SUPPLEMENTAL REPORT TO THE

LOS ANGELES COUNTY COMMITTEE ON SCHOOL DISTRICT ORGANIZATION CONCERNING THE PROPOSED TRANSFER OF CERTAIN TERRITORY FROM THE GLENDALE UNIFIED SCHOOL DISTRICT TO THE

LA CANADA UNIFIED SCHOOL DISTRICT

SEPTEMBER 18, 2019

Prepared by:

#### Los Angeles County Office of Education Business Advisory Services

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### INTRODUCTION AND BACKGROUND

On May 3, 2017, a feasibility study concerning the proposed transfer of territory from the Glendale

Unified School District (USD) to the La Canada USD was presented to the Los Angeles County Committee on School District Organization (County Committee) at its regularly scheduled meeting.

The County Committee reviewed the matter and heard presentations from the impacted parties and members of the public, and provided a preliminary approval of the transfer of territory, pending review of additional information, along with the results of an environmental review, per California Education Code (EC) §35706(b), required by the California Environmental Quality Act (CEQA).

#### The additional information include a query made regarding the differentiation in the enrollment of Glendale Unified's Crescenta Valley High School, compared to La Canada High School; confirmation of an assertion made by a speaker; and, clarification on the voting process for the petition.

This Supplemental Report will also include specific additional submissions made at the request of the Chief Petitioner(s) both school districts and members of the public. It will also include a copy of the original feasibility study, the- CEQA report (Appendix A), a summarization of the staff

#### recommendation, and information about the potential election area, in the event that the County Committee chooses to approve the petition.

* 1. **ADDITIONAL INFORMATION REQUESTED**

At the May 3, 2017 meeting, an enrollment differentiation question arose comparing Glendale Unified's Crescenta Valley High School (CVHS), to La Canada High School (LCHS), as both high schools are deemed to be in the regional service area of the Sagebrush neighborhood, the territory which is the subject of this petition. Staff reviewed CVHS 2018-19 enrollment for Grades 9-12, and it is listed as 2,608 according to the California Department of Education. However, comparing LCHS enrollment isn't equitable, as LCHS serves Grades 7-12, at a 2018-19 figure of 2,063. When factoring-out Grades 7-8, the Grades 9-12 enrollment then stands at 1,381 (cde.ca.gov).

In addressing the question of whether La Canada USD could house hundreds more students immediately without sufficient brick-and-mortar facilities to do so- in the absence of any phase-in plan- one of the speakers asserted that La Canada USD could erect portables at a cost of approximately $75,000 each, suggesting that the financial burden of the transfer would be minimal. Staff was not able to locate any such said portables which are legitimately designed, constructed, and maintained for classroom instructional use in California. The Coalition for Adequate School Housing (C.A.S.H.), the Division of the State Architect (D.S.A.), the General Services Administration (G.S.A.), the State Allocation Board (S.A.B.), and other entities involved in the certification of facilities and buildings for school children have very strict guidelines and standards. For a small 60’x32’classroom portable which lacks a restroom, cost of $444,502 is a typical cost estimate, and for a larger classroom- again, lacking a restroom- a cost of $780,934 would be what La Canada USD could be expected to pay, for *each one* (Appendix B).

Lastly, the County Committee requested further clarification on the final vote for the petition. On November 7, 2018, the County Committee conducted a Study Session as part of its regularly scheduled meeting, in which Dr. Allison Deegan took a close examination of the voting procedures, noting the differentiation between the California State Board of Education's approach, as contrasted against their expectation that a local County Committee engages in. For clarity, while "The Nine Conditions" occupy primacy in the minds of stakeholders, members of the public, and even the County Committee, there is an intentional tenth condition which grants flexibility to all aspects of the deliberations and outcomes. The County Committee may find all of conditions substantially met, and nonetheless, choose to deny the petition. Conversely, the County Committee could find none of the conditions to be substantially met, and nonetheless, choose to approve the petition. This is the latitude given to the arbiters of School District Organization who are the primary safeguards in protecting districts- and the children they serve- from making decisions against their best interests. That is part of the rationale as to why a County Committee may formulate petitions on School District Organization with or without the consent of a school district's governing board, irrespective of how many school districts it affects.

### ADDITIONAL SUBMISSIONS RECEIVED

Over the course of the petition's processes and review, thousands of pages of documents and correspondence have been submitted by the parties, all of which has been presented to the County Committee. Final additional submissions- some of which the County Committee has already seen- are being presented to accommodate the requests of La Canada USD and the Chief Petitioner(s).

Appendix C contains a 22-page submission dated August 16, 2019, from Glendale USD, this is a new submission.

Appendix D contains a 4-page submission dated September 2019, referencing the previously submitted 45-page document dated January 9, 2019 (included), from the Chief Petitioner.

Appendix E contains additional submissions from Sagebrush residents.

Appendix F contains a 15-page submission from La Canada USD, with dates spanning from October 26, 2016, up until September 10, 2019. This material was previously presented at past meetings and public hearings.

### CALIFORNIA ENVIRONMENTAL QUALITY ACT

As required under EC §35706(b), an environmental review under CEQA was conducted for this petition. LACOE engaged an environmental consulting firm to review the CEQA implications of the transfer petition. Terry A. Hayes Associates developed a Mitigated Negative Declaration (Appendix A), which they presented at the CEQA public hearing on October 3, 2018, held in conjunction with the regularly scheduled County Committee meeting.

At the October 2, 2019, regularly scheduled County Committee meeting, the County Committee may make a motion to accept or deny the results of the CEQA report. If the motion accepts the results of the report, then the County Committee may proceed with the petition review. However, if the motion to approve the report fails to pass, then a new environmental report must be commissioned, as the petition cannot proceed without CEQA compliance.

### STAFF RECOMMEND ATIONS

Staff did not find any additional information resulting from review of additional materials submitted by the impacted parties that contributed to a different understanding than what was presented at the County Committee meeting on May 3, 2017. At that time, staff recommended that the County Committee deny the petition. It is appreciable that the Chief Petitioners and many of the Sagebrush neighborhood community members desire the transfer. However, Glendale USD's assertion that it would be permanently damaged by the transfer, serve the understanding of why all previous petitions were ultimately denied as being against the district's best interests. Since Glendale USD has consistently served the residents with interdistrict transfer permits, Sagebrush residents already have access to whichever schools they choose, Front a countywide perspective, the situation of all residents in both school districts is enviable, as both are stellar examples of the best things about public education. Thus, staff still recommends that the County Committee deny the petition to transfer territory from the Glendale USD to the La Canada USD.

### ELECTION AREA

#### Under EC 35710.51, the County Committee has full authority to determine the area of election for any petition it approves. Regarding the petition to transfer territory, if the County Committee approves the transfer, it has the option to scope the election area as the petition area, or to include any or all of the territory of the impacted districts. Thus, if the County Committee chooses to approve the petition, staff recommends that the County Committee make the entirety of both school districts the election area, to assure that the majority of all of the residents do indeed consent to the permanent boundary changes.

* 1. APPENDICES

# REPORT TO THE

LOS ANGELES COUNTY COMMITTEE ON SCHOOL DISTRICT ORGANIZATION CONCERNING THE PROPOSED TRANSFER OF CERTAIN TERRITORY FROM THE GLENDALE UNIFIED SCHOOL DISTRICT

TO THE LA CANADA UNIFIED SCHOOL DISTRICT

FEBRUARY 10, 2017

Prepared by:

#### Los Angeles County Office of Education Division of Business Advisory Services

**UPDATE:**

In March of 2017, the Glendale Unified School District (USD) reached out to staff and indicated that it intended to reopen negotiations with the La Canada USD, with a goal of reaching a mutually-agreeable resolution to this petition, culminating in a joint district petition to transfer the subject territory. Glendale USD assured staff that both the La Canada USD and the chief petitioners were informed of these efforts and requested that the County Committee Chair delay review of the petition.

