

**SACRAMENTO CITY UNIFIED SCHOOL DISTRICT
BOARD OF EDUCATION**

Agenda Item#11.3

Meeting Date: June 19, 2014

Subject: Real Property Surplus Workshop on Process

- Information Item Only
- Approval on Consent Agenda
- Conference (for discussion only)
- Conference/First Reading (Action Anticipated: _____)
- Conference/Action
- Action
- Public Hearing

Division: Facilities Sun41Q()6(e)uQ()60 T11.52 /Ts

Recommendation:

Provide the Board an opportunity to discuss the disposition of the property around the District.

Background/Rationale:

Per Board request, a workshop has been scheduled to discuss the process of addressing surplus property within the District.

Financial Considerations: N/A

Documents Attached:

1. Executive Summary
2. Additional Materials

Estimated Time of Presentation: 10 minutes

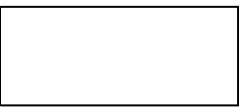
Submitted by: Teresa Cummings Ph.D.
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Approved by

Board of Education Executive Summary

7-11 Advisory
Committee

Declare Surplus
by Simple Bd
Majority



Major
Exceptions

Historic Building
EC 17482
Non-Profit OrgCounty Supervisors:

SURPLUS PROPERTY PROCESS
LIST OF SPECIFIC STATUTORY OFFERS

1. Offers of Sale Required by Code 17464.

- a. First priority, to charter schools with a minimum of 80 ADA, upon written request by a charter. But the real properties must be “. . . designed to provide direct instruction or instructional support. This is in addition to Prop 39 requests by charter schools.
- b. Second priority, for park and recreational purposes under Gov. Code 54222(b) to the park or recreation department of the City of Sacramento; to the County of Sacramento; to any regional park authority where the surplus property is located; and to the State Resources Agency.
- c. Third priority, to the Director of General Services of the UC Regents; the Trustees of the California State University system; any public housing authority in Sacramento County; other entities and organizations, by income housing for park or recreational uses and for clustering housing and commercial development around transit hubs

Specific provisions are:

- a. For purposes of developing low and moderate income housing priority to lower income elderly and disabled persons.

entities set forth in 1.b. above.

- c. For purposes of developing an integrated mixed use commercial development village plan under the Transit Village Plan Act (Gov. Code 65460 et seq.) the City of Sacramento; any public transportation authority where the surplus property



Checklist for Sale or Lease School District Surplus Property

(Revised November 2013)

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designated public entities. This group must also be notified that it has sixty days to make offers, but is not entitled to an additional negotiation period.

{ Lease (with no option to purchase): No additional notices, beyond the requisite offers to charter schools and Naylor Act entities, are expressly required. The District may proceed to lease the property to the highest responsible bidder pursuant to [Education Code sections 17466](#) (Note: More conservatively, and in recognition of limited legal precedent, the additional notices may still be sent.)

{ Leasing vacant classrooms ([Ed. Code § 17465](#)) The District must offer the classrooms to other school districts in the [• š OE] š [• ^ > W } OE š Z μ) μ š] š Q K (| for use for special education programs. The school district or the County Office of Education are entitled to a negotiation period of sixty days from receipt of the offer.

{ All property sales ([Govt. Code § 65402\(c\)](#)) The District must notify the local city or county planning agency, if such city or county has adopted a general plan which affects the area where the property is located.

{ Competitive bidding ([Ed. Code §§ 17466](#)) The District may ultimately sell or lease the property to the highest responsible bidder. Bids may not be opened until at least three weeks after the Board adopts its resolution of intent to sell or lease the property. Districts may seek waivers of the competitive bidding process from the State Board of Education; in recent years, waivers from the bidding process have been granted, but districts have still been required to provide mandatory notices and engage in certain public procedures.

{ The Education Code also contains a provision indicating failure to comply with the Education Code property provisions will not invalidate a conveyance of property that has already occurred ([Ed. Code § 17483](#).)

I. Determination of Surplus Status

Detailed Checklist

- ‰ The District may wish to adopt an initial resolution to commence the process of whether to declare District property as surplus, but no such resolution is required.
- ‰ The School Board must appoint a committee of between seven and eleven members [\(Ed. Code § 173887389\)](#)
 - o The ethnic, age group, and socioeconomic composition of the District.
 - o The business community, such as store owners, managers, or supervisors.
 - o Landowners or renters, with preference to be given to representatives of neighborhood associations.
 - o Teachers.
 - o Administrators.
 - o Parents of Students.
 - o Persons with expertise in environmental impact, leg

% Optional Clarification and Policy Issues.

