

OCEAN VIEW SCHOOL DISTRICT
Huntington Beach, CA 92647

APPROVED

DISTRICT ADVISORY COMMITTEE (7-11 COMMITTEE)

Wednesday, May 8, 2024

6:00 p.m.

District Board Room

Minutes

1.0 Pledge of Allegiance / Welcome / Introduction / Roll Call (Establishment of Quorum)

Chairperson Stephanie Green called the meeting to order at 7:03 p.m. The Pledge of Allegiance was led by Keith Farrow. Stephanie welcomed all and held a verbal roll call. In attendance were Scott Chambers, Alana Cooper, Katie Cox, Stephanie Green, Casey Harelson, Steve Letcher, Keeley Pratt, Ellen Riley, and Tanysia Sanchez. Jason McEwen and Darian Radac were unable to attend. A quorum was met.

Representing the District were Keith Farrow, Assistant Superintendent, Administrative Services; Stephen McLoughlin, Legal representative to the District; and Cindy Pulfer, Administrative Assistant, Administrative Services.

2.0 Public Comments

There were no public comments.

3.0 Approval of Minutes – May 8, 2024

Scott Chambers moved and Alana Cooper seconded the approval of the Minutes of May 8, 2024. Minutes were approved by members of the Committee.

4.0 Discussion of Prior Information Provided to Committee

At the meeting of May 2, 2024, there was information provided to the Committee that required some clarification.

- Handout re: Education Code Proceeds –
 - 17462. Use of funds from sale of surplus property; deposits into special reserve funds; regulations governing expenditures; new construction or modernization funding.
 - 17462.3. Return of monies from a state school facilities funding program; conditions.
 - 17463.7. Proceeds from sale or lease of surplus real property; deposit in general fund of school district; use for one-time general fund purpose.
- Handout re: Education Code 17463.7 – a law in place with several subsections expiring on July 1, 2024, regarding the use of proceeds from the sale of a property. A contract for sale must be signed by June 30, 2024, then this section would apply.

The Committee cannot make recommendations to the Board on how the proceeds should be used (one-time general fund purpose or capital improvements fund) but can make suggestions as a Committee or as an individual. There are several exceptions dealing with property purchased with bond or developer fees; hardship assistance provided by the State. The District

has taken hardship monies from the State. Capital improvements are different than Routine Maintenance (upkeep on a routine basis). Capital improvements change a property. The Code is unclear about leasing property, but the argument at the State is that lease proceeds are just like a sale. The law doesn't necessarily say that. Lease versus Sale – ongoing revenue versus one-time funds. For a lease longer than one year, the proceeds go into the Capital fund. Currently, none of the District's leases have an option to purchase the property. The District's current leases are more than one-year leases (list shared). If the proceeds go into the General Fund, the Board can redirect those funds into the Capital Improvements Fund.

The law says if the District decides to lease a property, the process is to award it to the highest bidder. The District can ask for a waiver from the State (a long, slow process), which allows the District to go through the Request for Proposal (RFP) process and make stipulations as well as get the best offer. This offers the District flexibility but can still award to the highest price.

Offer to Charter Schools first? It has to be offered to a Charter School, but the District does not have to make it available to the Charter. Can they appeal to the Orange County Department of Education, which is currently pro-Charter? The District could offer another property.

Follow Up: Demographer information. The District has not looked past 20 years, and only through 2030. That information shows the District will have an enrollment of 5,000 students. Ten years ago, the District had 10,000 students. Have not seen the incoming lower grades higher than the exiting 8th grade students. The last 7-11 Committee in 2015, they were already seeing the decline. Anticipation was Bella Terra and neighboring units would produce students, but those complexes did not.

Question about the District Office (building without classrooms) and Spring View (soon to be District Office). Will these properties not need to be included in the public bidding process. Must give notice to the entities that property is offered.

Asset Management Plan – does not apply to the Committee. The District will consider all factors, but the Committee can make recommendations. Appraisals are private information and not something that applies to the Committee. There are other groups that will need to be involved depending on the decisions of the Board, i.e., City, County. Not formal conversations, but reaching out for zoning, variance, etc.

