REPORT OF THE EXECUTIVE OFFICER
State Allocation Board Meeting, June 5, 2017

SCHOOL DISTRICT DATA	
School District: .....ALAMEDA UNIFIED	County:.....ALAMEDA
Application Number:…….....51/61119-01-001	School Name……..……ALAMEDA HIGH SCHOOL
Total District Enrollment:.....11,201	Project Grade Level:……...……..9-12
Financial Hardship:.....NA	

PURPOSE OF REPORT

To present District's request for approval for Seismic Mitigation Program (SMP) replacement funding in order to rehabilitate three qualified historical buildings.

DESCRIPTION

The District submitted a Facility Hardship request under the SMP for replacement funding to perform rehabilitation work on the Central Building, East and West Wings, and the Science Building at Alameda High School due to the historic designation of the buildings. However, current School Facility Program (SFP) Regulations do not allow the Office of Public School Construction (OPSC) to administratively approve projects for replacement funding when the actual work to be performed is rehabilitation. Therefore, the District submitted an appeal to request approval to use replacement funding for rehabilitation work, which would result in a grant of $16.07 million in SMP funding.

AUTHORITY

See Attachment A

BACKGROUND

The District has submitted a Facility Hardship request for SMP funding for the rehabilitation of the buildings mentioned above at Alameda High School. The District also submitted a cost/benefit analysis for the project that shows the cost to rehabilitate the buildings exceeds fifty percent of the replacement cost.

Upon completion of a review of the submitted documents, Staff concurs that the cost to rehabilitate the buildings exceeds fifty percent of the replacement cost and the buildings are therefore not eligible for rehabilitation funding and instead qualify for replacement funding, pursuant to SFP Regulation Section 1859.82(a)(1)(A). Knowing that Staff could not administratively approve the request, the District submitted a *School District Appeal Request* (Form SAB 189) in order to request the use of replacement funding to rehabilitate the three buildings at Alameda High School. The District is requesting consideration from the Board to rehabilitate rather than replace the buildings due to the historical significance of the buildings.

Recently, the Board approved amendments to SFP Regulations that will allow the use of replacement funding to complete rehabilitation work on qualified historical buildings. Those regulation amendments are still going through the rule making process and are not yet in effect; therefore, Staff is unable to approve the request administratively.

STAFF ANALYSIS/STATEMENTS

District Position

On the Form SAB 189, the District states that pursuant to Education Code and SFP Regulations the Alameda Unified School District qualifies for seismic replacement funding. Therefore the District has submitted a Facility Hardship Request for funding, requesting replacement funding for the rehabilitation of three buildings at Alameda High School. The buildings are classified as a 'Most Vulnerable Category 2 Buildings' and meet all the criteria for a Facility Hardship approval for SMP replacement funding.

In 1977, the East and West Wings, Main Building, Auditorium, and the original Gymnasium at Alameda High School were designated as Alameda City Monument #3 and added to the National Register of Historic Places with reference number 77000280. The District states that, "Due to the high cost of bringing historical buildings up to DSA seismic safety standards, the District is applying for replacement funding to rehabilitate the "Qualified Historical School Buildings" at the Alameda High School campus." The District also states that the buildings meet the definition of a "Qualified Historical School Building" as outlined in the proposed regulation amendments to sections 1859.2 and 1859.82, which were approved by the Board on October 17, 2016. The Form SAB 189 is included as Attachment B.

Staff Position

The District is requesting Board approval to use replacement funding for the rehabilitation of three qualified historic buildings. The Board has previously considered multiple appeals that are substantially similar to the District's current request. As a result of those prior appeals, the Board approved amendments to SFP Regulations that provide Staff the ability to approve replacement funding for rehabilitation work on buildings of historical significance absent an appeal. Below is an analysis of the issues that pertain to the District's appeal.

Current Statute and Regulation

Under the current SFP regulations, the District qualifies for replacement funding. Statute does not explicitly state that the school district *must* construct a new facility if the rehabilitation costs exceed 50 percent of the replacement cost of the building, only that it *shall be eligible* to do so. The statute, however, does not appear to state that the Board could not fund the rehabilitation of the buildings should the district choose to rehabilitate them.

SFP Regulation Section 1859.82(a)(1)(A) states the following: "If the request is for replacement facilities, a cost/benefit analysis must be prepared by the district and submitted to OPSC that indicates the total costs to remain in the classroom or related facility and mitigate the problem is at least 50 percent of the Current Replacement Cost."

