

# Fresno County Committee on School District Organization

Ventana Hills Territory  
Transfer Petition Hearing

September 2024



# Who's Really Behind this Petition and Why?

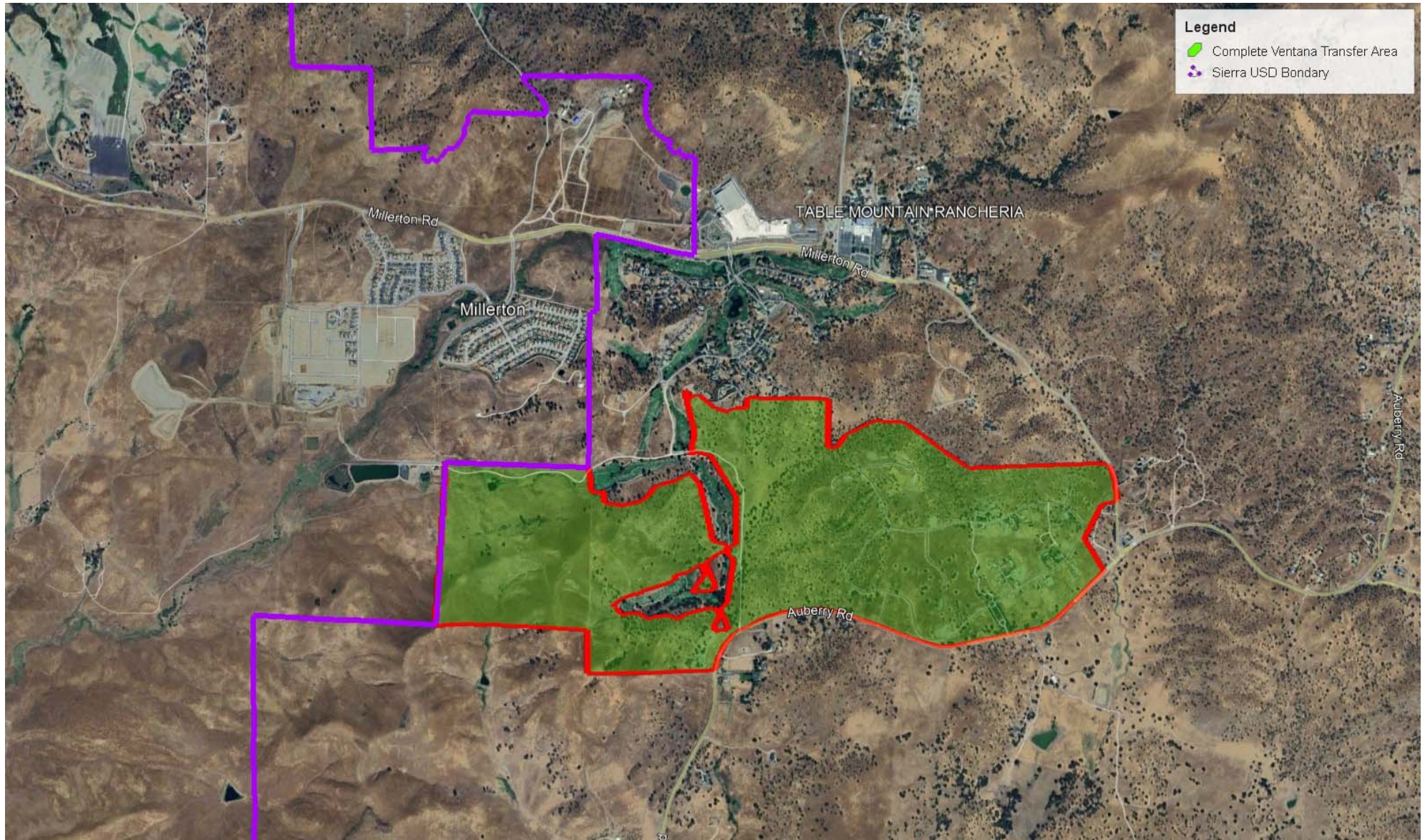
“... my customers walk into my sales office and one of the first questions they ask is what school district are you in? [...] Are you Clovis Unified? . . . and when the answer is no, they turn around and go right back out. [...] But do we lose sales to other developers that are in Clovis Unified? Absolutely we do – so we think if we give the parents an option to choose between the two (again we have no interest in boundary changes that’s a very complicated) . . . you would have to agree to that. That is a complicated procedure to follow . . . again, my sales team is telling me and my customers are telling me that’s the number one impediment.”

