



Real Estate Evaluation

November 10, 2020

Board of Education Meeting

Presentation Overview

Utilizing assets to better support students and schools

Why we are doing this now

Background and context

- Community of Schools overview
- Real estate assets overview
- Guiding principles for use of real estate

Initiatives

- Realigning administrative and support facilities
 - Beaudry
 - 14th Street and San Pedro Street facility
 - Newman Nutrition
- Employee housing



Why We are Doing this Now

- Alignment with CoSs and communities we serve
- COVID-19 has provided further recognition of distributive work
- Newly enacted state legislation allows, for a limited time:
 - Proceeds from the sale of surplus property to be used for one-time General Fund purposes
 - School districts to elect not to appoint a 7-11 committee under certain conditions



Background and Context



Community of Schools Overview

Background

- A Community of Schools (CoS) is:
 - A group of schools that is centered around a neighborhood
 - Structured to be as responsive as possible to the distinct assets and needs of each community
 - Led by a strong, empowered Administrator (CoSA) with a proven track record as a school leader



Community of Schools Overview

Benefits

Local Districts East and South (2019-2020)

- Schools are better at coordinating with their community to address student and family needs
- Teachers from different schools are collaborating and sharing ideas
- Business, civic institutions, and elected officials in local communities have embraced their local schools
- Principals and teachers can connect around a common vision

