



LAFCO MEETING AGENDA
Board Meeting Chambers, 70 West Hedding Street, First Floor
San Jose, CA 95110
June 1, 2016
1:00 PM

CHAIRPERSON: Vacant • VICE-CHAIRPERSON: Mike Wasserman

COMMISSIONERS: Sequoia Hall, Ash Kalra, Linda J. LeZotte, Susan Vicklund Wilson, Tara Martin-Milius, Ken Yeager

ALTERNATES: Cindy Chavez, Yoriko Kishimoto, Raul Peralez, Rob Rennie, Terry Trumbull

NOTICE TO THE PUBLIC

1. Pursuant to Government Code §84308, no LAFCO commissioner shall accept, solicit, or direct a contribution of more than \$250 from any party, or his/her agent; or any participant or his /or her agent, while a LAFCO proceeding is pending, and for three months following the date a final decision is rendered by LAFCO. Prior to rendering a decision on a LAFCO proceeding, any LAFCO commissioner who received a contribution of more than \$250 within the preceding 12 months from a party or participant shall disclose that fact on the record of the proceeding. If a commissioner receives a contribution which would otherwise require disqualification returns the contribution within 30 days of knowing about the contribution and the proceeding, the commissioner shall be permitted to participate in the proceeding. A party to a LAFCO proceeding shall disclose on the record of the proceeding any contribution of more than \$250 within the preceding 12 months by the party, or his or her agent, to a LAFCO commissioner. For forms, visit the LAFCO website at www.santaclaralafco.org. No party, or his or her agent and no participant, or his or her agent, shall make a contribution of more than \$250 to any LAFCO commissioner during the proceeding or for 3 months following the date a final decision is rendered by LAFCO.
2. Pursuant to Government Code Sections 56100.1, 56300, 56700.1, 57009 and 81000 et seq., any person or combination of persons who directly or indirectly contribute(s) a total of \$1,000 or more or expend(s) a total of \$1,000 or more in support of or in opposition to specified LAFCO proposals or proceedings, which generally include proposed reorganizations or changes of organization, may be required to comply with the disclosure requirements of the Political Reform Act (See also, Section 84250 et seq.). These requirements contain provisions for making disclosures of contributions and expenditures at specified intervals. More information on the scope of the required disclosures is available at the web site of the FPPC: www.fppc.ca.gov. Questions regarding FPPC material, including FPPC forms, should be directed to the FPPC's advice line at 1-866-ASK-FPPC (1-866-275-3772).
3. Pursuant to Government Code §56300(c), LAFCO adopted lobbying disclosure requirements which require that any person or entity lobbying the Commission or Executive Officer in regard to an application before LAFCO must file a declaration prior to the hearing on the LAFCO application or at the time of the hearing if that is the initial contact. In addition to submitting a declaration, any lobbyist speaking at the LAFCO hearing must so identify themselves as lobbyists and identify on the record the name of the person or entity making payment to them. Additionally every applicant shall file a declaration under penalty of perjury listing all lobbyists that they have hired to influence the action taken by LAFCO on their application. For forms, visit the LAFCO website at www.santaclaralafco.org.
4. Any disclosable public records related to an open session item on the agenda and distributed to all or a majority of the Commissioners less than 72 hours prior to that meeting are available for public inspection at the LAFCO Office, 70 W. Hedding Street, 11th Floor, San Jose, California, during normal business hours. (Government Code §54957.5.)
5. In compliance with the Americans with Disabilities Act, those requiring accommodation for this meeting should notify the LAFCO Clerk 24 hours prior to the meeting at (408)299-6415.

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COMMISSIONERS: Sequoia Hall, Johnny Khamis, Linda J. LeZotte, Cat Tucker, Mike Wasserman, Susan Vicklund Wilson, Ken Yeager

ALTERNATE COMMISSIONERS: Cindy Chavez, Ash Kalra, Yoriko Kishimoto, Tara Martin-Milius, Terry Trumbull

EXECUTIVE OFFICER: Neelima Palacherla

1. **ROLL CALL**
2. **WELCOME NEW LAFCO COMMISSIONERS**
3. **APPOINTMENT OF NEW LAFCO CHAIRPERSON AND VICE-CHAIRPERSON FOR THE REMAINDER OF 2016**
Recommended Action:
 Appoint a Commissioner to serve as the new Chairperson for 2016; and appoint, as necessary, a Commissioner to serve as the new Vice-Chairperson for 2016.
4. **RESOLUTION OF COMMENDATION FOR FORMER COMMISSIONER JOHNNY KHAMIS**
5. **RESOLUTION OF COMMENDATION FOR FORMER COMMISSIONER CAT TUCKER**
6. **PUBLIC COMMENTS**
 This portion of the meeting is reserved for persons desiring to address the Commission on any matter not on this agenda. Speakers are limited to THREE minutes. All statements that require a response will be referred to staff for reply in writing.
7. **APPROVE MINUTES OF MARCH 11, 2016 LAFCO MEETING**

PUBLIC HEARING

8. **REQUEST FOR RECONSIDERATION OF MARCH 11, 2016 LAFCO ACTION TO DENY CITY OF MORGAN HILL URBAN SERVICE AREA AMENDMENT 2015**

The Commission is first required to vote on whether or not to grant the reconsideration of the proposal based on Section 56895 of the Cortese Knox Hertzberg Act.

If the Commission grants the reconsideration, the Commission may consider the request to expand the Urban Service Area of Morgan Hill by approximately 60 acres, to include the three South County Catholic High School properties (APNs 817-17-001, 817-17-025, 817-17-026), and the three adjacent parcels (APNs 817-13-037, 817-13-011, 817-13-008), (reconsideration project), in order to establish contiguity with the City's current urban service area (USA) boundary.

Recommended Action:

Project Action

1. Deny the request for reconsideration.
2. If the Commission votes in favor of granting the reconsideration, staff recommends denial of the proposed inclusion of APNs 817-17-001, 817-17-025, 817-17-026, 817-13-037, 817-13-011, 817-13-008 into the Morgan Hill Urban Service Area.
3. Deny applicant's request for waiver of LAFCO fees.

CEQA Action

Reconsideration and denial of the project does not require a CEQA action.

In order to approve the project, LAFCO as a Responsible Agency under CEQA, must take the following actions regarding the Final Environmental Impact Report (FEIR) for this reconsideration project:

1. Find that, prior to making a decision on this reconsideration project, LAFCO reviewed and considered the environmental effects of the reconsideration project as shown in the FEIR.
2. Find that (a.) The Final EIR identified potentially significant adverse impacts resulting from the reconsideration project in the areas listed below, and (b.) Appropriate mitigation measures have been proposed for each of the potential impacts identified in each of the listed categories that will reduce the impacts to a less than significant level. See Attachment G “Findings of Fact and Statement of Overriding Considerations by the City of Morgan Hill Regarding the Final EIR for Citywide Agriculture Preservation Program and Southeast Quadrant Land Use Plan” for a summary of impacts.
 - Aesthetics, Light and Glare
 - Agricultural Resources
 - Biological Resources
 - Cultural Resources
 - Geology, Soils, and Seismicity
 - Hazards and Hazardous Materials
 - Hydrology and Water Quality
 - Public Services and Recreation
 - Utility Systems
3. Find that the Final EIR identified three potentially significant impacts resulting from the reconsideration project that cannot be mitigated to less than significant level. These impacts are listed below:
 - Air Quality/Greenhouse Gas Emissions
 - Noise
 - Transportation
4. Find that the City of Morgan Hill submitted a mitigation monitoring program, and that monitoring program ensures compliance with the mitigation measures identified in the Final EIR that would mitigate or avoid some of the significant impacts associated with the Urban Service Area expansion, over which LAFCO has responsibility.
5. Find that, despite imposition of all feasible mitigation measures and alternatives, the reconsideration project’s air quality/greenhouse gases, noise, and transportation impacts will remain significant. Therefore, in order to approve the project, LAFCO must find that the project’s benefits outweigh the reconsideration project’s significant, unavoidable environmental impacts.

LAFCO staff suggest the following overriding considerations if the Commission approves the reconsideration project:

Economic, social, and other considerations justify the approval of this reconsideration project in spite of the existence of unavoidable environmental effects that are deemed significant and that cannot be mitigated to a level of insignificant and that these benefits outweigh the risks of its potential significant adverse environmental impacts, specifically:

- The reconsideration project provides an avenue to meet the educational needs of the community and support student population growth.
 - The reconsideration project includes sports, recreation, and leisure uses that are intended to attract visitors to Morgan Hill and is in support of the Morgan Hill General Plan policy of promoting recreation and tourism opportunities.
6. Designate the LAFCO Executive Officer as the location and custodian of the documents and other materials that constitute the record of proceedings on which this decision is based.

9. PROPOSED LAFCO BUDGET FOR FISCAL YEAR 2017

Recommended Action:

1. Revise the Draft FY 2017 Budget to reflect receipt of additional revenues and adopt the Final Budget for Fiscal Year 2016-2017.
2. Find that the Final LAFCO Budget for Fiscal Year 2017 is expected to be adequate to allow the Commission to fulfill its statutory responsibilities.
3. Authorize staff to transmit the Final LAFCO Budget adopted by the Commission including the estimated agency costs to the cities, the special districts, the County, the Cities Association and the Special Districts Association.
4. Direct the County Auditor–Controller to apportion LAFCO costs to the cities; to the special districts; and to the County; and to collect payment pursuant to Government Code §56381.

ITEMS FOR ACTION / INFORMATION

10. NOTICE FROM COUNTY TO RELOCATE LAFCO OFFICE TO CHARCOT ROAD

Recommended Action:

1. Appoint 2 or 3 commissioners to an office space ad-hoc committee to review office space needs, identify feasible office space options, and provide a recommendation to LAFCO for their consideration.

2. Authorize Chairperson to request that the County postpone the proposed relocation of the LAFCO Office to Charcot Road by 6 months in order to allow LAFCO sufficient time to consider its options and to implement the recommended option, as directed.
11. **EXECUTIVE OFFICER'S REPORT**
 - 11.1 **UPDATE ON REQUEST FOR SEWER SERVICE TO 23310 MORA GLEN DRIVE**
For Information Only.
 - 11.2 **UPDATE ON REQUEST TO ANNEX 3343 ALPINE ROAD TO WEST BAY SANITARY DISTRICT**
For Information Only.
 - 11.3 **LAFCO ORIENTATION SESSION FOR ALTERNATE COMMISSIONER RENNIE**
For Information Only.
 - 11.4 **SANTA CLARA COUNTY ASSOCIATION OF PLANNING OFFICIALS (SCCAPO) MEETING**
For Information Only.
 - 11.5 **INTER-JURISDICTIONAL GIS WORKING GROUP MEETING**
For Information Only.
12. **CALAFCO RELATED ACTIVITIES**
 - 12.1 **REPORT ON THE 2016 CALAFCO STAFF WORKSHOP (MARCH 30-APRIL 1)**
For Information Only.
 - 12.2 **2016 CALAFCO ANNUAL CONFERENCE ON OCTOBER 26-28**
Recommended Action: Authorize commissioners and staff to attend the Annual Conference and direct that associated travel expenses be funded by the LAFCO Budget for Fiscal Year 2017.
 - 12.3 **REPORT ON THE CALAFCO LEGISLATIVE COMMITTEE MEETINGS**
For Information Only.
13. **PENDING APPLICATIONS / UPCOMING PROJECTS**
 - Monte Sereno Urban Service Area/Sphere of Influence Amendment 2016
14. **COMMISSIONER REPORTS**
15. **NEWSPAPER ARTICLES / NEWSLETTERS**
16. **WRITTEN CORRESPONDENCE**

CLOSED SESSION

17. CLOSED SESSION

Public Employee Performance Evaluation (Government Code §54957)
Title: LAFCO Executive Officer

18. ADJOURN

Adjourn to the regular LAFCO meeting on August 3, 2016 at 1:00 PM in the Board Meeting Chambers, 70 West Hedding Street, San Jose.



AGENDA ITEM # 2

LAFCO MEETING: June 1, 2016
TO: LAFCO
FROM: Neelima Palacherla, Executive Officer
Dunia Noel, Analyst
SUBJECT: WELCOME NEW LAFCO COMMISSIONERS

For Information Only

In April 2016, the Santa Clara County Cities Selection Committee appointed Alternate Commissioner Tara Martin-Milius (Councilmember, City of Sunnyvale) as Commissioner, and Rob Rennie (Councilmember, City of Los Gatos) as Alternate Commissioner on LAFCO. Commissioner Martin-Milius replaces Commissioner Cat Tucker, whose term on LAFCO concludes on May 31, 2016. Commissioners Martin-Milius and Rennie are each appointed to 4-year terms that will expire on May 31, 2020.

On May 24, 2016, the City of San Jose appointed Alternate Commissioner Ash Kalra (Councilmember, City of San Jose) as Commissioner, and Raul Peralez (Councilmember, City of San Jose) as Alternate Commissioner on LAFCO. Commissioner Kalra replaces Commissioner Johnny Khamis, whose term on LAFCO concludes on May 31, 2016.

LAFCO MEETING: June 1, 2016
TO: LAFCO
**FROM: Neelima Palacherla, Executive Officer
Dunia Noel, Analyst**
**SUBJECT: APPOINTMENT OF NEW LAFCO CHAIRPERSON AND VICE-
CHAIRPERSON FOR THE REMAINDER OF 2016**

RECOMMENDATION

Appoint a Commissioner to serve as the new Chairperson for 2016; and appoint, as necessary, a Commissioner to serve as the new Vice-Chairperson for 2016.

BACKGROUND

Appointment of the Chair and Vice-Chair is typically made on a calendar year basis, usually at the December LAFCO Meeting. Pursuant to the LAFCO bylaws, the rotation schedule is as follows:

- Cities member
- County member
- San Jose member
- Special Districts member
- County member
- Public member
- Special Districts member

In December 2015, LAFCO appointed Commissioner Cat Tucker, the Cities member, as Chairperson for 2016; and Mike Wasserman, County member, as Vice-Chairperson for 2016, in accordance with the abovementioned rotation schedule. Chairperson Tucker's term on LAFCO ended on May 31, 2016, resulting in the need for LAFCO to appoint a Commissioner to serve as Chairperson for the remaining part of 2016.

**LAFCO MEETING MINUTES
WEDNESDAY, MARCH 11, 2016**

CALL TO ORDER

The meeting was called to order at 10:00 a.m.

1. ROLL CALL

The following commissioners were present:

- **Chairperson Cat Tucker**
- **Vice Chairperson Mike Wasserman**
- **Commissioner Sequoia Hall**
- **Commissioner Johnny Khamis**
- **Commissioner Linda J. LeZotte**
- **Commissioner Susan Vicklund Wilson**
- **Commissioner Ken Yeager**
- **Alternate Commissioner Yoriko Kishimoto** (left at 12:00 noon)
- **Alternate Commissioner Tara Martin-Milius**
- **Alternate Commissioner Terry Trumbull** (left at 1:00 p.m.)

The following staff members were present:

- **LAFCO Executive Officer Neelima Palacherla**
- **LAFCO Assistant Executive Officer Dunia Noel**
- **LAFCO Counsel Malathy Subramanian**

2. PUBLIC COMMENTS

There were no public comments.

**3. MORGAN HILL URBAN SERVICE AREA (USA) AMENDMENT 2015
3.1 AREA 1: TENNANT-MURPHY (SOUTHEAST QUADRANT)**

The Commissioners disclosed the names of individuals and organizations that they have been in contact with relating to the proposal. A brief discussion ensued regarding a suggestion by Commissioner Khamis to hear Area 2 prior to Area 1 and the Commission determined that the agenda be taken as is. Following a discussion, **Chairperson Tucker** explained the rules for public testimony.

Neelima Palacherla, Executive Officer, informed that the proposal is the largest request for urban development that LAFCO has received in decades. She indicated that the proposal is of great local and regional significance and it is being closely tracked by many agencies, including the Governor's Office of Planning and Research, and the California Strategic Growth Council as it may impact State investment in agricultural preservation planning in Santa Clara County. She indicated that staff has spent a

significant amount of time to analyze and provide independent recommendations as well as identify potential options for the Commission's consideration.

She informed that a detailed staff report was released on February 15, 2016, nearly a month in advance of the public hearing, to allow the Commission, the City and others sufficient time to review the staff report and to also allow various parties time to submit comments to LAFCO. She stated that the staff report has separate analysis and recommendations for the two areas.

She presented the staff report for Area 1 with a PowerPoint presentation and recommended denial.

This being the time and place for the public hearing, Chairperson Tucker declared the public hearing open.

Steve Rymer, Morgan Hill City Manager, provided a PowerPoint presentation and reiterated the City's interest in preserving agricultural lands. He explained the City's agricultural mitigation program and the City's Sports Recreational and Leisure goals and how the City proposes to preserve agriculture in the Southeast Quadrant (SEQ).

Joe Mueller, a resident of Morgan Hill, stated that he was a member of the Morgan Hill Planning Commission. He requested that the Commission support the City's proposal. He stated that the proposal would address the shift of farmland ownership to a generation that does not want to farm, and that the proposal will stop development in the unincorporated areas and will help find new farmers.

Erin Gil informed that he is a farmer in Morgan Hill, a member of the City's General Plan Advisory Committee (GPAC) and the President of the Santa Clara County Farm Bureau. He stated that urban-edge farming is difficult, that Mac Mansions" are gobbling-up unincorporated areas, and that the Chiala family's plan is reasonable and feasible. He suggested that similar to the Farm Bureau where discussions are open to all stakeholders, LAFCO policies should incorporate such input.

Joe Lovecchio stated that he is a resident of Morgan Hill and a board member of the Morgan Hill Pony Baseball. He indicated that while he supports development in the downtown, he is opposed to the development of agricultural and open space lands. He indicated his opposition to the location of the proposed ball fields and the need to raise \$15 to \$20 million in donations and fundraisers to build the facility.

Sandy Silva indicated that she is a fourth-generation South County farmer and an organizer for a ballot measure, Gilroy Growing Smarter. She expressed her opposition to the development of farmlands and open space. She indicated that small farms are viable in South County, that there is a growing interest in farming and farmlands are getting scarcer. She informed that farmlands would be permanently lost once developed and that would make the United States more dependent on other countries for food.

Davin Aoyagi, South Bay Representative, Greenbelt Alliance, informed that his organization's joint letter with the Committee for Green Foothills to LAFCO enumerates the reasons why the Commission should deny the application. His PowerPoint presentation illustrated the loss of farmland since 1984, and the projected loss through 2035. He informed that the SEQ plan is a step towards sprawl and indicative of the City's poor long-term planning. He then urged the Commission to deny the application.

Angelo Grestoni stated that he is a landowner in Morgan Hill and that he represents Top Flight Sports Academy. He expressed support for the approval of APN 817-13-008, intended for the development of a sports complex, as it is adjacent to the aquatic center. He informed that this parcel is not prime agricultural land, it is located next to public utilities, and is a blighted pocket near a hotel. He requested that this parcel be included if the Commission's decision is to approve only a portion of the proposal.

Ann Forestieri Minton informed that she is a property owner in the SEQ, and that farming is always a financial struggle. She stated that farming requires large capital input, for example, her water well costs over \$200,000 to repair. She stated that the SEQ proposal is planned growth so kids would not need to travel for sports competitions and agricultural lands are preserved.

Shelle Thomas stated that she is a resident of Morgan Hill and a member of GPAC. She informed that the SEQ project was done independent of the General Plan update process despite repeated requests from GPAC members to consider the SEQ project. She expressed concern that the advisory body has not considered all of the plans about the city's future.

John McKay, Chairperson, Morgan Hill Tourism Alliance, informed that he is a member of the City Planning Commission, and the interim president of the Morgan Hill Downtown Alliance. He expressed support for the SEQ project and stated that he is opposed to the building of new homes in the unincorporated areas. He stated that the proposed sports facility will bring visitors to the City, and that the proposal will benefit farming. He informed that the City has taken a leadership role.

Greg House, House Agricultural Consultants, informed that he teaches agricultural economics at UC Davis, and that he worked on the City's agricultural mitigation program and expressed support for the agricultural aspects of the proposal. He emphasized the importance of urban farming and providing opportunities to make farmlands available to young farmers. He indicated that the City's program would provide that opportunity.

Armando Benavides, a resident of Morgan Hill, requested that the Commission approve the staff recommendations and preserve agricultural lands. He suggested that the City should know that many of its residents want to preserve agricultural lands and that the City should work with LAFCO and other agencies to come up with a balanced plan that protects agriculture.

Matt Kowta, BAE Urban Economics, stated that the firm prepared the fiscal impact analyses for the City for Area 1 and Area 2. He cautioned that the potential for lack of revenue from Area 1 may be tricky without also considering the reduced service impacts if development did not occur. He stated that the City may have opportunities to mitigate some of the negative fiscal impacts for Area 2

Gordon Jacoby stated that he is the former owner of land proposed for the ball fields and has extensive planning experience in the Bay Area. He indicated that since the farms in the area have been broken down into small parcels, this proposal is based on the support of at least 30 landowners who are willing to invest money. He asked the Commission to approve the City's request or this opportunity would be lost entirely.

David Puliafico stated that his family owns lands on Tennant Avenue and no one in his family wants to farm since the older generations have passed away. He stated that the sports, recreation and leisure project benefits children in the community and the 1:1 mitigation would preserve farmlands. He stated that the current plan and local residents want to take action to stop the “mcmansions” and commercial nurseries from destroying the farmlands in the area.

Akoni Danielson, David J. Powers and Associates, informed that he has been retained by the City to write a memo to address various CEQA issues. He addressed the statement of overriding considerations and noted that the loss of agricultural land would be significant and unavoidable impact, and stated that the City found that the impact would be reduced to less than significant – not zero, with a feasible mitigation program.

Andrea Mackenzie, General Manager, Santa Clara Valley Open Space Authority (OSA), informed that the SEQ is one of South County’s last aggregated prime farmlands and that OSA has designated it as one of the five priority landscapes for conservation. She expressed objection to the proposal because the use of prime lands for the proposed types of development has not been clearly explained or supported; the City’s proposed in-lieu fee is too low; and the City’s agriculture preservation program is infeasible for a third-party to implement and administer. She urged the Commission to deny the USA expansion request.

Joe Machado stated that he is a Santa Clara County resident and requested the Commission to deny the City’s request in order to prevent urban sprawl. He informed that the City staff lacks the creativity in repurposing the vacant lands within the city for the proposed facilities. He expressed concern about the logic of the City’s plan to destroy SEQ agricultural lands in order to preserve them elsewhere.

Eli Zigas, Food and Agriculture Policy Director, SPUR, informed that his organization supports growth within existing urban areas. He stated that by the same logic of Mr. Rymer’s statement that the City wants to preserve vacant industrial lands in the city limits for their intended use, it is important that the agricultural lands be preserved for their intended use. While he commended the City for developing its mitigation program, Mr. Zigas noted that it is inadequate. He recommended that the Commission maintain the current boundaries and allow the Framework to be completed as it would provide a strategy to plan growth and preserve agriculture.

Dhruv Khanna of Kirigin Cellars informed that his vineyard has a cricket field and is an example for agriculture, sports and tourism enterprise in one location. He stated that the City’s proposal is a larger scale application of his successful agriculture and sports enterprise. He observed that this is what the public needs, and the City understands that and can get it done.

John Horner stated that he is a member of the Morgan Hill Chamber of Commerce and explained that the proposed city expansion is necessary. He explained that there is an inventory of vacant residential lands only because of the growth control system, and that vacant industrial lands cannot be used as that would limit job creation opportunities. He noted that the proposal is practical and requested Commission approval.

Jeff Dixon stated that he is a representative of the Morgan Hill Youth Sports Alliance, Inc., and indicated that the application would benefit the local sports leagues. He informed that a regional sports facility would bring visitors to the city who may also visit the wineries, farmers market and other local amenities.

David Dworkin informed that he is a member of both the Morgan Hill Hotel Association and the Morgan Hill Tourism Association, and manages his family's farms. He expressed support for the proposal, which if implemented, would associate the city with sports, recreation and agriculture and, at the same time, maintain the current inventory of industrial lands. He also hoped that visitors would stay in the local hotels and visit wineries and restaurants.

Rocke Garcia, Glenrock Builders, expressed support for the proposal as it is important to the future of City and to his family.

Shani Kleinhaus, Santa Clara Valley Audubon Society, informed that her organization has sent a letter to LAFCO and requested the Commission to deny the annexation. She expressed concern that even if the loss of agricultural lands is mitigated there is still a net loss.

James Eggers, Sierra Club, informed that he is a resident of Santa Clara County and Executive Director of Audubon Society Loma Prieta Chapter and he requested that the Commission approve the staff recommendation and deny the application.

Andy Pashby stated that he is representing the South County Catholic High School. He stated that the Mercury News article relating to the high school site that LAFCO approved 14 years ago was inaccurate. He informed that the school was planned to be built on that 30-acre site; but because a railroad flyover was necessary and dividing the campus into two would create concerns, the Diocese of San Jose did not build on that site. He informed that the Mercury News issued a correction. He stated that page 14 of the staff report indicated that the sewer and water services are unavailable in the area even though the City's EIR states that there is enough service capacity.

Chuck Berghoff informed that he is a resident of Morgan Hill, the Youth Service Director of the Morgan Hill Rotary Club, and a donor to the South Santa Clara Catholic High School project. He stated that Catholic high schools in Santa Clara County have higher graduation rates and have long waiting lists for admission. He informed that South County students spend long travel hours to attend Catholic schools. He urged the Commission to approve the City's request.

Reverend Father Steve Kim informed that he is the representative of Bishop Patrick McGrath of the Diocese of San Jose and he assured the Commission that the sole intention of the Diocese is to build the high school for the benefit of the community. He informed that a Catholic high school would provide many hours of community service; serve a diverse group of kids through an endowment fund for those who cannot afford the tuition; promote spiritual growth through retreats, ministries and prayers; and, educate students about social justice, philosophy, theology and environmental concerns.

Daniel J. Kenney, Rio Serra Homeowners Association, provided a map illustrating at least 16 vacant sites within the city to depict where such facilities may be built. He also informed that while working with Shea Homes, he recalled that there were concerns

with disclosures regarding the type of development that would occur on the previous school site. He expressed support for the Catholic high school to be built within the city and indicated that the proposal as a whole is a bad plan.

The Commission took a recess at 12:00 p.m.

The Chairperson called the meeting to order at 12:30 p.m., and resumed the public testimonies.

Michelle Lieberman stated that she is a farmer on a one-acre farm outside Morgan Hill growing about 70 kinds of produce that are sold through a vegetable subscription service. She indicated that contrary to the assertion that farming is not viable, there is a resurgent interest in farming among young people, and the South County is an ideal location for farms because of its soil, climate and proximity to the market. She informed that families in Morgan Hill and San Martin are on the waiting list for delivery subscription of her farm produce. She expressed hope that future agricultural lands preservation policy would support new farming models through micro lending and other tools. She requested that the Commission follow its mandate and deny the request.

Mark Moore stated that he is the representative of the South County Democratic Club, a former GPAC member and was involved in establishing the city's urban growth boundary (UGB). He iterated the Club's January 16, 2016 resolution opposed to the proposal. He noted that GPAC had confirmed that there are enough vacant land inventory to allow growth for many years but the City has taken unusual steps to approve the SEQ outside of the General Plan update process. He expressed agreement with LAFCO Counsel's September 2014 letter and asked the Commission to oppose the USA boundary expansion.

David Poeschel informed that he is a member of Sierra Club Loma - Prieta Chapter, and requested the Commission to follow the staff recommendations and deny the USA amendment. He informed that the City is unable to support its arguments that new lands are needed and that the sports complex is economically viable. He indicated that studies show that small parcels are viable for farming and that the mitigation fee is insufficient to purchase the easements. He asked the Commission to maintain the boundary until after the Framework is completed. He recalled how San Jose, Santa Clara and Sunnyvale lost orchards to development. He asked that the Commission deny the USA amendment to protect the region's economy and lifestyle.

Megan Medeiros, Executive Director, Committee for Green Foothills, introduced a video testimony by Serena Unger, Senior Policy Associate with the American Farmland Trust. Ms. Unger stated that the City's proposal conflicts with LAFCO's mandate and its agricultural preservation program is insufficient as it lacks collaboration and relies solely on mitigation. She suggested that the City avoid the need to convert farmlands by using infill and efficient development, coordinate preservation plan with the General Plan update, integrate preservation and General Plan policies to make it difficult to develop outside of UGB, incentivize infill, and adjust the in-lieu fee to be a practical funding stream for conservation. She proposed that efforts to preserve farmlands should be tied to the Santa Clara Valley Greenprint, Sustainable Agricultural Policy Framework and Plan Bay Area.

Tim Chiala, Chiala Farms, informed that there is no guarantee that farming would flourish if farmlands remain unincorporated. He indicated that he farms the majority of SEQ lands and he is always defending his farm operations from neighbors who complain against noise, dust and pollution. He stated that the best way to protect SEQ farmlands is to purchase easements. He noted that this proposal provides his family the best avenue for keeping their farmlands.

Eric Acedo stated that he is a member of Thrive! Morgan Hill and expressed concern that large-scale projects such as the SEQ did not solicit community input. He informed that 335 households adjacent to SEQ were unaware of this proposal and are concerned about its negative impact. He expressed hope for the City to take this application back and preserve agricultural lands.

Jynelle LaPointe informed that she grew up in Morgan Hill and noted that many of those present have taken time off from work to ensure that the city that they love and enjoy would remain as it is. She indicated that her input to this project at the various City meetings has been disregarded, such as with regard to sustainable development and the need to locate recreation facilities and the Catholic high school within the City so kids can walk and bike to them. She informed that there should be a plan for farmland protection because financial situations change but the need for farmland does not. She expressed support for the staff recommendation.

Aleks Vranicic, SaveMorganHill.org, informed that the City does not represent its citizens as over 2,500 residents following his website are opposed to the proposal. He informed that he is supportive of growth according to the General Plan and Measure C, and supports the annexation of the Morgan Hill Bible Church; however, he stated that he is opposed to bad backroom deals. He informed that City's phone survey was designed to ensure that all the responses support the annexation of agricultural lands no matter how the questions were answered. He requested the Commission to deny the City's request.

Trina Hineser informed that she represents the San Martin Neighborhood Alliance and its 400 members, and that she is a member of the San Martin Planning Advisory Committee and lives on the SEQ border. She informed that the City did not reach out to San Martin residents or the Committee about this proposal. She informed that San Martin residents are concerned about the negative impacts of the recreation and leisure facilities and she requested that the Commission deny the City's request.

Julie Hutcheson, Legislative Advocate, Committee for Green Foothills, stated that the application is inconsistent with LAFCO's mission and policies as the city has enough vacant land inventory, the proposed boundary is illogical, the proposed mitigation is ineffective, the EIR is flawed, the City is unable to provide for the increased urban service needs, the proposal conflicts with regional planning efforts, and the City had failed to engage residents and failed to capitalize on interagency efforts to find alternatives. She reminded members that they represent the entire County and it is their responsibility to deny the City's request in its entirety.

The Chairperson briefly placed the public testimonies on hold to allow Alternate Commissioner Trumbull to address the Commission before he leaves.

Alternate Commissioner Trumbull expressed support for the staff recommendation to deny the request for expansion in both areas 1 and 2. He indicated that the expansion request is inconsistent since the USA is a five-year boundary and that Morgan Hill has many years supply of vacant lands. He observed that the City has indicated that vacant lands are required in order for the city to achieve commercial and industrial development; however, he stated that the other cities in the County have added thousands of jobs without adding new lands. He urged the Commission to vote against the expansion request.

The Chairperson ordered the continuation of the public testimonies.

John Telfer stated that he is a resident of Morgan Hill, member of GPAC, and a real estate broker. He informed that he grew up among farming families and that younger generations no longer want to farm, and if the proposal is not approved more “mcmansions” would be built in the area. He stated that the proposal will benefit farming families through the agricultural easements and urged the Commission to approve the City’s proposal.

Mr. Tom stated that he is a resident of Morgan Hill and informed that he found out about the project recently. He expressed concern that most prime agricultural land has already been developed and that there will be no more lands available for mitigation. He stated that the City would not be able to go forward if the residents become aware of this proposal as they would oppose it. He opined that the City should not be allowed to expand as it is unable to maintain its current roads. He requested the Commission to follow the staff recommendation and deny the City’s request.

Ron Erskine stated that he is a resident of Morgan Hill, built 50 homes on infill properties in Morgan Hill and is Vice President of the Committee for Green Foothills Board of Directors. He informed that the arguments by the proponents distract from the essential fact that the proposal is insensible growth as it failed all the eight key criteria indicated in the staff report. He requested the Commission to deny the application.

Connie Ludewig stated that she is a resident of Morgan Hill and is against the City’s request for expansion. She indicated that compared to this proposal, she would support the “mcmansions” as they have less traffic impact, would operate boutique farms and supply grapes to local wineries. She questioned how mitigation would succeed when prime farmlands nearby are destroyed without guarantee that a replacement could be found.

Bill Chiala informed that he farms in the proposal area and that residents believe that the program is feasible as indicated by the Morgan Hill Times poll on the proposal. He stated that the City’s proposal would work because farmers know how to operate urban-edge agriculture. He requested the Commission to approve the City’s request.

Fernando Huerto stated that he is a resident of Morgan Hill and supports the USA expansion request.

Julie Borina Driscoll stated that her family owns property in Morgan Hill and explained that more government regulations and higher capitalization have made farming difficult.

Carol Neal stated that Chiala lands surround her property and she is opposed to the expansion request. She indicated that the City has not notified her about the proposal and she found out about it from the news. She indicated that all residents should be notified and be heard. She informed that she and her neighbors oppose annexation to the city because it is unable provide services like road maintenance.

