



# City of Sunnyvale

## Notice and Agenda

### City Council

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Tuesday, December 9, 2014

5:00 PM

Council Chambers and West Conference  
Room, City Hall, 456 W. Olive Ave.,  
Sunnyvale, CA 94086

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**Special Meeting- Closed Session-5 PM | Study Session-6 PM | Regular Meeting-7 PM**

#### **5 P.M. SPECIAL COUNCIL MEETING (Closed Session)**

##### **1 Call to Order in the West Conference Room**

##### **2 Roll Call**

##### **3 Public Comment**

*The public may provide comments regarding the Closed Session item(s) just prior to the Council beginning the Closed Session. Closed Sessions are not open to the public.*

##### **4 Convene to Closed Session**

[14-0495](#)

Closed Session held pursuant to California Government Code  
Section 54957: Public Employee Performance Evaluation  
Title: City Manager

##### **5 Adjourn Special Meeting**

#### **6 P.M. SPECIAL COUNCIL MEETING (Study Session)**

##### **1 Call to Order in the West Conference Room (Open to the Public)**

##### **2 Roll Call**

##### **3 Public Comment**

##### **4 Study Session**

[14-0501](#)

How the City Council Works Together

**5 Adjourn Special Meeting****7 P.M. COUNCIL MEETING**

*Pursuant to Council Policy, City Council will not begin consideration of any agenda item after 11:30 p.m. without a vote. Any item on the agenda which must be continued due to the late hour shall be continued to a date certain. Information provided herein is subject to change from date of printing of the agenda to the date of the meeting.*

**CALL TO ORDER**

*Call to Order in the Council Chambers (Open to the Public)*

**SALUTE TO THE FLAG****ROLL CALL****CLOSED SESSION REPORT****SPECIAL ORDER OF THE DAY**

[14-0950](#)

SPECIAL ORDER OF THE DAY - Recognition of Sunnyvale Library Centennial

**PUBLIC ANNOUNCEMENTS**

*Each speaker is limited to three minutes for announcements of community events, programs, or recognition.*

**PRESENTATION****CONSENT CALENDAR**

*All matters listed on the consent calendar are considered to be routine and will be acted upon by one motion. There will be no separate discussion of these items. If a member of the public would like a consent calendar item pulled and discussed separately, please submit a speaker card to the City Clerk prior to the start of the meeting or before approval of the consent calendar.*

- 1.A [14-0976](#) Approve City Council Meeting Minutes of November 25, 2014

**Recommendation:** Approve the City Council Meeting Minutes of November 25, 2014 as submitted.

**Attachments:** [Draft Minutes 11/25/2014](#)

- 1.B [14-1122](#) Approve the List(s) of Claims and Bills Approved for Payment by the City Manager

**Recommendation:** Approve the list(s) of claims and bills.

**Attachments:** [Lists of Claims and Bills](#)

- 1.C [14-0974](#) Authorization to Accept a Metropolitan Transportation Commission Priority Development Area Planning Grant and Approval of Budget Modification No. 23 to Appropriate Funds for the Comprehensive Update of the Precise Plan for El Camino Real

**Recommendation:** Authorize acceptance of the MTC PDA Planning Grant in the amount of \$587,000 and authorize the City Manager to execute the Funding Agreement (Attachment 2); and approve Budget Modification No. 23 to appropriate grant funding received for the Comprehensive Update of the Precise Plan for El Camino Real.

**Attachments:** [Study Issue Papers](#)  
[MTC Grant Funding Agreement](#)

- 1.D [14-0989](#) Receive and File FY 2013/14 Annual Status Report on Receipt and Use of Development Impact Fees and Adopt a Resolution Approving Findings Regarding Unspent Transportation Impact and Sense of Place Fees

**Recommendation:** Receive and file the FY 2013/14 Annual Status Report on receipt and use of development impact fees and adopt a resolution approving findings regarding unspent Transportation Impact and Sense of Place Fees.

**Attachments:** [FY 13-14 Annual Status Report - Impact Fees Resolution](#)

- 1.E [14-1091](#) Amend the Schedule of Pay of the Salary Resolution: Salary Adjustment for Pay Plan Category C (applies to Classified Public Safety Officers and Lieutenants) and Pay Plan Category D/E (applies to Public Safety Captains and Public Safety Deputy Chiefs) and Approve Budget Modification No. 27

**Recommendation:** Amend Pay Plan Category C and D/E of the Schedule of Pay of the Salary Resolution to reflect the new pay rates pursuant to the City's current MOUs with the PSOA and PSMA, effective retroactive to July 6, 2014 and Approve Budget Modification No. 27.