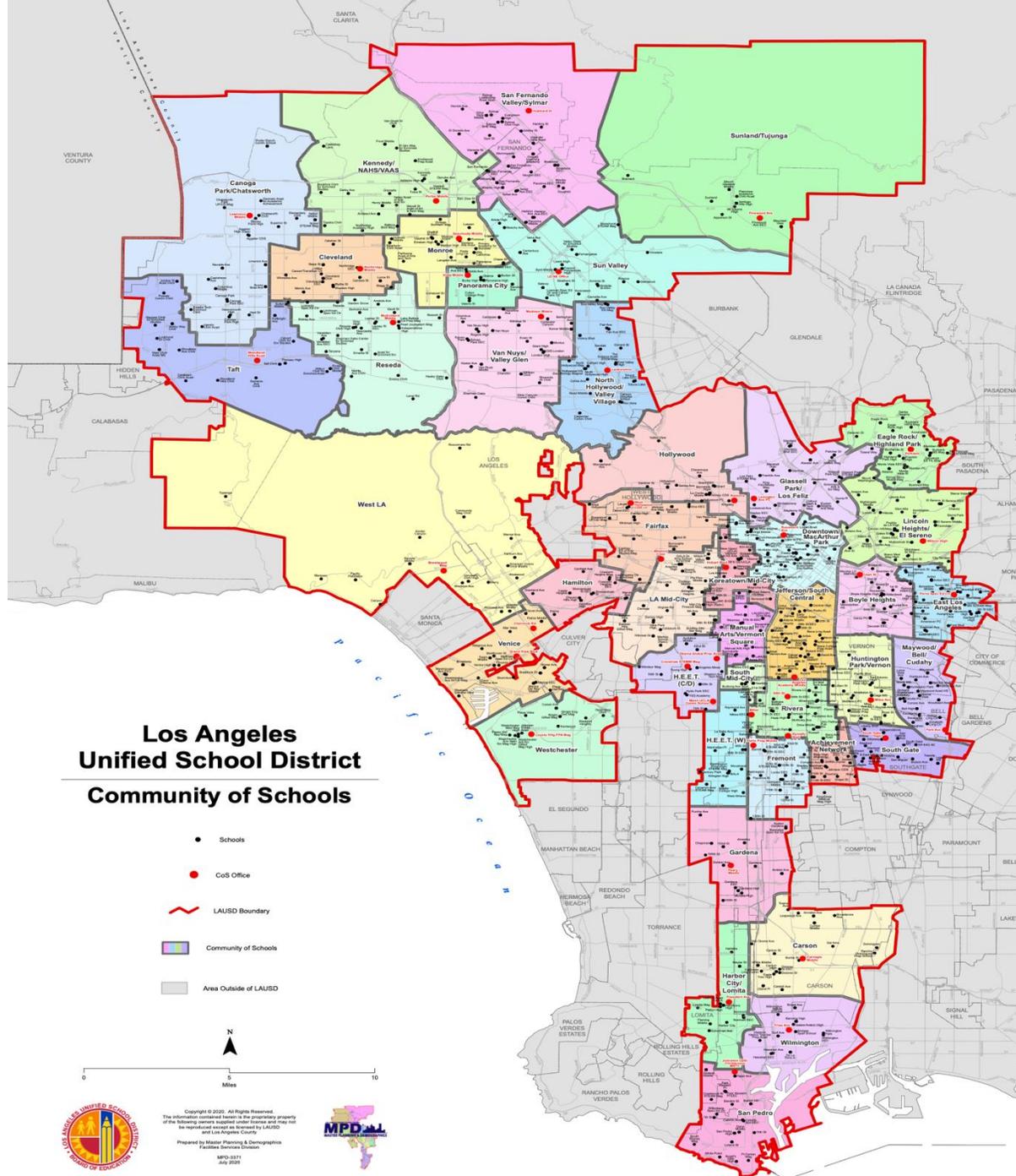


Community of Schools Overview

Moving Forward

- 42 Communities of Schools (CoSs) organized across 6 Local Districts
- Consistent community engagement and deeper community relationship building
- Decision making starts with what's best for students and their unique needs
- Greater attention will be given to setting goals around and addressing community-specific data





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Family Services Division
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Aligning to the Community of Schools

By aligning policies, processes, systems, and resources with schools and moving services and supports into the community, we can...

better support schools and students

make processes more efficient, and simple for schools and families



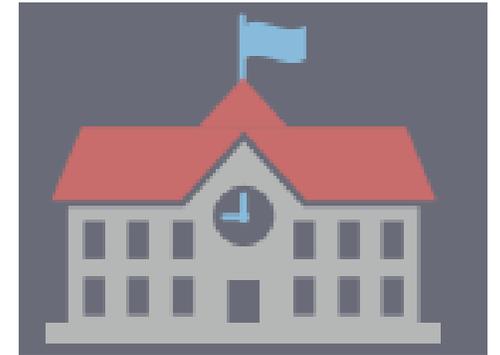
Community of Schools Alignment Path Forward

- Support and invest in our employees - they are our most valuable asset
 - Realigning administrative and support facilities
 - Employee housing
- Move staff into the community to better serve schools and families
- Improve communication and collaboration
- Strengthen career paths for teachers, teacher leaders, administrators and classified staff
- Develop more flexible roles
- Streamline policies and processes



Los Angeles Unified Real Estate Assets

- 1,386 schools and centers
- 21,000 buildings totaling more than 78 million square feet
 - Downtown LA office market - 68 million square feet
 - Downtown San Francisco office market - 76 million square feet
- 6,400+ acres of land equivalent to 10 square miles
 - Total area of Downtown, Westlake and Koreatown combined
 - Newhall Ranch - 6,000 acres
 - City of Santa Monica - 8.3 square miles
- Spans 710 square miles of Los Angeles and 26 adjacent municipalities



Guiding Principles for Use of Real Estate

- Support educational mission - students at the center of everything we do
- Support and invest in all our employees - they are our most valuable asset
 - Realigning administrative and support facilities
 - Employee housing
- Support communities Los Angeles Unified serves
- Use space and funding efficiently

Realigning Resources -- Administrative and Operational Support Facilities



Background

- In June, the Board authorized due diligence activities to evaluate potential opportunities to realign administrative and operational support facilities to:
 - o Better support teaching and learning and CoSs
 - o Optimize and better align resources, people and assets with the communities of schools
 - o Make the most efficient use of space and funding



Due Diligence Activities: Data Collection

REVIEW OF 200+ DOCUMENTS

An icon showing a document with a checklist (checkmarks and an 'x') and a magnifying glass over it, symbolizing document review.

INTERACTIVE VISIONING SESSION

An icon of a person pointing at a vision board that includes a large eye and a building, representing a visioning session.

4 DAYS OF FACILITY TOURS

An icon of a building inside a location pin, representing facility tours.

27 DIVISION + 6 LOCAL DISTRICT SURVEYS

An icon of a computer monitor displaying a checklist with checkmarks and an 'x', representing surveys.