Because staff were currently undertaking the preliminary steps of the statutorily required

environmental review of the petition, which would need to be performed should the County Committee approve it, the timelines to complete review by the County Committee were suspended. In that climate, the County Committee Chair delayed review of the petition so that the parties might provide additional information, and possible present a new petition endorsed by both school districts.

An item was agendized for the May 3, 2017 meeting, to provide the districts and the chief petitioners a forum to provide the County Committee with an update on any progress. However, in late April, superintendents at both the Glendale USD and the La Canada USD informed staff that their negotiations had ended and did not produce any agreement among the districts. Thus, the petition was agendized for review at the May 3, 2017 meeting, with staff prepared to present the feasibility that was completed preliminarily in February 2017, with no additional changes to recommendations.

A package of additional materials, including two documents from the chief petitioners and a collection of emails from the public, were also distributed to the County Committee along with this update to facilitate review of the petition on May 3, 2017, joining the materials previously distributed on flash drives.

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I. EXECUTIVE SUMMARY

On October 23, 2015, the Los Angeles County Office of Education (LACOE) received a request for a petition pursuant to Education Code (EC) §35700(a) to transfer certain territory from the Glendale Unified School District (USD) to the La Canada USD. The request was submitted by chief petitioners Mr. Nick Karapetian and Ms. Nalani Lasiewicz (and Mr. Tom Smith, who later resigned as chief petitioner). The territory in question consists of approximately 900 parcels, 783 of which are residential, referred to as the Sagebrush area of the City of La Canada, all currently within the Glendale USD, as highlighted in the map included in the petition (Attachment A).

After gathering sufficient signatures, the petition was presented to the Los Angeles County Committee on School District Organization (County Committee) on September 6, 2016. Pursuant to EC §35705, two public hearings were conducted in the La Canada USD on October 26, 2016, and in the Glendale USD on November 2, 2016.

Pursuant to EC §35706 and conditions set forth in EC §35753, Table 1 provides a summary of the nine statutory conditions that guide examination of school district organization petitions to transfer territory, along with staff’s findings. The following report provides findings and analysis of each condition to be considered by the County Committee in its evaluation of the petition, and concludes with staff’s recommendations.

As indicated in the following report, County Committee staff’s analysis of this petition indicates that the proposal to transfer certain territory from the Glendale USD to the La Canada USD would substantially meet Conditions (1), (4), (6), and (8) of EC §35753. The analysis indicates that Conditions (2), (3), (5), (7), and (9) of EC §35753 would not be substantially met. The information in this report was developed through many discussions and meetings with the impacted parties and numerous members of the public, as well as the review of thousands of pages of materials submitted to the County Committee and to the Los Angeles County Office of Education (LACOE).

**Staff’s recommendation is that the Committee deny this petition to transfer territory.**

##### TABLE 1

**SUMMARY OF CONDITIONS, FINDINGS, AND RATIONALE**

|  |  |  |  |
| --- | --- | --- | --- |
| **#** | **Condition** | **Finding** | **Rationale** |
| **1.** | Adequacy in number of students. | Substantially Met | Each of the impacted districts would continue to maintain enrollment of at least 1,501 students. |
| **2.** | Community identity. | Not Substantially Met | There is no evidence that the subject territory has a more substantial community identity with the La Canada USD than with the Glendale USD. |
| **3.** | Equitable division of assets and liabilities. | Not Substantially Met | Reorganization would not require a division of assets or liabilities; however, it is not possible to determine the financial impact of an alteration of bonding capacity. |
| **4.** | Will not promote ethnic discrimination or segregation. | Substantially Met | Reorganization would not affect student enrollment or attendance significantly in any of the impacted districts. |
| **5.** | Will not substantially  increase costs to the state. | Not Substantially Met | Reorganization would impact state funding significantly. |
| **6.** | Will not significantly disrupt educational programs in either district. | Substantially Met | Reorganization would not require substantial changes to educational program. |
| **7.** | Will not result in a significant increase in school housing costs. | Not Substantially Met | Reorganization would impact school housing costs substantially. |
| **8.** | Proposal is not primarily designed to substantially increase property values. | Substantially Met | While property values will likely go up as a result of the proposed transfer, there is no evidence that a desire to increase property  values is the *primary* motive for the reorganization request. |
| **9.** | Will not affect the fiscal management or status of the affected districts. | Not Substantially Met | Reorganization would lead to a significant impact to both districts' fiscal management. |

##### INTRODUCTION AND BACKGROUND

On November 23, 2015, the Los Angeles County Office of Education (LACOE) received a request for a petition pursuant to Education Code (EC) §35700(a) to transfer certain territory from the Glendale Unified School District (USD) to the La Canada USD. The request was submitted by chief petitioners Mr. Nick Karapetian and Ms. Nalini Lasiewicz (and by Mr. Tom Smith, who later resigned as a chief petitioner). The territory in question consists of approximately 900 homes, all currently within the Glendale USD and the City of La Canada, as highlighted in the map included in the petition (Attachment A). On January 4, 2016, staff submitted the petition to the Office of the Los Angeles County Counsel (County Counsel) to review it for compliance with relevant code. On January 13, 2016, County Counsel notified staff of the petition's sufficiency and it was forwarded to the chief petitioners for circulation on January 15, 2016.

On June 29, 2016, the chief petitioners submitted signed petitions to the Los Angeles County Superintendent of Schools (County Superintendent). Staff to the County Superintendent examined the petition and forwarded it to the Los Angeles County Registrar-Recorder/County Clerk (Registrar-Recorder) for signature verification on June 30, 2016. On July 18, 2016, staff received notification from the Registrar-Recorder that there were sufficient signatures to move the petition forward.

At its regular meeting on September 7, 2016, the petition was presented to the Los Angeles County Committee on School District Organization (County Committee). Pursuant to EC §35705, two public hearings were conducted, in the La Canada USD on October 26, 2016, and in the Glendale USD on November 2, 2016. In addition to the public hearings, the County Committee received numerous document submissions from both districts and the chief petitioners, as well as a large volume of mail and email messages from community members and stakeholders, all of which were forwarded to County Committee members for review. In light of the volume of material submitted prior to the completion of its feasibility study, staff did not issue Requests for Information (RFI) to any of the impacted parties seeking additional information.

Pursuant to EC §35706 and conditions set forth in EC §35753, this petition was examined in accordance to the nine conditions that guide review of school district organization petitions to transfer territory. The following report provides findings and analysis of each condition to be considered by the County Committee in its evaluation of the petition, and concludes with staff’s recommendations.

##### DESCRIPTION OF PROPOSAL AREA

The proposed transfer area consists of approximately 900 parcels, 783 of which are residential homes located in the City of La Canada and the Glendale USD. Attachment A contains a map of the area proposed for transfer. The petitioners have identified this area as "the Territory" and parties speaking and sending messages as part of the outreach process have called it what it is known colloquially, the Sagebrush area. This report identifies it as the petition area.

