

The Los Angeles Community College District Expended Over \$7 Million of Restricted Bond Funds to the Benefit of Private Projects Politically Favored by Antonio Villaraigosa

Van de Kamps Coalition calls for halt of illegal spending that deprives Los Angeles youth of community college facility.

Records obtained by the Van de Kamps Coalition in the construction trailer at the Van de Kamps construction site reveal a total of \$7,011,273.60 of definitely unlawful or most likely unlawful expenditures by the Board of Trustees of the Los Angeles Community College District (“LACCD”) for the benefit of tenants politically linked to Los Angeles Mayor Antonio Villaraigosa. This figure is the tally so far and the VDK Coalition expects that it will identify more unlawful expenditures as it reviews more records of the District.

There are two buildings at Van de Kamps: the New Education Building (now occupied by a tenant, Alliance for College-Ready Public Schools, a private charter high school) and the historic Van de Kamps building (targeted to be turned over to four politically favored unemployment tenants linked with the Mayor’s office and funded by the Mayor’s office with Obama Administration Economic Stimulus Funds). Ironically, occupancy was scheduled for April 1, 2010, April Fool’s Day, but has been postponed because the construction contractor can simply not finish the building as fast as Mayor Villaraigosa’s staff is demanding.

In a series of posts to NELA list and community activist lists over Los Angeles, the Van de Kamps Coalition will explain the details of the misspent millions. Here is just one category of the abuse of bond funds by LACCD Board of Trustees on the part of Northeast Trustees Mona Field, Sylvia Scott-Hayes, and Kelly Candaele:

Value Of VDK Interior Improvements Converted To Cover The Construction Cost of Tenant Improvements

The VDK Building, including the interior classroom design approved by the State Architect in November 2007, was bid in Fall 2007. It is part of US Cal Builders original contract to build the Van de Kamps buildings. In a memorandum written by LACCD Construction Manager Richard Brand to Facilities Director, Larry Eisenberg, Brand estimated the value of the “change in program (tenant improvements/LEED energy remodeling)” slated to be built into the VDK Building at \$3 million.

On July 15, 2009, the Board of Trustees, led by Mona Field and Sylvia Scott-Hayes, voted to transfer Van de Kamps from Los Angeles City College to District Administration, and in turn, lease out the buildings to various tenants. The Van de Kamps Coalition was there objecting to the conversion of the project instead of looking for creative funding sources to open the community college. At that point, the District had the legal choice of de-scoping the interiors of the Van de Kamps and just finishing the exterior shell of the buildings, or completing the two buildings as designed for community college “school facilities” as constitutionally required under the language of Proposition 39.

The de-scoped buildings would have to await sufficient operating funds for Los Angeles City College (assuming that the budget was ever the real reason Van de Kamps was transferred away from Los Angeles City College). Or, the community college “school facilities” could have been completed as planned and approved by the State Architect. During the final year of construction, the LACCD Board then could have worked proactively with elected officials, the LACCD Foundation, the Van de Kamps Coalition, and others to creatively obtain the funds to open and operate the Satellite Northeast Campus (assuming that the budget was ever the real reason Van de Kamps was transferred away from Los Angeles City College).

Instead of choosing one of these legally sound policy options, the LACCD Board veered into illegal territory. It directed and paid out of bond funds for the Quatro Design Group, the architect of record for Van de Kamps, to re-design the interior of the VDK Building to meet the needs of the proposed tenants. It made a conscious and willful decision to take the value of the estimated \$3 million construction cost of the original plans and apply it as a down payment to pay for the construction of the redesigned tenant improvements. They knew or had reason to know that this was illegal under the California Constitution. It's their job to know.

The LACCD Construction Manager summed up the strategy in a memo he wrote to Quatro Design Group:

“I also need to reinforce to you that we need to work with the existing materials that have already been installed in the VDK to minimize (or eliminate) the construction cost impact of this program change. Our position with the contractor is there should be little to no cost impact for the design change and we do not anticipate paying him any additional money. This may be a difficult position to maintain, but we [are] to make every effort we can to minimize changes to materials that have already been installed.”

Unfortunately for the LACCD Construction Manager, the District now has used the entire value of the interior improvements up. The evidence is in the form of one of the most recent requests for Change Order submitted by the construction contractor:

VDK-210 Proposed Change Order from US Cal Builders – “Extra work related to VDK new TI [tenant improvement] drawings (Field Change Directive #18) \$333,414.15”

The scheme of LACCD to quietly steal the construction cost of the original classrooms designed for our children and apply it for the benefit of the Mayor’s funded organizations is a huge amount of bond funds used to solely benefit the private sector tenants. Now change order proposals are appearing that suggest that the \$3 million value has been exhausted and the construction contractor is asking for more money to complete the VDK tenant improvements.

The VDK Coalition believes that the LACCD has no plans to recover from the Mayor’s tenants the cost to reconstruct the interior of the VDK Building once the Mayor’s programs vacate the premises following their “temporary use” of Van de Kamps. With no plan to restore the value of the construction contract

applied unlawfully to the tenant improvements and with the current bond program slated to end by 2014 (the last year of the five year lease(s) at Van de Kamps), the District will have no funds to pay for reconstruction of the VDK Building back to proper classrooms designed for our youth.

This will no doubt later be the justification the LACCD Board uses to abandon the Northeast Campus to the Mayor's favorite projects, or otherwise dispose of the community college facilities. Northeast youth are about to be screwed by the Mayor and LACCD Board of Trustees.

Benefit to the Mayor's Tenants \$3,000,000 plus \$333,414.15

All using your taxes to do it.

Stay tuned for Part 2. More information at <http://www.vandekamps.org/>

The Van de Kamps Coalition