



AMERICAN RIVER COLLEGIATE ACADEMY

MOU Revision Request

Submitted to:

Sacramento County Office of Education

Date:

December 10, 2024

I. Overview

The Rocklin Academy Family of Schools (RAFOS) is seeking a revision to the Memorandum of Understanding (MOU) for our American River Collegiate Academy campus at 7755 Hazel Avenue to change the status from temporary to our permanent location and to adjust the term of the MOU to align with education code.

RAFOS was founded on the beliefs and values that all students have the ability to learn at high levels and the expectations of our organization/schools to meet or exceed that level. This belief drives our work to address the significant and persistent disparity in academic performance between student groups in public schools across the Sacramento region today. This conviction led to the opening of American River Collegiate Academy in August 2020 with the intention to provide the proven highly successful educational program of Rocklin Academy schools to the Citrus Heights and Sacramento area communities.

Rocklin Academy Family of Schools (RAFOS) understands Sacramento County Office of Education's priority to enroll students at American River Collegiate Academy who are historically underserved. This is our goal as well, and we have worked diligently to attract these families and believe that our efforts are proving to be successful. An enrollment preference for students who qualify for free and reduced priced meals and targeted marketing tactics are implemented aimed to serve the highest needs student.

As we shared in our extensive facility updated during January 2024 (updated timeline attached as Appendix A), we have been working for the past many years to find a permanent home for our American River Collegiate Academy campus within Citrus Heights. Though we are not directly located within the boundaries of the Citrus Heights limits, the majority of our students, more than half, currently reside in Citrus Heights, and our marketing efforts and outreach will continue to focus on the historically underserved communities.

As a reminder of some of the many facilities we have explored, we originally worked with an outside entity in exploring a ground up facility, which was hindered by the global pandemic. We continued our efforts in the possibility of rehabbing multiple facilities including a large three-story facility, facilities near the Sunrise mall and evaluated many other businesses and churches within Citrus Heights.

II. Facility Location

As we've searched and reported back we also shared the difficulties that we've encountered in locating space that would be both scalable and allow us to grow while still being fiscally cost effective. Throughout the years, our current partners at the Temple Or

Rishon have been wonderful and very accommodating and get to see first hand the wonderful things happening for students at our campus. We've known that our current facility at 7755 Hazel Avenue in Orangevale is doing great things for kids, with a great partner and would accommodate our current needs with some modifications, and could allow us to grow as the waitlist grows if it was our permanent facility.

In order to maintain our current facility as our permanent facility, we need to add an eighth modular building, including a TK bathroom, and revisit our current playspace. The first interim budget reflects a cost of approximately \$750,000 for those modifications. This includes the purchase and placement of the modular building as well as adding a play and grass area for outdoor activities. Using our current location as our permanent facility and leasing the space over a longer period of time allows us to spread out the cost of those enhancements over the term of a permanent lease.

III. Proposed MOU revisions

Prior to making such a large expenditure, we would like to request to amend the MOU to clarify that we can remain at our current location for the foreseeable future, as follows:

13. Facilities

13.1. *It is understood and agreed that the County Board and/or SCOE have no obligation to provide facilities to TRA for the Charter School. The Charter School intends to begin operating in 2020-2021 at a ~~temporary~~ school site located at 7755 Hazel Avenue in Orangevale, California, ~~and to move to a permanent school site in Citrus Heights as soon as feasible~~. The Charter School ~~will regularly update SCOE on the progress and plans for its permanent school facility in Citrus Heights, and~~ will obtain County Board approval before opening and operating ~~its permanent school facility or~~ any other school facility.*

We also respectfully request that the MOU for American River Collegiate Academy be revised to extend the term of the MOU to expire June 30, 2028, in accordance with relevant education code as follows:

2. Term of the Memorandum of Understanding

2.1. *This Memorandum of Understanding (MOU), provided it is fully executed by all Parties, shall cover the term of the Charter ~~five (5) fiscal years~~ commencing on July 1, 2020, and ending on June 30, 20258 ("Term"), **in accordance with Education Code section 47607.4**. The "effective date" of the Charter is July 1, 2020. This MOU will automatically expire upon the expiration or revocation of the Charter.*

Appendix A

As previously shared in our January 2024 Facility Update with additional information to reflect more known information and our current facility request.

April 2019-December 2022

In April 2019, we began working with Turner Impact on potential long-term facility solutions. As we began our journey, our original estimate was between \$12-14 Million (estimated at \$22,000-\$25,000 per student).

October 2019, we toured multiple potential sites in Citrus Heights exploring the feasibility of the sites as a long-term plan.

In December 2019, while working on our appeal through SCOE, we explored the land at 7951 Antelope Road in Citrus Heights as well as a short-term facility at 7755 Hazel Avenue in Orangevale, just over a mile from Citrus Heights.

In January 2020, while working through a Letter of Intent for the Antelope Road property in Citrus Heights, we secured a short-term rental at the Temple Or Rishon at 7755 Hazel in Orangevale.

