

Board Office Use: Legislative File Info.	
File ID Number	24-1680
Introduction Date	02-25-2025
Enactment Number	
Enactment Date	



Memo

To Facilities Committee

From Vice President Valarie Bachelor
Kyla Johnson-Trammell, Superintendent
Preston Thomas, Chief Systems & Services Officer, Division of Facilities Planning and Management
Pranita Ranbhise, Director of Facilities Planning & Management

Meeting Date February 25, 2025

Subject Application of Project Labor Agreement (PLA) to Development on Surplus District Lands

Action Requested Board discussion and possible adoption of the attached resolution and agreement, which would expand the application of the District's Project Labor Agreement to certain development projects on surplus District property.

Background On September 28, 2016, the District entered into a Project Labor Agreement (PLA) with the Building and Construction Trades Council of Alameda County for District-funded public works contracts. The PLA was later amended and extended, with a new expiration date of September 28, 2026.

Resolution No. 2324-0257 (attached) proposes to further apply the PLA to commercial, industrial, or residential developments on District-owned properties determined to be exempt surplus land under California Government Code section 54221. Under this proposal, any entity leasing or purchasing District surplus property—where a condition of the lease or sale involves construction for the District's benefit—would be subject to the District's existing PLA, as it may be amended from time to time.

The current PLA is set to expire in September of 2026. If, in the future, the Board determined that it did not want to extend the PLA, then this resolution and agreement would similarly no longer apply.

The resolution excludes certain categories of development from these expanded PLA requirements, including affordable housing projects (as defined by Health and Safety Code section 50093) and projects funded exclusively through philanthropic or non-governmental sources. The Board may also, at its discretion, exempt specific projects after reviewing a feasibility analysis.

Discussion

Objective: Extend existing PLA requirements to protect labor standards, promote local hiring, and secure a reliable workforce for development on surplus District lands.

Exemptions: Affordable housing (entirely restricted to low or moderate incomes), philanthropic-only funded projects, and Board-approved exemptions supported by a feasibility analysis.

Implications:

- **Financial Feasibility:** May increase costs for market-rate or mixed-use developments, affecting potential District revenue.
- **Equity:** Small and minority-owned contractors may face challenges in meeting PLA requirements.
- **Board Flexibility:** The Board can exempt a project after reviewing a feasibility analysis, thereby maintaining some discretion to advance community-serving initiatives.

Recommendation

Staff recommends approval of the resolution and related agreement in its current form. Staff further recommends the Board review and discuss the attached resolution to ensure it aligns with District priorities while also assessing the feasibility of expanding Project Labor Agreement (PLA) requirements to various project types—such as affordable, market-rate, and mixed-use developments—to determine their potential benefits and drawbacks. In addition, staff advises the Board to evaluate the language around the exemption and related feasibility analysis to determine whether the exemption process is feasible for future Boards, thereby promoting transparency and predictability for prospective developers and contractors.

Fiscal Impact

The expanded PLA requirement may yield indirect long-term benefits to the local workforce and apprenticeship pipelines. Without specific projects to review, it is difficult to assess the overall fiscal impact of the resolution. Applying the PLA to third-party developments could influence the market feasibility of certain surplus-property transactions, property valuations, and potential uses of the district assets. If particular projects on surplus land become infeasible, potential revenue generation for District programs or potential benefits to OUSD strategic initiatives may be impacted. The exemption language would provide the Board with potential recourse. If projects are infeasible based on the inclusion of the PLA, the Board could waive the PLA through board action to allow these developments to proceed.

Attachments

Resolution No. 2324-0257: Application of Project Labor Agreement to Development on Surplus District Lands.

**OAKLAND UNIFIED SCHOOL DISTRICT
RESOLUTION NO. 2324-0257**

**APPLICATION OF PROJECT LABOR AGREEMENT TO
DEVELOPMENT ON SURPLUS DISTRICT LANDS**

WHEREAS, the Oakland Unified School District (“District”) is one of the largest landowners in the City of Oakland, and owns a variety of parcels zoned for a variety of land uses; and

WHEREAS, effective use of these properties requires transparency in identifying unutilized or underutilized District land; and

WHEREAS, the District is considering how best to utilize District land to promote the health and welfare of those who live, work, and study within the District; and

