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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 LAZEAR 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 Education for Change, a California non-profit public benefit corporation that operates Lazear Charter Academy ("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 824 29th Ave, Oakland, CA 94601, formerly known as the Lazear 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 824 29th Ave, Oakland, CA 94601, which is currently used by Education for Change to accommodate Charter School, as permitted by its charter petition and its facilities use agreement, 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 E. Morris Cox 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 Marshall 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:

Richard McNeel
Director of Revenue and Acquisitions
Lazear Charter Academy
3265 Logan Street
Oakland, CA 94601

Lazear Charter Academy

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

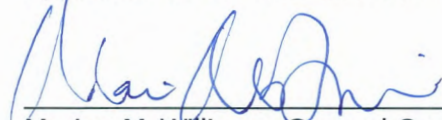
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Marion McWilliams, General Counsel

EXHIBIT A

Subject: Lazear Prop 51 New Construction Proposal (to accompany the Description for the Prop 51 Rehabilitation Description). (Provided by Charter School)

The Lazear Prop 51 new construction proposal shall consist of the addition of two new classrooms to account for the additional students added since the prior charter petition and Prop 1D application previously awarded in cycle 12. This construction will consist of two full size classrooms at a minimum of 960 square feet each for a total of minimum of 1,920 square feet as well as the estimated site work that will take up approximately 2 acres and any additional bathroom space as necessitated by Ed Code requirements based on the current capacity.

We are currently proposing that these classrooms be built as modulars with a permanent foundation. They are currently projected to adjoin the proposed Prop 1D modulars of similar construction that are currently in the design phase.

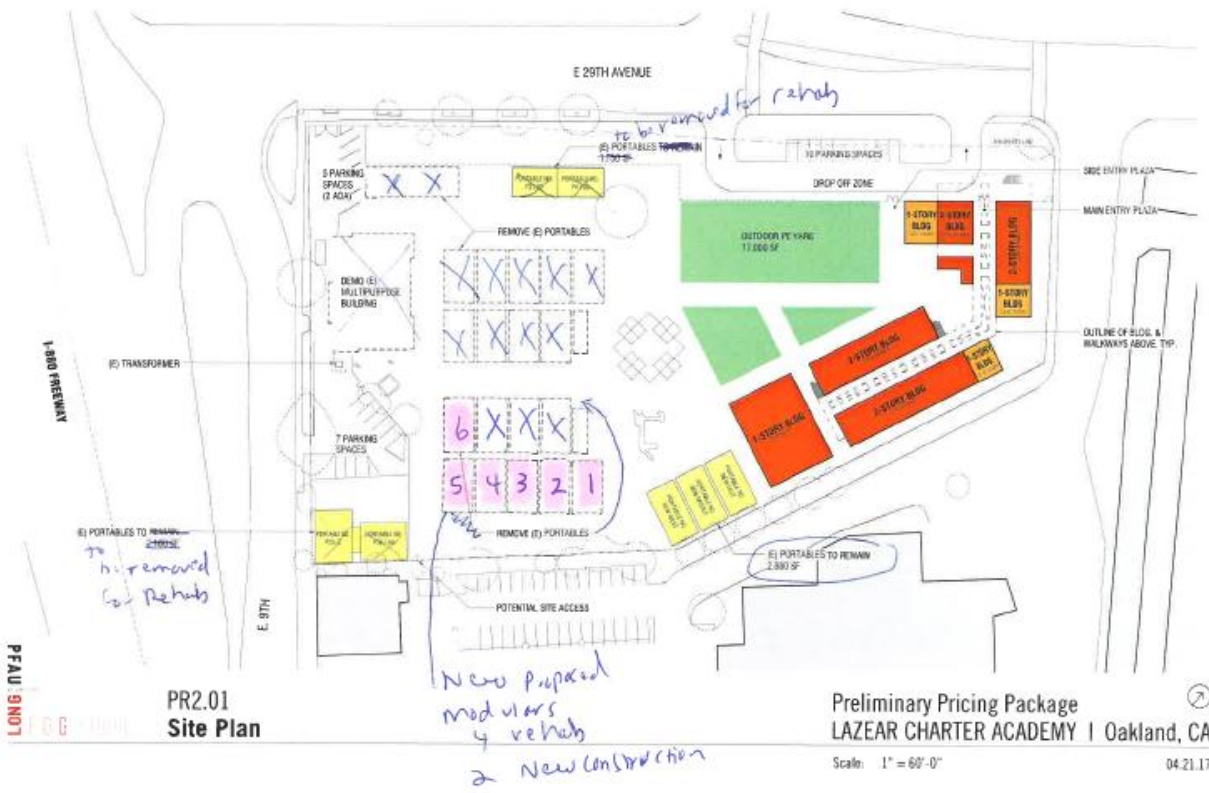
We estimate the cost of the new construction to be approximately \$1MM, which will include the required site work. When combined with the rehabilitation application we anticipate the full scope to be \$2MM.

Subject: Lazear Prop 51 Rehab Proposal (to accompany the Description for the Prop 51 New Construction Description). (Provided by Charter School)

The Lazear Prop 51 rehabilitation proposal consists of rehabilitating portables P3 (875 sq. ft.), P4 (819 sq. ft. normal and 56 sq. ft. toilet), P25 (900 sq. ft.), and P26 (1,200 sq. ft.) not previously included in the Prop 1D application that was awarded as part of Cycle 12. This represents a total of 3,738 normal sq. ft. and 56 sq. ft. of toilet space.

We estimate the scope of the project to be approximately \$1MM with the portable demolition, new permanent modular construction and necessary site work. When combined with the new construction proposal for Prop 51 an estimated scope would be \$2MM.

These proposed modulars will adjoin the proposed Prop 1D modular currently in the design phase highlighted in pink on the map as modulars 1, 2, 3 and 4.



PR2.01
Site Plan

Preliminary Pricing Package
LAZEAR CHARTER ACADEMY | Oakland, CA

Scale: 1" = 60'-0"

04.21.17