

San Mateo County Committee on School District Organization
Public Hearing Minutes
April 6, 2015

APPROVED MINUTES

Date: April 6, 2015

Place: Ravenswood City School District Board Room
2120 Euclid Avenue
East Palo Alto, CA 94303

County Committee on School District Organization Members Present:

Virginia Bamford; Greg Dannis; Bill Lock; Hilary Paulson; Laura Rich; George Robinson;
Robert Stelzer; Melchior Thompson

County Committee on School District Organization Members Absent:

Victor James; Marc Tarpenning

Staff Present:

Kristina Paszek, Deputy County Counsel; Nancy Magee, Secretary to County Committee and
Administrator for Board Support and Community Relations

Call to Order:

Chairperson Stelzer called the Public Hearing to order at 7:02 PM. and welcomed all members present. He invited Nancy Magee, Secretary to the County Committee to provide a description of the petition.

Description of Petition

Nancy Magee introduced herself as SMCOE Administrator and Secretary to the County Committee. Ms. Magee continued by saying the O'Connor Street petition was received in the Office of the County Superintendent of Schools and after verification of signatures by the Elections Office and verification of parcel descriptions and maps by the Assessor's Office, the petition was forwarded to the County Committee on February 23, 2015. The petition requests the transfer of 31 homes on O'Connor Street in Menlo Park from the Ravenswood City School District to the Menlo Park City School District.

Overview of Petition Process and Public Hearing

Ms. Magee explained the Committee set public hearing dates for the two required public hearings at their February 23, 2015, meeting. She said the first public hearing was held last Monday night, March 30th in the Menlo Park City School District. Ms. Magee explained the petition timeline requires the Committee to convene public hearings in each of the affected school districts within 60 days of the verified petition being presented to the Committee. She also said the date of the first public hearing is the date that sets the timeline for the remainder of the process. The Committee has 120 days from the date of the first public hearing to take action on the petition. Given that the date of the first hearing was March 30th the Committee must take action by the end of July 2015.

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Ms. Magee noted the Committee would hold their next regular meeting on May 4, 2015. The May meeting offers the first opportunity for the Committee to deliberate the facts and/or take action on the petition. Ms. Magee said the meeting would take place at 7:00 PM at the San Mateo County Office of Education.

Ms. Magee then described the additional information requested to date by the Committee in preparation for their action on the item. She said the Committee had requested verification of financial information, an accounting of the homes located within the city of Menlo Park that are also in the Ravenswood City School District, and an independent historical overview of previous petitions between Ravenswood and Menlo Park. Ms. Magee confirmed that staff would deliver an independent analysis of the issues at the May 4th meeting.

Ms. Magee explained that at the May 4th meeting the Committee Members will discuss the facts of the petition and may decide they are ready to take action or they may take additional time to consider the information and take action at the June meeting. Currently there is no meeting scheduled for July, but they are required to take action no later than July 29th to meet the statutory timeline.

Presentation by Petitioners

Chairperson Stelzer invited the Chief Petitioners, Susan Stacy Keller, John Brady Barksdale, Lancing Tyler Scriven, and Ken Hoyle to make their presentation to the Committee. Mr. Barksdale began by thanking the Committee and their neighbors who came in support of the petition.

Mr. Barksdale said he, his fellow petitioners, and other O'Connor Street residents have come before the Committee tonight to ask that they approve their petition to move their 31 homes in the Willows neighborhood in Menlo Park from the Ravenswood City School District into the Menlo Park City School District. He said that by granting this petition the Committee would allow O'Connor Street to be restored to its original community affiliation and natural boundaries.

Mr. Barksdale then provided the Committee with an historical overview of the Willows neighborhood as it relates to O'Connor Street. He said in 1983 the entirety of the Willows neighborhood was part of the Ravenswood City School District, but just a year prior, in November of 1982, the Willows community had submitted a petition to be annexed into the Menlo Park City School District. He explained that at that time, November of 1982, their group of 31 homes on O'Connor Street was part of unincorporated San Mateo County and so were not included in the petition. By the time the petition was presented to the voters in 1983, all the homes on O'Connor Street, including the 31 homes represented in the current petition had been incorporated into the city of Menlo Park, but because they were not part of the original petition, their homes were not included in the transfer of territory that was ultimately approved by the voters.

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Mr. Barksdale made the additional point that both LAFCO and the Menlo Park Police and Fire Departments had advocated for the inclusion of all of O'Connor Street into the city boundaries of Menlo Park.

Mr. Barksdale went on to say that in regards to the nine criteria outlined in Education Code 357753, the O'Connor Street petition meets all nine. The petitioners then addressed each of the criteria, one by one.

