



Board Study Session

Asset Management

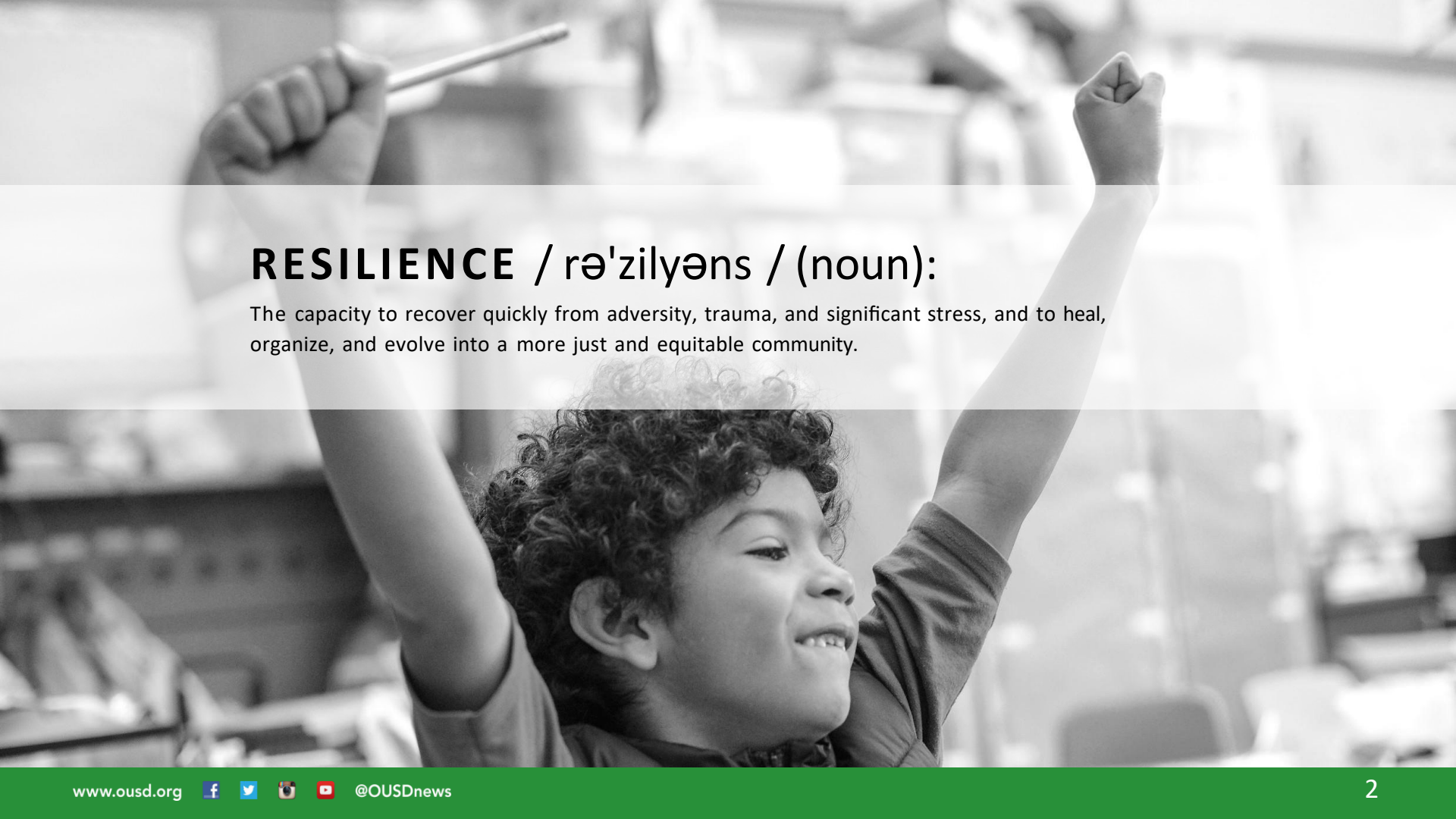


October 24, 2024



**OAKLAND UNIFIED
SCHOOL DISTRICT**

Community Schools, Thriving Students



RESILIENCE / rə'zilyəns / (noun):

The capacity to recover quickly from adversity, trauma, and significant stress, and to heal, organize, and evolve into a more just and equitable community.

Goal: By the end of this session, the OUSD Board will build their understanding of the strategies and approaches available for District's property assets and identify key actions for staff and our team of experts as the Board develops a plan for OUSD's vacant assets.

Agenda

Part 1: The Challenge Oakland Faces

Part 2: Guiding Principles for Asset Management

Part 3: RFP-Q for Asset Management and Real Property Services

Part 4: Key Actions for Staff

Our Vision

All OUSD students will find joy in their academic experience while graduating with the skills to ensure they are caring, competent, fully-informed, critical thinkers who are prepared for college, career, and community success.

Our Mission

Oakland Unified School District (OUSD) will build a Full Service Community District focused on high academic achievement while serving the whole child, eliminating inequity, and providing each child with excellent teachers, every day.



An Asset Management Plan aligned to our Strategic Plan



Ensuring Strong Readers by the Third Grade

Accelerating Citywide Efforts to Guarantee Literacy
for all Third Graders



Supporting Empowered Graduates

Developing Essential Skills to Secure Post-
Secondary Success



Creating Joyful Schools

Reimagining Schools to be Places of Joy, Inclusion,
and Beauty



Growing a Diverse and Stable Staff

Attracting and Retaining Staff Reflective of
Oakland's Rich Diversity

Creating Joyful Schools

Reimagining Schools to be Places of Joy, Inclusion, and Beauty

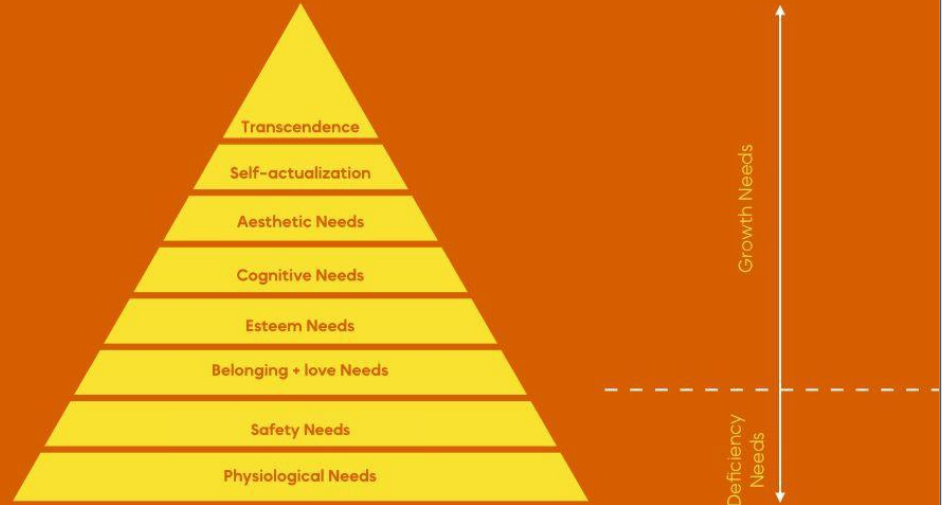
Focus Area 4:

Ensure inspiring learning environments. Facilitating joyful learning spaces from home to school; designing classrooms, learning spaces, and opportunities that value joy and multiple ways of thinking and being; providing spaces for the community to gather and celebrate each other; and expanding outdoor spaces for youth

- Water Quality Issues
- Outdated Boiler Systems
- Thermal Comfort in our Classrooms
- Condition of Our Plumbing Systems
- Bathrooms

BUILDING A JOYFUL SCHOOL

What are the prerequisites for a joyful school?



