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OAKLAND UNIFIED SCHOOL DISTRICT
Community Schools, Thriving Students

Memo

To Board of Education

From Dr. Silke Bradford, Director – Quality Diverse Providers
 David Montes de Oca - Deputy Chief
 Marion McWilliams - General Counsel

Board Meeting Date May 24, 2017

Subject **Approval of Rehabilitation Agreements as it Relates to Charter Schools’ Applications for State Funding to Rehabilitate Existing District School Site Facilities**

Action Requested Adoption by the Board of Education of Rehabilitation Agreements with Twelve Charter Schools to enable Charter Schools to apply for California School Facility Program funds to rehabilitate District facilities.

Background and Discussion The passage of Propositions 47, 55 ID and 51 have made \$1.4 billion available to charter schools for the construction of new facilities or rehabilitation of existing school district facilities through the state-funded California School Facility Program ("CSFP"), which is jointly administered by the California School Finance Authority and the Office of Public School Construction. The District has received notice from twelve charter schools of their desire to submit applications for CSFP funds to rehabilitate District school sites already housing the respective charter schools.

Under Education Code section 17078.62(a), if funds are awarded, as a first priority, the existing charter school shall be permitted to use the facility until the charter school no longer needs it for charter school purposes. If the charter school applicant receiving funding is no longer occupying the facility built or rehabilitated under this program, the Education Code establishes as second priority that any qualifying successor charter school may occupy the facility on equal terms as those of the prior charter school occupant.

The charter school would receive a 50% loan from the California State Finance authority for the project, and would be responsible for paying the remaining 50%. The District would hold title to the rehabilitated project in trust for the State.



If the charter school or successor charter school does not take possession of the site, the District can possession as long as it assumes the loan payments, unless it receives a waiver.

The following proposed Rehabilitation Projects are being applied for by local charter schools:

Legistar No.	CHARTER SCHOOL	SITE FOR REHABILITATION
17-1213	Lodestar – Lighthouse Community Schools	King Estates Campus 8251 Fontaine Street
17-1214	East Bay Innovation Academy	Marshall Campus 3400 Malcolm Avenue
17-1215	Cox Academy	E. Morris Cox Campus 9860 Sunnyside Street
17-1216	Urban Montessori	Sherman Campus 5328 Brann Street
17-1217	KIPP Bridge	Lafayette Campus 1700 Market Street
17-1218	Aspire-Berkley Maynard Academy	Golden Gate Campus 6200 San Pablo Avenue
17-1219	Roses in Concrete	John Swett Campus 4551 Steele Street
17-1220	Leadership Public Schools	Castlemont Campus 8601 MacArthur Boulevard
17-1221	Yu Ming	6232 Herzog Street
17-1222	Achieve Academy	Hawthorne Campus 1700 28 th Avenue
17-1223	Learning Without Limits	Jefferson Campus 2035 40 th Avenue
17-1224	Education for Change- Lazaer Academy	Lazaer Site 824 29 th Avenue

Recommendation

Approval by the Board of Education of Rehabilitation Agreements in accordance with applicable law.

Fiscal Impact

N/A.

Attachments

- Rehabilitation Agreements

AGREEMENT FOR THE REHABILITATION OF PORTION OF CASTLEMONT HIGH SCHOOL CAMPUS

This Agreement is made by and between Oakland Unified School District, a district duly formed and existing under the law of the State of California ("District") and Leadership Public Schools, a California non-profit public benefit corporation that operates Charter School that formed and approved by the District Board of Education under the laws of the Charter School Act of 1992 (Education Code section 47600 et seq.) (the "Act").

RECITALS

WHEREAS, the Charter School Facilities Program, California Education Code section 17078.52 et seq. ("CSFP") provides funding to charter schools for permanent school facilities;

WHEREAS, the passage of Propositions 47, 55 ID and 51 have made \$1.4 billion available to charter schools for the construction of new facilities or rehabilitation of existing school district facilities through the state-funded California School Facility Program ("CSFP"), which is jointly administered by the California School Finance Authority and the Office of Public School Construction;

WHEREAS, the District is the title holder and owner of the property located at 8601 MacArthur Blvd, Oakland, CA 94605, known as Castlemont High School ("Site"), in the City of Oakland, County of Alameda;

WHEREAS, Charter School notified the District of its desire to submit an application for CSFP funds to rehabilitate a portion of 8601 MacArthur Blvd, Oakland, CA 94605, which is currently used by Charter School, as permitted by its charter petition and its facilities use agreement. Specifically, Charter School desires to rehabilitate the Site as set forth in Exhibit A.