**Attachments:** [10.15.14 PSOA Total Compensation Survey – Public Safety Officers](#)  
[10.15.14 PSOA Total Compensation Survey – Lieutenant](#)  
[Resolution for Pay Plan Category C with Exhibit A \(Salary :\)](#)  
[Resolution for Pay Plan Category D/E \(Public Safety Captains\)](#)

- 1.F [14-1132](#) Adopt Ordinance No. 3050-14 Amending Title 19 (Zoning) Regarding the Appeal Process for Land Use Projects

**Recommendation:** Adopt Ordinance No. 3050-14.

**Attachments:** [Ordinance No. 3050-14](#)

## **PUBLIC COMMENTS**

*This category is limited to 15 minutes (may be extended or continued after the public hearings/general business section of the agenda at the discretion of the mayor) with a maximum of three minutes per speaker. If your subject is not on this evening's agenda you will be recognized at this time; however, the Brown Act (Open Meeting Law) does not allow action by Councilmembers. If you wish to address the Council, please complete a speaker card and give it to the City Clerk. Individuals are limited to one appearance during this section.*

## **PUBLIC HEARINGS/GENERAL BUSINESS**

*If you wish to speak to a public hearings/general business item, please fill out a speaker card and give it to the City Clerk. You will be recognized at the time the item is being considered by Council. Each speaker is limited to a maximum of three minutes. For land-use items, applicants are limited to a maximum of 10 minutes for opening comments and 5 minutes for closing comments.*

- 2      [14-0673](#)      Consideration of Housing Mitigation Fee Nexus Study Findings and Alternatives

**Recommendation:** Alternatives 1, 2, and 4: 1) Direct staff to prepare an ordinance to expand the Housing Mitigation Fee to all net new square footage of all office/R&D, industrial, retail, and lodging development projects in any zone; and 2) Direct staff to set the initial fee rate in the draft ordinance at \$12 per square foot for office/R&D/industrial projects (\$6 per square foot for first 25,000 square feet), and \$6 per square foot for retail and lodging projects, both adjusted annually for inflation as part of the annual fee schedule adoption; and 4) Include a provision to clarify that the new fee rates shall apply to all covered projects for which a complete planning application is submitted on or after the effective date of the ordinance.

**Attachments:** [Study Issue Paper CDD 09-11 Review of Housing Mitigation Fee Nexus Study Report](#)  
[Feasibility Study Memorandum](#)  
[Outreach Presentation](#)  
[Comparison Table](#)  
[Historic and Projected Uses of the Fee](#)  
[October 22, 2014 Housing and Human Services Commission Meeting Minutes](#)  
[October 27, 2014 Planning Commission Minutes](#)  
[December 2, 2014 Comment Letter from NAIOP](#)

3      [14-1076](#)      2014 4th Quarterly Consideration of GENERAL PLAN  
AMENDMENT INITIATION REQUEST

File #:                    2014-7958  
Location:                690 E. Arques Avenue (APN: 201-31-005)  
Proposed Project:      Request to study a General Plan Land Use  
Designation change from Industrial to Schools, Residential  
High Density, or other designation that would accommodate a  
middle and high school. This Study may include other  
properties in the vicinity and evaluate other General Plan  
designations.  
Applicant / Owner:      Summit Public Schools / 690 East  
Arques LLC

**Recommendation:** Alternative 1: Initiate a focused General Plan Study for 690 E.  
Arques Ave., evaluating both Schools (SCH) and Residential  
High Density (RHI) General Plan designations for the site.

**Attachments:** [General Plan Vicinity Map](#)  
[Applicant's Request Letter](#)  
[Site Plan](#)  
[General Plan Land Use Map](#)  
[Balanced Growth Profile, October 2014](#)  
[Draft Planning Commission Minutes 11-24-14](#)

4      [14-1003](#)      Update to the Status of Department of Public Safety  
Recruitment and Staffing and Approval of Budget Modification  
No. 28

**Recommendation:** Alternatives 1, 2 and 3: 1) Approve Budget Modification No.  
28 to appropriate \$3,228,391 to fund current recruitment  
projects; 2) Approve the addition of a full time Public Safety  
Specialist to the Recruitment Unit; and 3) Approve the addition  
of three PSO IIs to the Public Safety authorized sworn level in  
the FY 2016/17 Budget for the purpose of staffing Fire Station  
5 and include recruitment project funding for consideration in  
the FY 2015/16 Recruitment Project.

