

Planning & Development Branch



Los Angeles Unified School District
FACILITIES SERVICES DIVISION
Together We Change the Face of L.A.

Facilities Committee

Thursday, September 4, 2008

Workforce Housing Initiative: Selma

Program Objectives:

1. Create workforce housing to recruit & retain staff
2. Save costs / generate revenue
3. Campus improvement / community amenity

“State hiring agencies are training grounds for workers who ultimately leave for assignments in more affordable areas.”

--from the Los Angeles Business Council's
Workforce Housing Scorecard for Los Angeles
released 9-02-08

Teacher Turnover vs. Area Rents

at 73 LAUSD schools grouped within 5 LDs

Elementary schools in data set (50)

- Lower rents (ELA): 18% turnover within 3 years of hire
- Higher rents (Hlywd): 57% turnover within 3 years of hire

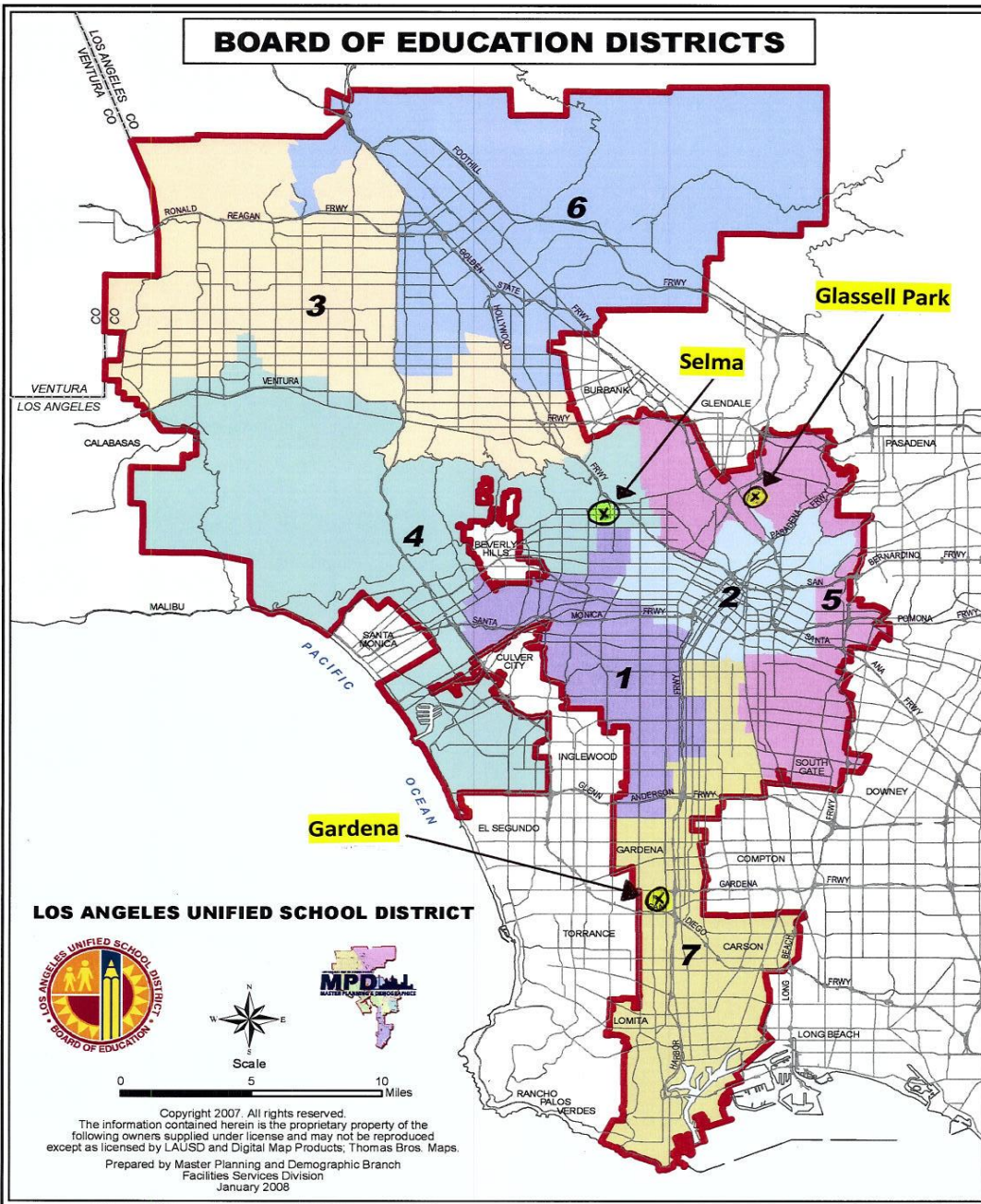
All schools in data set (73)