Darrius Assemi, Granville Homes

Sierra Unified School District Board Meeting, July 12, 2012

# Sierra USD's Opposition Overview

# Proposed Transfer Area Map

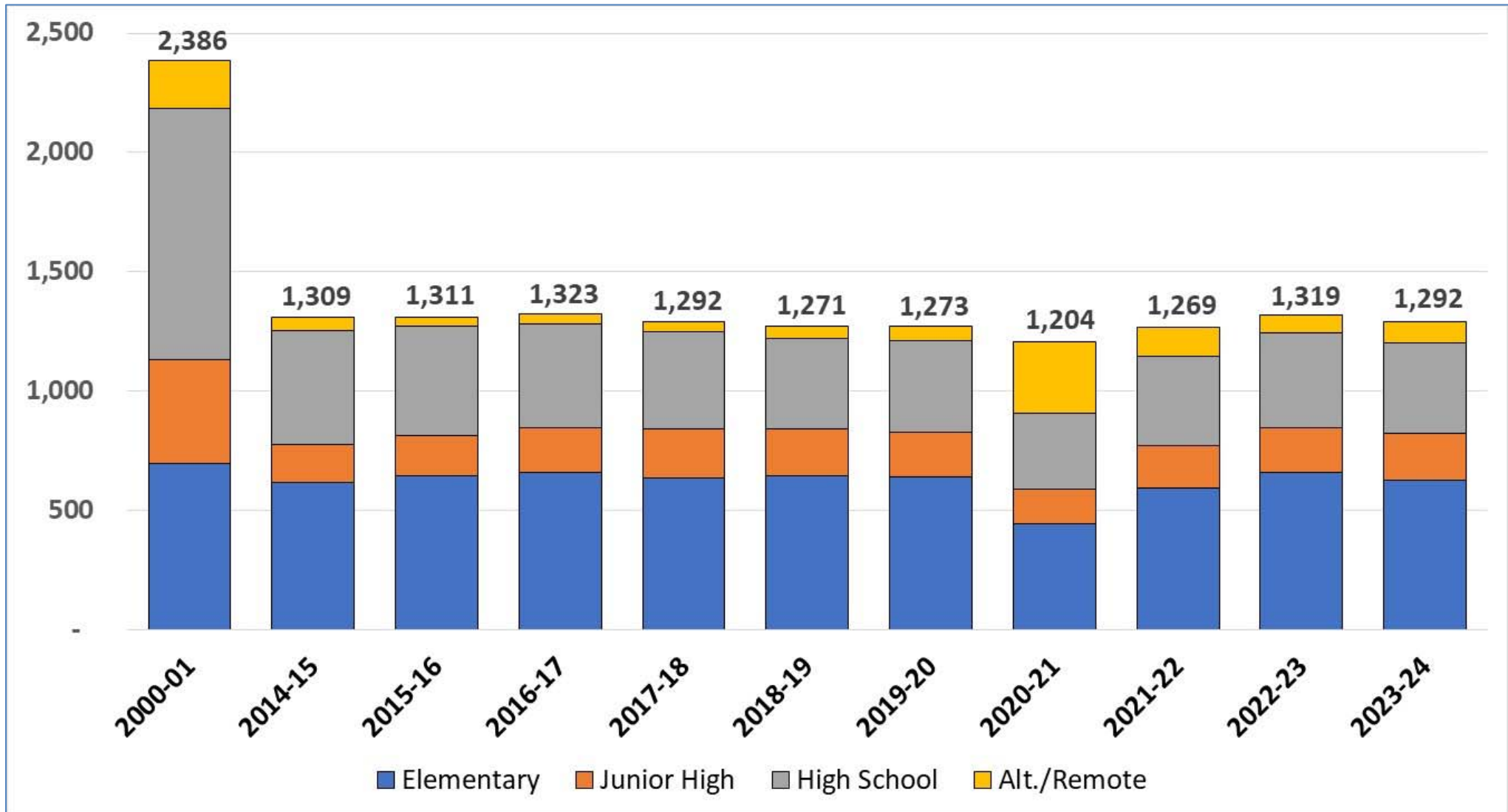


# Overview

- After several unsuccessful attempts over the past several years, yet another petition to transfer the Ventana Hills subdivision has been presented for consideration
- This ill-informed petition seeks to remove over 641.6 acres of territory from the small Sierra Unified School District for the purported benefit of a few property owners
- The request seeks to move the territory to Clovis USD, a large school district with extremely limited space at school sites most proximate to the Ventana Hills subdivision
- In an attempt to address the requirement that transferred territory must be contiguous, the petitioners proposed to not just transfer the 204.8 acres comprising their subdivision, but ALSO an additional 436.8 acres of undeveloped land for the sole purpose of creating a gerrymandered physical connection to Clovis USD
- Despite submission as a voter petition, the subdivision's developer has been a consistent presence in all discussions about the proposed petition, often leading the discussions and having his employees gathered signatures for the petition
- Ultimately, this proposed transfer of territory does not appear to serve an educational purpose, is harmful to Sierra USD in the near and long-term, and does not appear to meet the prescribed criteria for approval

