REPORT OF THE EXECUTIVE OFFICER
State Allocation Board Meeting, January 27, 2016

SCHOOL DISTRICT DATA	
School District: .....PALM SPRINGS UNIFIED	County:.....RIVERSIDE
Application Number:.....51/67173-00-002	School Name……PALM SPRINGS HIGH
Total District Enrollment:.....23,332	Project Grade Level:……9-12
Financial Hardship:.....NO	

PURPOSE OF REPORT

To present the Palm Springs Unified School District's (District) request for Seismic Mitigation Program (SMP) replacement funding in order to rehabilitate an existing facility.

DESCRIPTION

The District submitted an *Application for Funding* (Form SAB 50-04) requesting replacement funding for rehabilitation work on the auditorium at Palm Springs High under the SMP. However, the cost/benefit analysis for the project shows that the cost of rehabilitating the building exceeds the threshold set in School Facility Program (SFP) Regulations of 50 percent of the replacement cost, which qualifies the District for replacement funding. Because of this, the Office of Public School Construction (OPSC) is unable to administratively approve the project for the requested funding type. The District has stated that the historical nature of the building makes rehabilitation preferable to replacement. Therefore, the District submitted an appeal to request replacement funding for rehabilitation work.

AUTHORITY

See Attachment A

BACKGROUND

The District submitted a Facility Hardship request for SMP funding on June 25, 2015 for the rehabilitation (seismic retrofitting) of the auditorium at Palm Springs High School. The building is classified as a Most Vulnerable Category 2 Building. The District also submitted a cost/benefit analysis for the project that shows that the cost to rehabilitate the building exceeds 50 percent of the replacement cost.

Upon completion of a review of the submitted documents, Staff concurred that the project was ineligible for rehabilitation funding and instead qualified for the replacement funding, pursuant to SFP Regulation Section 1859.82(a)(1)(A). The District concurrently submitted a *School District Appeal Request* (Form SAB 189) in order to request the use of replacement funding for the rehabilitation project. The District is requesting consideration of this issue due to the uniqueness of the circumstances surrounding the building. The Form SAB 189 is included as Attachment B.

(Continued on Page Two)

STAFF ANALYSIS/STATEMENTS

District Position

The District states the following in the attachment to the Form SAB 189:

> The District respectfully requests to utilize Seismic Mitigation Program (SMP) replacement funding for which it is eligible to instead "rehabilitate" a seismically-deficient yet historically important auditorium building on the Palm Springs High School campus. The District would use the replacement funding for essentially the complete replacement of the auditorium with the exception of the retention of just three (3) exterior walls and some of the concrete foundation.
>
> …the building was built circa 1957 and designed by renowned architect Emerson Steward Williams. The building was designed in the distinctive example of the Modernist Architectural style and it is an example of William's contribution to architectural heritage in Palm Springs. It has retained its historic character. As a result, the building has been determined to be potentially eligible for placement on the National Register of Historic Places and the California Register of Historical Resources under the criteria that the building "embod(ies) the distinctive characteristics of a type, period, or method of construction or that represents the work of a master, or that possess high artistic values, or that represent a significant and distinguishable entity whose components may lack individual attention."
>
> The District respectfully requests the State Allocation Board's (Board) approval for the District to utilize SMP replacement funding to instead tear down all but three exterior walls and some of the concrete foundation of the auditorium building. The District believes that this request can be granted based on the following:
>
> 1) The project is essentially a replacement not a rehabilitation project.
> 2) The District's desire to minimize any impacts that this project would have on the facility as a historic resource in compliance with CEQA;
> 3) The Education Code (EC) does not prevent such use of replacement funding; and,
> 4) A past approval by the Board of a similar project that can be considered.
>
> *Replacement versus Rehabilitation*
> With the exception of the fact that three exterior walls and some of the concrete foundation are being retained, the entire auditorium is being demolished and replaced with a brand new building. DSA, in conformance with Title 24 building codes, is also requiring that the new building be designed and constructed to meet today's building code including all access compliance requirements as if it was a completely brand new building. Therefore, it seems to be more appropriate to define the project as a replacement project as opposed to a rehabilitation project.