1. **DESCRIPTION OF IMPACTED SCHOOL DISTRICTS GLENDALE USD**

The Glendale USD serves K-12 students in the City of Glendale and part of the City of La Canada, along with portions of unincorporated Los Angeles County. The district operates twenty elementary schools, four middle schools, four high schools, and a continuation high school. The 2015-16 student enrollment for the Glendale USD was 26,117, according to the California Department of Education (CDE). The area supported by the Glendale USD is a diverse urban and suburban area with both single-family housing and multi-family housing, surrounded by many robust commercial areas.

**LA CANADA USD**

The La Canada USD serves K-12 students within a portion of the City of La Canada. The district operates three elementary schools, one combined junior/senior high school and one small high school for students with special needs. The 2015-16 student enrollment for the La Canada USD was 4,093, according to the CDE. The area supported by the La Canada USD is a suburban area with single-family housing, and very limited multi-family housing, surrounded by many robust commercial areas. It also includes a large area of forest lands.

1. **PETITIONERS' RATIONALE**

The rationale for petitioning for the transfer of territory as stated by the chief petitioners in their petition (Attachment A), is summarized as follows:

"Note that as referred to in this petition, the Territory proposed to be transferred specifically excludes the GUSD owned lot used for accessing Mountain Avenue Elementary school. Reference Assessor Parcel 5870-013-901, or situs address 4921 Ocean View Blvd., La Canada Flintridge, California 91011.

SEE ATTACHED MAP

This petition seeks to unite and strengthen a fractured community by granting all La Canada Flintridge (LCF) residents the same opportunity to attend their hometown public schools and to benefit from the same social and educational resources currently enjoyed by the other 90% of LCF families. This transfer would resolve definitively and equitably a deeply emotionally-charged conflict that has festered for more than 50 years as evidenced by multiple petitions, legislative proposals and lawsuits that have pitted neighbor against neighbor with negative consequences to students and their families. Furthermore, GUSD could avoid significant financial expenditures and staff time from continuous negotiations and litigation.

The following are the reasons for petitioning for this change and the undersigned demonstrate their support for the proposed transfer by affixing their signature to this Petition:

1. **To nurture and promote student achievement.** LCUSD has intentionally forged deep partnerships with the City of LCF, the local business community, its school families, and non-school families including seniors. The result of this long­ term community outreach is a deeply vested civic interest in its children focused on student achievement. This "community of trust" has created a sense of family, inspired an immense amount of pride in its expansive civic and educational experience and engendered a passionate following in ways most communities rarely see. Sociologists refer to this phenomenon as **"community and social capital",** which has been shown by researchers to produce positive results for student achievement and helps children to excel in school. This environment and culture in which the "village", as well as the family, takes ownership of its children has resulted in unique dedicated resources, educational programs, partnerships, internships, and scholarships, which unfortunately are not currently available to all LCF residents. Also, compared to GUSD, LCUSD offers students:
2. Smaller middle and senior high school campuses;
3. Lower class sizes;
4. No split classes; and
5. Significantly more counselors per student.
6. **To eliminate educational disparity and inequality.** Territory residents, a 10% minority of LCF families, are consigned to a neighboring school district due to an 1880s survey that ignored prominent well-defined natural land features. This arbitrary invisible boundary had little relevance until the mid-1950s when ample water supply was attained and housing development followed. Since the formation of LCUSD in 1961, Territory residents have fought for equal rights, duties and privileges enjoyed by the 90% majority of La Canadans.
7. **To upgrade school and public safety.** Local law enforcement, emergency and operational planning would be simplified, unified, streamlined and better coordinated between the City of LCF and LCUSD by removing a layer of bureaucracy. This is especially true since the Territory is located fully within the boundaries of the City of LCF and within the administrative "sphere of influence" [as determined by the Local Agency Formation Commission for the County of Los Angeles] of the City of LCF.
8. **To strengthen local control, civic participation and self-governance.** Territory residents would join the 90% of our fellow LCF residents as fully participating members of our hometown LCUSD schools including all related opportunities and privileges that are currently denied. Most notable of these is the ability to fully and directly participate in the governance of LCUSD schools, which is so integral to the greater LCF community.
9. **To improve local government responsiveness, efficiency and transparency.** Uniting all LCF residents with our hometown school district would enhance communication, coordination and procedures between the City of LCF and

#### LCUSD, thereby increasing public involvement and active participation in local government decision-making for all LCF residents.

1. **To respect and honor the voice of LCF residents.** LCF residents have demonstrated overwhelming support to unify the city with its local school district for decades:
2. In May 2014, **90% of Territory respondents** to a GUSD-sponsored survey said they definitely (85%) or probably (5%) **supported the transfer** proposal being discussed by the two school districts;
3. In the same survey, **Territory residents supported a territory transfer over open enrollment by a margin of five to one,** confirming their feelings of being marginalized and disenfranchised by GUSD;

c. In April 1997, **84% of Territory respondents** to a survey commissioned by the City of LCF **supported making the Territory part of LCUSD;**

#### In November 2013, the City Council of LCF unanimously approved a resolution "to petition... that the Los Angeles County Committee on School District Organization commence the process" to transfer the Territory into LCUSD jurisdictional boundaries; and

1. In January 2014, LCUSD unanimously reaffirmed its support of the Territory transfer following the election of three new board members."

##### POSITIONS OF THE GOVERNING BOARDS GLENDALE USD

At its regular meeting on November 1, 2016, the Glendale USD Governing Board adopted

Resolution No. 15 (Attachment B) opposing the petition to transfer territory from the Glendale USD to the La Canada USD.

At the public hearings held on October 26, 2016 and November 2, 2016, Glendale USD Superintendent Winfred Roberson expressed the Governing Board's opposition to the proposed transfer.

**LA CANADA USD**

At its regular meeting on October 24, 2016, the La Canada USD Governing Board adopted Resolution No. 5-16-17 (Attachment C) supporting the petition to transfer territory from the Glendale USD to the La Canada USD.

At the public hearings held on October 26, 2016 and November 2, 2016, La Canada USD Superintendent Wendy Sinnette expressed the Governing Board's support for the proposed transfer.

##### HISTORICAL BACKGROUND

***Parcels.*** The petition area is located within territory in the City of La Canada and the Glendale USD. Per the Registrar-Recorder's office, the petition area contains approximately 900 parcels, 783 of which contain single family homes. This area has been part of the Glendale USD since the school district's formation in 1936. During the incorporation of the La Canada USD in 1961, the petition area was deliberately excluded from the school district. When the City of La Canada Flintridge (City of La Canada) was formed in 1976, it included the petition area, spreading the city's territory across two different school districts (Glendale USD and La Canada USD). This is an entirely usual circumstance as nearly all cities in Los Angeles County cross school district lines, and nearly all school districts include territory from multiple cities, with some also including unincorporated territory in the county. For example, the ABC USD includes territory from seven different cities. Likewise, the City of Temple City includes territory from four different school districts. School district boundaries and city boundaries are rarely coterminous in Los Angeles County.

***Petition Area Enrollment.*** According to information submitted by the Glendale USD and the La Canada USD, there is an averaged number of 387 identified students living in the petition area, with the Capitol Advisors Group (Capitol Advisors), hired by both districts to conduct an independent analysis of the fiscal impact of the proposed transfer of territory, arriving at a number of 364. A copy of that report is included and will be referred to in further sections (Attachment D). The districts differ slightly in their reporting of how many students live in the area, so their reported figures were averaged. Some of the students living in the petition area are not enrolled in either Glendale USD or La Canada USD schools, due to their attendance in charter schools, private schools, participation in home schooling or other arrangements.

