November 2009

### **Board Options and Consequences:**

Board adoption of this resolution will allow staff to proceed with the creation of a Request for Qualifications/Proposals as a step within a process to determine the viability of developing a workforce housing, parking, a joint use facility and amenities on a District parking lot across the street from Norwood Elementary school.

The Board may reject this resolution, thereby delaying or else completely ending the workforce housing initiative at this site.

### **Policy Implications:**

This action supports an objective included in the Board-adopted Facilities Services Division Planning and Development Strategic Execution Plan, which calls for “evaluating opportunities to enter into public-private partnerships ... to include developing ... workforce housing.”

### **Budget Impact:**

The requested action will direct the expenditure from the Planning and Development budget allocated from the general fund for staff time to develop and review the Request for Qualifications/Proposals. It is anticipated that these costs will be reimbursed from a good faith deposit made by the selected developer.

### **Issues and Analysis:**

No legal issues

Legal informative attached

The California Education Code sections 17515 *et seq* allows for the creation of long-term land leases for approximately 40 to 66 years on District property. Planning and Development staff works with the Office of General Counsel, Facilities Contracting, and Leasing and Asset Management to operationalize the section and include its parameters within an RFQ/P.



**LOS ANGELES UNIFIED SCHOOL DISTRICT  
Board of Education Report**

**Committee Information:** This item is scheduled to appear on the April 2, 2009 Facilities Committee agenda.

**Reporting Requirements and Benchmarks:** The Planning and Development branch Strategic Execution Plan (SEP) is updated annually. SEP amendments are also reported on the Facilities Services Division website <http://www.laschools.org/>.

**Accountable Staff:** John P. Creer, Director, Planning and Development Branch

**Applicable Board Delegations:** N/A

**Superintendent's Comments:** The Superintendent recommends approval of these items.

**Miscellaneous Issues and Matters:** N/A

**Desegregation Impact Statement attached**

**Division of Accountability and Systemwide Performance**

**Informative**

Respectfully submitted,

RAMON C. CORTINES  
Superintendent of School

APPROVED &  
PRESENTED BY:

  
JOSEPH A. MEHULA  
Chief Facilities Executive  
Facilities Services Division

APPROVED BY:

DR. JAMES MORRIS  
Chief of Staff