**Attachments:** [District-Fire Station #5 Informational Bulletin](#)

- 5      [14-1111](#)      Adopt Memorandum of Understanding between the City of Sunnyvale and the Sunnyvale Managers Association (SMA) and the corresponding Resolution to Amend the City's Salary Resolution and the Resolution for Paying and Reporting the Value of Employer Paid Member Contributions for CalPERS Retirement

**Recommendation:** Alternative 1: Adopt the Memorandum of Understanding between the City of Sunnyvale and the Sunnyvale Managers Association, presented as Attachment 3, and the corresponding Resolution amending the City's Salary Resolution, presented as Attachment 4, and the Resolution for Paying and Reporting the Value of Employer Paid Member Contributions, presented as Attachment 5.

**Attachments:** [Tentative Agreement between the City and SMA](#)  
[MOU SMA 2014-2015 with track](#)  
[MOU SMA 2014-2015](#)  
[Resolution Amending Reso No.190-05 by Amending Sche](#)  
[Resolution for Paying and Reporting the Value of EPM Cor](#)

- 6      [14-1007](#)      Introduce Ordinances to Amend the Sunnyvale Municipal Code by Adding Section 2.09.220 to Comply with New State Law for the Payment of Prevailing Wages for Infrastructure Work, and by Modifying Chapter 2.08 to Increase the City Manager's Bid Rejection Threshold

**Recommendation:** Alternatives 1 and 2: 1) Introduce an Ordinance amending Chapter 2.08 of the Sunnyvale Municipal Code (Purchases of Goods and Services) to modify the City Manager's rejection authority for goods and services procurements, and 2) Introduce an Ordinance adding Section 2.09.220 to Chapter 2.09 of the Sunnyvale Municipal Code (Public Works Contracting) to require the payment of prevailing wages on public works projects.

**Attachments:** [Rejecting Authority Ordinance](#)  
[Prevailing Wage Ordinance.pdf](#)

- 7      [14-0953](#)      Receive and File the FY 2013/14 Budgetary Year-End Financial Report, Comprehensive Annual Financial Report, and Sunnyvale Financing Authority Financial Report; and Approve Budget Modification No. 26

**Recommendation:** Alternative 1: Receive and file the budgetary Year-End Financial Report, the audited Comprehensive Annual Financial Report, the Report to the City Council issued by the independent auditors, and the Sunnyvale Financing Authority Financial Report and approve Budget Modification No. 26.

**Attachments:** [Schedule of Appropriations by Fund](#)  
[Auditor's Report to the City Council](#)  
[Comprehensive Annual Financial Report \(URL\)](#)  
[Sunnyvale Financing Authority Financial Report \(URL\)](#)

#### **COUNCILMEMBERS REPORTS ON ACTIVITIES FROM INTERGOVERNMENTAL COMMITTEE ASSIGNMENTS**

#### **NON-AGENDA ITEMS & COMMENTS**

-Council

-City Manager

#### **INFORMATION ONLY REPORTS/ITEMS**

- [14-0103](#)      Tentative Council Meeting Agenda Calendar

**Attachments:** [TCMAC](#)

- [14-1099](#)      Study Session Summary of November 11, 2014 - El Camino Real Bus Rapid Transit

**Attachments:** [Study Session Summary 20141111 - 5:15 p.m.](#)

- [14-0822](#)      Study Session Summary of November 25, 2014 - Discussion of Council 2015 Intergovernmental Relations Assignments

**Attachments:** [Study Session Summary 20141125 - 6 p.m.](#)

[14-1047](#) Information/Action Items

**Attachments:** [Information/Action Items](#)

## **ADJOURNMENT**

### **NOTICE TO THE PUBLIC**

*The agenda reports to council (RTCs) may be viewed on the City's Web site at [sunnyvale.ca.gov](http://sunnyvale.ca.gov) after 7 p.m. on Thursdays or at the Sunnyvale Public Library, 665 W. Olive Ave. as of Fridays prior to Tuesday City Council meetings. Any agenda related writings or documents distributed to members of the City of Sunnyvale City Council regarding any open session item on this agenda will be made available for public inspection in the Office of the City Clerk located at 603 All America Way, Sunnyvale, California during normal business hours and in the Council Chamber on the evening of the Council Meeting, pursuant to Government Code §54957.5. Please contact the Office of the City Clerk at (408) 730-7483 for specific questions regarding the agenda.*

*PLEASE TAKE NOTICE that if you file a lawsuit challenging any final decision on any public hearing item listed in this agenda, the issues in the lawsuit may be limited to the issues which were raised at the public hearing or presented in writing to the Office of the City Clerk at or before the public hearing. PLEASE TAKE FURTHER NOTICE that Code of Civil Procedure section 1094.6 imposes a 90-day deadline for the filing of any lawsuit challenging final action on an agenda item which is subject to Code of Civil Procedure 1094.5.*