# Criteria Analysis & Arguments

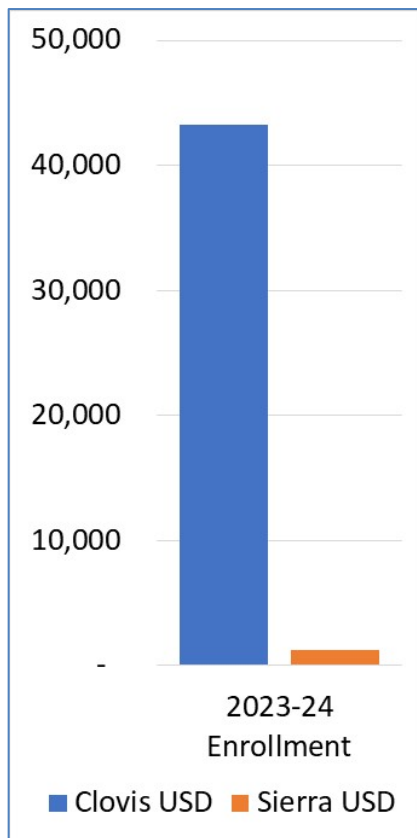
# Sierra USD Enrollment History



# Criterion 1

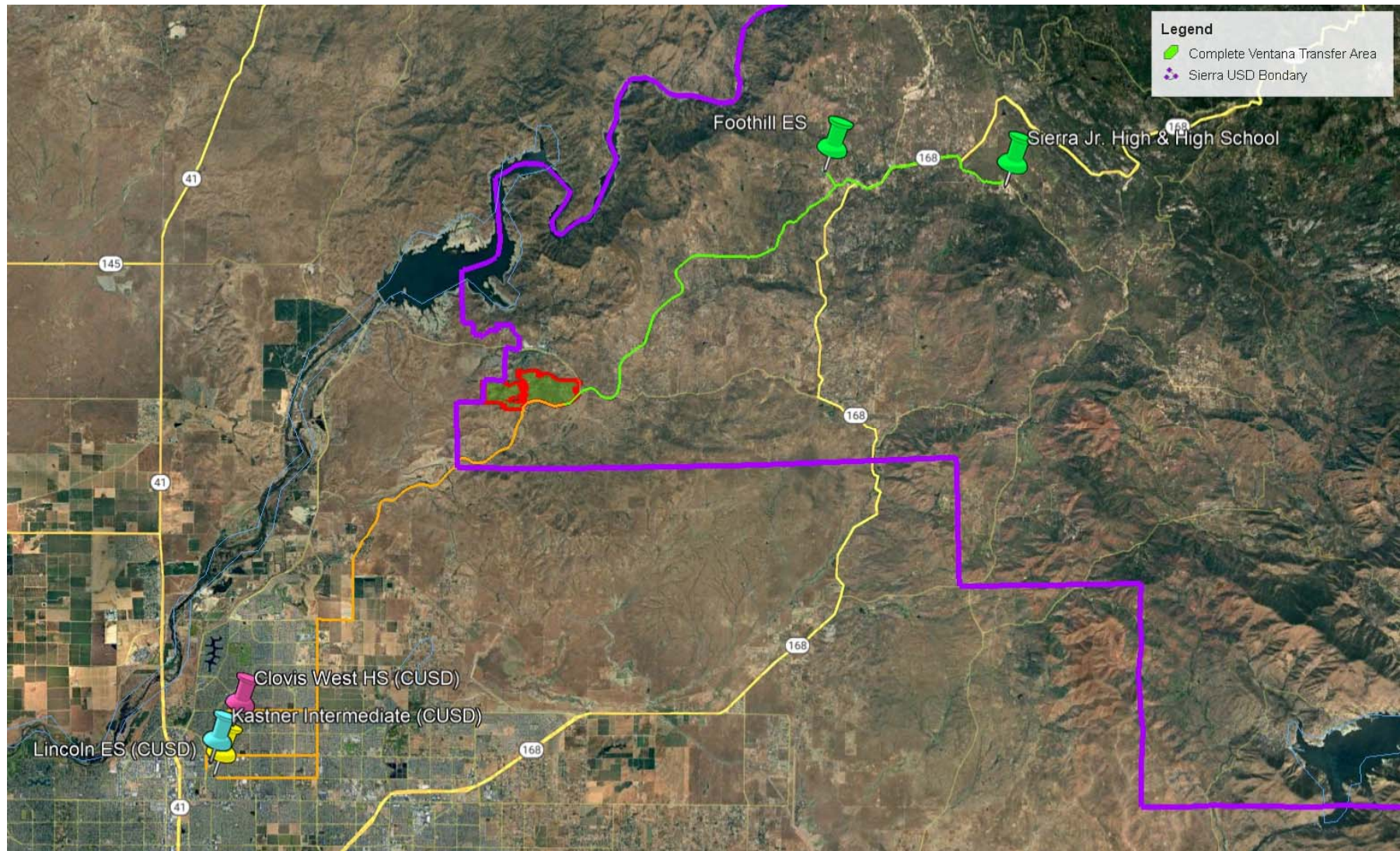
## Analysis of Criteria (Ed. Code § 35753)

### Criterion 1 – Adequate number of pupils



- Guidance from Section 18573 of Title 5 of CCR stipulates that the resulting enrollments should be at least 1,501 students for a Unified School District
- In the early 2000's, the Sierra USD had enrollments in excess of 2,000 students
- Currently, Sierra USD enrollment of just under 1,300 students, 200 fewer than the recommended level
- Prior territory transfers combined with an aging population have resulted in enrollment declines which are only now stabilizing
- New development is critical to the ability of Sierra USD to return to an efficient operating size over the long-term
- Sierra USD can no longer afford to cede future enrollment growth to the massive Clovis USD, and the proposed Ventana Hills territory transfer will continue the denial of enrollment growth to Sierra USD