29 LEADERSHIP INTERVIEWS

An icon of two people in conversation, with speech bubbles and a question mark, representing interviews.

2,000+ EMPLOYEE SURVEYS

An icon of three people with survey icons (checkmarks and 'x') above them, representing employee surveys.

3 WORKSHOPS WITH COMMUNITY OF SCHOOLS REALIGNMENT COMMITTEE LEADERS AND URBAN LAND INSTITUTE MEMBERS

An icon of a meeting table with a gear in the center and people around it, representing workshops.

What Have We Learned So Far?

Beaudry

- Majority of Beaudry workforce is working from home due to COVID
- CoS Budget Committee report suggests an overall average of 46% of administrative staff could continue to telework
- Evolving industry standard for public agencies indicates approximately 40% of remote/telework is a moderate target
- Beaudry could be sold with the current work from home policy in place and scaled down relocation plans
 - 35% - 45% of Beaudry staff could continue to work remotely (teleworking) post COVID
 - Teleworking requires touchdown space, conference and meeting rooms distributed throughout the District
 - Most workspace will be “shared” not “owned” and requires a major cultural change
 - A smaller central office footprint to accommodate approximately 375 -500 workstations
 - Approximately 300 staff working daily in fixed workstations and 700 staff who could touchdown periodically
 - Additional space needed for approximately 2,500 staff, and we are working to find space

Potential sale dependent on finalizing relocation plan for all employees whether they are working at a school, at administrative or operational support facility, or telecommuting.

What Have We Learned So Far?

14th Street and San Pedro Street Facility

- Zoned for industrial use, primarily used by Transportation Division for bus and fleet service, maintenance and fueling and others for warehousing
- Anticipated to have a significant value when offered for sale or disposition, not taking into account relocation costs
- Would most likely need to identify and acquire relocation site(s) for some if not all uses - very limited or no District sites available

Newman Nutrition Center

- Continues to prepare meals, currently for grab-n-go centers
- Food Services Division has indicated a need to increase size of facility -- additional refrigeration, storage
- Given the need for continuous operation, most likely a replacement versus relocation scenario, Recommendation to potentially dispose of the property will not be made until an alternate plan is identified

Potential sale dependent on finalizing relocation plan for all employees whether they are working at a school, at administrative or operational support facility, or telecommuting.

Due Diligence Activities: Efforts Underway

- Developing options for the realignment of administrative staff in support of Communities of Schools
- Identifying how much space is needed, and where, based on Division input
- Identifying options for facilities to house distributed staff, which may include District buildings and properties
- Developing options for creating space efficiencies and reconciling demand/supply
- Developing estimated cost scenarios to enable decision making
- Appraisals

Facilities and the consultant team's effort to assess existing District facilities and identify where space could be made available for the redistribution of administrative staff is ongoing. Staff anticipates the preliminary results of the study will be completed and a report available in December.

Validation and Soliciting Feedback and Direction

Community of Schools Realignment Committee Engagement

Committee's Progress to Date

- Interviewed LD superintendents, CoSAs, principals
- Interviewed central office divisions
- Identified roles that can better serve schools and families by moving into the community
- Studied physical space needs to move services and supports into the community
- Studied gaps in meeting needs
 - Improving Communication and Collaboration
 - Increasing Flexibility
 - Balancing Stewardship with supporting the communities of schools

Validation and Soliciting Feedback

Support from Urban Land Institute-Los Angeles

- Proactive engagement to solicit feedback, formulate necessary inputs, and validate processes
 - Objective, experienced set of resources assist with assessments of and recommendations
 - Land use and real estate professional technical members
 - Organizational research
 - Repository of best practices
 - Local and national content delivery platforms



Facilities Due Diligence Activities: What's Next?