WHEREAS, the District recognizes the need for and desirability of ongoing community involvement with the disposition of District land; and

WHEREAS, the District intends for certain development projects on District land to proceed without labor disruptions and wishes to create an effective mechanism to minimize such disruptions in order to manage project costs and complete projects in a timely manner; and

WHEREAS, the interests of the District would be advanced by providing for a consistent source of skilled construction labor for certain development projects located on District-owned property and enhancing the pool of skilled construction labor available for such projects; and

WHEREAS, on September 28, 2016, the District entered into a project labor agreement with the Building and Construction Trades Council of Alameda County for an initial term of five years (the “Original Agreement”). On June 30, 2021, the Original Agreement was amended by “Oakland Unified School District, Project Labor Agreement Amendment No. 1 (“Amendment No. 1”) which made certain changes and extended the Original Agreement for another five years, with a new expiration date on September 28, 2026 (the “Original Agreement” and “Amendment No. 1” are collectively referred to herein as the “Project Labor Agreement”); and

WHEREAS, on January 1, 2024, the Board of Education (“Board”) adopted Resolution 2324-0155 Prioritizing the Disposition and Use of Unutilized District Properties, which directed the Superintendent to bring back a unified District Policy on the disposition and use of unutilized or underutilized District properties; and

WHEREAS, Resolution 2324-0155 anticipated that the unified District Policy would clarify that certain developments on District property are subject to the Project Labor Agreement, as well as existing Board Policies concerning local and small business use, sustainability and prevailing wage requirements on capital projects; and

NOW THEREFORE BE IT RESOLVED, that the District desires for all commercial, industrial, or residential development on property which has been determined to be “exempt

surplus land” pursuant to California Government Code section 54221, and that is either (i) owned by the District, (ii) leased by the District to a third party where a condition of the lease is construction of improvements for the District’s use, or (iii) sold by the District to a third party in accordance with a development agreement or similar agreement where a condition of the sale is construction of improvements for the District’s benefit (hereinafter the “Affected Projects”), to be subject to the terms and conditions set forth in the District’s Project Labor Agreement during its term (as may be extended from time to time).

BE IT FURTHER RESOLVED, that the District desires to enter into an agreement with the Building and Construction Trades Council of Alameda County that will apply the terms of the Project Labor Agreement to the “Affected Projects.”

BE IT FURTHER RESOLVED, that the term “Affected Projects” shall not include any “Affordable Housing Projects.” As used herein, Affordable Housing Projects shall consist of developments that are subsidized by any combination of public funding and/or low income housing tax credits that are entirely restricted (exclusive of a manager’s unit or units) to persons and families of low or moderate income as that term is defined in California Health and Safety Code section 50093.

BE IT FURTHER RESOLVED, the “Affected Projects” shall not include any projects or developments that are solely funded through philanthropic, non-governmental donations or grants.

BE IT FURTHER RESOLVED, that notwithstanding anything herein to the contrary, the District’s Board may, in its sole discretion, after considering a feasibility analysis of a proposed project prepared by a source of the District’s choosing, that has experience in evaluating the feasibility of development projects, elect to exempt an Affected Project from application of the Project Labor Agreement.

BE IT FURTHER RESOLVED, that in the event the builder or general contractor of an Affected Project has already entered into a separate project labor agreement or similar agreement with the Building and Construction Trades Council of Alameda County, or if the use of Affordable Housing funds would trigger the applicability of such agreement, that agreement may instead apply, at the discretion of the District.

BE IT FURTHER RESOLVED, for clarity and avoidance of doubt, this Resolution is not intended to change how the Project Labor Agreement is to be applied to District-funded public works contracts under the current terms of the Project Labor Agreement, and such projects are not intended to fall within the definition of “Affected Projects.”

PASSED AND ADOPTED by the Board of Education of the Oakland Unified School District this date to be determined; by the following vote, to wit:

PREFERENTIAL AYE:

PREFERENTIAL NAY:

PREFERENTIAL

ABSTAINED: AYES:

NAYS:

ABSTAINED:

RECUSED:

ABSENT:

CERTIFICATION

We hereby certify that the foregoing is a full, true and correct copy of a Resolution passed at a Regular Meeting of the Board of Education of the Oakland Unified School District held on, [date to be inserted].

