

[Board Meeting Date to be Inserted Later]

To: Board of Education, Davis Joint Unified School District

From: 7-11 Surplus Property Committee

Re: Surplus Property Report and Recommendations

The 7-11 Surplus Property Committee ("Committee") respectfully submits this final report and recommendation for consideration by the Board of Education ("Board") of the Davis Joint Unified School District ("District").

Establishment of the Committee

The Board established the Committee on September 21, 2023, pursuant to the requirements of Education Code section 17389, for the purpose of evaluating school enrollment data, conducting community hearings on use of the District's property, and preparing a report to the Board that identifies surplus property and recommends future uses. The Committee was formed as a way to secure community involvement in the planning process and to ensure compatible use.

Committee Composition

Pursuant to Education Code section 17388, the 7-11 Committee is required to advise the 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. The term "7-11" means that the law provides that the Committee shall be composed of no fewer than 7 and no more than 11 members, and that appointments be made based on certain categories established in Education Code – specifically, 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 a 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 city and county in which the surplus space and real property is located.

The current 7-11 Committee is comprised of the following community members, with corresponding statutory categories indicated for each member:

MEMBER	STATUTORY CATEGORIES OF COMMITTEE COMPOSITION						
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
Janice Brehler *	x		x	x		x	
David Burke					x		
Matt Duffy	x		x		x	x	
Vanessa Errecarte	x	x	x			x	x
Jennifer Higley-Chapman	x		x				
Victor Lagunes	x		x	x			
Mike McMullen	x		x			x	x
John Meyer			x **				x
Mike Webb							x
Angela Willson			x **				

* Ms. Janice Brehler is identified as an alternate for Mr. Victor Lagunes, if necessary.
 ** Neighborhood Association Representative

At its September 27, 2023, meeting, the Committee voted to appoint Mr. Matt Duffy as Chair and Mr. John Meyer as Vice Chair. Bruce Colby, Deputy Superintendent of Business Services and Karina K. Samaniego, Esq., legal counsel with Dannis Woliver Kelley, acted as staff to the Committee. The Committee reviewed the requirements of Education Code section 17389 concerning the composition of the Committee and determined that the Committee represents a cross section of the District’s community and meets the statutory requirements. District staff made their best efforts to recruit volunteers who were willing and able to participate on the Committee and who reflected the diversity of the District.

Committee’s Charge

The Committee was instructed to produce a recommendation as to how it might maximize the use of the District’s current administration office and Davis School for Independent Study, both located at 526 B Street in Davis, California 95616 (“District Office Site”) to serve the community and generate revenue for the District.

Pursuant to Education Code section 17390, the Committee shall 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;
- d) Make a final determination of limits of tolerance of use of space and real property; and
 - e) Forward to the district governing board a report recommending uses of surplus real property.

Before District's property may be disposed by sale, the Board must first determine that it is surplus to the educational needs of the District, based upon the recommendation of the Committee. At any time after the Board determines that the property is surplus, the District can offer it to other public agencies for use as open space, recreational or park use, for development of low- and moderate-income housing, or for other uses in accordance with the relevant statutes.

If no entities respond to the District's offer, or the parties are unable to reach an agreement on sales price or terms, the District proceeds to sell the property through a statutory public bidding process. The process includes the Board considering written and oral bids during a public meeting, and either (1) accepts the highest bid or (2) rejects all bids.

It is not uncommon for school districts to seek from the State Board of Education a waiver of these statutory bid requirements in order to pursue a more flexible sale process, such as through a Request for Proposals. This allows the District Board to consider criteria other than highest price, such as future use of the surplus property, and permits direct negotiation with prospective buyers.

Meeting Information

The Committee met and solicited community participation by holding three (3) public hearings, during its public meetings, on Wednesday, September 27, 2023, Tuesday, October 10, 2023, and Tuesday, October 24, 2023. District staff posted and distributed the meeting agendas at the District Office and on the District's website, in accordance with the Brown Act. Meeting agendas, minutes, and documents considered by the Committee are listed in the attached "References" page, and posted on the Committee's webpage, on the District's website at: www.djUSD.net/departments/business_services/7-11_advisory_committee. The Committee adopted this final report and recommendations at its October 24, 2023, meeting.

History and Current Use of District Office Site

The District Office Site was acquired on July 7, 1925 for Ten Dollars in U.S. Gold Coin. The current facilities were originally built for a junior high school in 1949. As the City's population grew outward from the historic downtown in the 1960s and 1970s, the building was replaced with the newer and larger facilities that are in use today closer to the majority of Davis' school-age population. In 19XX, the District converted the majority of the property to administrative office that houses the District's administrative staff, including the Superintendent's Office and its staff, Business and Fiscal Services, Human Resources, Special Education and Technology Services Departments. In addition to the District's administrative office, the building currently houses the Davis School for Independent Study ("DSIS") in approximately 10 classrooms. The Existing Campus Plan is shown in below. Approximately 70% of the existing facility currently serves administrative needs with the balance used for DSIS classrooms.