WHEREAS, if Charter School's application is approved, the preliminary benchmarks/timeline for the project is as follows:

- CSFP applications were due to the District on May 5, 2017
- Submission to OPSC due by June 5, 2017
- Office of Public School Construction ("OPSC") staff to review applications for completeness and additional information if needed, beginning June 5, 2017
- CSFA to review for financial soundness, beginning June 5, 2017
- OPSC to issue 15-day letter
- State Allocation Board Approval of preliminary apportionments
- Charter School has 4 years, with one year extension available to obtain DSA, CDE, DTSC, and CEQA approvals
- Charter must submit full funding application for construction apportionment

WHEREAS, pursuant to Section 1859.163.4, Title 2, Division 2, Chapter 3, Subchapter 4, Subgroup 3.5 of the California Code of Regulations, a charter school applying to the CSFP on its own behalf must submit an agreement between the school district and the charter school for the use of facilities to be rehabilitated. The agreement must have been discussed and approved by the Board of Education at a noticed, public board meeting;

NOW THEREFORE, for the covenants and other good consideration had and received, the Parties hereto agree as follows:

1. Charter School represents it will submit to the State of California ("State") Office of Public School Construction an application requesting CSFP funding for rehabilitation of the site formerly known as the Site. Charter School further acknowledges and agrees that Charter School is responsible for the required match, which is equal to the entitlement awarded.
2. Subject to prior District approval of design and construction plans and Department of State Architect approval of the same if applicable, the District agrees with, grants permission for, and approves of the rehabilitation of the Site that is contemplated by this Agreement and for which Charter School intends to submit an application to the State to request CSFP funding, and approves Charter School's submission of its application to the State to request CSFP funding for the purposes outlined herein.
3. Waiver. The waiver by the District and/or Charter School of any term, covenant or condition herein contained shall not be deemed to be a waiver of any other term, covenant or condition or any subsequent breach of the same or any other term, covenant or condition herein contained.
4. No Assignment. Charter School shall not assign any of its rights or delegate any of its obligations under this Agreement to any individual or entity without the prior written consent of the District, which consent may be given or withheld in the District's discretion.
5. Prior Agreements. This Agreement contains all of the agreements of the Parties hereto with respect to any matter covered or mentioned in this Agreement, and no prior agreements or understanding pertaining to any such matters shall be effective for any purpose. No provision of this Agreement may be amended or added to except by an agreement in writing signed by the Parties hereto or their respective successors in interest. This Agreement shall not be effective or binding on any party until fully executed by both Parties hereto. Nothing in this Agreement shall supersede or modify the Charter or any MOU between the Parties.
6. Severability. Any provision of this Agreement that proves to be invalid, void, or illegal shall in no way affect, impair, or invalidate any other provision hereof and such other provision shall remain in full force and effect.

7. Choice of Law. This Agreement is subject to the laws and jurisdiction of the State of California. In the event that any court action should be brought in conjunction with this Agreement, it shall be subject to interpretation under the laws of the State of California.
8. Notices. All notices and demands that may be or are to be required or permitted to be given by either party on the other hereunder shall be in writing. All notices and demands by the District to Charter School shall be either hand-delivered with signed proof of receipt or sent by United States Mail, postage prepaid, addressed to Charter School at the Premises, and to the address herein below, or to such other place as Charter School may from time to time designate in a notice to the District. All notices and demands by Charter School to the District shall be either hand-delivered with signed proof of receipt or sent by United States Mail, postage prepaid, addressed to the District at the address set forth herein, and to such other person or place as the District may from time to time designate in a notice to Charter School.

To District at:

Office of Charter Schools
Dr. Silke Bradford, Director
Oakland Unified School District
1000 Broadway, Ste 640
Oakland, California 94607

To Charter School at:

Leadership Public Schools
Dr. Louise Bay Waters, Superintendent
1404 Franklin St, Suite 300
Oakland, CA 94612

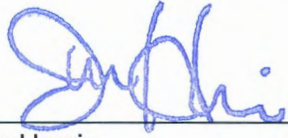
Leadership Public Schools

By: _____

Name: _____

Title: _____

Oakland Unified School District

By:  _____

James Harris
President, Board of Education

By:  _____

Dr. Devin Dillon
Interim Superintendent and
Secretary to Board of Education

Approved as to Form and Content

 _____

Marion McWilliams, General Counsel

EXHIBIT A

Project Description (Provided by Charter School)

Proposition 51 Project Description **LPS Oakland R&D Facilities at Castlemont**

Approach to the Project:

LPS Oakland R&D ("LPS") will submit both a Rehabilitation and a New Construction Proposition 51 application to develop a new facility on the Castlemont site. Working collaboratively with site leadership at Castlemont, a preliminary design was agreed upon that included renovating the existing portables adjacent to the athletic field and requesting new construction funding to build a new multi-story classroom building to house LPS. The Rehabilitation funds would be used to raze the existing portables, and this existing square footage would be incorporated into the design of the new multi-story classroom building that would be built on the footprint of the portables and adjacent garden area. In addition, LPS would like to construct new shared classrooms to develop a Dual Enrollment/Early College Center that would be utilized by both LPS and Castlemont students.

