

Date of Hearing: May 10, 2017

ASSEMBLY COMMITTEE ON EDUCATION

Patrick O'Donnell, Chair

AB 1157 (Mullin) – As Amended May 2, 2017

SUBJECT: School property: school district advisory committees: teacher and school district employee housing: property tax exemption.

SUMMARY: Exempts a school district from convening a specified advisory committee related to surplus property and exempts specified requirements relating to the sale or lease of real property if the purpose of the sale or lease of property is for the construction, reconstruction or renovation of rental housing facilities for school district employees. Specifically, **this bill:**

- 1) Exempts a school district from the requirement to appoint a specified school district advisory committee if the sale, lease or rental of excess real property is to be used for teacher or school district employee housing.
- 2) Specifies that the construction, reconstruction, or renovation of rental housing facilities for school district employees constitutes a permissible capitol outlay expenditure of the financing proceeds obtained by the school district for the purposes of meeting specified requirements that apply to the sale or lease of real property by a school district.
- 3) Provides that the exemption for taxation of property for school, college, or university includes property that is used to jointly provide housing for employees of one or more public school districts or community college districts, provided that the use of property to jointly provide housing is pursuant to a written agreement between the affected public school districts or community college districts.
- 4) Specifies that the exemption for taxation of property shall include county property, that is also used to provide housing to employees of a public school district or community college district that includes within its jurisdictional boundaries territory that is also within the jurisdictional boundaries of the county.

EXISTING LAW:

- 1) Expresses the intent of the Legislature to have the community involved before decisions are made about school closure or the use of surplus space, thus avoiding community conflict and assuring building use that is compatible with the community's needs and desires. (Education Code (EC) Section 17387)
- 2) Requires the governing board of a school district to, prior to the sale, lease, or rental of any excess real property, except rentals not exceeding 30 days, appoint a district advisory committee to advise the governing board in the development of districtwide policies and procedures governing the use or disposition of school buildings or space in school buildings which is not needed for school purposes. (EC Section 17388)
- 3) Specifies that a school district advisory committee shall consist of not less than seven nor more than 11 members, and shall be representative of each of the following:

- a) The ethnic, age group, and socioeconomic composition of the district.
 - b) The business community, such as store owners, managers, or supervisors.
 - c) Landowners or renters, with preference to be given to representatives of neighborhood associations.
 - d) Teachers.
 - e) Administrators.
 - f) Parents of students.
 - g) 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 of the cities or cities and counties in which surplus space and real property is located. (EC Section 17389)
- 4) Requires the school district advisory committee to do all of the following:
- a) Review the projected school enrollment and other data as provided by the district to determine the amount of surplus space and real property.
 - b) Establish a priority list of use of surplus space and real property that will be acceptable to the community.
 - c) Cause to have circulated throughout the attendance area a priority list of surplus space and real property and provide for hearings of community input to the committee on acceptable uses of space and real property, including the sale or lease of surplus real property for child care development purposes pursuant to Section 17458.
 - d) Make a final determination of limits of tolerance of use of space and real property.
 - e) Forward to the district governing board a report recommending uses of surplus space and real property. (EC Section 17390)
- 5) Authorizes the governing board to elect not to appoint an advisory committee in the case of a lease or rental to a private educational institution for the purpose of offering summer school in a facility of the district. (EC Section 17391)
- 6) Requires the governing board of a school district seeking to sell or lease surplus real property designed to provide direct instruction or instructional support to first offer that property to a contracting agency to be used for child care and development services. (EC Section 17458)
- 7) Requires a school district, prior to selling or leasing a schoolsite containing all or a portion of the schoolsite which is used for school playground, playing field, or other outdoor recreational purposes and open space land, to offer to sell or lease the portion of the schoolsite used for school playground, playing field, or other outdoor recreational purposes to the following entities: 1) any city; 2) any park or recreation district; 3) any regional park authority; and 4) any county within which the land may be situated. (EC Section 17489)

FISCAL EFFECT: Unknown. Based on the May 2, 2017 amendments, Legislative Counsel reclassified the bill as fiscal.

COMMENTS: This bill makes changes to the Education and Revenue and Taxation codes in an effort to increase availability of teacher and school district employee housing. Under current law, prior to selling surplus property, a school district is required to appoint an advisory committee between seven and 11 members (commonly known as the 7-11 committee) comprised of community members, school-based representatives, and individuals with expertise in construction, land use, legal contracts or environmental impact. The purpose of 7-11 committees

is to garner community input about uses for district owned surplus property prior to the sale of property. Under current law, a district is allowed to waive the requirement to appoint a 7-11 committee if district property is to be leased or rented to a private educational institution for the purpose of offering summer school. This bill expands the exemption to form a 7-11 committee if the sale, lease, or rental of district property is to be used for teacher or school district employee housing. The effect of this provision is to prevent school districts from having to offer surplus property to specified entities and instead enable school districts to use the property for employee housing.

Another provision in the bill exempts the sale or lease of real property for a term not exceeding 99 years from requirements related to sale or lease of property if the proceeds from the sale or lease will be used for the construction, reconstruction, or renovation of rental housing facilities for school district employees. Under current law, property deemed as “surplus” must be offered to specified entities, including local governmental agencies, childcare centers, and park or recreation districts. The exemption from having to comply with these provisions is provided if, among others, the proceeds are expended solely for capital outlay purposes, including the acquisition of real property for intended use as a schoolsite and the construction, reconstruction, and renovation of school facilities. This bill specifies that “construction, reconstruction or renovation” of facilities include rental facilities for school district employees.

The author states, “Due to the extreme shortage of teachers in the state, many school districts must seek opportunities to attract qualified teachers. In districts where housing is cost prohibitive, building teacher housing on surplus land will create such an opportunity. This bill seeks to clarify language in statute to ease this process and increase the supply of housing for teachers and school district employees.”

The May 2, 2017 amendments added two provisions amending the Revenue and Taxation Code. This bill may be re-referred to the Revenue and Taxation Committee upon passage from the Education Committee for review of issues under its jurisdiction.

REGISTERED SUPPORT / OPPOSITION:

Support

None on file

Opposition

None on file

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