Similarly, the districts reported different figures for the number of students who attend their schools on permits from the petition area. The best averaged estimate that can be made of student enrollment among petition area students is that 75 K-12 students from the Glendale USD are enrolled in the La Canada USD as permit students. Capitol Advisers estimated the number at 58 students.

***Permit Process and Agreements.*** Both the Glendale USD and the La Canada USD stated in materials submitted to the County Committee and at public hearings that they facilitate the permit process for students in the petition area seeking to transfer out of the Glendale USD into the La Canada USD. They do not have any formal transfer agreement with one another specifically impacting the petition area, and instead request that students seeking permits go through the standard process developed by each district. Both the La Canada USD and the Glendale USD stated that they will continue to honor permit assess (both release and enrollment) of petition area students. One of the chief petitioners stated to staff that his children are currently enrolled in La Canada USD schools on permits.

***Past Petition Attempts.*** There have been several attempts in the past to transfer the petition area from the Glendale USD to the La Canada USD. Those petitions have not been successful, either at the County Committee level or on review by the State Board of Education (SBE). While numerous parties in this petition review process have alluded to prior decisions and review of earlier petitions, categorizing them as relevant to the instant petition, the fact remains that a transfer of the petition area has never been approved in its final form by any body with authority to do so. Those prior partial decisions are not controlling on the County Committee and it is not bound by any prior decision, charged as it is with examining the current petition on its own merit , relating it to circumstances present at the time of its review.

##### ANALYSIS OF MANDATED CONDITIONS AND RECOMMENDATIONS

EC §35753 identifies nine conditions which must be reviewed by the County Committee as part of the decision-making process related to proposed school district reorganizations. The County Committee must determine if these conditions are substantially met.

The County Committee may vote to approve a proposal to transfer territory when the conditions contained in EC §35753(a)(l) through (10) are substantially met. However, the Education Code does not mandate that the County Committee approve petitions where any, a majority or all of the conditions are substantially met. Likewise, the Education Code does not mandate that the County Committee deny a petition where all, many or some of the conditions are not substantially met. The Education Code provides the County Committee with broad authority to analyze factors it deems relevant and to assign to those factors the requisite weight they choose to determine how to vote on the petitions that come before it.

The County Committee has the option to disapprove a proposal to transfer territory even when the conditions are substantially met, if it determines that the proposal is not in the best overall interests of those affected; if there is no compelling reason for a change; if the proposal will not improve the effectiveness and/or the efficiency of the delivery of educational services to students; or for any other reason(s) the County Committee deems relevant.

The County Committee may also approve a proposal to transfer territory if it determines it is not practical or possible to apply the EC §35753 conditions literally and circumstances with respect to the proposal present an exceptional situation sufficient to justify approval of the proposal.

**CONDITION 1**

**The reorganized districts will be adequate in terms of number of pupils enrolled.**

The County Committee may approve a proposal for reorganization of districts if the new district is adequate in terms of the number of students enrolled. Section 18573(a)(l )(a) of Title V, California Administrative Code (CAC), specifies that a unified district must have a projected enrollment of at least 1,501 students.

##### FINDINGS

According to the CDE, the 2015-16 student enrollment for the Glendale USD was 26,117, and for the La Canada USD was 4,093.

##### CONCLUSION AND RECOMMENDATION

Because the petition area contains so few students (approximately 387) compared to the total enrollments of the impacted districts, approval of this proposal would not substantially reduce the number of students enrolled in the Glendale USD. In addition, should the petition be approved, the permanent transfer of all of the petition area students to the La Canada USD would not negatively impact the enrollment at the Glendale USD to the point that it would not maintain a minimum enrollment above 1,501 students, the standard for a unified school district. Therefore, it is recommended that the County Committee deem this condition to be substantially met.

**CONDITION 2**

**The districts are each organized on the basis of a substantial community identity.**

The CAC, Title V, Section I 8573(a)(2)(A-G), provides that community identity should be determined using criteria such as: isolation; geography; distance between social centers; distance between school centers; topography; weather; community, school, and social ties; and other circumstances peculiar to the area. The County Committee may determine which aspects of community life and description constitute relevant community identity for its review purposes.

##### FINDINGS

The petition area, historically a part of the Glendale USD, borders the La Canada USD and is part of the City of La Canada. The chief petitioners have provided extensive narrative about how the petition area "feels" a part of the La Canada USD community, citing many aspects of commonality, including location within the City of La Canada.

However, an examination of the petition area does not indicate a substantially stronger community identity with the La Canada USD than with the Glendale USD. Geographically, it is often difficult to glean the physical boundaries between the two school districts, both in residential and commercial areas. While it is clear that the petitioners and their supporters feel a sense of community identity, the region in general shares the same transportation arteries, commercial, recreational, shopping and entertainment centers and, most importantly, students. There is a long tradition of students crossing school district borders to attend other high and elementary schools, charter schools and magnet schools, and even private schools. In fact, students in the petition area currently enroll in La Canada USD schools on permit, including one of the chief petitioner's own children. The notion that petition area students are being excluded from their true school district, and all that they could avail themselves from it, is not supported. In fact, it is not their school district. They live in the Glendale USD because their homes are located in that district. As stated above, school district boundaries and city boundaries are rarely coterminous in Los Angeles County, and in much of California, and the County Committee has never been charged with reconciling these disparate borders.

Though the chief petitioners and many of their supporters who spoke at public hearings and sent materials and messages to the County Committee described many incidents of social and

community isolation based on what they believe is their unique status (living in one city but attending a school district that is largely in another city), their situations are not unique. They are the norm for tens of thousands of students in Los Angeles County. Further, the isolation that the chief petitioners and their supporters recounted does not come from the Glendale USD, their assigned school district. Residents of the petition area may take advantage of anything the Glendale USD has to offer. Some are even able to take advantage of the offerings of the La Canada USD if they enroll there on permits, or if they participate in city-wide programs that involve the school district.

Issues such as distance from one school to the petition area, alignment of local sports opportunities, perceived neighborhood culture, and other factors have been highlighted to establish a stronger community identity with La Canada USD than with Glendale USD. There is no evidence that these sentiments are not genuinely felt by the petitioners and their supporters. They displayed significant emotion when recounting their family perceptions to the County Committee and the veracity of those sentiments is not doubted or minimized. However, it appears that the chief petitioners, and the homeowners they represent, have expressed a sense of a stronger community identity with the La Canada USD because they have sought to build that relationship, based in part on the fact that their territory and homes are in the City of La Canada and many students in the petition area currently - and assume historically - attend La Canada USD schools. In short, they want to be part of that community because they want to, not because they are. The very depth with which the petitioners and their supporters stated that they already feel a part of the La Canada USD community demonstrates that they are able to enjoy 'cross-border' community alignment based on their location within this broader region without taking the drastic step of upending permanent school district boundaries.

Many of the instances of perceived exclusion or discrimination reported by the petitioners and their supporters come at the hands of other entities, such as a local Chamber of Commerce that awards scholarships only to La Canada USD students, thus excluding eligibility of its own city residents who attend other schools in other districts, or certain reported participation rules for local sports teams and clubs. One resident very movingly recounted the exclusion of her child when local student achievements were reported in the area newspaper, attributing it to the fact that they did not attend La Canada USD schools. Those eligibility rules and decisions about what community events to highlight in the news have been developed, and apparently are enforced, by other entities, not the school districts. Thus, the source of petitioners' and their supports' sense of isolation does not have a remedy from the school districts and, as a further result, there is no remedy available to them to resolve these issues from the County Committee's review of the school district organization process. Any sense of exclusion by petitioners from the La Canada USD is entirely reasonable, as their homes are not in that district and thus their students do not live in it.