# Travel Distances to School Sites



Travel Distances from Ventana Hills to School Sites

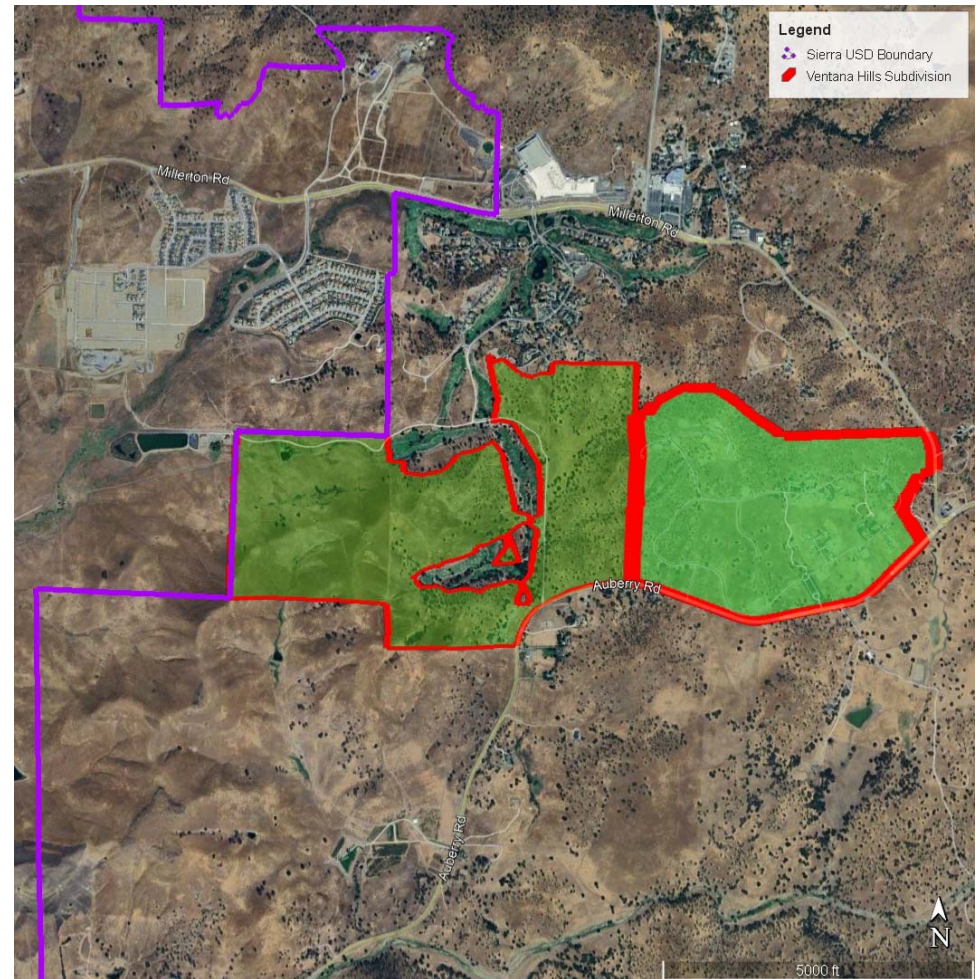
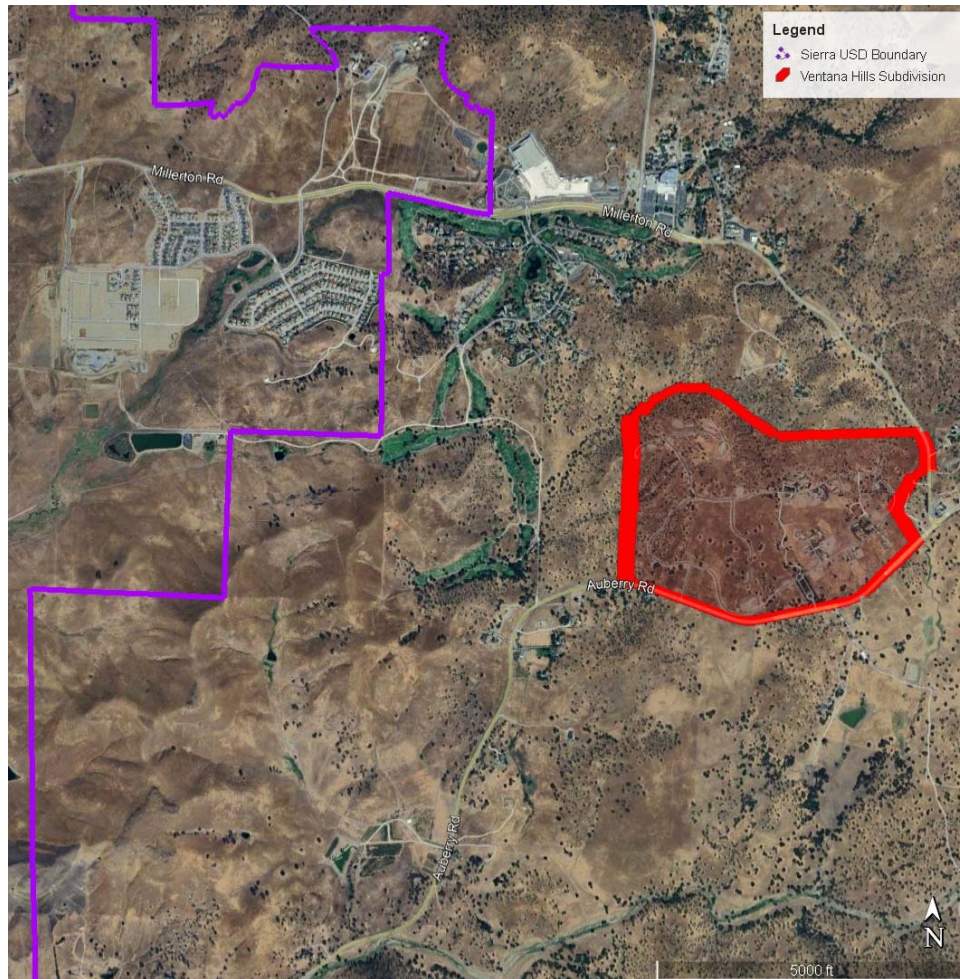
Grade Level	Sierra USD	Closest Clovis USD	Difference	Non Impacted Clovis USD	Difference
Elementary School	9.55 miles	10.5 miles	+0.95 miles	14.7 miles	+5.15 miles
Middle School	13.6 miles	9.35 miles	-4.25 miles	14.8 miles	+1.2 miles
High School	13.6 miles	9.35 miles	-4.25 miles	13.3 miles	-0.3 miles

