USE IT OR LOSE IT:

A Report on the Surplus Real Property

Owned By The

San Francisco Unified School District

The San Francisco Unified School District (the SFUSD) owns a great deal of property for which it has, and has had for a long time, no educational use. The SFUSD recently has recognized the seriousness and importance of making better use of its real property but has not yet adopted a viable long-range plan to sell or lease it. Interviews with key SFUSD personnel responsible for managing the real property and setting policy make clear the SEUSD is poised to waste the extraordinary amount of time and money that already has gone into determining how to dispose of or manage some of its real property. The SFUSD should take the remaining critical steps necessary to exercise prudent stewardship of its real property. The City and County of San Francisco should not allocate to the SFUSD any further "Rainy Day" or "Bail Out" funds until such time as the SFUSD has sold the properties it already identified as surplus.

The Purpose of the Civil Grand Jury

The Civil Grand Jury is a government watchdog made up of volunteers who serve for one year. The Civil Grand Jury reports with findings and recommendations resulting from its investigations. The investigated agencies, departments or officials are required by the California Penal Code to respond publicly within at most 90 days.

The nineteen members of the Civil Grand Jury are selected at random from a pool of thirty prospective jurors. San Francisco residents are invited to apply.

More information can be found at: http://www.sfgov.org/site/courts_page.asp?id=3680, or by contacting the Civil Grand Jury at 400 McAllister Street, Room 008, San Francisco, CA 94102

State Law Requirement

Pursuant to state law, reports of the Civil Grand Jury do not identify the names or provide identifying information about individuals who spoke to the Civil Grand Jury.

Departments and agencies identified in the report must respond to the Presiding Judge of the Superior Court within the number of days specified, with a copy sent to the Board of Supervisors. For each finding of the Civil Grand Jury, the response must either (1) agree with the finding, (2) disagree with it, wholly or partially, and explain why. Further, as to each recommendation made by the Civil Grand Jury, the responding party must report either that (1) the recommendation has been implemented, with a summary explanation of how it was implemented; (2) the recommendation has not been implemented, but will be implemented in the future, with a time frame for the implementation; (3) the recommendation requires further analysis, with an explanation of the scope of that analysis and a time frame for the officer or agency head to be prepared to discuss it (less than six months from the release of the report); or (4) that recommendation will not be implemented because it is not warranted or reasonable, with an explanation of why that is. (California Penal Code, sections 933, 933.05).

Executive Summary

The 2008-2009 Civil Grand Jury (the Jury) investigated whether the San Francisco Unified School District (the SFUSD) was making efficient use of the real property it owns within the City and County of San Francisco (the City).

The Jury finds that the SFUSD remains uncommitted to implementing policies that would result in the proper stewardship of its real property holdings. At stake is the proper allocation and investment of hundreds of millions of dollars of real property. The Jury notes the 2007-2008 Civil Grand Jury made a finding that the City should devise a plan for reducing the number of SFUSD properties that were under-utilized. The Jury further notes the SFUSD responded to that finding by stating that (1) SFUSD, and not the City, shoulders the responsibility for exercising stewardship over the properties and (2) steps already were being taken to determine how best to consolidate its schools. See, SFUSD Response to 2007-2008 Civil Grand Jury Report: "San Francisco Kindergarten Admissions: Back to the Drawing Board" (Finding No. 10 and Recommendation No. 10), attached as Appendix 1. The Jury notes that there is a significant difference between consolidating schools and managing real property. In addition, the Jury's investigation reveals the SFUSD is poised to retreat from the substantial investments in time and money that already have been made toward the effort of establishing a viable long-term real property utilization policy. Such a retreat would be a costly mistake.

The Jury also concludes the City can and should take steps to encourage the SFUSD to adopt a plan to dispose of certain parcels of real property that SFUSD already has identified as surplus. Specifically, the Jury concludes the City should make clear that the future availability of City funds will be contingent upon the District meeting specific goals toward the sale of surplus property.

