SALE OR LEASE OF DISTRICT-OWNED REAL PROPERTY

The Governing Board believes that district facilities and resources should be utilized in an economical and practical manner. The Superintendent or designee shall periodically study the current and projected use of all district facilities to ensure the efficient utilization of space for the effective delivery of instruction.

(cf. 1330 - Use of School Facilities)
(cf. 7110 - Facilities Master Plan)
(cf. 7111 - Evaluating Existing Buildings)
(cf. 7160 - Charter School Facilities)

The Board shall appoint a district advisory committee prior to the sale or lease of any surplus real property to advise the Board regarding the use or disposition of schools or school building space which is not needed for school purposes. The district advisory committee’s recommendations are not binding on the board. Rentals of surplus property not exceeding 30 days are exempted from this requirement. When the sale, lease, or rental of surplus property is for the purpose of teacher or other employee housing or for the offering of summer school by a private educational institution, the Board may elect not to appoint a district advisory committee. (Education Code 17387-17391)

(cf. 1220 - Citizen Advisory Committees)

If the local planning agency has adopted a general plan that affects or includes the area where the surplus property is located, the Board shall submit a report to the local planning agency describing the location of the surplus property and the purpose and extent of the proposed sale or lease. (Government Code 65402)

The Board shall determine whether the sale or lease of the surplus property is subject to review under the California Environmental Quality Act. (Public Resources Code 21000-21177; 14 CCR 15061-15062)

When selling or leasing district real property, the Board shall comply with the priorities and procedures specified in applicable law. (Education Code 17230, 17464, 17485-17499; Government Code 54222)

(cf. 5148 - Child Care and Development)
(cf. 5148.2 - Before/After School Programs)
(cf. 5148.3 - Preschool/Early Childhood Education)

In addition, when selling real property purchased, constructed, or modernized with funds received within the past 10 years from a state school facilities funding program, the Board shall consider whether any of the proceeds from the sale will need to be returned to the State Allocation Board (SAB) pursuant to Education Code 17462.3.

Sale or Lease of Real Property
The Governing Board may sell any real property belonging to the district or may lease for a term not exceeding 99 years, any real property, together with any personal property located thereon, belonging to
the school district which is not or will not be needed by the district for school classroom buildings at the
time of delivery or title possession. The sale or lease may be made without first taking a vote of the
electors of the district, and shall be made in a manner that complies with Education Code 17455 et. seq.

Resolution of Intention to Sell or Lease
Before ordering the sale or lease of any real property, the Board shall adopt a resolution by a two-thirds
vote of all of its members at a regularly scheduled open meeting. The resolution shall describe the
property proposed to be sold or leased in such a manner as to identify it, specify the minimum price or
rent, describe the terms upon which it will be sold or leased, and specify the commission or rate, if any,
which the Board will pay to a licensed real estate broker out of the minimum price or rent. The resolution
shall fix a time, not less than three weeks thereafter, for a public meeting, held at the Board's regular
meeting place, at which sealed proposals to purchase or lease will be received and considered. (Education
Code 17466)

(cf. 9320 - Meetings and Notices)
(cf. 9323.2 - Actions by the Board)

The Superintendent or designee shall provide notice of the adoption of the resolution and of the time and
place of the meeting that will be held to consider bids by posting copies of the resolution, signed by the
Board, in three public places not less than 15 days before the date of the meeting. In addition, the notice
shall be published at least once a week for three successive weeks before the meeting, in a newspaper of
general circulation published in the county in which the district is located, if such a newspaper exists.
(Education Code 17469)

In accordance with Education Code 17470, the Superintendent or designee shall take reasonable steps to
provide notification to the former owners of the property of the district's intent to sell it.

