

# Public School Property Conversions:

## Making use of surplussed school land in the green transition

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### Key Takeaways

- The precarity of US public school district finances has led to a pattern of **short-term fixes** including “right-sizing” districts by laying off workforces and selling off school properties —**actions that fail to solve budgetary woes in the long-term while deepening economic and social burdens for broader school communities**—as climate disasters destabilize communities and the urgent need for a transition to decarbonized systems grows.
- Rather than close schools and dispose of buildings on the private market, **school districts should convert their “excess” properties to green social housing** with priority units for students and staff.
- Even accounting for the upfront costs, **converting existing public assets can cost less than new site acquisition, and green workforce housing can generate rental income streams** that can feed back into stressed school district budgets while preserving and expanding public sector capacity for green, socially necessary purposes.
- **Converting surplussed school land into green, socially useful functions like housing offers additional benefits** including relieving the housing affordability crunch for their communities’ families and students, stabilizing enrollment rates, bolstering community ties that contribute to student success, retaining educator workforces, and reducing building-related emissions and the long-term costs of climate inaction.

### Introduction

As we enter 2025 and pandemic-era aid expires, school district leaders across the country are panicked about their budgets. A recent McKinsey report found that, of 480 school district administrators surveyed, 53 percent expect “a fiscal cliff” in the next year.<sup>1</sup> From Boston to Memphis to Wichita to Los Angeles, school district officials are projecting deficits, going so far as to consider closing schools to save money.<sup>2</sup> As they see it, any kind of

structural adjustment will be difficult, and given that their districts are shrinking (in some cases precipitously<sup>3</sup>), they perceive no alternative but to “right-size” operations by laying off staff and selling school real estate.

But is this the only way to address budget shortfalls? During the Great Recession, many school districts also resorted to school closures—a decision that exacerbated racial inequities, destabilized neighborhoods, harmed student achievement, and generated only short-term savings insufficient to the budget pressures wrought by strained tax bases, enrollment decline, and high levels of capital debt.<sup>4</sup> Chicago and Philadelphia, for example, both aggressively closed schools to save money in 2013, only to find themselves facing budget shortfalls just a few years later.<sup>5</sup>

At the same time, housing unaffordability has risen across the country. A record 22.4 million households are spending nearly one third of their incomes on rent and utilities, with the average minimum wage worker needing to work four full-time jobs to afford rent. In 2023, the US Department of Education estimated the number of children experiencing homelessness to be more than 1.4 million and growing<sup>6</sup>—even as bosses, landlords, and corporations raked in record profits.<sup>7</sup>

When public school districts offload unused property, they tend to sell below market value, thereby helping subsidize future developments that have no requirement to meet community needs around affordability.<sup>8</sup> Thus, school closures not only fail to solve districts’ budgetary woes but also worsen the housing affordability crunch for their communities’ families and students.

In this brief, we lay out an alternative course of action that involves tackling the root causes of budgetary stress and building resilience in anticipation of future challenges.

## Taking on housing, affordability, and climate crises together

**Rather than close schools and dispose of buildings on the private market, school districts should convert their “excess” properties to green social housing with priority units for students and staff.** Green social housing refers to a diverse set of housing types that share some common characteristics: permanent affordability, protection from real estate speculation, public financing, and democratic decision-making policies that empower residents significantly more than renters in unregulated housing. Green social housing is also

healthy, carbon-free, and environmentally resilient.<sup>9</sup> The rationale for such property conversion is four-fold:

## 1. Stabilizing enrollment rates

Although enrollment decline is likely a product of many factors, including voucher and charter school competition, low birth rates, and restrictive immigration policies, recent research points to the cost-of-living crisis as a key piece of the puzzle. Housing unaffordability has hit low-income families with school-aged children particularly hard, as families are being forced to move away from their schools. One study found that housing instability is the biggest predictor of student absenteeism;<sup>10</sup> another showed that housing precarity directly predicts interruptions in education.<sup>11</sup> **Any serious policy push to stabilize public school enrollment must address housing affordability for families with school-aged children.**