Approved Regulations

At the August and October 2016 meetings, the Board approved regulation amendments that will allow Staff to administratively process replacement funding requests for Facility Hardship and SMP projects when the cost/benefit analysis results in the project being eligible for replacement funding, and the district is performing rehabilitation work. The amendments provide replacement funding for rehabilitation work on a qualifying historical building/facility under specific circumstances. The amendments include:

- Criteria for verification of a buildings historical value.
- Definition of a "Qualified Historical Building or Property".
- Clarifying language added to SFP Regulation Section 1859.82 Facility Hardship that districts are eligible for facility hardship replacement funding to repair their qualified historic facilities in addition to being able to replace or construct new facilities

These amendments are anticipated to be in effect in July of this year.

STAFF ANALYSIS/STATEMENTS (cont.)

Qualified Historical Building or Property
In accordance with the approved requirements for the pending regulation amendments, the District has submitted all required documentation for an SMP application, and demonstrated that the buildings meet the proposed definition for a "Qualified Historic Building". The District provided the building reference numbers to validate their designation on the National Register of Historic Places, which is included as part of Attachment B.

Impact on Modernization Eligibility
If the Board were to grant the approval and provide replacement funding for rehabilitation, the building would receive a new age for purposes of generating modernization eligibility under SFP regulations. The Alameda High School site currently has modernization eligibility established. If Alameda High School received a new age by receiving replacement funding, it could affect the future modernization eligibility at the site.

Summary
As submitted, the rehabilitation work cost estimate exceeds 50 percent of the replacement cost of the building, which qualifies the buildings for replacement funding rather than rehabilitation funding under current SFP Regulations. Staff agrees that current SFP Regulations do not address the issue presented by the District however, if the recently approved amendments to SFP Regulations were in effect today, the District's request would be approved administratively absent an appeal. Staff recommends that the Board approve the District's appeal and grant replacement funding to rehabilitate three qualified historical buildings at the Alameda High School site.

BOARD OPTIONS

Pursuant to the Rules and Procedures of the State Allocation Board, "Staff is providing the following option for the Board's consideration. A positive vote by six members is required for the Board to take action that is an alternative to Staff's administrative action. Absent a positive vote by six members of the Board, Staff's administrative action will stand and the school district's appeal will be considered closed."

Grant the District's appeal and approve the project for placement on the Unfunded List (Lack of AB 55 Loans) as shown in Attachments C and D.

BOARD ACTION

In considering this Item, the Board approved the District's request for Seismic Mitigation Program replacement funding in order to rehabilitate three qualified historical buildings. This approval also includes the placement of the project on the Unfunded List (Lack of AB 55 Loans) and approval of Attachment C1 and Attachment D.

ATTACHMENT A

AUTHORITY

Education Code (EC) Section 17075.10(b)(2) states that a school district applying for hardship state funding must "demonstrate that due to unusual circumstances that are beyond the control of the district, excessive costs need to be incurred in the construction of school facilities. Funds for the purpose of seismic mitigation work or facility replacement pursuant to this section shall be allocated by the board on a 50-percent state share basis…..If the board determines that the seismic mitigation work of a school building would require funding that is greater than the 50 percent of the funds required to construct a new facility, the school district shall be eligible for funding to construct a new facility under this chapter."

SFP Regulation Section 1859.82 states the following: "A district is eligible for facility hardship funding to replace or construct new classrooms and related facilities if the district demonstrates there is an unmet need for pupil housing or the condition of the facilities, or the lack of facilities, is a threat to the health and safety of the pupils."

SFP Regulation Section 1859.82(a)(1)(A) states:

> If the request is for replacement facilities, a cost/benefit analysis must be prepared by the district and submitted to the OPSC that indicates the total costs to remain in the classroom or related facility and mitigate the problem is at least 50 percent of the Current Replacement Cost of the classroom or related facility…If the cost to remain in the classroom or related facility is less than 50 percent of the Current Replacement Cost, the district may qualify for a Modernization Excessive Cost Hardship Grant for rehabilitation costs pursuant to Section 1859.83(e) or a grant not to exceed 50 percent of the cost estimate that has been reviewed and approved by the OPSC and approved by the board for seismic rehabilitation.