Staff Position

> *Rehabilitation versus Replacement*
> The District is requesting to use replacement funding for rehabilitation work of a qualifying Most Vulnerable Category 2 building under the SMP. Under the current SFP regulations, the District qualifies for replacement funding, but is requesting to rehabilitate the building due to its historical significance. SFP Regulations that implement the EC have been interpreted to disallow funding for any rehabilitation that exceeds 50 percent of the replacement cost of the facility. However, the statute governing SMP funding may allow additional flexibility. The State Allocation Board (Board) has taken action on similar requests in the past. Staff has provided an analysis of SFP regulation and statute below, as well as a summary of past Board actions for consideration.

(Continued on Page Three)

STAFF ANALYSIS/STATEMENTS (cont.)

Analysis of Statute
EC Section 17075.10(b)(2) states the following: "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 (emphasis added)." The 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. In this situation, the statute seems to protect a district's right to construct a new facility and entitles the district to hardship funding should the district decide to replace the facility. The statute, however, does not appear to state that the Board would not fund the rehabilitation of the building should the district choose to rehabilitate it.

Analysis of SFP Regulation
SFP Regulation Section 1859.82(a)(1)(A) allows a building whose rehabilitation exceeds 50 percent of the replacement cost to be eligible for replacement. It 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." However, the District's request is not for replacement but rather for rehabilitation. There is no section specifically dedicated to SMP rehabilitation requests. The only mention of this type of request is under the same section (which assumes a replacement request), which states: "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."

Previously, Staff has interpreted this regulation section to mean that a district would only be eligible for the type of project dictated by the cost/benefit analysis. Those projects where rehabilitation costs exceed 50 percent of the replacement cost have only been approved for replacement funding, based on the current enrollment or square footage at the site. The purpose of the 50 percent threshold is to ensure responsible use of State bond funds, assuming that replacing a building with such extensive repair requirements with a new building is a better use of funds.

Prior Board Actions
Use of the 50 percent threshold is appropriate in most cases, but does not address all unique issues. In 2012 Simi Valley Unified School District submitted a similar appeal requesting to rehabilitate a building due to its historical significance as a designated Ventura County Historical Landmark. Ultimately the Board approved the replacement funding amount (per SFP regulations), while allowing the district to determine whether the funding apportioned would be used to rehabilitate or replace the facility. In addition, and as part of the Board's motion, the district's governing board was required to approve a resolution indicating that it understands that the State's share would be limited to a certain dollar amount and the district/local community would need to pay the remaining costs. The difference between the replacement grants and the rehabilitation grants was approximately $5,700.

In another appeal from Coalinga-Huron Joint Unified School District in 2013, the district requested replacement funding for an SMP project to rehabilitate a building that has significant historical value to the community. The building was made of poured in place concrete. The district maintained that while this building type has a life span advantage over other construction types, it also increases the cost of a seismic retrofit making it difficult to qualify for rehabilitation work as part of a modernization project as the district desired. Further, the district also

(Continued on Page Four)

STAFF ANALYSIS/STATEMENTS (cont.)

maintained that it would have cost more to replace in like kind than the estimated replacement grants, due to this building type. For that project, there was a $1.57 million difference in replacement and rehabilitation funding, and the Board approved the district for replacement funding, limiting it to the rehabilitation amount.

The following table presents a comparison of the appeals previously heard by the Board with the District's current appeal:

	SIMI VALLEY USD	COALINGA-HURON JUSD	PALM SPRINGS USD
Rehabilitation Grant Amount	$1,736,978	$2,164,798	$3,347,776
Replacement Grant Amount	$1,742,692	$3,739,034	$4,665,889
Difference	$5,714	$1,574,236	$1,310,212
Percentage of Rehab/Replacement	99.7%	57.9%	71.8%
District Request	Replacement Funding for Rehabilitation	Replacement Funding for Rehabilitation	Replacement Funding for Rehabilitation
Board Action	Replacement Funding	Rehabilitation Funding	TBD

Cost/Benefit Analysis
The current cost/benefit analysis for the project, including additional grants, indicates an estimated replacement cost of $4,665,889 and an estimated retrofit cost of $3,347,776 or 71.8 percent of the replacement cost. The replacement cost is calculated based on the eligible square footage of the building, and the rehabilitation is based on a cost estimate submitted by the District of the minimum work required to obtain the Division of the State Architect's (DSA) approval.