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

Mr. Barksdale said that both school districts meet the state of California minimum requirement for enrollment of 901 students.

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

Mr. Barksdale said that the community identity of the O'Connor Street residents is the Willows neighborhood and Menlo Park. He further discussed the many factors that come into play, including consistent architecture; use of parks and other recreational areas; travel and traffic patterns; geopolitical factors such as sharing the same electoral district, fire and police services and other facilities and services. Mr. Barksdale said the residents of O'Connor Street find their community identity within the city of Menlo Park.

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

Mr. Barksdale said there would be no impact on property or facilities as a result of this petition.

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.

Mr. Barksdale said that currently there is only one child living in these 31 homes who attends the Ravenswood City School District. He asked how it was that one child could impact the diversity of an entire school district?

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

Mr. Barksdale said there would be no increase in costs to the state because Menlo Park City School District is a Basic Aid school district and the funding source is local property taxes.

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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.

Mr. Barksdale again referenced the one child from the O'Connor Street petition area who is currently attending the Ravenswood City School District. He said this one child could not possibly impact the effectiveness of the educational program offered in either school district. Similarly the few number of children who would attend Menlo Park City School District as a result of this transfer would not impact the MPCSD's district's educational program.

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

Mr. Barksdale said this transfer would not impact any school facilities.

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

Mr. Barksdale noted that as residents of the Bay Area, all people in attendance could acknowledge the rising cost of living in the region. There is a huge demand for housing with little supply and as a result, all property values are impacted. He offered that residents on O'Connor Street tend to own their homes for long stretches of time and are not buying and selling quickly solely to make money.

Mr. Barksdale then directed the Committee Members' attention to a presentation slide illustrating an analysis of property values in the Willows neighborhood.

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 existing district affected by the proposed reorganization.

Mr. Barksdale indicated there would very little financial impact to either school district if the transfer were to occur. With the few number of students involved for either district, the financial impact is essentially "a wash."

Mr. Barksdale then said that the petitioners had taken time to consider the impacts of this transfer on both school districts and identified five different concerns that might be a reason for opposition.

The first of these five concerns is fiscal impact. Mr. Barksdale said property tax revenue the O'Connor Street homeowners pay through Measure B and Measure M is approximately \$196 per year per homeowner. He said this equates to approximately \$6,076 of property tax revenue that

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is directed towards Ravenswood's tax base and represents approximately .015 percent of Ravenswood's overall budget of \$39.9 million.

The second key concern is maintaining diversity in the two school districts. Mr. Barksdale reiterated the projection made earlier that there would likely be, on average, approximately 7 students attending Menlo Park City School District from the O'Connor Street homes at any one time. Considering that the families living in these homes represent a broader range of diversity than either of the involved school districts, it seems unlikely that these few students could really have a negative impact on the demographics of either school district.

The third critical concern is limited land and space. Mr. Barksdale explained that despite the fact Menlo Park City School District is facing maximum capacity enrollment even with the new Upper Laurel campus opening, six to seven additional students would not create much of an impact.

The fourth critical concern is around the idea that approving this petition might set precedent for other territory transfers. Mr. Hoyle addressed this issue by naming the transfers of territory that have occurred in the district since the 1970's. He named two transfers that occurred in the 1970s, one in the 1980s, and one in 2008. Mr. Hoyle said the difference between these transfers and the O'Connor Street petition is that their petition only involves 31 homes and not an entire neighborhood. He further pointed out O'Connor Street represents only one half of the homes on the street.

Mr. Hoyle then examined the Menlo Park City School District boundaries using images on the presentation slide to illustrate his points. He showed the south border where Menlo Park meets Palo Alto, Stanford, and Santa Clara County and the east border where Menlo Park meets East Palo Alto with the exception of the O'Connor Street houses. He also highlighted the neighborhoods of unincorporated Menlo Park, University Heights and the Avenues. Mr. Hoyle said approving the O'Connor Street petition would not set a precedent for these areas to join the school district. He said the difference is that these are entire neighborhoods while O'Connor Street is only a small group of homes. There are also two neighborhoods that are already part of Menlo Park, Sharon Heights and Belle Haven. Again Mr. Hoyle distinguished these areas as entire neighborhoods and not comparable to O'Connor Street.

Mr. Hoyle concluded his comments by making the point that O'Connor Street is the one area where the street is split between two school districts, but within the same city boundary.

Mr. Barksdale then concluded the presentation by highlighting that one of the priorities of the Menlo Park City School District is to maintain neighborhood schools. He said this is the premise underlying the desire for their transfer request, to unite O'Connor Street as one neighborhood and allow their children to attend the same schools.

