DISTRICT ADVISOR COMMITTEE REPORT AND RECOMMENDATION
CHAVEZ ELEMENTARY AND EL CAMINO CONTINUATION HIGH SCHOOLS

May 1, 2024

Background

For the past decade, the Norwalk-La Mirada Unified School District (District) has been confronted with declining student enrollment and the under-utilization of District assets. The impact of declining enrollment has been felt statewide. Enrollment in the District has steadily declined from a high of 22,551 students in 2004, to 15,019 students in 2024. Student enrollments across schools are significantly below facility capacities.

To address the declining enrollment, its impact on the District's budget, and to best utilize District assets, the Board of Education (Board) at a duly noticed regular meeting on November 18, 2019, adopted Resolution #19/20-6 pursuant to Education Code 17387 *et seq*. to form a Declining Enrollment, District Advisory Committee to consider closing schools. Pertinent outcomes of that process were the closure of Chavez Elementary School located at 12110 East Walnut Street, Norwalk, CA 90650 (Chavez), the closure of Los Coyotes Middle School in La Mirada (Los Coyotes), and the relocation of El Camino Continuation High School from 14625 Keese Drive, Whittier, CA 90464 (El Camino) to Los Coyotes.

To continue the effort to best utilize District assets, the Board at a duly noticed regular meeting on October 9, 2024, adopted Resolution #23/24-6 to form a new District Advisory Committee pursuant to Education Code 17387 *et seq*. Under Resolution #23/24-6, the District Advisory Committee is charged with (1) advising the Board on the disposition of the former El Camino property in Whittier and (2) providing recommendations on the possible development the El Camino and Chavez properties to ensure their best economic use.

District Advisory Committee Membership and Meeting Schedule

Education Code 17389 requires that the District Advisory Committee be composed of not less than seven (7) members nor more than eleven (11) members and representative of each of the following specific community groups: (a) the ethnic, age group, and socioeconomic composition of the district; (b) the business community, such as store owners, managers, or supervisors; (c) landowners or renters, with preference to be given to representatives of neighborhood associations; (d) teachers; (e) administrators; (f) parents of students; and (g) persons with expertise in environmental impact, legal contracts, building codes, and land use planning, including, but not limited to, knowledge of the zoning and other land use restrictions of the cities or cities and counties in which surplus space and real property is located.

Norwalk-La Mirada Unified School District
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In conformance with Education Code 17389, the Board at a duly noticed regular meeting on December 11, 2024, approved the following members of the District Advisory Committee:

1. Armando Armendarez: District ethnic, age group or socioeconomic composition,
2. Martha Jauregui: District ethnic, age group or socioeconomic composition,
3. Sonia Linares: Business Community Member,
4. Gema Rodriguez: Landowner/Renter in Norwalk,
5. Janet Kang: Parent,
6. Fernando Salazar: Parent,
7. Carlos Barajas: Teacher,
8. Jennifer Amador: Teacher,
9. Dr. Marco Sanchez: Administrator,
10. Dr. David Olea: Administrator, and
11. Elizabeth Jaimes: Expert in environmental impact, legal contracts, building codes and land use planning,

In carrying out its duties and responsibilities, the District Advisory Committee received support from the following persons:

1. Robert Jacobsen, General Counsel
2. Estuardo Santillan, Assistant Superintendent Business Services
3. Jennifer Sun, Administrative Assistant Business Services
4. Kitty Wallace, Senior Executive Vice President, Colliers International
5. Jose Gomez, City of Norwalk, City Manager

The District Advisory Committee held four meetings to date on January 17, 2024, January 31, 2024, February 21, 2024, and March 20, 2024. Each meeting was agendized as required by the Brown Act and minutes were reviewed and approved by the District Advisory Committee.

Summary of El Camino and Chavez Properties Current Uses

El Camino

El Camino is 11.39 acres and located in an unincorporated part of the City of Whittier. The property has been zoned by the Los Angeles County Supervisors as RA-6000, single family homes, with a minimum lot size of 6,000 square feet. The property is near single family homes with values over $1 million.

Kitty Wallace with Colliers International (Colliers) opined that there is a small population decline in the area which is expected to decrease 25% over the next five years. She cautioned that these numbers were estimated six to nine months ago and that there could be less of a decrease because Colliers is seeing that some of the people who left California have started to come back.

Mr. Santillan noted that since the relocation of the continuation high school to Los Coyotes, the El Camino site in Whittier has sat vacant. There are no current uses. He estimated the annual expense to the District for maintenance of El Camino at approximately $75,000. The breakdown includes costs for gas, electricity, water, and ground maintenance.

Ms. Wallace estimated the property value at $15.4 million with a conservative estimate of $13.5 million as a sale to develop homes. This is based in part on an August 2023, Colliers' recommendation to build low density market rate single family homes at the site. Ms. Wallace clarified that with the rise in interest rates, home values have come down and to propose the sale of a large percentage of million-dollar homes in the area may be more challenging. In today's market, it may be better to do a mix of single family and townhomes.

