Legal Analysis of Property Portfolio Options

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Options for Surplus Property

- Sale or Lease (Ed. Code, § 17455 et seq.)
- Property Exchange (Ed. Code, § 17536 et seq.)
- Joint Occupancy (Ed. Code, § 17515 et seq.)
- District Employee Housing (Gov. Code, § 65914.7 et seq.)

Sale or Lease

(Ed. Code, § 17455 et seq.)

Not Recommended

Conventional approach, requires compliance with extensive Education and Government Code

- Takes 9-12 months to complete
- Must offer property to entities that can buy at a discount
- Surplus Land Act requires developers to set aside 15% for affordable housing
- Extensive red tape resulting in high legal bills

Favorable Options

~~Sale or Lease (Ed. Code, § 17455 et seq.)~~

Property Exchange (Ed. Code, § 17536 et seq.)

Joint Occupancy (Ed. Code, § 17515 et seq.)

District Employee Housing (Gov. Code, § 65914.7 et seq.)

Property Exchange
(Ed. Code section 17536 Et Seq.)
Recommended

- Swap District property for income-producing property
- District can receive cash as part of the exchange
- Least procedural burden

Joint Occupancy (Ground Lease)
(Ed. Code section 17536 Et Seq.)
Recommended

- Long-term lease
- District retains the ability to use part of the property for priorities such as:
  - District office
  - Youth athletic facilities
  - Employee housing
- To initiate the process the District issues Request for Proposal or Quote (RFP/RFQ) to:
  - Ensure proposals reflect District priorities and community impact
  - Assess/evaluate potential developers for partnership
  - Allow the District to evaluate project proposals

District Employee Housing
(Gov. Code, § 65914.7 et seq.)
Recommended

- Strong support from State Legislation
- Streamlined approval process
- Potential financing advantages
- May be part of a joint occupancy project

Questions?