Richard Vanella stated that he is a South County resident and noted that urban sprawl is a problem in the area. He proposed that the City must engage the public and make agriculture feasible by providing incentives to property owners for keeping their lands in agriculture. He suggested that development that caused conversion of agricultural lands should pay for the incentives, such as the luxury homes on Diana Avenue that took down a 5-acre walnut farm and the 179 new homes on Cochrane Avenue that replaced the vineyards. He stated that development away from the city core would impact roads and traffic, and he questioned the logic of agricultural mitigation.

Larry Carr, Councilmember, City of Morgan Hill, stated that there is shared interest to preserve agricultural lands and open space, and that the City's proposal provides an innovative way to preserve these resources while respecting how landowners and farmers want to deal with the changing world. He noted that the City's consultants are available to answer questions and he expressed appreciation to commissioners for meeting with the stakeholders and reading emails about the proposal. He stated that the proposal would address the issue of ongoing development in the unincorporated area and that the Commission's decision would make a difference in that regard.

The Chairperson determined that there are no more members of the public who would like to speak on the item and declared the public hearing closed.

Commissioner Wasserman expressed appreciation to the members of the public for their participation in the process and for their letters, emails and phone calls. He noted that both sides have made valid arguments; however, the expansion of Morgan Hill's USA boundary would protect agricultural lands forever, and stop further construction of new homes in the unincorporated area. He informed that the City has \$6 million allocated for conservation and that future development in the area would generate \$9.5 million in mitigation fees that would fund the acquisition of easements to protect more agricultural lands. He informed that the City Council directed staff to draft an ordinance to restrict future land uses in perpetuity and that approval of future developments in the area would include a covenant prohibiting residential and industrial uses. He expressed optimism that a win-win conclusion is possible through consensus to preserve agricultural lands while allowing ball fields. He noted that there must be a new way to preserve agricultural lands as the present system is not working. He called on the Commission to allow the City to implement its innovative program and to save more agricultural lands. He offered to make a motion when appropriate.

Commissioner Yeager inquired whether the \$6 million allotted by the City for conservation would be available if LAFCO denies the expansion request. Mr. Rymer informed that the City is serious about agricultural preservation and intends to work with a third party and use the funds in the SEQ. At the request of **Commissioner Yeager**, Kirk Girard, Santa Clara County Planning Department and Development Director, provided an overview of the proposed Sustainable Agricultural Lands Policy Framework and he indicated that a draft would be available by the end of 2016.

Commissioner Yeager noted that LAFCO staff has raised many unanswered questions on how the City's proposed agricultural preservation program would work. He stated that the Framework could provide guidance. He informed that development of agricultural or open space lands increases development pressures on the adjacent lands and he stated that he is opposed to the City's proposal and requested the parties to work together on a proposal that meets the community's objectives and guarantees agricultural preservation.

Commissioner LeZotte thanked all members of the public who testified for or against the proposal. She expressed appreciation to those who sent emails and letters, and those who met with her. She noted that she is the longest serving member after Commissioner Wilson as she had previously served for eight years when she was on the city council. She noted that despite her appointment by the special districts as a LAFCO commissioner, she is bound by LAFCO policies. She noted that unlike some other proposals that are more gray, this proposal is inconsistent with too many LAFCO policies as noted in the staff report and conflicts with regional plans for agricultural preservation and growth management. She noted that even though the City has been working on this for 10 years, they have not heeded the concerns that this expansion is premature. She indicated that she is not convinced of the City's need for a minimum of 20 acres for ball fields and agreed with prior speakers that such fields should not be located in the hinterland but must be within walking distance for the youth. She questioned the feasibility of the City's proposed mitigation and whether the City Council has the ability to establish zoning in perpetuity.

Commissioner Wilson stated that she is encouraged that so many people are interested in the preservation of agricultural lands. She noted that in the last 10 years, the Commission has made a difference through its efforts to preserve agricultural lands. She explained that the City's process has not been transparent as indicated by many Morgan Hill residents. She reported that Morgan Hill Mayor Steve Tate and Mr. Rymer were unable to explain why the City's GPAC was not given an opportunity to consider the SEQ project. She stated that while the City made a good effort, its agricultural mitigation policy is flawed as noted by the OSA, American Farmland Trust (AFT) and others. As a Morgan Hill resident, she expressed concern about the City's ability to fund mitigation and how that would impact the cost of providing City services, such as road maintenance. She also stated that while she acknowledged the need for a Catholic High School in South County, the previous site LAFCO approved for the high school was developed into single-family homes. She agreed with Commissioner LeZotte about the concerns regarding legality of establishing zoning in perpetuity.

Commissioner Hall noted the many committed community members who have attended the meeting are hoping to influence the decision and stated that as a LAFCO commissioner he would uphold the mission of LAFCO and represent the entire County and not the City or the OSA. He stated that while he recognizes the City's attempt to create an agriculture-based community, more work has to be done to have a successful program. He enjoined the City to participate in regional efforts for agricultural preservation, such as the process for the Framework. He referenced the criteria listed in the staff report and stated that he cannot support the application. He stated that schools and ball fields should be planned within the community. He encouraged the City to

develop a program to better preserve agricultural lands and accommodate the community's needs.

In response to an inquiry by **Commissioner Wasserman**, Ms. Palacherla advised that the Commission could approve Option 2: the Catholic High School.

Commissioner Khamis thanked members of the public and stated that he met with many people with opposing opinions. He stated that he is concerned that the County is allowing construction of houses on small parcels and that the City will be responsible for providing services to them similar to what is happening in San Jose's District 10. Upon **Commissioner Khamis** request, Andy Pashby explained that the Diocese of San Jose had the opportunity to purchase the school site but opted out due to the infeasibility of developing a school on a property that required a flyover for a railroad crossover. **Commissioner Khamis** indicated that he does not think that it was the intent of the Diocese to build single-family homes on that site and he expressed support for the approval of the just the high school site as it is difficult to find a site for a school.

Chairperson Tucker expressed appreciation to all who came to attend the hearing and commended those who took time off from work. She indicated that she had met with many persons both for and against the proposal. She agreed that she would wear her LAFCO hat; however, she indicated that orderly growth is interpreted variably and while everyone wants to support local agriculture it is also important to consider if farming is profitable to the farmers. She observed that there are not enough votes to approve the proposal and she encouraged members to be open to other positions on the proposal. She noted that waiting for the completion of the Framework would allow the building of more "mcmansions." She hoped for a compromise that will preserve agricultural and open space lands and, at the same time, allow farmers to meet their needs. She expressed her support for the Catholic high school and noted Mr. Pashby's explanation on why a school was not built on the site that LAFCO had approved previously.

Commissioner Wasserman moved for the inclusion of the South County Catholic High School only, and **Commissioner Khamis** seconded.

Chairperson Tucker opened a discussion on the motion. In response to an inquiry by **Commissioner Yeager**, Ms. Palacherla advised that the Commission would have to make findings on the entire EIR even if it desires to only approve a portion of Area 1. In response to a follow-up inquiry by **Commissioner Yeager**, Ms. Palacherla advised that the reasons for denying the high school option are very similar to the rest of proposal and as such, all those reasons for the denial apply to this particular option. In response to a follow-up inquiry by **Commissioner Yeager**, Ms. Palacherla advised that since LAFCO is the responsible agency, it has limited options on CEQA actions. She informed that LAFCO's concerns with the City's EIR are documented in several letters to the City but now the only option for LAFCO as a responsible agency is to accept the City's documents if the Commission approves the project. She advised that alternately, LAFCO may deny the project if it has concerns about the CEQA documents but LAFCO does not have the option to modify the EIR. Ms. Subramanian reiterated the distinction between CEQA and LAFCO findings and stated that if the Commission desires to approve a portion of the project, they may do so by adopting the EIR. **Commissioner LeZotte** expressed concern that LAFCO approval of the Catholic high school and findings on the

CEQA documents would create a precedent for proponents of similar projects to come to LAFCO and argue that LAFCO had already made the findings. After a brief discussion with Ms. Subramanian, **Commissioner LeZotte** indicated that she would not support approval of any portion of Area 1 since the findings for the high school may be seen as applicable to the rest of the SEQ project. **Commissioner Wilson** noted the distinction between the EIR and LAFCO policies and stated that while she recognizes the good intentions of the high school she cannot ignore LAFCO policies.

Commissioner Hall recognized the need for a Catholic high school and pointed out that school sites and regional recreational facilities should not be located in the County. He expressed concern that approval of the Catholic high school will create a precedent for building of schools and houses of worship in the unincorporated areas on the edge of the city. He encouraged the proponents to build the Catholic high school in an acceptable location.

In response to an inquiry by **Commissioner Khamis**, Grant Gruber, First Carbon Solutions, the City's consultant for the EIR, informed that the EIR took four years to be completed and cost approximately \$200,000.00. Gary Baum, Morgan Hill's Interim City Attorney, informed that the EIR includes an alternative just for the Catholic high school. In response to an inquiry by **Commissioner Khamis**, Ms. Subramanian advised that if the Commission chooses to approve the Catholic high school it must approve the whole EIR. **Commissioner Khamis** requested clarification whether there are two separate EIRs, one exclusively for the Catholic high school. Ms. Palacherla informed that there is only one EIR for this proposal and it covers not only the USA amendment but the many and varied aspects of the whole SEQ project, including the creation of the agricultural lands preservation program, the General Plan amendments, and the zoning amendments among others. She informed that even if the Commission wants to approve only a portion of Area 1, the Commission has no other option but to use the City's document as a whole. In response to a follow-up inquiry by **Commissioner Khamis**, Ms. Subramanian reiterated that LAFCO has no option of carving out a section of the EIR even if the Commission's decision applies to only a portion. **Commissioner Wilson** called the question since there has been adequate discussion on the item.

A motion to approve an USA amendment to include only those properties proposed for the development of the South County Catholic High School.

Motion: Wasserman

Second: Khamis

AYES: Khamis, Tucker, Wasserman

NOES: Hall, LeZotte, Wilson, Yeager

ABSTAIN: None

ABSENT: None

MOTION FAILED

The Commission denied the USA amendment request for Area 1: Tennant-Murphy.

Motion: Wilson

Second: Yeager

AYES: Hall, Khamis, LeZotte, Wilson, Yeager

NOES: Tucker, Wasserman

ABSTAIN: None

ABSENT: None

MOTION PASSED

Commissioner Wasserman announced his disappointment in not being able to approve the Catholic high school because the Commission has to approve the entire EIR. Ms. Subramanian reiterated that since LAFCO was presented with only one EIR, as a responsible agency the only option is to approve it as presented if the Commission wanted to approve any of the options other than the denial. **Commissioner Wasserman** requested more clarity in the future. In reference to an earlier comment by Commissioner Hall, he stated that the sites proposed for public facilities in the unincorporated areas do not include agricultural lands and would not need LAFCO approval. **Commissioner Wilson** informed that the reason for her motion not to support the project was based on LAFCO policies and not on the EIR.

The Commission took a recess at 2:30 p.m.

3.2 **Area 2: MONTEREY-WATSONVILLE**

The meeting was called to order at 2:44 p.m.

Ms. Palacherla presented the staff report.

In response to an inquiry by **Commissioner Yeager**, Ms. Palacherla discussed the options for LAFCO action and **Chairperson Tucker** clarified that Area 2 has a mitigated negative declaration (MND) and not an EIR. In response to an inquiry by **Commissioner LeZotte**, Ms. Palacherla informed that if LAFCO approves a portion of Area 2, it also needs to approve the MND. **Commissioner Wilson** inquired on changes to the current application after it was denied by LAFCO in 2013. Ms. Palacherla informed that the changes include the addition of four properties to make the Morgan Hill Bible Church (MHBC) properties contiguous to the City boundaries, the City's adoption of an agricultural mitigation policy, and the inclusion of a draft mitigation agreement for the Royal Oaks Enterprises property. She noted that the draft mitigation agreement does not provide information required by LAFCO's agricultural mitigation policy.

This being the time and place for the public hearing, **Chairperson Tucker** declared the public hearing open.

Mr. Crabtree, Morgan Hill Community Development Director, presented an overview of Area 2 and requested for approval.

Commissioner Wilson directed attention to Area 2 map and indicated that by including the Royal Oaks Enterprises parcels and spreading the boundaries further outward, there will be more complaints against farming, increase pressure for development of farmlands and promote urban sprawl.

David Whitaker informed that he is the Lead Pastor of MHBC and the chaplain of the City police department, and he expressed appreciation to the Commission and staff for considering their application. He requested the Commission to approve the City's request because MHBC provides service to the community, land use is not going to change, and it will allow the facility to have access to a fire hydrant.

Mike Rauser informed that he is Director for Operations for MHBC and is member of the County Planning Commission. He announced that the application for a 75-foot cellular tower has been withdrawn as the neighbors are opposed to it, and he indicated that MHBC has no objection to farm operations around its facilities.

Rocke Garcia, Glenrock Builders, informed that since the properties surrounding the area are fully developed, the proposal is not premature conversion of agricultural lands.

Chairperson Tucker read a comment by Cynthia Kuerno who indicated that she is a resident of Morgan Hill and is opposed to the USA expansion. She requested the Commission not to annex any more farmlands in order to preserve Morgan Hill's quality of life.

Diane Tripusis requested the Commission to deny the expansion request, particularly the MHBC. She indicated that the MHBC has announced the withdrawal of the proposal for a 75-foot cell tower as is not part of the application to LAFCO but it could be brought back in another forum. She informed that her family owns one of the properties adjacent to MHBC and stated that none of the owners in that area want to be part of the City and all of them are against the cell tower. She provided examples of increased incidence of cancer attributed cell towers.

Rod Braughton stated that he is a property owner within Area 2 and he informed that he and his neighbors are opposed to the cell tower as it would change the character of the neighborhood, it would threaten their health and reduce the value of their properties. He requested the Commission to follow the staff recommendations.

Gloria Ballard, MH Engineering, stated that she is the representative for Royal Oaks Mushrooms. She recalled that the Commission considered this proposal in 2013 and the objections of the neighbors about the smell remains the reason for the request. She indicated that the proposal is consistent with the City's urban growth boundary and qualifies under its "beneficial criteria" ordinance. She explained that "beneficial criteria" allows the consideration of USA expansions despite the availability of vacant lands when utilities and infrastructure exist in the expansion area. She requested the Commission to approve the City's request for expansion.

Don Hordness informed that he is the owner of Royal Oaks Mushrooms. He recalled that the Commission added half of his property to the City's USA in 2013; however, the remaining property was not included as there was no mitigation. He requested the Commission to approve his request as mitigation is now in place and the City has adopted its mitigation program. He stated that his neighbors, including the Oakwood School, find the smell from his farm offensive and that his property is surrounded by the City.

Aleks Vranicic, SaveMorganHill.org, informed that while he would support the approval of MHBC portion because of benefits it provides to the community, he is concerned about the precedent it might set for facilities similarly located and in the same situation.

Tim Chiala, Chiala Farms, stated that approving the request for this area would be a win-win situation since 1:1 mitigation has been offered for a parcel with undesirable soil and location.

The Chairperson determined that there are no more members of the public who would like to speak on the item and declared the public hearing closed.

Commissioner Wasserman expressed support for approval of Area 2 as that would address MHBC's public health and safety concerns relating to water, sewer and fire

services, and would allow the annexation of the remaining Royal Oaks Mushrooms lands now that the city has an agricultural land mitigation policy. He recalled that LAFCO left out portions of Royal Oaks Mushrooms property in its previous approval since no mitigation was proposed. He then made a motion to approve the USA amendment request for the entire Area 2, and **Commissioner Khamis** seconded.

In response to an inquiry by **Commissioner Wilson**, Ms. Palacherla informed that the County Department of Environmental Health has not made any determination about the existence of threats to public health and safety. **Commissioner Wilson** questioned the feasibility of the agricultural mitigation program which is the same for Area 1. In response to an inquiry by **Commissioner Wilson**, Ms. Palacherla informed that the draft mitigation agreement does not include specific information on the proposed mitigation.

Commissioner Wilson stated that she is opposed to the motion based on LAFCO policies and lack of mitigation although it is a step in the right direction. In response to a request by **Commissioner Wasserman** for additional information on the status of agricultural mitigation, Ms. Palacherla indicated that the draft application does not specify the amount of in-lieu fees and noted that LAFCO has not received a fully executed agreement. Gary Baum, Morgan Hill Interim City Attorney, informed that there is a fully executed agreement and that a mitigation fee is not due until the issuance of grading or building permit. In response to an inquiry by **Commissioner Wilson**, Mr. Crabtree informed that the mitigation agreement was based on the City's ordinance. **Commissioner Wilson** observed that such a mitigation fee would be insufficient as stated previously. Mr. Crabtree indicated that the \$15,000 in-lieu fee is legally sufficient based on a study done by an economist who was hired by the City to determine a legally defensible mitigation within Santa Clara County that the CEQA courts would uphold and noted that the City will contribute its own funds based on property values. Mr. Rymer reiterated Mr. Crabtree's statement and informed that the City would cover whatever the cost of mitigation is if the mitigation fee is insufficient. In response to an inquiry by **Commissioner Hall**, Mr. Crabtree informed that the City only mitigates impact on those lands that the State Department of Conservation Important Farmlands Map identifies as agricultural. At the request of **Commission Hall**, Ms. Palacherla confirmed that only one parcel requires mitigation. In response to an inquiry by **Commissioner LeZotte**, Ms. Palacherla informed that the additional rural residential and commercial properties between the MHBC and the incorporated area have been included to establish contiguity for the MHBC with existing city boundaries. In response to an inquiry by **Commissioner Wilson**, Ms. Palacherla indicated that the application does not include documentation regarding public health and safety threat. Leslie Little, Morgan Hill Assistant City Manager for Community Development, informed that the area is within the flood zone and it is unhealthy when the leach field is full of water. **Commissioner Wilson** observed that there is no new information since this application was heard by LAFCO previously. Jamie Norton, Assistant Fire Chief, Morgan Hill Fire Department, informed that the only water source for the MHBC is a 10,000-gallon storage tank. He stated that there are active fire hydrants with substantial water supply in the city limits. In response to an inquiry by **Commissioner Wilson**, he informed that other development in the unincorporated area also rely on storage tanks. **Commissioner Hall** stated that this is a tough decision for him given the good work of the MHBC. He announced his opposition to the approval of the expansion request as it would create a

precedent for houses of worship in unincorporated areas. With regard to the Royal Oaks Mushrooms lands, he observed that the City's mitigation policy needs more work and the mitigation agreement needs more details and clarity. He expressed concern that Mr. Hordness had committed his personal funds to facilitate this agreement and suggested that the City develop a robust mitigation policy to advise property owners.

Commissioner Yeager expressed agreement and requested the City to work with the County Planning Office and OSA to come up with an acceptable mitigation policy.

Commissioner Khamis observed that the concern about creating a precedent is unfounded since the LAFCO process is difficult to get through. He recognized the need to mitigate for Royal Oaks Mushrooms lands; however, he stated that it is unreasonable not to allow sewer connection to MHBC as it does not include farmlands. **Commissioner LeZotte** announced her opposition and indicated that there is no new information to change her position. She indicated her agreement with commissioners Wilson, Hall and Yeager. She stated that the City failed Mr. Hordness by not having specific mitigation to present to LAFCO. In response to an inquiry by **Commissioner Khamis**, **Chairperson Tucker** clarified that the current motion is for approval of the entire Area 2.

A motion to approve the USA amendment request for the entire Area 2.

Motion: Wasserman

Second: Khamis

AYES: Khamis, Tucker, Wasserman

NOES: Hall, LeZotte, Wilson, Yeager

ABSTAIN: None

ABSENT: None

MOTION FAILED

Commissioner Wasserman made a motion and **Commissioner Khamis** seconded.

A motion to approve an USA amendment to include only Area 2B: MHBC.

Motion: Wasserman

Second: Khamis

AYES: Khamis, Tucker, Wasserman

NOES: Hall, LeZotte, Wilson, Yeager

ABSTAIN: None

ABSENT: None

MOTION FAILED

Commissioner LeZotte made a motion and **Commissioner Wilson** seconded.

The Commission denied the USA amendment request for Area 2: Monterey - Watsonville.

Motion: LeZotte

Second: Wilson

AYES: Hall, LeZotte, Wilson, Yeager

NOES: Khamis, Tucker, Wasserman

ABSTAIN: None

ABSENT: None

MOTION PASSED

4. CONFERENCE WITH LEGAL COUNSEL

Chairperson Tucker announced that she has recused herself from participating in the Closed Session and informed that Alternate Commissioner Martin-Milius will act in her place.

The Commission adjourned to Closed Session at 3:30 p.m.

5. REPORT FROM THE CLOSED SESSION

The Commission reconvened to an open meeting at 4:06 p.m. Ms. Subramanian, LAFCO Counsel, announced that there is no report from the Closed Session.

6. ADJOURNMENT

The Commission adjourned at 4:07 p.m., to the regular LAFCO meeting on Wednesday, April 6, 2016, at 1:00 PM in the Board Meeting Chambers, 70 West Hedding Street, San Jose.

Approved:

Cat Tucker, Chairperson
Local Agency Formation Commission of Santa Clara County

By: _____
Emmanuel Abello, LAFCO Clerk

Abello, Emmanuel

Attachments: CGF Comment Ltr_AgendaItem8.pdf

From: Julie Hutcheson [<mailto:julie@greenfoothills.org>]

Sent: Tuesday, May 31, 2016 3:57 PM

To: Ash Kalra <ash.kalra@sanjoseca.gov>; Linda Lezotte <board@valleywater.org>; shall@openspaceauthority.org;
Yeager, Ken <Ken.Yeager@bos.sccgov.org>; Wasserman, Mike <Mike.Wasserman@bos.sccgov.org>; Susan Vickland
Wilson <susan@svwilsonlaw.com>; taramilius@gmail.com

Cc: Palacherla, Neelima <Neelima.Palacherla@ceo.sccgov.org>; Kelly, Kieran <kieran.kelly@BOS.SCCGOV.ORG>; Velasco,
Roland <Roland.Velasco@bos.sccgov.org>; Shih, Stacie <stacie.shih@sanjoseca.gov>; ykishimoto@openspace.org; Terry
Trumbull <terryt1011@aol.com>; District3@sanjoseca.gov; Chavez, Cindy <Cindy.Chavez@bos.sccgov.org>; Rob Rennie
<RRennie@losgatosca.gov>

Subject: Agenda Item 8: CGF Comment Ltr

Dear LAFCO Commissioners,

Attached please find the Committee for Green Foothills' comment letter regarding Agenda Item 8 - the request for reconsideration of LAFCO's action to deny the City of Morgan Hill's USA Amendment 2015.

Thank you,
Julie

Julie Hutcheson
Legislative Advocate, [Committee for Green Foothills](#)
(650) 968-7243 x339
[Facebook](#) ● [Twitter](#)

Our Mission is to protect the open spaces, farmlands, and natural resources of San Mateo and Santa Clara counties through advocacy, education, and grassroots action.



**COMMITTEE FOR
GREEN FOOTHILLS**

Tuesday, May 31, 2016

LAFCO Commissioners
Local Agency Formation Commission of Santa Clara County
70 West Hedding Street, 8th Floor
San Jose, CA 95110

**RE: REQUEST FOR RECONSIDERATION OF MARCH 11, 2016 LAFCO ACTION TO DENY CITY
OF MORGAN HILL URBAN SERVICE AREA AMENDMENT 2015**

Dear Commissioners,

Committee for Green Foothills (CGF) concurs with staff's conclusion to deny the above noted request for reconsideration. We respectfully urge you to support staff's recommendation in this matter. As both the staff report and general counsel memoranda clearly elucidate, no new or different facts that could not have been previously presented have been brought forth to merit LAFCO reconsideration.

As CGF and other organizations have maintained, the City's USA Amendment 2015, both whole and *in part*, has substantial shortcomings which are inconsistent with LAFCO policies as well as countywide urban growth management policies, portions of the South County Joint Area Plan, and the County's Land Use and Resource Conservation policies related to agricultural preservation. Furthermore, the reconsideration request does not fit well with the Sustainable Agricultural Lands Conservation Strategy process currently being led by the County.

Finally, there were substantial concerns with the CEQA documentation which caused LAFCO, the County, and the Santa Clara Valley Open Space Authority, to request that the Final Environmental Impact Report (EIR) not be certified. To that point, Attachment G of the staff report points out that the High School Only Alternative contained in the EIR does not analyze the impact of including the 3 parcels (22 acres) that would allow for contiguity with the current Urban Service Area (USA).

**COMMITTEE FOR
GREEN FOOTHILLS**

3921 E. Bayshore Road
Palo Alto, CA 94303

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info@GreenFoothills.org
www.GreenFoothills.org

Therefore, should the Commission grant a reconsideration hearing, we urge you not to approve the proposal to include 6 parcels totaling approximately 60 acres into Morgan Hill's USA.

Thank you for your consideration of these comments.

Sincerely,

A handwritten signature in blue ink that reads "Julie Hutcheson". The signature is written in a cursive style with a large initial "J" and "H".

Julie Hutcheson
Legislative Advocate

Abello, Emmanuel

From: Andrew Crabtree <Andrew.Crabtree@morganhill.ca.gov>
Sent: Tuesday, May 31, 2016 3:56 PM
To: Palacherla, Neelima; Abello, Emmanuel
Cc: Andy Pashby; Bart Hechtman ; Steve Rymer
Subject: LAFCO Reconsideration - clarification of CEQA Adequacy
Attachments: South County Catholic High School Letter.pdf

Neelima,

I'm aware that the Catholic Diocese of San Jose has requested reconsideration of the LAFCO action on the City of Morgan Hill 2025 USA expansion request and that the reconsideration is conditionally scheduled for this Wednesday. After receiving your staff report on Friday for tomorrow's LAFCO meeting, I asked our CEQA consultant to review your concerns about the ability under CEQA to consider one of the project alternatives identified in the project EIR. The CEQA consultant has provided the attached letter in response to my request, and has concluded that it is possible for LAFCO to take action on the alternative in compliance with CEQA requirements based upon the "high school only" alternative included within the City's EIR.

Please consider this new information and provide it to the LAFCO Commissioners prior to their meeting tomorrow.

Thank you,

Andrew



May 31, 2016

Andrew Crabtree
City of Morgan Hill
Community Development Department
17575 Peak Avenue
Morgan Hill, CA 95037

Subject: South County Catholic High School—Santa Clara County LAFCO Staff Report

Dear Andrew:

This letter is to address statements made in the Santa Clara County Local Agency Formation Commission (LAFCO) Staff Report for the June 1, 2016 meeting regarding the South County Catholic High School.

Background

In November 2014, the Morgan Hill City Council certified the Citywide Agriculture Preservation Program and Southeast Quadrant (SEQ) Land Use Plan Environmental Impact Report (EIR)—State Clearinghouse No. 2010102010. This EIR provided project-level California Environmental Quality Act (CEQA) coverage for the development of a 1,600-student Catholic high school on 38 acres at the intersection of Tennant Avenue/Murphy Avenue. The EIR evaluated the high school's environmental impacts in the following topical sections: aesthetics, light, and glare; air quality and greenhouse gas emissions; biological resources; cultural resources; geology, soils, and seismicity; hazards and hazardous materials; hydrology and water quality; land use; noise; population and housing; public services and recreation; transportation; and utility systems.

Additionally, the EIR evaluated a "High School Only Alternative," in which the high school was evaluated independently of the balance of the SEQ project. As indicated on Draft EIR pages 5-19 and 5-20, the "High School Only Alternative" contemplated annexation and boundary adjustments associated with the 38-acre high school site plus three contiguous properties encompassing 22 acres, for a total of 60 acres.¹ This alternative assumed that only development of the high school would be pursued; the three contiguous properties would maintain their existing land use activities because the proposed boundary adjustments would not confer any development rights that would allow new construction to occur.

¹ The three properties are located between the high school property and the existing Morgan Hill city limits and, therefore, are proposed to be annexed with the high school site in the interests of creating logical and orderly jurisdictional boundaries.

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Irvine, CA 92602

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11755 Wilshire Blvd, Suite 1660
Los Angeles, CA 90025

Bay Area
1350 Treat Boulevard, Suite 380
Walnut Creek, CA 94597

Central Valley
7265 N First Street, Suite 101
Fresno, CA 93720

Inland Empire
650 E. Hospitality Lane, Suite 125
San Bernardino, CA 92408

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46200 Petaling Jaya
Selangor, Malaysia



LAFCO staff and legal counsel submitted a letter to the City of Morgan Hill, dated February 18, 2014 that provided written comments on the Draft EIR. While the letter offered extensive commentary on the proposed SEQ boundary adjustments, General Plan consistency, agricultural lands, and LAFCO policy consistency, it was silent on the issues of the adequacy of the project-level CEQA coverage for the high school or the “High School Only Alternative.” The EIR was never legally challenged by a responsible agency (or third party) and, therefore, pursuant to CEQA Guidelines Section 15096(e) it is presumed to be legally adequate for the purposes of LAFCO consideration.

On March 11, 2016, Santa Clara County LAFCO considered the proposed boundary adjustments contemplated by the EIR, including those that would have enabled development of the high school. Although LAFCO ultimately voted to deny the adjustments, several Commissioners indicated that they were supportive of the high school application. Moreover, several members expressed confusion regarding the level of CEQA coverage provided for the high school in the EIR. Subsequently, the applicant requested that LAFCO reconsider the high school application because of the apparent confusion about the level of CEQA review, which is scheduled to occur on June 1, 2016. As such, we have prepared this letter to clarify the level of CEQA coverage provided by the EIR.

Summary of LAFCO Claims

LAFCO’s legal counsel contends in a May 16, 2016 memorandum² that “the EIR does not evaluate the impact of amending the City’s [Urban Service Area] by 60 acres to accommodate the high school site plus the approximately 22 acres of neighboring properties needed to be included in order to create a contiguous boundary.” Legal counsel asserts that LAFCO “cannot rely on the findings of EIR as to the impacts of developing the High School Only Alternative, as those findings do not address the impacts of approving the USA expansion by 60 acres.” LAFCO concludes that the Commission cannot fulfill its duties as a responsible agency pursuant to CEQA Guidelines Section 15096.

Response

The “High School Only Alternative” disclosed and contemplated boundary adjustments for the 60-acre area that encompassed the high school site and adjoining properties. As previously noted, these boundary adjustments do not confer development rights to the three non-high school properties. As a practical matter, should these properties be annexed into the City of Morgan Hill, existing land use activities that occurred on these parcels under County jurisdiction would be “grandfathered in” as legal, non-conforming uses. Therefore, in accordance with CEQA Guidelines Section 15145, the EIR appropriately did not engage in speculation about future development on these properties in the context of the High School Only Alternative.

Should any of the affected property owners elect to pursue more intense development or land use activities following annexation, they would be required to file an application to go through the City’s discretionary development review process. As part of this process, the application would be reviewed to

² May 16, 2016 Memorandum from Mala Subramanian and Sarah E. Owsowitz, Best, Best, & Krieger



determine the appropriate level of CEQA review. Until the property owners formally signal their intentions regarding the future use of their parcels, it would be improper to make any statements about this in the context of CEQA.

Moreover, CEQA Guidelines Section 15319(a) exempts annexations of existing facilities developed to the density of current zoning from CEQA review. The relevant language from Section 15319(a) is reproduced as follows:

Annexations to a city or special district of areas containing existing public or private structures developed to the density allowed by the current zoning or pre-zoning of either the gaining or losing governmental agency whichever is more restrictive, provided, however, that the extension of utility services to the existing facilities would have a capacity to serve only the existing facilities.

The three adjoining parcels are zoned A-20 (Exclusive Agriculture, 20 acre minimum) by the County of Santa Clara Zoning Atlas and support agricultural land and rural residential uses. Accordingly, existing development and land use activities on these parcels conform to the density allowed by the current zoning. As such, it appears that the annexation of these parcels would be exempt from CEQA review.

In summary, the “High School Only Alternative” fully disclosed the extent of the proposed boundary adjustments that are necessary to allow development of the proposed South County Catholic High School in accordance with CEQA principles. Furthermore, it appears that annexation of the three adjoining parcels is exempt from CEQA review, which renders any concern or objection about the adequacy of EIR’s evaluation of this topic to be moot. As such, we contend that LAFCO, acting as a responsible agency, has the legal basis to find that the EIR is adequate for the purposes of its discretionary approvals.

Conclusion

Please let me know if you have any questions or would like additional information about this project or EIR. Thank you for your consideration of this matter.

Sincerely,

Grant Gruber
Project Manager
FirstCarbon Solutions
1350 Treat Boulevard, Suite 380
Walnut Creek, CA 94597



Abello, Emmanuel

From: PATRICIA SANDO [<mailto:patriciasando@hotmail.com>]
Sent: Tuesday, May 31, 2016 2:05 PM
To: Yeager, Ken <Ken.Yeager@bos.sccgov.org>
Cc: Palacherla, Neelima <Neelima.Palacherla@ceo.sccgov.org>
Subject: RE: SEQ ANEXATION OF HIGH PROPERTY

In our previous email in support of the annexation of the south county site for the proposed high school we expressed our general support of the school. In this new appeal we will be specific. There are five reasons why this request for the annexation should receive your support.