STATE OF CALIFORNIA
SCHOOL DISTRICT APPEAL REQUEST

STATE ALLOCATION BOARD
OFFICE OF PUBLIC SCHOOL CONSTRUCTION

SAB 189 (REV 10/09)

SCHOOL DISTRICT	APPLICATION NUMBER
Alameda Unified School District	51/61119-01-pending
SCHOOL NAME	COUNTY
Alameda High School	Alameda
DISTRICT REPRESENTATIVE	E-MAIL ADDRESS
Robbie Lyng	rlyng@alameda.k12.ca.us

Purpose of Request:

To request the use of seismic replacement program funds to seismically rehabilitate historical school buildings on the Alameda High School campus.

Basis of Request:

- [x] Law (Statute) EC 17075.10
- [x] Regulation SFP 1859.82; 1859.2
- [ ] Other (specify) _____

Description:

Pursuant to Education Code Section 17075.10 and SFP Regulation Section 1859.82, the Alameda Unified School District qualifies for seismic replacement funding. Due to the high cost of bringing historical buildings up to DSA seismic safety standards, the District is applying for the replacement funding to rehabilitate the "Qualified Historical School Buildings" at the Alameda High School campus. The buildings meet the definition of "Qualified Historical School Buildings" as outlined in Regulation Sections 1859.2 and 1859.82 approved by the State Allocation Board on October 17, 2016 (copy attached). In 1977 the buildings were designated as Alameda City Monument #3 and added to the National Register of Historic Places(#77000280).

Robbie Lyng

SIGNATURE OF AUTHORIZED DISTRICT REPRESENTATIVE

3/6/2017

DATE

National Register of Historic Places Digital Archive on NPGallery

NATIONAL REGISTER DIGITAL ASSETS
ASSET METADATA

Title:

Alameda High School

National Register Information System ID:

77000280

Applicable Criteria:

ARCHITECTURE/ENGINEERING

Architectural Styles:

CLASSICAL REVIVAL

Architects:

Werner,Carl
Kump,Ernewt J.

Areas Of Significance:

ARCHITECTURE

Periods Of Significance:

1925-1949

Significant Years:

1928
1958

Resource Type:

BUILDING

Related Collections:

National Register of Historic Places Collection

Resource Format:

pdf

File Size (bytes):

0

Date Published:

5/12/1977

Parks:

National Register of Historic Places

Locations:

State: California
County: Alameda County
Alameda ; 2200 Central Ave.
CALIFORNIA ; Alameda ; Alameda

Asset ID:

f841ef69-ab6f-4d49-8214-495d9aa4d560

HIDE METADATA

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National Register of Historic Places

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NATIONAL REGISTER DIGITAL ASSETS

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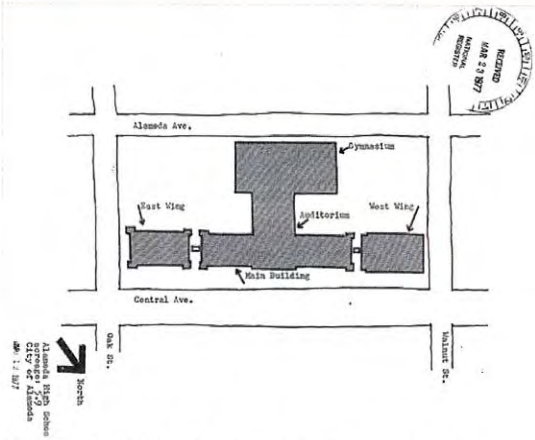

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ASSET METADATA

ATTACHMENT C1

REPORT OF THE EXECUTIVE OFFICER
State Allocation Board Meeting, June 5, 2017

SCHOOL DISTRICT DATA	
School District: ……...……...ALAMEDA CITY UNIFIED	County:…….……..……ALAMEDA
Application Number:……...……51/61119-01-001	School Name:.....ALAMEDA HIGH
Total District Enrollment:……..…….……..…...……..11,201	Project Grade Level:……....…...……9-12
Financial Hardship:……..…….……....…NO	

PURPOSE OF REPORT

Type of Request	State Allocation Board (Board) approval for placement on the Unfunded List (Lack of AB 55 Loans) for a School Facility Program (SFP) Facility Hardship Seismic Mitigation Program (SMP) Replacement project.
Total Project Cost	$32,145,536
Cost to the State	$16,072,768