- Lower rents (ELA): 41% turnover within 3 years of hire
- Higher rents (Hlywd): 45% turnover within 3 years of hire

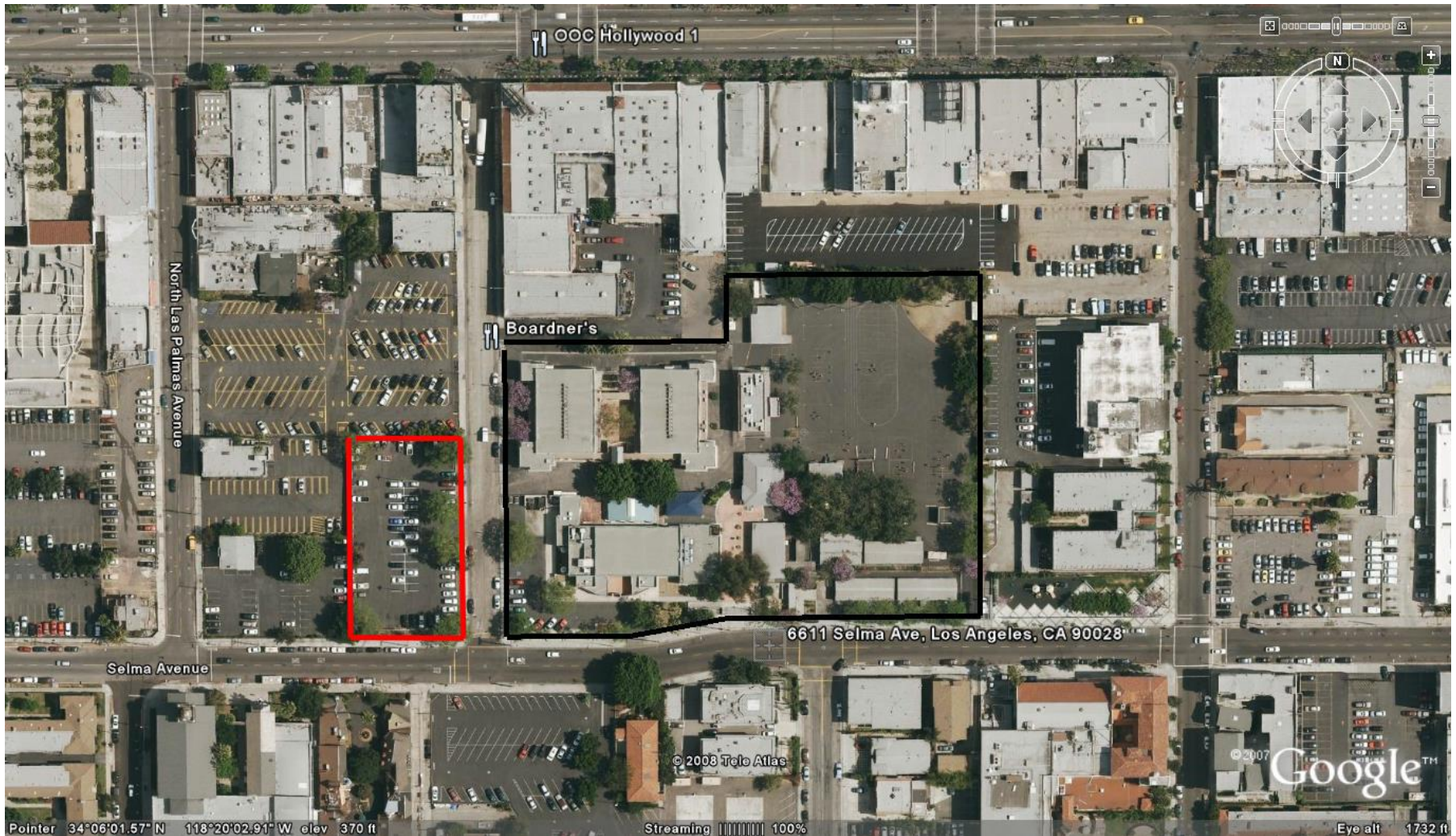
For all schools in LAUSD

- 35% of newly hired teachers leave LAUSD w/i first 5 yrs

BOARD OF EDUCATION DISTRICTS



Selma Elementary



Turnover in Selma area

The 11 LAUSD elementary schools within two miles of Selma lost 57% of the new teachers hired in 2004 within three years.

Overall, the 15 schools within two miles of Selma have a three year new-teacher turnover rate of 45%.

Median rent in Hollywood area: \$1560.

Community Outreach to date

- LAUSD Board office; Local District 4 Supe. & staff; Selma principal
- Council President Garcetti & planning and field staff (CD 13)
- Mayor's office: Deputy Mayor & Hollywood Business team
- Assembly member Kevin DeLeon's office (AD 45)
- CA Senator Mark Ridley Thomas' office (SD 26)
- L.A. City Planning Department and area planner
- Community Redevelopment Agency, central admin. & Hollywood office
- DOT off-street parking unit
- Central Hollywood Neighborhood Council planning committee
- Hollywood Entertainment BID
- Hollywood Chamber of Commerce

Project Next Steps

- Board authority for RFQ/P: 9/4 & 9/9
- Release RFQ
- Q and A conference
- Evaluate and short list
- Release RFP
- Evaluate: community & LAUSD panels
- Board review
- State Review



LOS ANGELES UNIFIED SCHOOL DISTRICT

Board of Education Report

Report Number:	56-08/09
Date:	September 9, 2008
Subject:	Authorization to Issue Request for Qualifications and/or Proposals to Develop Workforce Housing and Parking at Selma Elementary School.
Responsible Staff:	
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, a joint-use parking garage, and increased community parking on a District parking lot across the street from Selma 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 Selma Elementary to a developer for the creation and management of workforce housing, a joint-use parking garage, and community parking. 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. The lease-holder will be responsible for ongoing maintenance of the housing and community parking portions of the project.

