

General Timeline of Next Steps for Potential Disposal of Property Following the 7-11 Committee Recommendation to the Board

The following is an executive summary of the process and statutory time requirements for disposal of real property by a school district once the 7-11 Committee has made its recommendation to the School Board.

> Board Resolutions and Declarations

- Declare intent to sell or lease the property to general public: To place the property on the market, the Board must consider the committee's recommendation that the property be declared surplus and declare its intent to dispose of the property in a resolution. (Ed. Code § 17466.)
- Effective January 1, 2020, the Surplus Land Act (Gov. Code, §§ 54220, *et seq.*) requires the Board to declare the property as either "surplus land" or "exempt surplus land," and support that declaration by written findings. (Gov. Code § 54221(b)(1).) Generally speaking, property that is subject to the 7-11 Committee process is exempt from the Surplus Land Act. (Gov. Code, § 54221(f)(1)(I).) A copy of the Resolution with written findings must be provided to the California Department of Housing and Community Development at least 30 days before the property can be disposed of by the District.

> Statutory Offers

- Offers required below can be made simultaneously.
- Offers required by the Naylor Act (Ed. Code § 17485, *et seq.*): The Naylor Act only applies to real property that has been used entirely or partially for school playgrounds, playing fields, or other outdoor recreational uses and open-space land particularly suited for recreational purposes. If the Naylor Act does apply, the District must offer to negotiate to sell or lease the property to certain entities, usually for a below-market rate. Offers to these certain entities may be made simultaneously. (Ed. Code § 17463.7(e)(2).) The District may seek a waiver of the Naylor Act. (Ed. Code § 33050.) The District must allow Naylor Act entities sixty days to respond to the offer. (Ed. Code § 17489(c).)
- Selling or leasing with option to purchase (Ed. Code § 17464, Ed. Code § 17463.7(e)(2), and Gov. Code § 54220):
 - The property must be offered to a group of designated entities for park and recreational purposes pursuant to Government Code sections 54220, *et seq.* (Ed. Code § 17464(b).) These entities must be allowed sixty days after

receiving notice to respond and are also entitled to a negotiation period of ninety days after giving notice to the District of their interest in the property.

- The property must be offered to an additional group of 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 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, *et seq.* (Note: More conservatively, and in recognition of limited legal precedent, additional notices may still be sent.)
 - Leasing vacant classrooms (Ed. Code § 17465): The District must offer the classrooms to other school districts in the District's SELPA or the County Office of Education ("COE") for use for special education programs. The school districts 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 or includes the area where the property is located.
- > Competitive bidding or RFP (Ed. Code §§ 17466, *et seq.*)
- 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. (Ed. Code § 33050.) 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.
 - Waivers must be approved by the School Board, with input from the appropriate council or committee and the bargaining units.
 - Once submitted to CDE, the current timeline is 10-12 weeks to get onto the State Board agenda for approval. The State Board meets every other month, starting in January.
 - If approved, the waiver would allow the District to issue a request for proposals instead of a notice inviting bids, allowing for more flexibility in the process while still promoting competition.