##### CONCLUSION AND RECOMMENDATION

Residents of the petition area, like all residents of Los Angeles County, likely share a strong community identity with their locality in general (including the cities of La Canada and neighboring City of Glendale and other surrounding areas), as well as with whatever school district their children are enrolled in, because that is where they live near. Because the petition area neighborhood borders a number of districts and cities, community identity becomes an amalgam rather than a specific, definable sentiment or status. It is reasonable to like or feel a part of any broader locality when one lives in or near any border. It is clear that the petitioners and their supporters feel otherwise, to the point of claiming La Canada USD as their true district, but their impressions are not determinative here. While boundary areas in any city or district will always have some elements in common with the areas they border, community identity must consider the city and the school district independent entities.

The chief petitioners and the residents living within the petition area do not evidence greater community identity with the La Canada USO than they do with the Glendale USD. Proximity to school sites does not, in and of itself, establish community identity. Exclusion from local clubs or events in their own city cannot be remedied by another entity such as a school district.

In their petition, the chief petitioners alluded to other issues related to community identity, such as safety, access to emergency services and a unique geographic composition of the petition area. Staff found no evidence that Glendale USO is more dangerous, or less well served by emergency services, than La Canada USO. Further, the canyonland areas of the region, including the composition of the petition area, are not unique in Los Angeles County. Many school districts encompass areas with geographic barriers such as canyons, hills, mountains and even freeways and waterways. Nevertheless, school districts and other civic service providers operate efficiently and provide equal services to all, no matter where their official boundaries are.

Petitions to transfer territory are requests for changes to permanent boundaries. They should only be undertaken based on evidence of a compelling reason to make such changes related to educational reasons and guided by the mandated nine conditions of review. No such compelling reason has been presented in this case that cannot be mitigated by the current collaborative practices of the districts in question, specifically in the offering of permits. Other issues of complaint, such as exclusion from local city activities and opportunities, need to be presented in a different forum than this one. The chief petitioners' main claim is that this transfer should take place because it is what they want, because they feel more a part of the district they prefer, one they do not live in. There is no process to remedy those sentiments in the school district organization process. Therefore, it is recommended that the County Committee deem this condition to not be substantially met.

**CONDITION 3**

**The proposal will result in an equitable division of property and facilities of the original district or districts.**

The division of real and personal property, funds, and obligations, except bonded indebtedness, shall be determined as provided in EC §§35560(a), 35561, 35564, 35565, and 35736.

##### FINDINGS

**Real Property**

No real or personal public school property of the Glendale USO is located within the boundaries of the area proposed for transfer.

**Bonded Indebtedness and Tax Rate**

EC §35575 states that "[w]hen territory is taken from one school district and annexed to another school district and the area transferred contains no public school property or buildings, the territory shall drop any liability for outstanding bonded indebtedness in the district of which it was formerly a part [Glendale USD] and shall automatically assume its proportionate share of the outstanding bonded indebtedness of the district of which it becomes a part [La Canada USD]." Since there are no school facilities and/or property located in the area proposed for transfer, the bonded indebtedness provisions of EC §35575 would apply.

Any territory transferred from Glendale USD into La Canada USD would inherit the bonded indebtedness of La Canada USD. The influx of new territory and new ratepayers would necessarily lower the cost of existing bonded indebtedness to individual property owners within La Canada USD as it would enlarge the pool of property available to cover the bonds. Subsequently, any property owners within Glendale USD would remain responsible for the current bonded indebtedness and would have to pay those obligations from a smaller pool of property owners if the transfer removed those homes in the petition area into La Canada USD.

The impact of this shift in property is difficult to determine. The Glendale USD assessed the change to be an increase of 1.84% for property owners in their district if such a transfer were approved, as a result of fewer remaining ratepayers needing to shoulder the responsibilities for outstanding bonds. In addition, they stated that they would lose bonding capacity of $560,570,650, based on the assessed valuation of the petition area. The La Canada USD would have an increase in bonding capacity, presumably of the same amount, with the inclusion of the petition area into its territory. The La Canada USD did not contradict the Glendale USD's claim that the territory transfer would result in a decrease to Glendale's assessed valuation as a district.

**Student Body Funds**

EC §35564 specifies that "[i]f there is in the school an organized student body, the property, funds, and obligations of the student body shall be divided as determined by the County Committee, except that the share shall not exceed an amount equal to the ratio which the number of students leaving the school bears to the total number of pupils enrolled. The ownership of the property, funds, and obligations which is a proportionate share of each segment of the student body, shall be transferred to the student body of the school or schools in which the pupils are enrolled after the reorganization."

If students who reside in the petition area attend schools within the Glendale USD that have an organized student body, EC §35564 would require the distribution of a proportionate share of those student body funds to the La Canada USD, if this petition is approved.

**CONCLUSION AND RECOMMENDATION**

Because no school facilities are located within the transfer area and fewer than 400 students currently reside in the petition area (many of whom already attend La Canada USD schools), a division of property, funds or obligations (except bonded indebtedness) of the school districts would not be required should this proposal be approved.

Pursuant to EC §35736, all property, funds, and obligations, other than real property and bonded indebtedness, shall be divided pro rata between the districts based on the number of affected students as a percentage of the Glendale USD's total student population in order to result in an equitable division of the property, funds, and obligations of the districts. In this petition, those calculations are complicated by differing perceptions among the impacted districts and parties. The Glendale USD stated that the transfer would place it at a fiscal disadvantage due to loss of assessed valuation and enrollment-based student funds, and that these factors are the rationale for its lack of support for the petition.

The La Canada USD stated that it supported the petition, and would not be disadvantaged in terms of loss of enrollment-based funding or loss of assessed valuation. However, La Canada USD stated in both public hearings that it would be negatively impacted fiscally if it were required to house all of the students residing in the petition area immediately, as would be required under the Education Code should the transfer be approved. This issue will be discussed in greater detail under Conditions 5 and 9. Therefore, given the uncertainty surrounding the financial impact to the districts should the petition be approved, it is recommended that the County Committee deem this condition to be not substantially met.

**CONDITION 4**

**The reorganization of the districts will preserve each affected district's ability to educate students in an integrated environment and will not promote racial or ethnic discrimination or segregation.**

The CAC, Title V, Section 18573(a)(4)(A-E), states that:

"To determine whether the new districts will promote racial or ethnic discrimination or segregation, the effects of the following factors will be considered:

The current number and percentage of pupils in each racial and ethnic group in the affected districts and schools in the affected districts, compared with the number and percentage of pupils in each racial and ethnic group in the affected districts and schools in the affected districts, if the proposal or petition is approved.

The trends and rates of present and possible future growth or change in the total population in the districts affected, in each racial and ethnic group within the total district, and in each school of the affected districts.

The school board policies regarding methods of preventing racial and ethnic segregation in the affected districts and the effect of the proposal or petition on any desegregation plan or program of the affected districts, whether voluntary or court ordered, designed to prevent or alleviate racial or ethnic discrimination or segregation.

The effect of factors such as distance between schools and attendance centers, terrain, and geographic features that may involve safety hazards to students, capacity of schools, and related conditions or circumstances that may have an effect on the feasibility of integration of the affected schools.

The effect of the proposal on the duty of the governing board of each of the affected districts to take steps, insofar as reasonably feasible, to alleviate segregation of minority students in schools regardless of its cause."