Impact on Modernization Eligibility
If the Board were to provide replacement funding, the building would receive a new age for purposes of generating modernization eligibility under SFP regulations. In June 2015, the District submitted an application to establish modernization eligibility at the Palm Springs High site, but these applications are not currently being processed. If the auditorium received a new age by receiving replacement funding, it could affect the future modernization eligibility. Conversely, rehabilitation funding is limited to the minimum work required to obtain DSA approval. If rehabilitation funding is provided, the building would not receive a new age for purposes of generating future modernization eligibility.

Summary
As submitted, the rehabilitation work cost estimate exceeds 50 percent of the replacement cost, which qualifies the project for replacement funding rather than rehabilitation under SFP Regulations. Given the unique situation of the project, Staff agrees that the SFP Regulations do not address the issue presented by the District. However, statute does not specify that buildings must be replaced if they qualify for replacement, only that "the school district may be eligible for [replacement] funding." Because Staff is unable to administratively approve the District's request, Staff is seeking Board direction. Funding options for the Board's consideration are included below.

(Continued on Page Five)

BOARD OPTIONS

Without Board action, the District is eligible for replacement funding for the purposes of replacing the facilities. At this time, the District has already entered into contracts and has begun construction. To receive replacement funding the District would be required to obtain new DSA-approved plans and resubmit the application for replacement funding.

Pursuant to the *Rules and Procedures of the State Allocation Board,* "Staff is providing the following options 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."

For all SMP projects, the State portion of any and all savings which may be realized from the funding of the project must be returned to the State.

1) **Provide Rehabilitation Funding at the Rehabilitation Amount:**
The Board could provide rehabilitation funding to complete the rehabilitation work based on the estimated cost of rehabilitation. A funding item reflecting a Seismic Rehabilitation Grant and additional grants is included as Attachment C.

Considerations

- District is only apportioned the funding needed to complete the minimum work required to obtain DSA approval and contained in the cost estimate.
- District's future SFP modernization eligibility for building would not be affected.

2) **Provide Replacement Funding Capped at the Rehabilitation Amount and Allow Rehabilitation:**
The Board could provide replacement funding to complete the rehabilitation work based on the estimated cost of rehabilitation. A funding item reflecting an SMP replacement grant and additional grants is included as Attachment D.

Considerations

- District is only apportioned the funding needed to complete the minimum work required to obtain DSA approval.
- For purposes of SFP modernization eligibility, the building age would be reset to 12 months from the DSA plan approval. The new date would be June 2, 2016.

3) **Provide Replacement Funding at Replacement Amount and Allow Rehabilitation:**
The Board could provide a replacement funding per SFP regulation and allow the District to use the funds to rehabilitate the building. A funding item reflecting an SMP replacement grant and additional grants is included as Attachment E.

Considerations

- EC does not appear to prohibit the Board from providing replacement funding.
- For purposes of SFP modernization eligibility, the building age would be reset to 12 months from the DSA plan approval. The new date would be June 2, 2016.
- District would receive more funding than what was substantiated by the cost estimate for the minimum work required to obtain DSA approval.
- By allocating more funds than what was substantiated, less funding may be available for other districts' projects in the future.

(Continued on Page Six)

BOARD ACTION

In considering this Item, the Board approved Option #3, which provides replacement funding at the replacement amount [$4.66 million as shown on Attachment E, page 122] and allows rehabilitation of the building.

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."

EC Section 17070.35(a) states the following:

> (a) In addition to all other powers and duties as are granted to the board by this chapter, other statutes, or the California Constitution, the board shall do all of the following:
>
> (1) Adopt rules and regulations, pursuant to the rulemaking provisions of the Administrative Procedure Act, Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, for the administration of this chapter. However, the board shall have no authority to set the level of the fees of any architect, structural engineer, or other design professional on any project. The initial regulations adopted pursuant to this chapter shall be adopted as emergency regulations, and the circumstances related to the initial adoption are hereby deemed to constitute an emergency for this purpose. The initial regulations adopted pursuant to this chapter shall be adopted by November 4, 1998. If the initial regulations are not adopted by that date, the board shall report to the Legislature by that date, explaining the reasons for the delay.

SFP Regulation Section 1859.2 Definitions states in part:

> "Seismic Rehabilitation Grant" means a grant allowable under Education Code Section 17075.10(a) and (b)(2) and Section 1859.82(a)(1)(A)(2), excluding additional grants.