REDESIGN & RESTRUCTURE

1. **Decreasing expenditures.**
2. **Reducing the size of our footprint.**
3. **Generating revenue from our real assets.**

Challenges of an Evolving District



DECLINING CALIFORNIA STUDENT ENROLLMENT

SCHOOL DISTRICT

STATE PROJECTED CHANGE 2023 - 2033

FONTANA

-14%

FRESNO

-8%

MORENO VALLEY

-9%

OAKLAND

-20%

RIVERSIDE

-8%

SANTA ANA

-24%

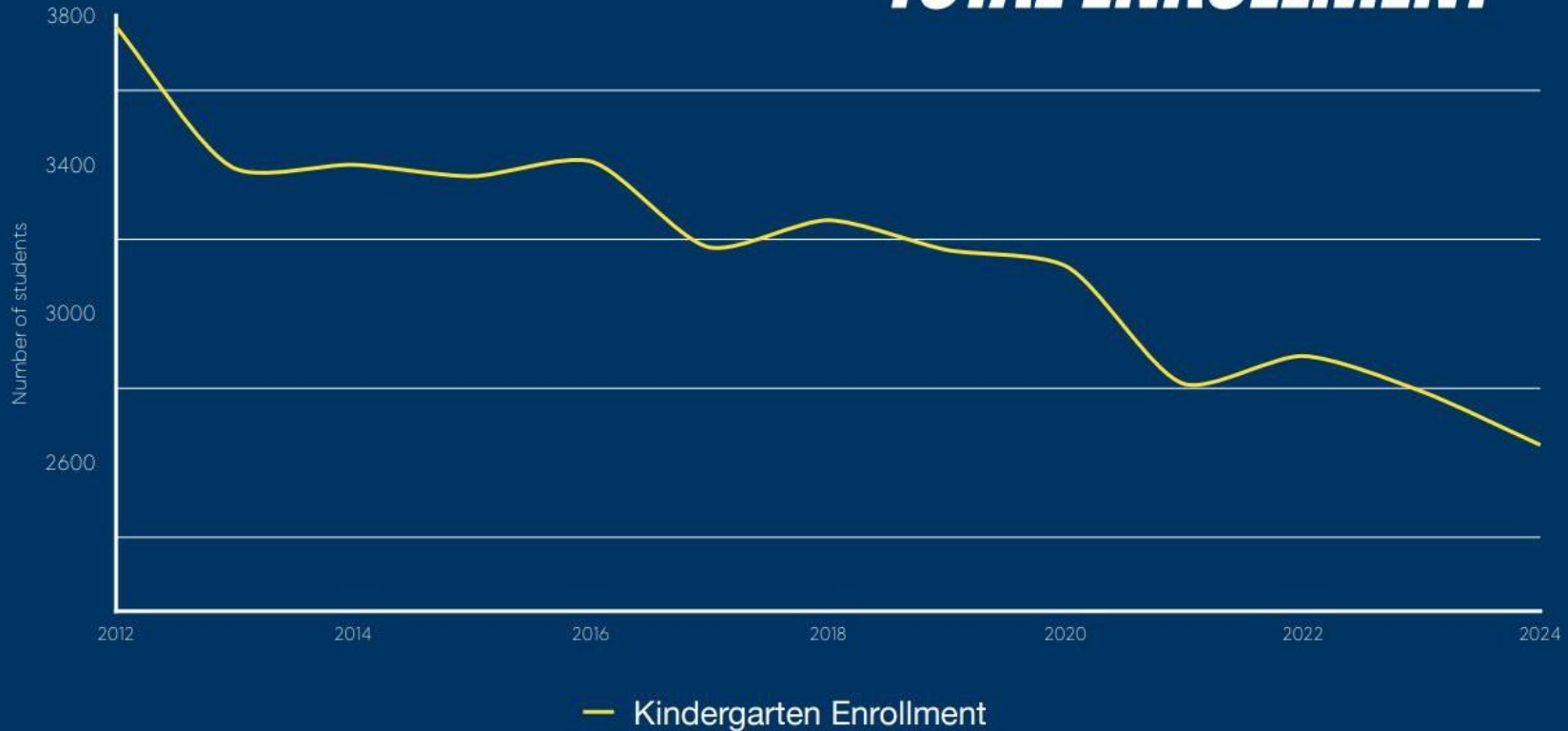
SAN FRANCISCO

-16%

STOCKTON

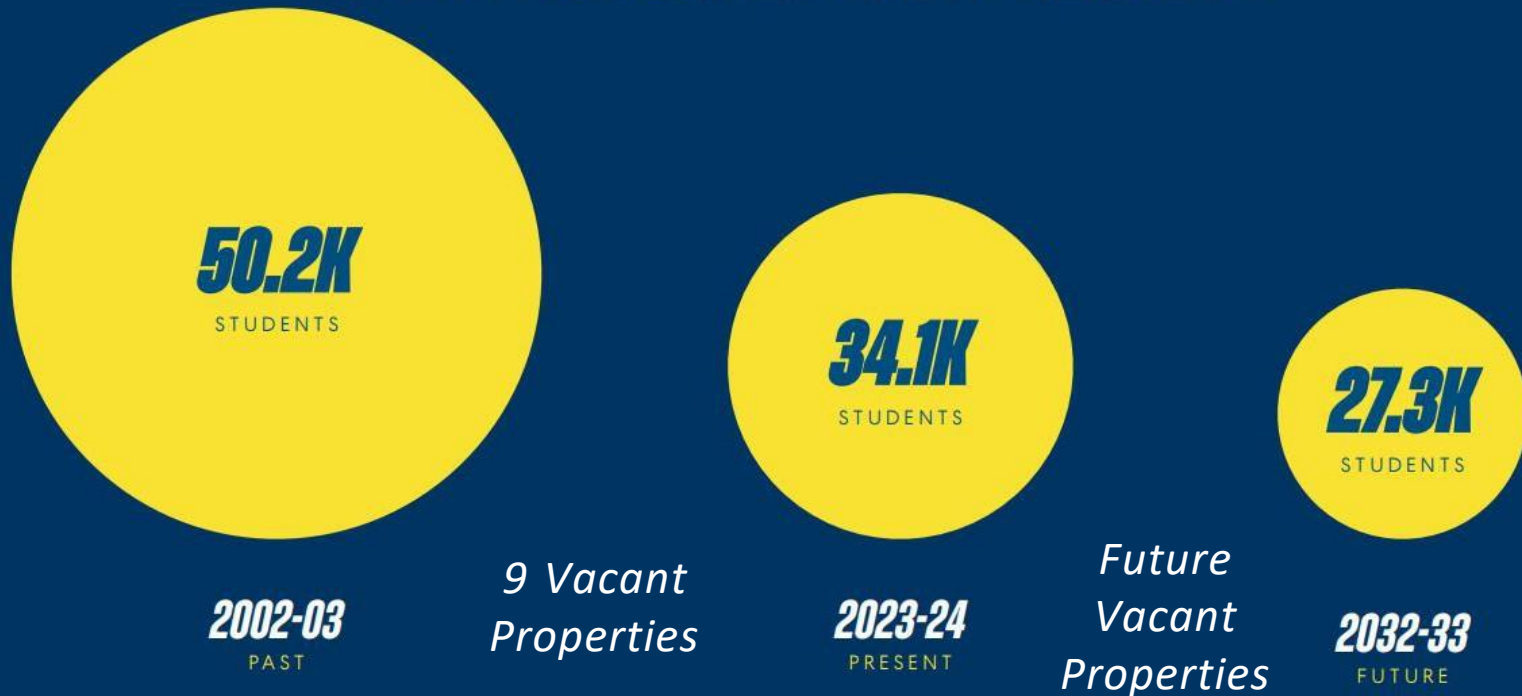
-2%

OUSD KINDERGARTEN TOTAL ENROLLMENT



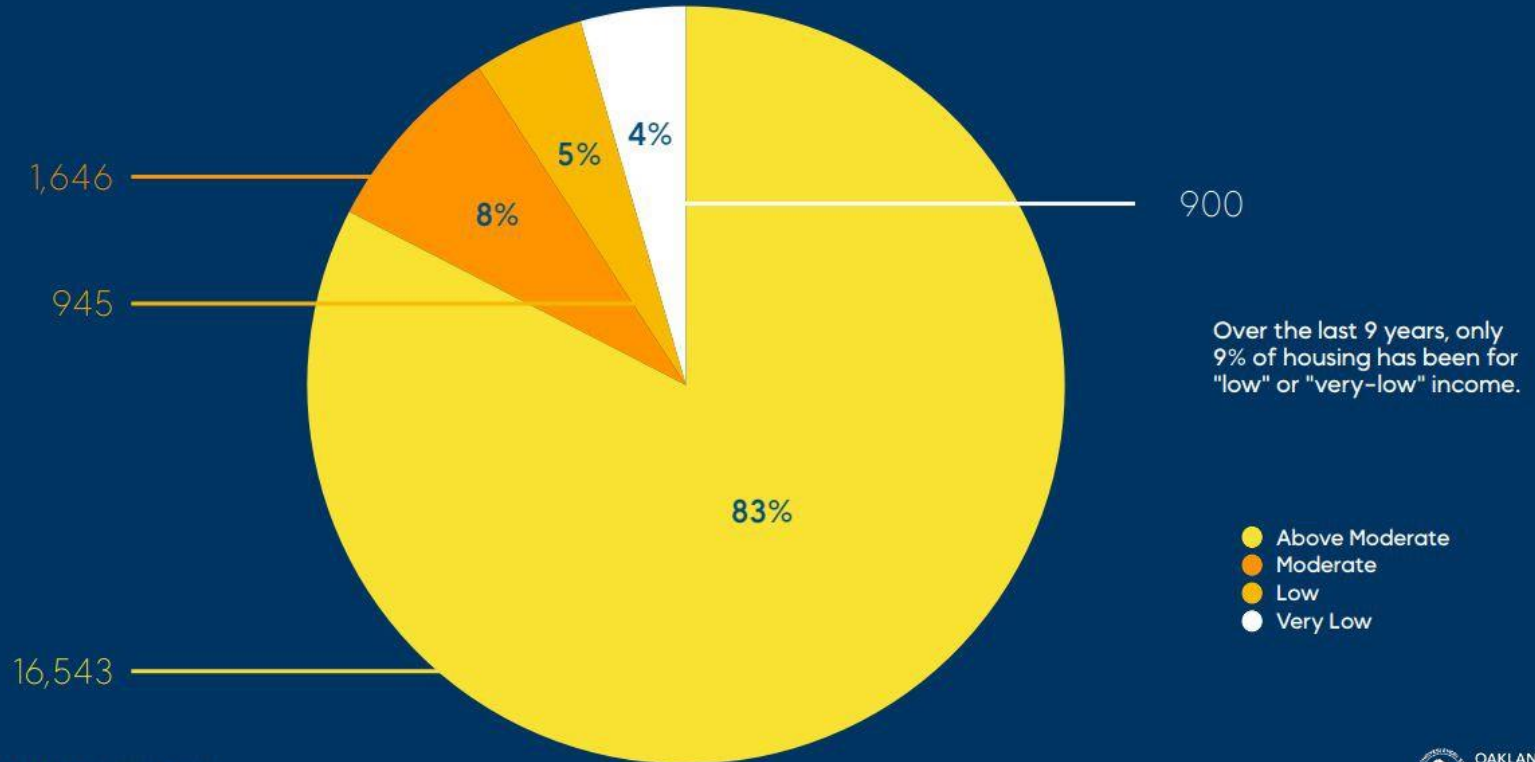
Declining **Kindergarten** enrollment means fewer students
in all grades for many years to come.