As a matter of County Committee policy, the County Committee may also consider:

* participation in extracurricular activities;
* equipment of affected school districts;
* state of facilities of affected school districts;
* perception of staff, administrators, and community regarding whether schools are segregated; and,
* racial/ethnic make-up of staff and administration.

##### FINDINGS

Table 2 below displays the 2015-16 district-wide student enrollment by racial/ethnic categories for the Glendale USD as provided by the CDE. As shown, the district's enrollment is comprised of 55% White students, 23% Hispanic students, 18% Asian students (Asian, Pacific Islander or Filipino), and 1% African American students (not accounting for non-reporting students and those declaring two or more ethnicities).

**TABLE2**

**Glendale USD Racial/Ethnic Distribution\***

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Level** | **Hispanic or Latino of Any Race** | **American Indian or Alaska Native, Not Hispanic** | **Asian, not Hispanic** | **Pacific Islander, Not Hispanic** | **Filipino, Not Hispanic** | **African American, Not Hispanic** | **White, not Hispanic** | **Two or More Races, Not Hispanic** | **Not Reported** | **Total** |
| **Glendale USD** | **6004** | **46** | **3051** | **24** | **1598** | **317** | **14,470** | **606** | **1** | **26,117** |

\*Source: CDE, Enrollment in California Public Schools for 2015-2016.

Table 3 below displays the 2015-16 district-wide student enrollment by racial/ethnic categories as provided by the CDE. As shown, the district's enrollment is comprised of 51% White students, 29% Asian students (Asian, Pacific Islander or Filipino), 12% Hispanic students and 1% African American students (not accounting for non-reporting students and those declaring two or more ethnicities).

TABLE3

La Canada USD Racial/Ethnic Distribution\*

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Level** | **Hispanic or Latino of Any Race** | **American Indian or Alaska Native, Not Hispanic** | **Asian, not Hispanic** | **Pacific Islander, Not Hispanic** | **Filipino, Not Hispanic** | **African American, Not Hispanic** | **White, not Hispanic** | **Two or More Races, Not Hispanic** | **Not Reported** | **Total** |
| **La Canada USD** | **473** | **11** | **1138** | **0** | **54** | **32** | **2072** | **305** | **8** | **4093** |

\*Source: CDE, Enrollment in California Public Schools for 2015-2016.

Both school districts have a majority of students reporting White as their ethnicity. The balance of ethnicity in each of the districts is similar but differ somewhat when reviewing non-White categories. La Canada USD has 12% Hispanic students while Glendale USD has 23%. La Canada USD has 29% Asian students while Glendale USD as 18%. Both districts have 1% African American students. It is projected that, should the petition be approved, it would not shift the racial/ethnic balance of either district substantially even if all of the petition students transfer from Glendale USD to La Canada USD. There is no evidence that there is any ethnic or racial motive for petitioning for this transfer of territory.

If the petition is approved, all of the students in the petition area would be added to totals for the La Canada USD (except for those students who choose to enroll in Glendale USD, via permit, if approved and those who choose educational options other than La Canada USD, such as charter or private schools). The resulting new enrollment total would not alter the ethnic/racial makeup of the La Canada USD, nor would the loss of those students alter the ethnic/racial makeup of the Glendale USD.

##### CONCLUSION AND RECOMMENDATION

The potential shift of the students from the petition area within the Glendale USD to the La Canada USD would not have a discernable impact on the ethnic or racial distribution of either district. Because there are so few students, and the districts have similar ethnic/racial makeups, percentage distribution across ethnic categories would remain very similar for both following transfer resulting from approval of this petition. Further, many of the students residing in the petition area already enroll in La Canada USD schools. If the petition is approved, those students in the petition area who currently enroll in Glendale USD schools could choose to continue those enrollments via permit. It is concluded that the proposed petition, if approved, would not promote racial or ethnic discrimination in any of the impacted school districts. Therefore, it is recommended that the County Committee deem this condition to be substantially met.

**CONDITION 5**

**Any increase in costs to the state as a result of the proposed reorganization will be insignificant and otherwise incidental to the reorganization.**

This petition area contains approximately 387 students. Of those, an averaged number of 75 currently attend the La Canada USD on permits. Thus, there would be a change in student enrollment of up to 312 additional students to the La Canada USD (and a potential loss of that same amount to Glendale USO) should all of the students in the petition area enroll in La Canada USO schools if the petition is approved. It should be noted that this is the best estimate of students at this time. Students could graduate, new students could move into the district(s) and housing stock (and potential students living in it) can expand and contract. The Glendale USD has stated that the loss of these enrollment-based funds would be significant to its overall budget, a claim disputed by petitioners and, in part, by the La Canada USD. It appears that Glendale USO's concern about loss of enrollment-based funds is one calculated over time (loss of annual funds over a number of years). Again, they are entitled to make those calculations about potential fiscal losses because a transfer of territory would represent a permanent loss of funds they could have received each year.

The La Canada USD stated in public forums and in its materials that, while it supports the transfer petition, it does not have the facilities to house all of the potential students residing in the petition area. On multiple occasions, the La Canada USO alluded to a phase-in process, whereby petition area students would be enrolled into the district over a number of years. No such phase-in aspect is included in this petition nor was any requested. Thus, this option is not available. If the petition were approved, all of the petition area students would be assigned to La Canada USO schools and could be expected to enroll. This would trigger increased costs to the state in the form of necessary facilities funding for La Canada USD. Whether this required portable facilities, the building of new facilities, or the remodeling of existing facilities, state funding (along with likely increase in bonded indebtedness) would be required and budgetary increases would be needed.

##### FINDINGS

While the potential loss of enrollment-based funding to the Glendale USD may not seem significant given the number of students in the petition area and the district's overall enrollment, the district stated in detail (and provided evidence for) that it would present a hardship for them over time. In addition, the La Canada USD cannot currently house all of the students in the petition area, should they enroll following an approval of this petition. New facilities would have to be imported, constructed or remodeled, increasing costs to the state. At a minimum, existing permit holders in La Canada USD (beyond those from the petition area who currently hold permits) would have to be rescinded to accommodate some of the new students should the transfer be approved.

##### CONCLUSION AND RECOMMENDATION

Should this proposal be approved, additional facilities would be required by the La Canada USD causing significant additional cost to the state. Funding based on enrollment would be lost to the Glendale USD and they would need to seek additional funding to cover shortfalls. Therefore, it is recommended that the County Committee deem this condition to be not substantially met.

**CONDITION 6**

**The proposed reorganization will continue to promote sound education performance and will not significantly disrupt the educational programs in the districts affected by the proposed reorganization.**

Condition 6 considers the effect of the proposed transfer of territory on educational programs of the districts affected by the reorganization.

##### FINDINGS

There was much testimony about the impact on educational programs if the transfer petition is approved. Most of these issues centered on class size and the potential impact on the Mountain Avenue School. The Glendale USD stated emphatically that educational quality is robust throughout the district, and those statements were Supported by acclaim awarded to the district and its schools, and on its certification historically as making adequate academic progress. The same assessment can be made about the La Canada USD. Staff did not find any legitimate assessment that spoke to academic insufficiency in any of the schools in Glendale USD nor in La Canada USD.