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
Palm Springs Unified	51/67173-00-002
SCHOOL NAME	**COUNTY**
Palm Springs High	Riverside
DISTRICT REPRESENTATIVE	**E-MAIL ADDRESS**
Julie Arthur	jarthur@psusd.us

Purpose of Request:

To request Seismic Mitigation Program replacement funding for a project consisting of almost the complete tear down of the auditorium at Palm Springs High School with the exception of three exterior walls and some concrete foundations.

Basis of Request:

- ☐ Law (Statute) _____
- ☐ Regulation _____
- ☒ Other (specify) Building is historical

Description:

See Attachment

SIGNATURE OF AUTHORIZED DISTRICT REPRESENTATIVE	DATE
Julie Arthur	November 30, 2015

Julie Arthur, Executive Director, Facilities Planning and Development

ATTACHMENT
TO APPEAL REQUEST (FORM SAB 189)

REASON FOR APPEAL

The District respectfully requests to utilize Seismic Mitigation Program (SMP) replacement funding for which it is eligible to instead "rehabilitate" a seismically-deficient yet historically important auditorium building on the Palm Springs High School campus. The District would use the replacement funding for essentially the complete replacement of the auditorium with the exception of the retention of just three (3) exterior walls and some of the concrete foundation.

Because the Office of Public School Construction (OPSC) administratively denied a very similar request by the Simi Valley Unified School District, in the interest of time a *School District Appeal Request* (Form SAB 189) has been submitted based on OPSC's pre-determination on this project that it cannot administratively approve this request.

BACKGROUND

The auditorium facility on the Palm Springs High School site was constructed in the 1950's. The facility has been determined by KNA Consulting Engineers to have a high potential for catastrophic collapse due to out-of-plane connections at bearing walls occurring in both primary directions. The bearing walls were found to be deficient and widespread, expected to cause local collapse of walls and roof framing. The Division of State Architect (DSA) concurred with this structural evaluation and determined that the building meets the eligibility requirements for SMP funding on December 23, 2013. On June 5, 2014, DSA approved the evaluation and design criteria to mitigate the seismic issues. And on June 2, 2015, DSA approved the plans and specifications for the work including the DSA requirement that the building be designed and constructed to meet today's current code and access compliance requirements as if it was a completely brand new building.

The project was submitted to the DSA under the revised PR 08-03 procedures where only the minimum work required to mitigate the seismic issues was presented in the drawings. The DSA-approved mitigation work and OPSC-approved costs total $6.7 million, or 72% of the OPSC Replacement Cost calculated at $9.3 million. Therefore, the building qualifies for replacement funding under the SMP.

The District decided to tear down all but three (3) exterior walls and retain some of the concrete foundation ("rehabilitate") instead of a complete tear-down and replacement of the auditorium even though it would have been much cheaper to do the latter. This was decided several years ago due to the facts that: its demolition would be a loss of an architectural and historical resource; the community values many of the original buildings on the campus; and, any replacement solution would cause undue political and community opposition. Before and after pictures are attached to provide a sense of the project.

Specifically, as stated in the Initial Study/Mitigated Negative Declaration dated March 2014 prepared in compliance with the California Environmental Quality Act (CEQA), the building was built circa 1957 and designed by renowned architect Emerson Steward Williams. The building was designed in the distinctive example of the Modernist Architectural style and it is an example of William's contribution to architectural heritage in Palm Springs. It has retained its historic character. As a result, the building has been determined to be potentially eligible for placement on the National Register of Historic Places and the California Register of Historical Resources under the criteria that the building "embod(ies) the distinctive characteristics of a type, period, or method of construction

or that represents the work of a master, or that possess high artistic values, or that represent a significant and distinguishable entity whose components may lack individual attention."

Thus, the District chose not to completely tear down the auditorium as it was not an appropriate or palatable solution as it is the construction type and design of the walls that makes this facility a historical resource.

DISTRICT POSITION

The District respectfully requests the State Allocation Board's (Board) approval for the District to utilize SMP replacement funding to instead tear down all but three exterior walls and some of the concrete foundation of the auditorium building. The District believes that this request can be granted based on the following:

1) The project is essentially a replacement not a rehabilitation project.
2) The District's desire to minimize any impacts that this project would have on the facility as a historic resource in compliance with CEQA;
3) The Education Code (EC) does not prevent such use of replacement funding; and,
4) A past approval by the Board of a similar project that can be considered.