Prop 51 Application Project Narrative Description:

LPS Oakland R&D is a 9-12 Charter High School authorized by the Oakland Unified School District. The school has been located on a District site, Castlemont High School, since it opened its doors. The school's current enrollment is 353 students, and is currently in the process of expanding in part due to enrollment demand and the growth in newcomer population within Oakland. LPS at full enrollment will serve 600 students and LPS anticipates serving 450 students in the fall of 2017. LPS Oakland R&D has recently been approved for another 5 year renewal, as of March 22, 2017 and is in good standing with its authorizer.

LPS Oakland R&D proposes to rehab existing Oakland Unified School District facilities at Castlemont High School, located at 8601 MacArthur Blvd, Oakland 94605. The existing facilities to be renovated are the three portables adjacent to the athletic field identified as P-1, P-2 and P3 on the attached site map. These portables include approximately 160sf of toilet space and 3,200sf of non-toilet area. LPS plans to demo these existing portables and replace the existing square footage with new construction facilities. These new facilities will be incorporated into a larger New Construction design funded by LPS' joint New Construction Prop 51 Application.

The joint New Construction application will fund the bulk of the new construction facility. The new facility will include a minimum of 23 classrooms. The program of the new facility may include: 18 standard classrooms, 3 science labs, 1 art room, 1-2 RSP classrooms, Early College Center, College Resources and Media Center, Flex space/meeting space, teacher workroom/copy room, administration space, boys and girls bathrooms, unisex bathroom, staff bathrooms, elevator, storage, MEP/utility room and server room, janitor's closets and exterior courtyard space to serve 600 LPS students at full enrollment.

The vision for the Early College Center is a more stand-alone design that can serve as a community resource. It is a critical element of the LPS Oakland R&D program, ensuring high school students participate in a college experience prior to graduation that both earns them college credit and gives them the tools and experiences to succeed in college. This Center would offer college classes in partnership with local community colleges that would be open to the entire Castlemont Community.

Proposition 51 - LPS Facilities at Castlemont

Scope of work:

LPS will submit a combination Prop 51 application which includes Rehabilitation of existing District facilities and New Construction on the Castlemont site. Working with Castlemont Administration, it was agreed the best course of action would be to rehab the existing portables on site and request new construction funding for the remainder of LPS pupils at full enrollment. The Existing portables would be razed and in its footprint and the footprint of the adjacent garden space a new multi-story classroom building would be built for LPS. In addition, LPS and Castlemont would like to construct new classrooms to develop a Dual Enrollment/Early College Center that would be shared by both LPS and Castlemont students.

Programming:

LPS Classroom Building: 18 standard classrooms, 3 science labs, 1 art room, 2 RSP classrooms, teacher workroom/ cov room, Administration space, Boys and Girls bathrooms, Unisex bathroom, staff bathrooms, elevator, flex space/meeting space, storage, MEP/ utility room and server room, janitor's closets and exterior courtyard space-to house 600 LPS students at full enrollment.

Early College Center: 4 - 6 classrooms and administration space to house up to 300 LPS and 600 Castlemont junior and senior students to take one college course as part of their regular schedule.

Budget:

LPS initial estimates indicate that LPS could qualify for \$12M in grant funding and \$12M in local match.

Timeline for both funding and construction:

Prop 51 awards will be announced Dec 2017. Preliminary apportionments would allow LPS access to 20% of the reservation amount.

LPS anticipates 12-15 months for design and DSA approval.

LPS anticipates 18 months for construction.

The earliest LPS would vacate Building 100 and occupy the new facility would be August 2019.

Other funding sources:

LPS may also qualify for funds through PCSD (Pacific Charter School Developers) or may fundraise additional funds through other philanthropic supporters.

