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RESOLUTION 2017-20

BOARD REPORT NO. 525– 16/17

**AUTHORIZATION TO INITIATE ACTIVITIES IN SUPPORT OF THE POSSIBLE
EXPANSION OF PLAYA VISTA ELEMENTARY SCHOOL TO PROVIDE
COMMUNITY OVERCROWDING RELIEF**

WHEREAS, District Staff proposes that the Board of Education authorize District Staff to take actions in support of the possible expansion of Playa Vista Elementary School to provide community overcrowding relief (the "Project"), as defined in Board Report 525-16/17, a copy of which is attached hereto in the form it was presented to the BOC and is incorporated herein by reference.

WHEREAS, District Staff proposes that the Board of Education authorize staff to take the following actions in support of the possible expansion of Playa Vista Elementary School to provide community overcrowding relief:

- (1) Enter into negotiations with all parties, including Playa Capital Company LLC (Playa Capital) and Playa Vista Parks and Landscape Corporation (PVPAL), for the possible conveyance, by PVPAL, to the District, of a portion of the park/soccer field property located adjacent to Playa Vista Elementary School (PVES), east of Lincoln Boulevard, and south of Bluff Creek Drive; and to authorize staff to take actions in support of the possible expansion of Playa Vista Elementary School to provide community overcrowding relief.
- (2) Undertake due diligence activities, including: planning and massing studies; site surveys and infrastructure analysis; preliminary environmental assessments, which may include initiating activities in accordance with the California Environmental Quality Act (CEQA); and community and stakeholder engagement; and

Bond Oversight Committee

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- (3) Expend up to \$500,000 of Bond Program funds associated with the School Upgrade Program to support the real estate negotiations and due diligence activities.

WHEREAS, The possible expansion of PVES on a portion of the adjacent park/soccer field is anticipated to involve the construction of up to 14 classrooms to accommodate all current and future K through 5th grade students residing in the Playa Vista community, based on current projections; and

WHEREAS, The Playa Vista development is creating a significant increase in elementary age students, resulting in a greater demand for enrollment at PVES than capacity permits.

WHEREAS, Based on available projections, including updated residential occupancy data from Playa Capital (the master developer), the elementary enrollment in the Playa Vista community is expected to continue to steadily increase over the next several years; and

WHEREAS, In order to accommodate this growth, it is anticipated that up to 14 additional classrooms will be needed incrementally over the next three to five years; and

WHEREAS, The District has a plan in place to address the growing student population; and

WHEREAS, Under the plan, students residing in approximately 700 single-family and multi-family residential units would be sent to PDRES, and students residing in approximately 1,100 additional single-family and multi-family residential units would be included in the zone of choice which provides families with a choice between Cowan, Loyola Village, Paseo Del Rey Magnet, Kentwood, Westport Heights, and Short Avenue elementary schools, as well as PVES and PDRES, both of which will have limited space for these students.

WHEREAS, Playa Capital, in an effort to meet the expectations of its residents, indicated it wanted to explore the possible conveyance of real property to the District to construct additional school facilities within the Playa Vista community to accommodate all current and future residents (based on current projections); and

WHEREAS, In the spirit of cooperation, District Staff is proposing the Board of Education authorize negotiations and due diligence activities with Playa Capital and PVPAL on the possible conveyance of real property to the District; and

WHEREAS, District staff's negotiations will be driven by the following goals: (1) Any property conveyed to the District should be provided to the District at no cost; (2) District costs should be minimized; including those for design and construction of the school facilities, and any reconfiguration of the remaining park/soccer field property; (3) the size of parcel to be conveyed should be sufficient to support the development and operation of up to 14 new classrooms and associated support spaces; however all parties shall strive to maximize the amount of property that will remain for the community use of the park/soccer

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field; and (4) the property provided to the District shall be free from all encumbrances that would preclude the construction and operation of school facilities; and

WHEREAS, If the negotiations and due diligence activities are successful, Facilities Services Division staff will submit a Project Definition proposal, including a scope schedule, budget, and funding strategy to the Committee for their consideration, and then to the Board of Education for action; and

WHEREAS, District staff has concluded that the proposed activities proposal will help further the District's commitment to address unmet school facilities needs as described in the District's local bond measures K, R, Y and Q; and may help facilitate implementation of the FSD SEP, and therefore, it will not adversely affect the District's ability to successfully complete the FSD SEP.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The School Construction Bond Citizens' Oversight Committee recommends that the Board of Education authorize District Staff to take actions in support of the possible expansion of Playa Vista Elementary School to provide community overcrowding relief, as defined in Board Report 525-16/17, a copy of which is attached hereto in the form it was presented to the BOC and is incorporated herein by reference.
2. This resolution shall be transmitted to the Los Angeles Unified School District Board of Education and posted on the Oversight Committee's website.
3. The District is directed to track the above recommendation and to report on the adoption, rejection, or pending status of the recommendations as provided in section 6.2 of the Charter and Memorandum of Understanding between the Oversight Committee and the District.