Facts

The Jury investigated whether the SFUSD was making efficient use of the real property it owns within the City and County of San Francisco (the City).

The Jury:

- reviewed the SFUSD's Property Description by Parcel Number, the SFUSD's
 Five Year Plan Deferred Maintenance, the SFUSD's Sites Currently Under
 Review, the draft report prepared by CBRE Consulting, Inc. entitled San
 Francisco Unified School District Evaluation of Potential Surplus Sites and the
 SFUSD's Capital Plan;
- interviewed Commissioners of the Board of Education, top administrators and additional key employees of the District responsible for managing real property and developing land use policy;

- interviewed members of the San Francisco Board of Supervisors;
- reviewed the SFUSD Response to 2007-2008 Civil Grand Jury Report: "San Francisco Kindergarten Admissions: Back to the Drawing Board" (Finding No. 10 and Recommendation No. 10) (attached as Appendix 1), the SFUSD Board of Education resolutions 71-23Sp2 and 56-14A9, and the SFUSD's May 8, 2007, Final Report & Resolution of the Board of Education For Surplus Space and Real Property; and
- reviewed relevant provisions of the California Education Code, numerous newspaper articles, internet sites and blogs addressing SFUSD's surplus property.

In 2007, it was reported that decades of declining enrollment left the SFUSD with more property than it needs to complete its mission. From 1978 to 2008, the number of children in the public school system dropped from 90,000 to 55,000. This drop in enrollment came as no surprise to the current Commissioners of the Board of Education because in 2002, a demographic study performed by Lapkoff & Gobalet Demographic Research, Inc., predicted that by 2011, there was an 80% chance that the SFUSD would experience a reduction of the then-enrollment figures of between 9 to 13 percent. The demographic report was adopted by the SFUSD and eventually was included as part of a Board resolution to study its surplus properties. It is still two years before the end of the forecast and the actual amount of the reductions in enrollment have been exceeded.

At the same time, the real estate holdings of the school district have remained unchanged. 5 SFUSD currently owns about the same 154 parcels of real property that it has had in its possession for years. 6

The SFUSD clearly has long been aware both that it holds too much property and that it is not making efficient use of the property it appropriately holds. On August 23, 2005, the Board passed Resolution No. 56-14A9 that directed the SFUSD staff to "take all necessary steps, including but not limited to retaining a commercial real estate broker, at no charge to the District, to explore the feasibility of selling, leasing, subleasing or developing surplus property" that was owned by the SFUSD. Similarly, in March 2006, the SFUSD appointed a District Advisory Committee to make recommendations to the Board as to whether particular properties could be considered surplus and, if surplus, as to priority uses for such properties. The committee "discussed the property not currently used by the district in detail." In addition, on March 13, 2007, the Board adopted the then superintendent's resolution that confirmed the SFUSD was at that time "assessing its real estate holdings and the uses of all District-owned properties." As part of his review of the SFUSD's real estate holdings, the current Superintendent reports having visited each and every one of the 154 properties appearing on the SFUSD's list of real property holdings.

The SFUSD's awareness that it holds too much property and that it is not properly managing its property has resulted in initial concrete steps to exercise better control of its holdings. On May 8, 2007, the Final Report and Recommendation of the SFUSD's District Advisory Committee was accepted by the Board. The Final Report identified ten parcels of "non-school properties" that it recommended the SFUSD should designate as surplus. The Final Report also recommended guidelines for determining if a property is surplus and guidelines for determining future uses of surplus property.

The SFUSD adopted the Final Report in its entirety. The SFUSD also officially designated the ten properties listed in the report as surplus property. In addition, the SFUSD recognized that separate and apart from the ten properties that were clearly surplus, a full 20% of its other empty and underutilized real property holdings should be considered surplus and should be leased or sold to third parties. This 20% figure is consistent with the number given to the Jury by SFUSD management officials when asked how much of the SFUSD's property is underutilized.