- Direction from Budget Realignment Committee & Communities of Schools on key issues
 - Realigning central clerical functions to CoSs
 - Teleworking plan/policy
 - Refined plan for who goes where
 - Alignment of people organizationally with CoSs and LDs
- Determine where space is available - District and non-District sites
- Identify possible non-District sites
- Employee redistribution and plan for space layout

Today's Proposal

1. Declare the three properties surplus and adopt Resolution of Intent to Sell
2. Authorize activities to prepare for the potential disposal of properties
3. Authorize staff to submit a waiver to the State Board of Education
4. Affirmatively elect not to appoint a 7-11 committee to advise the Board regarding the use or disposition of non-school facilities pursuant to Senate Bill 820
5. Authorize \$250,000 to support activities

Adoption of the proposal does not require that the Board proceed with the sale of the properties, staff will return to the Board with proposals for the Board's consideration and authorization.

Potential sale dependent on finalizing relocation plan for all employees whether they are working at a school, at administrative or operational support facility, or telecommuting.

Anticipated Facilities Schedule

Q4-2020/Q1-2021

- Real estate broker RFP issued and selected
- SBE waiver development, submittal and review
- RFP issued/properties listed for sale: Q1-2021

Q2-2021

- Proposals for disposition of Beaudry and 14th Street and San Pedro Street facility due
- Employees aligned organizationally with CoSs and Local Districts, and employees begin to be physically relocated
- Finalize redistribution plan for HQ and other non-CoS/LD based employees
- Board declares proposals received
- Board declares preferred proposer and authorizes negotiations
- Board accepts offer(s) and purchase and sale agreement