- The Diocese of San Jose needs another high school in order to provide a Catholic secondary school education for many of the students graduating from local Catholic elementary schools who do not have an opportunity to attend the existing schools.
- The greatest need for an additional school is in the southern end of the Diocese (coincident with south Santa Clara County) where the population is growing at a rapid rate.
- Morgan is the logical location for a regional school. It is in the central portion of the area to be served and could pull students from both the north and the south rather than from either end all the way to the other extreme.
- There is no suitable site for the proposed school within the Morgan Hill.
- The Diocese owns the site proposed for the annexation. The site was previously selected for the second high school in the Morgan Hill Unified School District before the Sabrato Family made their generous gift to the district – the site of Sabrato High School north of the city of Morgan Hill.
-

Please support the annexation of the property into the city of Morgan Hill.

From: patriciasando@hotmail.com
To: ken.yeager@bos.sccgov.org
CC: neelima.palacherla@ceo.sccgov.org
Subject: SEQ Comment
Date: Tue, 8 Mar 2016 10:30:42 -0800

My husband and I have lived in this beautiful valley since 1986. We very much appreciate the efforts of many people to preserve as much agricultural look and feel of the area as possible. Having said that, we also are very much in favor of allowing a Catholic High School to be on the forty acres they have requested in the Murphy/Tennant area.

We recognize the dynamic tension between those who say “no development of any kind unless you grow strawberries” and those who say “let’s just build the hell out of it.” In general, we share the goal to preserve the status quo. But, we also recognize the need to think about the future.

That is why we have been active financial and emotional supporters of the proposed new Catholic School. Even though the forty acres would no longer produce hay, it would certainly develop young citizens who can contribute to the fabric of the community.

Thank you for your consideration of our support of the school.

Patricia Sando and Lowell Sando

Abello, Emmanuel

From: Eli Zigas <ezigas@spur.org>
Sent: Tuesday, May 31, 2016 11:52 AM
To: TaraMilius@gmail.com; District2@sanjoseca.gov; Wasserman, Mike; Susan@svwilsonlaw.com; district3@openspaceauthority.org; board@valleywater.org; Yeager, Ken
Cc: Abello, Emmanuel; Palacherla, Neelima
Subject: SPUR comments re: reconsideration of Morgan Hill annexation request
Attachments: LAFCO_Letter_Reconsideration_Proposal_SPUR_May_31_16.pdf

Dear LAFCO Commissioners:

On behalf of SPUR, I am writing to express our support for LAFCO's earlier decision regarding various annexation proposals for Morgan Hill considered on March 11. At that meeting, LAFCO upheld its mandate to encourage cities throughout the county to concentrate growth within existing city boundaries. We encourage the commission to continue that policy direction by adopting the staff recommendation regarding the reconsideration before the commission at tomorrow's meeting.

A letter detailing our position is attached. If I can answer any questions or provide you with any additional information, please let me know. Thank you for considering our comments.

Sincerely,
Eli

CC: Neelima Palacherla, Emmanuel Abello

--

Eli Zigas
Food and Agriculture Policy Director
SPUR • Ideas + Action for a Better City
415.644.4881
ezigas@spur.org

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San Francisco | San Jose | Oakland

May 31, 2016

Local Agency Formation Commission
of Santa Clara County (LAFCO)
70 West Hedding Street
8th Floor, East Wing
San Jose, CA 95110

RE: Request for Reconsideration: Morgan Hill Urban Service Area Amendment 2015.

Dear LAFCO Commissioners:

On behalf of SPUR, I am writing to express our support for LAFCO's earlier decision regarding various annexation proposals for Morgan Hill considered on March 11.

At that meeting, LAFCO upheld its mandate to encourage cities throughout the county to concentrate growth within existing city boundaries. We encourage the commission to continue that policy direction by adopting the staff recommendation regarding the reconsideration proposal currently before the commission.

The planning process begun by the County Planning Department and Open Space Authority has the potential to provide a comprehensive framework for how to concentrate growth while preserving as much of the county's remaining farmland as possible. For that reason, we encourage to the commission to refrain from approving proposals that would expand city boundaries until the results of the Sustainable Agricultural Lands Policy Framework process can be considered.

Sincerely,

Eli Zigas
Food and Agriculture Policy Director

CC: Neelima Palacherla, LAFCO Executive Officer
Emmanuel Abello, LAFCO Clerk

Abello, Emmanuel

From: D. Muirhead <doug.muirhead@stanfordalumni.org>
Sent: Tuesday, May 31, 2016 11:29 AM
To: Abello, Emmanuel
Subject: LAFCO Meeting June 01, 2016 Item #08, #09, #10 comments

Dear Local Agency Formation Commission,

Comments for the Public Record submitted by Doug Muirhead, a resident of Morgan Hill, for:
Local Agency Formation Commission (LAFCO)

Meeting June 01, 2016

Item #08: Morgan Hill USA amendment for Private High School

Item #09: LAFCO FY 2017 budget add FTE

Item #10: relocate LAFCO office to charcot road Thank you for your consideration, Doug Muirhead, Morgan Hill

8. RECONSIDER MARCH 11,2016 LAFCO ACTION TO DENY CITY OF MH USA AMENDMENT 2015

I am opposed to annexation of land into Morgan Hill for a Private High School.

With respect to CEQA Action 5: LAFCO must find that the project's benefits outweigh the reconsideration project's significant, unavoidable environmental impacts. LAFCO staff suggest the following overriding considerations if the Commission approves the reconsideration project:

- The reconsideration project provides an avenue to meet the educational needs of the community and support student population growth.
- The reconsideration project includes sports, recreation, and leisure uses that are intended to attract visitors to Morgan Hill and is in support of the Morgan Hill General Plan policy of promoting recreation and tourism opportunities.

If a private party wants to build a school in the City, they should acquire land in the City. Since they bought land in the County, they can deal with the County. The City, in their presentation to you for the SEQ USA, and again as a Council agenda item following the LAFCO decision, showed a progression of larger areas of land within City limits being eliminated from consideration.

However, the "unsuitability" of those lands was not an absolute but was based on the City's current preference for how that land is used and that comes from the City's value system.

We asked you to reject the SEQ USA in order to give us the opportunity to preserve and support agriculture. You are being asked to create new restrictions on farm land use by adding large numbers of school children to the neighborhood.

And the City gets their piece of the original application for tourism visitors that will also interfere with development of any framework for agricultural preservation and development.

I also see any new annexed land as just a new edge for the next expansion attempt by the City.

9. PROPOSED LAFCO BUDGET FOR FISCAL YEAR 2017

I was uncomfortable with the discussion at the last Commission meeting on whether LAFCO should add 0.5 FTE or 1.0 FTE and there was no data to support either choice. We know LAFCO staff work hard. We don't know how much

overtime was spent on the MH SEQ USA. We don't know what level of effort has been spent on other applications, consultations, etc. We don't know what projects are not attempted or are suspended because of lack of resources. Because the MH SEQ USA exceeded the deposit, MH received an itemized billing for the balance. So we know that detailed timekeeping is available.

I would like to see that timekeeping detail used to support the choice of an additional 0.5 FTE or 1.0 FTE. Note that an estimate of time required for various activities is available in the April 21, 2010 staff report for the Proposed LAFCO 2010 Fee Schedule Revision.

10. NOTICE FROM COUNTY TO relocate LAFCO office to charcot road

I am very disappointed in the County Executive for not applying Just Culture to our partners, in this case, LAFCO. The County Executive, while acknowledging the interdependence between LAFCO, other County departments, and County residents, indicated that LAFCO is not its priority, particularly in light of recent directives from the County Board of Supervisors concerning new programs and their associated office space needs. This space issue does not appear in the County budget document and was not discussed at the Budget workshops.

I also object to the abruptness of the directive from the Deputy Executive on May 13 to complete the move to Charcot Road by June 27.

But I am also disappointed that the LAFCO Executive Director did not inform us of the on-going discussion so that this forced eviction could be presented at the County Budget workshop.

We went through a similar situation last year, but without the final resolution being a move from Government Center. At that time, I made public comment to Finance and Government Operations Committee at their June 11 meeting. I will submit comments on the LAFCO business case and Just Culture's unjust treatment of partners for the Board budget approval item and again at FGOC. But this is too little too late.

Abello, Emmanuel

From: Charmel Perrier <charmels2626@yahoo.com>
Sent: Saturday, May 28, 2016 4:05 PM
To: Palacherla, Neelima; Abello, Emmanuel
Subject: Morgan Hill -Proposed New Catholic High School

To whom all this may concern at LAFCO:

We are begging you to not go back on your decision of March 11th 2016, by allowing the farmland at Tennant and Murphy to be used for a private high school. Nothing has changed! This is still precious farmland that we cannot afford to it lose period! This plan was a bad one, when it was first presented many years ago. As you well know, if you open the door for this, many others will follow and the farmland is gone forever!

The City of Morgan Hill still has 100 years of open space left. There is no valid reason to use farmland for anything other than agriculture.

We hope LAFCO, can see what God himself has given us. Have they not seen farmland being sold out to developers in record numbers in this country? Where will we get our produce? The day will come, when we buy all our fruits, nuts, and vegetables, from outside the USA. There we will have little control over quality, cost or food safety. We must save our farmland at all costs!

We are in different times and need people who have a vision of the reality of our planets future. Morgan Hill already has several high schools. Do we really need another? The Southeast Quadrant has already given county land to both the Soccer Fields and the Aquatics Center. It's time the City of Morgan Hill looks into their own backyard. Our freeway and two lane country roads could not handle that amount of added traffic. Anyone who uses the 101 freeway, Tennant and Murphy will attest to that.

We are in a draught and while we have been getting some rain, we are a long way from ending the draught. Plus, now with Green House Gases on the rise, Goble Warming will become an even bigger issue in the years to come.

We ask the question to the Diocese's and LAFCO, shouldn't we be using water for farming, instead of school sports fields? Please look into all the fact and do what is right for Morgan Hill. Agriculture needs to be saved now! The Diocese's plans may have worked 50 years ago, but the world has changed.

**Mel & Charlyn Perreir
Morgan Hill,CA**

Abello, Emmanuel

From: Julie Borina Driscoll <julieboridriscoll@sbcglobal.net>
Sent: Sunday, May 29, 2016 4:21 AM
To: Abello, Emmanuel
Cc: jRosen@da.sccgov.org; jBoyarsky@da.sccgov.org; jjones@scscourt.org; san.francisco@ic.fbi.gov; CA Oosterman John - FSA Davis; Cortese, Dave; Wasserman, Mike; Chavez, Cindy; Yeager, Ken; mark.hultgren@ca.usda.gov; Attorney Bruce Tichinin
Subject: Thank you for the Agenda and Minutes--Accuracy--LAFCO MEETING MINUTES

Dear Emmanuel,

Thank you for the Minutes of The LAFCO Meeting on March 11, 2016.

I would like you to please forward this to the Manager of whomever was responsible for the Minutes transcription for the LAFCO Meeting on March 11, 2016, please.

IMPORTANT POINTS OF CONSIDERATION, PLEASE:

Respectfully submitted, when there are inaccuracies, or twists, in Minutes, the resulting long term outcome can be affected, as well as a bias conveyed through omission.

I would like to request, please, that an amendment be placed in the Speaker's Section for the LAFCO Minutes of March 11, 2016, which accurately reflects my written and spoken words. I believe, if it is acceptable, I will prepare a computerized statement, attach it to the Speaker Card, with plans to attend on June 1, 2016.

I would appreciate verbatim accuracy, if possible, reflected as my words, please. This is critical, as falsifications or critical omissions in government can be serious, especially, if processed through the Santa Clara County Grand Jury Court process which oversees, where shortfalls in truth can interact with laws of perjury.

Furthermore, I want my objectives and goals, with a business for Borina Tennant Enterprises, LP to be consistently conveyed and communicated, consistent with my attorney's letter of 2014, to the City of Morgan Hill Planning Commission, presented at the Morgan Hill Planning Commission Meeting, with a copy of the letter to the Morgan Hill City Council. This letter outlined the allowed land uses.

The importance for accuracy will also become a Grand Jury filing, to accompany the previous one, whereby, there was no financial analysis process from property owners taken into consideration in the voting process.

I believe this is critical, as no solid and serious plan can be credibly considered without the fundamental--budget and funding.

If these two critical factors in the analysis, do not exist, the vote is on faulty foundation, biased, due to political pressures, or other factors that are not based on practicality or reality, if finances are not even brought into consideration processes that really can govern the vote. Its a moot issue if the finances are in the red before the crop is harvested for certain property owners.

Ideally, financial feasibility checklist considerations would be a main checklist item with any major land use proposal plan.

FUNDAMENTALS--Most business entities would throw out any vote that does not have a very serious segment of financial analysis process, citing it as incomplete.

(Years ago, I did a reality based hypothetical financial analysis for Brandon and Associates, consultants hired by the City of Morgan Hill. A crop was taken from seed acquisition, with two workers, minimum wage--crop was in the financial red long before the harvest).

These types of reality based figures need to be considered in the land use voting process, otherwise, the voting is biased on emotional grounds, that really are financially irrational.

Respectfully, Emmanuel, I would greatly appreciate whomever is taking the minutes, like for the Meeting of March 11, 2016, that the individual be as accurate as possible and not twist the meaning, nor omit very critical content or context.

Five years from now, this can be truly critical to have this bias superimposed upon the words of the MH SEQ property owner.

We are under critical times--our nation's schools, as an example, are ranked 41, after continuously, ranking 5th.

I am planning to write letters to US Department of Education leaders. I want my request for a business to be taken seriously and included in the Minutes, NOT CONVENIENTLY OMITTED TO SWAY THE PERCEPTION IN A DIRECTION NOT ACCURATE NOR REPRESENTATIVE OF THE REAL DIRECTION I WISH TO TAKE BORINA TENNANT ENTERPRISES, LP--IN THE FUTURE, which is toward a strong business focus, generating strong income, to serve the Community and my family for the long term, while respecting the 50 percent agricultural mitigation.

I WOULD ALSO LIKE TO TAKE THIS OPPORTUNITY TO STRONGLY SUPPORT LAFCO RECONSIDERATION OF THE CATHOLIC PRIVATE SCHOOL PROJECT, AS I CONTACT US DEPARTMENT OF EDUCATION OFFICIALS, ONE OF WHOM IS THE SUPERINTENDENT OF CALIFORNIA PUBLIC SCHOOLS, SERVING IN THE STATE LEGISLATURE, AFTER HIS COMMENCEMENT SPEECH ON 5/21/2016, AT MY COLLEGE ALMA MATER.

CALIFORNIA NEEDS TO REGAIN ITS RANKING IN THE TOP 5 IN THE NATION, AS A PRIORITY, A GOAL. (SILICON VALLEY IS OUR FINANCIAL BREADBASKET, WHICH NEEDS EDUCATION TO SUSTAIN STRONG). IF I CAN WORK WITH THE US DEPARTMENT OF EDUCATION, THERE MAY BE A MONTESSORI-LIKE SCHOOL WITH A HEAD START PROGRAM ON MY FAMILY'S PROPERTY FOR THE GREATER GOOD OF EVERYONE'S FUTURE.

March 11, 2016--I both wrote and spoke. The Speaker Card and Points in the Speech were the identical. How the Minutes transcribed what resulted--was not in either form of communication.

The Minutes do not accurately reflect my message. This matter is important as I mentioned a critical point--I could have agricultural with a lucrative business on the property.

I RECOLLECT USING THE WORD, "IMPOSSIBLE" TO FARM, IN MY SPEECH ON MARCH 11, 2016, BUT THAT IT COULD BE DONE WITH A BUSINESS ON THE PROPERTY.

The Meeting Minutes omit this critical content and context.

THE FINANCIAL ANALYSIS AFOREMENTIONED WAS BASED ON THE PRESENTATION TO BRANDON AND ASSOCIATES, YEARS AGO.

More than fifty years, my family has owned the property on the Northwest corner of Tennant and Hill, known as Borina Tennant Enterprises, LP.

Government regulations have always been in effect. Workmen's Comp., insurances, wages. How the content was "twisted" in the translation is unknown. Those are not my words in the minutes, with possibly, a bias toward business, as it was omitted.

Thank you for your efforts,
Emmanuel. Best, Julie

Sent from my iPad

Abello, Emmanuel

From: Chris Monack <chris.monack@gmail.com>
Sent: Monday, May 30, 2016 9:04 AM
To: Abello, Emmanuel
Subject: SCCHS Appeal

LAFCO Commissioners,

I am writing in opposition to the June 1 appeal being made by SCCHS to allow construction of their proposed high school in the Tennant/Murphy area of Morgan Hill.

The option to build a high school was part of the larger annexation proposal by the City of Morgan Hill. As the Commission denied the City's application due to an insufficient EIR, it would seem any option included in the City's application became subject to that decision. In that case, reconsideration of proposed development using the related report(s) would be inconsistent with the Commission's March 11 findings.

It is my opinion that the SCCHS action is less an appeal of the Commission's March 11 findings and more of a separate proposal to develop the high school. It would seem reasonable that SCCHS should be required to submit an EIR and related documents specific to their project instead of using parts of reports found to be insufficient in their entirety.

I support education and recognize the need for strong institutions to provide a solid educational foundation. However, as the high school was part of a bigger picture in the Southeast Quadrant that was denied and is now an individual venture, SCCHS should be required to submit an application and provide supporting documentation specific to its proposal.

I am asking the Commission to deny the appeal.

Respectfully,

Chris Monack

Abello, Emmanuel

Subject: FW: Dear LAFCO Commissioners

From: GrzanFamily [mailto:fam.grzan@charter.net]
Sent: Monday, May 30, 2016 10:46 PM
To: Abello, Emmanuel <Emmanuel.Abello@ceo.sccgov.org>
Cc: Palacherla, Neelima <Neelima.Palacherla@ceo.sccgov.org>
Subject: Dear LAFCO Commissioners

Dear Commissioners

I am disappointed that Morgan Hill's Urban Growth Boundary is back again for discussion and this time it is about the private school seeking expansion. Let me state this clearly, making policy decisions based upon who is making the request is simply bad policy.

Efforts to grant the school what is more or less an exemption is simply not in accordance to what public policy is all about. Public policy does change by any measure as to who is making the request. The school shall receive no special consideration, because it is a school. We set a bad precedent to allow that to happen in the past and it has to stop. Eventually any organization with an educational component could and should be granted an exception. Well, that must not be allowed.

As for the school, it is a regional high school and can go anywhere in south County. Why can't it go within the urban growth boundaries in Gilroy? That City has more than enough land and better suited to the needs of the school than Morgan Hill. Placing the school farther south in my mind would service the needs of Hollister and San Juan Bautista and even the Pruneridge area.

Children in Morgan Hill will continue to use the schools in San Jose and the north regardless of what happens in Morgan Hill or Gilroy. Children will go to Bellarmine or Presentation because those schools have their own reputation that is not bound geographically. I am a Bellarmine graduate and being 25 miles from the school was never a deterrent.

Our farmlands have an importance that we cannot conceive. We are not at the temperate extremes and are not feeling the effects of rising sea water, higher temperatures. Our lands are irrigated based upon an extensive water system. Other parts of the nation and other countries are not so fortunate. They are reliant on mother nature and when she turns with climate change in full effect it will be up to the lands in Morgan Hill to feed a county, a nation and a world.

Please vote for our future and that of your children and mine and preserve every acre of farmland we have. Reject Morgan Hill's request to expand the urban growth boundary. Preserve our resources and you preserve a nation. Should you approve, you will likely force me back into the public service and I will likely run for County Supervisor to undo what you have done.

Mark Grzan
Former Councilmember, Mayor Pro Tempore, City of Morgan Hill
Past Member of Morgan Hill's Urban Limit Line Advisory Committee
Current and Past Member of Morgan Hill's General Plan Advisory Committee

LAFCO MEETING: JUNE 1, 2016
TO: LAFCO
FROM: Neelima Palacherla, Executive Officer
Dunia Noel, Analyst
SUBJECT: REQUEST FOR RECONSIDERATION OF MARCH 11, 2016 LAFCO
ACTION TO DENY CITY OF MORGAN HILL URBAN SERVICE AREA
AMENDMENT 2015

TWO-STEP PROCESS REQUIRED FOR RECONSIDERATION HEARINGS

1. The Commission is first required to vote on whether or not to grant the reconsideration of the proposal based on Section 56895 of the Cortese Knox Hertzberg Act.
2. If the Commission grants the reconsideration, the Commission may consider the request to expand the Urban Service Area of Morgan Hill by approximately 60 acres, to include the three South County Catholic High School properties (APNs 817-17-001, 817-17-025, 817-17-026), and the three adjacent parcels (APNs 817-13-037, 817-13-011, 817-13-008), (reconsideration project), in order to establish contiguity with the City's current urban service area (USA) boundary.

STAFF RECOMMENDATIONS

PROJECT ACTION

1. Deny the request for reconsideration.
2. If the Commission votes in favor of granting the reconsideration, staff recommends denial of the proposed inclusion of APNs 817-17-001, 817-17-025, 817-17-026, 817-13-037, 817-13-011, 817-13-008 into the Morgan Hill Urban Service Area (USA).
3. Deny applicant's request for waiver of LAFCO fees.

CEQA ACTION

Reconsideration and denial of the project does not require a CEQA action.

In order to approve the project, LAFCO as a Responsible Agency under CEQA, must take the following actions regarding the Final Environmental Impact Report (FEIR) for this reconsideration project:

1. Find that, prior to making a decision on this reconsideration project, LAFCO reviewed and considered the environmental effects of the reconsideration project as shown in the FEIR.
2. Find that (a.) The Final EIR identified potentially significant adverse impacts resulting from the reconsideration project in the areas listed below, and (b.) Appropriate mitigation measures have been proposed for each of the potential impacts identified in each of the listed categories that will reduce the impacts to a less than significant level. See **Attachment G** "Findings of Fact and Statement of Overriding Considerations by the City of Morgan Hill Regarding the Final EIR for Citywide Agriculture Preservation Program and Southeast Quadrant Land Use Plan" for a summary of impacts.
 - Aesthetics, Light and Glare
 - Agricultural Resources
 - Biological Resources
 - Cultural Resources
 - Geology, Soils, and Seismicity
 - Hazards and Hazardous Materials
 - Hydrology and Water Quality
 - Public Services and Recreation
 - Utility Systems
3. Find that the Final EIR identified three potentially significant impacts resulting from the reconsideration project that cannot be mitigated to less than significant level. These impacts are listed below:
 - Air Quality/Greenhouse Gas Emissions
 - Noise
 - Transportation
4. Find that the City of Morgan Hill submitted a mitigation monitoring program, and that monitoring program ensures compliance with the mitigation measures identified in the Final EIR that would mitigate or avoid some of the significant impacts associated with the Urban Service Area expansion, over which LAFCO has responsibility.
5. Find that, despite imposition of all feasible mitigation measures and alternatives, the reconsideration project's air quality/greenhouse gases, noise, and transportation impacts will remain significant. Therefore, in order to approve the project, LAFCO must find that the project's benefits outweigh the reconsideration project's significant, unavoidable environmental impacts. LAFCO staff suggest the following overriding considerations if the Commission approves the reconsideration project:

Economic, social, and other considerations justify the approval of this reconsideration project in spite of the existence of unavoidable environmental

effects that are deemed significant and that cannot be mitigated to a level of insignificant and that these benefits outweigh the risks of its potential significant adverse environmental impacts, specifically:

- The reconsideration project provides an avenue to meet the educational needs of the community and support student population growth.
 - The reconsideration project includes sports, recreation, and leisure uses that are intended to attract visitors to Morgan Hill and is in support of the Morgan Hill General Plan policy of promoting recreation and tourism opportunities.
6. Designate the LAFCO Executive Officer as the location and custodian of the documents and other materials that constitute the record of proceedings on which this decision is based.

PROJECT DESCRIPTION

The South County Catholic High School is requesting reconsideration of the March 11, 2016 LAFCO action denying the City of Morgan Hill's USA amendment application. The request for reconsideration is specific to LAFCO's denial to include within the City of Morgan Hill's urban service area, approximately 60 acres including the three properties (APNs 817-17-001, 817-17-025, 817-17-026) proposed to be developed with the South County Catholic High School and three adjacent parcels (APNs 817-13-037, 817-13-011, 817-13-008) to establish contiguity with the City's current USA boundary. The February 15, 2016 Staff Report for Area 1 refers to this as Option 2 on page 1 and page 14 under "Other Options for Commission Consideration". Please see **Attachment B** for the letter dated April 7, 2016, from Mr. Barton Hechtman, requesting reconsideration and stating the reasons for requesting reconsideration.

Existing and Proposed Land Uses and Designations

All of the six properties proposed for inclusion in the City's USA are currently located in the unincorporated county, as depicted on the map in **Attachment A**. Upon LAFCO approval of the proposed USA expansion and city annexation of these lands, the City General Plan and Zoning designations would apply to the properties as depicted in Table 1 below.

As per the information in the Morgan Hill USA Amendment 2015 application, the development of the South County Catholic High School is proposed on approximately 38 acres of land (APNs 817-17-001, 817-17-025, 817-17-026), located to the east of Murphy Avenue. The project is planned in phases and will lead to the development of 210,441 square feet of indoor facilities, sufficient to accommodate 1,600 students and 125 staff. Phase I is projected to begin in late 2017 and will include the development of 65,100 square feet of facilities to accommodate 600 students and 55 staff. The remaining project is contingent on fundraising.

APN 817-13-008 includes approximately 4 acres, located along Condit Road, north of Tennant Avenue. According to the original application, the anticipated development on this site includes 40,000 square feet of sports oriented retail and 3,000 square feet of sports-themed restaurant space. The original application did not indicate any specific development proposals for APNs 817-13-037 and 011. The City envisions that the two parcels will be developed with uses such as indoor sports facilities, sports fields, hotels, gas stations, or retail upon inclusion in the USA and annexation to the City. The City indicates that there are currently no development projects proposed for the three parcels totaling approximately 22 acres, and any anticipated development is only speculative at this time.

Table 1:

APN	ACRES	EXISTING LAND USE	COUNTY GENERAL PLAN	COUNTY ZONING	CITY GENERAL PLAN	CITY PRE-ZONING
817-17-001	18.68	Agriculture / Residential	Agriculture Medium Scale	A-20 Acre	Public Facilities	PF PD
817-17-025	10	Agriculture / Residential	Agriculture Medium Scale	A-20 Acre	Public Facilities	PF PD
817-17-026	10	Agriculture / Residential	Agriculture Medium Scale	A-20 Acre	Public Facilities	PF PD
817-13-008	3.85	Uncultivated	Agriculture Medium Scale	A-20 Ac-sr	Sports/Recreation/Leisure	SRL B
817-13-037	9.18	Uncultivated	Agriculture Medium Scale	A-20 Ac-sr	Sports/Recreation/Leisure	SRL B
817-13-011	9.04	Uncultivated	Agriculture Medium Scale	A-20 Ac	Sports/Recreation/Leisure	SRL B

BACKGROUND

Government Code Section 56895 allows any person or affected agency to file a written request for reconsideration of a LAFCO decision within 30 days of Commission decision. The request must state what new or different facts that could not have been presented previously are claimed to warrant the reconsideration.

On April 11, 2016, LAFCO received a request for reconsideration from Mr. Barton Hechtman on behalf of the South County Catholic High School.

Request for Special Meeting to Consider the Reconsideration Request

The applicant has requested that LAFCO hold a special meeting on or before May 31st to consider this request for reconsideration. The applicant claims that only commissioners who voted on the original proposal must vote on the reconsideration request and since Commissioners Tucker and Khamis' terms on LAFCO end on May 31, 2016 the applicant is requesting a special meeting before May 31st.

Back in 2013, a similar issue was raised about whether a commissioner who did not consider the original application could vote on the reconsideration. LAFCO Counsel

concluded that: "Any Commissioner who did not consider the entirety of the Original Application may participate and vote on the reconsideration. However, for due process they should review the minutes and audio tape of the Original Application and disclose such prior to participating in the reconsideration." Please see **Attachment C** for LAFCO Counsel's memo dated November 21, 2013 regarding this issue. Based on this information, there is no requirement that LAFCO hold a special meeting to consider this request for reconsideration.

However, as permitted under the Brown Act, Chairperson Tucker requested that LAFCO hold a special meeting to consider the reconsideration request and directed that commissioners be polled to find a convenient time/date for holding the special meeting.

Taking into consideration the time requirements for noticing and for preparing the staff report, and the availability of the meeting facility etc., staff proposed some potential meeting dates/times for a special meeting. A special meeting was not scheduled because we were unable to obtain a quorum of regular members for the proposed meeting dates. Therefore, the request for reconsideration is being heard at the June 1, 2016 Regular LAFCO meeting.

Request for Waiver of LAFCO Fees

Please see **Attachment D**, for a letter from the applicant, dated April 11, 2016, requesting a waiver of fees on behalf of the South County Catholic High School. The applicant states that they believe that staff misadvised the Commission after the close of LAFCO's March 11, 2016 public hearing and that it would be inappropriate to cause members of the public to bear the financial burden of correcting a LAFCO mistake. As discussed in greater detail within this staff report, staff believes that the Commission was not misadvised and therefore a waiver of LAFCO fees is not warranted.

As allowed under Government Code Section 56383, LAFCO has established a fee for a reconsideration request. The applicant has submitted the required LAFCO Reconsideration Fee of \$2,169 under protest. Pursuant to the LAFCO Fee Schedule, this is an initial deposit payment towards actual costs of processing the reconsideration application. If actual costs are less than the deposit, LAFCO will refund the difference to the applicant. If processing costs begin to exceed the deposit, additional fees are required.

To date, LAFCO has expended \$9,311.44 on the reconsideration request, which is \$7,194.65 in excess of the initial deposit.

Reconsideration Hearing Procedures

In a separate letter dated April 11, 2016 (See **Attachment E**), the applicant argues that LAFCO has no discretion, but to hold the reconsideration hearing, accept testimony, and render a decision. LAFCO Counsel has reviewed this information and concluded that LAFCO may continue to process reconsideration requests in a two-step process and that Government Code Section 56895 authorizes LAFCO to utilize a two-step process for

requests for reconsideration where the first step is whether the applicant has identified any new or different facts that could not have been previously presented, to warrant a reconsideration. Please see **Attachment F**, for LAFCO Counsel memo dated May 17, 2016.

Comment Letters on the Proposal

To date, LAFCO has received several comment letters (**Attachment I**) concerning the proposed reconsideration.

DENY RECONSIDERATION: NO NEW OR DIFFERENT FACTS THAT COULD NOT HAVE BEEN PRESENTED PREVIOUSLY

As mentioned above, state law requires that the applicant include in their written request any new or different facts that could not have been presented previously.

The applicant asserts that at the March 11, 2016 LAFCO meeting, in response to commissioners' questions after the close of the public hearing, LAFCO staff incorrectly informed that if the Commission desired to approve Option #2, the Commission would first have to approve the entire EIR. As described in his letter (**Attachment B**), the applicant claims that LAFCO could approve Option #2 by making findings limited to the High School Only Alternative rather than the entire EIR. Further, the applicant states that they were unable to present this information to the Commission at the March 11, 2016 hearing because the discussion occurred after the public hearing was closed. Based on this, the applicant is seeking a reconsideration of the Commission's action.

The information that LAFCO staff provided to the Commission at the March 11, 2016 meeting regarding the nature/extent of necessary CEQA findings is consistent with the information included in the staff report (dated February 15, 2016) which clearly noted the CEQA findings that LAFCO must make to approve Option #2. Further, the staff report was published on February 15, 2016, which was sufficient time for the applicant or other members of the public to present any new information to the Commission regarding the findings that LAFCO must make in order to approve Option #2.

Because this is not information that could not have been presented previously, it does not warrant reconsideration. Staff recommends that the Commission deny the request for reconsideration.

Additionally, LAFCO Counsel has reviewed the applicant's claims regarding CEQA findings that the commission must make in order to approve Option # 2 and has prepared an analysis. LAFCO Counsel, in her memo dated May 16, 2016 (See **Attachment G**), concludes that the staff report dated February 15, 2016, and staff comments at the March 11, 2016 meeting properly concluded that if the commission wished to approve Option #2, it would first be required to make CEQA findings on the entire EIR as outlined and discussed in the staff report.

DENY PROPOSED URBAN SERVICE AREA AMENDMENT

At the March 11, 2016 meeting, LAFCO denied the Morgan Hill Urban Service Area Amendment 2015 in its entirety. The staff report for Area 1, dated February 15, 2016, provided the Commission with various options including Option #2 (under “Other Options for Commission Consideration” on page 1 and page 14), for approval of the High School properties which the commission considered, and likewise did not approve.

On May 18, 2016, the applicant submitted a letter with additional information regarding the reasons for approving the USA expansion for the High School. (See **Attachment H**). The letter states that the March 11th LAFCO staff report did not include an analysis of the High School alternative’s consistency with LAFCO Policies.

The LAFCO staff report for Area 1, dated February 15, 2016, includes a detailed analysis of the City’s USA Amendment request’s consistency with LAFCO policies. This analysis is applicable to the High School Only alternative as well, because this alternative is a subset of the City’s USA Amendment request. Additionally, Pages 14 and 15 of the LAFCO staff report summarizes the analysis and explains the specific reasons for not recommending this option. The summary also notes that the City has a substantial supply of vacant land within its existing boundaries, that the proposed USA expansion would result in unnecessary conversion of prime agricultural lands, and that the proposed development would create further land use conflicts with the surrounding agricultural lands and encourage development of additional lands. This summary also notes that LAFCO approved an urban service area expansion for a Catholic High School in 2003 which was later developed with single family homes. The staff report dated February 15, 2016 is available on the LAFCO website at this link:

http://www.santaclaralafco.org/images/resumes/agenda_packet/StaffReport_20160215.pdf

The information presented by the applicant in **Attachment H** is not new information that could not have been presented previously.