Mr. Stelzer thanked the petitioners for their presentation.

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Presentation by School Districts

Menlo Park City School District

Chairperson Stelzer then invited representatives of the Menlo Park City School District to the podium. Dr. Ghysels introduced himself as the superintendent in the Menlo Park City School District and acknowledged Menlo Park City School District school board member Stacy Jones who was in attendance. Then Dr. Ghysels asked Ahmad Sheikholeslami, the district's chief business officer and chief of operations, to come forward for the presentation.

Mr. Sheikholeslami began by displaying a map of the Menlo Park City School District and pointing out the locations of the district's four schools as well as the fifth school that the district is opening as a way to address their enrollment issues. He also showed the schools in the Ravenswood City School District and pointed out that the Willow Oaks School is within the Willows community. He said the Willows community encompasses both Menlo Park and parts of East Palo Alto.

Mr. Sheikholeslami then showed a depiction of O'Connor Street and the Willow Oaks School and noted that the distance between the O'Connor Street homes and Willow Oaks School is less than half a mile. He explained the district's enrollment has grown by 36% during the past ten years. To address this growth, the district implemented a bond program to expand their existing schools, but even with that, Mr. Sheikholeslami said the schools still lack space. He showed the projected enrollment of the district to increase above 3,000 students within the next ten years. He indicated that the Menlo Park City School District has some of the largest school sites in terms of enrollment in the county. He also indicated that the city of Menlo Park has several large development projects in the works adding to the district's enrollment challenges.

Mr. Sheikholeslami said that based on their historical data about enrollment of students from the Willows area, the district has determined that the O'Connor Street homes in this petition would likely end up with 12-15 students attending Menlo Park City School District. He referenced the 2008 transfer of the Pacific Parc condominiums where one student was attending MPCSD schools in 2008-09, but in 2014-15 that number had grown to 12 students.

Next Mr. Sheikholeslami talked about the financial impact on the Menlo Park City School District. He said after calculating the property tax revenue amount put forth by the petitioners and adding parcel taxes to the formula, the MPCSD estimates that if the O'Connor Street transfer were to occur, it might cost their district between \$127,000 and \$167,000 annually. He added that the financial impact to the Ravenswood City School District could include a loss of approximately \$8,000 in revenue per student through the Local Control Funding Formula (LCFF). The state, through the LCFF formula, would need to backfill that loss.

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Additional concerns about the impact of the territory transfer on the Menlo Park City School District included the following:

- Commute distances
 - All Ravenswood City School District schools are within a two mile radius of O'Connor Street while the MPCSD sites are further
- Setting precedent for future transfers into Menlo Park City School District
 - There exist multiple examples of streets along the MPCSD boundary that are split down the middle between two school districts
- Complex community identities
- Significantly increased property value of transferred homes
 - MPCSD analysis calculated a 39% increase of home price values inside the MPCSD area
- Impact to Ravenswood City School District demographics, racial isolation, and school enrollment

Mr. Sheikholeslami concluded his presentation. Dr. Ghysels then summarized the position of the Menlo Park City School District by saying the petitioners' request fails in multiple areas of the reorganization criteria, creates a problematic precedent for future transfer requests, and adversely affects both school districts. He said staff would take a recommendation to the MPCSD Board asking that they oppose the petition.

Ravenswood City School District

Chairperson Stelzer invited Dr. Gloria Hernandez-Goff to the podium. Dr. Hernandez-Goff introduced herself and Eugene Clark-Herrera from Orrick, Herington & Sutcliffe. She also acknowledged the Ravenswood City School District Board who were in the audience, Marcellino Lopez, Sharifa Wilson, and Marco Chavez.

She began by reminding the Committee that the Ravenswood City School Board adopted a resolution to oppose the O'Connor Street petition at their last board meeting. She said the opposition to the petition is based on an historical pattern of territorial transfers that exacerbates, rather than ameliorates, the racial isolation of students in the Ravenswood City School District. She went on to say that the petition fails on most of the nine statutory criteria under Education Code 35753 and that a similar petition was previously denied more than 30 years, the reasons for which still remain valid.

Mr. Clark-Herrera showed the Committee an historical map depicting the boundaries of the Ravenswood City School District prior to the first petition in 1967 that transferred property out of RCSD. He said the school district's boundaries have been slowly eroded over the years through various territory transfers to the detriment of the Ravenswood City School District. He made the point that this pattern of territorial transfer should stop unless there is a very compelling reason, and on that basis alone, the Ravenswood City School District believes the petition should be denied.

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Dr. Hernandez-Goff then addressed each of the nine criteria (EC 35753) in relation to their application to the O'Connor Street petition. Dr. Hernandez-Goff said the district believes the petition meets the following criteria or finds them not applicable to this petition.