## 2. Creating the community ties necessary for student and teacher success

When Black, brown, and working-class households are pushed out of their neighborhoods and into housing precarity, communities fracture. These ruptures affect more than just enrollment: They burden families with longer and more expensive commutes to work and school and take a toll on the teachers who remain in the district and struggle to maintain positive, lasting relationships with a revolving student body. **If school districts want to set students and teachers up for success, they need to join efforts to stop displacement and stabilize community ties.**

The Center for Housing Policy's report on Housing and Education<sup>12</sup>, for example, reviewed a wealth of research showing that students with access to affordable housing are better off than their peers who are precariously housed. Students in affordable housing are less likely to be forced to move; they are more stable, achieve higher test scores, focus better in the classroom, and can better partake in community development efforts centered around homes and schools.

## 3. Helping school districts retain their workforces

The cost-of-living crisis extends to middle-income workers, such as teachers and paraprofessionals, who can no longer afford to live where they work. In Los Angeles, for example, new teachers today need to spend 42 percent of their salaries on rent, a 7-percentage-point increase from 2019 (figure 1). In neighboring San Diego, new teachers need to spend about 63% of their take-home pay on rent to afford a one-bedroom.<sup>13</sup>

Across the country, the combination of low salaries and soaring housing costs has made the teaching profession less attractive than at any time in recent history.<sup>14</sup> School districts face a nationwide teacher shortage and inexorable teacher turnover, with 86 percent of K-12 public schools reporting challenges hiring teachers in the 2023-2024 school year.<sup>15</sup>

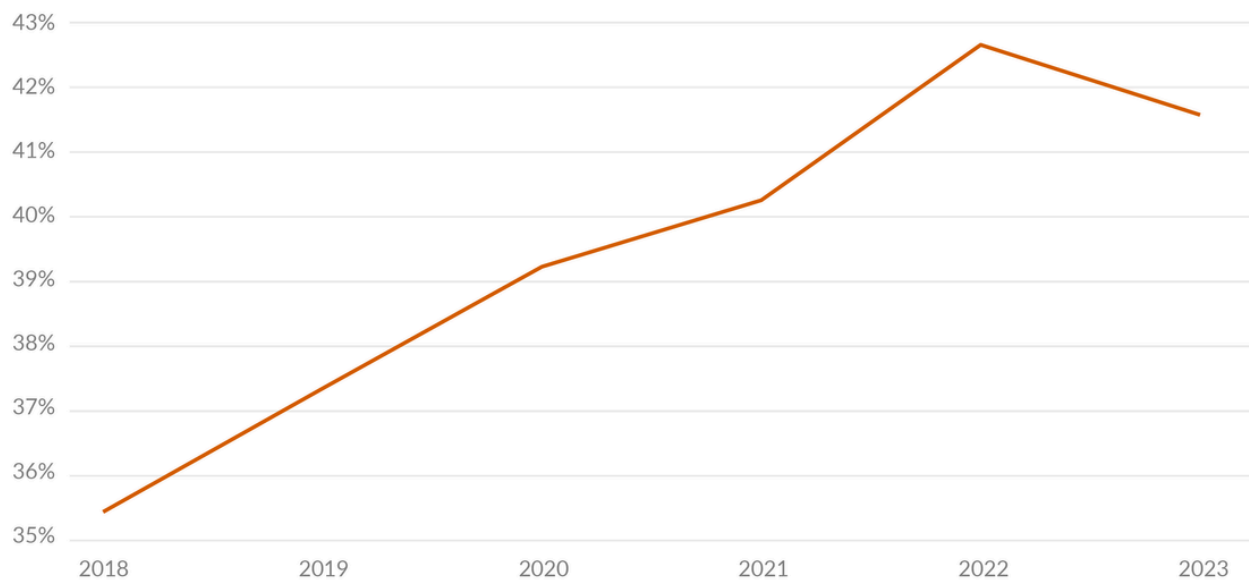
The dearth of qualified teachers has direct costs for districts; recruiting, hiring, and training a single new teacher can cost a school district over \$20,000.<sup>16</sup> High turnover also negatively affects perceptions of school quality and takes an unquantifiable toll on student, parent, and staff morale.

