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Board Cover Memorandum

To Board of Education

From Sam Davis, President

Meeting Date November 13, 2024

Subject Amendment, Board Policy 7350 – Physical Assets Management

Ask of the Board

I. Introduction of proposed language for a new Asset Management Policy (BP 7350). This language will be referred to the Facilities Committee for possible amendment and recommendation to the full Board at some future date.

Background

While the Ohlone people were the original occupants of the area that is today known as the City of Oakland, the District is one of the largest landowners in this City, and owns a variety of parcels zoned for a variety of land uses; the District has a total of 108 facility sites; 76 of those sites have TK-12 and Alternative Ed programs (some with shared campuses); 32 of those sites have other uses such as charter schools, adult education programs, early childhood programs, administrative offices, warehouse spaces and vacant properties; the District has a total of at least nine vacant sites, or portions of sites. Effective use of these properties requires transparency in identifying unutilized or underutilized District land.

In a written report dated January 22, 2020, a District-authorized committee with between 7 and 11 members (“7-11 Committee”) recommended designating certain District properties as surplus, and recommended a priority of potential uses for each property. In addition, the 7-11 Committee recommended that the Board consider adopting an overarching policy for District property that would allow long-term

ground leases, while avoiding the sale of District land.

On January 24, 2024, the Board adopted Resolution No. 2324-0155 - Prioritizing The Disposition and Use of Unutilized District Properties, which directed staff to bring back amendments to BP 7350 incorporating certain language. Given that some time has elapsed since that direction to staff, I am instead moving forward with recommending the attached language to replace the existing Board Policy 7350, Asset Management.

Discussion

The District seeks to promote the health and welfare of those who live, work, and study within the District. Available District land, prior to disposition, should be made available for those purposes. Public land is an asset of the people and should be utilized for public good.

There is a great shortage of affordable housing in our City, with the greatest impact on the over 1,600 District students who are unhoused, as well as many thousands more who are in unstable or overcrowded housing situations. In addition, the extremely high cost of housing in Oakland and the surrounding area is one of the prime factors that makes it difficult to attract and retain employees in our District. In response to similar concerns, school districts across the Bay Area and California have explored or are actively engaged in using some of their vacant or underutilized real property to develop workforce housing.

In consideration of the 7-11 Committee’s recommendations, I propose that the Board adopt an overarching policy for District property that seeks to avoid unnecessary sales of District land, except in the case of small isolated parcels that are beyond the scope of the District to continue managing and maintaining.

Fiscal Impact

No immediate impact

Attachment(s)

- Resolution No. 2324-0155 - Prioritizing The Disposition and Use of Unutilized District Properties
- Proposed new language for BP 7350, Asset Management

OAKLAND UNIFIED SCHOOL DISTRICT

Board Policy 7350

Facilities

Physical Assets Management

Purpose

The Oakland Unified School Board is responsible for ensuring the district manages its assets efficiently to maximize resources available for educational programming. Vacant district properties, including facilities that are no longer in use, require strategic repurposing or disposition unless there is a near term opportunity to reactivate these properties as schools or for other mission critical district functions.

While revenue generation from vacant properties is valuable, it is not the only way to unlock a vacant property's value in service to the district's educational mission. Repurposing a property for educational purposes, district storage or office space, affordable housing, early childhood education, workforce training, health services or other forms of community services are all examples of how repurposed properties can potentially benefit students and families, even if there is not a direct financial return to the district.

Priority Order for Use of Properties

When considering options for putting vacant properties back into service, the District shall generally consider alternatives according to the following order of priorities:

1. New or relocated schools or educational programs operated by the District.
2. Temporary relocation of schools or educational programs during major construction or renovation projects (i.e., "swing space").
3. Lease properties to charter schools operating within the boundaries of the District, as required by law, or to educational programs, such as early childhood education, that do not compete with District-provided services.
4. House central functions serving the operational or programming needs of District and/or educational programs if the location of such services is conducive to efficient delivery of those functions.
5. Lease properties for sustainable and safe housing for unsheltered District students and their families, those at risk of being unsheltered, and/or housing for District employees that is financially accessible to classified and certificated staff.
6. Lease properties for other community services that can be reasonably connected to benefit students and families and/or staff served by the District.
7. Lease properties to other entities that may not provide a community service that benefits students and families or staff served by the District.