# Criterion 2

## **Analysis of Criteria (Ed. Code § 35753) Criterion 2 – Community Identity**

- Guidance from Section 18573 of Title 5 of CCR indicates that in reviewing this criterion, factors such as isolation, geography, and distances between social centers and schools should be considered, along with community school and social ties
- The Petitioner (and in conversations, the developer) has (have) specifically cited this criteria as a primary rationale for the request to transfer territory, as it is convenient for two out of ten students in the territory to attend Clovis schools as parents commute to work in areas to the south
- This ignores that a similar number of students opt to attend Sierra USD schools and an additional five or six students appear to be enrolled in private schools
- The Ventana Hills development commenced in 2006 and has only seen completion of roughly 14 out of a planned 91 homes yet asserts that the community identity for its nascent development – AND 437 additional acres of territory slated for future residential development – is aligned to a school district in which only two current students attend
- A review of travel distances indicate that the closest school distances at each grade level are comparable; HOWEVER, Clovis schools are impacted and the likely ACTUAL sites with capacity for the youngest students are materially further away

# Ventana Hills & The Transfer Area



# Current Tax Base & Bond Capacity Analysis

## Petition Transfer Territory Details

Petition Transfer Territory Details			Assessed Valuation (2024-25)			2024-25 Statutory Bonding Capacity
	# of Parcels	Acreage	Land	Improvements	Total	
Ventana Hills Subdivision						
Developed Residential Parcels	14	32.58	\$ 5,223,805	\$ 12,827,008	\$ 18,050,813	\$ 451,270
Residential Parcel Under Construction	1	2.24	23,975	68,713	92,688	2,317
Undeveloped Residential Parcels						
Privately Owned	9	22.50	3,743,767	-	3,743,767	93,594
Developer Owned	67	146.91	8,553,828	157,000	8,710,828	217,771
Total Undeveloped Residential Parcels	76	169.41	12,297,595	157,000	12,454,595	311,365
Governmental/Public Parcels	3	0.58	-	-	-	-
Total Ventana Hills Subdivision	94	204.81	\$ 17,545,375	\$ 13,052,721	\$ 30,598,096	\$ 764,952
Bridge Parcels						
Undeveloped Single Family Use Type						
Table Mountain Rancheria Owned	5	234.30	\$ 3,505,269	\$ -	\$ 3,505,269	\$ 87,632
Developer Owned	4	131.33	3,389,101	-	3,389,101	84,728
Brighton Crest Holdings Owned	1	7.15	123	-	123	3
Agricultural Parcels	1	39.43	357,000	1,428,000	1,785,000	44,625
Total Undev. Single Family Use Type	11	412.21	7,251,493	1,428,000	8,679,493	216,987
Developer Owned Vacant Parcels	1	24.64	1,164,207	-	1,164,207	29,105
Total Bridge Parcels	12	436.85	\$ 8,415,700	\$ 1,428,000	\$ 9,843,700	\$ 246,093
Total Petition Transfer Territory						
	106	641.66	\$ 25,961,075	\$ 14,480,721	\$ 40,441,796	\$ 1,011,045

- Developer affiliated entities own approximately 47.2% of the acreage proposed for transfer
- By assessed valuation, the developer accounts for 32.8% of the property to be transferred
- By assessed valuation, the territory proposed for transfer accounts for approximately 1.6% of total Sierra USD assessed valuation

# Build-out Tax Base & Bond Capacity Analysis

## Petition Transfer Territory Build Out Projection

Petition Transfer Territory Build Out Projection			Build Out Assessed Valuation (in 2024-25 Dollars)			Statutory Bonding Capacity	Student Generation
	# of Parcels	Acreage	Land	Improvements	Total		
Ventana Hills Subdivision							
Developed Residential Parcels	14	32.58	\$ 5,223,805	\$ 12,827,008	\$ 18,050,813	\$ 451,270	10.0
Residential Parcel Under Construction	1	2.24	23,975	916,215	940,190	23,505	0.7
Undeveloped Residential Parcels							
Privately Owned	9	22.50	3,743,767	8,245,934	11,989,701	299,743	6.4
Developer Owned	67	146.91	8,553,828	61,386,395	69,940,223	1,748,506	47.9
Total Undeveloped Residential Parcels	76	169.41	12,297,595	69,632,329	81,929,924	2,048,248	54.3
Governmental/Public Parcels	3	0.58	-	-	-	-	-
Total Ventana Hills Subdivision	94	204.81	\$ 17,545,375	\$ 83,375,552	\$ 100,920,927	\$ 2,523,023	65.0
Bridge Parcels							
Undeveloped Single Family Use Type							
Table Mountain Rancheria Owned	105	234.30	\$ 3,505,269	\$ 96,303,965	\$ 99,809,234	\$ 2,495,231	75.1
Developer Owned	59	131.33	3,389,101	53,980,366	57,369,467	1,434,237	42.1
Brighton Crest Holdings Owned	3	7.15	123	2,938,853	2,938,976	73,474	2.3
Agricultural Parcels	1	39.43	357,000	1,428,000	1,785,000	44,625	-
Total Undev. Single Family Use Type	168	412.21	7,251,493	154,651,184	161,902,677	4,047,567	119.5
Developer Owned Vacant Parcels	11	24.64	1,164,207	10,127,741	11,291,948	282,299	7.9
Total Bridge Parcels	179	436.85	\$ 8,415,700	\$ 164,778,925	\$ 173,194,625	\$ 4,329,866	127.3
PROJECTED Transfer Territory at Build Out	273	641.66	\$ 25,961,075	\$ 248,154,477	\$ 274,115,552	\$ 6,852,889	192.3