DESCRIPTION

Background	This project is requesting replacement funding for use in the rehabilitation of three qualified historic buildings at the Alameda High School in Alameda, California. These buildings, the Central Building East and West Wings and the Science Building, were all built in approximately 1924 and are listed on the National Register of Historic Places.
Description of Health and Safety Threat	The Central Building East and West Wings and the Science Building are of the Most Vulnerable Category 2 building type. The structural evaluation reports, dated March 24, 2015, identified structural deficiencies in the wall, floor, and roof systems of these buildings. The Division of the State Architect (DSA) has concurred with the presence of the threat of a local or global collapse of the facility in the event of seismic activity, as outlined in the Eligibility Evaluation Reports filed by the industry specialist.
Scope of Project	This project consists of rehabilitation work with seismic upgrades and corresponding access compliance and fire and life safety upgrades to the existing buildings.
Status of School Site	The Central Building East and West Wings and the Science Building are closed due to seismic safety issues. The students are being housed elsewhere on the site.

QUALIFYING CRITERIA

Government/State Level Concurrence	DSA has approved the Central Building East and West Wings and the Science Building for SMP eligibility, and has also evaluated and approved a design criteria report prepared by the District's structural engineer.

QUALIFYING CRITERIA (cont.)

Staff Supports the District's Request	Yes
Site Visit Completed by Staff	Staff has accepted reports by the industry specialist and DSA approval in lieu of a site visit.

AUTHORITY

See Attachment C2.

RECOMMENDATIONS

1. Approve the District's request for placement on the Unfunded List (Lack of AB 55 Loans) for SMP Replacement funding for the Central Building East and West Wings and the Science Building at Alameda High, pursuant to the SFP Regulation Section 1859.82, as provided on Attachment D.

2. Provide that for purposes of SFP modernization eligibility, the building ages will be reset to 12 months from the date of DSA plan approval.

3. Provide that the State portion of any and all savings which may be realized from the funding of this SMP Replacement project must be returned to the State.

AUTHORITY

Education Code (EC) Section 17075.10(a) states:

> A school district may apply for hardship assistance in cases of extraordinary circumstances. Extraordinary circumstances may include, but are not limited to, the need to repair, reconstruct, or replace the most vulnerable school facilities that are identified as a Category 2 building, as defined in the report submitted pursuant to Section 17317, determined by the department to pose an unacceptable risk of injury to its occupants in the event of a seismic event.

EC Section 17075.10(b)(2) states:

> Funds for the purpose of seismic mitigation work or facility replacement pursuant to this section shall be allocated by the board on a 50-percent state share basis from funds reserved for that purpose in any bond approved by the voters after January 1, 2006. If the board determines that the seismic mitigation work of a school building would require funding that is greater than 50 percent of the funds required to construct a new facility, the school district shall be eligible for funding to construct a new facility under this chapter.

SFP Regulation Section 1859.82 states, "A district is eligible for facility hardship funding to replace or construct new classrooms and related facilities if the district demonstrates there is an unmet need for pupil housing or the condition of the facilities, or the lack of facilities, is a threat to the health and safety of the pupils."

SFP Regulation Section 1859.82(a)(1) provides for Facility Hardship grant funding when, "The facilities are needed to ensure the health and safety of the pupils if the district can demonstrate to the satisfaction of the Board that the health and safety of the pupils is at risk. Factors to be considered by the Board shall include…seismic mitigation of the Most Vulnerable Category 2 Buildings as verified by the DSA…."

SFP Regulation Section 1859.82(a)(1)(A) states:

> If the request is for replacement facilities, a cost/benefit analysis must be prepared by the district and submitted to the OPSC that indicates the total costs to remain in the classroom or related facility and mitigate the problem is at least 50 percent of the Current Replacement Cost of the classroom or related facility. The cost/benefit analysis may include applicable site development costs as outlined in Section 1859.76. The cost/benefit analysis shall not include increased costs associated with high performance related costs or components, with the exception of those high performance components that were pre-existing in the classroom or related facility. If the cost to remain in the classroom or related facility is less than 50 percent of the Current Replacement Cost, the district may qualify for either grant below, as applicable:
> 1. Modernization Excessive Cost Hardship Grant for Rehabilitation Costs pursuant to Section 1859.83(e), or
> 2. A grant not to exceed 50 percent of the cost estimate that has been reviewed and approved by the OPSC and approved by the board for seismic rehabilitation.