1" = 120'
SECTION 5



The existing facilities were purpose-built as a school with the majority of the spaces designed as classroom facilities. Renovations conducted over time have converted the majority of these spaces for office uses, but their functionality as offices are limited by the original buildings. For example, limited facilities are available for meetings and conferences.

Due to its age and deferred maintenance, the District Office Site is in dire need of modernization and repair. The District's Facility Master Plan includes a Condition Assessment of the District Office Site, which rates the exterior and interior of the property as in poor condition throughout campus." The interior specifically requires "major modernization/reconfiguration" along with the parking area at the property. Upgrades needed include compliance with the Americans with Disabilities Act for accessibility and Department of State Architect classroom security locks. Storm water drainage requires "complete replacement." The Condition Assessment does not include the likely additional costs for abatement of asbestos and lead-based paint which are suspected to be present. Because the repairs and upgrades are estimated to be in the millions of dollars, the District has been considering how to maximize the use of the property, including finding a more appropriate home for the District's administrative office and the DSIS and exploring alternative uses of the District Office Site.

School Enrollment Projections and Capacity

The Committee reviewed the District's Demographic Reports posted to and linked on the Committee website, including student enrollment projections prepared by Davis Demographics & Planning, Inc. for the District. A Student Population Forecast (March 2, 2023) for the five-year period from 2023-24 to 2027-28 school years concluded that while total enrollment had been relatively stable pre-pandemic, there has been a large decline beginning during the 2020-21 school year, with continued decline in student population forecasted through the 2027-28 school year. The decline in student population is based on the decline of births in the area affecting Kindergarten enrollment, eighty-one percent (81%) multi-family housing typically do not house school age children, and families moving in and out of the District. The primary use of the District Office Site is for administrative uses and may not be directly correlated to student population. However, the forecasted declining student population suggests that the District will not need to identify locations for new school sites in the near future and that the current DSIS students could potentially be accommodated within existing District facilities.

Committee's Evaluation of Property Documents, District Data, and Other Information

The Committee was provided, for its review, property documents, District data, and other relevant information, during its September 27, 2023 meeting, with the Committee discussion occurring at its October 10, 2023 meeting. The Committee considered the future use of the property by the District and for development for non-school purposes through its disposition. Ms. Samaniego, Esq., presented to the Committee the "Disposition of Surplus Property" to provide an overview of the statutory public bidding process for the sale of school district property, and the alternative application to the State Board of Education to waive this process in favor of more flexibility.

Consideration of Continued or Alternative District Use

The Committee reviewed the District's Facility Master Plan as to the District Office Site. The Facility Master Plan concluded that the property is in poor condition and that significant modernization is required for continued District use. The District Office Site is not currently appropriate for District use because of its poor condition, and the significant cost of modernizing and repairing the District Office Site to continue its current use is not the best use of District resources.

Likewise, the District Office Site is not needed for alternative District use, such as school or instructional use, due to its condition and declining student population. The cost of modernizing the property for such school use would not be the best use of District resources in light of the declining student population.

The Committee briefly considered the District's development and use of the property for workforce housing. However, it is the Committee's understanding that the District is considering the development of workforce housing at different locations that do not include the District Office Site. In addition, the ultimate development of the District Office Site by others could potentially include housing that is appropriate for the District's workforce.

Therefore, the Committee found that rather than keeping the property and reassigning an alternate use for District purposes, the disposition of the property by sale would yield a greater return for the District.

Consideration of Sale and Future Development

The Committee considered the sale of the District Office Site and resulting future development and use by reviewing a Study and Identification of Potential Housing Sites in Davis prepared by the City of Davis General Plan Update Steering Committee in March 2008 ("Steering Committee Report") and a report prepared for the District by Portland State University's Urban Sustainability Accelerator, "Development Concept Workshop Results and Market Feasibility Analysis" (October 2016) (the "Market Feasibility Analysis Report"). The Steering Committee Report identified the District Office Site as the #1 Green Light Infill Housing Opportunity Site. The Market Feasibility Analysis Report examined the economic feasibility of redeveloping the District Office Site based on workshop teams comprised of local residents and stakeholders. In alignment with both report's conclusions, the Committee members agreed that maximum site value would be achieved when the primary use of the property is for residential development. There was strong consensus among Committee members that future use of the property as residential housing would greatly benefit the community, as well as maximize the greatest value for the District based on community needs.