OUSD HISTORICAL, CURRENT, AND PROJECTED ENROLLMENT



WHY ENROLLMENT IS DECLINING

Housing Units Constructed by Income Level, 2015-23



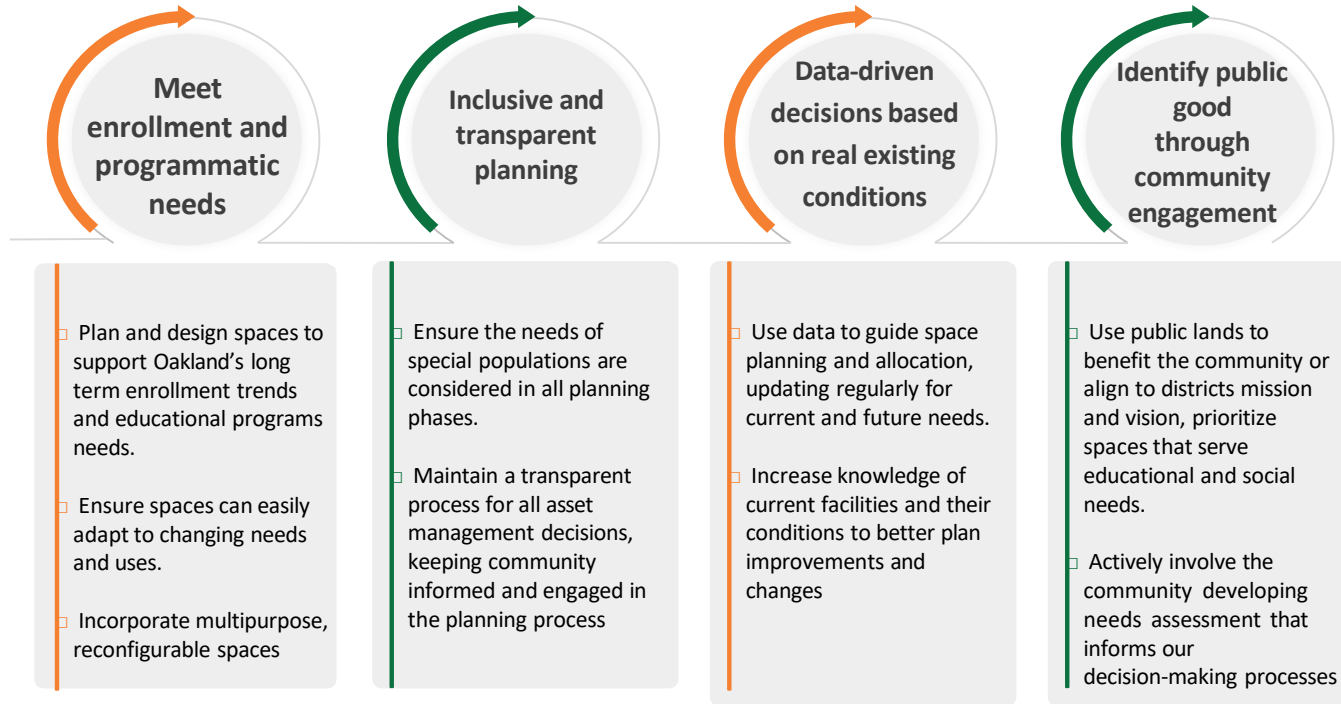
Not only does this affect our students and families that have traditionally sent their children to OUSD, it also means that **housing options in Oakland for our employees that work closest with students is becoming further out of reach.**

Guiding Principles



15

Board Guiding Principles for Asset Management

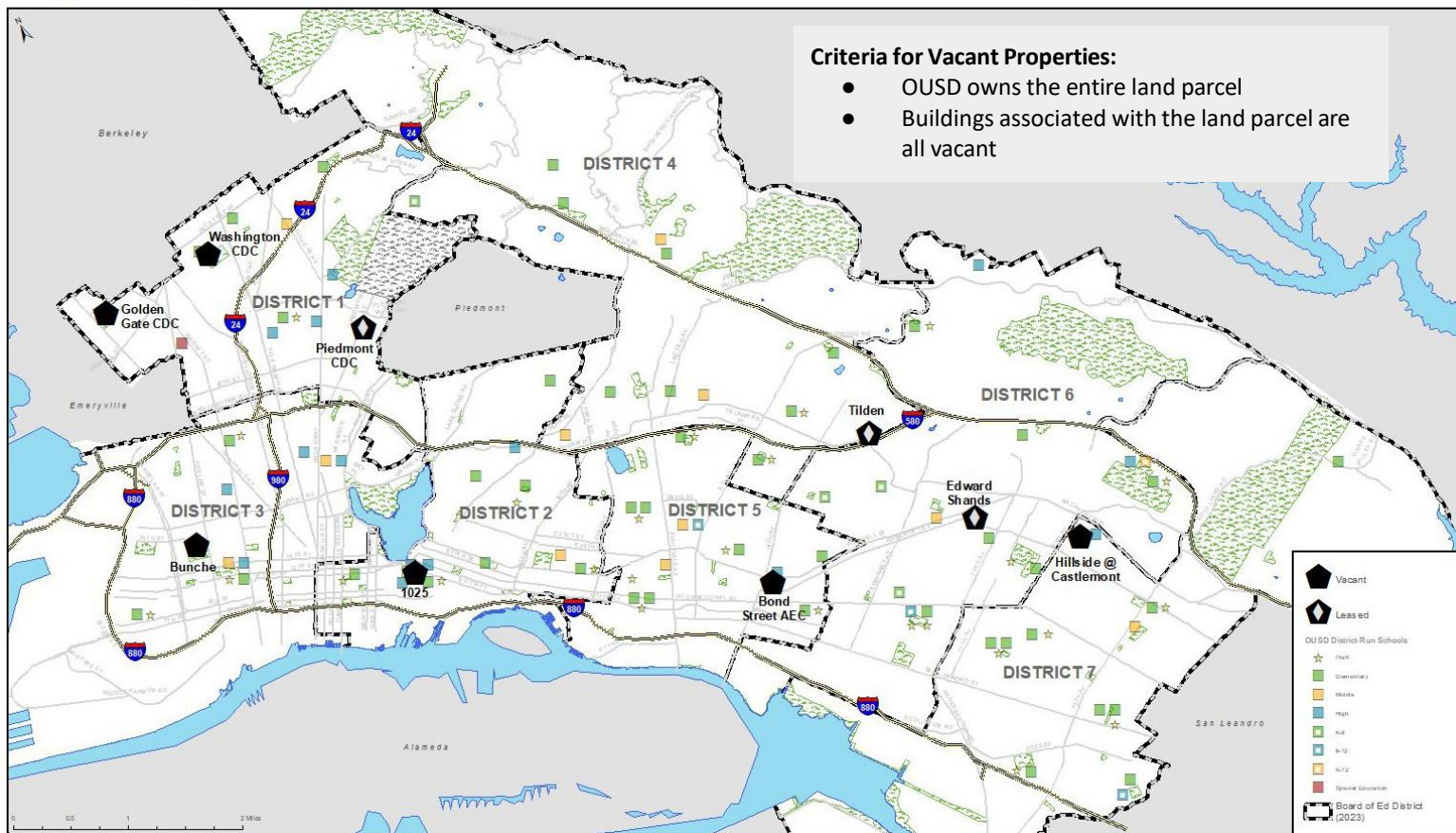


Collaboration with public agencies

- Work closely with the City of Oakland and other public agencies to address shared property issues and streamline processes.
- Seek collaborative solutions for permit approvals and other bureaucratic challenges



