

October 12, 2021

Brooks Allen, Executive Director California State Board of Education 1430 N Street, Suite #5111 Sacramento, CA 95814

Dear Mr. Allen,

The Santa Clara County Office of Education has validated a request to transfer three (3) parcels from the Cambrian School District and Campbell Union High School District to the Los Gatos Union School District and Los Gatos-Saratoga Union High School District. A copy of the request and a map of the property proposed for transfer are enclosed. I am providing the State Board of Education notice of this valid request pursuant to Education Code Section 35704.

Please contact Suzanne Carrig at (408) 453-6869 if you require additional information.

Sincerely,

Dr. Mary Ann Dewan,

County Superintendent of Schools

MAD/sec Enclosure

cc:

Larry Shirey, CDE, School Fiscal Services Members, Santa Clara County Committee on School District Organization Erik Ramakrishnan, Berliner Cohen LLP



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October 1, 2021

VIA ELECTRONIC AND U.S. MAIL

Suzanne Carrig
Santa Clara County Office of Education
Director, Policy Development & Administrative Programs
County Superintendent's Designee to County Committee
1290 Ridder Park Drive
San Jose, CA 95131
scarrig@sccoe.org

Petition on Behalf of SummerHill N40 LLC for School District Reorganization

Dear Ms. Carrig:

Re:

This letter is submitted on behalf of SummerHill N40 LLC, a California limited liability company ("Summerhill") pursuant to Education Code Section 35700. The purpose of the letter is to request the transfer of uninhabited territory owned by Summerhill from the Cambrian School District (the "Cambrian District") and Campbell Union High School District (the "Campbell District") to the Los Gatos Union School District and the Los Gatos-Saratoga Joint Union High School District (collectively, the "Los Gatos Districts"). Our law firm represents Summerhill with respect to this matter. Attached hereto as **Attachment A** is our client's authorization to submit this letter on its behalf.

A depiction of the territory to be transferred from the Cambrian and Campbell Districts to the Los Gatos Districts (the "Affected Territory") is shown in **Attachment B** to this letter. The Affected Territory generally includes the following Assessor's Parcel Numbers: 424-56-012, -014, -and -016. This land is part of a large mixed-use project under development in the Town of Los Gatos at the intersection of Lark Avenue and Los Gatos Boulevard. The proposed development will include 260 condominium units, 10 rental apartments, and 50 affordable senior

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rental units. It will also include a commercial component. The Affected Territory will include 14 townhouse style condominiums within the larger development, two of which will be bisected by the current school district boundaries if the proposed reorganization is not approved. Under current road configurations, there is no direct access from the Affected Territory to the rest of the Cambrian and Campbell Districts. Roadway access is provided by roads running through the Los Gatos Districts.

Representatives of Summerhill have met with the four school districts impacted by the boundary reorganization request to explain the situation and to inform district officials of Summerhill's intent to request a school district reorganization.

We understand that to approve the requested reorganization, the County Committee on School District Organization will be required to make the findings listed in Education Code Section 35753. We believe those findings can be made for the following reasons:

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

The proposed reorganization affects 14 future condominium units within buildings that would be bisected by the current boundary and have not yet been constructed. Assuming a pupil generation factor of 0.5 pupils per unit, we assume that these units will generate not more than seven pupils on average per school year. Because the Affected Territory currently is uninhabited, the Cambrian and Campbell Districts would not experience any loss of pupils because of the proposed reorganization, and we are informed by representatives of the Los Gatos Districts that they have adequate facilities to meet the needs of the small number of students who would be affected by the reorganization.

2. The school districts would be organized based on substantial community identity.

The proposed reorganization would affect a small number of properties and would not have a significant impact on community identity. The Affected Territory is part of a much larger project under development. Allowing all the students living in the development to attend the same schools would foster community identity, not diminish it. The Affected Territory is also located in the Town of Los Gatos and is separated from the rest of the Cambrian and Campbell Districts by freeways, and the proposed reorganization would facilitate students residing in the Affected Territory to attend school in the community with which they would likely most identify.

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

None of the affected districts owns property or facilities in the Affected Territory, so that no division of property or facilities of the districts would be necessitated by the proposed reorganization.