NOT ADOPTED on April 27, 2017, by the following vote:

AYES: 4

ABSTENTIONS: 2

NAYS: 1

ABSENCES: 3

Quynh Nguyen
Chair

Barry Waite
Vice Chair



Board of Education Report

File #: Rep-525-16/17, **Version:** 1

Authorization to Initiate Activities in Support of the Possible Expansion of Playa Vista Elementary School to Provide Community Overcrowding Relief

May 9, 2017

Facilities Services Division

Action Proposed:

Staff proposes that the Board of Education authorize staff to take the following actions in support of the possible expansion of Playa Vista Elementary School to provide community overcrowding relief:

1. Enter into negotiations with all parties, including Playa Capital Company LLC (Playa Capital) and Playa Vista Parks and Landscape Corporation (PVPAL), for the possible conveyance, by PVPAL, to the District, of a portion of the park/soccer field property located adjacent to Playa Vista Elementary School (PVES), east of Lincoln Boulevard, and south of Bluff Creek Drive; and
2. Undertake due diligence activities, including: planning and massing studies; site surveys and infrastructure analysis; preliminary environmental assessments, which may include initiating activities in accordance with the California Environmental Quality Act (CEQA); and community and stakeholder engagement; and
3. Expend up to \$500,000 of Bond Program funds associated with the School Upgrade Program to support the real estate negotiations and due diligence activities.

The possible expansion of PVES on a portion of the adjacent park/soccer field is anticipated to involve the construction of up to 14 classrooms to accommodate all current and future K through 5th grade students residing in the Playa Vista community, based on current projections.

Background:

PVES opened in 2012, and was developed to accommodate the projected demand for elementary classroom seats created by the Playa Vista development that could not be accommodated at District schools. The four acre site of the school was conveyed to the District, at no cost, by Playa Capital in order to satisfy a requirement by the City of Los Angeles to allow Playa Capital to record its subdivision map for the Playa Vista development. Pursuant to the provisions of Education Code section 17620, the District also assessed developer fees on the Playa Vista development.

The Playa Vista development is creating a significant increase in elementary age students, resulting in a greater demand for enrollment at PVES than capacity permits. Furthermore, based on available projections, including updated residential occupancy data from Playa Capital (the master developer), the elementary enrollment in the Playa Vista community is expected to continue to steadily increase over the next several years. In order to accommodate this growth, it is anticipated that up to 14 additional classrooms will be needed incrementally over the next three to five years.

The Facilities Services Division and Local District West has spent a considerable amount of time looking at the issues, options and opportunities to accommodate this growing elementary age population. After exploring several scenarios, over the last few months it was decided that in order to ensure adequate capacity was provided in the 2017-2018 school year, the District would continue with its ongoing effort to design and construct a four classroom addition at PVES. The District would also place two relocatable classrooms at Playa Del Rey Elementary School (PDRES) and implement a boundary change, including creating a zone of choice, wherein the remaining students would be accommodated at nearby elementary schools. In February 2017, Local District West held a meeting to inform the community of the updated plan to provide overcrowding relief, and in March and April 2017, Local District West and the Facilities Services Division held meetings with the PDRES community and the PVES community to provide specific information about how each school and community would be impacted beginning in the 2017-2018 school year, as well as the long-term plan, where applicable.

Following the March community meetings, Playa Capital contacted the District to express concerns regarding the District's plan and how it would disperse students of the Playa Vista community to several local schools outside of the Playa Vista community. Under the plan, students residing in approximately 700 single-family and multi-family residential units would be sent to PDRES. Also as part the plan, students residing in approximately 1,100 additional single-family and multi-family residential units would be included in the zone of choice which provides families with a choice between Cowan, Loyola Village, Paseo Del Rey Magnet, Kentwood, Westport Heights, and Short Avenue elementary schools, as well as PVES and PDRES, both of which will have limited space for these students. Moreover, Playa Capital, in an effort to meet the expectations of its residents, indicated it wanted to explore the possible conveyance of real property to the District to construct additional school facilities within the Playa Vista community to accommodate all current and future residents (based on current projections). Playa Capital also indicated it would cooperate with the District on the District's due diligence associated with the evaluation of the real property to expand PVES.

The District has a plan in place to address the growing student population, as discussed above. In the spirit of cooperation, this Board Report is being proposed so that further discussions and negotiations with Playa Capital and PVPAL on the possible conveyance of real property to the District may occur. In order to proceed with discussions and determine the feasibility, requirements, and costs associated with the possible expansion of PVES onto a portion of the park/soccer field adjacent to PVES, staff is requesting authority to enter into real estate negotiations and due diligence activities. It is estimated that the District will need approximately two and one half (2.5) acres to expand PVES. The negotiations and due diligence activities are anticipated to take approximately six months. If the efforts prove successful, staff will return to the Bond Citizens' Oversight Committee and the Board of Education with a request to authorize staff to enter into an agreement to accept the property and to define a new project or redefine the existing four classroom addition project. This would likely occur at the end of the calendar year.