*Pursuant to the Americans with Disabilities Act, if you need special assistance in this meeting, please contact the Office of the City Clerk at (408) 730-7483. Notification of 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting. (28 CFR 35.106 ADA Title II).*

### **Planning a presentation for a City Council meeting?**

*To help you prepare and deliver your public comments, please review the "Making Public Comments During City Council or Planning Commission Meetings" document available at [Presentations.inSunnyvale.com](http://Presentations.inSunnyvale.com).*

### **Planning to provide materials to Council?**

*If you wish to provide the City Council with copies of your presentation materials, please provide 12 copies of the materials to the City Clerk (located to the left of the Council dais). The City Clerk will distribute your items to the Council.*

**Upcoming Meetings**

*Visit [CouncilMeetings.inSunnyvale.com](http://CouncilMeetings.inSunnyvale.com) for upcoming Council meeting information.*

*Visit [BoardsandCommissions.inSunnyvale.com](http://BoardsandCommissions.inSunnyvale.com) for upcoming board and commission meeting information.*

*For a complete schedule of KSUN-15 Council meeting broadcasts, visit [KSUN.insunnyvale.com](http://KSUN.insunnyvale.com).*



# City of Sunnyvale

## Agenda Item

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**14-0495**

**Agenda Date:** 12/9/2014

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Closed Session held pursuant to California Government Code Section 54957: Public Employee  
Performance Evaluation  
Title: City Manager





# City of Sunnyvale

## Agenda Item

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**14-0501**

**Agenda Date:** 12/9/2014

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How the City Council Works Together





# City of Sunnyvale

## Agenda Item

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**14-0950**

**Agenda Date:** 12/9/2014

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SPECIAL ORDER OF THE DAY - Recognition of Sunnyvale Library Centennial





# City of Sunnyvale

## Agenda Item

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**14-0976**

**Agenda Date:** 12/9/2014

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**SUBJECT**

Approve City Council Meeting Minutes of November 25, 2014

**RECOMMENDATION**

Approve the City Council Meeting Minutes of November 25, 2014 as submitted.





# City of Sunnyvale

## Meeting Minutes - Draft City Council

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Tuesday, November 25, 2014

6:00 PM

Council Chambers and West Conference  
Room, City Hall, 456 W. Olive Ave.,  
Sunnyvale, CA 94086

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**Special Meeting- Study Session-6 PM | Regular Meeting-7 PM**

### **7 P.M. COUNCIL MEETING**

#### **CALL TO ORDER**

Mayor Griffith called the meeting to order in Council Chambers.

#### **SALUTE TO THE FLAG**

Mayor Griffith led the salute to the flag.

#### **ROLL CALL**

**Present:** 7 - Mayor Jim Griffith  
Vice Mayor Jim Davis  
Councilmember David Whittum  
Councilmember Pat Meyering  
Councilmember Tara Martin-Milius  
Councilmember Glenn Hendricks  
Councilmember Gustav Larsson

#### **PUBLIC ANNOUNCEMENTS**

Councilmember Whittum announced the upcoming second and third community workshops regarding the Peery Park Specific Plan.

Councilmember Hendricks announced the upcoming Sunnyvale Library Centennial Celebration.

#### **CONSENT CALENDAR**

Councilmember Meyering requested to record a no vote on Items 1.A, 1.B and 1.N and requested to pull Items 1.F, 1.I, 1.K, 1.L and 1.M from the Consent Calendar.

Councilmember Whittum requested to record a no vote on Item 1.N.

MOTION: Vice Mayor Davis moved and Councilmember Hendricks seconded the

motion to approve the Consent Calendar with the exception of Items 1.F, 1.I, 1.K, 1.L and 1.M. The motion carried by the following vote:

**Yes: 7 -** Mayor Griffith  
Vice Mayor Davis  
Councilmember Whittum  
Councilmember Meyering  
Councilmember Martin-Milius  
Councilmember Hendricks  
Councilmember Larsson

**No: 0**

**1.A**     [14-0945](#)     Approve City Council Meeting Minutes of November 11, 2014

MOTION: Vice Mayor Davis moved and Councilmember Hendricks seconded the motion to approve the City Council Meeting Minutes of November 11, 2014 as submitted. The motion carried by the following vote:

**Yes: 6 -** Mayor Griffith  
Vice Mayor Davis  
Councilmember Whittum  
Councilmember Martin-Milius  
Councilmember Hendricks  
Councilmember Larsson