¹ We believe 0.5 students per unit is a conservative estimate. In reviewing impact mitigation fee studies for the school districts in questions, it appears that housing units in the area have a high school pupil generation rate of approximately 0.1 students per unit, and a K-8 pupil generation rate of three to four times that number.



4. The proposed reorganization would preserve each affected district's ability to educate pupils in an integrated environment and would not promote racial or ethnic discrimination or segregation.

As indicated above, it is estimated that the proposed reorganization would affect only seven students on average per school year, so that it would have a de minimis effect on the demographic makeup of the districts. The ultimate ethnic makeup of the Affected Territory is still entirely speculative. However, it is believed that as part of a large multi-family housing development project, the Affected Territory will add to the diversity of the surrounding area, not detract from it. Based upon data in the most recently published School Accountability Report Cards for the affected attendance areas, the receiving attendance area is less diverse than the transferring attendance area, so that the receiving attendance area would benefit from the Affected Territory's diversity.²

5. Any increase in costs to the state because of the proposed reorganizations would be insignificant and otherwise incidental to the reorganizations.

Because both Los Gatos Districts are basic aid districts, the transfer of the Affected Territory is not anticipated to increase costs to the state. The state is not required to backfill any part of a district's per pupil allowance under Proposition 98 for a basic aid district.

6. The proposed reorganization would continue to promote sound educational performance and would not significantly disrupt the educational programs in the affected districts.

Due to the small number of students affected by the proposed reorganization, the reorganization is not expected to have any significant effect on the operations of the affected districts.

7. Any increase in school facilities costs because of the proposed reorganization would be insignificant and otherwise incidental to the reorganization.

The proposed reorganization is anticipated to affect on average only seven pupils per school year and will not have any significant effect on school facilities. Summerhill is required to pay development impact fees to address the school facility needs created by its housing development project.

² Over 60% of the student population in the receiving Van Meter attendance area identifies as "White." (See https://4.files.edl.io/17e5/02/26/19/184509-63e88dee-83d7-4bf6-9811-cdca43e840be.pdf.) No ethnic group comprises a majority in the transferring Farnham attendance area. (See https://www.cambriansd.org/cms/lib/CA01902282/Centricity/Domain/267/2020%20SARC%20Farnham.pdf.)



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

The primary purpose of the reorganization is to foster orderly provision of educational services to residents. As school district lines are currently drawn, almost all the larger housing development project of which the Affected Territory is a part will be in the Los Gatos Districts, with only 14 condominium units in the Cambrian and Campbell Districts. These 14 units are integrated in the same buildings as other condominium units in the Los Altos Districts. Two of the 14 units will be bisected by the current district boundary, leaving those units in both districts. As current road systems are laid out, the Affected Territory will take its access to the rest of the Cambrian and Campbell Districts through that part of the housing development project located within the Los Gatos Districts, so that dividing the development in the current manner may not be efficient from the perspective of providing school transportation.

It is also anticipated that at least some future residents of the Affected Territory will want their children to attend the same schools as their neighbors and will request inter-district transfers. The reorganization would avoid the need to process such requests. Under these circumstances, the proposed reorganization would provide a more logical school district boundary and would foster orderly provision of educational services.

9. The proposed reorganization will continue to promote sound fiscal management and not cause a substantial negative effect on the fiscal status of the affected districts.

The transfer of the Affected Territory to the Los Gatos Districts will have a fiscal impact on the Cambrian and Campbell Districts, but for the following three reasons, the impact would be insubstantial:

First, the proposed reorganization involves the transfer of only 12 condominium units that would otherwise be in the Cambrian and Campbell Districts to the Los Gatos Districts. Two additional units that would otherwise be bisected by the district boundary would also be transferred to the Los Gatos Districts. The impact of the loss of property taxes from these 14 units on the Cambrian and Campbell Districts' revenues is expected to be minor considering their overall budgets.³

Second, most of the tax revenue lost would be new revenue that neither district currently receives since the Affected Territory is still undeveloped. The current assessed value of the three assessor's parcels that comprise the Affected Territory is less than \$2 million, which is estimated to generate only \$10,000 per year for the Cambrian and Campbell Districts combined.⁴

³ The Cambrian District's general fund is estimated to be approximately \$40 million: See: https://www.cambriansd.org/cms/lib/CA01902282/Centricity/Domain/4/Board%20Bricfing%20Final%205.21.19.pdf. The Campbell District's general fund is approximately \$115 million. See: https://www.cuhsd.org/apps/pages/budgetreports.