The Mountain Avenue school is a very high performing school that fields many outstanding programs. Located in the petition area, many of the supporters of the petition currently send their children there. While some supporters criticized this school based on class size and other classroom arrangements, an additional number expressed to staff that they wanted their children, post-transfer, to remain at Mountain Avenue (meaning they supported the transfer of their homes into La Canada USD but wanted their children to remain at Mountain Avenue, in Glendale USD, at least up until high school). Like much of the anecdotal information presented in this petition review process, deep veracity cannot be attributed to all of it. Support for this petition seems to be a multi-faceted perception to residents. What is more clear is that the educational programs on offer from the Glendale USD, at all of its schools, are within or exceed state requirements and guidelines and many have achieved significant acclaim. Stating that the programs offered by the Glendale USD are inadequate are not supported.

Glendale USD assured staff and the public that educational programs at the Mountain Avenue School were excellent and would continue to be so, and that petition area students zoned to attend that school would continue to have access to them. Given La Canada' s substantial space shortage (based on its stated inability to accommodate all of the petition area students should the transfer be approved) , those limitations may impact its educational programs. Because that is presumptive, it is assumed that, following a transfer, each district would continue to provide an educational program appropriate for the students they serve.

The Glendale USD has indicated that the schools which serve the petition area have been recognized as providing educational programs that meet the highest standards. The La Canada USO has indicated the same.

**CONCLUSION AND RECOMMENDATION**

As this petition would not require that either district modify or discontinue any portion of its current curriculum, it is concluded that the educational programs of the districts would not be disrupted and that the districts would continue to promote sound educational performance. Therefore, it is recommended that the County Committee deem this condition to be substantially met.

**CONDITION 7**

**Any increase in school facilities costs as a result of the proposed reorganization will be insignificant and otherwise incidental to the reorganization.**

FINDINGS

As stated above the La Canada USD informed the county committee during the two public hearings held in connection with this petition that it could not currently house all of the petition ar3ea students should the petition be approved. The district stated that it was supportive of the petition and requested that the transfer be accomplished over a phase-in period. That phase-in aspect is not a part of this petition. Thus, based on the La Canada USD's stated inability to house additional students at this time, there would be increased facilities costs associated with this proposal. Whether the district utilizes portable facilities, builds new facilities or remodels existing facilities, itwill need additional funding from the state (and presumably would seem additiona1 bond funds).

CONCLUSION AND RECOMMENDATION

Because of the inability of the La Canada USDto accommodate all of the petition area students following approval of this petition, there would necessarily be increased facilities-related costs to the state. Therefore, it is recommended that the County Committee deem this condition to be not substantially met.

**CONDITION 8**

**The proposed reorganization is primarily designed for purposes other than to significantly increase property values.**

By policy, to evaluate this condition, the County Committee should analyze the rationale presented in the petition for transfer. In addition, if the proposed reorganization creates a significant change in local property values, the County Committee should consider whether increasing property values is the primary reason for the petition.

FINDINGS

The complete rationale for the petition to transfer territory, as stated by the chief petitioners, is included in the petition (Attachment A). Nothing in the petition language indicated a motive to increase real estate values. While staff cannot determine with certainty what the petitioners' motives are for the petition beyond their stated intent, it is important that the County Committee be apprised of several facts that may contribute to its deliberations.

One of the original chief petitioners, Mr. Tom Smith, resigned his position because he no longer lives in the district, having sold his home over the past summer. Staff can only conclude that, during at least some portion of the process of proposing the petition, gathering signatures for it and working with fellow chief petitioners, Mr. Smith's home was listed for sale. Staff was able to locate a real estate listing that touted the potential increase in home values in the transfer area following presumed approval of the petition, as well as others lauding the La Canada USD schools' worth beyond those of the Glendale USD (meaning that purchasing real estate that would soon be part of La Canada USD would provide access to better schools). While staff, and the Glendale USD, disagree with this assessment and assert the educational adequacy and high achievement of the Glendale USD, presumptions of school quality are often associated with increased real estate value. Finally, staff located a recent article in the *Wall Street Journal* attesting to the lengths that parents would go to relocate their families into La Canada USD boundaries in order for their children to have access to those schools they perceive as better than others (Attachment E).

Certainly, these instances of advertising hyperbole and parents who are not part of the petition expressing their perceptions of the quality of the school districts cannot be mistaken for incontrovertible evidence of a real estate-based motive for the petition. However, they contribute to a conclusion that real estate is more valuable in general within La Canada USD than in Glendale USD (based on values gleaned from real estate listings). If that has motivated the petitioners, others who signed the petition and their supporters, it is impossible to determine with certainty. The chief petitioners stated that community identity with the La Canada USD and concerns about safety and the educational sufficiency of the programs of the Glendale USD, including class size, as motives for the petition.

Property Value Analysis

Tables 4 and 5 below contain comparisons of properties currently for sale within the petition area (and both City of La Canada and Glendale USD) and others in the City of La Canada but located in the La Canada USD, near the petition area, gathered from the Multiple Listing Service via the Realtor.com website. Examining only a subset of listings, these tables compare single family homes and land for sale. The sample size is small because there are few sales to compare in this area of established neighborhoods with low turnover, especially in the petition area and the City of La Canada. Real estate listing searches were conducted utilizing petition area and the City of La Canada as limiting factors.

##### Table 4 Comparative Real Estate Analysis

**Glendale USD**

At the time that data was gathered for this study (January-February 2017), there were only 6 properties for sale in the petition area, located in both the Glendale USD and the City of La Canada. Those properties are listed below, with their descriptive characteristics and listing price. While it is not possible to reconcile buyers' and sellers' perception of value based on location, esteem of neighborhood, esteem of school district, closeness to freeways and other major landmarks, inclusion of hillside areas that make parcels seem large but are not useable/buildable, and other factors, staff presents the listings below as representative in that they are in the petition area and are the only properties for sale at the time the analysis was conducted.

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Address | List Price | Bedrooms | | Baths | Sq.Ft. | Lot Size | School District | City |
| 2237 San  Gorgonio  Road | $1,275,000 | 3 | | 2 | 1846 | .31 acre | Glendale USD | La Canada |
| 5413 Rock Castle Dr. | $1,060,000 | 4 | | 3 | 2537 | 9583 | Glendale  USD | La Canada |
| 4617 ½  Rockland | $788,000 | - | | - |  | 18,043 | Glendale USD | La Canada |
| Pl. (land) |  |  |  |  |
| 4547  Rockland Pl. | $819,700 | 2 | | l | 1307 | 6467 | Glendale USD | La Canada |
| 4600  Ocean  View Blvd. | $1,388,000  I | 2 | | 1 | 933 | .64 acre | Glendale USD | La Canada |
| 2119  Lyons Dr. | $1,000,000 | | 1'  - | 3 | 2234 | .35 acre | Glendale USD | La Canada |

##### Table 5 Comparative Real Estate Analysis

**La Canada USD**

At the time that data was gathered for this study (January-February 2017), there were 54 properties for sale in the City of La Canada that were not in the petition area, and thus they are located in the La Canada USD. The representative properties listed below, with their descriptive characteristics and listing price, are intended to compare to the six properties currently for sale in the petition area. While it is not possible to reconcile buyers’ and sellers’ perception of value based on location, esteem of neighborhood, esteem of school district, closeness to freeways and other major landmarks, inclusion of hillside areas that make parcels seem large but are not useable/buildable, and other factors, staff presents the listings below as representative in that they are as near to the petition area as possible in the City of La Canada and they are as close in size/value as available at the time the analysis was conducted.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Address | List Price | Bedrooms | Baths | Sq.Ft. | Lot Size | City |
| 4643  Hillard Ave. | $1,650,000 | 3 | 2 | 1954 | .39 acre | La Canada |
| 4449 La  Granada Way | $959,000 ' | 3 | 2 | 1512 | 6033 | La Canada |
| 1035  Fairview Dr. (land) | $1,450,000 | - | - | - | .6 acre | La Canada |
| 4352 Vista  Pl. | $945,700 | 3 | 2 | 1433 | 6988 | La Canada |
| 2012  Hilldale Dr. | $1,349,000 | 4 | 3 | 3436 | 776-4 | La Canada |
| 4214 La  Tour Way | $1,100 ,000 | 4 | 3 | 2060 | 6668 | La Canada |

##### CONCLUSION AND RECOMMENDATION

EC §35753(a)(8) does not state that transfers should be denied if property value increases are projected. This section states that a proposal may be approved if "... the proposed reorganization is *primarily designed for purposes other than to significantly increase property values…*" [emphasis added.]