**No: 1 -** Councilmember Meyering

**1.B**     [14-1110](#)     Approve the List(s) of Claims and Bills Approved for Payment by the City Manager

MOTION: Vice Mayor Davis moved and Councilmember Hendricks seconded the motion to approve the list(s) of claims and bills. The motion carried by the following vote:

**Yes: 6 -** Mayor Griffith  
Vice Mayor Davis  
Councilmember Whittum  
Councilmember Martin-Milius  
Councilmember Hendricks  
Councilmember Larsson

**No: 1 -** Councilmember Meyering

**1.C**     [14-0669](#)     Approve Budget Modification No. 19 to Appropriate \$60,000 of California Office of Traffic Safety Grant Funds for Selective Traffic Enforcement Program - Bicycle and Pedestrian Safety

Approve Budget Modification No. 19 to appropriate California Office of Traffic Safety Selective Traffic Enforcement Program Grant funds in the amount of \$60,000 to enhance bicycle and pedestrian safety to a new project, FY 2014/15 OTS Bicycle and Pedestrian Safety.

- 1.D**      [14-0961](#)      Approve Budget Modification No. 20 to Appropriate \$11,500 of California Office of Traffic Safety Avoid the 13 Grant Funds for a Driving Under the Influence Checkpoint

Approve Budget Modification No. 20 to appropriate \$11,500 of California Office of Traffic Safety Avoid the 13 Grant Funds for a DUI Checkpoint to a new project, FY 2014/15 Avoid the 13.

- 1.E**      [14-1009](#)      Approve Budget Modification No. 29 to Appropriate \$95,000 of Department of Homeland Security, Bay Area Urban Area Security Initiative Grant Funds to Develop a Countywide Computer Aided Dispatch Interface

Approve Budget Modification No.29 to appropriate \$95,000 in Department of Homeland Security, Bay Area Urban Area Security Initiative funds to a new project, 2014 UASI - Data Exchange (Dx) CAD Interface.

- 1.F**      [14-1051](#)      Approve Budget Modification No. 25 to Appropriate \$300,000 to Capital Project 830560 Fremont Pool House Infrastructure Improvements, Approve "Fourth Amendment to Use Agreement Between City of Sunnyvale and Fremont Union High School District for the Development and Operation of a 50 Meter Swimming Pool and Related Facilities at Fremont High School"

Public hearing opened at 10:25 p.m.

Holly Lofgren provided background information on the original project and stated there may not have been an adequate design review at the time and usage of the building was likely under planned.

Public Hearing closed at 10:28 p.m.

MOTION: Vice Mayor Davis moved and Councilmember Larsson seconded the motion to approve Alternative 1: Approve Budget Modification No. 25 to appropriate \$300,000 to Capital Project 830560 Fremont Pool House Infrastructure Improvements; and, approve the Fourth Amendment to Use Agreement Between City of Sunnyvale and Fremont Union High School District for the Development and Operation of a 50 Meter Swimming Pool and Related Facilities at Fremont High

School. The motion carried by the following vote:

**Yes:** 7 - Mayor Griffith  
Vice Mayor Davis  
Councilmember Whittum  
Councilmember Meyering  
Councilmember Martin-Milius  
Councilmember Hendricks  
Councilmember Larsson

**No:** 0

**1.G**      [14-1026](#)      Award of Contract for Three Service Trucks (F15-26)

1) Award a contract in the amount of \$129,764 to Tracy Ford for three service trucks in substantially the same form as the draft purchase order attached to the report.

**1.H**      [14-1052](#)      Award of Contract for Design and Construction Support  
Services for Sunnyvale Golf Course Building Upgrades  
(F14-76)

1) Award a contract, in substantially the same format as Attachment 1 and in the amount of \$90,755, to IBI Group Architectural Planning, Inc. for the subject project, and authorize the City Manager to execute the contract when all the necessary conditions have been met; and 2) Approve a 15% design contingency in the amount of \$13,613.

**1.I**      [14-1004](#)      Award of Contract for Design of the Wolfe/Evelyn Water Plant  
Mechanical Reconstruction (F14-97)

Public hearing opened at 10:31 p.m.

No speakers.

Public hearing closed at 10:31 p.m.