The creation of workforce housing will seek to serve newly-employed credentialed teachers, and classified staff working in high-turnover positions, in the LAUSD schools serving the greater Hollywood area. The expectation is that creating below-market rate housing for our staff will reduce turnover in this area, resulting in reduced costs in recruiting, retention and professional development.

The creation of a community parking element in the project is intended to generate increased revenue to the District through leasing excess parking spaces to area businesses. Currently, LAUSD earns \$109,500 per year leasing this parking lot at night to area businesses. Staff anticipates that this project will increase the amount of revenue LAUSD currently receives.



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Background:

The subject site is a District-owned 26,000 square foot parking lot with 60 spaces across N. Cherokee Avenue from Selma Elementary School. The lot is bordered on two sides by other parking lots, and on two sides by Selma Avenue and N. Cherokee Avenue. The parking lot has the following users: Selma teachers and staff during the day; the city of L.A.'s "clean streets" program uses 10 spaces day and night; 50 spaces are leased nightly to a parking operator; and the lot is loaned to city agencies as a staging area for special events held in the area.

Selma Elementary is located in the center of a rapidly changing community. The Community Redevelopment Agency of Los Angeles has joined the private sector in investing heavily to revitalize the area. New construction within one mile of this school is adding over 450,000 square feet of new office space, at least three new high-end tourist hotels, and 1600 units of luxury condominiums and apartments.