- Follow Up: Request - Helpful to know: Five school districts surrounding the City of Huntington Beach, some of whom have sold land. It would be useful to know what they sold the property for and how that is going. Exchange is only helpful in times when property values are low. Part of the Committee role is gathering information from the community. Would be nice to see some general comps.

Education Code 17390 – written in the 1970's and considered a “dead section.”

Government Code 65402(c) – District currently does not work with a local planning agency (city or county)

Again, reminder that the Board makes these decisions. The Committee, after speaking with the community, will make recommendations in their final report. The Committee or individual recommends sale, lease, keep as is, and/or exchange. Focus on what the Committee can do.

Naylor Act

- Handout – a law in California that says if a School District has a property for sale that has a recreational or open space available it has to make it available to certain public agencies.
 - Only section in the code that requires us to sell at a reduced rate. The 1st notice is a 60-day window to negotiate – not required to give them anything. Requires the District to give property at a specific rate with recreational space. There are some exceptions and limitations. The agency must maintain that portion of recreational/ open space. The intent is to protect playing fields/open space.
- Follow Up: Request for list that would or would not be under the Naylor Act
- Follow Up: Request for zoning – public use, residential low, middle, high density, etc.
- Follow Up: Charter School information – how they work, how they get into our space.

Comment: Properties originally purchased cheap, HB cost of living is quite high, improvements have been made on all properties, would make a sale of a property lucrative, a great opportunity to maximize the sale. Taxpayers would need to be paid back if a Measure R modernized site was sold.

5.0 District-Lead Review of Status of Properties Under Consideration and Financial Status

Keith Farrow shared the packet of information provided by staff.

- Minutes
- Elementary School Boundary Map (includes all sites on a legend)
- New Middle School Boundary Map
- 2015 7-11 Final Report and Recommendations
 - 7 recommendations – comment made that the Board did not act on many.
- 2015 members of the Board of Trustees
- Historical Background
- Current Enrollment (as of 4/29-5/3)
 - Elementary schools tracking lower than anticipated
 - Largest 8th grade class exiting and not being replaced by TK/K
 - TK expansion – full implementation 2023-2024
 - Not seeing the TK numbers going higher than K
 - Used one-time funds to cover the implementation
 - Curriculum is different and quite impressive
- Property Leases – short term and long term
- Property Lease Revenue
 - Information on COPs
- Civic Center Use of Field Space
 - Rate is \$2/hour for AYSO and Little League
 - Rate is \$10/hour for Clubs/Travel Teams (Non-Profits for Profit)
 - Recreational vs. Club/Travel (number of OVSD students in the sport)
- Pocket Park Ownership
 - City has all parks in their inventory and are maintained by the City of HB

- Second Interim Report (provided to the Board on March 12, 2024)
 - ADA discussion
 - Special Education discussion
- Completed Measure R Projects (provided to the Citizens' Oversight Committee)

Other materials Requested by the Committee:

- Information on the \$3.2 million just approved by the Board. (The chairperson is not sure if that is in the Committee's purview.)
- Capital Improvements that need to be funded.
- Look at "global" summary of each site for Committee to help make recommendations in the report.
- Plan to move the District Office to Spring View – trying to keep costs to a minimum.

6.0 Comments from Committee Members

The website is hard to navigate to find the 7-11 information. District staff put a link on the front page.

Email Address for Community comments/questions: 7-11committee.2024@ovsd.org

7.0 Public Comments

There were no public comments.

8.0 Discussion of Meeting Dates and Topics

Next meeting date: Thursday, May 16, 2024, at 7:00 p.m., Board Room (Building A)

Assignment: Properties that have been modernized through Measure R – request more information, list questions, need anything about these properties, etc. Keep in mind that anything you write down becomes a public record.

Exchange: Property exchange. Example: FVSD District Office

Turn in Form 700 to Stephen.

9.0 Adjournment

Motion by Katie Cox, seconded by Ellen Riley to adjourn the meeting. Adjourned at 9:14 p.m.