MOTION: Vice Mayor Davis moved and Councilmember Hendricks seconded the motion to 1) Award a contract, in substantially the same format as Attachment 1 and in the amount of \$374,622 to HydroScience Engineers for the subject project, and authorize the City Manager to execute the contract when all the necessary conditions have been met; and 2) Approve a 10% design contingency in the amount of \$37,462. The motion carried by the following vote:

**Yes:** 6 - Mayor Griffith  
Vice Mayor Davis  
Councilmember Whittum  
Councilmember Martin-Milius  
Councilmember Hendricks  
Councilmember Larsson

**No:** 1 - Councilmember Meyering

**1.J**      [14-1089](#)      Award of Bid No. PW15-13 for Concrete Sidewalk, Curb, Gutter and Driveway Approaches CDBG 2015 and Finding of CEQA Categorical Exemption

1) Make a finding of CEQA categorical exemption pursuant to Class 1, Section 15301(c) and (d) for the restoration or rehabilitation of deteriorated or damaged sidewalks, gutters and similar facilities; 2) Award a contract, in substantially the same format as Attachment 2 and in the amount of \$129,485, to Spenco Construction, Inc. for the subject project, and authorize the City Manager to execute the contract when all the necessary conditions have been met; and 3) Approve a 6% construction contingency in the amount of \$8,192 to utilize available grant funding.

**1.K**      [14-1092](#)      Award of Bid No. PW15-10 for ADA Curb Ramps Installation CDBG - 2015 and Finding of CEQA Categorical Exemption

Public hearing opened at 10:34 p.m.

No speakers.

Public hearing closed at 10:34 p.m.

MOTION: Councilmember Whittum moved and Vice Mayor Davis seconded the motion to 1) Make a finding of CEQA categorical exemption pursuant to Class 1, Section 15301(c) and (d) for the restoration or rehabilitation of deteriorated or damaged sidewalks, gutters and similar facilities; 2) Award a contract, in substantially the same format as Attachment 2 and in the amount of \$178,100, to Trident Contractors, Inc. for the subject project, and authorize the City Manager to execute the contract when all the necessary conditions have been met; and 3) Approve a 25% construction contingency in the amount of \$45,110 in order to utilize all available grant funding. The motion carried by the following vote:

**Yes: 7 -** Mayor Griffith  
Vice Mayor Davis  
Councilmember Whittum  
Councilmember Meyering  
Councilmember Martin-Milius  
Councilmember Hendricks  
Councilmember Larsson

**No: 0**

- 1.L**      [14-1065](#)      Approve Final Map (Tract No. 10234) - 156 Residential Units and a 41,000 Square Foot Office Building at 1095 West El Camino Real by Sobrato Interests 2, a California Limited Partnership

Public hearing opened at 10:36 p.m.

No speakers.

Public hearing closed at 10:36 p.m.

MOTION: Vice Mayor Davis moved and Councilmember Hendricks seconded the motion to approve the final map for Tract No. 10234; authorize the Mayor to sign the subdivision agreement upon submittal of other documents deemed necessary by the Director of Public Works; direct the City Clerk to sign the City Clerk's Statement and forward the final map for recordation. The motion carried by the following vote:

**Yes: 6 -** Mayor Griffith  
Vice Mayor Davis  
Councilmember Whittum  
Councilmember Martin-Milius  
Councilmember Hendricks  
Councilmember Larsson

**No: 1 -** Councilmember Meyering

- 1.M**      [14-0716](#)      Adopt a Resolution to Summarily Vacate an Existing Public Utility Easement at 457 East Evelyn Avenue

Public hearing opened at 10:37 p.m.

No speakers.

Public hearing closed at 10:37 p.m.

MOTION: Vice Mayor Davis moved and Councilmember Larsson seconded the motion to adopt the resolution to summarily vacate an existing public utility easement at 457 East Evelyn Avenue; and to authorize the City Clerk to submit a certified copy of the resolution to the Santa Clara County Recorder's office. The motion carried by the following vote:

**Yes:** 6 - Mayor Griffith  
Vice Mayor Davis  
Councilmember Whittum  
Councilmember Martin-Milius  
Councilmember Hendricks  
Councilmember Larsson

**No:** 1 - Councilmember Meyering

**1.N**      [14-1103](#)      Adopt Ordinance No. 3049-14 Amending the Precise Zoning Plan, Zoning Districts Map, to Rezone Certain Property located at 1071 Noriega Avenue from Medium Density Residential (R-3) to Medium Density Residential/ Planned Development (R-3/PD)

MOTION: Vice Mayor Davis moved and Councilmember Hendricks seconded the motion to adopt Ordinance No. 3049-14. The motion carried by the following vote:

**Yes:** 5 - Mayor Griffith  
Vice Mayor Davis  
Councilmember Martin-Milius  
Councilmember Hendricks  
Councilmember Larsson

**No:** 2 - Councilmember Whittum  
Councilmember Meyering

### **PUBLIC COMMENTS**

Arlene Goetze spoke regarding megadroughts and provided written materials

Michael Goldman spoke regarding the design of the Civic Center in Menlo Park and provided a PowerPoint presentation.