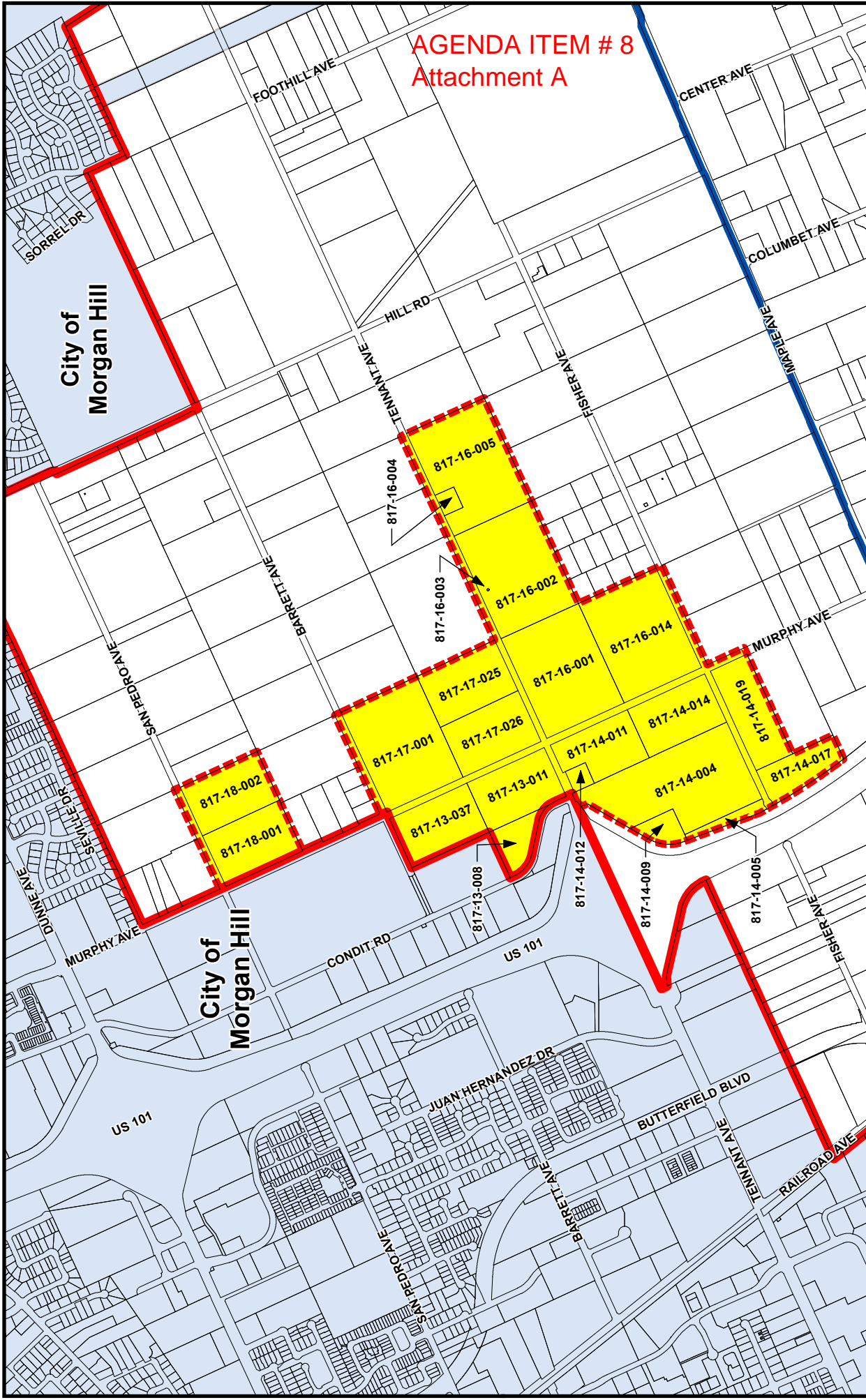
Staff recommends denial of the expansion of the USA because the proposal is not consistent with LAFCO policies which discourage the premature conversion of agricultural lands, guide development away from existing agricultural lands and require the development of existing vacant lands within city boundaries prior to conversion of additional agricultural lands.

ATTACHMENTS





- Attachment A: Map of the area depicting the subject properties
- Attachment B: Letter from Mr. Bart Hechtman, re. Request for Reconsideration of Denial of USA Amendment for High School Only Alternative; Request for Special Meeting (dated April 7, 2016)

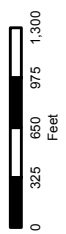
- Attachment C: LAFCO Counsel Memo re. Reconsideration and Commission Participation (dated November 21, 2013)
- Attachment D: Letter from Mr. Bart Hechtman re. SCCHS Reconsideration; Fees Paid Under Protest (dated April 11, 2016)
- Attachment E: Letter from Mr. Bart Hechtman re. Reconsideration Procedures (dated April 11, 2016)
- Attachment F: LAFCO Counsel Memo re. Hearings for Requests for Reconsideration (dated May 17, 2016)
- Attachment G: LAFCO Counsel Memo re. Analysis of CEQA Claims Contained in Request for Reconsideration of Denial of USA Amendment for High School Only Alternative (dated May 16, 2016)
- Attachment H: Letter from Mr. Bart Hechtman re. Reconsideration regarding High School Only Alternative (dated May 18, 2016)
- Attachment I: Written Comment Letters received to date

AGENDA ITEM # 8
Attachment A



LEGEND:

-  Existing Urban Service Area (USA)
-  Proposed USA Expansion
-  Morgan Hill Sphere of Influence
-  City of Morgan Hill



Prepared by the Office of the County Surveyor

AREA 1: Tennant - Murphy
229.4 Acres ±

Morgan Hill Urban Service Area Amendment 2015

April 7, 2016

Norman E. Matteoni

Peggy M. O'Laughlin

Bradley M. Matteoni

Barton G. Hechtman

Gerry Houlihan

Neelima Palacherla, Executive Officer
Local Agency Formation Commission of Santa Clara County
70 W. Hedding Street, 8th Floor
San Jose, CA 95110

**Re: Request for Reconsideration of Denial of USA
Amendment for High School Only Alternative; Request
for Special Meeting**

Dear Ms. Palacherla:

On behalf of the South County Catholic High School ("SCCHS"), and pursuant to Government Code Section 56895, I hereby request that LAFCO reconsider its March 11, 2016 decision resolving to deny the City of Morgan Hill's application for an Urban Service Area Amendment for "Area 1-Southeast Quadrant", described in item 3.1 of LAFCO's March 11, 2016 meeting agenda. This request for reconsideration only seeks reconsideration regarding the "High School Only Alternative" described in Section 5.6 and elsewhere in the Final Environmental Impact Report ("Final EIR") and also referenced as Possible Action #2 in the LAFCO meeting agenda for March 11th. Reconsideration is not requested for any part of the Southeast Quadrant beyond the approximately 60 acres described in Section 5.6 of the Final EIR (pages 5-19 through 5-25). The requested specific modifications to LAFCO's March 11, 2016 decision regarding agenda item 3.1 are described in Attachment A attached hereto and incorporated herein.

The Final EIR analyzed the entire Southeast Quadrant at a program level, but analyzed the High School Only Alternative at a project level. That project level review included analysis of each HSOA impact separate and apart from the analyses of the Southeast Quadrant impacts, and a project alternative specific to the High School Only Alternative. Thus the Final EIR included segregated analyses of the High School Only Alternative that were capable of being the subject of LAFCO findings without reference to the portions of the Final EIR which regarded the larger Southeast Quadrant project.

New or different facts that could not have been presented previously warrant the requested reconsideration. After the close of the public hearing regarding the Southeast Quadrant, the Commissioners deliberated. In response to questions from the Commissioners, LAFCO staff instructed the Commissioners on four occasions that if the Commission desired to approve an USA Amendment for any portion of the Southeast Quadrant (such as the limited areas described in possible project actions 2 and/or 3 on the agenda), the Commission would first have to approve the whole Final EIR, including those portions of the Final EIR unrelated to the limited portion of the Southeast Quadrant which the Commission desired to approve.

In fact, as described below, CEQA provides LAFCO, as a responsible agency, with the power and ability to make limited CEQA findings as to only those portions of a final environmental impact report which pertain to a project alternative identified in the Final EIR. This fact could not have been presented by SCCHS to LAFCO previously because the issue was not raised by the Commissioners, nor the incorrect instruction given by LAFCO staff, until after the close of public hearing, when members of the public, including representatives of SCCHS, were no longer allowed to provide any information to the Commissioners for their deliberation.

CEQA requires that an EIR identify alternatives to the project (P.R.C. § 21002.1(a)), and that where feasible alternatives to a project are identified which would substantially lessen the significant environmental effects of a project, the agency should approve the alternative rather than the project (P.R.C. § 21002). Similarly, CEQA Guidelines Section 15002(h) provides that when an EIR shows that a project would cause substantial adverse changes to the environment, "the governmental agency must respond to the information by one or more of the following methods: . . . (4) choosing an alternative way of meeting the same need." In this way, CEQA directs that agencies should approve project alternatives rather than the project, as a means to reduce environmental impacts.

LAFCO is a "responsible agency" regarding the Final EIR for the Southeast Quadrant. The CEQA Guidelines expressly provide responsible agencies with flexibility regarding projects and associated environmental impact reports presented to them by lead agencies. CEQA Guidelines Section 15096(a) states that the responsible agency is to consider the EIR and reach "its own conclusions on whether and how to approve the project involved." As with lead agencies, responsible agencies are directed by CEQA to approve project alternatives where it would reduce impacts:

"When an EIR has been prepared for a project, the Responsible Agency shall not approve the project as proposed if the Agency finds any feasible alternatives or feasible mitigation measures within its powers that would substantially lessen or avoid any significant effect the project would have on the environment." (CEQA Guidelines § 15096(g)(2).)

When a responsible agency intends to approve a feasible alternative it first makes the findings for each significant effect of that project alternative as required by CEQA Guidelines Section 15091, and, if that project alternative requires a statement of overriding considerations, then it makes the CEQA Guidelines Section 15093 findings as well (CEQA Guidelines § 15096(h)). The findings provided in Section 1 of Attachment A, which were adapted from the findings provided by LAFCO staff in the March 11, 2016 agenda, provide the minimum findings required by Sections 15091 and 15093 specifically for the High School Only Alternative.

It was within the Commission's power as a responsible agency to make findings on the Final EIR limited to the High School Only Alternative described in Section 5.6 of the Final EIR. The Commissioners were incorrectly informed after the close of the public hearing that they did not have that power, and that they must make findings for the entire Final EIR, or none at all. On the basis of this fact which could not have been presented to the Commissioners at the March 11, 2016 hearing, SCCHS seeks reconsideration solely as to the High School Only Alternative, and looks forward to presenting written and oral testimony at the reconsideration hearing.

Request for Special Meeting

Additionally, SCCHS requests that this hearing occur at a special meeting on or before May 31st (or that LAFCO advance its regular meeting scheduled for June 1). This is a request for reconsideration. It should be heard by the same Commissioners who "considered" the matter when it first came before LAFCO because those Commissioners received all of the information presented at and before the March 11th hearing. Two of the Commissioners who heard this matter when it originally came before the Commission on March 11th have LAFCO terms which expire on May 31, 2016. Accordingly, a special

meeting is warranted, and there is sufficient time to set the special meeting and provide notice for it to occur on or before May 31, 2016.

Respectfully submitted,



BARTON G. HECHTMAN

BGH:cab

Attachment

cc: SCCHS
Supervisor Mike Wasserman
Gary Baum, Esq.
Elizabeth Pianca, Esq.

ATTACHMENT A

SCCHS requests that LAFCO modify its March 11, 2016 decision by making the following findings required to approve the High School Only Alternative, including findings to approve the Final EIR solely as to the portions relevant to the High School Only Alternative (Final EIR Section 5.6):

1. The following findings regarding the Final Environmental Impact Report (Final EIR) for the High School Only Alternative:
 - a. Find that, prior to making a decision on the High School Only Alternative, LAFCO reviewed and considered the environmental effects of the High School Only Alternative as shown in the Final EIR.
 - b. Find that (a.) The Final EIR identified potentially significant adverse impacts resulting from the High School Only Alternative in the areas listed below, and (b.) Appropriate mitigation measures have been proposed for each of the potential impacts identified in each of the listed categories that will reduce the impacts to a less than significant level.
 - Aesthetics, Light and Glare
 - Agricultural Resources
 - Air Quality/Green House Emissions
 - Biological Resources
 - Cultural Resources
 - Geology, Soils, and Seismicity
 - Hazards and Hazardous Materials
 - Hydrology and Water Quality
 - Land Use
 - Public Services and Recreation
 - Utility Systems
 - c. Find that the Final EIR identified one potentially significant impact resulting from the High School Only Alternative that cannot be mitigated to a less than significant level. That Impact is listed below:
 - Transportation
 - d. Find that the City of Morgan Hill submitted a mitigation monitoring program, and that monitoring program ensures compliance with the mitigation measures identified in the Final EIR that would mitigate or avoid all but one of the significant impacts associated with the USA expansion for the High School Only Alternative, over which LAFCO has responsibility.

- e. Find that, despite imposition of all feasible mitigation measures and alternatives, the High School Only Alternative's transportation impacts will remain significant, but the High School Only Alternative's benefits outweigh the High School Only Alternative's significant, unavoidable environmental impacts: Economic, Social, and other considerations justify the approval of the High School Only Alternative in spite of the existence of unavoidable environmental effects that are deemed significant and that cannot be mitigated to a level of insignificant, and these benefits outweigh the risks of its potential significant adverse environmental impacts, specifically:
- The High School Only Alternative provides an avenue to meet the educational needs of the community and support student population growth.
- f. Designate the LAFCO Executive Officer as the location and custodian of the documents and other materials that constitute the record of proceedings on which this decision is based.
2. Approve an USA amendment to include only those properties described as the High School Only Alternative in Section 5.6 and elsewhere in the Final EIR, specifically APNs 817-17-001, 817-17-025, 817-17-026, 817-13-008, 817-13-011 and 817-13-037.

MEMORANDUM

TO: Neelima Palacherla, Executive Officer
FROM: Mala Subramanian, General Counsel
DATE WRITTEN: November 21, 2013
RE: Reconsideration and Commission Participation

Background

At its October 2, 2013 meeting, LAFCO Commissioners approved Resolution No. 2013-04 approving the expansion of the Urban Service Area (“USA”) of Morgan Hill to include APNs 779-040-056, 001, 003 and 004, and to exclude the Santa Clara Valley Water District Parcel (APN 779-04-067) from the City limits and USA so it will serve as a natural buffer to limit impacts to adjacent agricultural lands and to limit growth inducing impacts on adjacent unincorporated lands (“Original Application”).

On October 31, 2013, LAFCO received a timely request for reconsideration from Royal Oaks Mushroom requesting inclusion into the USA. A question has been raised as to which LAFCO Commissioners should participate in the reconsideration and whether Commissioners who did not originally vote on the application, can participate in the reconsideration.

Analysis

When the Commission has adopted a resolution, any person or affected agency may request amendments to or reconsideration of the resolution. (Gov. Code 56895(a).) The Executive Officer shall place the request on the agenda of the next meeting of the Commission and at that meeting, the Commission shall consider the request and receive any oral or written testimony. (Gov. Code 56895(f).) At the conclusion of the consideration, the Commission may approve with or without amendment, wholly, partially, or conditionally, or disapprove the request. (Gov. Code 56895(g).)

Here, when the Commission heard the Original Application, various alternates participated in the final decision. The question has been raised as to who should vote on the reconsideration. The Cortese Knox Hertzberg Act (“Act”) provides that each Commission may adopt regulations with respect to disqualification of members or alternates from participating in review of a proposal. (Gov. Code 56336.) In the absence of such regulations, Section 56332 or 56335 shall apply. Here, the Commission does not have any applicable regulations regarding the disqualification of members. Furthermore, in both the case of the City and Special District members, neither selection committee imposed a requirement that a member or alternate is disqualified from voting on proposals affecting the city/district of which the member is a representative as found in Sections 56332 or 56335. Therefore, there are no special requirements under the Act that are applicable to the reconsideration. However, for due process we do recommend that any Commissioner who did not consider the entirety of the Original Application and wishes to participate in the reconsideration should review the minutes and audio tape of the Original Application.

Conclusion

Any Commissioner who did not consider the entirety of the Original Application may participate and vote on the reconsideration. However, for due process they should review the minutes and audio tape of the Original Application and disclose such prior to participating in the reconsideration.

Norman E. Matteoni
Peggy M. O'Laughlin
Bradley M. Matteoni
Barton G. Hechtman
Gerry Houlihan

April 11, 2016

Via Hand-Delivery

Neelima Palacherla, Executive Officer
Local Agency Formation Commission of Santa Clara County
70 W. Hedding Street, 8th Floor
San Jose, CA 95110

Re: SCCHS Reconsideration; Fees Paid Under Protest

Dear Ms. Palacherla:

Enclosed please find a check made payable to SCC LAFCO in the sum of \$2,169.00. As indicated on the check, this fee for reconsideration is being paid under protest.

State law requires and governs the reconsideration process under which process SCCHS is proceeding. That State law, codified in Government Code Section 56895, makes no provision allowing a LAFCO to charge a fee for reconsideration which is, in essence, analogous to the continuation of a hearing for the purpose of presenting additional information (or fee charged). All required fees regarding the original hearing on March 11th, if any were due, were paid by the applicant City of Morgan Hill. It is for that reason that no fees accompanied my April 7, 2016 letter making the request for reconsideration.

Equally important, the charging of a fee for reconsideration by SCC LAFCO is unconscionable where, as here, the request for reconsideration is based upon mistaken advice provided to the Commissioners by LAFCO staff after the close of the public hearing. It is inappropriate to cause members of the public to bear the financial burden of correcting a LAFCO mistake.



*Neelima Palacherla, Executive Officer
Local Agency Formation Commission of Santa Clara County*

*April 11, 2016
Page 2*

On behalf of SCCHS, I request that as a part of these reconsideration proceedings, LAFCO determine that no fee is due from SCCHS or otherwise waive the fee and either return the enclosed check or reimburse SCCHS the amount of the fee. The payment of the fee is timely (Gov't Code §56895, C.C.P. §12a.).

Very truly yours,



BARTON G. HECHTMAN

BGH:cab
Enclosure
cc: SCCHS

Norman E. Matteoni

Peggy M. O'Laughlin

Bradley M. Matteoni

Barton G. Hechtman

Gerry Houlihan

April 11, 2016

Malathy Subramanian, Esq.
SCC LAFCO Counsel
Best Best & Krieger LLP
2001 N. Main Street, Suite 390
Walnut Creek, CA 94596

Re: Reconsideration Procedures

Dear Ms. Subramanian:

I believe that you are aware that I am counsel for SCCHS regarding its request for reconsideration. I write to you in advance of the reconsideration hearing in an effort to avoid a potential procedural dispute at the hearing.

Many jurisdictions have reconsideration ordinances. Generally, those ordinances provide for a two-step process whereby the decision-makers first decide if they will reconsider the matter, and if so, a second decision is made upon reconsideration. However, Government Code Section 56895, which sets forth the mandatory process for all LAFCOs in California, omits that first decision. Upon timely submission of a request for reconsideration, LAFCO has no discretion but to hold the reconsideration hearing, take oral and written testimony, and render a decision.

Further, while Section 56895 requires the request to "state what new and different facts that could not have been presented previously are claimed to warrant the reconsideration," that section does not give LAFCO the power to decline reconsideration based upon its view that the proffered facts do not warrant reconsideration. By the plain language of the statute, the assertion of the new facts which are



claimed to warrant reconsideration obligates LAFCO to conduct the hearing.

I raise this latter point because I am informed that a couple of years ago SCC LAFCO declined to reconsider a matter for which a timely request was made. If that were to occur regarding SCCHS's request for reconsideration, it would violate State law and be a denial of its due process rights.

I look forward to meeting you at the reconsideration hearing, and hope that you concur regarding the required procedure for that hearing.

Very truly yours,



BARTON G. HECHMAN

BGH/jm

cc: Neelima Palacherla
South County Catholic High School

Memorandum

TO: Neelima Palacherla, Executive Officer

FROM: Mala Subramanian
Josh Nelson

DATE WRITTEN: May 17, 2016

RE: Hearings for Requests for Reconsideration

Background

LAFCO has not historically provided parties requests for reconsideration with a hearing unless they can demonstrate that their request is based on new or different facts. Essentially, LAFCO has established a two-step process for reconsideration requests. First, LAFCO will consider whether the applicant has identified new or different facts that could not have been presented previously that warrant the reconsideration hearing. Second, assuming that they have, LAFCO will hold a public hearing on the merits of the request. You have received a letter dated April 11, 2016 from Mr. Hechtman arguing that LAFCO has no discretion, but to hold a reconsideration hearing, take oral and written testimony, and render a decision. He argues that Section 56895 “does not give LAFCO the power to decline reconsideration based upon its view that the proffered facts do not warrant reconsideration.”

As explained below, it is our opinion that LAFCO may continue to process requests for reconsideration in a two-step process. As part of this process, the first step may occur outside of a public hearing for all requestors except affected school districts.

Analysis

Government Code section 56895 allows any person or affected agency to submit a request for reconsideration by filing the written request within 30 days of the adoption of the commission resolution making determinations. (Gov. Code, § 56895(b)¹.) This request must identify any new or different facts justifying reconsideration that could not have been presented previously. (Gov. Code, § 56895(a).) For affected school districts only, LAFCO must consider this request at a public hearing.

In addition, section 56895 requires the executive officer to “place the request on the agenda of the next meeting of the commission for which notice may be provided....” (§ 56895(e).) Prior to the meeting, LAFCO must provide notice of the reconsideration request in the same manner as the original proposal. At the meeting, LAFCO must “consider the request and receive any oral or written testimony. The consideration may be continued from time to time but not to exceed 35 days from the

¹ Unless otherwise noted, all future statutory references are to the Government Code.
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BEST BEST & KRIEGER
ATTORNEYS AT LAW

date specified in the notice.” (§ 56895(f).) LAFCO may then “approve with or without amendment, wholly, partially, or conditionally, or disapprove the request.” (§ 56895(g).)

We believe section 56895 gives the Commission the discretion to decide requests for reconsideration as a one or two-step process. As a one-step process, section 56895 would provide for LAFCO placing the request on its agenda, even if the requestor has not identified new or different facts. Under this interpretation, LAFCO would place the item on its agenda and consider this threshold issue (the existence of new facts and circumstances underlying the request) as well as the merits of the request in a single public hearing.

Under the two-step process, separate consideration of the existence of new or different facts that could not have been previously presented is a separate prerequisite to considering the reconsideration. Without meeting this threshold, there is no valid request for reconsideration and thus no need to set the hearing.

For the reasons discussed below, this second interpretation is the better approach. Section 56895(a) implicitly anticipates that LAFCO may use a two-step process because it expressly requires a public hearing on the new evidence question for requests received by affected schools. In so doing, it suggests that this is not required for non-school requests. In other words, if the determination that the requestor has identified new or different facts needed to be consolidated in all cases with the consideration of the merits of the request, this special rule for schools would be unnecessary.

Moreover, this interpretation is consistent with the legislative history of section 56895 and its predecessor section 56857. Section 56857 was added to govern reconsideration requests as part of the Cortese-Knox Local Government Reorganization Act of 1985. In its 1985 form, this section permitted reconsideration requests on any grounds and permitted LAFCO to consider these requests with or without a public hearing. (See Stats. 1985, Ch. 541, § 3.) In 1988, this section was modified to require that LAFCO consider all reconsideration requests at a public hearing. (See Stats. 1988, Ch. 826, § 6.) However, there were still no limitations on the grounds for a request.

This language remained in the law until the adoption of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (C-K-H Act). The C-K-H Act moved reconsideration requests to section 56895 and significantly narrowed the reconsideration opportunity by adding the current requirement that requests identify new or different facts justifying reconsideration that could not have been previously presented. This limitation was recommended by the Commission on Local Governance for the 21st Century in its *Growth Within Bounds* report, to reduce the number of frivolous requests that were used to delay proceedings or submitted simply because the requestor disagreed with the initial decision. “If reconsideration is requested, LAFCO has no option under current law. It must convene another public hearing and take testimony regarding the reconsideration request, even if no reason is given for the request. To limit abuses, LAFCOs could be authorized to require that the appellant requesting reconsideration state what new facts or circumstances have become available since the previous hearing. This would permit LAFCO to evaluate whether or not a new hearing



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would be productive.” (See *Growth Within Bounds*, Recommendation 3-14; see also Off. of Sen. Floor Analyses, 3d reading analysis of Assem. Bill No. 2838 (1999-2000 Reg. Sess.), p. 11.)²

This evidence of intent is a compelling suggestion that section 56895 is intended to reduce the number of reconsideration hearings in general and, to that end, to impose a threshold determination of whether new or different facts exist before the entire hearing process is re-initiated. In other words, LAFCO’s current practice of conducting a two-step process where LAFCO initially reviews the request to determine whether it actually contains new or different facts that could not have been previously presented before considering its merits best captures the Legislature’s intent to reduce the number of frivolous requests.

Conclusion

Section 56895 authorizes LAFCO to utilize a two-step process for requests for reconsideration where the first step is whether the requestor has identified any new or different facts that could not have been previously presented. This conclusion is supposed by (1) the text of the Act providing for consolidation of these steps for school district requests, but not for others and; (2) a clear connection during the 2000 amendments between the “new or different facts” requirement and the legislative intent to limit reconsideration opportunities in order to expedite closure on LAFCO decisions.

² *Growth Within Bounds* played an important role in formulating the C-H-K Act. When adopting the C-K-H Act, the Legislature expressly recognized the importance of this report. (See Off. of Sen. Floor Analyses, 3d reading analysis of Assem. Bill No. 2838 (1999-2000 Reg. Sess.), p. 2.) In fact, *Growth Within Bounds* provided draft language on reconsideration that substantially mirrors the current requirements. Specifically, the report proposed requiring that reconsideration requests “...shall state what new or different facts which could not have been presented previously, or applicable new law, are claimed to warrant the reconsideration.” (*Growth Within Bounds*, at App. C, p. 152.) The phrase “applicable new law” was actually included in the C-H-K Act but removed by subsequent legislation. (Stats 2002, Ch. 548, § 25.) Accordingly, the exact language proposed by *Growth Within Bounds* was included in the C-H-K Act and remains operative law.

Memorandum

To: Members of the Commission
From: Mala Subramanian
Sarah E. Owsowitz
Date: May 16, 2016
Re: Analysis of CEQA Claims Contained in Request for Reconsideration of Denial of USA Amendment for High School Only Alternative

Introduction

On April 11, 2016, the South County Catholic High School (High School) requested that LAFCO reconsider its March 11, 2016 decision denying the City of Morgan Hill's (City) application for an USA (USA) Amendment. Specifically, the High School requests reconsideration of the Commission's denial of the City's USA Amendment Application for Area 1: Tenant-Murphy (Southeast Quadrant) to expand the USA to include those properties proposed for the development of the High School (such an expansion also would be required to include 22 acres of neighboring properties in order to create contiguous boundaries with the City). The proposed expansion of Area 1 that is the subject of the High School's Request for Reconsideration is referred to in the Commission's Staff Report as Possible Action #2.

The High School contends that the Citywide Agricultural Preservation Program and Southeast Quadrant Land Use Plan Environmental Impact Report's (EIR) analysis of the High School was "separate and apart from the analyses of the Southeast Quadrant impacts, and a project alternative specific to the High School Only Alternative" and thus was "capable of being the subject of LAFCO findings without reference to the portions of the Final EIR which regarded the larger Southeast Quadrant project." (Request for Reconsideration, p. 1.)

The High School asserts that the Commission was provided an incorrect description of its duties and powers under the California Environmental Quality Act¹ (CEQA) during its March 11th deliberation and that it should have found that "CEQA provided LAFCO, as a responsible agency, with the power and ability to make limited CEQA findings as to only those portions of a final environmental impact report which pertain to a project alternative identified in the Final EIR." (Request for Reconsideration, p. 2.)

¹ Public Resources Code section 21000 *et seq.*
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Background

As discussed during the Commission’s March 11th deliberations, the Commission must accept the EIR, in its entirety, as adequate under CEQA. Specifically, CEQA Guidelines² section 15096(e) provides that, if a responsible agency does not file a lawsuit challenging the adequacy of a lead agency’s action pursuant to a certified EIR, the responsible agency shall “be deemed to have waived any objection to the adequacy of the EIR.” This provision of the CEQA Guidelines is consistent with Public Resources Code section 21167.2, which provides that if no action or proceeding is filed alleging that an environmental impact report does not comply with CEQA, the environmental impact report shall be conclusively presumed to comply with CEQA for purposes of its use by responsible agencies. It is beyond dispute that no lawsuit was filed by LAFCO, or by any third party, to challenge the City’s actions pursuant to its certified EIR. Thus, pursuant to CEQA Guideline section 15096(e) and Public Resources Code section 21167.2, any action the Commission might wish to take to approve any or all of the City’s USA Amendment Application for Area 1: Tenant-Murphy (Southeast Quadrant) must be based on the presumption that the EIR complied with the provisions of CEQA and was adequate.

Here, a review of the EIR confirms that the document includes a program-level analysis of the impacts of the 1,290 acre Agricultural Preservation Program and Southeast Quadrant Land Use Plan (the “SEQ Area”) (*see e.g.* Impact AG-1a, EIR, pp. 3.2-17 – 3.2-20, and Impact AIR-4a, EIR, pp. 3.3-51 – 3.3-59) and a project-level analysis of the impact of developing the 38 acre High School site, a site located within the SEQ Area (*see e.g.* Impact AES-3, EIR, pp. 3.1-17 – 3.1-19 and Impact CUL-1, EIR, pp. 3.5-15 – 3.5-17). The EIR does not contain a stand-alone analysis of the environmental impacts of expanding the City’s USA to include the High School *plus* the approximately 22 acres of neighboring properties that would need to be included in such an expansion in order to create a contiguous boundary (a 60 acre expansion of the USA).

Further, while there are two references in the EIR’s discussion of the High School Only Alternative which state that approximately 22 acres of the SEQ Area would need to be part of the expansion of the USA in order to create a contiguous boundary (*see* EIR, p. 5-19, and EIR, p. 5-20, Table 5-5), the actual analysis of the High School Only Alternative contained in the EIR considers only the potential impacts of an “alternative [that] would result in the development of the private High School on 38 acres and *the elimination of the SEQ Area programmatic aspects of the project.*” (EIR, pp. 5-20 - 5-24 [emphasis added].) Accordingly, there is no discrete analysis of the impact of expanding the City’s USA by 60 acres (the High School site plus the 22 acres of neighboring properties), nor is there any discussion as to what uses or development the City proposed for the 22 acres of properties neighboring the High School site - though a reasonable interpretation of the EIR would conclude that the City would consider those 22 acres to be part of the Southeast Quadrant Land Use Plan.

² Cal. Code of Regulations, Title 14, Chapter 3



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Analysis

The High School contends that “it was within the Commission’s power as a responsible agency to make findings on the Final EIR limited to the High School Only Alternative described in Section 5.6 of the Final EIR.” (Request for Reconsideration, p. 3.) To support this argument, the High School cites to CEQA Guideline section 15096(g)(2), which states:

When an EIR has been prepared for a project, the Responsible Agency shall not approve the project as proposed if the agency finds any feasible alternative or feasible mitigation measures within its powers that would substantially lessen or avoid any significant effect the project would have on the environment.

The High School also cites to CEQA Guideline section 15096(h), which states that “the responsible agency shall make the findings required by Section 15091 for each significant effect of the project and shall make the findings in Section 15093, if necessary.” Based on these citations, the High School asks LAFCO to approve Possible Action #2 via a two-page summary of CEQA findings that are included with its Request for Reconsideration as Attachment A.

Viewed in the light most favorable to the High School, and presuming there are grounds for reconsideration in order to approve Possible Action #2 (expansion of the USA to include the High School site plus 22 acres of neighboring properties in order to create contiguous boundaries with the City), the Commission would still first have to make findings as to the significant impacts, mitigation measures, and significant and unavoidable impacts of such an approval. (CEQA Guideline section 15096(h).) But, as detailed above, the EIR does not appear to contain the information necessary to make such findings. This is because the EIR does not evaluate the impact of amending the City’s USA by 60 acres to accommodate the High School Site plus the approximately 22 acres of neighboring properties needed to be included in order to create a contiguous boundary.³ (EIR, pp. 5-20 - 5-24.) Accordingly, contrary to the contentions of the High School, the Commission cannot rely on the findings of EIR as to the impacts of developing the High School Only Alternative, as those findings do not address the impacts of approving the USA expansion by 60 acres and so would not fulfill the Commission’s duties as a responsible agency under CEQA Guideline section 15096.

As detailed in the Staff Report for the Area 1 application, the only way that the Commission could approve Possible Action #2 would be to approve the CEQA findings that the City adopted when it originally voted to submit the USA Amendment application for Area 1. (Staff Report, 1- 3.) The City’s CEQA findings are the only existing set of findings that details

³ If the City believes that the record before it at the time it approved the Project contained substantial evidence supporting the issuance of findings regarding the impacts of the expansion of the USA to accommodate the High School, plus the 22 acres of neighboring properties needed to be included in order to create a contiguous boundary we would gladly review such information and such proposed findings.



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the potential impacts and mitigation measures that the EIR identified for the development of the High School and the annexation of 22 acres of neighboring properties that must be included in any Commission approval action in order to create a contiguous boundary. Those CEQA findings are already outlined and discussed in the Staff Report that was prepared for the Commission's March 11, 2016 meeting. (Staff Report, p. 2 – 3.) A complete copy of the City's CEQA findings is included as part of Attachment G to the Staff Report.