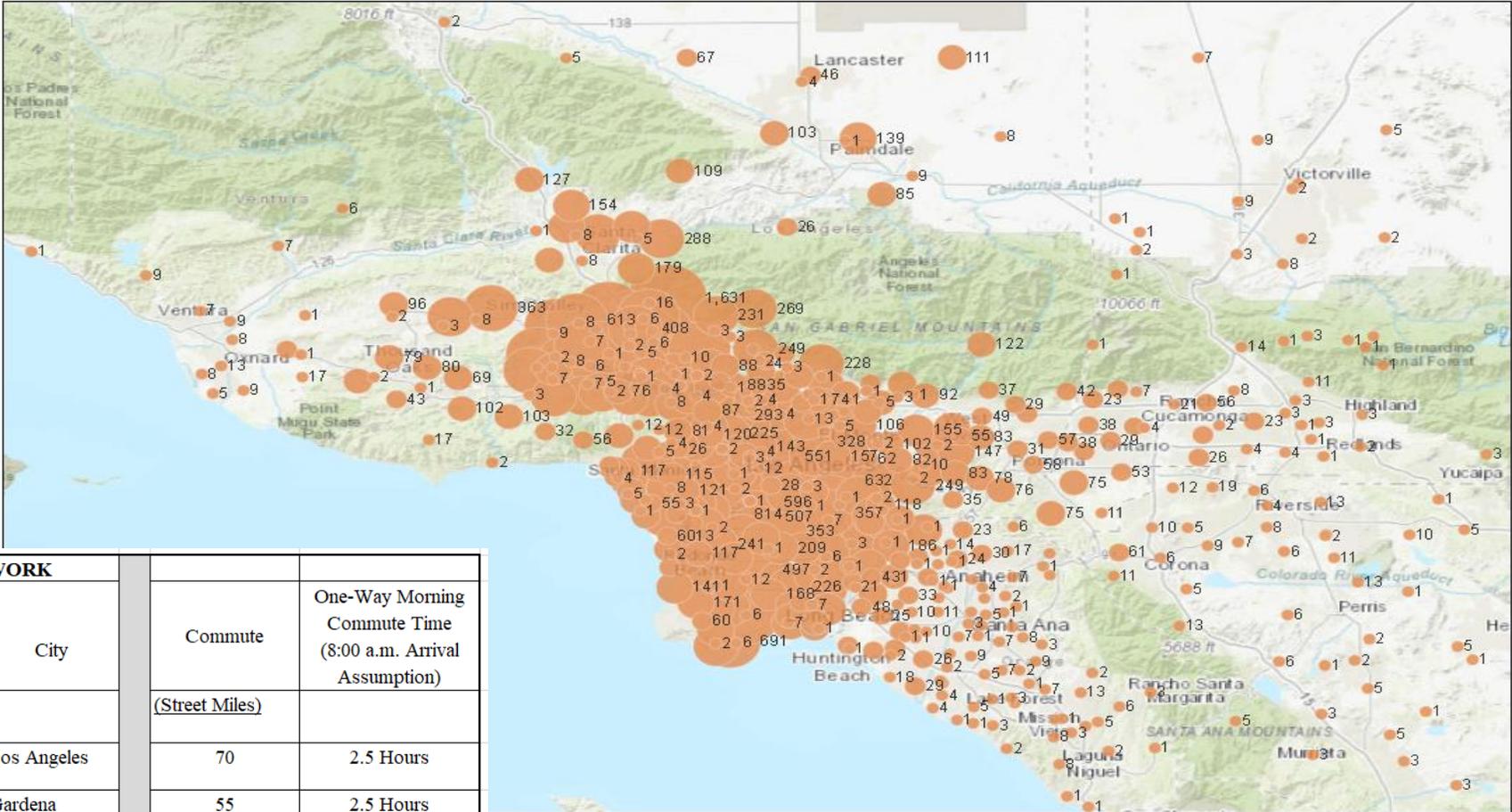
Employee Housing



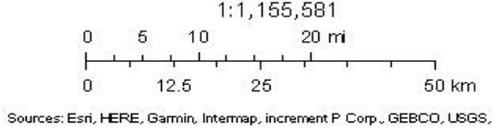
Employee Housing

- Employees priced out of the neighborhoods where they work and want to live
- Critical need for access to housing that is more affordable
- Many employees are experiencing long commutes
- Los Angeles Unified is one of the regions largest landowners
- Some, or portions of Los Angeles Unified properties may have the potential to be better utilized to support our employees
- Employees that live closer to their place of work will be more engaged with their students