⁴ This estimate assumes a 1 percent tax rate under Proposition 13 and a 50 percent property tax distribution to K-12 schools. For more information about property tax share distributions in Santa Clara County, please see: <a href="https://controller.sccgov.org/property-tax-distribution/property-tax-distribution-charts/prop



Suzanne Carrig October 1, 2021

Finally, although the Cambrian and Campbell Districts would lose *potential* per pupil revenue from the state under Proposition 98 if the reorganization is approved, they would not lose any *existing* revenues. Again, the Affected Territory is still uninhabited and does not currently generate any students. Also, some of the potential revenue might never be realized if inter-district transfers are approved, and regardless, the loss of potential revenue would be offset by the fact that the Campbell and Cambrian Districts would have fewer new students to serve.

For the foregoing reasons, we ask for the County Committee's consideration and approval of Summerhill's request. Please let me know if you require any additional information or evidence in support of the request to begin processing it. Thank you.

Cordially,

BERLINER COHEN, LLP

ERIK RAMAKRISHNAN erik.ramakrishnan@berliner.com

Attachments



Attachment A Summerhill's Consent to Petition

- I, Kevin Ebrahimi, hereby certify that:
- (1) SummerHill N40 LLC, a California limited liability corporation ("Summerhill") has authorized the law firm of Berliner Cohen LLP to file the request for school district reorganization to which this form is attached;
- (2) I hereby warrant that I am authorized to execute this consent on Summerhill's behalf; and
- (3) Summerhill is the sole and exclusive fee title holder of all the land in the territory identified in the attached request as the "Affected Territory."

SUMMERHILL N40 LLC

By: SUMMERHILL HOMES LLC, a

California limited liability company

Its: Sole member

Kevin Ebrahimi

11s: Sr. Vice President of Entitlements & Planning

Dated: 10-1-21

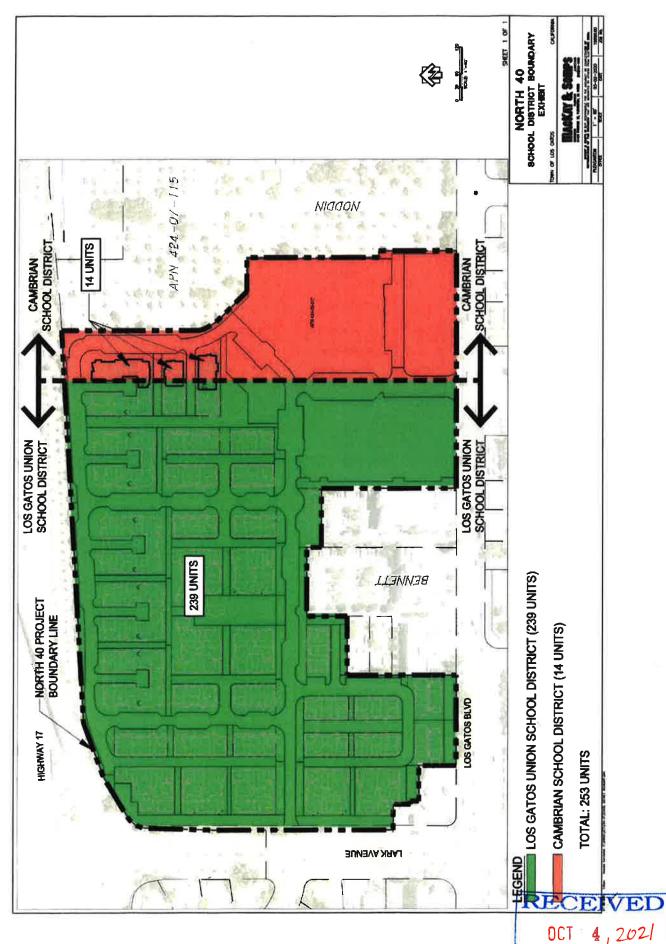
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Attachment B Diagram of the Affected Territory





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