- If built out at similar densities and values to Ventana Hills, the area proposed for transfer could represent as much as 9.3% of Sierra USD's tax base
- If the petitioner-reported 10 students currently in Ventana Hills is representative of student generation rates from the transfer territory, as many as 192 students could be lost by Sierra USD

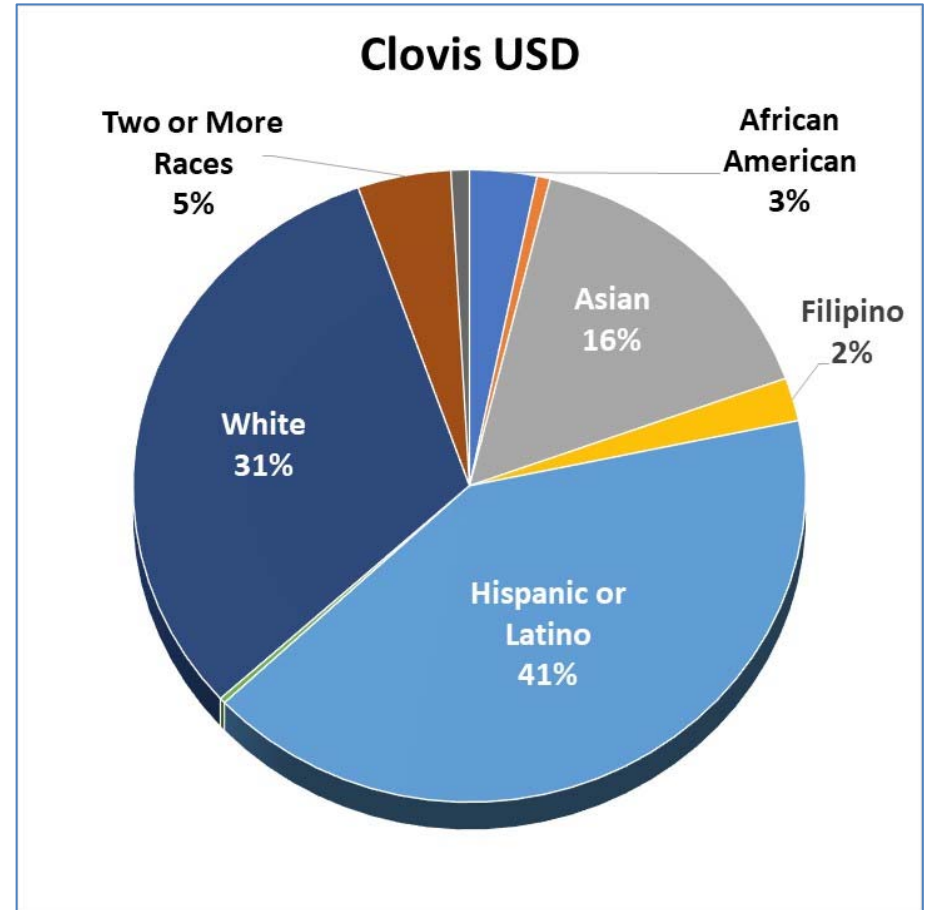
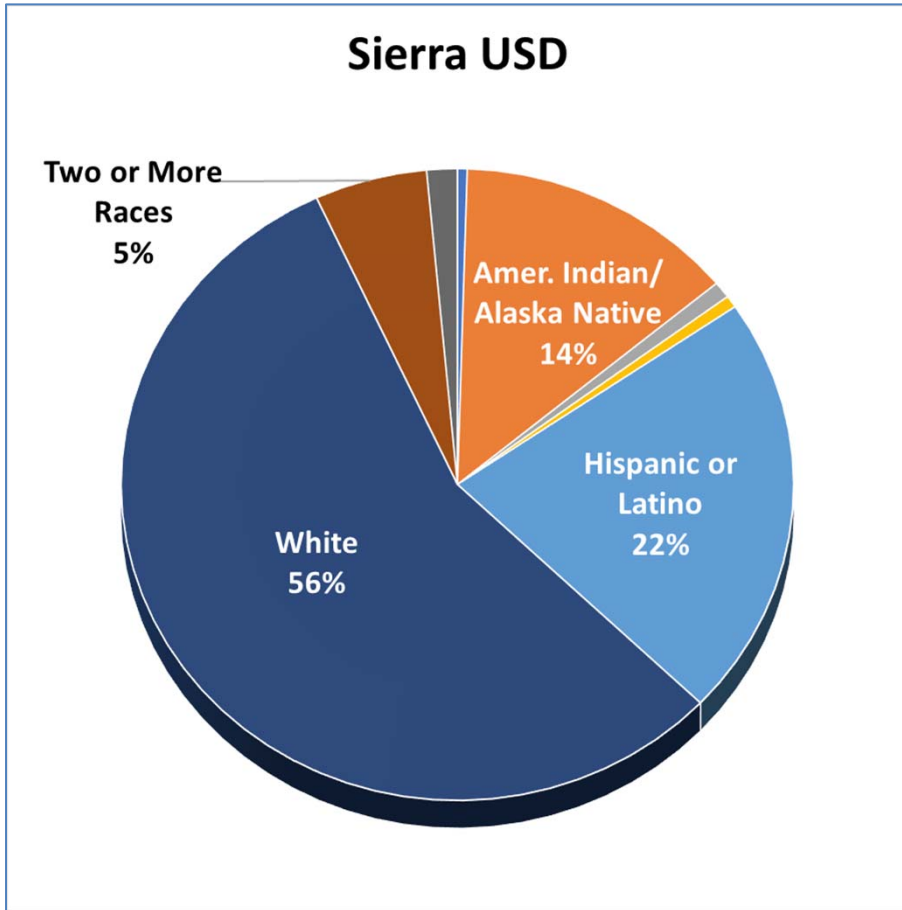
# Legal Criteria