Guardrails

Disposition: It is the intent of the District to make every best effort to put vacant real property to good use or alternatively to lease it consistent with the priority use list articulated above, prior to offering property for sale or for long-term lease with option to purchase. If one of the uses from the priority use list above is not reasonable, then District staff shall submit a written report to the Board explaining the reasons why the property cannot reasonably be used in these manners. The only exception to this paragraph is that of a small isolated parcel, for which the costs of managing the property outweigh the benefits to the community / district of retaining it as public property, and for which a written report to the Board identifies sale as the best option.

In accordance with state law, District staff shall only propose to sell District real property or to lease such property with option to purchase, after having been expressly directed to do so by the Board after consideration by a 7-11 Committee.

Long Term Planning: The district shall not make a vacant property available for sale for any purpose if it is centrally located, located in a neighborhood that may reasonably be expected to experience enrollment growth in the future, or determined to have other unique characteristics that would make the property difficult to replace or replicate in the future.

Ownership: The District shall pursue all available options to lease vacant properties that are not Board approved for permanent disposition, maintaining long term ownership while reducing the annual costs of holding and maintaining vacant properties.

Joint Occupancy Leases: Vacant properties made available for lease shall also prioritize opportunities for co-location of district programs with any of mentioned above priority uses if a co-location would result in more efficient facility utilization overall.

Affordable Housing: As used in the above priority use list, the term “affordable housing” includes the development of projects with a minimum of 50% affordable housing, including affordable rental units with efforts to prioritize and/or reach out to the many students enrolled in OUSD who are experiencing homelessness or who are housing insecure and their families. Affordable rental units are defined to include rental units affordable to households at 120% of Area Median Income (“AMI”) or below, with at least 15% of the units in a given development affordable at 0 to 30% of AMI.

Public Lands Availability Report: As part of the Facilities Master Planning process described in Board Policy 7110, the Superintendent or designee shall develop, maintain and publish, or cause to be developed, maintained and published, on the District’s website, a Public Lands Availability Report of all real property owned by the District that might be made available for joint tenancy lease, long-term lease, or sale (including, but not limited to, any such property that could be leased or sold upon the conclusion of a 7-11 process).

Compliance with State Law: Regardless of any language in this policy, the District as always remains subject to compliance with state statutes, including state-mandated disposition priorities for surplus land offered for sale or for lease with an option to purchase.

II. Guiding Principle

The physical assets of the Oakland Unified School District shall be managed and maintained as a system to provide safe, secure, healthy, and technologically ready learning environments for students in Oakland's publicly funded schools in alignment with the District's Strategic Plan. To support the District's educational and operational functions, the District shall also use its properties to realize unrestricted revenue to support programs and services for District students.

III. ~~Students for Whom the Oakland Unified School District Is Responsible~~

In the context of this Asset Management Policy, the Oakland Unified School District is responsible for:

- ~~1. Students enrolled in schools operated by the District, including students with special needs.~~
- ~~2. Students enrolled in charter schools authorized by the District.~~
- ~~3. Students enrolled in charter schools authorized by the County or the State.~~

IV. ~~Optimizing Use of District Properties~~

~~A. Issues Identified For Further Assessment and Study~~

- ~~1. Portables. The District has many portables being used as classrooms that are 30 years or older. A comprehensive plan is needed to determine if the older portables need to be removed and replaced.~~
- ~~2. Underutilized Facilities. The District currently has underutilized facilities. These underutilized spaces are distributed across the City. Improving facility utilization will enable the District to focus more resources on students and teachers, and less on administration, and generate unrestricted revenues that can be used to support school operations.~~
- ~~3. Classroom Loading. In order to develop a clear understanding of facility use, no later than December 11, 2013, the Superintendent is directed to generate a classroom loading model to define a recommended number of students per classroom for various OUSD school programs.~~