Conclusion

The March 11, 2016 Staff Report and the staff comments at the March 11, 2016 meeting properly concluded that, pursuant to CEQA Guideline section 15096(d) and Public Resources Code section 21167.2, the Commission was required to accept the whole of the EIR as legally adequate and compliant with CEQA. The March 11, 2016 Staff Report and staff comments at the March 11, 2016 meeting also properly concluded that, if the Commission wished to approve Possible Action #2 (to accommodate the High School site plus the approximately 22 acres of neighboring properties needed to be included in order to create a contiguous boundary), it would first be required to make CEQA findings as outlined and discussed in the March 11, 2016 Staff Report.

AGENDA ITEM # 8
Attachment H

From: Bart Hechtman [<mailto:bgh@matteoni.com>]
Sent: Wednesday, May 18, 2016 4:31 PM
To: Palacherla, Neelima <Neelima.Palacherla@ceo.sccgov.org>
Cc: Andy Pashby <APashby@lbinc.com>
Subject: High School Reconsideration

Neelima,

Attached please find an advance copy of the High School's letter in support of approval of the High School Only alternative upon reconsideration, and the four attachments referenced in the letter. A hard copy is being mailed to you today. Please distribute copies of the letter to each Commissioner as part of the staff packet for the June 1 hearing. We'll look forward to reviewing the staff report on May 25th, and to the hearing.

Sincerely,

Bart



BARTON G. HECHTMAN
Matteoni, O'Laughlin & Hechtman
848 The Alameda
San Jose, California 95126
T: (408) 293-4300
F: (408) 293-4004

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SOUTH COUNTY CATHOLIC HIGH SCHOOL

May 18, 2016

Advance Copy Via Email

Local Agency Formation Commission of Santa Clara County
c/o Neelima Palacherla, Executive Officer
70 W. Hedding Street, 8th Floor
San Jose, CA 95110

Re: Reconsideration regarding High School Only Alternative

Dear Members of the Commission,

The South County Catholic high school committee, a religious non-profit, thanks you for your time in the reconsideration of the boundary changes to accommodate the Catholic high school. The following information is provided in order to clarify and correct information from the March 11, 2016 LAFCO meeting. The High School Only alternative to the South East Quadrant (SEQ), studied in the Environmental Impact Report, is a logical and important component of the City of Morgan Hill's plan. The High School Only alternative conforms with the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 which states "it is the policy of the State to encourage orderly growth and development which are essential to the social, fiscal, and economic well-being of the State." The boundary changes we are seeking accomplish these stated goals and is necessary because there is no opportunity for the development of the Catholic high school within the current city limits.

The proposed South County Catholic High School (High School) site is located in unincorporated Santa Clara County, within the western portion of the SEQ Area. The High School site is also located within the City of Morgan Hill's Sphere of Influence. The 38-acre High School site is bounded by Tennant Avenue on the south, Murphy Avenue on the west, and Barrett Avenue on the north, and consists of Assessor's Parcel Numbers (APNs) 817-17-001, 817-17-025, and 817-17-026. The High School Only project alternative involves development of a private high school (grades 9 through 12) on 38 acres located north of Tennant Avenue and east of Murphy Avenue.

The project is proposed generally in three phases to accommodate the student population growth. Phase 1 includes construction of classrooms to accommodate 600 students, as well as a multi-purpose building and administration space. Related improvements including a gymnasium, library, theater, music room, chapel, track and field facility, sport fields, and baseball/basketball/tennis courts would be constructed as funding permits. The High School would be built to California Green Building Standards or LEED Standards. Because of its proximity to the existing Morgan Hill city limits, the expansion of the various city boundaries would be limited to encompass only the High School site and neighboring properties (22 acres, some of which are already in the UGB), thereby obviating any changes to existing land use activities elsewhere in the SEQ Area.

The benefits of a new Catholic high school in Morgan Hill are numerous. A new Catholic high school will bring educational choice to the south county and increase high school capacity for the area. Every day, 450 to 500 students leave the south county to attend existing non-public schools outside the region. Keeping these students in the community will reduce the impact of their commute on our roads and on our environment. Catholic high school students will make a huge impact on the south county through thousands of hours of community service. The school will positively impact local businesses and will increase home values throughout the region.

The "Summary of Analysis: Consistency with LAFCO Policies" table provided in the March 11 staff report addressed the *entire* SEQ annexation. Staff did not provide a similar analysis of the High School Only alternative, and we expect that the staff report for the June 1 reconsideration hearing regarding the High School Only alternative will include that analysis. Additionally, there were a number of inaccuracies regarding the High School Only alternative stated by LAFCO staff in its written report for the March 11th hearing, and/or during the hearing itself. SCCHS provides the following information to correct those errors so that they are not repeated in the staff report for the June 1st hearing or at that hearing, and to address other LAFCO policies that LAFCO staff has not yet directly addressed regarding the High School Only alternative.

1. There are Adequate Utilities Available to serve the High School.

The City's ability to provide and fund services was well documented in the Final Environmental Impact Report (FEIR), fiscal analysis and follow up data provided by the City to LAFCO in preparation for the March 11 hearing. Nonetheless, page 14 of the LAFCO Staff Report stated that "urban services such as public sewer and water are

not available with the intent to construct a private high school". That statement is incorrect, as clearly reflected in the FEIR:

- Regarding the sanitary sewer, page 3.14-42 of the FEIR states: "In summary, adequate wastewater treatment and collection capacity is available to serve the High School." Moreover, the current City sewer line is directly adjacent to the High School site on Barrett Avenue.
- Regarding water supply, page 3.14-35 of the FEIR states: "Based on the analysis in this study, the 2030 water demand projections are not anticipated to exceed the supply capacity of the sub basins."
- Regarding storm drainage, page 3.14-46 of the FEIR states: "Onsite or offsite retention is the most appropriate method of storm drainage management. With implementation of this mitigation measure, impacts would be less than significant."
- Regarding power energy consumption, page 3.14-52 of the FEIR states that "impacts would be less than significant."

Thus the FEIR explains that the proposed location has enough water, enough storm water retention when onsite mitigation takes place, adequate sanitary sewer services, and enough power to support the SCCHS.

2. The High School Only Alternative would provide Logical, Contiguous Boundaries.

Page 14 of the LAFCO Staff Report mentions the lands proposed for the High School are not contiguous to the Morgan Hill city limits. That statement, while technically correct, is misleading. The High School Only alternative studied in the EIR includes six parcels, totaling approximately 60 acres. Three of those parcels (approximately 22 acres) border the city limits on their eastern boundaries and have been inside the City's Urban Growth Boundary for years. Immediately to the east of those three parcels are the three parcels (approximately 38 acres) upon which the high school would be built. Those three parcels were brought into the City's Urban Growth Boundary last year. Consequently, the land mass which is the subject of the High School Only alternative is contiguous to the city limits, and entirely within Morgan Hill's current Urban Growth Boundary.

3. The Impacts to Agriculture are Insignificant with the Required Mitigation.

It is not LAFCO policy to preclude development of agricultural lands. Rather, the policy is to require mitigation when such lands are taken out of agricultural production. The LAFCO Staff report states that agricultural land will be severely impacted by annexation of the properties that comprise the High School Only alternative. No factual support is offered for this statement, which conflicts directly with the FEIR, which states that with the mitigation required by compliance with the City's agricultural mitigation ordinance, the impact on agricultural land will be less than significant (page ES-12). Further, as required by CEQA, the agricultural mitigation will be in place prior to the project area being taken out of possible agricultural production (i.e., before commencement of construction of the High School); requiring a mitigation to be completed long before the impact occurred for which the mitigation measure was being imposed would be inconsistent with standard CEQA practices and contradictory to legal guidance for CEQA mitigation.

4. There is Not Sufficient Land within City's Existing Boundaries for the High School

LAFCO staff asserted, in various parts of the March 11 staff report, that there is ample vacant land within existing Morgan Hill boundaries for the high school. The staff report fails to support that position. According to the staff report, there are 230 acres of vacant industrial land and 164 acres of vacant commercial land supply, leading to staff's conclusion that annexation for the high school would cause an unnecessary conversion of nearly 40 acres. At no point in the staff report did staff identify a specific location where a 38-acre high school could be located. Nor did the staff report contain any analysis of the actual availability for purchase of any such locations.

As reflected in the documents attached to this letter, a proper analysis demonstrates that there are no 38-acre vacant industrial or commercial sites within the current City limits. 45% of Staff's total vacant commercial figure are parcels smaller than 10 acres. 50% of staff's industrial totals are parcels less than 5 acres. Nor are these industrial and commercial parcels located such that a number of them could be assembled to create a parcel large enough for development of a high school – they are scattered across the City.

Further, the high school could not realistically fit on a smaller site. Attached are two documents on that topic. The first is a "Guide to School Site Analysis and Development" from the California Department of Education. Per the Guide, a 1401-1,600 student high school requires 40.8 acres. The second is a letter from the Morgan Hill Unified School District in response to the City's recent Draft EIR for their on-going General Plan Update. Page two indicates there is not sufficient land within the city limits to accommodate the District's needs.

Even if the high school could fit on a smaller site, the largest vacant commercial and industrial designated sites in the City are not available for purchase. The attached May 2, 2016 letter from John Telfer of South County Realty explains the current status of the largest commercially-zoned sites. The attached May 11, 2016 letter from Jeff Barnes of Colliers International is to the same effect: there are no commercial or industrial properties within the current city limits both large enough and available where the High School could be built. Further, cities generally discourage educational uses from locating on commercially designated property (because it limits the city's ability to generate sales tax revenue), and in fact under Morgan Hill's zoning code, educational uses are not permitted uses in the commercial zones (Morgan Hill Municipal Code, Chapter 18.22 (General Commercial) and Chapter 18.26 (Highway Commercial)).

Turning to the four largest vacant industrial sites, one is the 12-acre Olin toxic cleanup parcel on Tennant – not appropriate for a school. A second site is an 18-acre parcel that is being re-designated to residential under the General Plan Update. A third (30.7 acres) is owned by a landowner who is holding on the property for later development and has no interest in selling. The fourth, which is a 36-acre site in Morgan Hill Ranch is not available for other than industrial uses since the adjacent area was earlier rezoned to accommodate housing as suggested in an earlier LAFCO staff report. This site is also adjacent to the railroad tracks which is generally discouraged for schools (see attached documents from California Department of Education). Further, it is universally recognized that it is undesirable to locate schools near industrial uses both because those industrial uses can pose health risks to the students and because the presence of nearby children results in additional and typically costly regulations being imposed on the industrial users.

SCCHS hopes that LAFCO staff will not persist in its prior position that there is adequate available land within the current City limits to accommodate a new high school. But if staff continues to assert that position, then we believe that in the interest

of providing the Commission with accurate information, it is staff's duty to identify for the Commissioners at least two existing sites within the City limits of sufficient size for a high school that SCCHS could actually purchase.

5. SCCHS did not Profit from the Sale of the Land formerly Identified for the School Site.

Approximately 14 years ago, the SCCHS was planned to be built just north of Cochrane/Monterey Road on 30 acres. Prior to the March 11th hearing the *Mercury News* incorrectly stated in an editorial that SCCHS caused this land to be annexed with the promise of a high school, then "flipped" it to a developer for a huge profit. We were greatly troubled with this same false statement was repeated by LAFCO staff during the hearing.

These are the facts. At the time of its annexation, SCCHS had an option to buy this land from the McKelvey family. During its due diligence, SCCHS learned that a future roadway would bisect the land, and that they would have to build a flyover to cross the adjacent railroad tracks. SCCHS determined after the annexation was completed that these factors made the parcel both too small and undesirable for use as a high school, and the SCCHS did not exercise its option to purchase the parcel. SCCHS was not involved in the McKelvey's subsequent sale of the property, and did not receive any money from that sale.

6. The High School Only alternative does not have Growth Inducing Impacts.

There is an existing, unmet demand in the South County for a parochial high school. The SCCHS project is intended to address that demand – to provide a parochial education for students who currently must travel outside the area to obtain that education. As such, it is not growth inducing, and was not found to be growth inducing in the FEIR.

7. The High School Only alternative is Consistent with Plan Bay Area.

Plan Bay Area has a goal of growth within Urban Growth Boundaries, not within existing urban areas, and the 60 acres included in the High School Only alternative are entirely within the City's Urban Growth Boundary, and therefore consistent with Plan Bay Area. Additionally, the annexation is not inconsistent with the regional

transportation plan – Government Code Section 65080.01 defines “farmland” as being located outside a city’s sphere of influence; the 60 acres SCCHS seeks to annex is entirely within Morgan Hill’s sphere of influence, so the project would not take “farmland” as defined by State law out of agricultural production for transportation purposes.

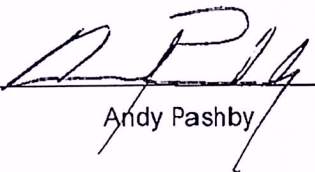
8. The High School Only alternative is Consistent with the City and County General Plans.

The High School Only alternative is consistent with Morgan Hill’s General Plan, as the City explicitly brought the 38 acre site into its Urban Growth Boundary in 2015. A primary thrust of the County’s General Plan is that County lands should have rural uses, and that lands for which urban uses are envisioned should be annexed into the cities (i.e., the urban areas). A high school is an urban use, and the annexation of this land to enable the construction of the High School within the city limits is consistent with the County’s General Plan.

SCCHS looks forward to addressing the Commission at the June 1 reconsideration hearing. As reflected in this letter, it is our firm belief that it would be consistent with State law and LAFCO policies for the Commission to approve the annexation of the lands which are part of the High School Only alternative. We ask that the Commission approve our request.

Date: 5/18/16

SOUTH COUNTY CATHOLIC HIGH SCHOOL

By: 
Andy Pashby

Attachments

- Guide to School Site Analysis and Development
- 3/7/16 Letter from the Morgan Hill Unified School District
- 5/2/16 Letter from South County Realty
- 5/11/16 Letter from Colliers International



Home / Learning Support / Facilities / Facility Design

Guide to School Site Analysis and Development

2000 Edition

California Department of Education
Sacramento, 2000

Developed in 1999
in compliance with the
Administrative Procedures Act

Prepared by
School Facilities Planning Division
California Department of Education

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7. Site Requirements for County Community Schools, Community Day Schools, and Continuation High Schools

1,000 square feet	3	4	4	4
Percentage factor for layout	20	20	20	20

Site requirements for grades six through nine (cont)

Area Use	Enrollment up to 75 Usable Acres Required	Enrollment 76 to 150 Usable Acres Required	Enrollment 151 to 300 Usable Acres Required	Enrollment 301 to 450 Usable Acres Required	Enrollment 451 to 600 Usable Acres Required	Enrollment 601 to 750 Usable Acres Required	Enrollment 751 to 900 Usable Acres Required	Enrollment 901 to 1050 Usable Acres Required	Enrollment 1051 to 1200 Usable Acres Required
Physical Education	4.2	4.5	6.5	8.7	13.4	13.7	15.4	15.4	15.7
Buildings and Grounds	0.8	1.6	2.3	3.0	3.6	4.2	4.9	5.8	6.6
Parking and Roads	0.3	0.3	0.3	0.4	0.4	0.5	0.6	0.7	0.8
Total Acres without CSR	5.3	6.4	9.1	12.1	17.4	18.4	20.9	21.9	23.1
Added Buildings and Grounds for CSR	0.1	0.2	0.3	0.5	0.7	0.9	1.0	1.2	1.4
Added Parking and Roads for CSR	0.1	0.1	0.1	0.2	0.2	0.3	0.3	0.4	0.4
Total Acres with CSR	5.5	6.7	9.5	12.8	18.3	19.6	22.2	23.5	24.9

Site requirements for grades six through nine (cont)

Area Use	Enrollment 601 to 750 Usable Acres Required	Enrollment 751 to 900 Usable Acres Required	Enrollment 901 to 1050 Usable Acres Required	Enrollment 1051 to 1200 Usable Acres Required
Physical Education	13.7	15.4	15.4	15.7
Buildings and Grounds	4.2	4.9	5.8	6.6
Parking and Roads	0.5	0.6	0.7	0.8
Total Acres without				

CSR	18.4	20.9	21.9	23.1
Added Buildings and Grounds for CSR	0.9	1.0	1.2	1.4
Added Parking and Roads for CSR	0.3	0.3	0.4	0.4
Total Acres with CSR	19.6	22.2	23.5	24.9

Note: These specifications are intended for any combination of grades six, seven, eight, and nine and include area requirements for football and track.

Table(s) 6 - Site Requirements for Grades Nine Through Twelve

Type of Outdoor Facility	Enrollment up to 400 Facilities Required	Enrollment 401 to 600 Facilities Required	Enrollment 601 to 800 Facilities Required	Enrollment 801 to 1000 Facilities Required	Enrollment 1001 to 1200 Facilities Required
G Field Area 260 feet by 260 feet	1	1		1	1
H Field Area 260 feet by 460 feet			1	1	1
K Hardcourt Area 100 feet by 120 feet	2	2	3	3	3
L Field Area 360 feet by 360 feet	1	1	1	1	1
M Field Area 300 feet by 750 feet	1	1	1	1	1
N Hardcourt Area 100 feet by 110 feet	3	4	5	5	6
O Field Area 200 feet by 360 feet		1	1	1	1
P Apparatus Area 1000 square feet	2	3	3	4	4
Percentage factor for layout	25	20	20	20	20

Site requirements for grades nine through twelve (cont)

Type of Outdoor Facility	Enrollment 1201 to 1400 Facilities Required	Enrollment 1401 to 1600 Facilities Required	Enrollment 1601 to 1800 Facilities Required	Enrollment 1801 to 2000 Facilities Required	Enrollment 2001 to 2200 Facilities Required	Enrollment 2201 to 2400 Facilities Required
G Field Area 260 feet by 260 feet						
H Field Area 260 feet by 460 feet	2	2	3	3	3	3
K Hardcourt Area						

100 feet by 120 feet	3	3	3	4	4	4
L Field Area 360 feet by 360 feet	1	1	1	1	1	1
M Field Area 300 feet by 750 feet	1	1	1	1	1	1
N Hardcourt Area 100 feet by 110 feet	6	6	7	7	7	8
O Field Area 200 feet by 360 feet	1	1	1	1	2	2
P Apparatus Area 1000 square feet	5	5	6	6	7	7
Percentage factor for layout	15	15	15	15	10	10

Site requirements for grades nine through twelve (cont)

Area Use	Enrollment up to 400 Usable Acres Required	Enrollment 401 to 600 Usable Acres Required	Enrollment 601 to 800 Usable Acres Required	Enrollment 801 to 1000 Usable Acres Required	Enrollment 1001 to 1200 Usable Acres Required
Physical Education	13.8	15.6	17.6	19.5	19.8
Buildings and Grounds	3.3	4.0	5.1	6.3	7.6
Parking and Roads	2.1	3.6	4.4	5.2	6.1
Total acres without CSR	19.2	23.2	27.1	31.0	33.5
Added Buildings and Grounds for CSR	0.4	0.6	0.8	1.0	1.2
Added Parking and Roads for CSR	0.1	0.2	0.2	0.3	0.3
Total acres with CSR	19.7	24.0	28.1	32.3	35.0

Site requirements for grades nine through twelve (cont)

Area Used	Enrollment 1201 to 1400 Usable Acres Required	Enrollment 1401 to 1600 Usable Acres Required	Enrollment 1601 to 1800 Usable Acres Required	Enrollment 1801 to 2000 Usable Acres Required	Enrollment 2001 to 2200 Usable Acres Required	Enrollment 2201 to 2400 Usable Acres Required
Physical Education	20.4	20.4	23.9	24.2	25.0	25.3
Buildings and Grounds	8.9	10.1	11.4	12.7	13.9	15.2
Parking and Roads	7.1	8.2	9.2	10.2	11.2	12.2
Total acres without CSR	36.4	38.7	44.5	47.1	50.1	52.7
Added Buildings and Grounds for CSR	1.4	1.6	1.8	2.0	2.1	2.3
Added Parking and Roads						

for CSR	0.4	0.5	0.5	0.6	0.6	0.7
Total acres with CSR	38.2	40.8	46.8	49.7	52.8	55.7

Note: If field area L, Baseball Field, includes bleachers and dugouts, the site should be increased 0.3 acres.

If field area M, Football Field and Track, includes a stadium, the site should be increased by 1.7 acres.

If the school program includes aquatics and requires both swimming and diving pools, the site should be increased 0.6 acres.

Table 7 - Site Requirements for County Community Schools, Community Day Schools, and Continuation High Schools

Area Use	Enrollment 5 to 20 Square Feet and Usable Acres Required	Enrollment 21 to 40 Square Feet and Usable Acres Required	Enrollment 41 to 60 Square Feet and Usable Acres Required	Enrollment 61 to 90 Square Feet and Usable Acres Required	Enrollment 91 to 120 Square Feet and Usable Acres Required	Enrollment 121 to 150 Square Feet and Usable Acres Required	Enrollment Over 150 Square Feet and Usable Acres Required
Buildings and Grounds in Square Feet	5,000	10,000	15,000	20,000	28,000	34,000	34,000 plus 200 square feet per pupils in excess of 150 enrollment
Parking and Roads in Square Feet	8,000	16,000	24,000	36,000	48,000	60,000	400 square feet per pupil for the total number of pupils
Physical Education in Square Feet	16,000	16,000	24,000	36,000	48,000	60,000	400 square feet per pupil for the total number of pupils
Total Square Feet Recommended	29,000	42,000	63,000	92,000	124,000	154,000	
Acres	0.7	1.0	1.5	2.2	2.9	3.6	

Figure 1. Basic Unit A (Illustrated)

Basic Unit A space module is 90 feet by 120 feet. Instructor may mark courts with chalk lines to make one teaching station of end soccer 60 feet by 100 feet or one teaching station of two hand polo courts 40 feet by 60 feet or other field games as desired for grades 1, 2, 3

Back to top

Figure 2. Field Areas for Grades 1, 2, and 3 (Illustrated)

Use one Unit A space module that is 90 feet by 120 feet (10,800 square feet) for an enrollment up to 150.

Use two Unit A space modules (each module 90 feet by 120 feet for a total of 21,600 square feet) for a maximum enrollment of 300. The two units are placed side by side.

Use three Unit A space modules (each module 90 feet by 120 feet for a total of 32,400 square feet) for a maximum enrollment of 450. The three units are placed side by side.

Use four Unit A space modules (each module 90 feet by 120 feet for a total of 43,200 square feet) for a maximum enrollment of 600. The four units could be placed side by side or placed as a square.

The modules may be blocked into various geometrical patterns or planned as separate units. The architect is free to make the site layout as he/she thinks best, provided the appropriate number of modules is included and the facilities are identified and dimensioned.

Figure 3. Basic Unit B (Illustrated)



MORGAN HILL UNIFIED SCHOOL DISTRICT

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Delivery: USPS
Email: John.Baty@MorganHill.CA.gov

March 7, 2016

John Baty, Senior Planner
Community Development Department - Planning Division
City of Morgan Hill
17575 Peak Avenue
Morgan Hill, CA 95037

**Re: Morgan Hill 2035
Draft EIR (SCH#2015022074)**

Mr. John Baty:

Morgan Hill Unified School District ("MHUSD") appreciates the opportunity to communicate with you concerning the Draft Environmental Impact Report for the Morgan Hill 2035 Project ("DEIR"). We oppose the DEIR because it fails to recognize that the City has been unable to identify sufficient land within the City of Morgan Hill ("City") to meet the District's needs thereby requiring the MHUSD to identify land for acquisition outside the current city limits.

The DEIR appears inconsistent with the City's General Plan and General Plan Amendment which indicate that the City shall work in partnership with the MHUSD to develop school facilities. School districts and local government depend on each other. A growing community places greater demands on the school system, thereby creating a need for more or expanded schools. Likewise, a new school often stimulates significant traffic as well as residential development near the new school site. Thus, the actions of one entity affect the interests of the other. Given this fact, it is imperative that MHUSD and the City work together to site schools.

The Santa Clara County Local Agency Formation Commission ("LAFCO") has given written objections to schools being built outside of City limits. As LAFCO is the state mandated local agency established to oversee the boundaries of cities and special districts, MHUSD has shared with LAFCO's its present concerns about lack of available land within the current City of Morgan Hill boundaries as the justification for the need to purchase and develop property in the South East Quadrant ("SEQ").

Insufficient Land

The DEIR fails to recognize that there is not sufficient land within the city limits to accommodate the District's needs. Based on the DEIR, which currently recommends increasing the population limit for the City of Morgan Hill to 64,600, the District anticipates that it would need to construct a minimum of four elementary schools and two secondary schools. According to tables 4.13-4 and 4.13-5 of the DEIR, MHUSD enrollment is projected to be between 11,864 and 13,611 students, which greatly exceeds the current facility capacity of 9,754.

MHUSD has the responsibility of anticipating the changing school facility needs of the Morgan Hill community to ensure a physical environment that is comfortable, safe, secure and accessible. The District believes that "neighborhood schools" enhance the social, economic and physical character of the City. In addition to educating young people, "neighborhood schools" provide physical places for the community to gather for cultural or sporting events, walk the dog, or play in the playground or school field.

Acquiring new school sites is a big challenge, in part because of the California Department of Education's regulations which determine the acreage requirements. According to the California Department of Education, MHUSD is required to obtain a minimum of 10 acres to build an elementary school, 25 acres for a middle school and 40 acres for a high school.

The District has requested the assistance of the City of Morgan Hill Planning Department in determining potential locations within the City's current boundaries for future schools and planning for serving our community with sensible education school building placement. In discussions with the City of Morgan Hill staff, it was determined that there are few available parcels within the City that currently meet District's requirements. The lack of available land within the City's current boundaries has forced the District to examine potential school sites along the urban periphery including the unincorporated county. Locating a school outside of the City is contrary to the District's belief in "neighborhood schools" but at this point the District has very limited options.

Conflicts with the City's Current General Plan

The City's Current General Plan Goal of useful, accessible and high-quality park, recreation and trail facilities and programs includes (page 49 and page 50):

18.2 Encourage partnerships with other agencies and organizations, including the Morgan Hill Unified School District (MHUSD) and other schools, Santa Clara Valley Water District, and the Santa Clara County Parks and Recreation Department, to acquire and develop parks and recreation facilities.

18.3 Work in partnership with MHUSD and other schools where appropriate to identify potential locations for future parks adjacent to future schools in areas currently underserved by parks. Where feasible, the lead agency (MHUSD or the City) shall acquire the full amount of land needed for the school/park, with the other agency

agreeing to pay its fair share. Also consider partnerships to enhance community recreational use of existing and proposed school facilities.

18.4 Joint use agreements between the City and MHUSD shall be developed for all new school/neighborhood parks identifying maintenance responsibilities and maximizing shared use of resources where mutually beneficial. Also consider partnerships to enhance community recreational use of existing and proposed school facilities.

The DEIR fails to recognize the need to develop parks and recreation facilities in partnership with MHUSD and the plan does not identify areas where future facilities and schools can likely be placed for with adequate land needed for a park/school. The areas specified for development and school use are, in fact, ignoring any public school need to meet general plan goals. The document does not recognize any predictable public school placement in the area to be annexed. The DEIR disregards the impacts the necessary school development will have on traffic, land use, noise, and planned recreational facilities.

No conversations or agreements have been reached between the City and MHUSD for cooperative activities and partnerships to enhance community recreational use of proposed school facilities. MHUSD has communicated to City staff that the District is currently seeking to acquire property for future school development. Given where the MHUSD schools are currently located and where the population needs and trajectories are going, we have explained that one of the preferred places for the two additional secondary schools is in the SEQ. .

MHUSD looks forward to working cooperatively with the City to develop a new secondary site in the SEQ which would allow MHUSD access to the City's sports and recreation facilities in accordance with action 18.4 of the current General Plan.

LAFCO's Objections

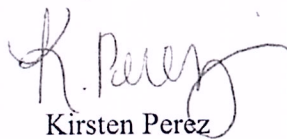
Due to the land restraints within the city limits of Morgan Hill, building school sites outside of city limits would be necessary. However, MHUSD in receipt of a letter from LAFCO, dated February 2, 2016, regarding their objections to "urban sprawl" and is encouraging the District to look within city limits for future facility needs. The letter also reiterates Santa Clara County's refusal to allow urban developments in unincorporated areas, its inability to provide "urban services such as sewer and water service" as well as the need for LAFCO's approval to provide services outside of its boundaries, per State law.

Without LAFCO's support, expanding MHUSD's school sites outside of the city limits is improbable and increases the burden placed on the District to locate preferred sites within the city limit.

Conclusion

The impact of the DEIR is quite significant to the facility needs of MHUSD. Without proper consideration, it would cause issues in the future as the District will not have sufficient sites to accommodate the projected population growth. MHUSD requests that the DEIR take into account the needs of the students of Morgan Hill for preferred school sites.

Regards,



Kirsten Perez
Assistant Superintendent Business Services

cc: Steve Betando, Morgan Hill Unified School District, Superintendent
Steve Rymer, City of Morgan Hill, City Manager
Neelima Palacherla, Local Agency Formation Commission of Santa Clara County,
Executive Director
Anessa Espinosa, Morgan Hill Unified School District, Director Facilities,

Attachments: LAFCO Letter dated February 2, 2016



17045 Monterey Hwy. Suite A
Morgan Hill, CA 95037

May 2, 2016

To Whom It May Concern,

I am writing in regards to the recent LAFCO hearing of March 11, 2016. It has been brought to my attention that there were suggestions by LAFCO staff that several of the commercial sites I happen to represent should be considered for a Private High School site location. I am writing today to state my opinion that these sites would not be a viable option for said school site use as summarized below.

The first site is a 13 acre General Commercial PUD site located at the corner of Murphy/Condit and Dunne Avenue and is known as APN 817-12-11 & 13, owned by China Bay Inc. This site is presently being marketed at \$15 million for a community shopping center. The owner and his partners also own adjacent and nearby properties and thus have been substantially selective in the type of uses that may eventually develop here due to a real or perceived impact on their remaining nearby land holdings. The owners have been known to reject offers for would be development projects solely due to their believe that it would not be up to the standards they are wishing to see developed upon property they have owned since 1981. My understanding is also that a school use is neither a permitted or condition use allowed under general commercial zoning. China Bay Inc. would not be interested in entertaining an offer for a school site.

The next site know as APN 728-17-029 & 030 is owned by Omura and Sons Inc. and Pat and Pravin Patel et.al. This approximate 17 acre site just north of the Ford Store is zoned Highway Commercial with an approved PD in place. This site is the only approved auto mall site in Morgan Hill with the first dealership, The Ford Store, being wildly successful. We are also currently under contract for an additional 6 acres of said 17 acres for a new Chrysler Dealership with Josh Tobin of Las Vegas. Needless to say this site is being reserved by both the city and the property owners for additional dealerships and in fact we are under discussions with a third possible dealership at this time. In addition this site would not be an option for a school site due to the PD master plan for the exclusive auto mall concept. In addition I do not believe a school site is even an allowed conditional use for this classification of commercial zoning. If interested the asking price for this land is \$16.50 a foot or \$718,000 per acre.

The last site is a group of 5 parcels on the south side of Tennant Avenue adjacent to the freeway and again zoned Highway Commercial with a PD overlay. APN 817-8-014, 015, 019, 026 and 030. These 5 parcels are all owned by different entities which has made assembling them for a possible shopping center use a challenge through the years. Note that the smallest parcel in the middle of the group is an existing Baptist Church (parcel 014). They have not surprisingly been reluctant to participate in the sale and/or surrounding development of a shopping center which would necessitate the need for relocation of their long time location as a church. All 5 parcels do have a PD zoning overlay thus they cannot be developed separately without the need to prepare and have approved a "precise development plan"

(master plan) for the entire group of parcels due to the PD overlay. Additionally the approximate 4.6 acre parcel (parcel 030) just west of the church parcel is owned by Devi Oil Company and that owner was recently approached to sell just his parcel which he turned down. This owner has a specific use in mind, he is an end user, and is willing to wait until the entire shopping center project can move forward. Mr. Goyal has recently informed me he is not interested in any offers to sell his parcel at this time.

In summary I do not think LAFCO staffs statements regarding these sites being possible alternative sites for a private school is desirable or even achievable. I would be glad to share any additional details needed relative to the above sites.

Sincerely,


John Telfer
Owner/Broker
South County Realty



May 11, 2016

To Whom It May Concern:

RE: Vacant Industrial/Commercial Properties in Morgan Hill

It is my understanding that the LAFCO Commission and staff, at their March 2016 hearing, encouraged the City of Morgan Hill to change their land use strategy on some of their vacant industrial and commercial sites. I understand further that the Commission specifically denied an “option” to approve a proposed 38-acre Catholic High School because the Commission felt the high school should be located on a site within the City’s vacant commercial or industrial properties.

For the past 25 years I (working for Colliers International) have been one of the most active real estate brokers of industrial and commercial property in south Santa Clara County. I represent currently large, multi-parcel business parks as well as large-to-small individual parcels and industrial buildings in Morgan Hill and Gilroy.

As a professional who is active in this South County market, I think it is short-sighted and impractical to redirect these vacant sites to future uses as schools or baseball fields. The current vacant supply of industrial and commercially-zoned properties is part of the normal business cycle. In the early-to-mid 1990’s Morgan Hill started to realize its goal of having a balanced community with both jobs and housing. It did so with the creation of several attractive business parks. The new business parks were successful in attracting a number of new companies. In so doing, Morgan Hill began to balance its housing supply, which in prior years primarily served central and north Santa Clara County employment. The period between 1995 to about 2001 accounted for much of its new employment, on roughly 200 acres. Shortly thereafter all of Silicon Valley went through two significant economic downturns and Morgan Hill experienced little new industrial/office building. Finally, the overall market started to turn and the vacant sites are positioned for expansions or new companies.