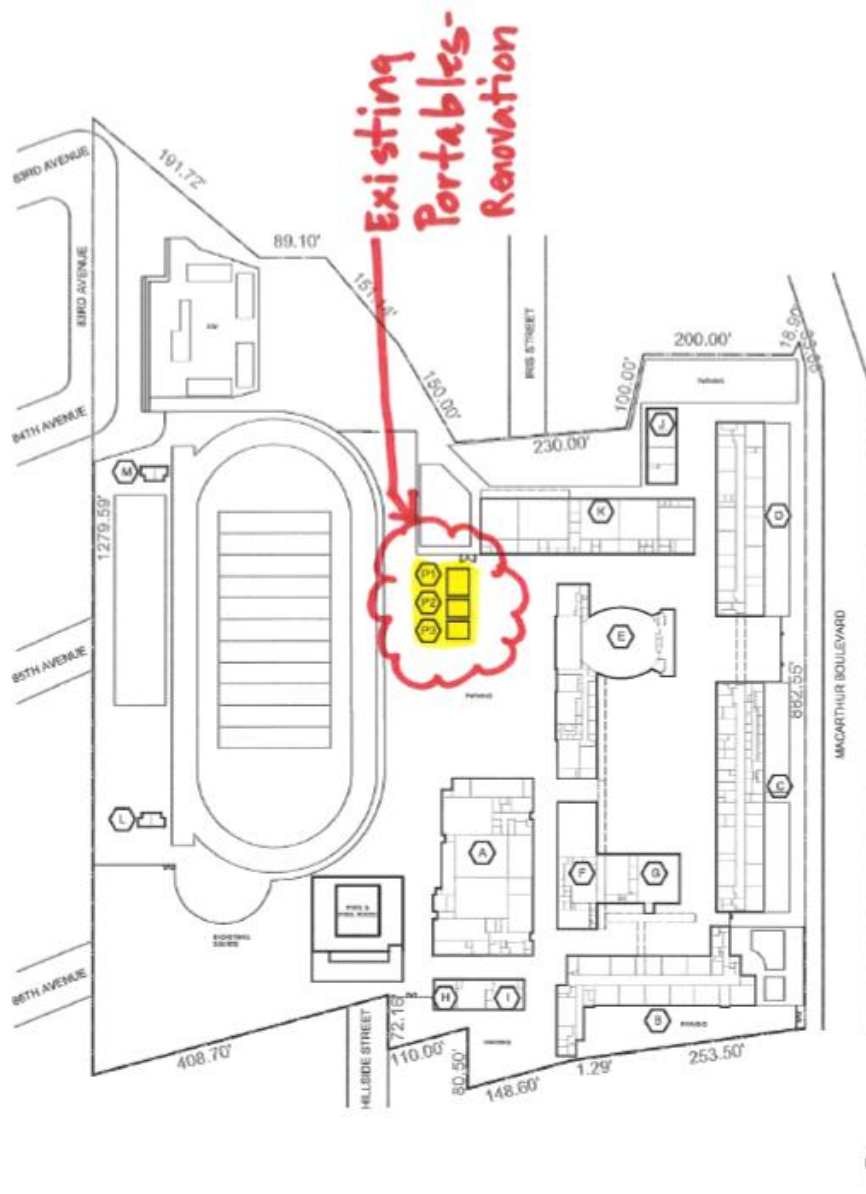
LPS encourages the District to apply for District Prop 51 funds to modernize the remaining Castlemont Facilities and to ensure there are enough funds to fully build-out the Early College Center. LPS and PCSD are happy to offer support in the application process and recommend experienced consultants who can assist the District in its application.

Planned or current leases

LPS requests that the District waive facilities fees for the Use of the Prop 51 facilities, to allow LPS to maximize the debt service and grant amounts for the Prop 51 Charter program-currently LPS estimates the annual debt service would be approximately \$600k/year on \$12M. Incurring a district facilities fee in addition to this debt service would limit LPS' ability to maximize the program.

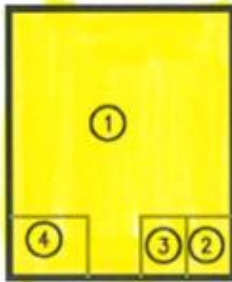
Additional Information required from the District:

- Modernization eligibility of the portables or other facilities on Castlemont.
- PTN – project tracking number for the application.
- Site plan information to start designing the massing and footprint of the building.
- A-1 Plan drawings for Castlemont facilities.
- Geotech and utility info for the site.
- District requirements for the facilities, if any.
- Collaboration of the Early College Center- program can be incorporated into Building K or LPS Classroom Building.