While some of the effects of not managing carefully both the amount and the condition of the SFUSD's real property holdings are obvious, other effects are not. In the category of the obvious, the SFUSD has recognized that the sale and lease of some of its properties will reduce the effects of shrinking budgets. Even recognizing the substantial limitations on the uses of proceeds from the sale of real property¹², it is undeniable that the income from leasing and selling properties could be put to good use. Among the less obvious effects of a poor real estate policy are the facts that (1) failing to sell properties means SFUSD will not collect its share of taxes that would flow from the sale of the properties; (2) failing to maintain SFUSD properties that have no educational use, while appropriate for budgetary reasons, nevertheless means neighboring properties are being devalued as the SFUSD properties fall into disrepair and (3) the amount of property that SFUSD has in its possession now is so large that the sale or lease of substantial portions of it may actually have an ameliorating effect on the City's shortage-of-housing crisis.

SFUSD documents demonstrate just how much is at stake. The SFUSD retained CBRE Consulting, Inc. to conduct a "highest and best use evaluation of [the] ten properties . . . that SFUSD has identified for potential sale, exchange, or lease" (hereinafter, "CBRE Study"). From the January 2009 CBRE study, it may be concluded the properties the SFUSD already has identified as surplus would sell for an estimated \$134 million and are capable of having built on them a total of 871 residential units. Conservative estimates suggest that the units, if built, would range in value from a low of \$435.5 million to \$697.8 million. In addition, these estimates do not even include an evaluation of the SFUSD's Font Street property. The SFUSD has designated this property as surplus and has put it up for sale in connection with a contingency bid of \$20.1 million. Nor do these amounts include the impact fees that would be generated in connection with new construction. In sum, by any reasonable standard, the quantity of money and property at issue must be considered significant.

Even with this amount of property and money at stake, establishment and implementation of a cohesive long-range real property management policy has been elusive for the Board of Education and does not appear to be high on the agenda. Some of the reasons for this lack of a cohesive policy are clear. First, the Commissioners of the Board of Education are elected. This has had a number of effects including (1) Commissioners have expressed reluctance to expend political capital by engaging in protracted battles about selling particular parcels, the sale of which can be very emotional¹⁵; (2) there has been a substantial amount of turnover on the Board resulting in both a broad range of knowledge and understanding of the SFUSD's current real estate holdings and differing views regarding the appropriateness of selling property. Second, San Francisco is a dynamic society in which the Board will have to work hard to keep pace with changing situations.¹⁶

The existence of newly-elected Commissioners undoubtedly has some necessary and desirable effects. Nevertheless, with respect to the surplus property issue, the recent change in personnel and the absence of a policy in place may cause the Board to revisit issues rather than simply implement the solutions to problems that already have been worked out.¹⁷ This is particularly true in light of the dominance of other issues facing the Board such as the current fiscal crisis and the Board's attempts to address the achievement gap.

The City contributes to the SFUSD significant funds. Last year, SFUSD received \$19.2 million from the City's reserve established pursuant to Proposition G 2003 (the Rainy Day or Bail Out Funds). This year, Mayor Newsom authorized the release of another \$23 million to give to the SFUSD from the Rainy Day or Bail Out Fund. In addition, the Mayor noted that the City expended an additional \$46.6 million for elementary and secondary school education during the fiscal year 2008-2009.

Findings

- 1. The SFUSD owns a great deal of property for which it has, and has had for a long time, no educational use.
- 2. The SFUSD has recognized the seriousness and importance of making better use of its real property. Among the most significant steps taken by the SFUSD in making better use of its property is that it retained CBRE Consulting, Inc. to study the propriety of selling some of the SFUSD's surplus property. The study resulted in a draft report dated January 2009. Notwithstanding the SFUSD's initial steps, the lack of a policy in place, the lack of knowledge on the part of some Commissioners and the lack of focus on this issue may derail the gains that already have been made in exercising prudent stewardship over the SFUSD's real property holdings.
- 3. From SFUSD and City records, including the CBRE study, it may be concluded that the selected properties would sell for an estimated \$134 million and are capable of having

built on them a total of 871 residential units which would range in value from a low of \$435.5 million to a high of \$697.8 million.