Replacement versus Rehabilitation

With the exception of the fact that three exterior walls and some of the concrete foundation are being retained, the entire auditorium is being demolished and replaced with a brand new building. DSA, in conformance with Title 24 building codes, is also requiring that the new building be designed and constructed to meet today's building code including all access compliance requirements as if it was a completely brand new building. Therefore, it seems to be more appropriate to define the project as a replacement project as opposed to a rehabilitation project.

CEQA

In accordance with the Initial Study/Mitigated Negative Declaration dated March 2014, *CEQA Guidelines* section 15064.5(b) provides that "when a building has been listed in the National Register of Historic Places or California Register of Historical Resources, or determined eligible for listing in those registers by a qualified architectural historian or historic architect, the impacts of any changes, alterations, or demolition of that historic resource must be evaluated to assess if the project may cause a substantial adverse change in the significance of a historical resource." The complete demolition could be construed to cause a substantial adverse change in the significance of the historical building. Therefore, the District does not want to cause a substantial adverse change, so it has embarked on the path of rehabilitation/partial demolition in respect for this resource.

Education Code

EC Section 17075.10 states the following:

> (a) 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.
>
> (b) A school district applying for hardship state funding under this article shall comply with either paragraph (1) or (2).
>
> ...

> (2) 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 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. (*emphasis added*)

In the simple reading of the law, the EC provides that seismic mitigation program funds can be used for *seismic mitigation work or facility replacement.* In other words, the statute gives districts the option of using program funds for *seismic mitigation work or facility replacement.* The second portion of the law only defines how much funding can be received if the seismic mitigation work of a school building requires funding that is more than 50 percent of the funds needed to construct a new building. In that instance, a district *is eligible* for funding to construct a new building. Nothing in statute requires that districts that qualify for replacement funding use it for new buildings only.

Past Actions

The Board approved a very similar request of the Simi Valley Unified School District on December 12, 2012, granting the District funding for a replacement project and allowing the District to determine whether the replacement funding would be used to rehabilitate or replace the facility. Specifically, OPSC stated the following in the agenda item to the Board:

> EC Section 17075.10(b)(2) states the following: "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 (emphasis added)." The statute does not explicitly state that a 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. In this situation, the statute seems to protect a district's right to construct a new facility and entitles the district to hardship funding should the district decide to replace the facility. The statute, however, does not appear to state that the Board would not fund the rehabilitation of the building should the district choose to rehabilitate it.
>
> SFP Regulation Section 1859.82(a)(1)(A) allows a building whose rehabilitation exceeds 50 percent of the replacement cost to be eligible for replacement. It states the following: "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."

Previously, Staff has consistently interpreted this regulation section to mean that a district would only be eligible for the type of project dictated by the cost/benefit analysis. Those projects where rehabilitation costs exceed 50 percent of the replacement cost have only been approved for replacement funding. Replacement funding is based on the current enrollment at the site. The purpose of the 50 percent threshold is to ensure responsible use of State bond funds. This threshold supposes that replacing a building with such extensive repair requirements with a new building is a better use of State bond funds. Providing replacement funding also leads to the building receiving a new age for purposes of generating modernization eligibility. Conversely, providing rehabilitation funding only resolves the imminent health and safety issues, but does not result in a modernized facility. A building that receives rehabilitation funding does not receive a new age for purposes of generating modernization eligibility. However, in this case, the extent of the minimum work required to complete the seismic rehabilitation is so extensive that most building finishes and systems are being replaced after being removed in order to complete the retrofit work.