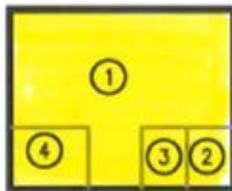


SITE PLAN
301 - CASTLEMONT COMMUNITY OF

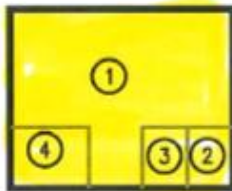




BLDG P1 - 1ST FLOOR PLAN



BLDG P2 - 1ST FLOOR PLAN



BLDG P3 - 1ST FLOOR PLAN



Date: 1/18/2013

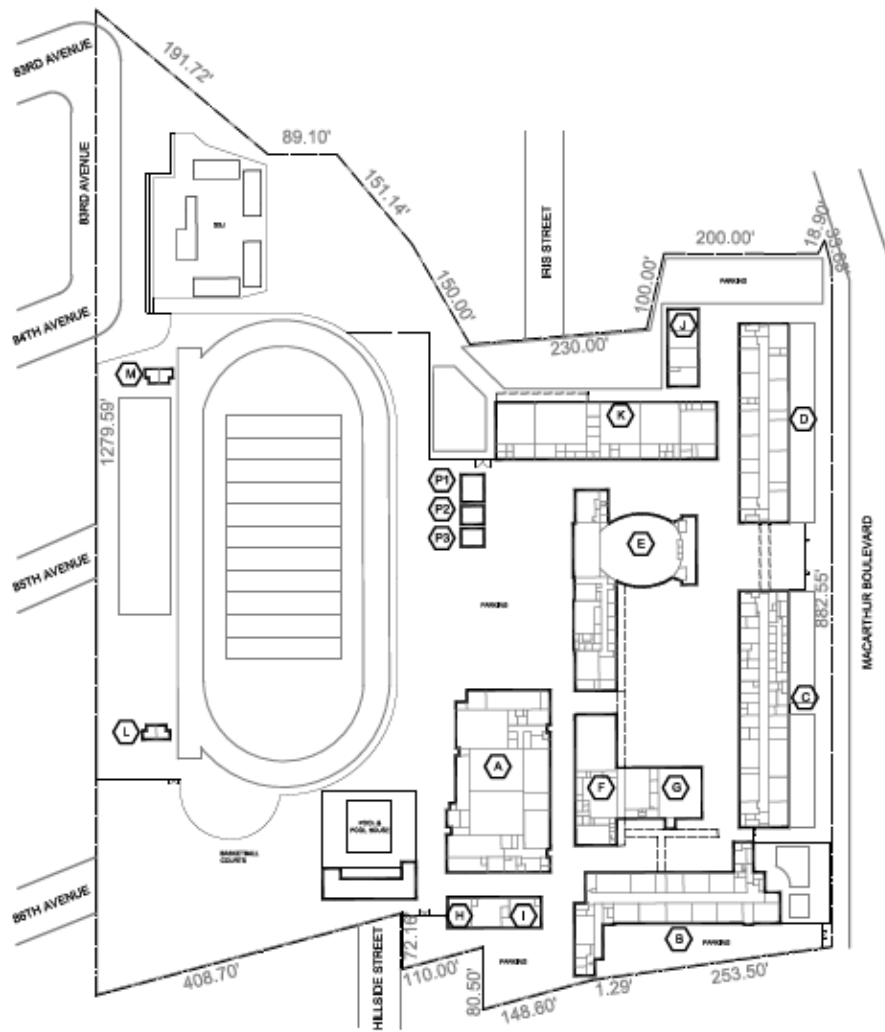
BLDG P1,P2,P3 - 1ST FLOOR PLAN
 301 - CASTLEMONT COMMUNITY OF
 SMALL SCHOOLS
 8601 MACARTHUR BOULEVARD, OAKLAND, CA 94605





LEADERSHIP PUBLIC SCHOOLS AT CASTLEMONT HIGH SCHOOL
TEST FIT - OPTION 1
8801 MACARTHUR BLVD, OAKLAND, CA 94605 | APRIL 27, 2017



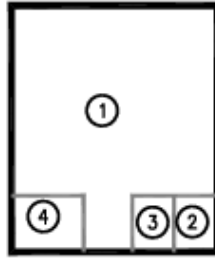


SITE PLAN
301 - CASTLEMONT COMMUNITY OF
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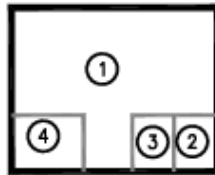


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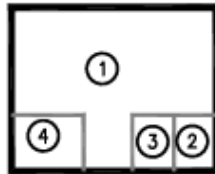
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BLDG P1 - 1ST FLOOR PLAN



BLDG P2 - 1ST FLOOR PLAN



BLDG P3 - 1ST FLOOR PLAN



BLDG P1,P2,P3 - 1ST FLOOR PLAN
301 - CASTLEMONT COMMUNITY OF
SMALL SCHOOLS
 8601 MACARTHUR BOULEVARD, OAKLAND, CA 94605



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