- 4. Notwithstanding the previous resolutions of the Board of Education and the extensive studies on the subject, interviews with the Commissioners of the Board of Education and other key district personnel make clear there is a continued reluctance to sell or lease *any* of the SFUSD's real property— even properties that will never have an educational use.
- 5. Under the law, there are restrictions on the uses of proceeds received from the sale of real properties. See Cal. Educ. Code Sections 17455 through 17484. Even so, selling SFUSD surplus property would result in better facilities and would result in opportunities to shift resources to other priorities.
- 6. The Jury's review of the CBRE study and additional information indicates that the result of SFUSD selling the selected surplus properties would be the following:
 - A. the City would receive an annual tax revenue, conservatively, of between \$4.35 million and \$6.98 million;
 - B. the SFUSD would receive its share of property taxes, an amount annually that can be estimated as between \$1.31 million and \$2.1 million; and
 - C. neighboring properties no longer would experience devaluation as a result of the disrepair and disuse of SFUSD properties.
- 7. At stake is an enormous amount of property. The CBRE report did not include consideration of additional property that should be sold. Specifically, the SFUSD anticipated selling its Font Street property for approximately \$20 million. In addition, the CBRE report did not include consideration of the full 20% of the SFUSD property that the Board of Education recognized is surplus.
- 8. The City has an interest in preventing the blight that results from disuse of SFUSD properties. The City also has an interest in encouraging the productive use of real property within City and County limits. The City has, on more than one occasion, provided for SFUSD "Rainy Day" or "Bail Out" funds and annually provides through City departments tens of millions of dollars in funds to the SFUSD for specific programs.

Finding		1	2	3	4	5	6	7	8
Response	SFUSD	Х	Х	Х	Х	Х	Х	Х	Х
	Mayor	Х					Х	Х	Х
	Board of Supervisors	X					Х	Х	Х

Recommendations

1. To the SFUSD (Respond in 60 days):

Put up for sale immediately each of the surplus properties evaluated in the CBRE, Inc. report.

2. To the SFUSD (Respond in 60 days):

Examine the use of all remaining fallow and functioning properties with a view toward consolidation of services, efficient use of properties and the creation of new income-producing properties.

3. To the SFUSD (Respond in 60 days)

The Board of Education must adopt a long range real estate plan that demonstrates prudent stewardship of its properties.

4. To the Mayor and the Board of Supervisors (Respond in 60 days):

Make availability of City funds contingent upon the SFUSD meeting specific goals toward the sale of surplus property as spelled out in a long range real estate plan.

Recommendation	·	1	2	3	4
Response	SFUSD	Х	Х	Х	
	Mayor				Х
	Board of Supervisors				Х

ENDNOTES

- See Nicole Achs Freeing, School Board Notes, http://san-francisco-school-board-notes.greatschools.net/2007/05/index.html (hereinafter, "School Board Notes").
- ² SF Schools to Market 8 Properties, San Francisco Business Times, May 2, 2008.
- San Francisco Unified School District, Demographic Analyses and Enrollment Forecasts Report, July 2002.
- San Francisco Unified School District, Final Report & Resolution of the Board of Education For Surplus Space and Real Property, May 8, 2007 ("Final Report").
- ⁵ SF Schools to Market 8 Properties, San Francisco Business Times, May 2, 2008.
- See, id., San Francisco Unified School District, SFUSD Description of Property by Parcel Number (Revised), September 2008.

