



**Superintendent**  
Michael Gallagher, Ed.D.

**Board of Education**  
Isabel Jubes-Flamerich  
Eileen Le  
Michelle Maginot  
Nancy Newkirk  
Bridget Watson

## **Annual and Five-Year Developer Fee Report 2023-2024 Fiscal Year**

**Publicly Available on November 27, 2024  
For Board Adoption on December 12, 2024**

# Background

California Education Code section 17620 authorizes school districts to levy a fee, charge, dedication, or other requirement against any construction within the boundaries of the district, for the purpose of funding the construction or reconstruction of school facilities.

Statutory Level 1 developer fee rates are set by the State Allocation Board (SAB) every two years on even years. In January 2024, the SAB increased the allowable maximum Level I developer fee on residential development from \$4.79 to \$5.17 per square foot of assessable space, and on commercial/industrial development from \$0.78 to \$0.84 per square foot of chargeable covered and enclosed space.

In accordance with Education Code sections 17620, et seq., and Government Code sections 65995, et seq., the Governing Board of the Sunnyvale School District approved and adopted Resolution R-24-22 on May 30, 2024. This resolution set the fees on residential development to \$3.20 per square foot and the fees on commercial/industrial developments to \$0.52 per square foot, effective August 1, 2024.

In accordance with Government Code sections 66001 and 66006, school districts must make available to the public an annual report and a five-year report on their developer fees fund. These reports shall be completed within 180 days after the last day of each fiscal year and made available to the public not less than 15 days prior to their adoption at a regularly scheduled public meeting.

The fiscal year for the Sunnyvale School District ended on June 30, 2024. These reports were made available to the public on November 27, 2024. These reports were reviewed and adopted at the regularly scheduled meeting of the Board of Education on December 12, 2024.

## Annual Report

The reportable fees of the Sunnyvale School District consist of what are commonly known as Level 1 Developer Fees as established by the State Allocation Board (SAB), in accordance with Education Code section 17620 and Government Code section 65995, from residential and commercial/industrial development. From July 1, 2023 through July 31, 2024, the fees on residential development were \$2.96 per square foot and the fees on commercial/industrial developments were \$0.48 per square foot. Effective August 1, 2024, the rates were increased to \$3.20 per residential square foot and \$0.52 per commercial square foot.

On July 1, 2023, the beginning fund balance was \$10,733,100. On June 30, 2024, the ending fund balance was \$10,618,650. For fiscal year 2023-2024, the amount of fees collected was \$848,460. During the same time period, the interest earned was \$365,281. Additionally, there was an increase in fair market value equal to \$174,177. Total revenues from July 1, 2023 through June 30, 2024 were \$1,387,918. For fiscal year 2023-2024, \$0 was expended on administrative costs.

In fiscal year 2023-24, Sunnyvale SD focused on maintaining our level of service by refurbishing existing outdoor educational facilities and physical activity spaces. These projects were conducted at Cherry Chase, Vargas, San Miguel, Fairwood, and Cumberland. More specifically the outdoor educational spaces at the transitional and kindergarten classrooms.

We also continue to lease temporary portables at Sunnyvale Middle School to house student enrollment capacity needs. At this time, Sunnyvale SD has made no determination that sufficient funds have been collected to complete financing on an incomplete public improvement. For fiscal year 2023-2024, there were no refunds to the then current record owner or owners of the lots or units, as identified on the last equalized assessment roll. Additionally, there was no determination that the revenues shall be allocated for some other purpose for which fees are collected.

## **Five-Year Report**

Reportable fees are for the purpose of funding the construction or reconstruction of school facilities. The Sunnyvale School District caused a study to be prepared by Schoolworks Inc. 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.

In 2022 the Sunnyvale School District Facilities Master Plan (FMP) identified \$275 million in scope or identified facility need. Insufficient sources and amounts of funding are available to complete all of the requested scopes and identified needs. Requested scopes and identified needs 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:

**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 to those students housed in new schools. These projects will be in line with the projects identified in the FMP and may also include updates to the building structures to meet current building standards, along with upgrades to the current fire and safety standards and any access compliance standards.

**Portable Replacement Projects:** Some of the District's student housing is in portables. These portables can be replaced with new permanent or modular classrooms to provide adequate space for students from new developments. In addition, old portables that have reached the end of their life expectancy will need to be replaced to maintain the existing level of service. Sunnyvale is looking at Lakewood, Cherry Chase, and Cumberland as the campuses where portables would be replaced with permanent modular construction to maintain the level of service. Another area Sunnyvale SD will use collected fees for is the refurbishment of classrooms (and outdoor areas) for the Transitional and Kindergarten students. The District plan and focus will be to provide the school facilities needed to accommodate a larger number of pre-kindergarten students.