Acceptance/Rejection of Bids
At the public meeting specified in the resolution of intention to sell or lease property, the Board shall
open, examine, and declare all sealed bids. Before accepting a written proposal, the Board shall call for
oral bids in accordance with law. (Education Code 17472, 17473)

The Board may reject any and all bids, either written or oral, and withdraw the properties from sale when
the Board determines that rejection is in the best public interest. If no proposals are submitted or the
submitted proposals do not conform to all the terms and conditions specified in the resolution of intention
to lease, the Board may lease the property in accordance with Education Code 17477. (Education Code
17476, 17477)

Of the proposals submitted by responsible bidders which conform to all terms and conditions specified in
the resolution of intention to sell or lease, the Board shall finally accept the highest bid after deducting the
commission, if any, to be paid to a licensed real estate broker, unless the Board accepts a higher oral bid
or rejects all bids. (Education Code 17472)

The final acceptance of the bid may be made either at the same meeting specified in the resolution or at
any adjourned/continued meeting held within 10 days. Upon acceptance of the bid, the Board may adopt
a resolution of acceptance that directs the Board president, or any other Board member, to execute the
deed or lease and to deliver the document upon performance and compliance by the successful bidder of
all of the terms and conditions of the contract. (Education Code 17475-17478)

(cf. 1431 - Waivers)
Use of Proceeds
The Superintendent or designee shall ensure that the proceeds from the sale or lease with an option to purchase of surplus district property are used for one-time expenditures and not for ongoing expenditures such as salaries and general operating expenses. (Education Code 17462)

Proceeds from a sale of surplus district property shall be used for capital outlay or maintenance costs that the Board determines will not recur within a five-year period. (Education Code 17462)

Proceeds from a lease of district property with an option to purchase may be deposited into a restricted fund for the routine repair of district facilities, as defined by the SAB, for up to a five-year period. (Education Code 17462)

If the Board and SAB determine that the district has no anticipated need for additional sites or building construction for the next 10 years and no major deferred maintenance requirements, the proceeds from the sale or lease with an option to purchase may be deposited in a special reserve fund for the future maintenance and renovation of school sites or in the district's general fund. Proceeds from the sale or lease with option to purchase of district property may also be deposited in a special reserve fund for capital outlay or maintenance costs of district property that the Board determines will not recur within a five-year period. (Education Code 17462)

(cf. 3100 - Budget)
(cf. 3460 - Financial Reports and Accountability)

Legal Reference:
EDUCATION CODE
17219-17224 Acquisition of property not utilized as school site; nonuse payments; exemptions
17230-17234 Surplus property
17385 Conveyances to and from school districts
17387-17391 Advisory committees for use of excess school facilities
17400-17429 Leasing property
17430-17447 Leasing facilities
17453 Lease of surplus district property
17455-17484 Sale or lease of real property, especially:
17462.3 State Allocation Board program to reclaim funds
17485-17500 Surplus school playground (Naylor Act)
17515-17526 Joint occupancy
17527-17535 Joint use of district facilities
33050 Requ
38130-38139 Civic Center Act
GOVERNMENT CODE
50001-50002 Definitions
54220-54232 Surplus land, especially:
54222 Offer to sell or lease property
54950-54963 Brown Act, especially:
54952 Legislative body, definition
PUBLIC RESOURCES CODE
21000-21177 California Environmental Quality Act
CODE OF REGULATIONS, TITLE 2
1700 Definitions related to surplus property
COURT DECISIONS
Management Resources:
CALIFORNIA DEPARTMENT OF EDUCATION PUBLICATIONS
Closing a School Best Practices Guide
OFFICE OF PUBLIC SCHOOL CONSTRUCTION PUBLICATIONS
Unused Site Program Handbook, December 2015
WEB SITES
CSBA:  http://www.csba.org
California Department of Education, School Facilities Planning Division: http://www.cde.ca.gov/ls/fa
Coalition for Adequate School Housing: http://www.cashnet.org
Office of Public School Construction: http://www.dgs.ca.gov/opsc

SANTA BARBARA UNIFIED SCHOOL DISTRICT
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