An act to amend Sections 81394, 81420, 81423, and 81440 of the Education Code, relating to community colleges.

LEGISLATIVE COUNSEL’S DIGEST

SB 1355, as introduced, Durazo. California Community Colleges: affordable housing.

Existing law establishes the California Community Colleges, under the administration of the Board of Governors of the California Community Colleges, as one of the segments of public postsecondary education in this state. Existing law establishes community college districts throughout the state, and authorizes them to provide instruction at the campuses they operate.

Existing law authorizes the governing board of a community college district to let to any private person, firm, or corporation, any real property that belongs to the community college district if the instrument by which the property is let requires the lessee to construct on the demised premises, or provide for the construction on the real property of, a building or buildings for the joint use of the community college district and the private person, firm, or corporation during the term of the lease or agreement if certain conditions are met, including that no rental fee or other charge for the use of the building or buildings is paid by the community college district.

This bill would authorize the community college district to agree to a rental fee or other charge for that use if the constructed building or buildings are developed and operated as affordable housing for students or employees of the community college district, or for both those students and employees.
Existing law authorizes a community college district to enter into a lease or agreement with a city, county, or city and county for the joint occupancy, or a private educational institution for its sole occupancy, of the real property and buildings of the community college district, as provided. Existing law limits the duration of those leases or agreements to a term not to exceed 5 years, as specified.

This bill would authorize a community college district to additionally enter into a lease or agreement with a private person, firm, or corporation for joint occupancy of the real property and buildings of the community college district, if the real property and buildings are intended for affordable housing for students or employees of the community college district, or for both those students and employees. Notwithstanding the 5-year limitation, the bill would authorize a lease or agreement for joint occupancy of real property and buildings of the community college district that are intended for affordable housing for students or employees of the community college district, or for both those students and employees, for a term that does not exceed 66 years.

Existing law prohibits the governing board of a community college district from leasing real property for less than fair rental value, as defined, to any entity unless the entity meets certain conditions.

This bill would authorize the governing board of a community college district to additionally lease real property for less than fair rental value to an entity if that entity intends to enter into a lease or agreement with the community college district for joint occupancy of the real property and buildings of the community college district to develop and operate affordable housing for students or employees of the community college district, or for both those students and employees.


The people of the State of California do enact as follows:

SECTION 1. Section 81394 of the Education Code is amended to read:

81394. (a) The governing board of a community college district may let to any private person, firm, or corporation, any real property which the property is let requires the lessee therein to construct on the demised premises, or provide for the construction on the real property of, a building or
buildings for the joint use of the community college district and
the private person, firm, or corporation during the term of the
agreement; provided that lease or agreement if the following
conditions are met:
(1) The title to that portion of the building to be occupied by
the private individual, firm, or corporation shall remain
exclusively the personal property of the private party during the
term of the lease and the title to such portion of the building
to be occupied by the community college district shall vest in the
community college district upon completion thereof of the building
or buildings and acceptance thereof of the building or buildings
by the district; provided further that no
(2) Except as provided in subdivision (b), no rental fee or other
charge for the use of the building or buildings shall be paid by the
community college district.
(b) For a lease or agreement entered into pursuant to
subdivision (a), if the constructed building or buildings are
developed and operated as affordable housing for students or
employees of the community college district, or for both those
students and employees, the community college district and the
private person, firm, or corporation may agree to waive the
condition that no rental fee or other charge is to be paid by the
community college district for the portion of the building that is
for the exclusive use of the community college district.
SEC. 2. Section 81420 of the Education Code is amended to
read:
81420. (a) A community college district may enter into a
lease or agreement with a city, county, or city and county for the
joint occupancy, or a private education educational institution for
its sole occupancy, of the real property and buildings of the
community college district, in accordance with the provisions of
this article.
(b) A community college district may enter into a lease or
agreement with a private person, firm, or corporation for the joint
occupancy of the real property and buildings of the community
college district, in accordance with this article, if the real property
and buildings are intended for affordable housing for students or
employees of the community college district, or for both those
students and employees.
SEC. 3. Section 81423 of the Education Code is amended to read:

81423. No such (a) Except as provided in subdivision (b), a lease or agreement under this article shall not exceed a term of five years, but may be renewed on the same or different conditions at the end of such the term.

(b) A lease or agreement under this article for joint occupancy of real property and buildings of the community college district that are intended for affordable housing for students or employees of the community college district, or for both those students and employees, shall not exceed a term of 66 years.

SEC. 4. Section 81440 of the Education Code is amended to read:

81440. Notwithstanding any other law, no the governing board of a community college district shall not do either of the following:

(a) Make a gift of district the community college district's real property to any entity that is not established by the community college district pursuant to Article 6 (commencing with Section 72670) of Chapter 6 of Part 45.

(b) Lease real property for less than fair rental value, as defined in paragraph (2) of subdivision (c) of Section 82542, to any entity unless the entity meets one of the following conditions:

(1) It is established by the community college district pursuant to Article 6 (commencing with Section 72670) of Chapter 6 of Part 45.

(2) It is described in Section 82537.

(3) It is described in Section 72682.

(4) It was in existence on August 31, 1980, and has been or is subsequently recognized by the governing board of a community college district as having a formal relationship with, and working on behalf of, the community college district or a constituent college thereof of the community college district.

(5) It intends to enter into a lease or agreement with the community college district for joint occupancy of the real property and buildings of the community college district to develop and operate affordable housing for students or employees of the community college district, or for both those students and
employees, and the lease or agreement is consistent with Section 6 of Article XVI of the California Constitution.