Among the varied factors for teacher attrition, including race, subject field, and whether they attended a traditional or alternative teacher licensing program, one of the strongest predictors is how long a teacher's commute is.<sup>17</sup> **Providing affordable, quality workforce housing can help keep teachers in the classroom.**

Figure 1. Teacher rent burden in Los Angeles

### New teachers need to spend 42% of their salary on rent, up from 35% in 2019

MEDIAN RENT IN LOS ANGELES AS A SHARE OF STARTING TEACHER SALARIES, 2019-2023



Sources: Census ACS 5-Year Estimates 2018-2023, Table B25031 (Median Gross Rent) for Los Angeles city; LAUSD Salary Tables, school years beginning 2018-2023, Alternative Credentials Salary (L) Tables.

Notes: The value shown is the median gross rent multiplied by 12 and divided by the lowest teacher salary.

## 4. Reducing building-related emissions and long-term costs of climate inaction

The climate and cost-of-living crises are, in schools no less than in other domains, interlocking. Climate risks make school properties more expensive to insure, adding stress to already strained school district budgets and increasing what schools need to issue in taxpayer backed bonds. Climate-related disasters also entail high rebuilding costs. When climate disasters are large-scale, as with the recent Los Angeles fires, they have the potential to wipe out a portion of the housing stock and tax base. This worsens the affordability crunch, even for school families and education workers not immediately displaced by the disaster.

Although it has long been clear that all new construction needs to be green, school properties should be priority sites for climate resiliency upgrades and efforts to stabilize the cost of living and ensure the safety of communities. **Building green social housing on public school grounds represents a significant opportunity for school districts to tackle the climate and cost-of-living crises together.**