~~B. Priority Order for Use of Properties~~

- ~~1. Provide technologically advanced learning and recreation space for general education and special education students and families enrolled in schools operated by the District.~~
- ~~2. Provide for temporary relocation of schools for major construction and modernization projects.~~
- ~~3. As acknowledged by Proposition 39 (2000), provide learning and recreation space for students enrolled in charter schools operating in the District, including the consideration of leases terms for charter schools that align with the term of charters and, at equitable rates, for those charters providing high quality options for Oakland children.~~
- ~~4. Provide quality operations and administration facilities to enable high performance by District staff.~~
- ~~5. To the extent that the District has excess capacity, the District shall make this space available at fair market value or otherwise reasonably negotiated rates in order to generate unrestricted general fund revenues to support programs and services for District~~

programs, and cash reserves for long-term maintenance, equipment and capital facilities needs.

~~C. Considerations for Use of Properties~~

- ~~1. The District shall pursue long-term leases over sale of property unless otherwise directed after consultation with the Board of Education.~~
- ~~2. Specific to students with special needs, the District shall manage its properties in a manner that creates maximum opportunity to serve these students in Oakland schools, and in schools in relative proximity to students' homes.~~
- ~~3. Facility uses should consider the creation and maintenance of technology infrastructure.~~
- ~~4. Any entity entering into a lease agreement with the District shall demonstrate its commitment to helping the District achieve the goals of the District's Strategic Plan.~~
- ~~5. Agreements with outside entities, including charter schools and community-based organizations, shall include provisions to sustainably maintain facilities to accommodate the increased hours of use and numbers of users.~~
- ~~6. Agreements should include the daily and long-term maintenance of District properties by District Custodial Services employees, and additionally, agreements shall acknowledge that except where other arrangements are made and approved in advance by the District that are consistent with the law, and the District's Health and Wellness Policy, the District's Nutrition Services department is the food provider in facilities owned by the District.~~

~~V. Best Use of Properties to House Core Administrative Services~~

- ~~1. There is significant value in housing core administrative functions in central locations. The District shall determine how it can best provide core administrative services from centrally accessible locations. The District shall determine whether it can enter into a joint use agreement, joint powers authority, or other partnership agreement such as a public-private partnership to develop joint administrative functions. Such an arrangement may also include use of property for other purposes, including housing for District employees.~~
- ~~2. The District's warehousing and facility operations infrastructure should be upgraded. The District shall determine how it can upgrade the facilities that house these functions in a manner that is cost-neutral or revenue-generating, if possible. This upgrade may include entering in a joint use agreement or other partnership agreement with other entities.~~

~~VI. Using District Properties to Generate Unrestricted Revenues to Support Services and Programs for Students~~

- ~~1. Properties that are not being used to educate students, provide core administrative services, or leased by community-based partner organizations, shall be leased to other entities unless the Board of Education declares the property surplus and approves the sale of any such property.~~

~~2. Except as provided by law or in this policy, rental rates for non-OUSD facility users shall be based on the type of use and set at a rate that supports the generation of unrestricted general fund revenues to support programs and services for students and generate cash reserves for long-term maintenance, equipment, and capital facilities needs. No later than December 11, 2013, the Superintendent shall develop administrative guidelines establishing rates for non-OUSD facility users.~~

~~VII. Creation of Real Estate Manager Position~~

~~Creation of a Real Estate Manager position that will be responsible for strategic management and optimization of the District's real estate assets, property management, and information related to easements, assessments, encroachment, permits, leases, licenses, and developer fees. The Real Estate Manager should be the point of contact regarding the use of district facilities, including Proposition 39 facility use.~~

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