



# Surplus Property: Options and Overview of Process

Board Meeting  
March 21, 2024  
Agenda Item No. 11.1

**Presented by:**

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# Building Equity into our Foundation

## SCUSD CORE VALUE

We recognize that our system is inequitable by design and we vigilantly work to confront and interrupt inequities that exist to level the playing field and provide opportunities for everyone to learn, grow and reach their greatness.

## SCUSD GUIDING PRINCIPLE

All students are given an equal opportunity to graduate with the greatest number of postsecondary choices from the widest array of options

# Acronyms

<b>Ed. Code</b>	California Education Code
<b>Gov. Code</b>	California Government Code
<b>§</b>	Section
<b>Et seq.</b>	And the following
<b>SLA</b>	Surplus Land Act
<b>HCD</b>	California Department of Housing and Community Development

# Agenda

- Background on previous school closures and previous 7-11 Committee efforts
- Process and legal considerations for sale or lease of property
- 7-11 Committee formation and process
- Board declarations and statutory noticing requirements; additional steps
- Recommendations



# Background on Previous School Closures and 7-11 Committee Efforts



# Background on Previous School Closures

**2013.** SCUSD closed seven (7) elementary schools, including:

- Joseph Bonnheim (Re-opened as Charter)
- Maple (Re-opened as a Community Center)
- Washington (Re-opened as a District school)
- Fruitridge (Re-opened as a Community Center)
- CP Huntington
- CB Wire (Re-opened as interim housing during school construction)
- Mark Hopkins (Re-opened as the SUCCESS Academy)

The District has additional underutilized properties, including:

- Perry Avenue Field
- Florin Technology

# Background on Previous School Closures

**2014.** The District formed a “7-11 Committee” to discuss the potential disposal of surplus properties.

- The recommendation was to lease the properties in case they might be opened back up in the future.

**2023.** A new 7-11 committee should be formed to review and recommend action regarding current surplus property.

- It is recommended to reconvene a new 7-11 Committee due in part to legislative changes to the “California Surplus Land Act.”

# Background on Previous School Closures

**2024.** District staff recommend convening a new 7-11 Committee to address the possible disposition of the following five (5) properties:

- Maple (Re-opened as a Community Center)
- Fruitridge (Re-opened as a Community Center)
- CP Huntington
- Perry Avenue Field
- Florin Technology





# Process and Legal Considerations for Sale or Lease of Property



# Considerations and Planning

- Will District have use for property in foreseeable future?
- Are there alternative use(s) for property by District?
- Are there acceptable uses of property by third party(ies) until District has use for property?
- Physical site development constraints
- Political aspects
- Possibility of exchange



# Legal Requirements

- California Education Code requires specific procedures in relation to selling or leasing surplus school district property. (See generally Ed. Code §§ 17387, et seq., 17455, et seq.)
- Surplus Land Act requires additional procedures. (See generally Surplus Land Act, Gov. Code, §§ 54220, et seq.)

# Legislative Direction on Community Input

**Education Code § 17387** specifies Legislative intent of community involvement “before decisions are made about school closures or the use of surplus space...”

**Education Code § 17388-17389** mandates that the Governing Board appoints a District Advisory Committee, or “7-11 Committee,” to advise the governing board in the lease or disposition of surplus property. It defines the required composition of the 7-11 Committee. The Committee’s findings are not binding on the Board.

Source: *Closing a School, Best Practices Guide, CA Dept. of Education*

# “7-11” Advisory Committee

- A “7-11” Advisory Committee is a committee of 7 to 11 representative community members formed to advise the Board on how best to use or dispose of property that is not needed for school purposes.
- Required under Education Code section 17387 et seq. prior to sale or lease of most properties.
- Workforce housing and certain non-school properties exempt.
- 7-11 Committee recommendations do not bind the District.
- **Are the 2014 7-11 Committee recommendations still relevant to the needs of the District and our community?**

# 7-11 Committee Requirements

- 7 required membership categories.
- Independent, objective, and non-political.
- Holds public hearings and gathers information about District property needs.
- Meetings are subject to the Ralph M. Brown Act.

# Formation of a 7-11 Committee

The seven (7) required Committee members must consist of the following (Ed. Code § 17389):

1. The ethnic, age group, and socioeconomic composition of the District.
2. The business community, such as store owners, managers, or supervisors.
3. Landowners or renters, with preference to be given to representatives of neighborhood associations.
4. Teachers.
5. Administrators.
6. Parents of students.
7. 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.

# Forming a Committee

**A formal application** will be issued seeking qualified candidates.

**Outreach to develop awareness and interest** will be performed communities most impacted by any possible properties potentially reviewed.