SFP Regulation Section 1859.82(a)(1)(B) states:

> If the request is for replacement facilities that included structural and/or seismic deficiencies, the cost/benefit analysis must also include a report from a licensed design professional identifying the minimum work necessary to obtain DSA approval. The report must contain a detailed cost estimate of the repairs. The cost/benefit analysis shall not include increased costs associated with high performance related costs or components, with the exception of those high performance components that were pre-existing in the classroom or related facility. The report and cost estimate shall be subject to review by the OPSC for conformance with the Saylor Current Construction Cost Publication and, at the OPSC's discretion, the DSA. For seismic deficiencies of the Most Vulnerable Category 2 Buildings, the report and the cost estimate for the minimum work necessary must be reviewed by the DSA.

AUTHORITY (cont.)

SFP Regulation Section 1859.82(a)(1)(C) states:

The seismic mitigation projects must meet all of the following requirements:

1. The construction contract was executed on or after May 20, 2006;
2. The project funding provided shall be for the minimum work necessary to obtain DSA approval;
3. The building is designed for occupancy by students and staff; and
4. The DSA concurs with a report by a structural engineer, which identifies structural deficiencies that pose an unacceptable risk of injury to its occupants in a seismic event. If the unacceptable risk of injury is due to the presence of faulting, liquefaction or landslide, these hazards must be documented by a geologic hazards report prepared by an engineering geologist in accordance with California Building Code, Part 2, Chapter 18, section 1803A and with the concurrence of the California Geological Survey.

The structural engineer's report shall conform to the guidelines prepared by the DSA, in accordance with Education Code Section 17310.

SAB Meeting: **June 5, 2017** **Seismic Mitigation Program - Adjusted Grant Approval**

SCHOOL DISTRICT DATA

Application No: 51/61119-01-001
School District: Alameda City Unified
County: Alameda
School Name: Alameda High

PROJECT DATA

Type of Project:	9-12
K-6:	
7-8:	
9-12:	
Non-Severe:	
Severe:	
Application Filing Basis:	Site Specific
Number of Classrooms:	46
Master Acres:	
Existing Acres:	14.82
Proposed Acres:	
Recommended Acres:	47.1
Facility Hardship (a):	No
Financial Hardship Requested:	No
Alternative Education School:	No
Addition to Existing Site:	No

ADJUSTED GRANT DATA

Multilevel Construction		$	935,430
Service Site			3,541,686
Fac. Hardship Toilets	2,725 Sq. Ft.		888,350
Fac. Hardship Other	37,950 Sq. Ft.		6,906,900
Fire Detection Alarm			40,675
Urban/Security Impacted Site			3,759,727
Total State Share (50%)			16,072,768
District Share (50%)			16,072,768
Total Project Cost		$	**32,145,536**

PROJECT FINANCING

State Share		
This Project	$	16,072,768
District Share		
Cash Contribution		16,072,768
Financial Hardship		
Total Project Cost	$	**32,145,536**

HISTORY OF PROJECT COST AND APPORTIONMENT

	Fund Code	Proposition	Previously Authorized	Authorized This Action	Unfunded Approval This Action
State Share					
New Construction/Add. Grant	**957-505**	**1D**		$ 16,072,768	$ 16,072,768
District Share					
Cash Contribution				16,072,768	
Total			$	$ **32,145,536**	$ **16,072,768**

Funding Source: Proposition 1D Bonds/2006-Nov.
Pursuant to the Board's action on March 11, 2009, this application has been approved and placed on the Unfunded List.
This approval does not constitute a guarantee or commitment of future State funding.

Senate Bill 854, Chapter 28, Statutes of 2014, repealed Labor Code (LC) Section 1771.3 which required school districts to provide payment to Department of Industrial Relations (DIR) for prevailing wage monitoring. As a result, school districts awarding a construction contract on or after June 20, 2014 are not mandated to provide payment for DIR monitoring and enforcement of prevailing wage requirements. Projects with an initial public works project awarded on or after June 20, 2014 are not eligible to receive an additional grant for prevailing wage monitoring; however, school districts are still required to notify DIR within five days of initial contract award pursuant to LC Section 1773.3(a)(1).

The District shall ensure that it is in compliance with all applicable laws, regulations and certifications it made on the program forms.

Provide that the State portion of any and all project savings realized from the funding of this Seismic Mitigation Program project will be returned to the State.

STATE ALLOCATION BOARD
APPROVAL ❖ ❖ ❖ June 5, 2017