2023-24 OUSD Facilities: Vacant & Leased Properties*

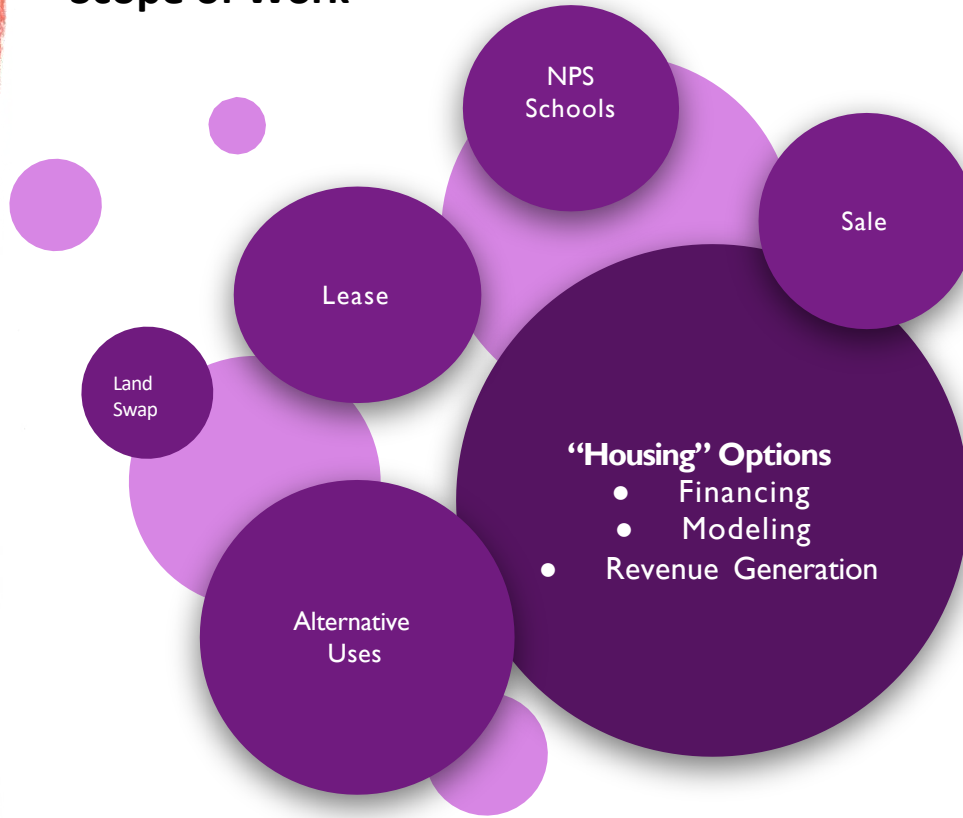




RFP-Q for Asset Management and Real Property Services

Asset Management & Real Property Services

- Scope of Work



Key objectives within the RFQ-P scope include:

1. **Property Evaluations:**
 - a. Per Education Code and Board Policies.
 - b. Assess development quality, sustainability, and alignment with the District’s Strategic Plan.
 - c. Analyze real estate value, market trends, and future potential.
 - d. Recommend usage options for revenue and community impact.
 - e. Update property valuations and cost summaries.
2. **Community and Housing Potential:** Evaluate properties for affordable and market-rate housing, including options for unhoused populations.
3. **Optimizing Shared Parcels:** Assess parcels shared with the City of Oakland or within city boundaries for joint ventures, development, or improved use based on market conditions.
4. **Strategic Recommendations:** Provide actionable recommendations focused on sustainability and community impact.
5. **Board Engagement:** Facilitate discussions with board members for feedback on asset management strategies.

Asset Management & Real Property Services - Proposed Schedule

Quarter 4, 2024	Quarter 1, 2025	Quarter 2, 2025	Quarter 3, 2025
Data Collection and Financial Considerations for Project Alternatives			
<i>Understanding process and procedures to implement project alternatives</i>	Initial Discussions with City/Agency Officials. Review of Site Documents		
		Strategic Analysis and Options based on Site Analysis	
		Site Fit Plan and Project Typology	
	Synthesis of Assumptions and Project Refinement		

Space Needs for Educational Purposes

Space Needs for Educational Purposes	Space for Housing and Community Needs
<p>OUSD has needs for space for the following educational purposes:</p> <ul style="list-style-type: none">● Early Childhood Education:<ul style="list-style-type: none">○ Early Childhood Hub○ TK Hub for schools without space● Central Offices with Direct Service to Students & Families:<ul style="list-style-type: none">○ Enrollment Offices for PK-12 in High Student Density Areas○ Family Resources Hub, DHP, Family Resources● Special Education Programs supporting students that historically attend Non-Public Schools● Legally Mandated Charter Schools Housing	<p>OUSD may opt to repurpose certain facilities to meet community needs and generate additional revenue for educational programs. Some potential uses for community space include:</p> <ul style="list-style-type: none">● Workforce Housing● Accommodation for Unhoused Families and Students● Affordable Housing <p>Non-Profit Organizations supporting OUSD students and families.</p> <ul style="list-style-type: none">● Infant-Toddler Programming● Childcare and Parenting Services● Community-Based Organization (CBO) Programs to Support Special Populations

Revenue Generation Potential from Vacant Assets

	Revenue Generation	25-26	26-27	27-28	28-29	29-30
Sale	One time revenue and must be spent on facilities. Must go through a 7-11 process.	7-11				
Lease to education institution and joint occupancy lease	Ongoing revenue depending on the demand for facilities use at the site. Can be Charters.					
Workforce Housing	Ongoing revenue and/or cost benefit to staff to improve retention by subsidizing housing for staff.					
Affordable Housing	Difficult to develop revenue for the district. Must go through a 7-11 process.					
Mixed Market Rate Housing	Can generate revenue depending on the structure and the inclusion of commercial. Must go through a 7-11 process					
Exchange	Properties can be exchanged with other entities to develop concepts above. Must go through a 7-11 process.					



Deep Dive - Workforce Housing

Education Workforce Housing and Enrollment Trend Map

The map highlights school districts with education workforce housing projects and displays enrollment trends based on five years of historical and projected data from the California Department of Finance.



Map Legend

- Projects in Construction or Complete**
- Projects in Progress**
The LEA has committed resources to a feasibility study, financing, or development of a specific project but construction has not yet started.
- Projects being Explored**
These LEAs have publicly stated they are looking at opportunities to provide workforce housing for their employees but have not yet decided on a specific project or have not yet obtained approval to build a project.
- Declining enrollment**
(current and projected)
- Increasing enrollment**
(current and projected)

Sources:

- Map created by OUSD Facilities Planning & Management, October 2024.
- State of California, Department of Finance, California Public K-12 Graded Enrollment and High School Graduate Projections by County, 2023 Series. Sacramento, California, October 2023.
- California School Boards Association, Education Workforce Housing, October 2024.

Note: OUSD is displayed in blue based on the current Long-Term Ground Lease with EEC for Affordable and Workforce Housing, Workforce Development Training Opportunities, and Black Cultural Zone Programming at Shands & Tilden, as approved by the Board in June 2021.