## **Analysis of Criteria (Ed. Code § 35753)**

### **Criterion 3 – Equitable division of property and facilities**

- Sierra USD is in need of substantial facilities improvements and will require both its tax base to support General Obligation Bonds and developer fees which the District is in the process of reinstating
- The petition proposes to remove:
  - 234 acres of undeveloped property owned by the Table Mountain Rancheria reflecting a residential use type
  - 156 acres of undeveloped property owned by 104 Investments LLC (a developer-related entity) reflecting a residential use type
  - 39.4 acres of agricultural land and 7 acres of a golf course, also reflecting a residential use type
  - A projected 192 students at development densities and student generation rates similar to Ventana Hills
- Over 437 additional acres lost for Sierra USD from areas outside of Ventana Hills, a 205 acre subdivision, simply to gerrymander a connection to Clovis USD
- This division of the tax base resource is far from equitable for Sierra USD, depriving the District of future funding opportunities and enrollment stability

# District Ethnic Composition



Source: CDE Dataquest – 2023-24 Enrollment by District

# Legal Criteria

## **Analysis of Criteria**

### **(Ed. Code § 35753)**

#### **Criterion 4 – Discrimination/Segregation**

- Education Code, Section 35753, requires that the results of the petition “will not promote racial or ethnic discrimination or segregation.” Further, local educational agencies have a constitutional and statutory obligation to prevent racial and ethnic segregation and to alleviate the harmful effects of segregation – guidance from Section 18573 of Title 5 of CCR indicates that the percentage of students in each racial and ethnic group is a consideration in analyzing this issue
- Both Sierra USD and Clovis USD have diverse demographic profiles
- Sierra USD serves a sizable percentage of students identified as American Indian

# Legal Criteria

## **Analysis of Criteria**

### **(Ed. Code § 35753)**

#### **Criterion 5 – Substantial increase in state costs**

- Education Code, section 35753, requires that the results of the petition will not lead to an “increase in costs to the state as a result of the proposed reorganization.”
- While this petition by itself does not serve to substantially increase costs to the state, the continued trend of removing territory which would otherwise allow for Sierra USD’s sustainability may ultimately have significant consequences
- Enrollment and tax base growth to keep pace with neighboring school districts is important to operational and facilities funding for California school districts, and such growth is constrained by Prop. 13 except when new development occurs
- Sierra USD cannot be denied its opportunity to enjoy the same growth experienced by other entities and keep pace as an ever-shrinking rural small school district

# Legal Criteria

## **Analysis of Criteria (Ed. Code § 35753)**

### **Criterion 6 – Promoting educational performance/disruption of educational program**

- Education Code, section 35753, requires that the results of the petition “will continue to promote sound education performance and will not significantly disrupt the educational programs in the districts affected by the proposed reorganization.” Thus, this criterion is focused not only on the educational performance of the resulting districts, but also on the educational opportunities that can be provided at the newly organized districts.
- The massive size of Clovis USD and overcrowding issues may not be the right fit for every family and Sierra USD takes pride in its ability to focus continuous attention on the education of each individual student
- Although Clovis programs will not be impacted much by the influx of students, Sierra Unified programs will be impacted greatly by declines
- Sierra USD’s more rural campus settings also provide for unique educational opportunities not available in Clovis USD such as a ski team, heavy equipment courses and trap shooting club
- Additionally, Sierra USD students have the opportunity to participate in multiple athletic teams with many playing three of even four sports while also participating in CTE and leadership programs

# Legal Criteria

## **Analysis of Criteria**

**(Ed. Code § 35753)**

### **Criterion 6 – Promoting educational performance/disruption of educational program, continued**

- Despite the small size, Sierra Unified has proudly graduated Smittcamp Family Honors Awardees annually, Professional athletes in the NFL, NBA, and MLB, Ivy league graduates from Stanford and Cornell, Doctors, veterinarians, and scientists. This is not to mention the numerous alumni who have proudly served this country.
- Indeed, two families of three students residing in Ventana Hills attends Sierra because of its smaller campus environments and greater stability in terms of matriculation – which appears to be at least as many students, from a 14 developed home territory, as served by Clovis USD currently