By February 2020, we had come to an agreement on the price of the land on Antelope Road in Citrus Heights and were developing the full site plan. We also received our project overview and scalable projections to evaluate the fiscal viability of the plan. The projections of cost estimated at \$16-17M which were higher than we had originally thought, however we believed they would be manageable using enrollment figures of 350 in year 1, and growing to 558 by year 3 as well as utilizing SB740 funding. Additionally, we received our approval for ARCA charter petition to open Fall of 2020 and moved forward full steam ahead with the intent to develop the Antelope Road property in Citrus Heights as our permanent site.

In March 2020, the unprecedented effects of the Global Pandemic began to materialize.

Unknown effects lead to uncertainty; however, we did not slow down on the facility planning. We entered into a cost-reimbursement agreement with Turner Impact to ensure the project would not stop and could continue moving forward.

August 2020, we opened ARCA with 31 students and we were confident that enrollment would rebound across the State of California and within our school specifically.

We continued working with Turner Impact and the City of Citrus Heights over the next several months where we received approval from the City of Citrus Heights planning department for the development of the Antelope Road property.

We continued to move forward, though our enrollment numbers and waitlist were down, and the effects of the pandemic did not subside. We extended our purchase agreement multiple times as we worked through the challenges of slow enrollment growth (we grew

from 31 students to 60, then to 80 students in year 3). Additionally, Transitional Kindergarten ages were expanded by the State which would have had an impact on our potential facility. Labor shortages and rising inflationary costs leading to an insurmountable rise in the cost of the facility causing the deal to no longer be feasible. The cost of working through the pandemic on this facility was approximately \$1.7 million of funds from our organization.

Although we were devastated that the project we had worked on for the past several years had come to a close, it did not diminish our dedication in finding a location within Citrus Heights.

In April of 2022, it appeared that enrollment numbers were not moving as quickly as we had planned. We began to explore additional short to long term facilities within the City of Citrus Heights where we could potentially grow at a slower pace. One of those properties which appeared to be a possibility was Holy Family Catholic Church in Citrus Heights. This facility, though it needed repairs, was already set up for a school, had a multi-purpose area and plenty of parking. We toured the facilities and pursued the possibility of a lease with the Sacramento Diocese; however our lease inquiries were unsuccessful.

We continued working closely with the City of Citrus Heights, who introduced us to the possibility of 6060 Sunrise Vista, Citrus Heights, a large three-story building which had ample room for growth, great traffic staging space and lots of potential. Though it did not “look” like a school, we were familiar with this type of structure as one of our other schools is in a three-story office building.

January 2023 – October 2023

In January 2023, we entered a draft Letter of Intent with 6060 Sunrise Vista, Citrus Heights. We worked closely with the owner of the facility on identifying a potential layout as we would need to be able to grow according to our enrollment. This facility was a single, 100,000 square foot building, and needed significant updates to make it school ready. We worked closely with the City of Citrus Heights undergoing a traffic study, our architect in developing potential space planning, and the appropriate departments in Sacramento County Planning. The cost of the traffic study and associated space planning was more than \$80,000.

Through discussions with the different agencies, we learned that the facility needed even more significant improvements (above and beyond the standard tenant improvements) which made this facility out of reach financially. Some of those upgrades included the entire building requiring fire upgrades, a new fire hydrant closed loop, upgrades to the elevator shaft and many, many other items. Additionally, we had planned to add a secondary building to the parking area to accommodate a gymnasium and kitchen, but we learned that we would need to move the stormwater sewer drain from the adjacent apartment. These improvements would be at our cost and would require us to grow our enrollment faster than our previous projections in order to be fiscally viable.

Though we were not pleased with the outcome, we now have some projects and experiences we could use to refine our search within Citrus Heights. We went back to the City of Citrus Heights to discuss potential locations as well as direct our broker to try to find any and all potential locations.

October 2023-December 2023

Staff and Board members continued to engage with the City of Citrus Heights to evaluate every facility opportunity aligned to our projected growth. Citrus Heights City manager, Ash Finney, met with San Juan Unified School District Superintendent, who indicated she would be willing to meet to discuss potential San Juan Unified space in Citrus Heights. ARCA's Superintendent Stout reached out several times to the San Juan Unified superintendent to schedule a meeting to discuss potential facility space. Unfortunately, a meeting did not occur and an email was received from the Chief Operations Officer indicating that no space is currently available in Citrus Heights.

Throughout this timeframe, staff continued to work with our real estate agent to explore any additional options within Citrus Heights including churches and private schools. Twenty churches with potential space were contacted. Unfortunately, there are no churches or private schools that have enough space to accommodate our current students, let alone future growth. Staff reached out again to Holy Family Catholic Church, but we have not received a return call.

As our real estate agent was looking into potential locations in Citrus Heights, he brought forward a promising facility next door to our current location, 7801 Hazel Avenue, Orangevale. Staff toured the facility and saw great potential for this location to be the home of American River Collegiate Academy.

January 2024 - Current

Staff and Board members continued to engage with the facility at 7801 Hazel, however we decided to part ways as our vision on how to utilize the facility did not align. We then returned our focus to our current location to identify what it would take to ensure the facility would meet our needs for the foreseeable future and allow us to grow as our waitlist permits.