

## OUSD District Asset Management Memo

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### Memo

<b>To</b>	Board of Education
<b>From</b>	Preston Thomas, Chief Systems & Services Officer, Division of Facilities Planning and Management Pranita Ranbhise, Director of Facilities Planning & Management
<b>Board Meeting Date</b>	October 24, 2024
<b>Subject</b>	Asset Management and Planning and Real Estate Property Services
<b>Action Requested</b>	This item is an updated item only. Questions, observations, and specific feedback are welcomed.
<b>Background</b>	<p>At the Board of Education Real Property Asset Management Study Session on April 29, 2024, OUSD staff presented a Report on the Real Property Assets of the District, including status, guiding principles, and key actions of staff, discussion with and possible Policy and/or other direction from the Board in relation thereto. Effective asset management is critical to addressing the needs of OUSD as we navigate the challenges of aging facilities, declining enrollment, and budget deficits. This presentation highlights the interdependency and coordination needed to support the best decision-making nature in this context, the role of state bonds, and the importance of strategic planning in asset and bond management.</p>
<b>Discussion</b>	<p>OUSD's physical assets are fundamental in providing safe, healthy, and appropriate learning environments for our students. The Board has established policies to prioritize the educational use of district facilities. When a facility is no longer needed for educational programming, it is crucial to explore ways to maximize community benefit and revenue generation for Oakland students.</p> <p>The Board must adopt a management strategy that reflects enrollment and demographic shifts across Oakland, remaining responsive to the evolving needs of current and future families. Our diverse portfolio of 108 sites encompasses 482 acres, with 73 sites dedicated to District-run K-12 schools and an additional 35 sites for early childhood education, charter schools,</p>



## OUSD District Asset Management Memo

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and support services. Yet, challenges persist, with twice as many schools as similar size districts and 8 vacant sites awaiting strategic development. This creates- in part, and in sum with the larger aforementioned context and challenge- an abnormal burden on the District's finances and capacity to ensure that all students experience the safe and joyful schools they deserve.

To optimize our properties' use to support the district's vision, we must evaluate opportunities such as property reimagining school configurations to enhance academic programming, lease, sale, and revenue generation opportunities, and alignment of our long-term vision for school facilities with an eye toward fiscal solvency and quality programming.

The District issued an RFQ-P for Asset Management and Real Property Services to support our strategic goals and enhance our educational facilities while ensuring fiscal responsibility and maximizing community benefits. The RFQ-P aims to gather comprehensive insights on the following sites:

1. Ralph J. Bunche Academy
2. Former Administrative Building
3. Lakeview
4. Washington CDC
5. Golden Gate CDC
6. Hillside at Castlemont
7. Bond Street Annex School
8. Former Edward Shands Adult Education Center
9. Former Tilden CDC
10. Piedmont CDC

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,



## OUSD District Asset Management Memo

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- 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.

This initiative will support the District's commitment to enhancing educational facilities while ensuring fiscal responsibility and maximizing community benefits.

The District received three proposals and upon careful review, staff has shortlisted Devine and Gong, Inc. (DGI) and Brookwood Partners for our asset management and real property evaluation project. The firm has significant experience with TK-12 school districts and is well-suited to address our strategic real estate needs.

We look forward to keeping the Board updated on our progress. We urge the Board to prioritize the needs of students and the district now and into the future, considering proactive measures to create flexible learning environments and ensure the longevity of our educational infrastructure. Addressing OUSD's asset management needs is not only a logistical challenge but a critical opportunity to enhance our educational mission. Your continued commitment to these guiding principles will be instrumental in our success.

### **Recommendation**

Staff recommends that the Board discuss and identify steps for exploring innovative and alternative asset management strategies, ensuring alignment with the Strategic Plan.

### **Fiscal Impact**

Decisions about the utilization of the district's assets will significantly impact the General Fund, the structure of the Bond Program, and future bond planning.

### **Attachments**

Presentation on Asset Management, October 24, 2024