# Legal Criteria

## Analysis of Criteria

### (Ed. Code § 35753)

#### Criterion 7 – Increase in school facilities costs

- Education Code, section 35753, requires that any “increase in school facilities costs as a result of the proposed reorganization will be insignificant and otherwise incidental to the reorganization.”
- The excessive loss of taxbase resulting from the petition will limit Sierra USD, especially in meeting facilities goals
- While Sierra USD has a large geographic territory, much of it the eastern portion is mountainous and unlikely to ever develop
- Viable growth for Sierra USD’s tax base has, is and will continue to come mostly from its southern and western territory
- At build out of the entire territory proposed for transfer, assessed value is projected to be nearly \$274 million, supporting a statutory bonding capacity of over \$6.8 million

# Legal Criteria

## Analysis of Criteria

(Ed. Code § 35753)

### Criterion 7 – Increase in school facilities costs, continued

- The area proposed for transfer could see an additional 250+ homes if developed at similar densities as Ventana Hills, creating an additional 1.2 million in residential sq-footage, generating nearly \$6.2 million in developer fees at 2023-24 State maximum levels
- Sierra USD does not have, but is currently pursuing, a GO Bond at a maximum \$60 per \$100,000 of assessed value tax rate, which will be negatively impacted by loss of future tax base growth
- Clovis USD has several existing GO Bonds measures and levied a tax rate of \$155.35 per \$100,000 of assessed value on all property within its boundaries
- Sierra USD's older facilities will demand modernization soon and loss of its tax base will require additional external support
- Clovis USD's geographic attendance imbalance would not be mitigated by this transfer and may require added housing considerations in the future

# Ventana Hills



# Legal Criteria

## **Analysis of Criteria (Ed. Code § 35753) Criterion 8 – Property values**

- Education Code, section 35753, requires that the petition be “primarily designed for purposes other than to significantly increase property value.”
- Often a difficult criteria to prove as “motivations” are rarely clear, in this case there is compelling evidence that this motivation is the primary driver of this petition
- Representation of the Assemi Group has been present in all conversations with Sierra USD on the topic of a territory transfer for more than a decade
- The Assemi Group has told District staff that they believe the preference for Clovis USD schools is slowing down their ability to sell homes in the area
- The proposed “bridge” to connect Ventana Hills includes 156 acres of additional developable property owned by what appears to be the same developer
- Until rebuffed, representative of the developer were also approaching the Brighton Crest subdivision residents seeking to “bridge” to Clovis USD at the expense of Sierra USD

# Legal Criteria

## **Analysis of Criteria (Ed. Code § 35753)**

### **Criterion 8 – Property values, continued**

- The proposed “bridge” parcels conveniently include 156 acres of additional undeveloped property held by the developer
- Property values in the Ventana Hills (and Brighton Crest) development consistently exceed \$1 million while properties closer to Auberry are closer to \$500,000
- The gerrymandered nature of the petition’s map evidences a “professional” understanding of code requirements, making sure to include an agricultural parcel to cure an unmapped portion of the golf course ensuring physical connection to Clovis USD
- The area leaves substantial additional territory between Sierra USD and Clovis USD in a pocket along Auberry Road, which would be subject to future “small” petition requests, a trend Sierra USD can no longer accommodate

# Legal Criteria

## **Analysis of Criteria (Ed. Code § 35753)**

### **Criterion 9 – Sound fiscal management/negative effect**

- Education Code, section 35753, requires that 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.”
- This criteria often has impacts that raise questions with respect to other criteria – ultimately, funding is required to meet facilities needs and deliver quality educational programs
- While it may be argued that losses resulting from the petition to remove 641.6 mostly undeveloped acres from Sierra USD has a “small” impact today, losses are material over time
- The territory transfers could generate an additional 250+ homes at the 2.25 acre lot sizes found in Ventana Hills, providing an added 192 students for Sierra USD
- At current ADA to enrollment ratios and the Sierra USD’s \$15,148 LCFF Entitlement per ADA, this would amount to a potential loss of \$2.9 million in LCFF funding (in 2024-25 budget dollars)
- This operational impact is beyond the \$13 million in potential facilities funding impacts to Sierra USD (which is in need of modernization at all campuses)
- The fiscal burden placed on Sierra USD and its remaining community for the benefit of no more than 14 current homeowners is unacceptable

# Summary

# Sierra USD Opposes this Petition

- Given that only 14 of 91 properties have been built and there is not a clear preference by parents for either Clovis USD or Sierra USD, it seems premature to allow such a dubious petition to proceed
- Overall, the loss of territory will have several negative impacts on the Sierra USD:
  - Loss of enrollment
  - Loss of tax base
  - Potential loss of development mitigation fees
- Losses for Sierra USD proposed by this Petition are not small when the overall impacts from removal of this territory are considered, and continue a trend which is no longer acceptable
- By far the largest property owner of the territory proposed for transfer is the developer of Ventana Hills
- No child has been denied the choice to attend Clovis USD, despite the likelihood that such students would not be placed in schools closest to the territory for transfer
- Neither the 14 current Ventana Hills homeowners nor the Clovis USD are materially benefited by this petition
- By contrast, however, Sierra USD is materially harmed