- See Resolution 56-14A9 (8/23/05) ("Feasibility of Selling, Leasing or Subleasing Surplus Real Property") (attached hereto as Appendix 2); Resolution 53-22SM1 (5/22/05) ("School Consolidation Policy" outlining criteria to guide school closures).
- ⁸ Final Report at 1.
- ⁹ Final Report at 1.
- ¹⁰ Final Report at 1.
- Final Report at 1.
- See Cal. Educ. Code Sections 17455 through 17484.
- San Francisco Unified School District, Draft San Francisco Unified School District (SFUSD) Evaluation of Potential Surplus Sites, January 2009.
- The fees, generally referred to as "school fees," currently amount to \$2.24 per square foot for new residential construction and 27¢ per square foot for new commercial construction. See Gov. Code Section 53080.
- See, e.g., Save Our Child Care Center- NOPNA 12/16/2008, http://www.nopnawiki.org/index.php?title=Save_our_Child_Care_Center.
- Three examples make clear the consequences of the SFUSD's failure to establish and move forward with a general plan:
 - SFUSD officials acknowledge that the Font Street property recently could not be sold because SFUSD could not move quickly enough. SFUSD neither could get the top price when it was possible nor could accept a lower price once prices dropped in a dynamic market.
 - Assemblywoman Fiona Ma had introduced legislation to remove some of the limitations on use of the funds acquired by sale of SFUSD real property. This legislation now is dead in committee. Some SFUSD personnel would delay sales until this legislation is passed.
 - SFUSD continues to mull over numerous proposals that come to its attention. Land swaps with the City have been proposed that could offer the SFUSD significant advantages. Similarly, SFUSD should be actively pursuing proposals to develop housing for teachers. In the absence of a long range plan, these opportunities tend to be studied multiple times and, over the years, simply evaporate.
- During interviews with SFUSD personnel, they pointed out that some basic issues must be addressed when selling surplus property. For example:
 - Care must be taken that property is properly designated surplus under the law.
 - It is difficult to purchase real property; thus, before selling real property, SFUSD must be reasonably certain such property will not be needed in the future.

- Individual neighborhoods (e.g., the Mission Bay District) may not follow trends predicted in otherwise-accurate demographic reports; accordingly, the SFUSD should be careful not to sell real property in growing neighborhoods.
- There are significant limitations regarding the uses of money from sales of real property.

Nevertheless, each of these problems had been addressed at great length before the Board of Education adopted the Final Report of the Advisory Committee and before the CBRE Report was completed. These issues should not prevent SFUSD from selling the properties identified in these documents. Moreover, these concerns should not, in any event, prevent the SFUSD from adopting a long-range plan for the sale or lease of its additional surplus properties.

- See Mayor Gavin Newsom, City and County of San Francisco 2008 State of the City, http://www.sfgov.org/site/uploadedfiles/mayor/PressRoom/NewsReleases/01%20-%202008% 20SOC%20Education.pdf, slide 24; Office of the Mayor of San Francisco, 2008 City and County of San Francisco State of the City, Education, http://www.youtube.com/watch?v=JWfIBw0ICYM.
- See Jill Tucker, Newsom Boosts Rainy Day Cash for Schools, http://www.sfgate.com/cgi-bin/article.cgi?f=/c/a/2009/03/11/BAJ516CT98.DTL&hw=tucker+rainy+day&sn=001&sc=1000; CBS5.com, SF Releases Rainy Day Funds To Keep Teachers, http://cbs5.com/local/San.Francisco.teachers. 2.974734.html
- See Mayor Gavin Newsom, City and County of San Francisco 2008 State of the City, http://www.sfgov.org/site/uploadedfiles/mayor/PressRoom/NewsReleases/01%20-%202008% 20SOC%20Education.pdf, slide 23; Office of the Mayor of San Francisco, 2008 City and County of San Francisco State of the City, Education, http://www.youtube.com/watch?v=JWfIBw0ICYM.