Opportunities to Use Vacant Properties?

Requirements	Sale	Lease ¹ (>30 days)	Workforce Housing ¹	Joint Occupancy	Exchange
Surplus Land Act Guidelines ("SLA"), California Department of Housing and Community Development (Gov Code Section 54220 , et seq.)	Exempt so long as property is "subject to" 7-11 Committee	Exempt so long as property is "subject to" 7-11 Committee	Yes	Not Applicable	Exempt so long as property is "subject to" 7-11 Committee
7-11 Committee (Education Code Section 17390)	Required, unless exempt per Education Code Section 17391	Required, unless exempt per Education Code Section 17391	Exempt per Education Code Section 17391	N/A	Not required but desirable to be exempted from SLA
Offer to certain public/ gov't agencies 1st?	Yes, unless waived	Yes (shorter list), unless waived	No	No	No
Highest Bidder	Yes, unless waived	Yes, unless waived	No	No- but RFP required	No
Proceed Use	Capital Outlay	Capital Outlay for lease with Purchase Option. Lease with no purchase option creates general fund revenue.	Depends on structure	Depends on structure	Depends on structure

¹ As of January 1, 2020, the District must declare the property as "surplus land" or "exempt surplus land" pursuant to Government Code Section 54221(b)(1). Declaring the property as exempt surplus land will mean that most of the requirements in Government Code sections 54220, et seq., will not apply, except for the requirement to make written solicitations to agencies to purchase or lease the property for park and recreational purposes.

² If lease, proceeds are general fund monies.

OUSD Staff Survey

Staff Housing Demographics:

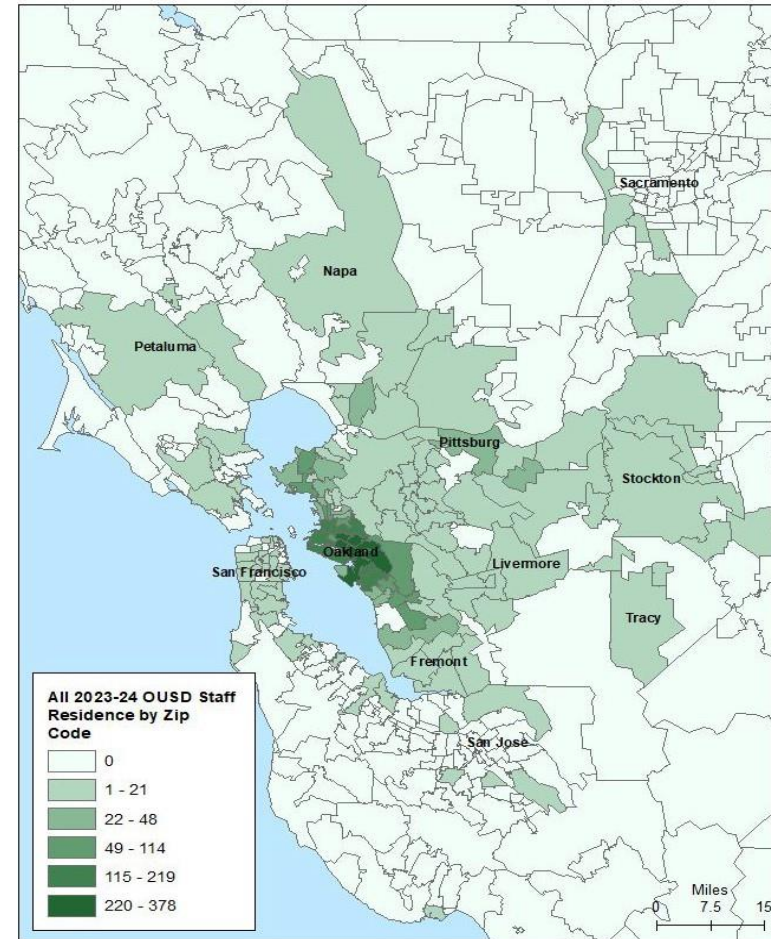
- **51%** of OUSD staff currently rent
- **13%** of OUSD staff have subsidized rent (by family, friends, government, other programs)
- **Over 61% of OUSD staff pay over 30% of the monthly household income for housing.**

Staff Commute Profile:

- **15%** of OUSD staff commute over **40** minutes in each direction daily.

Sources:

1. Hanover Research, OUSD Longitudinal Staff Retention Survey, February 2024.
2. Map is created by OUSD Research, Assessment & Data, April 2024.



Jefferson Union High School District (JUHSD)

Faculty & Staff Housing

Project Highlights

- 122 housing units
- Part of an entitlement plan of 22-acre mixed-use
- Total Project Cost: \$75.5M
- Funding Sources: Voter approved bond funds and loans
- Predevelopment: 2 years
- Construction: 26 months

Key Results

- 100% occupied by District employees
- Over-capacity with a waitlist
- Increased employee retention
- Classrooms fully staffed



Photo Sources: <https://www.705serramonte.com/daly-city/705-serramonte/photos/> and [Brookwoodadvisors.com](https://www.brookwoodadvisors.com)

Board Discussion:

Given the Board 2x2 where many of you visited the JUHSD, what were some of your thoughts about next steps around workforce housing.

Are there any questions the Board has as we looking at strategies to develop “housing” on OUSD’s properties?