### The financial case for green school property conversions

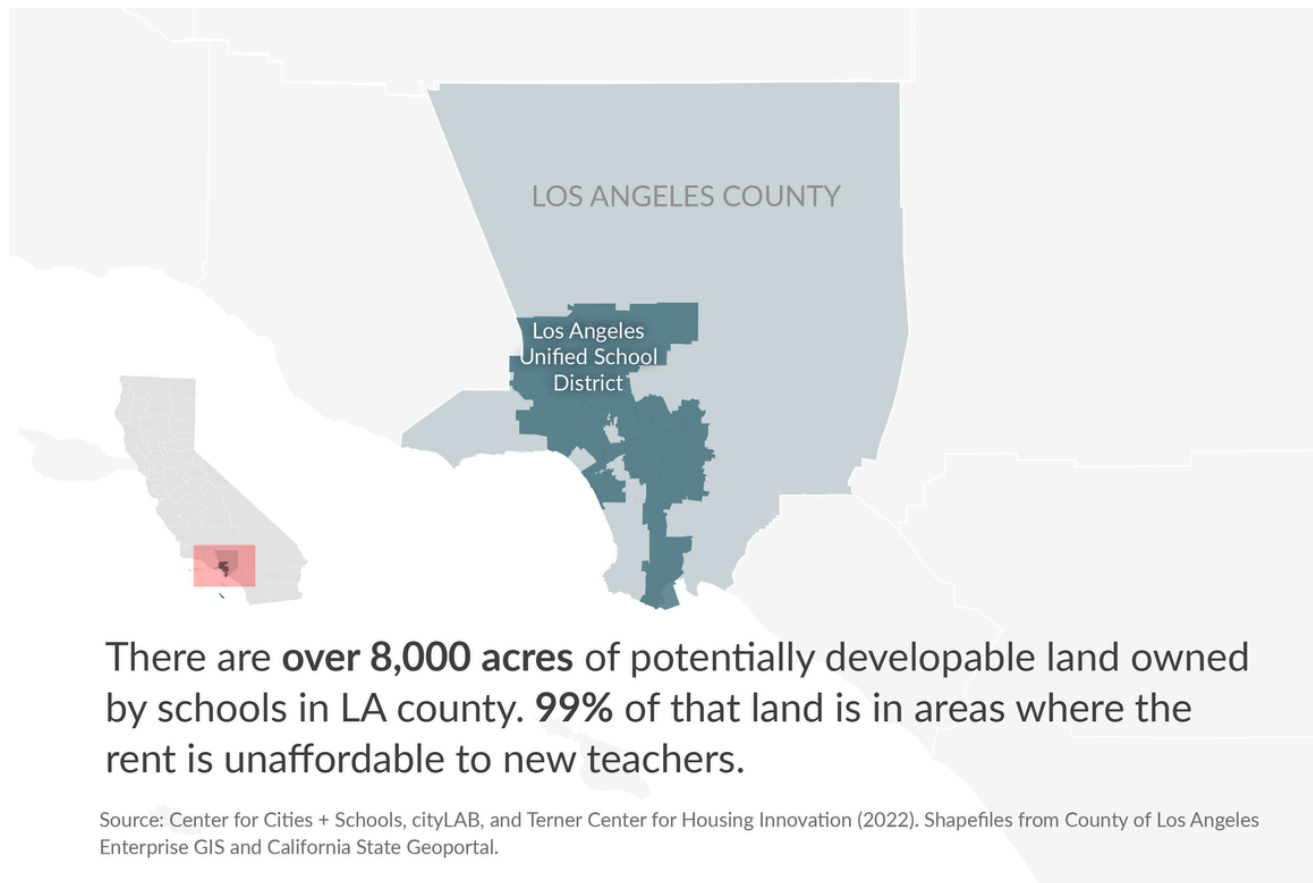
Converting surplus school properties to green social housing isn't just socially beneficial; it also makes financial sense. When land costs are high—as they are in many localities today—nonprofit developers and city agencies are effectively priced out of building affordable housing. With school properties, however, districts will be converting existing assets in which taxpayers have already invested and from which taxpayers deserve to reap benefits. Though conversion projects will have upfront costs, these will likely be lower than projects that involve new site acquisition, and the housing will generate rental income streams that can feed back into stressed school district budgets. School conversion projects also preserve and expand public sector capacity to develop more green affordable housing in the future.

Joint efforts by the Los Angeles Unified School District (LAUSD) and the United Teachers of Los Angeles (UTLA) to develop affordable housing provide a helpful case study of green school property conversion projects. LAUSD is the second-largest school district in the country. It spans 710 square miles of Los Angeles, covering 1,200 schools and centers.<sup>18</sup> The district owns more than 21,000 buildings, representing 78 million square feet scattered throughout the city.<sup>19</sup> (By comparison, and even considering the post-pandemic push to convert downtown commercial real estate to residential housing, Downtown Los Angeles' office market footprint is only 68 million square feet in one concentrated area.<sup>20</sup>) The school district is a major landowner in all parts of the city, and herein lies its potential as a leader in

green social housing.

For the last decade, LAUSD enrollment has been steadily declining, a trend that accelerated with the pandemic. In 2012, there were 550,000 students in LAUSD; by 2024, there were fewer than 380,000.<sup>21</sup> The district is overbuilt and owes debt on buildings and land it no longer needs for classrooms. This situation is projected to worsen with the reality of increasingly intense climate events driven by the continued burning of fossil fuels. The January 2025 wildfires, for example, burned 3 LAUSD schools to the ground, displaced thousands of students and their families, and forced hundreds of teachers from their homes amid a public health crisis, price gouging by landlords, and an increasingly tight rental market.<sup>22</sup>

Figure 2. Potentially developable land owned by schools in Los Angeles county



There are **over 8,000 acres** of potentially developable land owned by schools in LA county. **99%** of that land is in areas where the rent is unaffordable to new teachers.

Source: Center for Cities + Schools, cityLAB, and Turner Center for Housing Innovation (2022). Shapefiles from County of Los Angeles Enterprise GIS and California State Geoportal.