APPENDIX 1

SFUSD REPONSE TO 2007-2008 CIVIL GRAND JURY REPORT:

"SAN FRANCISCO KINDERGARTREN ADMISSIONS:

BACK TO THE DRAWING BOARD"

(Relevant pages 1, 5 & 9 only)

SFUSD RESPONSE TO 2007-2008 CIVIL GRAND JURY REPORT: "SAN FRANCISCO KINDERGARTEN ADMISSIONS: BACK TO THE DRAWING BOARD"

For each Finding of the Civil Grand Jury, the response must either: (1) agree with the finding, or (2) disagree with it, wholly or partially, and explain why. For each Recommendation made by the Civil Grand Jury, the responding party must provide one of the four responses:

<u>Response One</u>: the recommendation has been implemented, with a summary explanation of how it was implemented;

<u>Response Two</u>: the recommendation has not been implemented, but will be implemented in the future, with a time frame for the implementation;

Response Three: the recommendation requires further analysis, with an explanation of the scope of that analysis and a time frame for the officer or agency head to be prepared to discuss it (less than six months from the release of the report); or

<u>Response Four</u>: the recommendation will not be implemented because it is not warranted or reasonable, with an explanation of why that is.

OVERVIEW

The civil grand jury report raises many important issues and concerns regarding the San Francisco Unified School District's student assignment system. The Board of Education and District administration share the civil grand jury's interest in the development of a student assignment system that is easy for our families to understand and navigate and that promotes community building within neighborhoods. However, in addition to these goals, the Board and District are also interested in developing a system that values family choice, diversity, equity of access, predictability, and cross grade level articulation.

The civil grand jury report takes a good first look at some of the challenges and areas of improvement needed for the student assignment system. However, the report does not consider all of the District's above stated goals for its student assignment system, and does not provide a discussion or analysis of the legal considerations or operational challenges inherent in making such a change. While the report articulates an interest in a transparent system that "strengthens the role" of neighborhood schools, it does not provide a specific and comprehensive description of how this system would operate.

For these reasons, the District is not in a position to adopt the recommendations as articulated in the report. However, the recommendations and articulated priorities in the report will be considered and incorporated into the Board of Education, District staff and community conversations about improvements to the District's student assignment system. The current Board of Education and District administration intend to move forward aggressively with the goal of presenting a recommendation for a new student

Disagree. The civil grand jury report provides no factual support for this assertion, other than a vague quote from one elementary school principal who reportedly stated "Actions of some members of the Board of Education give the impression that their priority is diversity rather than improving the level of education."

Individual members of the Board of Education cannot determine policy or priorities for the District. Only a majority of the members of the Board (4 members) have the power to guide policy for the District. On May 27, 2008, the Board of Education voted unanimously (with one member absent) to adopt a new Strategic Plan that outlines District priorities, entitled "Beyond the Talk: Taking Action to Educate Every Child Now." (See Attached). This plan is organized into three initiatives: (1) Performance Management Initiative (to increase the personal and professional capacity of all District employees); (2) Equity Centered-Professional Learning Initiative (to create and sustain professional learning communities); and (3) 21st Century Curriculum Initiative (to provide classroom instruction that is personalized, relevant, meaningful and engaging for each student). The Strategic Plan does not identify diversity as the first priority of the District.

10. The District needs to make crucial decisions about surplus school property, updating 30 year old and now obsolete school attendance zones, and establishing policy to guide decisions to shut failed schools. Voters faced with future requests for funding from the District will react favorably to the District's efforts to streamline their property management activities and to convert these non-performing assets into resources that support District educational activities.

This is a statement of opinion rather than a factual finding. Notably, the Board of Education has already taken steps to determine the best uses of surplus property, and has already created policy to guide school closures. *See Attached*, Resolution 56-14A9 (8/23/05) ("Feasibility of Selling, Leasing or Subleasing Surplus Real Property"); *see also* Resolution 71-23Sp2 (5/13/07) ("Establishing a District Policy for General Public Notification Regarding Changes in Uses of District-Owned Properties:"); Resolution 53-22SM1 (5/22/05) ("School Consolidation Policy" outlining criteria to guide school closures).