Committee members agreed that affordable housing is a priority need for the community and in high demand. The Committee did express a desire for development that resulted in community inclusion and cohesion. One consideration is integrated affordable housing for the avoidance of any social stigma. All members agreed that the intensity and design of the development should be compatible with the current neighborhood's character. The District Office Site is located in the Old North Davis neighborhood, which is a 12-square-block, mostly residential neighborhood consisting of a well-preserved neighborhood of cottages and bungalows, built between 1913 and 1940. The older houses in the neighborhood have retained a considerable amount of integrity and form a cohesive link to the city's past development. ("Davis Downtown and Traditional Residential Neighborhoods Design Guidelines."). Because of the neighborhood's historic nature and the desire for any future development be compatible with its current character, District staff and future developers should work with the Old North Davis Neighborhood Association.

The District Office Site is currently zoned as "Residential One- and Two-Family Conservation (R-2 CD) District." The purpose of the R-2 CD is to stabilize and protect the historic residential characteristics of the Old North Davis residential neighborhood within the city's conservation overlay zoning district, and to promote and encourage a suitable environment for residential living. (Davis Mun. Code, § 40.04A.010.) The R-2 CD is intended for residences and supporting community services, and allows for a number of conditional uses, including "Public-Semipublic" buildings and uses of a recreational, educational, cultural, or public service type, but not including corporation yards, storage or repair yards, warehouse, and similar type uses. (Davis Mun. Code, §§ 40.04A.010, 40.04A.040.) The General Plan Land Use designation of the District Office Site is currently "Public-Semipublic," including uses such as public facilities and offices, schools, child care facilities, hospitals and accessory medical offices, religious institutions, drainage facilities and utilities. (City of Davis General Plan, "Land Use and Growth Management.")

Because of its current zoning, the District should seek to secure entitlements for the site to appeal to developers and maximize its return through the property sale. The property's value is determined largely by the intensity of development that is allowed to occur by right. (Development Concept Workshop Results and Market Feasibility Analysis, p. 20.) The District would need to work in close partnership with the City of Davis to significantly increase the site's entitlements above what is currently allowed by current zoning to maximize the opportunity for housing and affordable housing.

There was discussion but no consensus among Committee members as to the intensity of development, and whether the property should be rezoned as Medium- or High-Density, as illustrated in the chart below. However, the density and standards for affordable housing are established by the City of Davis Ordinances and the Planning and Zoning Law and do not necessarily need to be recommended by this Committee for sale of the property for affordable housing development.

General Plan Land Use Designation	Gross Density (units per gross acre)	Net Density ¹ (units per net acre)	Gross Density with Bonus ²
Residential - Low Density	2.40 - 4.79	2.88 - 5.75	3.00 - 5.99
Residential - Medium Density	4.80 - 11.20	5.76 - 13.44	6.00 - 13.99
Residential - Medium High Density	11.21 - 19.99	13.45 - 23.99	14.00 - 24.99
Residential - High Density	20.00 - 39.99	24.00 - 47.99	25.00 - 49.99
Residential - Very High Density	40.00 - 56.00	48.00 - 67.20	50.00 - 70.00
Neighborhood Retail	Per FAR - 50 Percent, with an additional 15 percent allowed for the housing component of a mixed-use project. Such additional floor areas shall include any housing units allowable under an affordable housing bonus.		
Office	Per FAR - 50 Percent, with an additional 15 percent allowed for the housing component of a mixed-use project, subject to a limit of 150 housing units. The additional FAR allowed for housing does not apply to sites intended for non-residential uses only.		
Business Park	Per FAR - 50 Percent, with an additional 15 percent allowed for the housing component of a mixed-use project, subject to a limit of 150 housing units. Such additional floor areas shall include any housing units allowable under an affordable housing bonus. The additional FAR allowed for housing does not apply to sites intended for non-residential uses only.		
Community Retail	Per FAR - 50 Percent, with an additional 15 percent allowed for the housing component of a mixed-use project.		

Notes:

1 Assumed to be 120 percent of gross density.

2 Assumed to be 125 percent of normal general plan density.

Source: City of Davis, 2021

Consistent with General Plan policies regarding the protection of open spaces, particularly agricultural properties, and in accordance with smart growth principles, the City continues to promote appropriate densities that maximize opportunity for development of properties within the City while accounting for surrounding neighborhood character and sensitivity.

As mentioned earlier, the committee also reviewed the Steering Committee Report, which recommends the District Office Site as the #1 Green Light Infill Housing Opportunity Site. The Steering Committee Report recommends a range of 40-60 housing units (excerpt below).

DJUSD Headquarters



Rationale for Recommended Site Ranking Category and Number (including Key Principles)

- 1.1 Close to Central Park, downtown and university.
- 1.2 Promotes pedestrian, bicycle and transit mobility.
- 1.3 Adequate vehicular access.
- 1.4 Capable of providing compact development and higher density housing.

