

Facilities Tips for Charter Schools in Los Angeles

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EXED has prepared this short information resource for charter school operators who are searching for, or planning to develop a charter school facility site. It is not meant to be a complete list of items to look for, but rather a reference point.

When considering a facility, one of the most crucial steps is to hire a professional architect and/or a development and construction expert, with experience developing charter school facilities, to evaluate the safety of the building, as well as the cost of the proposed renovations. Charmie Huynh, at the Los Angeles Department of Building and Safety, can also provide valuable information (Email: Charmie.huynh@lacity.org phone: 213 482-6875).

Occupancy Type

You need a building with an E-1 Occupancy permit (Educational) which is specific to the grade level and number of students you plan to enroll. If the building has a different permitted use, or is permitted for an elementary school and you want to use it for a middle school, or a high school, you will be required to file for a change of use permit with the LADBS.

Zoning

Verify the zoning for the building you are considering. Charter schools are allowed to operate "by right" in R4, R5, CR2, C2, C4 and C5 zones. A Conditional Use Permit must be obtained if the site is not in one of these zones. For the City of Los Angeles, go to the LA City Planning Department's Zone Information & Map Access System (ZIMAS) at <http://zimas.lacity.org/>. Enter the address and then view the report. Look for "Zoning" to see the building's zoning information. Also check the report to see if there is a Historic Preservation or Community Design Overlay. If an overlay zone is attached to the property, obtain requirements for further evaluation from the city's Planning Department.

Parking

Requirements vary by jurisdiction. Typically you will be required to provide one car space per classroom for elementary and middle schools, and one car space per 500 square feet of building space for High Schools.

Building Requirements for Educational Use

(This does not represent a full list of the requirements, but gives you the next step in your evaluation. It is also important to remember that modifications or exceptions can be obtained for some of these requirements and not having them already does not necessarily mean that the facility cannot be used in its existing condition.)

- 6 foot minimum corridor width.
- Elevators (required for buildings over two stories and may be required for a two story building). Minimum elevator size must have a 5-foot diameter inside with closed doors.
- All required exits must be accessible. 3 foot minimum door width.
- Stair width varies by occupant load, but in no case should be less than 48" in width. A 5' wide stair is preferred.
- All plumbing fixtures and equipment must meet accessibility code requirements
- High-Low Drinking fountains on each floor.
- Restroom fixture count per Uniform Plumbing Code.
- K-2 must be located on the ground level or have a dedicated exit from the second floor.

Fire and Rescue

- You are required to have an area of refuge large enough for the students to assemble on the property that is 75 feet from any structure.
- Fire Sprinkler System throughout the building in some cases.
- Monitored Fire Alarm System.
- Classrooms larger than 1,000 sq ft require two exits.

Building and Safety

Your Architect will prepare plans to submit to LADBS for the change of use to E Occupancy permit. It typically takes two months to develop the plans and another two months to finalize the permit. Your General Contractor will pull the permit to begin the work. Additional permits that are typically required include: electrical, mechanical, plumbing, fire alarm, elevator, and fire sprinkler. Most of these will be pulled by the design-build contractor that your General Contractor will hire to complete the work.

Other Key Questions to Think About:

Environmental and Urban Quality Issues

- 1) Is there sufficient light and ventilation?
- 2) Security - Is the street safe? Are there crossing walks? What uses are located in nearby buildings?
- 3) Is the proposed building compatible with the surrounding neighborhood?
- 4) Is there landscaping and play area?
- 5) Will this be a place that teachers and students will be proud of?
- 6) Are there any identifiable hazards?
- 7) Is there lead paint or asbestos in any of the building materials? If so this condition will have to be remediated.

Planning Issues

Consider the following questions to determine if you will be able to renovate the proposed site.

- 1) Are the building setbacks adequate?
- 2) Are there any height restrictions?
- 3) What density (amount of lot coverage) is allowed?

Other Clearances

There may be a variety of clearances that may be needed on the project depending whether it is a new construction or minor rehabilitation. Other reports/clearances that may be required include, but are **not** limited to, the following:

- 1) Traffic study reports
- 2) Environmental reports. Phase I, Phase II.
- 3) CRA clearances- is the building historically significant?

Practical Issues

- 1) Will your school program fit in the proposed building? ExED recommends that all charter schools plan to have between 60 and 75 sq. ft. per pupil for adequate indoor space for classrooms, hallways, bathrooms, library rooms and multi-purpose space, and offices. Outdoor areas sufficient and appropriate for play areas are also essential.
- 2) Are adequate services available like water (remember fire sprinklers can increase water demand) sewer, power and gas?

Financing Facility Construction or Improvements

Most charter schools are limited in what they can afford to pay for facility lease and/or mortgage payments each month, unless they have a successful history raising money from philanthropy for capital projects. ExED recommends adhering to the following project cost benchmarks:

- 1) The total development cost, including land, for a charter school in the Los Angeles area, should not exceed \$20,000 per seat.
- 2) Financed facility costs, including acquisition or lease payments, and all improvement costs should not cost more than \$1,200-\$1,300 per pupil per year, or 12% -15% of a charter school's total entitlement revenues.

Most charter school facility projects are financed with loans from nonprofit financial intermediaries – such as Capital Impact Partners (CIP), the Low Income Investment Fund (LIIF), or the Local Initiatives Support Corporation (LISC) -- or commercial bank lenders. It is especially difficult to finance charter school facility improvements on a leased property, because unless there is a long-term lease involved, there is no meaningful collateral for the loan. Charter schools planning to lease existing property and finance the improvements should try to secure a lease of at least 20 years, so their renovation financing can be amortized over the same period of time. Most financial intermediary lenders will make loans amortized over the life of the lease, but which will be due and

payable in full in seven years or less. This means you will need to be prepared to refinance the school's improvement loan debt at the end of 7 years.

Most financial intermediaries require the school to have at least 10% equity in the project before approving loan for 90% of the appraised loan to value ratio. Financing reserves equal to one year's loan payments are also generally required by lenders – to be maintained in a dedicated bank account during the entire term of the loan.

Fundraising from philanthropic sources is critical for most charter school facility financings. Plan to raise at least 10% of your school's total facility improvement budget from foundations grants and/or gifts from individuals.

Projects costing more than \$3 million may be financed with New Market Tax Credits (NMTC), provided the site is located in a NMTC-eligible census tract. Larger projects can also be financed with bonds. There are substantial loan origination and legal fees associated with financing large projects, but the interest rates and loan terms on these types of financings are generally more favorable to charter schools than are available from commercial lending sources.

Plan Ahead

It is most important to realize at the onset, that this is a complex process that requires time, money and expertise. Establish your team of experts early and be realistic about how long it takes to open a school and what it will cost.

The information presented here was compiled from several sources, including: the City of Los Angeles' Department of Building and Safety (LADBS); the California Charter School Association (CCSA); and the Los Angeles Unified School District (LAUSD).

ExED also received valuable input for this document from JoAnn Koplin, who has extensive experience in the charter school design and development field who has generously contributed her time to help ExED assess the potential viability of many sites in the Los Angeles area for charter school use.

ExED's work in the charter school facility arena has also been assisted by its close working relationship with Pacific Charter School Development, a Los Angeles-based nonprofit full service developer of charter school facilities with which ExED has partnered on several charter school financings.