Where Our Employees Live and How Far They Commute

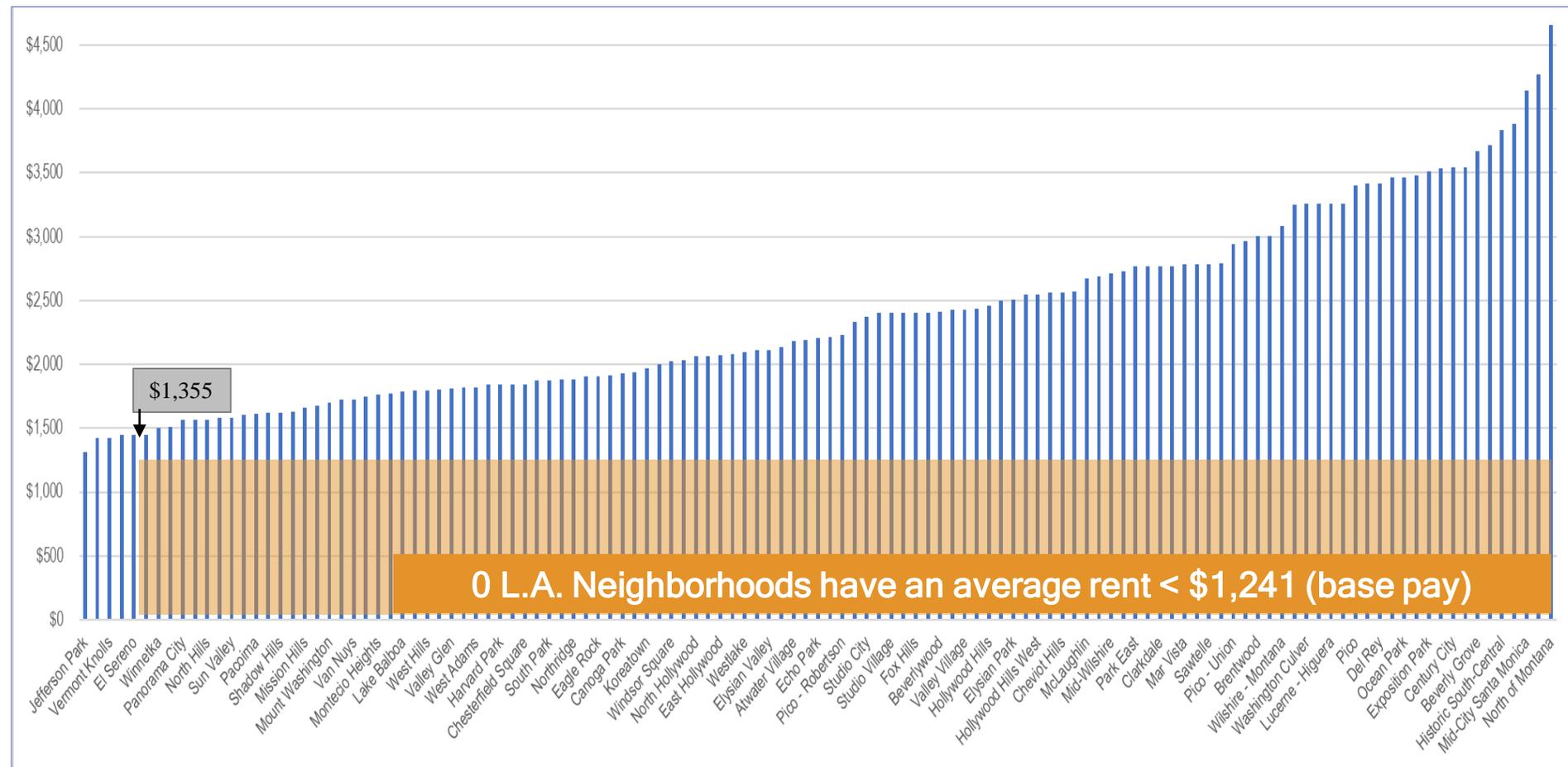


	HOME		WORK		Commute (Street Miles)	One-Way Morning Commute Time (8:00 a.m. Arrival Assumption)
	Zip	City	Zip	City		
School Administrative Assistant	92570	Perris	90044	Los Angeles	70	2.5 Hours
Window/Wall Washer	92503	Riverside	90248	Gardena	55	2.5 Hours
Teacher	91739	Etiwanda	90280	South Gate	53	2 Hours
Teacher	91711	Claremont	91401	Valley Glen	50	2 Hours
Teacher	91355	Santa Clarita	90017	Los Angeles	40	1.5 Hours
Teacher	93536	Del Sur	91340	San Fernando	58	1.5 Hours



New Teachers Priced Out of All LA Neighborhoods

- Teacher Starting Salary = \$51,440
- Affordability Threshold for Monthly Rent & Utilities (30% of Gross Income) = \$1,286
- Affordability Threshold for Monthly Rent Only: \$1,241



Goals and Priorities of Employee Housing Initiative

- 2,000 units available in the next 5+ years
- Develop housing for District employees
- Transparent process
- Fast track projects
- No cost impact to District



Employee Housing Initiative

Today's proposal

1. Declare intention to consider proposals for the development of employee housing at an initial 10 properties
2. Authorize staff to issue RFQ(s)/RFP(s) for the potential development of employee housing
3. Authorize staff to explore potential opportunities to exchange underutilized Los Angeles Unified properties
4. Authorize funding, not-to-exceed \$250,000

Adoption of the proposal does not obligate the Board to select a proposal. If a proposal is deemed to be in the best interest of the Los Angeles Unified, staff would return to the Board to seek authorization to engage in due diligence and preliminary negotiations with the preferred proposer(s) for the redevelopment of the property(s)

Proposed Sites for Potential Employee Housing Developments

Site	Acres	Neighborhood
Vacant parcel adjacent to San Fernando HS	.90	Pacoima/San Fernando Valley
Vacant parcel adjacent to Gompers MS	.56	South Los Angeles
Vacant parcel near Hoover St. ES	.54	Koreatown/Mid City
Vacant parcel adjacent to Valley Oaks Center for Enriched Studies	2.2	Sun Valley
Portion of South Gate MS	1.0	South Gate
Portion of Carnegie MS	2.0	Carson
Portion of Palms MS	1.0	Palms Neighborhood/West LA
Former Collins Elementary School site	6.56	Woodland Hills
Former Highlander Elementary School site	7.2	West Hills
Former Oso Elementary School site	7.09	Woodland Hills

Anticipated Schedule

Issue RFP(s): Q4-2020

Proposals evaluated: Q1- 2021

Board review and selection: Q1-2021

Board review and selection and/or approval of exchange of property: Q2-2021

Due diligence and preliminary negotiations: Q2-2021