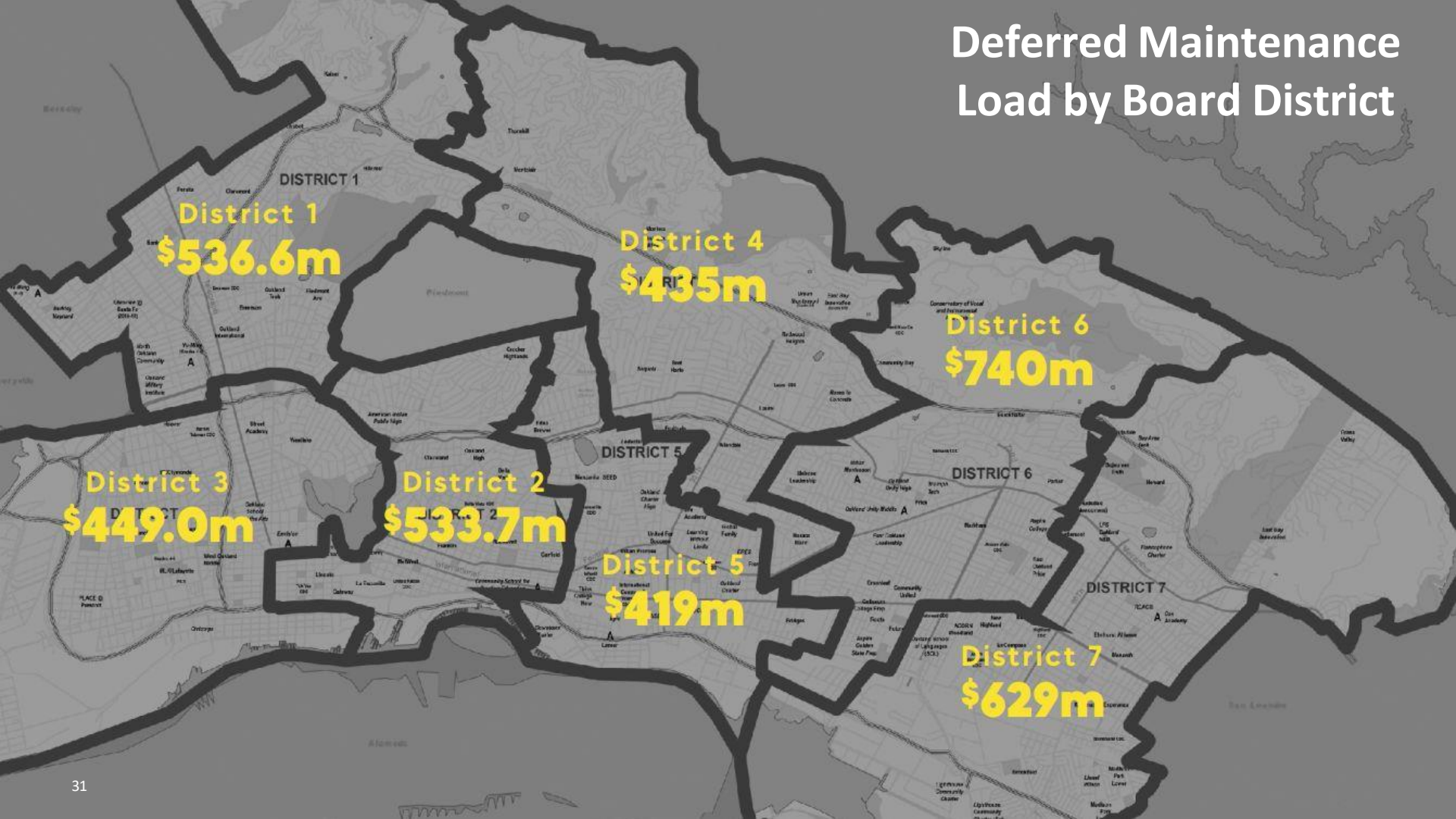
REDESIGN & RESTRUCTURE

1. **Decreasing expenditures.**
2. **Reducing the size of our footprint.**
3. **Generating revenue from our real assets.**

FACILITIES NEEDS BY BOARD DISTRICT

The maintenance costs of schools play a critical role in determining the future cost of repairs. Regular maintenance helps prevent the deterioration of school infrastructure. Neglecting routine upkeep can lead to the accelerated aging of buildings, equipment failures, and structural damage. Outdated infrastructure means water quality issues, outdated or non-existent HVAC systems, and deteriorating buildings are all major issues OUSD must contend with in the near future.

Deferred Maintenance Load by Board District



FACILITIES AND INFRASTRUCTURE

School District	Number of Students	Number of Schools	Students Per School
Los Angeles	435,958	778	560
Fresno	73,381	98	749
Long Beach	69,708	81	861
San Francisco	58,705	104	564
Stockton	40,627	45	903
Riverside	40,083	48	835
Fontana	35,461	45	788
Fremont	34,782	41	848
Oakland	34,428	80	430
Twin Rivers	33,008	43	768
Anaheim	28,404	21	1353
San Jose	25,677	42	611
Hayward	21,638	31	698



FACILITIES AND INFRASTRUCTURE

108

80 District-Run Schools/Programs

8 OUSD PreK CDC

1 Adult Education/Community Based Organization

16 Charters on District Facilities

297 District buildings

6 Vacant Properties

3 Vacant/Leased Properties

FACILITIES & CAMPUSES

Case Study: Oakland Unified School District (OUSD)

01

Santa Fe

- Leased to Emeryville Unified as swing space during a facilities project
- Temporary location of Glenview Elementary School during construction of the Glenview Campus.
- Became the home of the Special Education Department, programming and Young Adult Program as Cole project launched

02

Parker Community
Resource Center

- Adult Education Program moved into facility and began providing adult education programming for neighborhood in January of 2022
- District created a Joint Use Agreement with Roots Community Health Clinic from July 2023 to June 2028.
- District receives annual payment of \$69,380 for 2024-25 with a 5% annual increase.

03

Kaiser Early Childhood
Center

- The site then received approval from the Board to become an Oakland's 2nd Early Learning Hub that opened in July of 2022
- Braiding funding with Early Childhood Funds allowed for campus improvement projects and building enhancements.

Case Study: Oakland Unified School District (OUSD)

- *Ongoing Operating and Deferred Maintenance Costs*

01	Santa Fe-YAP/Special Education Center	<ul style="list-style-type: none">• Built in 1957 (66 years old)• Aging Piping and Infrastructure• Needs 2 Hydronic Boilers (\$350K+)• Will need a New Roof in 10 years (500K)• New Asphalt (300K)
02	Parker Community Resource Center	<ul style="list-style-type: none">• Built in 1948 (75 years old)• Aging Piping and Infrastructure• Needs 2 Steam Boilers-\$350K-450K
03	Kaiser Early Childhood Center	<ul style="list-style-type: none">• Built 1959 (64 years old)• Aging Piping and Infrastructure• Needs 2 Hydronic Boilers (\$350K+)• Original HVAC air handler 1959• Will need a New Roof in 10 years (500K)

Operating cost includes expenses related to custodial services, utilities, maintenance, upgrades, and other facility-related needs.

Board Discussion:

Keeping our *Board Guiding Principles for Asset Management* in mind, as we move forward with the development of the Asset Management Plan for the District, what processes or asks do you have of staff and the the consulting team supporting the District.

Are there ideas, concepts, or site visits aligned with our *Board Guiding Principles for Asset Management* that OUSD staff should explore more deeply based on the conversation tonight?

THANK YOU

Any Questions?

