
SENATE COMMITTEE ON EDUCATION

Senator Benjamin Allen, Chair

2017 - 2018 Regular

Bill No: AB 1157 **Hearing Date:** June 28, 2017
Author: Mullin
Version: June 15, 2017
Urgency: No **Fiscal:** Yes
Consultant: Ian Johnson

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

NOTE: This bill has been referred to the Committees on Education and Governance and Finance. A "do pass" motion should include referral to the Committee on Governance and Finance.

SUMMARY

This bill excuses school districts that sell, lease, or rent excess real property to be used for teacher or school district employee housing from being required to appoint an advisory committee related to surplus property. Further, the bill specifies that school districts may use proceeds from the sale or lease of school district property to construct, reconstruct, or renovate rental housing facilities for teachers and school district employees.

BACKGROUND

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.
- 2) Authorizes the governing board of any school district to, and requires the governing board of the school district, prior to the sale, lease, or rental of any excess real property, to 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.
- 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.
- 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.
 - d) Make a final determination of limits of tolerance of the use of space and real property.
 - e) Forward to the district governing board a report recommending uses of surplus space and real property.
- 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.
- 6) Establishes a mandatory process for school districts seeking to sell or lease surplus property. Specifically, school districts must:
- a) Identify surplus property and convene an advisory committee to develop a district-wide policy and hold hearings on the use of surplus property.
 - b) Declare publically their intent to sell or lease surplus property, with the governing board considering the advisory committee's recommendation that the property be declared surplus and declaring its intent to dispose of the property in a resolution.

- c) Until June 30, 2016, offer to sell or lease real property to any charter school that has submitted a written request to the school district to be notified of surplus property offered for sale or lease by the school district and that meets certain other criteria.
- d) For property subject to the Naylor Act (property that has been used entirely or partially for outdoor recreational or playground purposes), offer the property to the following entities in order of priority:
 - i) Until June 30, 2016, a requesting charter school.
 - ii) Any city within which the land is located.
 - iii) Any park or recreation district within which the land is located.
 - iv) Any regional park authority in the area where the land is located.
 - v) Any county within which the land may be situated.
- e) For sale or lease with option to purchase, offer the property to the following entities in order of priority:
 - i) Until June 30, 2016, a requesting charter school.
 - ii) To any park or recreation department of the city or county, any regional park authority having jurisdiction within the area, and to the State Resources Agency or any agency that may succeed to its powers.
 - iii) In writing, to the Director of General Services, the Regents of the University of California, the Trustees of the California State University, the county, and city in which the property is situated.
 - iv) By public notice, to any public housing authority in the county in which the property is situated, and to any public district, public authority, public agency, public corporation, or any other political subdivision in the state, to the federal government, and to nonprofit charitable corporations, as specified.

ANALYSIS

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 capital 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 a 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 property belonging to the state, a county, a city, a school district, a community college district, or any combination thereof, that is also used to provide housing to employees of a public school district or community college district.

STAFF COMMENTS

- 1) ***Need for the bill.*** According to the author, inadequate housing across the state had led to the displacement and shortage of thousands of teachers. In high-cost areas, this extreme disparity has forced even the highest paid teachers out of the market for both rental housing and homeownership. First, this causes teachers who do not have other housing arrangements to leave. Then, it makes it nearly impossible to fill those vacant positions. School districts are unable to hire a sufficient number of qualified teachers to fill the demand for classrooms.

This bill is intended to ease the way for districts, struggling to attract and retain teachers and other district staff, to provide affordable housing to their employees.

- 2) ***Teacher housing and affordability.*** The Teacher Housing Act of 2016 authorizes school districts to establish and implement programs that address the housing needs of teachers and school district employees who face challenges in securing affordable housing. School districts can utilize these programs as an additional incentive for teachers to enter and stay in their schools. This bill specifies that school districts that sell, lease, or rent excess real property to be used for teacher or school district employee housing are not required to appoint an advisory committee and that proceeds from the sale or lease of school district property may be used to construct, reconstruct, or renovate rental housing facilities for teachers and school district employees.

Given that the intent of this bill is to assist school districts wishing to address affordable teacher housing shortages, the Committee may wish to consider whether the bill should be narrowed to affordable housing projects, defined under the Teacher Housing Act of 2016 as a housing development with a majority of its rent restricted to levels that are affordable to persons and families of “low or moderate income” (defined further in Health and Safety Code).

- 3) ***Learning Policy Institute (LPI) report.*** The LPI’s 2016 report, “Addressing California’s Emerging Teacher Shortage: An Analysis of Sources and Solutions” included the following summary: “After many years of teacher layoffs in California, school districts around the state are hiring again. With the influx of new K-12 funding, districts are looking to lower student-teacher ratios and

reinstate classes and programs that were reduced or eliminated during the Great Recession. However, mounting evidence indicates that teacher supply has not kept pace with the increased demand.” The report included the following findings:

Enrollment in educator preparation programs has dropped by more than 70 percent over the last decade.

In 2014-15, provisional and short-term permits nearly tripled from the number issued two years earlier, growing from about 850 to more than 2,400.

The number of teachers hired on substandard permits and credentials nearly doubled in the last two years, to more than 7,700 comprising a third of all the new credentials issued in 2014-15.

Estimated teacher hires for the 2015-16 school year increased by 25 percent from the previous year while enrollment in the University of California and the California State University teacher education programs increased by only about 3.8 percent.

The Learning Policy Institute (LPI) report offered several policy recommendations for consideration, including the creation of more innovative pipelines into teaching.

- 4) ***Legislative Analyst Office (LAO) assessment.*** As part of the Proposition 98 Education Analysis for the 2016-17 Governor’s Budget released in February 2016, the LAO included a section on teacher workforce trends in which it examined evidence for teacher shortages in specific areas, identified and assessed past policy responses to these shortages, and raised issues for the Legislature to consider going forward in terms of new policy responses. In the report, the LAO indicated that the statewide teacher market will help alleviate existing shortages over time and that the shortages may decrease without direct state action. However, the LAO noted there are perennial staffing difficulties in specific areas, such as special education, math, and science, for which they encouraged the Legislature to address with narrowly tailored policies rather than with broad statewide policies.
- 5) ***Are school districts required to form school property advisory committees?*** While existing law includes clear requirements about the composition and duties of school district advisory committees, it is unclear whether school districts have the discretion to choose whether to form the committees at all. According to the California Department of Education, it is the legislative intent, but not a mandate, for a district to have and use an advisory committee before decisions are made about school closure.

The job of the superintendent and board members is to evaluate facts, not gather them. And the process of gathering the facts must be as credible, transparent, and non-political as possible. So, at the very least, the advisory committee, often referred to as a 7-11 Committee (due to legislative requirements of at least 7 but no more than 11 members) should be involved in the fact-finding necessary for

an informal recommendation about school closure. An essential role of the advisory committee is to consider the district's Facility Master Plan and how a potential school closure could affect, or reinforce, that plan. It may be necessary to revise that plan based upon the fact-finding conclusions.

6) ***Related Legislation.***

SB 765 (Wiener) requires school districts seeking to sell, lease, or jointly occupy property for non-educational purposes to first offer the property to a charter school, except property intended to be used for teacher housing. SB 765 passed this Committee on April 26, 2017, and is currently pending before the Assembly Education Committee.

SUPPORT

None received

OPPOSITION

None received

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