The rents in the immediate area are among the highest in the City, approximately \$1680 per month for a one-bedroom apartment. This is not affordable to a newly-established teacher, who may have to spend up to 60% of after-tax salary on rent in this area. The District employs 682 certificated teachers, and more than 500 classified staff, that work in the 15 LAUSD schools located within two miles of the project site. The three-year turnover rate for newly-hired teachers in these schools is approximately 45%. It is intended that below-market rate housing targeted to high-turnover staff will reduce turnover and save money.

Parking is at a premium in Hollywood. The District is able to benefit from this need by leasing 50 parking spaces on our lot to a private company (Athena Parking) during the night to park customers visiting Hollywood's attractions. The District earns \$109,500 per year through this lease. It is projected that creating excess community parking will generate increased revenue for LAUSD, while meeting a major community need.

This site is located in Local District 4 and Board Member District 4 (Canter).

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."



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- Budget Impact:** The requested action will direct the expenditure from the Planning and Development budget allocated from the general fund for staff time and legal costs to develop and review the Request for Qualifications/Proposals.
- Issues/Considerations:** The purpose of workforce housing at this site is to help recruit and retain teachers and staff. The purpose of the community parking component is to create parking in excess of what the school and future tenants need in order to generate revenue from leasing these spaces to area businesses.
- Many LAUSD teachers live far from where they work, and their travel time is a leading reason why they leave. Based on District exit interviews, the number one reason a teacher quits the District aside from retirement is “moving.” The sixth reason is “travel time.” Other data suggests a correlation between high housing rents and high teacher turnover. Staff proposes that creating workforce housing may allow some teachers to live closer to their schools and thereby decrease turnover.
- 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 professional development. These investments are lost when a teacher moves to another school district. Staff proposes that the costs associated with LAUSD staff 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 via their work. This has the potential to deepen the knowledge, commitment and understanding of the issues students bring with them to the classroom.
- The creation of additional community parking at this site will increase the revenue LAUSD generates by leasing unused parking spaces. The District currently leases 50 spaces at night and on the weekends to a private company for \$109,500 yearly. Creating parking that exceeds District needs will increase the revenue generated by this location.
- Effect of “yes” vote:** A “yes” vote will adopt a resolution that authorizes the Facilities Services Division to issue a Request for Qualifications/Proposals to housing developers to determine the viability of developing teacher and



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staff housing along with community parking spaces on District property across the street from Selma 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.

Effect of “no” vote: A “no” vote will not authorize staff to release a Request for Qualifications/Proposals and will not move forward with the process to create workforce housing and community parking at Selma Elementary School.



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, a joint-use parking garage, and increased community parking on District property located across the street from Selma 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 parking garage and community parking project pursuant to Education Code sections 17515-17526.
2. The site upon which the proposed development is to be constructed is approximately 26,000 square feet located at the north west corner of Selma Avenue and N. Cherokee Avenue, across N. Cherokee from the existing Selma Elementary School (Attachment A).
3. The portion of the project to be occupied by the District is intended to be used as a parking garage for its staff.
4. The Board shall meet in open session on April 14th, 2009 at its regular place to receive and consider all proposals submitted.

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

Staff expects developers to respond to the request in a way that highlights the benefits and challenges of creating workforce housing and community parking on District land in Hollywood.

Staff expects the issuance of a Request for Qualifications/Proposals will solidify and deepen the public-public and public-private partnerships with



LOS ANGELES UNIFIED SCHOOL DISTRICT

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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 facility(ies).

The following time frame is expected:

- Issue an RFQ: October 2008
- Qualifications submitted: November 2008
- Issue an RFP: January 2009
- Proposals evaluated: March 2009
- Board review and selection: April 2009
- State Board of Education approval: June 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 and community parking project on a District parking lot across the street from Selma Elementary school in Hollywood.

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 and legal costs to develop and review the Request for Qualifications/Proposals.

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 will work 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.



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**Committee
Information:**

This item is scheduled to appear on the September 4th, 2008 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



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

Respectfully submitted,

DAVID L. BREWER III
Superintendent of School

APPROVED &
PRESENTED BY:

A handwritten signature in cursive script, appearing to read "J. Mehula".

JOSEPH A. MEHULA
Chief Facilities Executive
Facilities Services Division

APPROVED BY:

DR. JAMES MORRIS
Chief of Staff

Attachment A