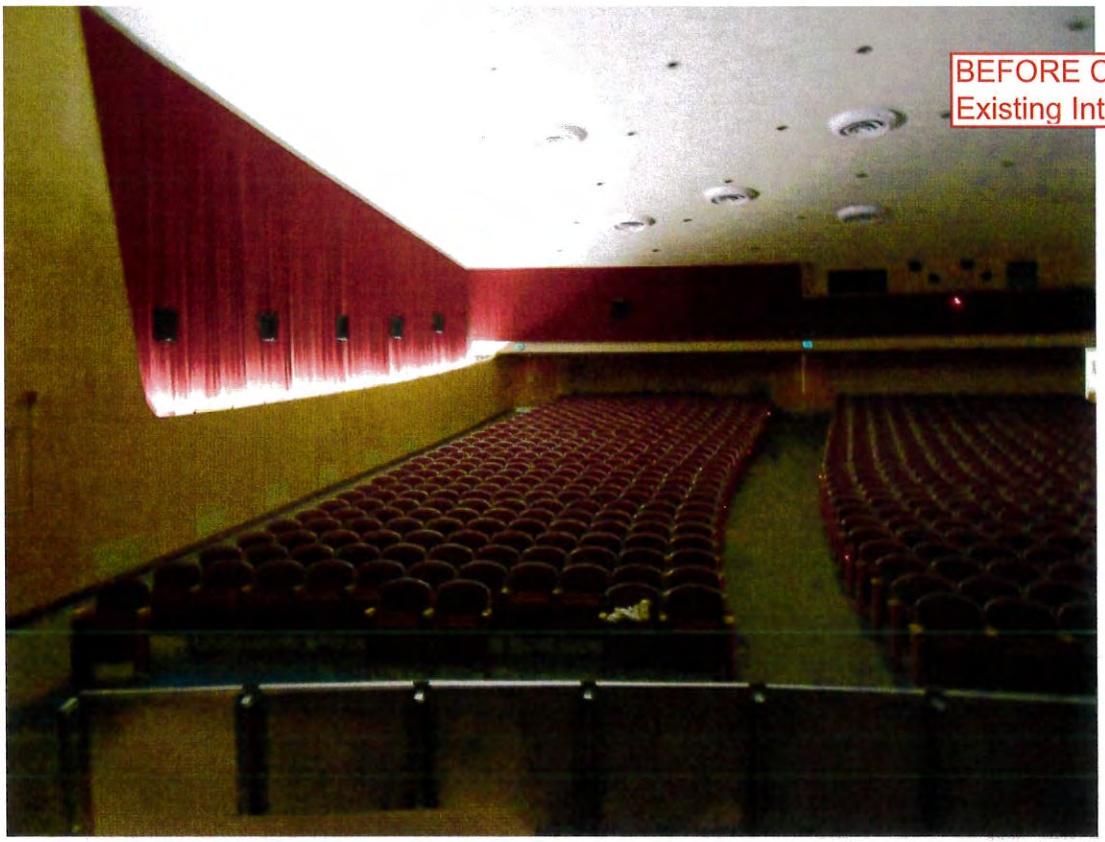
Use of the 50 percent threshold is appropriate in most cases, but does not address unique issues, such as historical buildings. Staff's review of SFP Regulation Section 1859.82 has concluded that historical buildings may not have been contemplated when the Facility Hardship and SMP Regulations were created. The Board could decide that the District has "unique circumstances" not contemplated in the Regulations and approve this SMP rehabilitation conceptual approval on a one-time basis.

The rehabilitation work exceeds 50 percent of the replacement cost, which qualifies the project for replacement rather than rehabilitation under the SFP Regulations. However, approving the District's request would appear to be allowable based on the SMP language in the EC. An approval by the Board would recognize that this is a *unique circumstance* specifically related to the historical landmark designation. However, it should be noted that approval of the rehabilitation funds would not resolve all modernization needs for the building.

CONCLUSION

The District believes it is complying with the intent of both the Public Resources Code as it relates to CEQA and the EC as it relates to the use of SMP funding for the reasons explained above. The District, therefore, respectfully requests the Board's approval to utilize replacement funding for the tear down of the entire auditorium with the exception of three exterior walls and some concrete foundation area ("rehabilitation") at Palm Springs High School.