Some of the current vacant parcels are being held specifically for expansion of the adjoining companies. A number of the vacant parcels are within special assessment finance districts, whose property-owners support the bonds used for the public improvements. These current property owners are relying on similar industrial or office neighbors for financial stability. They will resist potential conflicts from adjacent schools or playfields and unexpected safety or environmental regulations normally associated with such public uses.



There are no remaining vacant 40-acre industrial/commercial sites in Morgan Hill – whether as individual or consolidated parcels. I represent two of Morgan Hill’s largest consolidated sites, both of which are located in Morgan Hill Ranch, a business park I have been associated with for over 20 years. Neither of these two sites is large enough for a high school nor are they well suited for such a use. The largest site (33-net acre/36.5 gross acres) is located at the southwest corner of Butterfield Boulevard and Jarvis Drive and is being actively marketed by the property owner for industrial development. The site’s current configuration is a result of a 2015 rezoning of an additional 19.5 gross acres from industrial to residential. This recent rezoning was opposed by some of the current business park companies. In making this rezoning, both the property owner and the Morgan Hill City Council committed that there would be no further industrial parcel reductions on the site.

The second Morgan Hill Ranch site I represent is a 20-acre commercial site and too small for a 40-acre high school. This site (3 contiguous parcels) is located at Cochrane Road and Butterfield and it now has a purchase contract of sale pending. Therefore, it is no longer available.

In summary, I can envision no circumstances under which either of these two larger sites would be available for a high school. (Of course, the various smaller (less than 5-10 acres) vacant industrial/commercial sites scattered throughout the City do not lend themselves for larger-scaled uses such as schools or playfields.) Therefore, the LAFCo proposal would be unworkable.

I would be pleased to provide additional information should it be helpful.

Sincerely,

COLLIERS INTERNATIONAL

A handwritten signature in black ink, appearing to read "Jeff Barnes". The signature is fluid and cursive, with the first name "Jeff" and last name "Barnes" clearly distinguishable.

Jeff Barnes
Executive Vice President
+ 1 408 842 7000
jeff.barnes@colliers.com
CA License No. 00862186

AGENDA ITEM # 8
Attachment I

Dear Ms.Palacherla,

May 27, 2016

I write to you today to urge you to vote in favor of the property annexation for the proposed South County Catholic High School.

I understand that the property under consideration will be developed for the sole purpose of this high school. We are fortunate that the Diocese of San Jose continues its long term commitment to this project. They recognize it as a most unique opportunity for the Diocese of San Jose and Santa Clara County communities to provide an institution of learning in symbiosis with the environment in which it will be built. The proposed construction of this school will meet and most likely exceed and improve current LEED standards.

Additionally, it is my understanding that the curriculum may include interdisciplinary instruction in agriculture and environmental studies incorporating technology, engineering and the arts. Thus students can be a part of an ecological, sustainable campus environment that will teach them about real world ecological issues. I am also to understand that the City of Morgan Hill has agreed to permit the school to use of the athletic facilities located basically across the street from the proposed school site indicating a current environment of cooperation between the City of Morgan Hill and the Diocese of San Jose.

There is not a parcel of land within the city limits of Morgan Hill that can accommodate this visionary educational endeavor. I believe that if the entire county were educated and aware of the vision of this school and what it will add to the entire area for generations there would be an overwhelming support for this project. As it is community, parish and Diocese support for the school runs very high.

It has been over fifty years since the Diocese of San Jose has built a high school campus and citizens in the South County have never been offered this alternative educational opportunity at the high school level. This type of education has proven time and time again to improve the standards of other schools and provide numerous benefits to communities in which they are located for generations.

It stands to reason that the Bay Area and, in particular, Silicon Valley, Santa Clara County and then the South County region set an example to the world how an educational facility can be incorporated in open space through sustainable best practices in construction and development of the school. Actually this could be a fine example of what LAFCO is trying to achieve - a balance of open space and development to accommodate the growing need of an exceptional and beautiful high school that will serve citizens of all economic levels in Santa Clara County and beyond for generations.

Your kind attention to this issue is most appreciated as is a vote in favor of the land annexation.

Sincerely,

Mary Beth Anderson
Gilroy Resident and County Property Owner

Abello, Emmanuel

From: Diane <dianeholmes@charter.net>
Sent: Thursday, May 26, 2016 1:05 PM
To: Abello, Emmanuel
Subject: Catholic High School LAFCO Reconsideration

Dear Mr. Abello,

I'd like to thank you so much for reconsidering the annexation of the 40 acres necessary to build the Catholic high school in the SEQ. I also ask for your support especially since the intent of the annexation is to provide an educational environment and definitely not contribute to urban sprawl. The area is designated specifically for a school and the Diocese of San Jose is committed to building the much needed Catholic high school whose high academic standards and excellent values would benefit the community and Morgan Hill's youth. Currently, all students seeking a Catholic high school education must travel to San Jose, Mountain View, Watsonville, or Salinas spending many hours commuting and face extremely long days, especially with any extracurricular activity (sports, drama, etc.). Instead of exporting them we need to keep these motivated, talented students close to home, adding value and supporting the community in which they live. We have lived in Morgan Hill for 40 years and have witnessed an excellently managed city and growth. The city has many outstanding amenities providing opportunities to all of its citizens: the athletic complex, aquatics center, cultural center and recreation center with senior center. A Catholic high school would be a tremendous asset. Catholic schools stress the values of self-discipline and commitment, have excellent success rates educating minority students and encourage each student to accept the challenges of being a better person in tomorrow's world. Catholic schools foster leadership, creativity and cooperation and encourage students to give of their time and talents to community service projects, which are integral to Catholic education.

Therefore, I strongly encourage you to vote to annex the 40 acres needed to realize this important asset to our community.

Sincerely,
Diane Holmes



March 26, 2016

Local Agency Formation Commission of Santa Clara County
70 West Hedding Street
8th Floor, East Wing
San Jose, CA 95110

VIA E-MAIL: Neelima.Palacherla@ceo.sccgov.org

Re: Request for Reconsideration of Denial of USA Amendment for High School Only Alternative

Dear LAFCO Commissioners,

The South County Catholic High School ("SCCHS") has requested reconsideration of LAFCO's decision to deny the application for the Urban Service Area Amendment only as it applies to the High School. As the Open Space Authority wrote in a letter to the Commissioners on February 11, 2016, the Urban Service Area Amendment threatens Santa Clara County's finite agricultural resources.

SCCHS claims that LAFCO staff misinformed the Commissioners when it stated that the Commission would have to approve the whole EIR if it desired to approve a USA Amendment for a portion of the quadrant. In fact, LAFCO staff correctly informed the Commissioners that as a responsible agency, LAFCO was required to make findings on the EIR as a whole that the lead agency has drafted along with its mitigation measures. LAFCO does not have discretion to select a project alternative and pick and choose sections of the EIR that apply to that alternative. LAFCO should not approve a project alternative that the Morgan Hill City Council did not approve. While the OSA disagrees with the conclusions in the EIR, the EIR did not find the High School Only Alternative to be superior to the proposed project. Indeed, the EIR did not select the High School Only alternative as the environmentally superior alternative.

The Open Space Authority recommends that LAFCO deny SCCHS's application for reconsideration because the project alternative was thoroughly evaluated by LAFCO and Morgan Hill's EIR properly determined that the High School Only alternative would have unmitigated significant impacts and would defeat the public purpose of the project. The EIR found that the High School Only alternative would have potentially significant impacts on aesthetics, light, and glare, agricultural resources, air quality/ greenhouse gas emissions, biological resources (special-status species and wildlife movement), cultural resources (historical resources, archaeological resources, paleontological resources, and burial sites),

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hazards (seismic hazards, erosion, and expansive soils) and hazardous materials, hydrology and water quality (drainage and solid waste), public service and recreation, utility systems.

Ultimately, LAFCO properly considered the High School Only Project Alternative and determined "The proposed USA expansion would result in unnecessary conversion of nearly 40 acres of prime agricultural lands and the proposed development would create further land use conflicts with the surrounding agricultural lands and encourage development of additional lands." As the Staff Report noted, the City has vast inventory of land supply and therefore there is no need to convert prime agricultural land to allow for the development of a private high school.

For these reasons, the Open Space Authority's encourages LAFCO to deny SCCHS's Request for Reconsideration.

Thank you for the opportunity to comment.

Sincerely Yours,

A handwritten signature in black ink that reads "Andrea Mackenzie". The signature is written in a cursive style with a large initial 'A'.

Andrea Mackenzie
General Manager

Cc: OSA Board of Directors

Attachment:

Open Space Authority Letter to LAFCO – *City of Morgan Hill Urban Service Area Amendment Area 1: Tennant - Murphy*



VIA E-MAIL

February 11, 2016

Local Agency Formation Commission of Santa Clara County
70 West Hedding Street
8th Floor, East Wing
San Jose, CA 95110

Re: City of Morgan Hill Urban Service Area Amendment Area 1: Tennant - Murphy

Dear LAFCO Commissioners,

The Santa Clara Valley Open Space Authority (OSA) appreciates the opportunity to provide this letter of comment on the City of Morgan Hill's application for Urban Service Area (USA) Amendment Area 1 (Tennant-Murphy) within the Southeast Quadrant (SEQ).

The OSA is a public land conservation agency and special district created by the California Legislature in 1993 to balance growth with the protection of open space, natural resources, greenbelts and agricultural land. To date, the OSA has worked with farmers, ranchers, public agencies and non-profit partners to conserve and steward over 20,000 acres of open space and agricultural land through voluntary acquisition of land and conservation easements. The OSA effectively partners with federal, state, regional and local agencies, non-profit organizations and foundations to leverage funding for agricultural land conservation projects.

As one of the few agencies or entities in Santa Clara County responsible for conserving *agricultural land*, conservation of the remaining South County farmland is a high priority for the OSA. The County has already lost over half of its farmland in the past 30 years to development. Approximately 27,000 acres of production farmland remains primarily within the areas of Coyote Valley, Morgan Hill SEQ and Gilroy and half of this acreage is projected to be lost to conversion in the next 30 years. The SEQ is one of the last large areas of aggregated prime farmland remaining in South County. In the OSA's Santa Clara Valley Greenprint, the SEQ is identified as one of 10 important land areas to be conserved through coordinated planning, partnerships and strategic conservation investment.

Many of the OSA's concerns regarding the USA amendment and its effects on the continued viability of surrounding agricultural land were previously stated in a joint letter to the City of Morgan Hill from the OSA, County and LAFCO (see attached letter, November 5, 2014).

The Southeast Quadrant has been the focus of much discussion and study over the past 10 years regarding conservation and development and whether agriculture can still be viable on the City's southern boundary, given relatively small parcel zoning and allowance for single

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family residences in this unincorporated area. In the last several years, the City of Morgan Hill completed economic studies that concluded that small scale agriculture is still viable in the SEQ. The County of Santa Clara just released its study that the economic contribution of South County agriculture has never been higher, with the agricultural industry producing \$830 million annually and \$1.6 billion of total output value.

SEQ Annexation and Development Phasing

As stated in the USA amendment application and the City's *Southeast Quadrant Land Use Plan and Citywide Agricultural Preservation Program/EIR* (November 2014), the City plans to develop over 400 acres of sports, commercial and residential uses in the SEQ over several phases. The first phase of the development is addressed in the Area 1 application before LAFCO which proposes to expand the USA by converting approximately 229 acres of agricultural land within the 310-acre Sports, Recreation and Leisure (SRL) Zoning Designation to sports fields, hotels, restaurants, a Catholic High School and other unknown uses. The City plans to mitigate the conversion of 229 acres of farmland through its *Citywide Agricultural Lands Preservation Program*, adopted in November, 2014. Stated elements of the City's program include mitigating farmland loss on a 1:1 basis and generating in-lieu fees through development to acquire agricultural conservation easements. The City believes that annexing and developing farmland and mitigating farmland conversion by using in lieu fees to acquire agricultural easements is preferable to leaving the SEQ within the County. We respectfully disagree.

City's Agricultural Land Preservation Program is Infeasible

The OSA acknowledges the City has put considerable time and effort toward developing a *Citywide Agricultural Preservation Program* that includes elements that LAFCO would look for in evaluating USA amendments. These include 1:1 mitigation, payment of an agricultural mitigation (in-lieu) fee, acquisition of other agricultural land or dedication of a permanent agricultural conservation easement, and payment of a fee to cover ongoing management and monitoring activities. Indeed many of these elements are important components of agricultural preservation programs. However, implementation of the City's preservation/mitigation program and financial plan, as currently structured, is infeasible and would be difficult for any third party conservation entity such as an open space agency or agricultural land trust to administer for the following reasons:

The cost of a conserving agricultural land in the SEQ through in lieu fees is underestimated. The City's in lieu fee requirements rely on lower land values more appropriate to acquiring agricultural easements around Gilroy. A 2013 Market Analysis and Nexus Study prepared for the City that provided the foundation for the *Citywide Agricultural Lands Preservation Program* found that the cost to acquire agricultural easements in the SEQ would be \$47,500 per acre. The in lieu fee proposed by the City in its Agricultural Preservation Program for the purchase of agricultural conservation easements is set at \$15,000 per acre. Thus, though the program requires 1:1 mitigation, the funding generated by the proposed mitigation fee would not be

able to meet the 1:1 mitigation requirement in the SEQ. Instead, mitigation will likely be directed to other parts of the County. It is also likely that the fees would be insufficient to fully fund a qualified entity to administer and implement the agricultural easement program.

The City recently estimated that approximately \$11 million would be needed for acquisition of conservation easements in the SEQ to mitigate for the 229 acres of farmland converted to development in the Area 1 annexation. Yet there has been no clear estimate of the amount of in lieu fees that could be generated by proposed development for purchase of agricultural conservation easements. An SEQ project applicant recently estimated approximately \$1 million of in lieu fees could be generated by development within the SEQ. The City has stated it would cover the shortfall of in-lieu fees by contributing up to \$9-10 million from City Open Space funds. Given that the in lieu development fees would generate little of the necessary funds to adequately fund the agricultural preservation program, alternatives should be considered including directly funding agricultural preservation without development or a with a reduced development footprint along Hwy. 101, increasing the in-lieu fee to what the actual per acre cost of an agricultural easement is in Morgan Hill, and creating an agricultural overlay zone with the County to incentivize agricultural land uses and productivity.

Based on the *Southeast Quadrant Land Use Plan and Citywide Agriculture Preservation Program/EIR* and Draft 2016 General Plan update (in preparation), implementation and feasibility of the City's agricultural preservation program appears to rely on continued annexation and development of land within the SEQ to generate land and easement dedications and in-lieu fees, but this is not addressed in the Area 1 application before LAFCO. This phasing or piecemeal approach makes it difficult to fully evaluate the City's plans for development and the efficacy of the City's Agricultural Preservation Program. Specifically, the City's approved *Southeast Quadrant Land Use Plan and Citywide Agriculture Preservation Program/EIR* proposes to transfer 38 development rights on existing lots of record on Chiala parcels to the northeast corner of the SEQ which would then be annexed to the City to create a cluster of rural residential homes and conservation easements. However, the 2016 update of the City's General Plan now in preparation increases the number of units at this location from 38 to 160 homes through a post annexation rezoning, with single family medium (3-5 units/acre), single family low (1-3 units/acre) and Residential Estate (1 units per acre) zoning designations. Since this level of both commercial and residential growth is not addressed in the Area 1 application before LAFCO, it is difficult to evaluate both the anticipated growth and mitigation for loss of agricultural land in the SEQ. Lastly, a linear strip of agricultural parcels separating the Area 1 development and the future residential area would remain in the County for the stated purposes of creating a *priority agricultural preserve* through the acquisition of conservation easements.

The purpose and need for annexation is not entirely clear

It is still unclear whether there is land inventory within the existing city limits to accommodate all or some of the total development proposed for the SEQ (ballfields, visitor-serving commercial and residential uses) to decrease the amount of farmland converted to development. The City has stated that there are no feasible sites for locating sports complexes within the existing City and that the importance of annexing Area 1 is to provide revenue through sports, recreation and other public, quasi-public uses. However, should those uses prove to be financially infeasible in the future, could those annexed lands be converted to residential use? The City's *Desirable Infill Standards* (originally drafted 1997 and updated as of 2007) state "*the City may petition LAFCO for expansion of the USA irrespective of the amount of vacant land available for residential development; and that properties with public and quasi-public land uses would be eligible for conversion to residential use two years after the properties are officially annexed to the City.*"

The City is now updating its General Plan 2035 and voter-approved *Residential Development Control System (RDCS)*, a growth management mechanism that meters out building permits to maintain a cap on population growth. Updates of these two important policy tools presents an opportunity to work with the County, LAFCO, OSA and other conservation entities to incentivize infill development, thereby taking pressure off prime agricultural land in the unincorporated area.

Inconsistency of Application with State and Regional Plans

LAFCO should ensure that the Morgan Hill Area 1 Annexation and other applications for urban service area amendments are consistent with State and Regional goals, including climate change mitigation and sustainable communities. State, regional and local agencies are increasingly linking the protection of agricultural land with infill development as key climate change/greenhouse gas emission (GHG) reduction strategies. Yet as stated in the USA application, the City of Morgan Hill's certified environmental impact report for the Citywide Agricultural Preservation Program and Southeast Quadrant Land Use Plan necessitated a finding of overriding consideration with respect to greenhouse gas emissions generated by proposed development.

In 2015, Santa Clara County and the Santa Clara Valley Open Space Authority were awarded a \$100,000 *Sustainable Agricultural Lands Conservation Strategy Grant (SALC)* from the State's Strategic Growth Council to create a regional policy framework and implementation plan to protect South County agricultural lands and reduce GHG emissions. The grant is one of only 5 awarded across the State and is funded by cap and trade revenues. The purpose of the grant is to identify and preserve high priority South County farmlands and coordinate the preservation policies and programs of the County, LAFCO, OSA and cities of San Jose, Morgan Hill and Gilroy. This endeavor, the first of its kind in the county, could result in more efficient growth, protect

bigger blocks of high priority South County farmland, make the region more competitive for land conservation funding (from cap and trade revenues), provide greater certainty to landowners and farmers and reduce speculation that threatens farmland viability on the edge of cities. In summary, a comprehensive agricultural preservation strategy and easement program developed through the SALC Grant and coordinated amongst the County, Cities, LAFCO and the OSA and other key partners, offers a better chance of implementing the stated goals of the County, LAFCO and cities than project by project mitigation.

In closing, Santa Clara County's remaining agricultural lands are a finite resource at risk of being lost forever, with potential impacts to the local economy, agricultural viability and quality of life. The Open Space Authority urges LAFCO to not approve the urban service area amendment for Area 1 as proposed and encourage the City of Morgan Hill to work with the County, OSA, LAFCO, Farm Bureau and other agricultural conservation entities to create a feasible and fundable strategy and program based on the needs of agriculture and consistent with state, regional, LAFCO and county policies.

Thank you for the opportunity to comment.

Sincerely Yours,



Andrea Mackenzie
General Manager

Cc: OSA Board of Directors

Abello, Emmanuel

From: Theresa Fianamore <theresafinamore@ymail.com>
Sent: Thursday, May 26, 2016 12:34 PM
To: Abello, Emmanuel
Subject: South County Catholic High School

May 26, 2016

LAFCO Representatives

Re: St. John XXIII Prep - South County Catholic High School

Dear Mr. Abello:

As a Catholic in the South Valley living in Morgan Hill, my family has a son who in a few years will be choosing a Catholic High School to attend. We would truly love to see a Catholic High School in Morgan Hill, which would serve all South Valley Cities/Town's. Currently many of my friends in Morgan Hill are having to drive their high school students into San Jose, Mountain View etc. for the closest Catholic High Schools. A Catholic High School is truly needed here and now. The population has grown so much out in the South of Santa Clara County, and with the traffic increase it is more and more time for families to be spending on the roadways commuting there children to these other schools. To have a local Catholic High School as a choice for families would be so valuable to Morgan Hill and South Santa Clara Valley. The impact would be great financially for everyone, as well as, preventing so much time spent on the road for families. Also, for parents as our children begin to drive on there own it causes great stress and worry for parents knowing their children are driving in heavy traffic and long hours of commutes to and from school. Also, the impact of traffic on the freeway from Morgan Hill and surrounding community is cut down because students locally will be able to walk and bike to school. This is less cars on the highway. We are sure you can see how the continued growth going on in the South Valley now is needing a Catholic High School for this South Valley. Please consider the impact this would have for many of the Catholic families in Morgan Hill and the surrounding South County areas. This would be a great benefit again for Morgan Hill and Santa Clara County.

God Bless You in Your decisions.

Sincerely,

Theresa Fianamore

Abello, Emmanuel

From: susan@svwilsonlaw.com
Sent: Thursday, May 26, 2016 6:52 AM
To: Gerrie Reinhardt
Cc: Palacherla, Neelima
Subject: RE: South County Catholic High School

Thank you for your comments. I will take same into consideration at the hearing in June. Susan Wilson

From: Gerrie Reinhardt [mailto:greinhardt@rnpadvisory.com]
Sent: Wednesday, May 25, 2016 5:36 PM
To: District2@sanjoseca.gov; Mike.wasserman@bos.sccgov.org; roland.velasco@bos.sccgov.org; Ken.Yeager@bos.sccgov.org; board@valleywater.org; District2@openspaceauthority.org; susan@svwilsonlaw.com; TaraMilius@gmail.com; Emmanuel.abello@ceo.sccgov.org; Neelima.Palacherla@ceo.sccgov.org
Subject: South County Catholic High School

Please consider letting the City of Morgan Hill annex the property for the proposed Catholic High School. The site that the Diocese has chosen was formally the T-1 site chosen by the Morgan Hill Unified School District and environment impact studies were done years ago and repeated for the proposed Catholic High School. It wasn't until the Sobrato family graciously gave the land north of Morgan Hill that the second high school plans actually changed and Sobrato High School was built.

We both grew up attending Catholic Schools. When our children were ready for high school they had to actually leave our community and struggle with the commute. It meant many hours on the road to attend school, football games, dances and being with their friends. The development of a Catholic High School in our area would be a real blessing and I'm hoping my grandchildren will have that opportunity. A Catholic High School would improve the area and give students from Hollister, Gilroy, Morgan Hill and South San Jose a chance to learn, plan and enjoy, with more time, instead of spending hours commuting. It would be great to have a Catholic High School in our area, giving parents more choices for education.

Thank you for your time, consideration and effort in helping us to achieve our goals.

Carl and Gerrie Reinhardt
Residents and Business Owners
Morgan Hill, CA

Abello, Emmanuel

From: don holmes [<mailto:holmesdon@charter.net>]
Sent: Thursday, May 26, 2016 1:19 PM
To: Velasco, Roland <Roland.Velasco@bos.sccgov.org>
Subject: LAFCO vote

I ask your support and approval vote to get the catholic school started immediately in Morgan Hill. Please support the "carve-out". It would be a positive addition to the community, beautiful bridge to agricultural land with minimum impact on agricultural property. It would draw students with a value foundation.

Every time I have out-of-town friends visit Morgan Hill they marvel at what a wonderful city we have, filled with community facilities. The catholic high school is another positive addition that broadens the city offerings. It will reduce the traffic that now commutes to catholic high schools outside our city. It is a beautiful extension of the sports venue currently on Condit Avenue. I see only positive impact with no negatives. Any school would be a healthy addition to our city. Benefits of the catholic high school include:

Vigorous academic excellence. A Catholic Education means College-bound peers. The vast majority of all elementary and secondary Catholic school students go college. Ninety-nine percent (99%) of catholic secondary school students graduate and ninety-seven percent (97%) go on to college. At catholic schools, preparation for college is a clear goal and catholic school graduates are often pursued by prestigious colleges.

emphasis on positive values. Education of the Whole Child with virtue driven programs.

healthy social relationships, a good example to other students in the community a supportive environment. Often scholarships are offered to needy students in the local community.

strong sense of community with positive influence and development of our community leaders. Look at past leaders in Morgan Hill and their catholic education background (e.g. Dennis Kennedy, et al.).

Self-discipline – The emphasis on external discipline in Catholic schools is intended to teach internal, self-discipline. Students are expected to accept responsibility for their actions, to respect others and to make good decisions in the context of their faith experience. There won't be gangs formed at a catholic school.

Committed parents – Parents are a child's first teacher. At Catholic schools, parents take an active role in their children's education. The school supports families and works with them for the benefit of children. When problems come up, parents are contacted and asked, "How can we work together to solve this problem?" These parents will be active leaders with service-commitment in our city beyond their high school involvement.

Please vote to get the catholic high school approved and started immediately.



May 26, 2016

Dear Commissioners of the LAFCO Board:

In preparation for the LAFCO meeting scheduled to take place on June 1st, please allow me to write this letter to request your support for the South County Catholic High School, currently proposed to be erected on the site at the corner of Tennant and Murphy Avenue in Morgan Hill. At this time, I would also like to sincerely thank you for your willingness to reconsider the application to change the boundaries in order to annex the land into the City of Morgan Hill.

It is our impression that some of the information originally provided to the LAFCO Board of Commissioners regarding the March 11 Hearing was erroneous and that the misinformation possibly accounted for the denial of our request for annexation. The Diocese of San Jose and the South County Catholic High School Committee are very grateful for the opportunity that has been given us to come before you on June 1st so that we may correct some of those points and hopefully eliminate the concerns that you might have as members of the LAFCO Board.

With this letter, I would like to clarify the following points:

- The original property for the Catholic high school in the northern part of Morgan Hill near Monterey Avenue was never owned by the Diocese (2002 timeframe); therefore, the Diocese never profited from the sale of the property after the high school project was cancelled due to land constraints.
- The Diocese of San Jose has no plan for the land in question (Murphy/Tennant) other than to be the site of a Catholic high school;
- Within the City of Morgan Hill's current boundaries, there is no available property large enough to house a high school of 1,600 students;
- The impacts to agriculture are insignificant with the required mitigation; and
- There are adequate utilities available to service the high school.

Another important reason for our request to have the land annexed to the City of Morgan Hill is the fact that the Diocese of San Jose is in great need of a Catholic high school in the southern part of Santa Clara County. Every day, more than 450 high

school students are obliged to commute outside South County in order to attend non-public schools in other areas. Some of the round trip commutes are greater than ninety miles. There are many other students living in the area who, because of the long daily commute or the family's socioeconomic level, do not really have the option of attending a Catholic high school.

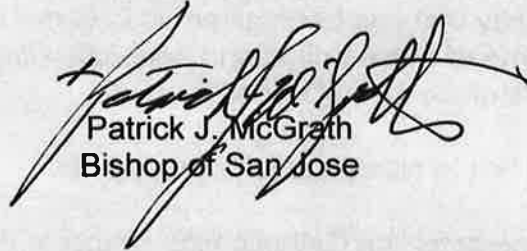
The number of families in the southern part of the Diocese of San Jose is growing rapidly. A new Catholic high school in Morgan Hill would benefit not only the Catholic families in the area but also the entire local community by increasing home values in the area, by increasing business for local proprietors, by reducing freeway congestion, and by providing many hours of community service in the years to come!

As the Bishop of the Dioceses of San Jose, I know that the hope to have a Catholic High School in the southern part of the Diocese has been alive in the hearts of our people for decades!

I would be truly grateful if you would vote "yes" to the request to annex the land on Murphy and Tennant to the City of Morgan Hill so that this hope might become a reality.

With every best wish and kind regard, I remain,

Sincerely yours,



Patrick J. McGrath
Bishop of San Jose

Abello, Emmanuel

From: Marilyn Green <mkgreen0301@gmail.com>
Sent: Wednesday, May 25, 2016 8:09 AM
To: rbrocato@dsj.org; clbarela@dsj.org; pallen@dsj.org
Cc: Wasserman, Mike; Velasco, Roland; District2@sanjoseca.gov; Yeager, Ken; District2@openspaceauthority.org; board@valleywater.org; Susan@svwilsonlaw.com; Taramilius@gmail.com; Abello, Emmanuel; Palacherla, Neelima; Ronald Modeste; Daniel Saccani
Subject: Message from SCCH Committee

This message is being sent from Marilyn Green (mkgreen0301@gmail.com) on behalf of Daniel Saccani.

You guys should be ashamed of yourselves.

The Catholic Church continues to embarrass itself with moves that demonstrate that the Church considers itself more important than its followers. You really should hire a PR firm to help you with your messaging, **YOU OBVIOUSLY NEED HELP!**

Let me see if I can tell you what you have said to your community

- **YOU FAMILIES AT ST. LAWRENCE DON'T MATTER AS YOUR NOT GOOD ENOUGH TO CONTINUE BEING EDUCATED BY THE CATHOLIC CHURCH, SO WE ARE GOING TO CUT YOU OUT OF OUR EDUCATION SYSTEM – YOUR KIDS ARE JUST NOT GOOD ENOUGH FOR US**
 - Without giving the families of St. Lawrence High School any notice or opportunity to fund the high school you close the high school down. Not a bad business decision, just poorly executed. A large number of these students could not get into another Catholic High School. Correct business move, terrible Catholic move. Considering the students that could not find schools were most likely the ones with learning disabilities or just plain not smart enough to get into the other college prep catholic schools. Would Jesus do this??
- **WE ARE VERY EXCITED TO ANNOUNCE THAT WE HAVE CLEANED UP OUR TRASH, NOW WE CAN AFFORD TO START A NEW HIGH SCHOOL FOR THOSE KIDS WHO DO MEET OUR HIGH STANDARDS!!**
 - Now, you send out this exciting news that your opening a new high school in the south valley – Gee, how do you think the families at St. Lawrence feel - can't wait to hear the Bishop's next sermon on how to treat people who are challenged.

Some day it would really be good to see the church **ACTUALLY** follow its own preachings and stumble around with inconsistent messages.

Thanks

Daniel Saccani

Here is a copy of the original message received from rbrocato@dsj.org:

"Hello Daniel and Marilyn,

Dear members of St Mary,
I am forwarding the message below from the SCCH Committee:

> Dear Supporter of Catholic Education,

>
>

> The Diocese of San Jose and the committee for the South County Catholic High School (St. John XXIII) would like to update you on the developments regarding the property annexation.

>
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>

> The 38 acre site, located at the corner of Tennant Avenue and Murphy Avenue in Morgan Hill was purchased by the Diocese of San Jose for the use of the new Catholic high school. The property is currently in the county of Santa Clara. The size of the proposed new Catholic high school and the number of people expected to be on campus make it necessary to have the land the school will be built on annexed into the City of Morgan Hill boundary. This will allow the school to build the required space as well as hook up to city sewer and water. On March 11, 2016 the City of Morgan Hill applied to LAFCO (Local Agency Formation Commission of Santa Clara County) to change the boundary lines and allow the City of Morgan Hill to annex the high school property. The request did not pass on a 3-4 vote. We believe that there was some misguided direction given to the LAFCO board by LAFCO staff and council at the time of the vote. The development committee for the high school has been working closely with the Diocese of San Jose and an attorney to file an application of reconsideration to LAFCO to clarify and correct several key facts that we believe should result in successful approval by LAFCO to proceed with the school. The application has been successful and we expect to be on the agenda for the June 1, 2016 LAFCO meeting. At this meeting we will be asking the LAFCO board to reconsider the decision and make the boundary adjustments necessary to allow for the development of the new Catholic high school. Although we cannot predict the outcome of the reconsideration we do believe we have a strong case.

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> We thank you again for your continued support. The Diocese of San Jose is committed to building this school at this location and we are working toward a successful outcome. Please keep the campaign in your prayers.

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> For more on the high school, visit our website at <http://stjohn23cp.com/>

>
>

> Please send email letters in support of the Catholic high school (South County Catholic High School) to the following LAFCO Board commissioners by May 25th. Below are some suggestions.

>
>

> 1. Please either reference the South County Catholic high school or the Catholic high school. (they are not using St. John's in their reports and that could be confusing)

>

> 2. Please point out the significant support for the school from your community (school, church, parent - whatever)

> 3. You can reference the benefits of the school to the community - getting kids off of the freeways, raising the level of education for the community, community service, more educational choice, 22nd century education,

>
>
>
> The letter needs to come from you. the above are just suggestions. If you can, please send your letter individually through email to each of the LAFCO representatives. Letters in support of the annexation of the land for the high school and the SEQ will be sent to:

>
>
>
> Mike Wasserman/Roland Velasco
>
> Mike.wasserman@bos.sccgov.org; roland.velasco@bos.sccgov.org

>
>
>
> Ash Kalra
>
> District2@sanjoseca.gov

>
>
>
> Ken Yeager
>
> Ken.yeager@bos.sccgov.org

>
>
>
> Sequoia Hall
>
> District2@openspaceauthority.org

>
>
>
> Linda Lezotte
>
> board@valleywater.org

>
>
>
> Susan Vickland Wilson
>
> susan@svwilsonlaw.com

>
>
>
> Tara Martin-Milius
>
> TaraMilius@gmail.com

>
> CC:
> Emmanuel Abello

> Emmanuel.abello@ceo.sccgov.org

>

>

> Neelima Palacherla

> Neelima.Palacherla@ceo.sccgov.org

>

> Thank you for your support!"

Abello, Emmanuel

Subject: FW: South County Catholic High School

From: Velasco, Roland
Sent: Wednesday, May 25, 2016 11:52 AM
To: Palacherla, Neelima <Neelima.Palacherla@ceo.sccgov.org>
Subject: FW: South County Catholic High School

FYI

Roland Velasco
Land Use Policy Aide
Office of Supervisor Mike Wasserman
Santa Clara County Board of Supervisors
70 West Hedding St., 10th Floor, East Wing
San Jose, CA 95110
(408) 299-5010 (office) | (408) 295-6993 (fax)
www.supervisorwasserman.org | roland.velasco@bos.sccgov.org

From: The Findleys [<mailto:findley@garlic.com>]
Sent: Tuesday, May 24, 2016 7:47 PM
To: Velasco, Roland <Roland.Velasco@bos.sccgov.org>
Subject: South County Catholic High School

To Roland Velasco,

I'm writing in support of building a Catholic high school in South County.