Expected Outcomes:

Staff anticipates that the Board of Education will authorize staff to undertake the activities identified in this Board Report and have further discussions with Playa Capital and/or PVPAL (the homeowner's association and legal controlling entity of the park/soccer field) for the possible acquisition of the park/soccer field property to expand PVES. Moreover, it is anticipated that due diligence activities and Bond Program funds will be authorized. The due diligence activities and real estate negotiations, if successful, will provide the District with the opportunity to address overcrowding in the Playa Vista community and retain Playa Vista community families in elementary school.

Board Options and Consequences:

Approval of this proposal will allow staff to proceed with negotiations and due diligence activities in support of the possible expansion of PVES to provide overcrowding relief to the entire Playa Vista community.

If the Board of Education does not approve the activities identified in this Board Report, negotiations for the acquisition of additional land to expand PVES will not proceed, and the District will not have information to consider regarding the possible expansion of PVES on the park/soccer field property. The District will proceed with plans to place additional portable classrooms at PDRES and implement a boundary change, including creating a zone of choice, for the 2017-2018 school year to address the enrollment growth. The four classroom addition project planned for PVES will continue as well. Based on the community's reaction to the District's current plans, it is possible that some families within the Playa Vista community who are not able to send their students in PVES may elect to send their students to an elementary school outside of the District, and eventually to a non-District middle school.

Policy Implications:

The proposed action is consistent with the District's long-term goal to provide its students with the opportunity to attend their neighborhood schools operating on traditional, two-semester calendars. The proposal will also help further the District's commitment to address unmet school facilities needs as described in the District's local bond measures K, R, Y and Q.

Under the terms of the District's Memorandum of Understanding with the Bond Citizens' Oversight Committee (BOC), District staff presents all Project Definition proposals that require the use of bond funds to the BOC prior to bringing them forward to the Board of Education for action. If the real estate negotiations and due diligence activities are successful, Facilities Services Division staff will submit a Project Definition proposal, including a scope schedule, budget, and funding strategy to the BOC for their consideration, and then to the Board of Education for action.

Budget Impact:

The budget for the real estate negotiations and due diligence activities associated with the possible conveyance and acquisition of some of the park/ soccer field property adjacent to PVES is \$500,000. Negotiations and due diligence activities will be funded with funds set-aside in the Bond Program for indirect costs. If, at a later date, the Board of Education authorizes the acquisition of property and a project to expand PVES onto the adjacent park/soccer field, the costs associated with the due diligence activities will be transferred to the overall project budget.

Based on very preliminary information, it is reasonable to assume that the budget for expanding PVES by constructing up-to 14 classrooms and associated support spaces on approximately two and one-half (2.5) acres of land could be at least \$30 Million.

Issues and Analysis:

District staff's negotiations will be driven by the following goals:

1. Any property conveyed to the District should be provided to the District at no cost.
2. District costs should be minimized; including those for design and construction of the school facilities, and any reconfiguration of the remaining park/soccer field property.

3. The size of parcel to be conveyed should be sufficient to support the development and operation of up to 14 new classrooms and associated support spaces; however all parties shall strive to maximize the amount of property that will remain for the community use of the park/soccer field.
4. The property provided to the District shall be free from all encumbrances that would preclude the construction and operation of school facilities.

The dedication and acceptance of the site are subject to various approvals. PVPAL must approve the conveyance of the property, and with support from Playa Capital, will be responsible for removing any encumbrances on the property that would preclude the construction of school facilities. The District's acceptance of the property is subject to compliance with CEQA, and approval by the Board of Education, the California Department of Education, the Department of Toxic Substances Control, and any other applicable government agency. At this time District staff has only had preliminary conversations with Playa Capital, and has not directly engaged with PVPAL regarding Playa Capital's suggestion that land might be made available to the District, and at no cost.

Playa Capital and PVPAL will provide the District with all environmental studies, infrastructure analysis, and all non-privileged reports and other data pertaining to the site that they have in their possession or has caused to be prepared. With approval of the proposed action, the District will be permitted to dedicate resources toward any additional environmental testing and due diligence activities necessary to determine the feasibility and appropriateness of constructing school facilities on a portion of the park/soccer field.

The negotiations and due diligence activities are anticipated to take approximately six months. If the efforts prove successful, staff will return to the Bond Citizens' Oversight Committee and the Board of Education, likely at the end of the calendar year, with a request to authorize staff to enter into an agreement to accept the property and to define a new project or redefine the existing four classroom addition project.

Bond Oversight Committee Recommendations:

This item was considered by the School Construction Bond Citizens' Oversight Committee (BOC) at its meeting on April 27, 2017. Staff has concluded that this proposed SEP amendment will help facilitate implementation of the FSD SEP, and therefore, it will not adversely affect the District's ability to successfully complete the SEP.

Attachments:

None.

Informatives:

None.

RESPECTFULLY SUBMITTED,

APPROVED BY:

MICHELLE KING
Superintendent

MARK HOVATTER
Chief Facilities Executive
Facilities Services Division

REVIEWED BY:

PRESENTED BY:

DAVID HOLMQUIST
General Counsel

KRISZTINA TOKES
Director of Asset Management
Facilities Services Division

___ Approved as to form.

REVIEWED BY:

CHERYL SIMPSON
Director, Budget Services and Financial Planning

___ Approved as to budget impact statement.