PALM SPRINGS HIGH SCHOOL AUDITORIUM



BEFORE CONSTRUCTION:
Existing Interior of the Auditorium

DURING CONSTRUCTION:
Demolition of All But 3 Walls

DURING CONSTRUCTION:
Demolition of All But 3 Walls

DURING CONSTRUCTION:
Majority of Flooring is Removed Here.
Auditorium is Essentially Being Replaced

SAB Meeting: **January 27, 2016** **Seismic Mitigation Program - Adjusted Grant Approval**

SCHOOL DISTRICT DATA

Application No:	58/67173-00-001	**County:**	Riverside
School District:	Palm Springs Unified	**School Name:**	Palm Springs High

PROJECT DATA

Type of Project:	High School	**Application Filing Basis:**	Site Specific
Pupils Assigned Under 50 Yrs: K-6:			
7-8:			
9-12:			
Non-Severe:			
Severe:			
Financial Hardship Requested:	No	**Recommended Acres:**	49
Alternative Education School:	No	**Existing Acres:**	42

ADJUSTED GRANT DATA		
Seismic Rehabilitation	$	3,188,358
Geographic Percent Factor (5%)		159,418
Total State Share (50%)		3,347,776
District Share (50%)		3,347,776
Total Project Cost	$	**6,695,552**

PROJECT FINANCING		
State Share		
This Project	$	3,347,776
District Share		
Cash Contribution		3,347,776
Financial Hardship		
Total Project Cost	$	**6,695,552**

HISTORY OF PROJECT COST AND APPORTIONMENT

	Fund Code	Proposition	Previously Authorized	Authorized This Action	Unfunded Approval This Action
State Share					
New Construction/Additional Grant	**957-505**	**1D**		$ 3,347,776	$ 3,347,776
District Share					
Cash Contribution				3,347,776	
Total				$ **6,695,552**	$ **3,347,776**

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 must be returned to the State.

SAB Meeting: **January 27, 2016** **Seismic Mitigation Program - Adjusted Grant Approval**

SCHOOL DISTRICT DATA

Application No: 51/67173-00-002
School District: Palm Springs Unified
County: Riverside
School Name: Palm Springs High

PROJECT DATA

Type of Project:	High School
K-6:	
7-8:	
9-12:	
Non-Severe:	
Severe:	
Application Filing Basis:	Site Specific
Number of Classrooms:	0
Master Acres:	
Existing Acres:	42
Proposed Acres:	
Recommended Acres:	49
Facility Hardship (a):	Yes
Financial Hardship Requested:	No
Alternative Education School:	No
Addition to Existing Site:	No

ADJUSTED GRANT DATA

Fac. Hardship Replacement	$	3,347,776
Total State Share (50%)		3,347,776
District Share (50%)		3,347,776
Total Project Cost	$	**6,695,552**

PROJECT FINANCING

State Share		
This Project	$	3,347,776
District Share		
Cash Contribution		3,347,776
Financial Hardship		
Total Project Cost	$	**6,695,552**

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**		$ 3,347,776	$ 3,347,776
District Share					
Cash Contribution				3,347,776	
Total			$	$ **6,695,552**	$ **3,347,776**

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.

Pursuant to the Board's action on January 27, 2016, facility hardship replacement funding will be capped at amount approved for rehabilation.

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.

SAB Meeting: **January 27, 2016** **Seismic Mitigation Program - Adjusted Grant Approval**

SCHOOL DISTRICT DATA

Application No: 51/67173-00-002
School District: Palm Springs Unified
County: Riverside
School Name: Palm Springs High

PROJECT DATA

Type of Project:	High School
K-6:	
7-8:	
9-12:	
Non-Severe:	
Severe:	
Application Filing Basis:	Site Specific
Number of Classrooms:	0
Master Acres:	
Existing Acres:	42
Proposed Acres:	
Recommended Acres:	49
Facility Hardship (a):	Yes
Financial Hardship Requested:	No
Alternative Education School:	No
Addition to Existing Site:	No

ADJUSTED GRANT DATA

Service Site		174,289
Fac. Hardship Toilets	1,074 Sq. Ft.	326,496
Fac. Hardship Other	20,668 Sq. Ft.	3,492,892
Geographic Percent Factor (5%)		213,886
Small Size Project (12%)		458,327
Total State Share (50%)		4,665,889
District Share (50%)		4,665,889
Total Project Cost		**$ 9,331,779**

PROJECT FINANCING

State Share		
This Project	**$**	4,665,889
District Share		
Cash Contribution		4,665,889
Financial Hardship		
Total Project Cost	**$**	**9,331,779**

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**		$ 4,665,889	$ 4,665,889
District Share					
Cash Contribution				4,665,889	
Total			$	$ **9,331,779**	$ **4,665,889**

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 ❖ ❖ ❖ January 27, 2016