My daughter commuted to Presentation High from Gilroy and had an excellent high school experience and education. She is now a practicing veterinarian. Presentation and St Mary were both advocates of volunteer and humanitarian work. They advocated tolerance of race and religion. She is now in her 30's and continues to contribute in her community and around the world.

Sacrifices were made in order to send our daughter to a Catholic school but the most difficult decision was allowing her to commute. As a parent sending your teen on a congested freeway everyday was extremely stressful. The commute also made it very challenging for her to be involved in our own community, have typical high school friendships, and participate in school sports.

I urge you to approve a Catholic high school in Morgan Hill in order to broaden educational choices and prevent our children from having to make the difficult commute to San Jose, Watsonville, or Salinas.

Thank You,
Lynette Findley

Abello, Emmanuel

From: Gicela Del Rio <gdelrio1806@outlook.com>
Sent: Wednesday, May 25, 2016 12:24 PM
To: Wasserman, Mike; Velasco, Roland
Cc: Abello, Emmanuel; Palacherla, Neelima
Subject: South County Catholic High School

LAFCO Representative,

This letter is being provided in support of the proposed annexation of land into the City of Morgan Hill for the purpose of a new Catholic High School (South County Catholic High School). Prior to diving into the details of why we are in support of the annexation, I feel it is appropriate to provide a bit of background on my family. My wife Gicela and I are Professional Traffic Engineers that currently live and work in Gilroy. We have two boys ages 6 and 8. When we married back in 2004, we decided to establish a home for ourselves and future children in Gilroy. With the purchase of our home, we were aware that the education of our children after their middle school grades was unclear given that there was only one high school located in Gilroy at that time. Being the planners that we are and insisting on providing the best education for our children while instilling our Catholic faith, we decided that we must begin to plan on having our children attend one of the existing Catholic High Schools in San Jose.

As absurd as it may seem, we began the planning of our sons high school education when our eldest son entered kindergarten. It was then that we decided that it best to begin a Catholic education for our sons. Both of our sons are currently attending St. Mary Catholic School here in Gilroy. Though life does not always go as planned, we intend on having our sons remain at St. Mary School through 8th grade and hopefully attend a Catholic High School.

My wife and I have been in the traffic consulting business for nearly 20 years. Our work primarily consists of the preparation of traffic impact studies for development projects such as the proposed high school. Land use planning is not our expertise, however, there is a direct correlation between land use and traffic. Over the years we have seeing the goals and approach to land use planning change from maximizing housing and job growth to "smart growth." The later approach intends to reduce the number and length of vehicular trips by providing balanced land uses. The reduction in trips and trip lengths is achieved by providing housing, jobs, and services (including educational facilities) in close proximity to one another.

With that said, our current family plans will require that we join many others on US 101 and travel 40 miles north to a high school in San Jose. With approval of the proposed annexation and construction of a new Catholic High School in Morgan Hill, that travel distance would be reduced to 10 miles. This represents a reduction of trip length equal to 30 miles for our family and many others in the South County.

Both Gilroy and Morgan Hill are currently in the process of updating their General Plans. The General Plans project population increases of 26,000 in Gilroy and 23,000 in Morgan Hill by 2040. It is clear that the existing high schools within the two Cities will not be adequate to serve the projected increase in population and the construction of new

public High Schools will be necessary. The construction of new schools is typically a difficult task given the continual difficulty in obtaining funding for public education and gap in fees collected from new development. The proposed high school will provide an opportunity to reduce the demand on existing and future public high schools in South County without relying on public funding to do so.

One immeasurable benefit of the proposed high school will be an improvement of quality of life for South County residents. The proposed High School will provide an opportunity for families, such as mine, to plan for housing, employment, and their children's education within South County in hopes of spending more time at home as a family rather than commuting on US 101. This in turn results in a reduction in the number and length of vehicle trips.

My family and I appreciate your time and service on the board and hope that you consider our family as well as the many other families in South County and ask that you approve the proposed annexation request to provide a new Catholic High School in South County.

Gicela and Robert Del Rio, T.E.

1806 Club Dr.

Gilroy, Ca. 95020

Abello, Emmanuel

From: Mark Sochan <marksochan@mac.com>

Date: May 25, 2016 at 4:21:13 PM PDT

To: mike.wasserman@bos.sccgov.org

Subject: South County Catholic High School

Dear Mr. Wasserman,

I am writing to express my support for the South County Catholic High School. We have been waiting for a Catholic High School in the Morgan Hill area for more than 15 years. It would be a great value to the residents of the Morgan Hill and Gilroy area to have additional quality high school options close to our homes. The growth in residents in our area merits the need for having a Catholic High School that is easily accessible for students in our community. The demand for the South County High School is proven by the number of students who travel great distances to attend other private Catholic high schools in the bay area such as Bellarmine, Mitty and St. Francis. Our community has been patient and I now respectfully request that you vote in favor of allowing the annexation of land as recommended by the Morgan Hill city council and other local community leaders.

Thank you for your consideration.

Best regards,

Mark Sochan

Gilroy resident and father of 3 boys

Abello, Emmanuel

From: Antonia Bowles [<mailto:antoniabowles@hotmail.com>]

Sent: Wednesday, May 25, 2016 1:24 PM

Subject: Support for a South County Catholic High School

Dear LAFCO representative:

I am the mother of twins (boy/girl) currently attending pre-kindergarten at St. Mary's School in Gilroy. My husband and I are two professionals with well-established careers in San Jose but are residents of Hollister, CA. After careful consideration, we chose St. Marys to educate our kids because of the academic strength and strong community and faith based values it has. Now that the school year is coming to an end, we are even more confident and thrilled to see the growth within our children. We are committed to investing in a private high school thereafter. I know this is seemingly a long way out but we are beginning to plan financially regarding what our children's future would look like.

As residents of Hollister, we are not happy with the public school system and in searching for a private high school education, will look south (Salinas, Watsonville) and north (San Jose) of us. My husband and I have discussed the negative consequences of choosing a school south because we'd be farther away from them with our two full-time jobs in San Jose. Therefore, it is very likely we choose something north and as you know there is a finite amount of private schools available while the general San Jose population is growing exponentially due to multi-unit housing developments. My concern, is that slots for private school education will be so heavily impacted in the near future that it will push students out and even greater concern is that our choices will be limited.

My family fully supports the creation of a South County Catholic High School as it will allow Austin and Sophia (the twins) to continue to experience the Catholic Diocese quality education and high moral standards. I urge you to reconsider this annexation request and invest in educating our future community leaders with the hope that someday they will change our world for the better.

With Respect and Appreciation,

Chris & Toni Bowles

150 Dry Creek Road

Hollister, CA 95023

c. 408.661.5353

Abello, Emmanuel

Subject: FW: Letter in support of South County Catholic High School /Reconsideration of Morgan Hill Urban Service Area Amendment 2015

From: Jeff Bocchicchio [mailto:jmbocchicchio@yahoo.com]
Sent: Tuesday, May 24, 2016 3:28 AM
To: Abello, Emmanuel <Emmanuel.Abello@ceo.sccgov.org>
Subject: FW: Letter in support of South County Catholic High School /Reconsideration of Morgan Hill Urban Service Area Amendment 2015

Resending as there was an error in the email spelling on the original email. Thank you

Sent from Mail for Windows 10

From: Jeff Bocchicchio
Sent: Tuesday, May 24, 2016 3:22 AM
To: Susan@svwilsonlaw.com
Cc: emmanuel.abelo@ceo.sccgov.org; Neelima.Palacherla@ceo.sccgov.org; ICE WIFE
Subject: Letter in support of South County Catholic High School /Reconsideration of Morgan Hill Urban Service Area Amendment 2015

Commissioner Wilson,

We are writing to convey our continued strong support regarding the land annexation to build South County Catholic High School. Thank you for the commission's willingness to reconsider the matter the matter during the upcoming 01 June meeting.

Sincerely,
Jeffrey and Michelle Bocchicchio
9767 Golden Sky Way
Gilroy, CA 95020

Sent from Mail for Windows 10

From: susan@svwilsonlaw.com
Sent: Tuesday, March 1, 2016 7:31 PM
To: Jeff Bocchicchio
Subject: RE: Letter in support of the annexation of the land for SouthCounty Catholic High School

Thank you for your comments. As a public servant and long term Morgan Hill resident, I am sensitive to the concerns of the citizens. I am in the process of reviewing the extensive and comprehensive LAFCO staff report. This matter will be heard at 10:00 a.m. on March 11th at the Santa Clara County Board of Supervisors Chambers. I will be considering all comments received prior to and at the hearing. Susan Wilson

From: Jeff Bocchicchio [mailto:jmbocchicchio@yahoo.com]
Sent: Sunday, February 28, 2016 11:14 AM
To: susan@svwilsonlaw.com

Cc: Neelima.Palacherla@ceo.sccgo.org; ICE WIFE

Subject: Letter in support of the annexation of the land for South County Catholic High School

Commissioner Wilson,

We are writing you to request your support in approving the annexation of land for South County Catholic High School. From our perspective, the high school will be a South County asset as its mission and tenants will honor the legacy and heritage of Morgan Hill and southern Santa Clara County and whose campus and student population will complement and honor the surrounding agricultural environment.

As parents of an eight-year-old girl and future high school student, we look forward to an option to enroll our daughter in a high school that focuses on the mental and spiritual well-being of our daughter as well as her maturation in college preparatory necessities as science, technology, engineering and mathematics. This school will seek to enrich all aspects of the educational experience to include developing each student's entrepreneurial talents, interpersonal skills and positive mental health.

As we speak to parents in Morgan Hill, Gilroy, South San Jose and surrounding areas, there is a strong desire among both Catholics and non-Catholics to see this college preparatory high school built. It is not surprising that support for this school should come from outside of the Catholic Community as most Catholic High Schools in Santa Clara County count among their student populations a percentage greater than 40 percent of non-Catholics. Schools like South County Catholic High School are respected for their moral and ethically based focus as well as their academic rigor in critical thinking and logical problem solving. This school will be for those who seek to learn in a challenging environment with a penchant toward community involvement.

As South County Catholic High School matures, we foresee the school expanding in its role as a community resource. As a center of education for the community, we will seek to sponsor educational events that serve the needs of the many. We seek to collaborate with institutes of higher education and the business community for the benefit of our students and to reach out to integrate students from other schools as well as parents, alumni, the surrounding community. We see South County Catholic High School as a future center of continuing educations for all.

South County Catholic High School will be a center of hope, vision and love. Its merits will be judged not only by the actions and accomplishments of its graduates, but by the role that the school defines for itself with in the community. It will be a place to be part of and not simply a place from which to have graduated or been associated.

Our best course of action against an uncertain future is to create the future that we seek; South County Catholic High School will create that opportunity by casting a future for all it touches.

We seek to usher in a new era in education; please help us by approving the annexation of lands to build South County Catholic High School.

Sincerely,
Jeffrey and Michelle Bocchicchio
9767 Golden Sky Way
Gilroy, CA 95020

Sent from [Mail](#) for Windows 10

Abello, Emmanuel

From: allen douglas <boscovita@yahoo.com>
Sent: Tuesday, May 24, 2016 11:21 AM
To: Abello, Emmanuel

I support the Catholic high school proposed for Morgan Hill. -Allen Douglas

Abello, Emmanuel

From: Gina Anderson <gina@gilroyfoundation.org>

Date: May 23, 2016 at 9:29:30 AM PDT

To: <Mike.wasserman@bos.sccgov.org>

Subject: South County Catholic High School

Good Morning. Thank you for taking time out of your demanding schedule to read my thoughts on the pending approval of the South County Catholic High School. My name is Gina Anderson and I was born and raised here in Gilroy. I attended St. Mary School and then Notre Dame High School in Salinas, CA. I moved away, went to college and inevitably came back to my roots and where I knew I would want to settle down and raise a family. My husband John and I have two boys, William and Matthew who currently attend St. Mary School. I love that my family has come full circle! Our oldest is in 5th grade, and as we begin to prepare for high school there are so many components that led me to this email. I want nothing more for our children than to have a stellar education that encompasses our Catholic identity. I selfishly want to whole package for my boys. St. John XXIII can do just that. We need this high school in South County. Our children should not have to drive 30, 45 or even an hour to receive a 22nd century Catholic education. I remember what it was like to travel every day. I played sports and had friends that were always far from where I lived. I have wonderful memories of high school, but there was a lack of connection to my community. I want my children and all children to be able to be forward thinkers and learn from the best teachers around. I want my kids to play sports under the lights of a beautiful sports complex and be proud to represent their Catholic High School in South County.

We are at a time and place where this High School will add so much value to South County. Less commuting for our children, an amazing education that rivals the best Catholic high schools in Santa Clara/San Jose, local community service that inevitably will teach these kids to give back where they live, and the understanding that our community deserves this amazing opportunity to grow.

Thank you for taking the time to read my email.

All the best.

Sincerely,

Gina M. Anderson

Executive Director

Mailing Address:

PO BOX 774

Gilroy, CA 95021

Physical Address:

60 4th Street #208

Gilroy, CA 95020

408.842.3727

408.842.8767

www.gilroyfoundation.org

"Give Where You Live"

Abello, Emmanuel

From: Emily Lorenzen <emily.lorenzen@gmail.com>

Date: May 23, 2016 at 11:23:12 AM PDT

To: mike.wasserman@bos.sccgov.org, roland.velasco@bos.sccgov.org

Subject: South County Catholic High School

Hello-

I have been a resident of Morgan Hill since 2007 and am proud to have started my family in this great area. I have three young children and would love the opportunity to send them to a Catholic High School that is a mere 10 minutes away instead of long commute to a Catholic High School close to an hour away with commuter traffic. My son is finishing his Kindergarten year at St. Catherine School in Morgan Hill and my daughter will be starting Kindergarten in the fall, with another daughter to follow in two years.

It is in the best interest of my children as well as the community of Morgan Hill, San Martin, and Gilroy to allow our children to have the option of a Catholic High School that is part of their community and near their homes. At the rate the valley is growing there is no telling how much longer commute times will take by the time our children reach high school age. We will be able to keep our kids local when they reach out in their service projects, which will help build community locally.

I know that I am not alone in this huge desire for the South County Catholic High School to be developed. It will be a huge benefit to the entire community.

I pray that you will allow the development of this High School for the well-being of all of our children.

Thank you,
Emily Lorenzen

Abello, Emmanuel

Subject: FW: South County Catholic High School

From: Shelly Paiva

Sent: Sunday, May 22, 2016 6:43 PM

To: 'mike.wasserman@bos.sccgov.org' <mike.wasserman@bos.sccgov.org>; 'roland.velasco@bos.sccgov.org' <roland.velasco@bos.sccgov.org>

Subject: South County Catholic High School

Hello Mr. Wasserman and Mr. Velasco

I am writing you this letter because I am a strong supporter of the South County Catholic High School. I live in Gilroy with my husband and son who attends St. Mary School in Gilroy. We moved down here 15 years ago so we could purchase a home after growing up in the Campbell/Willow Glen area. We truly love this community and enjoy living here with our family. However, one of the main things missing is a local Catholic High School. It would be a huge benefit to this community by having this high school here in South County. Creating more jobs, the ability for less high school kids on the roads making the long commute to San Jose, Watsonville or beyond. In addition, this would help to increase home values, growth for local businesses and raise the education level of this community. This school has been in the works for many years now and we are finally starting to see the light at the end of the tunnel. Many community leaders, business people and constituents of this area want this school to be built. From my understanding there is a strong plan to preserve the agriculture and building a school where there is the ability to see how the ag land is used and learn how to use it would only benefit generations to come. We are in a unique area where this school will be one of the few where we can teach kids about how important the ag land is and how to properly use and preserve for future generations. When you build a school in a larger area where kids are not introduced to this type of living they will never know the importance of it. By building this school in the heart of it, you are not only building a well needed educational facility, but also building a training center for future land owners, new generations of farmers and the appreciation for the beauty of this land.

In addition, if you don't approve this, it is also my understanding there are grandfathered in uses for this land and if we don't build a school it will be portioned off to build estates. Where this will not have the same effect on education our future generation on the beauty of this land and how to best use it. It would then be used for a select few to have a beautiful home. I would favor the School to be able to bring more to the community than just a few estate houses.

Of course I also have a personal agenda where I want this school built soon so my son would be able to attend.

Thank you for your consideration,

Thank you,

Shelly Paiva, President

O: 1 408-436-9280

F: 1 408-436-9289

C.H. Reynolds Electric, Inc.

<http://www.chreynolds.com/>



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Abello, Emmanuel

Subject: FW: new Catholic HS

From: Leticia Palacios [mailto:letpalacios@yahoo.com]

Sent: Sunday, May 22, 2016 8:38 PM

To: Velasco, Roland <Roland.Velasco@bos.sccgov.org>

Cc: Abello, Emmanuel <Emmanuel.Abello@ceo.sccgov.org>; Palacherla, Neelima <Neelima.Palacherla@ceo.sccgov.org>

Subject: new Catholic HS

May 23, 2016

Dear Mr. Roland:

We would like to let you as a LAFCO Board Commissioner know that we are strongly in support of the annexation of the land for the much needed Catholic high school in South Santa Clara County.

We are Gilroy residents and were extremely surprised to find out that the initial vote did not pass. We have five children. All of them have had or will have a Catholic education up through 8th grade. One has graduated as valedictorian of his public high school and went on to graduate from Yale. Another graduated at the top her class at public high school, and is attending Simmons College in Boston, Mass. So we know the benefits of a Catholic education. We were strongly hoping that our two youngest daughters would be able to apply to the new South County Catholic high school. [Our youngest son is currently in seventh grade at St. Mary, and will likely be graduated from high school before the school is completed.]

Part of the reason the two oldest did not attend Catholic high schools was because we did not want them to be spending too much time on the freeways. This would not be an issue for our youngest children were they to have the opportunity to attend the proposed high school. In addition, and as you may know, the new school would raise the level of education for the community, would emphasis more community service and involvement, and allow more educational choice.

We are both professionals, an attorney and a college counselor, so we know the value of a good education, and how important a good moral foundation can serve you in life. We know that not only the parents of St. Mary school, but friends and family whose children attend public school in the area, including South San Jose, and friends and family who have children at St. Catherine's, are all in overwhelming support of the new Catholic high school in South Santa Clara County. While this support may stem from the Catholic Churches, it includes the community in general.

Thank you for your consideration.

Patrick & Leticia Palacios

6361 Snowberry Ct.

Gilroy, CA 95020

(408) 767-2176

Abello, Emmanuel

From: mmsielert@comcast.net
Sent: Thursday, May 19, 2016 9:57 AM
To: LAFCO
Subject: Proposed Catholic HS in Morgan Hill

To whom it may concern:

I understand that the building of a Catholic High School in Morgan Hill at Tennant and Murphy Avenue is up for consideration again. I am strongly against this proposal as to the size of the school that is being considered. There are other proposals in housing being considered in the same area and may start in 2017. This area already has seen a growth in traffic and noise.

I have heard that between Murphy and Condit Roads a Condo and Apartment complex may be built which would bring in over 200 units next to the sports park. The sports park alone creates a large degree of cars in the area without enough parking. These cars have to park along both roads with families walking the streets. To have a Catholic school with 1600 students in the same area will create a burdensome for the homeowners in the area along with more traffic congestion, gas emissions, noise, delivery trucks, and on water conservation. The traffic in the area from the 101 highway also has an impact for the area as cars sit in their cars trying to get home for hours. Now we want to add more congestion.

We also have more agricultural land up for sale along the same area. How much can this small area handle with everything that is being considered. I understand that there will be a small development of homes at the corner of Murphy and E Dunn. We also have a school already at this corner which brings in congestion to the area.

Where is agricultural preservation considered with this proposal? We are all seeing agricultural disappear in the City of Morgan Hill. This is a large development that the area will see a huge impact on conservation and quality of life.

Thank you for your time in hearing my concerns.

Abello, Emmanuel

Subject: FW: Support for Building the South County Catholic High School...It's time!

From: susan@svwilsonlaw.com [mailto:susan@svwilsonlaw.com]

Sent: Monday, May 16, 2016 3:20 PM

To: Palacherla, Neelima <Neelima.Palacherla@ceo.sccgov.org>; Abello, Emmanuel <Emmanuel.Abello@ceo.sccgov.org>

Subject: Fwd: Support for Building the South County Catholic High School...It's time!

From: Chuck Berghoff <cberghoff@optoelectronix.com>

Date: May 16, 2016 at 3:12:17 PM PDT

To: "Susan@svwilsonlaw.com" <Susan@svwilsonlaw.com>

Subject: FW: Support for Building the South County Catholic High School...It's time!

Dear Susan,

I appreciate your support for the South County Catholic High School at the upcoming June 1 LAFCO Reconsideration meeting.

I believe that the misunderstandings that some LAFCO staff and Commissioners may have had at the March 11 meeting will be clarified so that the community can finally move forward with the school. As Mike Wasserman and representatives of the largest commercial farmers in the area attempted to clarify at the March 11 meeting, the issue is no longer about saving commercially viable Ag land any more at this site. It's about providing needed quality educational resources to a growing, healthy Morgan Hill community vs. continuing the expansion of McMansion sprawl that the county control of this land is allowing.

The facts are:

1. **There ARE Adequate Utilities Available to serve the High School.**
2. **The High School Only Alternative DOES provide Logical, Contiguous Boundaries.**
3. **The Impacts to Agriculture are INSIGNIFICANT with the Required Mitigation.**
4. **There is NOT Sufficient Land within the Existing Boundaries for the High School**
5. **SCCHS DID NOT Facilitate nor Profit from the Sale of the Land formerly Identified for a School Site.**
6. **This school is needed now by the residents of Santa Clara County.**

Your support for this school is needed by our students, our families, and our community. And it's needed now! It's time.

Thank you for your support on this!

Regards,

Chuck Berghoff

Chief Executive Officer

OptoElectronix Inc.

111 West St. John Street, Suite 588, San Jose, CA 95113

408-482-1430 Mobile

Youth Services Director

Rotary of Morgan Hill

Abello, Emmanuel

From: John M. Rinaldo <johnrinaldo@gmail.com>
Sent: Friday, May 13, 2016 12:03 AM
To: Wasserman, Mike; Velasco, Roland; District10@sanjoseca.gov; Yeager, Ken; District2@openspaceauthority.org; board@valleywater.org; susan@svwilsonlaw.com; TaraMilius@gmail.com; Abello, Emmanuel; Palacherla, Neelima
Subject: South County Catholic High School Reconsideration

Hi LAFCO Commission,

I am a resident of Morgan Hill, an active parishioner at St. Catherine Catholic Parish in Morgan Hill, a St. Catherine Catholic School parent of an incoming kindergartner, and the father of a 5 year old and 1 year old daughter.

I was very glad to hear about your committees reconsideration of the County property owned by the Diocese of San Jose to be held on June 1. My wife and I are huge supporters of the plan to include that acreage as part of the city limits of Morgan Hill. Without that change, a Catholic High School could not be built. A large percentage of the growth in Santa Clara County is happening in south county and there is a huge need for a Catholic High School here. I know so many friends and parishioners who have to send their kids to school in San Jose or Mountain View because there are no viable options in south county. It is a burden for these families, not to mention additional cars on the road heading north into San Jose each day. It will also add to the positive quality of life in Morgan Hill as a city that is focused on the educational needs of all their residents, not to mention toe residents of South San Jose, San Martin, Gilroy, and other locations south that will all benefit from this school (i.e. Hollister).

As a uniformed volunteer at Henry Coe State Park, I understand the importance of keeping open space and ag land in our county. This is an important priority to consider. However, it also must be remembered that since this property is owned by the Diocese of San Jose, at no time will it ever be used for ag land in the future if it were not to be incorporated into the City.

For the future growth of South County and the many residents who would love the opportunity to send their child to a Catholic High School, I hope that you will reconsider the request.

Thanks so much for all you do!

John and Roselynde Rinaldo
17795 McLaughlin Court
Morgan Hill, CA 95037

LAFCO MEETING: June 1, 2016
TO: LAFCO
FROM: Neelima Palacherla, Executive Officer
SUBJECT: FINAL LAFCO BUDGET FOR FISCAL YEAR 2017

STAFF RECOMMENDATION

1. Revise the Draft FY 2017 Budget to reflect receipt of additional revenues and adopt the Final Budget for Fiscal Year 2016-2017. (Attachment A)
2. Find that the Final LAFCO Budget for Fiscal Year 2017 is expected to be adequate to allow the Commission to fulfill its statutory responsibilities.
3. Authorize staff to transmit the Final LAFCO Budget adopted by the Commission including the estimated agency costs to the cities, the special districts, the County, the Cities Association and the Special Districts Association.
4. Direct the County Auditor–Controller to apportion LAFCO costs to the cities; to the special districts; and to the County; and to collect payment pursuant to Government Code §56381.

REVISIONS TO THE DRAFT / PRELIMINARY BUDGET

The Commission on April 6, 2016, adopted LAFCO’s preliminary budget for Fiscal Year 2016-2017. The preliminary budget was prepared using the best information available at that time.

Since adoption of the Draft Budget in April 2016, LAFCO has received additional revenue through application fees and settlement agreement payments. As a result, current fiscal year LAFCO revenues are higher by approximately \$104,000 from those budgeted for FY 2016 or previously projected for the FY 2016 year-end. The proposed Final Budget should be revised to reflect this additional revenue.

Since the timing did not allow for staff to schedule a meeting of the LAFCO Finance Sub-Committee (composed of Commissioners Wasserman, Vicklund Wilson and Tucker) to consider this issue and provide a recommendation to the Commission, staff contacted Commissioner Wasserman (who is also, LAFCO Vice-Chairperson) who suggested Option #1 which proposes that the additional revenue be used to reduce the FY 2017 cost for the cities, county and special districts. As seen in **Attachment A**, if the Commission implemented this option, LAFCO’s FY 2017 net operating expenses would be lower than its FY 2016 expenses by 13%, with a corresponding reduction in costs to the local agencies.

A second option (Option # 2) that the Commission may consider as a tentative measure to address the emerging LAFCO office space issue is to add the \$104,000 in additional revenue (or a portion

thereof) to the FY 2017 reserves thus temporarily increasing the LAFCO reserve to \$254,000 in order to address any potential costs related to the LAFCO office relocation. If the amount is not utilized during FY 2017, the reserves could be reduced the following year. Please see Staff Report for Agenda Item #10 for more information on this issue. As seen in **Attachment A**, this option will not change net operating expenses or the proposed cost to agencies in the Draft FY 2017 budget adopted by LAFCO on April 6th.

BACKGROUND

The Cortese Knox Hertzberg Local Government Reorganization Act of 2000 (CKH Act) requires LAFCO to annually adopt a draft budget by May 1 and a final budget by June 15 at noticed public hearings. Both the draft and the final budgets are required to be transmitted to the cities, to the special districts and to the County. Government Code §56381(a) establishes that at a minimum, the budget must be equal to that of the previous year unless the Commission finds that reduced staffing or program costs will nevertheless allow it to fulfill its statutory responsibilities. Any unspent funds at the end of the year may be rolled over into the next fiscal year budget.

Government Code §56381(c) requires the County Auditor to request payment from the cities, special districts and the County no later than July 1 of each year for the amount each agency owes based on the net operating expenses of the Commission and the actual administrative costs incurred by the Auditor in apportioning costs and requesting payment.

COST APPORTIONMENT TO CITIES, DISTRICTS AND COUNTY

The CKH Act requires LAFCO costs to be split in proportion to the percentage of an agency's representation (excluding the public member) on the Commission. The LAFCO of Santa Clara County is composed of a public member, two County board members, two city council members, and since January 2013 – of two special district members. Government Code §56381(b)(1)(A) provides that when independent special districts are seated on LAFCO, the county, cities and districts must each provide a one-third share of LAFCO's operational budget.

Since the City of San Jose has permanent membership on LAFCO, as required by Government Code §56381.6(b), the City of San Jose's share of LAFCO costs must be in the same proportion as its member bears to the total membership on the commission, excluding the public member. Therefore in Santa Clara County, the City of San Jose pays one sixth and the remaining cities pay one sixth of LAFCO's operational costs. Per the CKH Act, the remaining cities' share must be apportioned in proportion to each city's total revenue, as reported in the most recent edition of the Cities Annual Report published by the Controller, as a percentage of the combined city revenues within a county. Each city's share is therefore based on the 2013/2014 Report – which is the most recent edition available.

Government Code Section 56381 provides that the independent special districts' share shall be apportioned in proportion to each district's total revenues as a percentage of the combined total district revenues within a county. The Santa Clara County Special Districts Association (SDA), at its August 13, 2012 meeting, adopted an alternative formula for distributing the independent special districts' share to individual districts. The SDA's agreement requires each district's cost to be based on a fixed percentage of the total independent special districts' share.

The estimated apportionment of LAFCO's FY 2017 costs to the individual cities and districts is included as **Attachment B for both the options**. Depending on the option selected by the

Commission, the final costs will be calculated and invoiced to the individual agencies by the County Controller's Office after LAFCO adopts the final budget.