**A scoring matrix** will be developed to review and select qualified applicants.

**The Board will approve** recommendations for Committee membership.

**The committee will appoint its own leader.** Staff will present work to date, and to provide technical assistance and support throughout the process.

**The Board will be kept informed** as appropriate throughout the process.



# Timeline for Forming a Committee

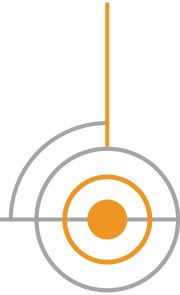
COMMUNICATIONS PLANNING  
AND APPLICATION DEVELOPMENT

March 21

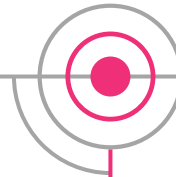


BOARD APPROVE CREATION  
OF 7-11 COMMITTEE

March 22  
through  
April 12



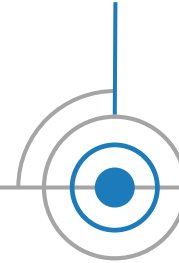
April 15  
through  
May 15



APPLICATION WINDOW AND  
COMMUNITY OUTREACH

STAFF APPLICATION REVIEW  
AND SCORING

May 16  
through  
May 24



# Timeline for Forming a Committee

June 6

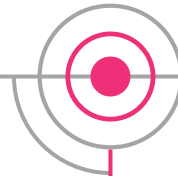


7-11 COMMITTEE KICK-OFF MEETING



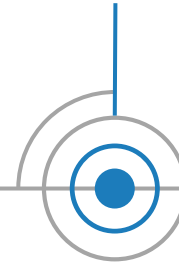
Week of  
June 24

August 5  
through  
Sept 20



BI-WEEKLY 7-11 COMMITTEE MEETINGS

INITIAL 7-11 COMMITTEE PRESENTATION TO THE BOARD



October 17

BOARD APPROVE 7-11 COMMITTEE MEMBER RECOMMENDATIONS



# Board Declarations and Statutory Noticing Requirements



# Declaring Surplus Property

**Why?** A vacant school site and empty buildings are a district liability. They require upkeep, maintenance, security, and insurance coverage.

# Formal Board Declarations

- The Board may find that the property constitutes either “exempt surplus land” or “surplus land” within the meaning of the Surplus Land Act.
  - Declaration of “exempt surplus land” eliminates most Surplus Land Act procedures
  - Notice to Housing and Community Development (HCD) required (Gov. Code, §§ 54221-22)
- Board declaration triggers offers to various public agencies for negotiated sale.

# Can we Sell to Current Tenant?

The Education Code outlines a process of providing notice or offering surplus property to various entities and agencies in a prescribed order. The District generally cannot bypass that sequence of offerings. Current tenants will have to wait through the statutory process as outlined.

# Naylor Act Notices

Offers must be made to certain public agencies for property used for playground, playing field, outdoor recreational purposes

- Used for 8 prior years
- No other publicly owned land in the vicinity to meet these needs
- Sale/lease price is limited



# Additional Notices for Sale or Lease with Option to Purchase

- Public Notices to Required Recipients
- Former owner(s) of property
- Publication in newspaper of general circulation once a week for three successive weeks
- Mailing to specified governmental entities
- Local Planning Commission





# Notice requirements: Lease with No Option to Purchase

- No additional notices required beyond Naylor Act
- *But:*
  - Mandatory offers for special education if leasing vacant classrooms
  - Leases over 15 years may be subject to SLA noticing requirements



# Selling or Leasing District Property: Additional Steps

Board to consider 7-11 Committee recommendation.

The board must adopt a resolution by a two-thirds vote to lease or sell specific pieces of property, specify a minimum price, and fix a time not less than three weeks afterwards for a public meeting in which sealed proposals will be received and considered (Education Code § 17466).

The board at an open meeting shall accept the highest sealed bid (Education Code Section 17472). The board shall also accept any oral bids at an open meeting if the highest oral bid exceeds the price by at least 5 percent (Education Code § 17473).

Source: Closing a School, Best Practices Guide, CA Dept of Education

# Final Caveat

There are available waivers a district can seek to bypass some of the required steps discussed noted.

**Additionally, the obligation a district has to its community is sometimes more important than realizing the highest price from district property.**

# Recommendation

Staff recommends convening a new 7-11 Committee to address the possible disposition of the five (5) properties listed on slide 7.

- Maple
- Fruitridge
- CP Huntington
- Perry Avenue Field
- Florin Technology

Source: Closing a School, Best Practices Guide, CA Dept of Education



# Questions?

