

RESOLUTION NO. R.26-14 RESOLUTION OF THE BOARD OF EDUCATION OF THE SUNNYVALE SCHOOL DISTRICT APPROVING THE ANNUAL AND FIVE-YEAR DEVELOPER FEE REPORT

WHEREAS, the Sunnyvale School District ("District") has received and deposited school facility fees into a separate capital facilities account (Fund 25) pursuant to Government Code Section 66006; and

WHEREAS, the District Board previously adopted a "2024 Developer Fee Justification Study" on May 30, 2024 (Resolution R-24-22), which authorized fee increases that became effective on August 1, 2024, and documented the relationship between new development and the need for school facilities; and

WHEREAS, the District's **Facilities Master Plan (Updated 2025)** identifies specific modernization, portable replacement, and expansion projects required to maintain existing levels of service and accommodate student enrollment; and

WHEREAS, Government Code Section 66006 requires an annual accounting of these fees, and Government Code Section 66001(d) requires findings every five years regarding unexpended fees to demonstrate their continued necessity; and

WHEREAS, the District has prepared the attached "Annual and Five-Year Developer Fee Report" (Exhibit A) and made it available for public review at least 15 days prior to this meeting.

NOW, THEREFORE, BE IT RESOLVED by the Board of Education of the Sunnyvale School District as follows:

1. **Approval of Report:** The Board approves the Annual and Five-Year Developer Fee Report for the fiscal year ending June 30, 2025, as contained in Exhibit A.
2. **Findings:** The Board finds that the unexpended developer fees reported in Exhibit A are necessary to fund the construction, modernization, and reconstruction of school facilities required to accommodate student growth generated by new housing units, replace portable classrooms with permanent facilities, and support the expansion of Transitional Kindergarten.
3. **No Refunds:** Based on these findings, the Board determines that the District continues to have a need for the unexpended fees that exceeds the amount of fees held, and therefore, no refund of fees is required under Government Code Section 66001(e).

PASSED AND ADOPTED on the 11th day of December, 2025.

AYES:

NOES:

ABSENT:

ABSTAIN:

President of the Governing Board, Sunnyvale School District

Clerk of the Governing Board, Sunnyvale School District

The Reports (Exhibit A)

SUNNYVALE SCHOOL DISTRICT
ANNUAL AND FIVE-YEAR DEVELOPER FEE REPORT
For the Fiscal Year Ending June 30, 2025

I. ANNUAL REPORT (Gov. Code 66006)

A. Description of Fee

Statutory School Fees (Level I) are collected to fund the construction, reconstruction, and modernization of school facilities to accommodate students generated by new residential and commercial/industrial development.

B. Fee Schedule

The following rates were in effect during the fiscal year:

- **July 1, 2024 – July 31, 2024:**
 - Residential: \$2.96 per sq. ft.
 - Commercial/Industrial: \$0.48 per sq. ft.
- **August 1, 2024 – June 30, 2025:**
 - Residential: \$3.20 per sq. ft. (61.8% of \$5.17)
 - Commercial/Industrial: \$0.52 per sq. ft. (61.8% of \$0.84)
 - Self-Storage: \$0.05 per sq. ft.

C. Fund 25 Activity

Beginning Balance	\$10,618,650
Fees Collected	\$767,904
Interest Earned	\$397,485
Fair Market Value Adjustment	\$171,982
Admin Fees (3% Allowed)	\$0
Total Expenditures	\$202,332
Ending Balance	\$11,753,689

D. Project Expenditures

Identification of each project on which fees were expended:

Project	Cost
Lakewood Elementary - TK Expansion	\$142,886
Sunnyvale Middle School - Portable Replacement	\$59,446
Admin Fees (3% allowed)	\$0
Total Expenditures	\$202,332

E. Construction Commencement (AB 516) Government Code Section 66006(b)(1)(F)

1. Status of Projects Identified in Prior Fiscal Year: The District did not identify any projects in the prior fiscal year report (2023-2024) as having sufficient funds collected to complete financing. Therefore, no reporting on construction commencement delays is required for this reporting period.

2. Current Fiscal Year Determinations: For the current fiscal year (2024-2025), the District has determined that sufficient funds are now available to complete financing for the Cherry Chase Modernization, Ellis TK/K Modernization, and Lakewood TK/K Modernization projects. The approximate commencement dates for these projects are identified in Section 3 of the Five-Year Developer Fee report (Anticipated Funding).

F. Refunds and Allocations Government Code Section 66006(b)(1)(H)

For the fiscal year 2024-2025, there were no refunds made pursuant to Government Code Section 66001(e) and no allocations pursuant to Government Code Section 66001(f).