OAKLAND UNIFIED SCHOOL DISTRICT

Jennifer Brouhard, President, Board of Education

Kyla Johnson-Trammell
Superintendent and Secretary, Board of Education

EXHIBIT A

**AGREEMENT APPLYING THE OAKLAND UNIFIED SCHOOL DISTRICT
PROJECT LABOR AGREEMENT TO DEVELOPMENT ON SURPLUS PROPERTY**

WHEREAS, Oakland Unified School District (“District”) and the Building and Construction Trades Council of Alameda County (“Council”), together with the Council’s affiliated and signatory Local Unions (“Unions”), entered into a Project Labor Agreement (the “Agreement”) for the Oakland Unified School District dated September 28, 2016, as amended by that certain Amendment No. 1 to Project Labor Agreement dated as of July 15, 2021 (the “Amendment”). The Agreement and the Amendment are collectively referred to herein as the “Project Labor Agreement”;

WHEREAS, the District desires for all commercial, industrial, or residential development on property which has been determined to be “exempt surplus land” pursuant to California Government Code section 54221, and is either (i) owned by the District, (ii) leased by the District to a third party where a condition of the lease is construction of improvements for the District’s use, or (iii) sold by the District to a third party in accordance with a development agreement or similar agreement where a condition of the sale is construction of improvements for the District’s benefit (hereinafter the “Affected Projects”), to be subject to the terms and conditions set forth in the District’s Project Labor Agreement during its term (as may be extended from time to time);

WHEREAS, the District desires to enter into an agreement with the Building and Construction Trades Council of Alameda County that will apply the terms of Project Labor Agreement to the “Affected Projects.”

WHEREAS, that the term “Affected Projects” shall not include any “Affordable Housing Projects.” As used herein, “Affordable Housing Projects” shall mean developments that are subsidized by any combination of public funding and/or low income housing tax credits that are entirely restricted (exclusive of a manager’s unit or units) to persons and families of low or moderate income as that term is defined in California Health and Safety Code section 50093.

WHEREAS, the “Affected Projects” shall not include any projects or developments that are solely funded through philanthropic, non-governmental donations or grants.

WHEREAS, the District’s Board may, in its sole discretion, after considering an feasibility analysis of a proposed project from a source with experience in evaluating the feasibility of development projects, elect to exempt an Affected Project from the application of the Project Labor Agreement.

WHEREAS, this Agreement is not intended to change how the Project Labor Agreement is to be applied to District-funded public works projects under the current terms of the Project Labor Agreement, and such projects are not within the definition of “Affected Projects.”

NOW THEREFORE, the District and the Council agree as follows:

1. All recitals are true and correct, and incorporated herein by reference.
2. Commencing on the Effective Date of this Agreement, all Affected Projects shall be subject to the terms and conditions set forth in the Project Labor Agreement for the remainder of its term, as it may be amended and/or extended from time to time.
3. The term “Affected Projects” shall not include any “Affordable Housing Projects.” As used herein, “Affordable Housing Projects” shall mean developments that are subsidized by any combination of public funding and/or low income housing tax credits that are entirely restricted (exclusive of a manager’s unit or units) to persons and families of low or moderate income as that term is defined in California Health and Safety Code section 50093.
4. Notwithstanding anything to the contrary, the Affected Projects shall not include any projects or developments that are solely funded through philanthropic, non-governmental donations or grants.
5. Notwithstanding anything herein to the contrary, the District’s Board may, in its sole discretion, after considering a feasibility analysis of a proposed project prepared by a source of the District’s choosing, that has experience in evaluating the feasibility of development projects, elect to exempt an Affected Project from application of the Project Labor Agreement.
6. Notwithstanding anything to the contrary, in the event the builder or general contractor of an Affected Project has already entered into a separate project labor agreement or similar agreement with the Council, or if the use of Affordable Housing funds would trigger the applicability of such agreement, then that agreement may instead apply, at the discretion of the District.

This Agreement shall become effective on the date it is fully executed by the District and the Council below.

OAKLAND UNIFIED SCHOOL DISTRICT:

Sam Davis, President, Board of Education

Date

Kyla Johnson-Trammell, Superintendent

Date

**BUILDING AND CONSTRUCTION TRADES COUNCIL
OF ALAMEDA COUNTY, AFL-CIO:**

Andreas Cluver, Secretary-Treasurer

Date

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