Mr. Jacobsen confirmed that any variance in Los Angeles County zoning would go through the Regional Planning Commission. It generally takes one year to process but applications that involve subdivision are taking two to three years. Pertinent issues in evaluating zone change requests include:

- Consistency with applicable General Plan
- Compatibility with surrounding land uses
- Land suitability and physical constraints
- Project design and layout
- Availability of adequate access, public services and facilities to serve proposed development
- Potential environmental impacts and mitigation measures

Chavez

Chavez is 8.4 acres and located in the City of Norwalk. The property has been zoned R-3, multifamily high density residential, by the City (one unit for every 2,000 square feet or 180 market rate units). The area around the site includes high density residential and light commercial.

Ms. Wallace opined that there is a small population decline in the area which is expected to decrease 33% over the next five years.

Mr. Jacobsen explained that the disposition of Chavez was previously addressed by the Declining Enrollment, District Advisory Committee, and the Board. In October 2020, based on the Committee's recommendation, the Board took action to close the site. In April 2021, the Board adopted a resolution to consider transitioning Chavez to a Family Resource Center beginning with the 2021 – 22 school year with programs and resources that may include: Nurses/HOW, McKinney-Vento, TUPE, Wellness Resources, SARB, District Guidance, Open Enrollment, Parent Education Programs, and other community resources. Subsequently, in

evaluating the needed modifications, Business Services determined it would be too costly to build a Family Resource Center at Chavez.

Mr. Santillan noted that Chavez currently houses the CSEA association office and is used for storage. There is also two preschool classes on site. He estimated the annual expense to the District for maintenance of Chavez at approximately $136,000. The breakdown includes costs for gas, electricity, water, and ground maintenance.

Mr. Jacobsen and Mr. Santillan noted there is no historical significance to the property. In researching the site, Mr. Jacobsen confirmed it was built in the 1920s and named Norwalk Grammer School. In the 1940s it was renamed Nettie Waite after a principal. It closed in the 1970s and reopened in 1986 and renamed Cesar Chavez Elementary School in 1993.

Mr. Santillan noted that the Chavez auditorium has not been used for anything other than a small warehouse in years. The auditorium is similar to the Excelsior auditorium and would require significant funding to bring it up to code. When the District looked into improving Excelsior auditorium the estimate was $18 to $20 million to bring it up to code. The renovation of Chavez auditorium would entail similar costs.

Ms. Wallace estimated the property value at $11.5 million with a conservative estimate of $10 million as a sale. This is based in part on an August 2023, Colliers' recommendation to build affordable housing at the site through a zoning variance allowed by the state. The report recommended building 980 units. The affordable units would be structured to rent to people at 80-120 percent of median income, not homeless or very low income. This would include Norwalk residents that make $73,000 to 110,000 annually. This also supports state requirements for the City to make affordable housing available. The rise in interest rates has not changed Collier's recommendation. There is still a tremendous amount of capital and need for affordable housing. It is a project that can still be executed in today's market.

Ms. Wallace believes that profitable possibilities for a sale-leaseback are very slim. If an income stream is desired it may be best to sell the property and buy an income producing property in a 1031 exchange. A long-term ground lease value may be determined by the property value capitalized at a capitalization rate (e.g., Net Operating Income / Property Value) to obtain yearly rent estimate, which may be around 5 to 8 percent.

City of Norwalk, City Manager, Jesus Gomez, stated every property within the City is required to be zoned at a certain level: industrial, commercial, residential (single family), medium or higher density which are more units per acre. Chavez is zoned R-3 which is the higher of the densities for multifamily.

The City controls zoning. A request for a density higher than R-3 would need to go through the City Council Planning Commission. Any proposed zone change would then go to the City Council.

District Demographics and Budget Forecasts

The District consists of 16 elementary schools, five middle schools, and four high schools and has been affected by declining enrollment as have many other districts in the County of Los Angeles.

The budget forecast for the District is that expenditures will increase annually for the foreseeable future while revenues will continue to drop. As projected budgets for subsequent years 2024-2025 and 2025-2026 are analyzed, it is estimated that the District's reserves will continue to drop.

Summary of District Advisory Committee Meetings

As noted above, the District Advisory Committee held four public meetings to discuss whether El Camino should be declared surplus property and to establish a list of priority uses for El Camino and Chavez that would best utilize the property zoning.

El Camino

The District Advisory Committee suggested the following uses for El Camino ranked in priority order.

1. Lease for post-secondary adult education
2. Sale to develop single family homes

The Committee did not want apartments to be developed or the site to be used for Kindergarten through grade 12 private or charter school programs.

Chavez

The District Advisory Committee suggested the following uses for Chavez ranked in priority order.

1. Open space in part and lease to a community group in part
2. Open space in part and lease for retail stores in part
3. Use of the auditorium for a performing arts center
4. Keeping the site the same

The Committee did not want the site to be used for Kindergarten through grade 12 private or charter school programs.

DAC Conclusions and Recommendations

After careful consideration and deliberation, the District Advisory Committee finds and concludes that El Camino should be declared surplus property to ensure its best use consistent with the findings and conclusions in this report.

Based on the above findings and conclusions, the District Advisory Committee recommends El Camino should be disposed of in accordance with the above priority uses, ranked in order of preference.

Based on the above findings and conclusions, the District Advisory Committee recommends Chavez should be disposed of in accordance with the above priority uses, ranked in order of preference.