ATTACHMENTS

Attachment A: Proposed Final LAFCO Budget for Fiscal Year 2017

Attachment B: Costs to Agencies Based on the Proposed Final Budget

**FINAL LAFCO BUDGET
FISCAL YEAR 2016 - 2017**

**AGENDA ITEM # 9
Attachment A**

					FINAL BUDGET FY 2017		
ITEM #	TITLE	APPROVED BUDGET FY 2016	ACTUALS Year to Date 2/25/2016	PROJECTIONS Year End 2016	DRAFT FY 2017 BUDGET ADOPTED BY LAFCO ON APRIL 6, 2016	OPTION #1:	OPTION #2:
						Reduce Agencies' Costs in FY 2017	Increase FY 2017 Reserves to Cover Potential LAFCO Office Relocation Costs
EXPENDITURES							
Object 1:	Salary and Benefits	\$499,823	\$298,144	\$480,000	\$594,370	\$594,370	\$594,370
Object 2:	Services and Supplies						
5255100	Intra-County Professional	\$45,000	\$2,036	\$7,000	\$45,000	\$45,000	\$45,000
5255800	Legal Counsel	\$59,000	\$24,396	\$75,000	\$65,000	\$65,000	\$65,000
5255500	Consultant Services	\$100,000	\$31,975	\$50,000	\$100,000	\$100,000	\$100,000
5285700	Meal Claims	\$750	\$45	\$350	\$750	\$750	\$750
5220100	Insurance	\$5,600	\$4,135	\$5,600	\$7,000	\$7,000	\$7,000
5250100	Office Expenses	\$2,000	\$187	\$1,000	\$12,000	\$12,000	\$12,000
5255650	Data Processing Services	\$7,100	\$2,450	\$7,100	\$5,000	\$5,000	\$5,000
5225500	Commissioners' Fee	\$10,000	\$2,700	\$8,000	\$10,000	\$10,000	\$10,000
5260100	Publications and Legal Notices	\$2,500	\$393	\$1,000	\$2,500	\$2,500	\$2,500
5245100	Membership Dues	\$7,577	\$7,577	\$7,577	\$8,107	\$8,107	\$8,107
5250750	Printing and Reproduction	\$1,500	\$0	\$1,000	\$1,500	\$1,500	\$1,500
5285800	Business Travel	\$15,000	\$3,989	\$8,000	\$16,000	\$16,000	\$16,000
5285300	Private Automobile Mileage	\$2,000	\$136	\$600	\$2,000	\$2,000	\$2,000
5285200	Transportation&Travel (County Car Usa	\$1,000	\$302	\$500	\$1,000	\$1,000	\$1,000
5281600	Overhead	\$49,993	\$24,997	\$49,993	\$0	\$0	\$0
5275200	Computer Hardware	\$3,000	\$106	\$3,000	\$3,000	\$3,000	\$3,000
5250800	Computer Software	\$4,000	\$854	\$4,000	\$4,000	\$4,000	\$4,000
5250250	Postage	\$2,000	\$244	\$700	\$2,000	\$2,000	\$2,000
5252100	Staff/ Commissioner Training Programs	\$2,000	\$0	\$1,000	\$2,000	\$2,000	\$2,000
5701000	Reserves	\$0	\$0	\$0	\$0	\$0	\$104,000
TOTAL EXPENDITURES		\$819,843	\$404,666	\$711,420	\$881,227	\$881,227	\$985,227
REVENUES							
4103400	Application Fees	\$30,000	\$26,559	\$134,000	\$30,000	\$30,000	\$30,000
4301100	Interest: Deposits and Investments	\$3,000	\$2,518	\$3,000	\$3,000	\$3,000	\$3,000
TOTAL REVENUE		\$33,000	\$29,077	\$137,000	\$33,000	\$33,000	\$33,000
FUND BALANCE FROM PREVIOUS FISCAL YEAR							
3400150		\$124,839	\$187,310	\$187,310	\$170,894	\$274,894	\$274,894
NET OPERATING EXPENSES		\$662,004	\$188,279	\$387,110	\$677,333	\$573,333	\$677,333
3400800	RESERVES	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$254,000
COSTS TO AGENCIES							
5440200	County	\$220,668	\$220,668	\$220,668	\$225,778	\$191,111	\$225,778
4600100	Cities (San Jose 50% + Other Cities 50%)	\$220,668	\$220,668	\$220,668	\$225,778	\$191,111	\$225,778
4600100	Special Districts	\$220,668	\$220,668	\$220,668	\$225,778	\$191,111	\$225,778

AGENDA ITEM # 9
Attachment B

LAFCO COST APPORTIONMENT: County, Cities, Special Districts
Estimated Costs to Agencies Based on the Proposed 2017 LAFCO Budget

Proposed LAFCO Net Operating Expenses for 2017				\$573,333
Jurisdictions	Revenue per 2013/2014 Report	Percentage of Total Revenue	Allocation Percentages	Allocated Costs
County	N/A	N/A	33.3333333%	\$191,111.00
Cities Total Share			33.3333333%	\$191,111.00
San Jose	N/A	N/A	50.0000000%	\$95,555.50
Other cities share			50.0000000%	\$95,555.50
Campbell	\$50,818,475	2.3182652%		\$2,215.23
Cupertino	\$103,531,818	4.7229715%		\$4,513.06
Gilroy	\$76,203,320	3.4762850%		\$3,321.78
Los Altos	\$47,630,502	2.1728345%		\$2,076.26
Los Altos Hills	\$11,122,677	0.5074004%		\$484.85
Los Gatos	\$40,683,512	1.8559228%		\$1,773.44
Milpitas	\$134,314,766	6.1272449%		\$5,854.92
Monte Sereno	\$3,130,132	0.1427921%		\$136.45
Morgan Hill	\$73,058,518	3.3328237%		\$3,184.70
Mountain View	\$209,278,137	9.5469653%		\$9,122.65
Palo Alto	\$454,722,108	20.7437635%		\$19,821.81
Santa Clara	\$639,006,083	29.1505313%		\$27,854.92
Saratoga	\$22,282,708	1.0165048%		\$971.33
Sunnyvale	\$326,307,937	14.8856951%		\$14,224.10
Total Cities (excluding San Jose)	\$2,192,090,693	100.0000000%		\$95,555.50
Total Cities (including San Jose)				\$191,111.00
Special Districts Total Share			33.3333333%	\$191,111.00
Aldercroft Heights County Water District		0.06233%		\$119.12
Burbank Sanitary District		0.15593%		\$298.00
Cupertino Sanitary District		2.64110%		\$5,047.43
El Camino Healthcare District		4.90738%		\$9,378.54
Guadalupe Coyote Resource Conservation District		0.04860%		\$92.88
Lake Canyon Community Services District		0.02206%		\$42.16
Lion's Gate Community Services District		0.22053%		\$421.46
Loma Prieta Resource Conservation District		0.02020%		\$38.60
Midpeninsula Regional Open Space District		5.76378%		\$11,015.22
Purissima Hills Water District		1.35427%		\$2,588.16
Rancho Rinconada Recreation and Park District		0.15988%		\$305.55
San Martin County Water District		0.04431%		\$84.68
Santa Clara County Open Space Authority		1.27051%		\$2,428.08
Santa Clara Valley Water District		81.44126%		\$155,643.21
Saratoga Cemetery District		0.32078%		\$613.05
Saratoga Fire Protection District		1.52956%		\$2,923.16
South Santa Clara Valley Memorial District		0.03752%		\$71.70
Total Special Districts		100.00000%		\$191,111.00
Total Allocated Costs				\$573,333.00

LAFCO COST APPORTIONMENT: County, Cities, Special Districts
Estimated Costs to Agencies Based on the Proposed 2017 LAFCO Budget

Proposed LAFCO Net Operating Expenses for 2017				\$677,333
Jurisdictions	Revenue per 2013/2014 Report	Percentage of Total Revenue	Allocation Percentages	Allocated Costs
County	N/A	N/A	33.3333333%	\$225,777.67
Cities Total Share			33.3333333%	\$225,777.67
San Jose	N/A	N/A	50.0000000%	\$112,888.84
Other cities share			50.0000000%	\$112,888.83
Campbell	\$50,818,475	2.3182652%		\$2,617.06
Cupertino	\$103,531,818	4.7229715%		\$5,331.71
Gilroy	\$76,203,320	3.4762850%		\$3,924.34
Los Altos	\$47,630,502	2.1728345%		\$2,452.89
Los Altos Hills	\$11,122,677	0.5074004%		\$572.80
Los Gatos	\$40,683,512	1.8559228%		\$2,095.13
Milpitas	\$134,314,766	6.1272449%		\$6,916.98
Monte Sereno	\$3,130,132	0.1427921%		\$161.20
Morgan Hill	\$73,058,518	3.3328237%		\$3,762.39
Mountain View	\$209,278,137	9.5469653%		\$10,777.46
Palo Alto	\$454,722,108	20.7437635%		\$23,417.39
Santa Clara	\$639,006,083	29.1505313%		\$32,907.67
Saratoga	\$22,282,708	1.0165048%		\$1,147.52
Sunnyvale	\$326,307,937	14.8856951%		\$16,804.29
Total Cities (excluding San Jose)	\$2,192,090,693	100.0000000%		\$112,888.83
Total Cities (including San Jose)				\$225,777.67
Special Districts Total Share			33.3333333%	\$225,777.66
Aldercroft Heights County Water District		0.06233%		\$140.73
Burbank Sanitary District		0.15593%		\$352.06
Cupertino Sanitary District		2.64110%		\$5,963.01
El Camino Healthcare District		4.90738%		\$11,079.77
Guadalupe Coyote Resource Conservation District		0.04860%		\$109.73
Lake Canyon Community Services District		0.02206%		\$49.81
Lion's Gate Community Services District		0.22053%		\$497.91
Loma Prieta Resource Conservation District		0.02020%		\$45.61
Midpeninsula Regional Open Space District		5.76378%		\$13,013.33
Purissima Hills Water District		1.35427%		\$3,057.64
Rancho Rinconada Recreation and Park District		0.15988%		\$360.97
San Martin County Water District		0.04431%		\$100.04
Santa Clara County Open Space Authority		1.27051%		\$2,868.53
Santa Clara Valley Water District		81.44126%		\$183,876.16
Saratoga Cemetery District		0.32078%		\$724.25
Saratoga Fire Protection District		1.52956%		\$3,453.40
South Santa Clara Valley Memorial District		0.03752%		\$84.71
Total Special Districts		100.00000%		\$225,777.66
Total Allocated Costs				\$677,333.00

LAFCO MEETING: June 1, 2016
TO: LAFCO
FROM: Neelima Palacherla, Executive Officer
Dunia Noel, Analyst
SUBJECT: NOTICE FROM COUNTY TO RELOCATE LAFCO OFFICE TO CHARCOT ROAD

STAFF RECOMMENDATION

1. Appoint 2 or 3 commissioners to an office space ad-hoc committee to review office space needs, identify feasible office space options, and provide a recommendation to LAFCO for their consideration.
2. Authorize Chairperson to request that the County postpone the proposed relocation of the LAFCO Office to Charcot Road by 6 months in order to allow LAFCO sufficient time to consider its options and to implement the recommended option, as directed.

COUNTY NOTIFIES LAFCO THAT IT MUST RELOCATE ITS OFFICE TO CHARCOT ROAD BY JUNE 27, 2016

On May 13, 2016, Executive Officer Palacherla was informed by the County (Attachment A) that the LAFCO Office must move to a facility on Charcot Road by June 27th. In response to this decision, EO Palacherla met with the County on May 18th in order to request that they reconsider their decision to relocate the LAFCO office away from 70 W. Hedding Street, given LAFCO's business requirements.

The County indicated that they have been unable to identify any other available office space at the County Government Center or in other County facilities in close proximity. The County acknowledged LAFCO's prior documented business requirements (see Attachment B: Why LAFCO Offices Should Remain at 70 W. Hedding Street), but indicated that LAFCO is not its priority, particularly in light of recent directives from the County Board of Supervisors concerning new programs and their associated office space needs. The County has stated that it would cover any and all costs associated with

LAFCO's move to Charcot Road, through the County Executive's Office's reconfiguration budget.

EO Palacherla informed LAFCO Vice-Chairperson Wasserman and Commissioner Yeager, who are also members of the County Board of Supervisors, of this recent development and notified the County that LAFCO will receive an update on this issue as part of the June 1, 2016 meeting agenda.

BACKGROUND

MOU between County and LAFCO includes Provision of Space for LAFCO Office

As you are aware, LAFCO contracts with the County for its facilities. The MOU between the County and LAFCO requires that the County "provide space suitable for LAFCO offices." The County does not directly bill LAFCO for office space. However, LAFCO does pay a share of the County's Cost Allocation Plan annually, the specific amount of which is established by the County Controller's Office. It is assumed that the Allocation Plan includes costs associated with providing space for LAFCO offices.

LAFCO Office Temporarily Relocates to 8th Floor with Plans to Return to 11th Floor after Floor Remodel Completed, but Remodel Effort is terminated

The LAFCO office has been located on the 11th floor of the County Government Center for more than 25 years. In mid-August 2015, the LAFCO Office and its three staff were temporarily relocated from the 11th floor to the 8th floor of the County Government Center, with the understanding that the 11th floor would be remodeled in phases, allowing the LAFCO Office and its staff to return to the 11th floor upon completion of the floor remodel. However, four weeks after the temporary relocation, LAFCO staff was informed that the 11th floor remodel would not proceed as planned, due to budgetary concerns.

LAFCO Executive Officer Seeks Clarification on County's Long-term Plans for Providing Office Space to LAFCO

In response to this unexpected development, EO Palacherla met periodically with County staff over the last 8 months in order to learn how the County planned to address LAFCO's office space needs long-term. At these meetings, the County acknowledged that LAFCO has certain business requirements to be within the County Government Center and indicated that they would take these requirements into consideration as the County tries to locate office space for LAFCO.

In early May, County staff verbally informed EO Palacherla that there were plans underway to return the LAFCO offices to the 11th floor, but that the identified space would probably be considered less than ideal. EO Palacherla reminded County staff that LAFCO has tentatively approved adding an additional part-time staff person who will

also require office space. The following week, the County informed EO Palacherla that the LAFCO Office must be relocated to Charcot Road by June 27th.

Temporary Relocation Disruptive & Current Offices Do Not Meet LAFCO's Operational Needs

While staff remains grateful to be temporarily located on the 8th floor given LAFCO's business requirements and the employees on the 8th floor have been very welcoming, the relocation has been disruptive and has occurred during a period when the Office has been extremely busy. Over the last 8 months, staff has endeavored to work in less than ideal office spaces/work environment, with the expectation of soon working in office spaces that are more conducive to their individual and collective work.

The LAFCO office currently consists of three office spaces which occupy a total 265 square feet. These offices are not conducive to LAFCO's long-term operational needs due to their small size, insufficient shelving and storage, poor layout, and disconnected configuration. LAFCO is a program and it is preferable for its staff be located together as a unit for management and coordination purposes. Also, given the sensitive and confidential nature of certain aspects of LAFCO's work, the temporary location does not provide an environment where confidential discussions, such as with LAFCO Legal Counsel, can occur easily. Although the majority of LAFCO records have been digitized and are accessible electronically to staff, LAFCO's remaining official records are currently stored on the 11th floor because LAFCO's temporary office space arrangement on the 8th floor does not include sufficient storage for these critical records.

The County has stated that the proposed space at Charcot Road for the LAFCO office will be available for viewing during the first week of June. It is unknown at this time whether the proposed office space will satisfy LAFCO's space requirements and operational needs. Its location will be a hardship. Furthermore, the County has indicated that given its own growth needs, office space at Charcot Road is also restricted/limited.

Office Space Arrangement with County Provides No Certainty to LAFCO in terms of Appropriate Space and Facilities, Location, Consultation, and Notification

Although LAFCO has a MOU with the County concerning providing "suitable space," LAFCO does not have a lease agreement with the County for any specific office space in the County Government Center. Furthermore, the MOU does not require the County, in the event of a relocation decision, to provide a certain amount of notification time to LAFCO. Absent a very specific lease agreement with the County, the County could relocate the LAFCO Office to any County facility, in spite of LAFCO's business requirements and with only minimal notice.

NEXT STEPS

Form Ad-Hoc Committee to Review Office Space Needs, Identify Feasible Office Space Options, and Provide a Recommendation to LAFCO for their Consideration

Given the abovementioned information and what has transpired over this past year, it is important to resolve LAFCO's office space issue in a manner that meets its business requirements and provides greater certainty to LAFCO, its members, its staff, and the public. Therefore, staff recommends that LAFCO appoint 2 or 3 commissioners to an office space ad-hoc committee to review office space needs, identify feasible office space options, and provide a recommendation to LAFCO for consideration. Two options worth exploring are 1) leasing private office space in close proximity to the County Government Center; and 2) leasing office space from another public agency located in close proximity to the County Government Center. The availability, costs, or feasibility of these options has not been determined yet.

The LAFCO Budget contains a \$150,000 reserve for use if LAFCO is involved with any litigation and for unexpected expenses. As a tentative measure, LAFCO has the ability to add approximately \$104,000 to its FY 2017 reserve to address any potential costs associated with LAFCO's implementation of a recommended option. For further information, please refer to Agenda Item #9: Final LAFCO Budget for Fiscal Year 2017.

Authorize Chairperson to Request that the County Postpone the Proposed Relocation of the LAFCO Office by 6 months to allow LAFCO Adequate Time to Consider Other Options and to implement an Alternative

Staff recommends that the Commission authorize the LAFCO Chairperson to request that the County postpone the proposed relocation of the LAFCO Office to Charcot Road by 6 months in order to allow LAFCO sufficient time to consider its options and to implement the recommended option, as directed.

Staff anticipates that the office space ad-hoc committee would meet within the next couple of weeks and complete its work within the next two months. The earliest opportunity for the ad-hoc committee to provide a recommendation to the Commission would be at the next LAFCO meeting in August. Based on the Commission's direction at its August meeting, staff would complete any necessary tasks. If the Commission decides that it wants to implement an option that requires a lease agreement, this agreement, and any other vendor agreements as necessary, could be considered and approved by the Commission at LAFCO's October meeting. Depending on the Commission's direction, additional time may need to be allotted for preparing the new office space for LAFCO's operational needs, including obtaining office furniture and equipment. Therefore, it is anticipated that the LAFCO office could be relocated to its new location by December.

Postponing the relocation of the LAFCO Office to Charcot Road by 6 months will allow LAFCO to avoid moving its office more times than is necessary, if an alternative option is selected by the Commission, and thus have a lesser impact on LAFCO's operations and the agencies and the public it serves.

ATTACHMENTS

Attachment A: Email from Sylvia Gallegos, Deputy County Executive, to EO Palacherla Re: LAFCO Offices on 8th Floor to Charcot (dated May 13, 2016)

Attachment B: Reasons Why LAFCO Offices Should Remain at 70 West Hedding Street

AGENDA ITEM # 10
Attachment A

From: Gallegos, Sylvia
Sent: Friday, May 13, 2016 4:31 PM
To: Palacherla, Neelima <Neelima.Palacherla@ceo.sccgov.org>
Cc: Palacio, Fran <Fran.Palacio@CEO.SCCGOV.ORG>; Galaviz, Maxine <maxine.galaviz@ceo.sccgov.org>; Graves, Gary <gary.graves@ceo.sccgov.org>
Subject: LAFCo Offices on Eighth Floor to Charcot

Hi, Neelima:

*To follow up on our prior conversations, I wanted to inform you of the date you and your staff need to be completely out of your offices on the 8th Floor – the date is **June 27**.*

I understand that the office spaces and cubicles at Charcot should be ready around the first week in June. Please coordinate with Maxine if you would like her to visit the spaces at Charcot with you and your staff.

We endeavored to place you in an office and placed your soon-to-be three staff in one row so that they can be co-located near you.

I know that you are unhappy about this development. I would appreciate your support in helping make this a smooth transition.

Thanks, Sylvia

Sylvia M. Gallegos

Deputy County Executive | County of Santa Clara
Office of the County Executive | Eleventh Floor – East Wing
70 West Hedding Street San Jose, California 95110
(408) 299-5107 | Email: sylvia.gallegos@ceo.sccgov.org

REASONS WHY LAFCO OFFICES SHOULD REMAIN AT 70 W. HEDDING STREET

Coordination with various County Departments

The current location has allowed the LAFCO Office's small staff to conduct LAFCO's business efficiently and effectively due to its close proximity to the various County departments that LAFCO staff must coordinate and/or interact with on a regular basis. The daily operations and functions of the LAFCO Office require that LAFCO staff coordinate with staff from various County departments (e.g. Planning, Surveyor, Clerk Recorder, Assessor, Controller, and Tax Collector) which are all located at the County Government Center. For example, staff regularly records official LAFCO documents with the Clerk Recorder, meets with the County Surveyor on LAFCO applications and boundary discrepancies, requests and receives documents from the Tax Collector that are only available in-person, and meets with County Planning Staff on planning and boundary issues of mutual concern. This coordination requires LAFCO staff to meet in-person and discuss maps and documents, rather than confer by email or phone. Such interactions occur multiple times in a week depending on the issues that LAFCO is working on or inquiries made by members of the public. A location away from the Government Center will increase the time it takes to complete many tasks due to the additional travel time and advance scheduling that will need to occur.

Public Service / Customer Service Impacts

Both LAFCO and the County Planning Office refer members of the public to each other's offices in order to resolve planning and land development issues. Sometimes it may require members of the public to travel multiple times between the two offices in order to resolve their issues. Relocation of the LAFCO Office away from the County Government Center will make such interaction more difficult and impact customer service. The 70 West Hedding location has allowed members of the public, and elected officials/staff from various cities and special districts to easily access LAFCO staff on matters that impact jurisdictional boundaries, services, taxes, and the potential development of property.

Setting-up for and Conducting LAFCO Meetings in Board Chambers

LAFCO meetings are held in the Board Meeting Chambers. LAFCO staff is responsible for setting up the board chambers and conducting the meeting – unlike for some other commissions/entities, the Clerk of the Board's staff does not support this function. Because LAFCO has limited staff, oftentimes, on the day of the LAFCO meeting, staff is going back and forth between the board chambers and LAFCO offices to juggle work and set up the Board Chambers in a timely manner.

GIS Mapping/Printing

LAFCO relies on the County Planning Office for critical GIS services and for printing/plotting large wall maps. This requires a high level of interaction between staff as it involves design and layout of maps; verification of map data; and hands-on-training.

LAFCO's Interaction with Cities and Special Districts in this County

LAFCO is a countywide agency – in addition to the significant interactions with various county departments and staff (as mentioned above), LAFCO staff has many meetings and interactions with elected officials and staff from the various cities and special districts in the county. The 70 W. Hedding location provides a central location for LAFCO's member agencies to efficiently meet with LAFCO staff on issues and also meet separately with officials from other local governments and their staff on LAFCO related or unrelated matters. Many countywide and regional government bodies regularly hold their meetings at the County Government Center and it is not uncommon for member agencies to meet with LAFCO staff, prior to attending these meetings. From a customer/public service efficiency point of view, and given the limited LAFCO staff resources, it is important to member agencies for LAFCO offices to be located centrally at the County Government Center.

LAFCO MEETING: June 1, 2016
TO: LAFCO
FROM: Neelima Palacherla, Executive Officer
Dunia Noel, Analyst
SUBJECT: EXECUTIVE OFFICER'S REPORT

11.1 UPDATE ON REQUEST FOR SEWER SERVICE TO 23310 MORA GLEN DRIVE

For Information Only.

You may recall that Steve Burch, the owner of a single-family residence located at 23310 Mora Glen Drive (APN: 331-14-017) in the unincorporated area within the Town of Los Altos Hills' urban service area boundary, addressed the Commission at the February and April LAFCO meetings concerning his request to connect to the Town's sewer system in order to address his failing septic system. He expressed frustration about his inability to immediately connect to the Town's sewer system and implied that LAFCO staff was preventing the Town from immediately providing sewer service to his property and that LAFCO had the power to authorize his connection to the Town's nearby sewer main.

As staff indicated at LAFCO's April meeting, neither LAFCO nor its staff have the ability to authorize a property owner to connect to a sewer system. In Mr. Burch's case, it is the Town of Los Altos Hills, as sewer service provider, which would need to initiate a connection to the Town's sewer main and then obtain LAFCO approval. The Town has requested that Mr. Burch annex his property to the Town in order to receive sewer service from the Town. The Town's annexation of Mr. Burch's property, along with additional intervening properties in order to create contiguity with the Town's existing boundary, does not require LAFCO review or approval because Mr. Burch's property is located within the Town's Urban Service Area.

Even though LAFCO cannot initiate a solution for Mr. Burch's situation, staff has spent a significant amount of time providing information to the property owner, the Town and the County concerning available options and required processes; and helping to

coordinate and facilitate a solution for Mr. Burch's situation. The following is a summary of LAFCO staff's efforts to date.

Mr. Burch, first contacted LAFCO staff in mid-January requesting to connect to the Town's sewer system in order to address a failing septic system. He indicated that he had been in contact with multiple agencies and departments; including the County (Planning & Building Department, Roads and Airport Department, and Environmental Health Department) and the Town Los Altos Hills; concerning his failing septic system and his need to immediately connect to the Town's sewer system. County records indicate that the property owner is in the process of seeking a permit for a major addition, which cannot be approved unless he is able to repair or install a new septic system onsite or connect to sanitary sewer.

In order to properly advise Mr. Burch, staff spent a significant amount of time contacting the various affected agencies in order to verify the situation and identify potential options and the applicable process for implementing those options. Given the specific facts of the situation, the affected agencies determined that Mr. Burch could either repair or replace his failing septic system or annex to the Town of Los Altos Hills in order to receive sewer service from the Town. A third option, requiring Mr. Burch to approach the Town and request that the Town apply to LAFCO for an out-agency-contract-for-sewer service extension in order to address an existing health and safety issue and in anticipation of future annexation of the property to the Town was also identified. However, this option would have only been appropriate if the physical location of his property was such that the Town was unable to immediately annex it. Mr. Burch did not want to replace his failing system and instead wanted to connect the Town's nearby sewer main. The Town determined that annexation was feasible and that he should request that the Town annex his property in order to receive sewer service from the Town.

LAFCO staff and Town staff had discussions on the steps required for the Town to annex the property. LAFCO staff also met several times with the property owner concerning the identified options and informed the owner that Town staff was interested in annexing his property and some intervening properties in order to achieve contiguity and that he should contact the Town immediately in order to obtain a sewer connection. Despite our multiple meetings with the owner informing him on how to proceed with the annexation, the owner continued to falsely believe that LAFCO staff or LAFCO had the power to authorize his immediate connection to the Town's sewer system. Under State law, LAFCO does not have this power.

In February, Mr. Burch finally contacted the Town to request information on the Town's filing requirements and applicable fees for the proposed annexation. In late February,

Mr. Burch submitted the required documents, including a legal description and map of the proposed annexation area, to the Town for their consideration. In mid-March, LAFCO staff requested an update from the Town on the status of the proposed annexation. The Town then informed LAFCO staff that they were concerned about the amount of roads/right-of-way that was recommended for annexation by the County Surveyor's Office and that the Town would not support the annexation as proposed. EO Palacherla requested a meeting with key Town staff, including the Town Manager, in order to discuss and resolve this issue. The Town also raised concerns about the condition of the County's roads/right-of-way in the proposed annexation area.

In order to address those concerns, EO Palacherla contacted Michael Murdter, Director of the County's Roads and Airports Department, who informed her that the roads/right-of-way were in excellent condition (having recently been repaired by the County). However, the Town maintained its objection to the inclusion of the amount of roads/right-of-way. Mr. Murdter then indicated that they would support a reduction in the amount of roads/right-of-way included in the proposal in order to facilitate the proposed annexation. A revised legal description and map of the proposed annexation area was then approved by the County Surveyor and accepted by the Town.

The Los Altos Hills Town Council considered the proposed annexation request at their May 19th meeting, where two affected property owners spoke against the proposed annexation. According to Town staff, as part of the Town's Mora Drive Sewer Project, these two property owners received an approval back in 2001 to connect to the Town's sewer main and in exchange they waived their rights to protest any future annexation proposal. The waiving of their rights is reflected in the "Mora Drive Sewer Project Sanitary Sewer Extension Agreement" between the Town and the group of affected property owners. This condition is also reflected in LAFCO Resolution No. 01-4 (dated April 11, 2001) approving the Town's request for an out-of-agency contract for sewer service to the Mora Drive Sewer Project.

Additionally, one other property owner sent a written objection to the City's proposed annexation. The Town Council deferred its action to June 16th and directed staff to meet with residents in the annexation area prior to that next meeting. LAFCO staff will continue to monitor the Town's response to Mr. Burch's request.

11.2 UPDATE ON REQUEST TO ANNEX 3343 ALPINE ROAD TO WEST BAY SANITARY DISTRICT

For Information Only.

In early April, San Mateo LAFCO notified staff that they have received a formal inquiry/request from an owner of an unincorporated parcel in Santa Clara County to

annex to the West Bay Sanitary District (WBSD) in order to eventually receive sewer service from the District. The property is located outside of any cities' Urban Service Areas. WBSD is located primarily within San Mateo County, with minimal territory in Santa Clara County. Based on the assessed valuation of property within the District in each county, San Mateo LAFCO is the principal LAFCO for the District.

Per State law, San Mateo LAFCO, as principal LAFCO for the District would first receive this boundary change application. Consistent with LAFCO of Santa Clara County's "Policies and Procedures for Processing Proposals Affecting More than One County," San Mateo LAFCO would then forward the application to LAFCO of Santa Clara County because the territory involved is located in Santa Clara County. LAFCO of Santa Clara County would then hold a public hearing and forward a recommendation to San Mateo LAFCO which will then take the final action at its own hearing. LAFCO of Santa Clara County's action would therefore only be advisory.

Such multi-county boundary change requests/inquiries are unusual and require a significant amount of joint discussion and coordination amongst the various affected agencies (e.g. LAFCOs, counties, special districts, and cities) on applicable policies and processes, in order to properly advise the property owner. On April 8th, staff participated in an initial conference call which included staff from the Town of Portola Valley, San Mateo LAFCO, Woodside Fire Protection District, West Bay Sanitary District, and the property owner's representatives concerning the request. Additionally discussions have occurred between San Mateo LAFCO staff and Santa Clara LAFCO staff. As a follow-up to the conference call, staff also met jointly with Santa Clara County's Planning Manager and County's Department of Environmental Health (DEH) staff to understand the County's General Plan policies regarding the provision of sanitary sewer to lands located outside of cities' urban service areas and DEH's requirements for managing wastewater. County Planning staff indicated that County General Plan policy R-GD-6 states that "Urban types and levels of services shall not be available outside of cities' Urban Service Areas from either public or private service providers." As such, the County Planning would not support any proposal to extend sanitary sewer to the property. At the request of LAFCO staff, County staff recently relayed this information to the property owner and recommended that they contact County DEH to evaluate the suitability and parameters for installing an onsite wastewater treatment system.

Santa Clara LAFCO and San Mateo LAFCO will be sending a joint letter to the applicant, acknowledging the County's General Plan Policy and its stated position in regards to the applicant's request, and concurring with County's recommendation to contact County DEH. Both LAFCOs believe that given the County's Policy, submitting an application to the LAFCOs for annexation to the West Bay Sanitary District would not be appropriate.

11.3 LAFCO ORIENTATION SESSION FOR ALTERNATE COMMISSIONER RENNIE

For Information Only.

On May 12th, LAFCO staff conducted an orientation session for Rob Rennie, who was recently appointed to LAFCO by the Santa Clara County Cities Selection Committee (Selection Committee) as an Alternate Commissioner. Commissioner Martin-Milius, who was previously appointed as an Alternate Commissioner, also attended.

11.4 SANTA CLARA COUNTY ASSOCIATION OF PLANNING OFFICIALS (SCCAPO) MEETING

For Information Only.

Executive Officer Palacherla attended the May 4th meeting of the SCCAPO that was hosted by the City of Cupertino and held at the Cupertino Community Hall. The meeting included a presentation by Cupertino Planning staff on the City's efforts to provide public art in unexpected places and a discussion of the major planning and development projects that are underway in Cupertino. Attendees also received an update on Plan Bay Area 2040. Staff from the various other cities provided updates on current and anticipated priority planning and development projects in their jurisdiction.

11.5 INTER-JURISDICTIONAL GIS WORKING GROUP MEETING

For Information Only.

Analyst Noel attended the April 13th and May 11th meetings of the Inter-Jurisdictional GIS Working Group that includes staff from various county departments that use and maintain GIS data, particularly LAFCO related data. At the meetings, participants shared updates on current GIS and boundary change activities within their department or agency.

LAFCO MEETING: June 1, 2016
TO: LAFCO
FROM: Neelima Palacherla, Executive Officer
Dunia Noel, Analyst
SUBJECT: CALAFCO RELATED ACTIVITIES

12.1 REPORT ON THE 2016 CALAFCO STAFF WORKSHOP (MARCH 30-APRIL 1)

For Information Only.

LAFCO staff attended the 2016 Annual CALAFCO Staff Workshop in Los Angeles (March 30-April 1), hosted by the LAFCO of Los Angeles County. The workshop was attended by approximately 121 participants representing 40 of the 58 LAFCOs.

The workshop theme was *Jeopardy: What is the Evolving Role of LAFCO?* and provided various practical and hands-on courses, as well as roundtable discussions and professional development sessions. Sessions included:

- Water: Needed Resource and Vexing Problems
- Conducting Protest Proceedings
- Web 1.0 – Website Maintenance and Development
- Spreadsheets and Databases – How Excel and Access Can Work for You
- Purpose & Productivity: Building a Winning Team
- Web 2.0 – Tips & Tricks to Improve Your LAFCO Website
- Clerks 101 Plus (Part I: Basic Roles and Responsibilities of LAFCO Clerks & Part II: How New Laws Affect LAFCO Clerks)
- Building Trust
- Legislation 101
- California’s Open Meeting Law: LAFCOs and the Brown Act
- Navigating the New CALAFCO Website
- 2015 LAFCO Legislation – How to Implement the Good, the Bad, and the Ugly
- CALAFCO Organization and Legislative Updates

CALAFCO has posted workshop handouts on its website at www.calafco.org. Lastly, please see attached letter (Attachment A) from CALAFCO thanking the Commission for allowing staff the opportunity to attend the 2016 CALAFCO Staff Workshop.

12.2 2016 CALAFCO ANNUAL CONFERENCE ON OCTOBER 26-28

Recommendation

Authorize commissioners and staff to attend the Annual Conference and direct that associated travel expenses be funded by the LAFCO Budget for Fiscal Year 2017.

Discussion

The upcoming CALAFCO Annual Conference will be held in Santa Barbara, California from Wednesday, October 26th to Friday, October 28th. The conference provides an annual opportunity for commissioners and staff to gain learn about changes in LAFCO legislation, LAFCO policies and practices, and the latest issues facing LAFCOs, cities and special districts across the state. The theme of this year's conference is "Orchards to Oceans: Balancing California's Diversity." Staff has volunteered to organize and/or present at two sessions, one session will focus on LAFCO's role in promoting sustainable growth while preserving open space and agricultural lands, while the other session will focus on CEQA and LAFCO's role as a Responsible Agency.

12.3 REPORT ON THE CALAFCO LEGISLATIVE COMMITTEE MEETINGS

For Information Only.

The CALAFCO Legislative Committee met on April 22, 2016 in Sacramento and on May 20, 2016 by conference call. Executive Officer Palacherla is a member of the CALAFCO Legislative Committee and attended the April meeting and provided comments on proposed legislation prior to the May meeting, but did not participate in the call. CALAFCO continues to track a large number of bills which have direct and indirect impact on LAFCOs.

The two CALAFCO sponsored bills continue to move through the legislative process. AB 2910 (Committee on Local Government) - CALAFCO's annual Omnibus bill, has passed through the Assembly and is now at the Senate Governance and Finance Committee. SB 1266 (Maguire), which creates a direct communication link between LAFCOs and JPAs has passed through the Senate and is now awaiting referral to Assembly Local Government Committee. Santa Clara LAFCO has taken a support position on both the bills and sent support letters.

The Legislative Committee has spent a significant amount of time discussing SB 1318 (Wolk) at the last two meetings. The author and sponsor's desired outcomes for this bill include getting the Disadvantaged Unincorporated Communities (DUCs) mapped, identifying those DUCs with drinking water and wastewater deficiencies, and getting services to them. (Santa Clara LAFCO has mapped and identified one such DUC in Santa Clara County through the Cities Service Review process.) Because of the concerns with the original provisions in the bill and to ensure that amendments would potentially work for LAFCOs, a subcommittee has been formed to frame CALAFCO's ideas and work with the author and the State Water Resources Control Board (SWRCB).

ATTACHMENT

Attachment A: CALAFCO letter dated April 7, 2016

April 7, 2016

AGENDA ITEM # 12
Attachment A

Santa Clara LAFCo
70 W. Hedding St., 11th Floor
San Jose, CA 95110

Dear Santa Clara LAFCo Commission:

On behalf of the California Association of Local Agency Formation Commissions (CALAFCO), I would like to thank your commission for allowing your staff the opportunity to attend the CALAFCO 2016 annual staff workshop, held in Universal City, Los Angeles, March 30 through April 1.

We know how lean budgets and resources continue to be, and understand that prioritizing expenditures can be difficult. Ensuring your staff has access to ongoing professional development and specialized educational opportunities allows them the opportunity to better serve your commission and fulfill the mission of LAFCo. The sharing of information and resources among the LAFCo staff statewide serves to strengthen their network and creates opportunities for rich and value-added learning that is applied within each LAFCo.

Thank you again for supporting your staff's participation in the CALAFCO 2016 staff workshop. We truly appreciate your membership and value your involvement in CALAFCO.

Yours sincerely,



Pamela Miller
Executive Director