Countering Views to Recommended Site Ranking Category and Number

- 1.5 Development uncertain, site has not been declared surplus by DJUSD at this time.

Recommended Land Use and Design Considerations, Requirements or Conditions, and Any Additional Information that May be Needed for Site Development

- 1.A Consider reserving a portion of the site for DJUSD offices, a child care facility, an extension of Central Park.
- 1.B Adequate parking for proposed land uses.
- 1.C Design consistent with applicable Davis Downtown and Traditional Residential Neighborhood Design Guidelines.
- 1.D Consider for senior housing.

SECONDARY SITE Site Ranking

1

SECONDARY SITES are sites recommended for housing; they are considered **"Green Light"** sites

Recommended Actions and Responsibilities

Action 1.1 Confirm whether DJUSD is interested in the redevelopment of the site and replacement of the existing offices on-site or off-site.

Action 1.2 General Plan amendment, rezoning.

The City of Davis has recently begun a general plan amendment processing a high-density designation of the property, which permits up to nearly 50 units per acre, aligned with the City of Davis Housing Element Steering Committee Report.

Committee's Recommendations for the District Office Site

The Committee recommends to the Board that the District dispose of the District Office Site by sale for the development of housing, including affordable housing. For the Board's consideration, the Committee identified the following goals and parameters in the sale of the District Office Site:

- 1) Maximize the value of the District Office Site and financial return to the District.
- 2) Ensure development supports housing that encourages residency of families with K-12 students and includes an appropriate amount of affordable housing within the standards established by the City of Davis and applicable law.
- 3) Development intensity, design, and use should be compatible with the current neighborhood's character and the goals established by the most recent and applicable general plan for the neighborhood.

- 4) Development and future use should comply with the City of Davis' climate priorities.

The Committee finds that the statutory bid process for disposition of District surplus property does not allow enough flexibility to achieve the Committee's recommendations. Education Code section 17455 et seq. requires the Board to accept written and oral bids during a public meeting and sell surplus property to the highest bidder. Only the highest price, with minimum terms adopted by the Board, is considered during this process. The Committee thus discussed, and agreed, that in order for the Board to prioritize these goals through the sale of the District Office Site, the Board should seek from the State Board of Education a waiver of the statutory bid process to pursue a Request for Proposals process that would allow flexibility in the property's sale.

Therefore, the Committee respectfully submits the following recommended actions to the Board.

- 1) *The Committee hereby recommends that the Board declare the property known as the District Office Site, located at 526 B Street in Davis, California 95616, as surplus to the District's educational program and administrative needs.*
- 2) *In addition, the Committee hereby recommends that the Board authorize seeking a waiver from the State Board of Education of the statutory bid procedures for disposition of surplus property in order to consider the Committee's recommended goals and parameters in the sale of the District Office Site.*
- 3) *Lastly, the Committee hereby recommends that the Board direct staff to work with the City of Davis and the Old North Davis Neighborhood Association in order to promote a successful project that reflects the character of the historic neighborhood while recognizing the opportunity of this site to provide additional housing in our community.*

This final report with findings and recommendations has been prepared to be presented to the District Board at its regularly scheduled meeting on Thursday, November 16, 2023.

Respectfully Submitted,

Matt Duffy, Committee Chair

Attest,

John Meyer, Committee Vice Chair

REFERENCES

1. 7-11 Surplus Property Committee, Wildhorse Property Final Report (June 9, 2008).
2. 7-11 Surplus Property Committee, Grande Avenue Site Final Report (July 17, 2007).
3. City of Davis, Davis Downtown and Traditional Residential Neighborhoods Design Guidelines (July 2021, Updated June 2007).
4. City of Davis, General Plan (Amended 2007) Section IV Community Form, Chapter 01 Land Use and Growth Management, available online at: www.cityofdavis.org/city-hall/community-development-and-sustainability/planning-and-zoning/general-plan.
5. City of Davis General Plan Update Steering Committee, Study and Identification of Potential Housing Sites in Davis (Approved by the Steering Committee on March 20, 2008).
6. Davis Demographics & Planning, Inc., Demographic Reports (2019-2023) available online at: https://www.djUSD.net/departments/business_services/other_reports
7. Davis Demographics & Planning, Inc., Student Population Forecast, Fall 2022-23 Report, Fall 2023-24 to 2027-28 (Presented to the Board of Education, March 2, 2023).
8. Davis Joint Unified School District, Facility Master Plan (June 2018) Section 5: Facility Condition Assessment for Independent Study/District Office, p. 318.
9. Samaniego, Esq., Karina K., Disposition of Surplus Property (Presented to the 7-11 Advisory Committee on October 10, 2023.)
10. Urban Sustainability Accelerator, Portland State University, Davis Joint Unified School District 5th & B Street Site: Development Concept Workshop Results & Market Feasibility Analysis (October 2016).