II. FIVE-YEAR DEVELOPER FEE REPORT (Gov. Code 66001)

1. Identification of Purpose Reportable fees are for the purpose of funding the construction or reconstruction of school facilities. The Sunnyvale School District caused a study which set forth a reasonable relationship between the fee to be imposed, the type of development project on which the fee is to be imposed, and the increased school facilities made necessary by virtue of the burden imposed by the development. This Development Fee Justification Study, dated May 2024, documents the need for the school facilities fees.

Facilities Master Plan (Update in 2025) The District's facility needs were originally documented in the 2022 Facilities Master Plan (FMP), which identified approximately \$275 million in scope. In 2025, the District updated the FMP to reflect completed work (such as HVAC replacements and playground improvements) and to prioritize remaining needs. Insufficient

sources and amounts of funding are available to complete all of the requested scopes and identified needs; therefore, projects will be completed as necessary funds are collected. Sunnyvale School District's planned use of the fees received from development impacts will include the following types of projects:

A. Modernization & Upgrade Projects The District plans to modernize or upgrade older schools to be equivalent to new schools, so students will be housed in equitable facilities. In line with the FMP as updated in 2025, these projects include campus modernizations, infrastructure improvements (HVAC/Roofing), and outdoor learning space enhancements. Specific future priorities identified in the 2025 update include modernization work at Cherry Chase Elementary and Columbia Middle School.

B. Portable Replacement Projects The District is undertaking a multi-year initiative to replace aging portable buildings with modern modular classrooms. This initiative is grounded in research, particularly studies referenced by the California School Facilities Research Institute (CSFRI), which highlight that traditional portables can present challenges regarding air quality, acoustics, and temperature control.

Currently, over 50 classrooms in the District are housed in portable buildings. To maintain the existing level of service and provide adequate space for students from new developments, the District is prioritizing the replacement of these structures.

- **Current Focus:** Unexpended fees are currently allocated to the major portable replacement and classroom construction project at Sunnyvale Middle School.
- **Future Focus:** Cherry Chase and Columbia Middle School have been identified as priority sites for future portable replacements.

C. Transitional Kindergarten (TK) Expansion Another primary use of collected fees is the refurbishment and construction of classrooms and outdoor areas for Transitional Kindergarten students. The District's focus is to provide the school facilities needed to accommodate the mandated expansion of grade levels and the resulting increase in pre-kindergarten students.

- **Current Focus:** Completion of TK/K facilities at Lakewood Elementary.
- **Future Focus:** Expansion of TK facilities at Ellis Elementary.

2. Reasonable Relationship

Based on the 2024 Developer Fee Justification Study (May 2024):

- **Projected Development:** The District anticipates new residential units will be constructed over the next five years.
- **Student Generation:** New residential units and the expansion of Transitional Kindergarten are projected to generate new students.
- **Impact:** The estimated facility cost impact for residential construction exceeds the District's collected fee; therefore, all unexpended funds are necessary to mitigate a portion of this impact.

3. Anticipated Funding & Project Schedule

Government Code Section 66001(d)(1)(C)

The District currently holds approximately **\$11,753,689** in unexpended developer fees. To comply with Government Code 66001, the District has identified the following projects to which these specific funds are committed.

Project Allocation Estimates

- **Cherry Chase Modernization:** This project, scheduled to commence in Summer 2026, has a total budget of \$45.5 million. The District has allocated \$5,000,000 of unexpended developer fees specifically to fund the removal of portable classrooms and the construction of permanent replacement facilities within this larger scope.
- **TK/Kinder Modernization (Ellis & Lakewood):** These projects are prioritized to address immediate enrollment and facility needs and will be funded using Developer Fees.
- **Columbia Middle School Portable Replacement:** The remaining unexpended balance is committed to the Columbia Middle School portable replacement project.

Priority Project	Est. Start Date	Unexpended Fees (Fund 25)	Other Sources (Bonds/State)	Total Project Budget
Cherry Chase Modernization (Eligible Scope Only)	Summer 2026	\$5,000,000	\$40,500,000	\$45,500,000
Ellis TK/K Modernization	2026	\$3,000,000	\$0	\$3,000,000
Lakewood TK/K Modernization	2026	\$1,000,000	\$0	\$1,000,000
Columbia Middle School Portable Replacement	2027	\$2,753,689	\$20,000,000	\$22,753,689
TOTALS		\$11,753,689	\$60,500,000	\$72,253,689