RECCOMENDATIONS

1. Eliminate the use of the Diversity Index based on the findings of this report.

Response Four. While the Board of Education and District acknowledge the need for improvement of SFUSD's student assignment process, the civil grand jury report does not provide a sufficiently comprehensive discussion or analysis of the District's goals for its student assignment system and the legal considerations and operational challenges inherent in changing the student assignment system that would support immediate elimination of the Diversity Index based solely on the findings of the report.

organized into three initiatives: (1) Performance Management Initiative (to increase the personal and professional capacity of all District employees); (2) Equity Centered-Professional Learning Initiative (to create and sustain professional learning communities); and (3) 21st Century Curriculum Initiative (to provide classroom instruction that is personalized, relevant, meaningful and engaging for each student).

10. Practice better resource management as an example of prudent stewardship, particularly now in the face of funding cuts. By year-end 2008 the City should devise a plan for reducing the number of under utilized properties and failing schools.

Response Four. The San Francisco Unified School District ("SFUSD") is a state agency that is governed by the San Francisco Board of Education. The City of San Francisco does not have jurisdiction over SFUSD facilities or programs.

However, the District has already implemented this recommendation by taking steps to determine the best uses of surplus property, and has already created policy to guide school closures. *See Attached*, Resolution 56-14A9 (8/23/05) ("Feasibility of Selling, Leasing or Subleasing Surplus Real Property"); *see also* Resolution 71-23Sp2 (5/13/07) ("Establishing a District Policy for General Public Notification Regarding Changes in Uses of District-Owned Properties:"); Resolution 53-22SM1 (5/22/05) ("School Consolidation Policy" outlining criteria to guide school closures).

APPENDIX 2

Board of Education Resolution No. 56-14A9

Adopted, As Amended, by the Board of Education at its Regular Meeting of August 23, 2005

Subject: Resolution No. 56-14A9

Feasibility of Selling, Leasing or Subleasing Surplus Real Property

Commissioner Mark Sanchez

WHEREAS: The Board of Education desires to explore the possibility of selling, leasing and/or subleasing surplus property as a possible source of revenue for the District; and

WHEREAS: The Board of Education expressly understands that, pursuant to Education Code section 17462, the one-time proceeds from the sale of surplus property cannot be placed into the general fund but must instead be used for (1) capital outlay purposes or (2) for the costs of maintenance of District property that the Board of Education determines will not recur within a five-year period.

THEREFORE BE IT RESOLVED: That the Board of Education directs District staff to take all necessary steps, including but not limited to retaining a commercial real estate broker, at no charge to the District, to explore the feasibility of selling, leasing, or subleasing, or developing surplus property that is owned by the District; and

BE IT FURTHER RESOLVED: That District staff shall explore revenue-generating possibilities at <u>for</u> all District-owned facilities, including but not limited to and the District's leased administrative offices at 1098 Harrison Street; and

FURTHER BE IT RESOLVED: <u>That the District will take all legally required actions, as applicable, associated with the In accordance with Education Code section 17388, that a District Advisory Committee shall be appointed to advise the Board in the development of policies and procedures relating to the use or disposition of surplus property that is not needed for school purposes, and; or to fulfill the Board's policy related to the development of housing for our staff.</u>

BE IT FURTHER RESOLVED: In accordance with Education Code section 17389,
that the membership of the District Advisory Committee
shall consist of not less than seven nor more than 11 members who shall be representative of each
of the following:

- 1. The ethnic, age group, and socioeconomic composition of the District;
- 2. The business community, such as store owners, managers or supervisors;
- 3. Landowners or renters, with preference to be given to representatives of neighborhood associations;
- 4. Teachers;
- 5. Administrators;
- 6. Parents of students; and
- 7. 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 City and County of San Francisco.

6/14/05 8/23/05

Please Note:

- Referred by order of the Chair on 6/14/05 to the Budget and Business Services and Buildings, Grounds, and Services Committees.
- > Taken up by the Buildings, Grounds, & Services Committee on 8/4/05. Forwarded, as amended, to the Board of Education with a positive recommendation by general consent of the Committee.
- > Taken up by the Budget and Business Services Committee on 8/17/05. Forwarded, as amended, to the Board of Education with a positive recommendation by general consent of the Committee.
- Adopted, as amended, on August 23, 2005.