When the Los Angeles teacher's union, the United Teachers of Los Angeles (UTLA), entered contract bargaining in 2022, they began from the premise that the enrollment crisis was a symptom of the city's broader affordable housing crisis. For the past 10 years, median residential rent increases had far outpaced growth in median hourly earnings. Teachers knew that families were not just leaving schools but leaving the city altogether due to rent burdens. And if students and their families were feeling the crunch, so too were teachers,

whose starting salary in 2022 was just \$56,107—significantly less than the average per capita personal income (\$74,378) of Los Angeles residents in the same year.<sup>23</sup> UTLA wanted to use negotiations with the district to think holistically about these overlapping crises. They wanted bolder solutions for themselves, their students, and public-school communities.

Because the district owned so much land, it had in the past collaborated with nonprofit developers to build affordable workforce housing. UTLA wanted to scale these efforts up, increasing affordable housing provision from a few hundred units to thousands. The Memorandum of Understanding (MOU) signed in 2023 established a joint task force of teachers, district employees, and community-based appointees whose remit was to survey and “make recommendations” vis-à-vis converting “vacant and unused LAUSD land parcels... for affordable housing for low-income students and families.”<sup>24</sup> The MOU also required the district “to make available school space accessible to nonprofit organizations providing “tenant right clinics and counseling service.” In the MOU, the district also pledged to collaborate with the union “to advocate to secure Section 8 vouchers...to meet the housing needs...of all unhoused LAUSD students, including at LAUSD properties.”

Soon after the signing of the MOU, the district broke ground on new projects, and it continues to bring new units online. To finance both construction and subsidies for low-income tenants, it has relied on a mix of loans, tax credits, developer fees, grants, and subsidies from the Los Angeles Housing Department. Students and staff have priority access to these units, but they cannot be required to transition out if they leave the district: These are permanently affordable units intended to help residents stabilize their lives.

Although LAUSD and UTLA did not sign any MOU language requiring green construction and conversion, there are precedents elsewhere. In the town of Rice Lake, Wisconsin, for example, architects and developers converted a 6-room primary school to 20 affordable apartments and townhomes, all while following the Wisconsin Green-Built Homes criteria. Each unit features enhanced air sealing, low VOC products, and Energy Star-rated windows and appliances and is priced affordably, down to 30% of the County’s median income.

In Templeton, Massachusetts, meanwhile, architects have designed the adaptive reuse of school buildings with plans to install solar panels on the apartment rooftops as well as ensure the buildings meet LEED standards. Though the town has not historically had much support for affordable housing, residents rallied behind this effort. The town secured funding from its Community Preservation Committee. Developers and architects are now collaborating to bring 54 new apartments online and convert one of the school lawns to public green space, while also holding on to an old school playground.

That green social housing conversions are happening in diverse localities across the United States is a testament to their wide-ranging applicability and potential reach as a policy solution. **These projects are eminently feasible wherever there is political will, and ramping them up at-scale could rapidly bring down building emissions; provide safe, healthy housing; and stabilize school district budgets and communities through climate chaos.**

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## Conclusion

Converting vacant and underused school properties into green social housing is a policy that meets the moment. **Rather than dispose of school property on the private market—which generates only temporary savings, disproportionately disrupts school communities in low-income and minority neighborhoods, and does nothing to stem the tide of overlapping climate, cost-of-living and budgetary crises—green school property conversions tackle climate and affordability issues together.** They represent a meaningful alternative to building budgetary resilience, one that shores up assets in which the public has already invested and that is uniquely poised to support two vulnerable groups: students and educators.

Given the dozens of existing projects across the country, there is already an evidence base of best practices. We recommend school districts learn from these projects and work with their employees, especially teachers, to identify underused buildings and land parcels and craft new master facility plans with pathways for green social housing conversion. For school districts, the year 2025 does not have to be the year of fiscal cliffs and budgetary doom. It can be a year of new investments to create the towns, cities, and schools that students, teachers, and their communities deserve.



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## Appendix

Information on sources and methodology for the figures in this brief can be found at <https://github.com/climate-and-community/LAschoolconversions>.

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