It can be reasonably projected that the chief petitioners and all residents of the petition area could benefit from an increase in housing values should the petition be approved (and their homes be zoned within the La Canada USD), but there is no evidence that a significant increase in property values represents the primary motive for the petition. Therefore, it is recommended that the County Committee deem this condition to be substantially met.

**CONDITION 9**

**The proposed reorganization will continue to promote sound fiscal management and not cause a substantial negative effect on the fiscal status of the proposed district or any district affected by the proposed reorganization.**

By policy, the County Committee should consider financial trends of the affected districts and revenue gains and/or losses that may result from the proposed reorganization. This information will be used to evaluate the proposal’s effect on the viability of the reorganized districts to operate educational programs and to assess any negative impact to the fiscal management or status of the reorganized district(s).

##### FINDINGS

Based on the number of potential students in the transfer area, the Glendale USD has stated that it would lose enrollment-based funds, assessed valuation for bonding capacity, and current property owners would have to pay additional bond funds due to the shrinkage of their pool of rate payers should the transfer be approved. These impacts would be permanent and Glendale USD and its residents would feel them going forward, not just for one year. The La Canada USD has stated that it does not have capacity to house all of the students residing in the transfer area and, should they need to enroll immediately following approval of this petition ; housing them would come with additional costs to the district and the state, and to the residents in the form of additional bonded indebtedness for facilities (if sought).

It should be noted that the two impacted school districts spent considerable time and resources attempting to negotiate a transfer agreement that would eliminate any financial penalty to each entity. Over the course of approximately three years, including the commission of an independent financial analysis by Capitol Advisors (Attachment D), they concluded that there was not a pathway to support a transfer that would not negatively impact one or both districts. During their negotiations, the districts considered mechanisms to convey real property to Glendale USD to compensate it for its potential financial losses and costs. They also considered proposing changes to state legislation and discussed options similar to those employed in the creation of the Wiseburn USD, such as departing properties continuing to be held liable for bond funding obligations of their former district, and other solutions. In the end, these advisors could not recommend a pathway that would not negatively impact either district. If they had, the districts themselves would have presented a joint petition asking for the transfer. Their goal in studying, negotiating and commissioning independent analysis was to formulate such a joint petition. They could not solve those issues and thus did not petition. The advent of the petitioners gathering signatures has not changed any of the fiscal issues that the two districts, over many years of earnest effort, were not able to solve.

Though an agreement with Glendale USD could not be reached, the La Canada USD still supported the transfer once submitted by the petitioners, asking for an unavailable accommodation that would allow students to transfer in during a phased-in period over a number of years. This is tantamount to not being able to support the petition since they could not support it on its face.

These significant fiscal impacts, determined by highly competent educational entities that are entitled to make such assessments about their own fiscal health and projections, and the well­ respected financial advisors they hired to examine them in greater detail, indicate that this petition would injure both districts if it is approved. Further, the ability of each district to maintain a statutory reserve for economic uncertainties could also be affected should the proposal be approved.

##### CONCLUSION AND RECOMMENDATION

It is concluded that this transfer would negatively affect the fiscal management or status of both of the affected districts. Therefore, it is recommended that the County Committee deem this condition to be not substantially met.

##### STAFF RECOMMENDATIONS

After examining an extensive amount of data related to this reorganization petition, both provided by or gathered by the relevant parties and from local or state sources and public events, staff finds that four of the nine conditions have been substantially met (Conditions 1, 4, 6 and 8). Staff finds that five conditions (Conditions 2, 3, 5, 7 and 9) have not been substantially met.

Under the EC, the number of conditions met does not determine what recommendation or decision staff or the County Committee will make. The County Committee may find all, a majority or some of the conditions met and still vote to deny the petition. Similarly, the County Committee may find that none, few or some of the conditions are met, yet still has authority to vote to approve the petition. The County Committee's authority lies in its assessment of what is best for this specific situation and petition.

In light of the significant authority vested in the County Committee by the EC, staff has examined the implications of both approval and denial of the current petition. The implications relate to the elements of the chief petitioners' original petition, which were based on asserting a strong community identity with the La Canada USD and a critique of the educational programs of the Glendale USD and safety issues. Subsequently, the Glendale USD asserted potential negative fiscal impacts and described the sufficiency and even the esteem of its educational programs. Likewise, La Canada USD, while supporting the petition, described negative fiscal impacts should it be approved.

Staff is informed and believes that resident students in the petition area have access to enrollment in La Canada USD schools via permit should there be space available. Though that may be insufficient to some parents and homeowners, they are bound to attend the schools within the district where their property is located and any permit granting is within the sole discretion of the receiving district (and within the joint discretion of the home district to grant releases). Those are the terms for all Los Angeles County students and homeowners/residents. There is no unequal or more harsh treatment being meted out onto residents of the petition area; they merely prefer to attend a different district than the one in which they reside. Many residents of the County likely identify with or wish for inclusion in districts they perceive as better for their children. However, school boundaries are necessarily permanent and intended both to define overlapping and distinct communities and impart to districts the ability to manage their fiscal and enrollment affairs with as much certainty as possible, but also to honor the civic decisions made by authorities who mapped out and populated our County long before it was nearly fully built out, as it is today.

Staff’s understanding of petition area residents' perceptions of their community is not bounded by any definitive information, nor is that of the petitioners. These perceptions are subjective and petitioners are entitled to hold them. What they are not entitled to is to make demands for transfer of their homes and school district because they would like something different, something they perceive as better. Boundaries are clearly illuminated at the time of home purchase and they currently reside in a highly lauded district with a long record of student achievement. That it does not meet their preference is a typical situation that is remedied by moving into the preferred district. Making pleas for relief and casting aspersions on a high performing district, and potentially visiting fiscal damage to one or both districts, is not the remedy here.

**Staff recommends that the petition be denied.** There is no need to change the permanent boundaries of two school districts to accommodate the preferences of residents of the petition area, especially since both districts could not agree on a damage-free pathway to do so. In addition, given the lack of certainty about the potential fiscal impact on the bonded indebtedness of the districts, the availability of enrollment-based funds, and potential facilities costs should the petition be approved and the petition area be relocated to the La Canada USD, there is too much risk for no reasonable rationale.

***Environmental Review.***If the County Committee moves to approve the petition, staff recommends that such approval be categorized as a preliminary approval only. Staff has already begun examining documents related to the required environmental review. After any such preliminary approval, staff recommends that the County Committee, under EC §35706(b), commence its required environmental review required under the California Environmental Quality Act (CEQA). The review of environmental factors suspends the statutory timeline for completion of the County Committee’s review of the petition, under EC §35710. After conclusion of any required CEQA review, staff recommends that the County Committee reconvene and vote on the petition, either to approve or deny it.

After discussion on the petition, the County Committee will vote on each of the nine conditions.