- Criterion One: Adequacy of enrollment – meets
- Criterion Three: Equitable division of property – not applicable
- Criterion Six: Educational performance and programs – meets

Dr. Hernandez-Goff expressed the following concerns with the remaining criteria.

Criterion Two: Substantial community identity

- Petitioners homes are closer to Ravenswood schools than Menlo Park schools
- Petitioners homes are equi-distant to Ravenswood social centers as to Menlo Park social centers
- Community and social ties articulated in the petition represent choices and should not justify a territorial transfer

Criterion Four: Racial and ethnic integration

- Broad historical pattern of racial isolation of Ravenswood/East Palo Alto community is exacerbated by proposed transfer
- Demographic trend in Ravenswood is increasing Latino/Hispanic families; the petition transfers non-Latino families out of the district

Criterion Five: Costs to the state

- Ravenswood depends on state funding through LCFF; the transfer of property would decrease local property tax revenues to Ravenswood (general and special taxes), thereby increasing the burden on state funding to the district through LCFF

Criterion Seven: School facilities costs

- Ravenswood school facilities are in urgent need of improvement and renovation
- Ravenswood general obligation bond debt capacity is 1/5 of Menlo Park's, on a per pupil basis
- The transfer of territory would decrease Ravenswood's bond debt capacity by about \$250,000 today, rising to almost \$400,000 over 20 years
- This loss of debt capacity directly impacts Ravenswood's ability to finance facilities improvements, currently under review for 2016

Criterion Eight: For purposes other than property value

- Property values are estimated between 9% and 21% higher for the homes across O'Connor street from petitioners' homes
- Given the absence of any educational, topographic/geographic, economic or facilities-oriented justification for the transfer, the property value differential remains as a glaring factor that cannot be ignored as a motivation for the petition

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- Petitioners' focus on community identity as the primary factor is undermined by the arguments made earlier in this presentation

Criterion Nine: Fiscal status of affected districts

- For Ravenswood every dollar counts – demographic trend is declining enrollment, and local tax base is lowest in the county
- Petitioners rely on a multiplier of 0.25 students per home to estimate the long-term fiscal impact of transferring students associated with the territory; Menlo Park's historical enrollment patterns and analysis evidences 0.4 students per home as more realistic
- Taking into account either assumption, there will be a negative impact on operating funds of Ravenswood through decreased enrollment

Mr. Clark-Herrera also addressed the impact on socio-economic diversity and said that if the petition were to be approved it would create a greater divide between the two communities of Menlo Park and East Palo Alto.

Dr. Hernandez-Goff concluded the presentation by acknowledging the efforts of the petitioners and their obvious engagement and care about the community and the education of their children. She noted that the petitioners have much to contribute to the Ravenswood City School District and she hopes Ravenswood City School District will have the opportunity to work with these families in the future.

Mr. Stelzer adjourned the hearing for a short break.
Mr. Stelzer reconvened the hearing.

Public Comment

Chairperson Stelzer invited the public to come forward at this time with their comments.

Speakers in Favor of the Petition

Ken Hoyl
Tyler Scriven
John Brady Barksdale
Adela Gildo Mazzon
Stacy Keller
Kim Chun
Jen Mazzon
Jeff Newmeyer
Michal Reznizki
Ajit Jain
Dianna Barksdale

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Speakers in Opposition to the Petition

Rev. William Chester McCall

Mama Dee

Leif Erickson

Sharifa Wilson

Marco Chavez

Duane Goff

Ellen Mouchawar

Marcelino Lopez

Pastor Paul Bains

Randy Jackson, Sr.

Nette Worthey

Tiombe Jama

Elizabeth Jenkins

Dany Cesena

Chairperson Stelzer thanked all those members of the public who offered their comments.

Next Steps

Chairperson Stelzer asked what items the Committee might request of staff for further clarification. Member Dannis noted that in the discussion about property value, Menlo Park City School District presented a source for their numbers. He asked if the Ravenswood City School District staff could also provide information about the source they used to arrive at their figures. The Ravenswood City School District staff indicated they would get that information to the Committee.

Ms. Magee confirmed that staff would deliver an independent analysis of the issues at the May 4th meeting.

Adjournment of Public Hearing

Chairperson Stelzer reminded all in attendance that the next regular meeting of the County Committee would be Monday, May 4, 2015, at 7:00 PM at the San Mateo County Office of Education. He indicated the petition would be an item on that agenda and the Committee would certainly begin their analysis and discussion. He also said it was most likely the Committee would take action on the petition at the subsequent meeting in June.

The public hearing was adjourned at 9:15 PM.