- o [REDACTED]

III. Board Action Declaring
Property Surplus

IV. Required Offers

- A. Offers to Interested
Charter Schools

students for the following fiscal year. The offer must be made pursuant to the following conditions:

- o The charter school must use the real property exclusively to provide direct instruction or instructional support. ([Ed. Code § 17457.5\(a\)\(1\).](#))
- o If the charter school is interested in purchasing or leasing the property, it must so notify the District

[Code § 17457.5\(f\)](#). From the statutory language, it is not clear what constitutes surplus property as surplus for purposes of this requirement.

- o A school district selling or leasing surplus property only required to offer that property to a charter school until June 30, 2016 ([Ed. Code § 17457.5](#))

B. Offers Required by the Naylor Act

‰ Determine whether the Naylor Act ([Ed. Code §§ 17485, et seq.](#)) applies. The Naylor Act applies when all of the following conditions are present ([Ed. Code § 17486](#))

- o All or a portion of the property is used for school playground, playing field, or other outdoor recreational purposes and open space land particularly suited for recreational purposes.
- o The land has been used for such purposes for at least one year prior to the decision to sell or lease the property.
- o No other available publicly owned land in the vicinity is adequate to meet the existing and foreseeable needs of the community for playground, playing field, or other outdoor recreational and open-space purposes, as determined by the governing body of the agency which proposes to purchase or lease land from the District.

‰ The District may exempt two surplus properties from the Naylor Act for each planned school site acquisition if the District has an immediate need for an additional school site and is actively seeking to acquire an additional site, and may exempt one surplus property from the Naylor Act if the District is seeking immediate expansion if the classroom capacity of an existing school by 50% or more ([Ed. Code § 17497.](#))

‰ No more than 30% of the total surplus school acreage (inclusive of both developed and undeveloped property) owned by a school district may be purchased or leased to public agencies through the Naylor Act ([Ed. Code § 17499\(a\).](#))

‰ If the Naylor Act applies and the property is not exempt the District must first make a written offer to sell or lease

the property to the following agencies for use as outdoor

C. Offers to Sell or Lease with
Option to Purchase

- o Any other school district in which the property is situated, if the school district will use the property for school facility construction or ~~on~~-space purposes.
- o If the property is in any area designated as an enterprise zone, an offer must be sent to the nonprofit neighborhood enterprise association corporation in the zone for enterprise zone purposes.
- o Any county, city, city and county, community redevelopment agency, public transportation agency, or housing authority within whose jurisdiction the surplus land is located, for the purpose of developing property located within an infill opportunity zone designated pursuant to

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or in part).([Ed. Code § 17465\(b\).](#))

E. Additional Offers if Leasing Vacant Classrooms %

- %o If the parties are unable to arrive at a mutually satisfactory lease within the 60 day period, the District may offer the property to other parties. ([Ed. Code § 17465\(g\).](#))
- %o If the local city or county planning agency has adopted a general plan or part thereof which affects or includes the area where the property is located, the District must notify the agency in writing before the District may sell the

V. Notification of Local City or County Planning Agency Prior to Sale

VI. Board Action Declaring Intention to Sell or Lease the Property

VII. Competitive Bidding

- ‰ At the public Board meeting where the bids are opened (open session), the Board must do the following ([Ed. Code §§ 17472,17473](#))
 - o Open, examine, and declare all sealed proposals which have been received by thhave been receive

VIII. Exceptions

‰ Although it has not yet done so as of October 2, 2013, the State Allocation Board is authorized to establish a program that would require school districts to return state school facilities funding to the State if the school district sells surplus property that was purchased, modernized, or improved using that funding, and the following conditions are met:

- o The property is not being sold to a charter school, another school district, a county office of education or any agency that will use the property exclusively for the delivery of child care and development services.
- o The proceeds from the sale will not be used for capital outlay.
- o The property was purchased, or the improvements were constructed or modernized, within 10 years before the property is sold.

[\(Ed.Code, §17462.3.\)](#)

X. Use of Proceeds of Lease with No Option to Purchase

‰ There are no statutory limitations on the use of proceeds from a lease of surplus property if the lease does not include an option to purchase.

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