Additionally, for more information, please reach out:

Preston Thomas
OUSD Chief of Systems & Services

Pranita Ranbhise
Director of Planning, OUSD Facilities Planning & Management

Resources

1. OUSD BP 7350 Physical Assets Management:
<https://ousd.legistar.com/LegislationDetail.aspx?ID=3927265&GUID=AE6B6819-88B0-41A4-A2AD-A5FD2BFAF63E&Options=ID|Text|&Search=assets+management>
2. OUSD Board of Education Real Property Asset Management Study Session - Division of Facilities Planning and Management, April 29, 2024:
<https://ousd.legistar.com/MeetingDetail.aspx?ID=1194484&GUID=6A320AA1-20BF-4CD1-9549-5102D6BDA363&Search=>
3. OUSD Facilities Master Plan, 2020:
<https://www.ousd.org/facilities-planning-management-department/about/about/facilities-master-plan>
4. OUSD Leases Dashboard:
https://dashboards.ousd.org/views/OUSDLeases2021-22/Leases?iid=1&embed=y&isGuestRedirectFromVizportal=y&display_count=n&origin=viz_share_link&showVizHome=n#2
5. OUSD Classroom Utilization Dashboard:
https://dashboards.ousd.org/views/UtilizationDashboard_17055329266870/UtilizationCalculations?:showAppBanner=false&display_count=n&showVizHome=n&origin=viz_share_link&embed=y#2

Resources - JUHSD Staff Workforce Housing Project

JUHSD Faculty & Staff Housing 705 Serramonte

705 Serramonte Boulevard provides **affordable housing for faculty and staff** at JUHSD, supporting the District's educational mission by **attracting and retaining qualified employees**.



Quick Facts

Owner: Jefferson Union High School District

Real Estate Advisor & Development Manager:
Brookwood Partners

Design Architect: Seidel Architects

Design/Build Contractor: J.H. Fitzmaurice with SVA Architects

Opened: May 2022

Predevelopment: 2 years

Construction: 26 months

Total Cost: \$75.5M

Funding Sources: Voter-approved bond funds and loans

Property Features

Unit Type	# of Units	Unit Size	Monthly Rent
1BR / 1 BA and 1BR+ / 1BA	59	560-742 sf	\$1,390-\$1,615
2BR / 2 BA	56	801-1,020 sf	\$1,751-\$2,145
3 BR / 2 BA	7	1,174-1,269 sf	\$2,369-\$2,561
Total	122 units		~48% discount to market rent

Community Amenities

- Pet Friendly
- BBQ Area
- Two Playgrounds
- Central Courtyard
- Bicycle Storage
- Community Room/Lounge
- Coworking Spaces
- Additional On-Site Storage for Rent

Key Results

- **100% occupied** by District employees
- Over-capacity with a waitlist
- Increased employee retention
- Classrooms fully staffed

"I love it, it's the best decision I made for myself... Living here was my opportunity to stay in the Bay Area, stay close to my family, and be able to go to work."

-Lisa Raskin, Social Studies Teacher at Westmont High School



Jefferson Union High School District

JUHSD Faculty & Staff Housing Commonly Asked Questions

Why did JUHSD build its own housing?

JUHSD is the lowest funded high school district in San Mateo County. Facing an average annual staff turnover rate of 25%, and needing to find ways to retain and recruit staff, the Board began exploring employee housing in 2017.

What was the biggest challenge in building 705 Serramonte?

Districts have a lot of experience building schools, but navigating residential permitting and planning processes required extensive support from outside experts.

How was the project funded?

The total project cost was \$75.5M. \$33M was provided by a voter-approved bond passed in 2018. The remaining \$42.5M was borrowed through certificates of participation (COPs).

Who lives at 705 Serramonte?

To be eligible, renters must be JUHSD non-management employees who work at least 17.5 hours per week and are not homeowners. Priority is given to full-time workers and those with lower household income. There is also a goal of 60% certificated staff and 40% classified staff, which mirrors the makeup of the District. Presently the housing is fully leased up and maintains a waiting list.

How was the building designed to appeal to District employees?

It was important to the District that the building be on par with market-rate apartments in the area. The property includes several indoor and outdoor community spaces to encourage residents to socialize. Special attention was paid to the needs of residents—for example, knowing that most tenants would have the same work schedule and need to do laundry at the same time, more laundry facilities were provided relative to what is recommended for a building of this size.

How can 705 Serramonte serve as a model for other education workforce housing projects?

JUHSD is proud to be one of the first in the nation to turn this idea into reality. Some key aspects that made the project successful were committed and driven board members, support from experts in housing development, collaborative partnership with labor, and transparency with community stakeholders.

*"We were challenged with what we could offer teachers, and this project provides a great resource to **not only retain our staff, but help them with their dreams**. We take a lot of pride in that."*

-Toni Presta, JUHSD Superintendent

*"For other districts that are considering building workforce housing, I would encourage them to move forward... **I say go for it.**"*

-Tina Van Raaphorst, JUHSD Deputy Superintendent of Business Services



See what District employees and leadership have to say about 705 Serramonte – go to juhsd.net/dominos87



Jefferson Union High School District

Resources - JUHSD Staff Workforce Housing Project

JUHSD Faculty & Staff Housing

Operating Model: Educational Housing Corporation (EHC)

While school districts need affordable housing for employees, they are not in the business of being landlords or apartment managers. 705 Serramonte is structured to take the day-to-day work of managing housing off the district's plate.

Educational Housing Corporation (EHC) is an independent nonprofit that oversees the operations of the building. It sets lease terms, rental rates, and determines who is eligible to live in the building.

A **third-party professional property manager** handles daily operations like budgeting, leasing, and maintenance requests.

The District retains ownership of the property, benefitting its employees with discounted housing and maintaining the potential to generate revenue from the housing in the future.



With discounted rent, District employees can **save an average of \$150K over 7 years*** compared to market-rate housing.

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Total
Market Rent	\$41K	\$42K	\$43K	\$44K	\$46K	\$47K	\$49K	\$312K
Employee Rent	\$21K	\$22K	\$22K	\$23K	\$24K	\$25K	\$25K	\$162K
Average Savings	\$20K	\$20K	\$21K	\$21K	\$22K	\$23K	\$23K	\$150K

*Assuming JUHSD discounted rents of 48% below market rate in Daly City, CA.



Jefferson Union High School District

Serramonte Del Rey Neighborhood

Master Plan and Revenue Enhancement



705 Serramonte (highlighted in yellow at left) is part of a broader vision for JUHSD's surplus property - one that is slated to **maximize future revenue for the District and public benefit.**

Brookwood Partners worked with JUHSD to plan and entitle a 22-acre mixed-use

community that consists of more than 1,200 market-rate and affordable housing units, retail, a Head Start preschool, parks, and open space. JUHSD will retain ownership of the land and enter into ground lease / joint venture agreements with private developers to build out the site. The project received final City approvals in Q2 2024.

Serramonte Del Rey Neighborhood includes three parks for community use, four acres of sustainable urban forest, bikeable and walkable recreation trails, a community garden, neighborhood serving retail, and will result in a net fiscal benefit to the City of over \$1M/year when the project is built out.

In addition, 20% of the project is set aside as affordable (including for individuals with developmental disabilities), double the number of affordable units required by the city's inclusionary housing ordinance.

For more information on the Serramonte Del Rey Neighborhood go to serramontedelrey.org



Brookwood Partners



705 Serramonte and Serramonte Del Rey Neighborhood are development collaborations with Brookwood Partners. To learn more about BP's work with housing for K-12 school districts and to get in touch, visit <http://www.brookwood-partners.com>



Jefferson Union High School District