Lisa Chung, Senior District Representative and Liaison for Senator Jerry Hill, 13th Senate District, offered greetings from the Senator and announced an upcoming "Java with Jerry" event.

### **PUBLIC HEARINGS/GENERAL BUSINESS**

**2**      [14-0917](#)      Approval of a Work Plan to Achieve the 2020 Greenhouse Gas Reduction Targets in the Adopted Climate Action Plan and Budget Modification No. 22

Environmental Services Department Division Manager Melody Tovar presented the staff report. Director of Community Development Hanson Hom, Director of Public Works Manuel Pineda, Assistant Director of Finance Tim Kirby and Assistant City Manager Robert Walker provided additional information.

Public hearing opened at 8:01 p.m.

Ralph Kenton, representing the Parks and Recreation Commission, stated the commission's support of the five elements of the plan within the purview of the commission, as pertains to activities OS-2 through OS-3.5.

Kevin Jackson, Bicycle and Pedestrian Advisory Commission member and Horizon 2035 Committee member speaking for himself, expressed support for the plan and requested Council's approval.

Margaret Okuzumi spoke in support of approval of the plan and recommended accelerating the timeline as much as possible.

Public hearing closed at 8:07 p.m.

MOTION: Councilmember Hendricks moved and Councilmember Martin-Milius seconded the motion to approve Alternatives 1 through 5: 1) Approve the Climate Action Plan Work Plan 2020; 2) Approve the biennial CAP monitoring and reporting timeframe; 3) Approve the biennial CAP modification process; 4) Approve revised CAP action related to residential energy and water audits; and 5) Approve Budget Modification No. 22 to provide funding for the CAP tracking tool and for initial outreach for CAP implementation. The motion carried by the following vote:

**Yes:** 6 - Mayor Griffith  
Vice Mayor Davis  
Councilmember Meyering  
Councilmember Martin-Milius  
Councilmember Hendricks  
Councilmember Larsson

**No:** 1 - Councilmember Whittum

**3**      [14-0287](#)      Introduce an Ordinance to Amend Title 19 (Zoning) Regarding the Appeal Process for Land Use Projects (Study Issue, CDD

14-15); Repeal Council Policy 1.1.4 on Appeals; and make a Finding that the Proposed Project is Exempt from the Requirements of the California Environmental Quality Act (CEQA) Pursuant to CEQA Guidelines 15061(b)(3) - Continued from November 11, 2014 (Planning File: 2014-7434)

Director of Community Development Hanson Hom presented the staff report. Planning Officer Trudi Ryan provided additional information. Director of Community Development Hom provided a supplemental table comparing the current versus proposed appeal provisions.

Public hearing opened at 9:25 p.m.

Holly Lofgren expressed concerns regarding confusion about the level of appeals under discussion and spoke in opposition to the proposal to require two Councilmembers to file an appeal and encouraged dropping the proposal and revisit later if necessary.

Hannalore Dietrich expressed concerns regarding possible restriction of due process with appeals and spoke in opposition to removal of Policy 1.1.4.

Michael Goldman spoke in opposition to changes to the appeal process.

Public hearing closed at 9:33 p.m.

MOTION: Councilmember Larsson moved and Councilmember Hendricks seconded the motion to approve Alternatives 1 and 4: 1) Find that the project is exempt from CEQA pursuant to CEQA Guideline 15061(b)(3); 4) Introduce the Ordinance to amend Title 19.98.070 as set forth in Attachment 4 to the report with the following modifications: to remove the language that an appeal decision by Planning Commission is final for variance, minor use permit, minor special development permit and parcel map and modify Council Policy 1.1.4 to remove the language that conflicts with the ordinance.

FRIENDLY AMENDMENT: Vice Mayor Davis offered a friendly amendment to remove the demand to have two Councilmembers required for an appeal. Councilmember Larsson declined to accept the friendly amendment.

AMENDMENT: Vice Mayor Davis moved an amendment and Councilmember Whittum seconded to remove under item two, bullet point one, the Call for Review process that requires a minimum of two Council Members or Planning

Commissioners to request City Council or Planning Commission review of a decision. The motion to amend failed by the following vote:

**Yes: 3 -** Vice Mayor Davis  
Councilmember Whittum  
Councilmember Meyering

**No: 4 -** Mayor Griffith  
Councilmember Martin-Milius  
Councilmember Hendricks  
Councilmember Larsson

AMENDMENT: Councilmember Whittum moved an amendment and Vice Mayor Davis seconded to change the requirement for Planning Commissioners from two to one. The motion to amend carried by the following vote:

**Yes: 4 -** Vice Mayor Davis  
Councilmember Whittum  
Councilmember Meyering  
Councilmember Hendricks

**No: 3 -** Mayor Griffith  
Councilmember Martin-Milius  
Councilmember Larsson

AMENDMENT: Councilmember Meyering moved an amendment and Vice Mayor Davis seconded that Councilmembers need a second Councilmember only after having initiated a Call for Review once in the last rolling 12-month period. The motion to amend failed by the following vote:

**Yes: 3 -** Vice Mayor Davis  
Councilmember Whittum  
Councilmember Meyering

**No: 4 -** Mayor Griffith  
Councilmember Martin-Milius  
Councilmember Hendricks  
Councilmember Larsson

The main motion as amended carried by the following vote:

**Yes: 4 -** Mayor Griffith  
Councilmember Martin-Milius  
Councilmember Hendricks  
Councilmember Larsson

**No: 3 -** Vice Mayor Davis  
Councilmember Whittum  
Councilmember Meyering

Deputy City Clerk Lisa Natusch read the ordinance title.

Council recessed at 10 p.m.

Council reconvened at 10:10 p.m. with all Councilmembers present.

- 4**      [14-0993](#)      Amend the Salary Table of the Salary Resolution and the Classification Plan to Add the Newly Established Classifications of Principal Network Engineer, Principal Design and Construction Operator, and Water Pollution Control Plant (WPCP) Control Systems Integrator

Director of Human Resources Teri Silva presented the staff report.

Public hearing opened at 10:13 p.m.

No speakers.

Public hearing closed at 10:13 p.m.

MOTION: Councilmember Hendricks moved and Councilmember Whittum seconded the motion to approve Alternative 1: Adopt Resolutions to amend the Salary Table of the City's Salary Resolution and the Classification Plan to add the newly established classifications of Principal Network Engineer, Principal Design and Construction Operator, and WPCP Control Systems Integrator that will become effective at the beginning of the first pay period after November 11, 2014. The motion carried by the following vote:

**Yes: 6 -** Mayor Griffith  
Councilmember Whittum  
Councilmember Meyering  
Councilmember Martin-Milius  
Councilmember Hendricks  
Councilmember Larsson

**No: 1 -** Vice Mayor Davis

- 5**      [14-1054](#)      Amend the Salary Table of the Salary Resolution to Add the Newly Established Classification of Part Time Meter Reader

and to Increase the Pay Range of the Golf Operations  
Manager Classification

Director of Human Resources Teri Silva presented the staff report.

Public hearing opened at 10:21 p.m.

No speakers.

Public hearing closed at 10:21 p.m.

MOTION: Councilmember Whittum moved and Councilmember Hendricks seconded the motion to approve Alternative 1: Adopt Resolution to amend the Salary Table of the City's Salary Resolution to add the newly established classification of Part Time Meter Reader and to increase the pay range of the Golf Operations Manager classification from Pay Range 17 (control point \$107,589) to Pay Range 18 (control point \$120,740) that will become effective at the beginning of the first pay period after December 9, 2014. The motion carried by the following vote:

**Yes:** 6 - Mayor Griffith  
Vice Mayor Davis  
Councilmember Whittum  
Councilmember Martin-Milius  
Councilmember Hendricks  
Councilmember Larsson

**No:** 1 - Councilmember Meyering

- 6**      [14-0061](#)      Approve a New Section of the Council Policy Manual to Hold Policies Relating to Council Support and Processes, Including a Reorganization of Existing Council Policies 7.3.2; 7.3.12; 7.3.13, and 7.3.28

Senior Management Analyst Yvette Blackford presented the staff report.

Public hearing opened at 10:23 p.m.

No speakers.

Public hearing closed at 10:23 p.m.

MOTION: Vice Mayor Davis moved and Councilmember Hendricks seconded the motion to approve Alternative 1: Approve Proposed Reorganization of Council

Policies as presented in Attachments 1 and 2 to the report. The motion carried by the following vote:

**Yes: 7 -** Mayor Griffith  
Vice Mayor Davis  
Councilmember Whittum  
Councilmember Meyering  
Councilmember Martin-Milius  
Councilmember Hendricks  
Councilmember Larsson

**No: 0**

**COUNCILMEMBERS REPORTS ON ACTIVITIES FROM INTERGOVERNMENTAL COMMITTEE ASSIGNMENTS**

None.

**NON-AGENDA ITEMS & COMMENTS**

**-Council**

Councilmember Whittum reported that VTA has completed its ridership estimates for the North-South bus route concept and suggested it might be timely to have a discussion or a presentation.

Councilmember Whittum stated his interest in a possible study issue regarding sidewalks connecting Tasman to Vienna Drive from the East Channel area and provided a write-up of the issue.

Councilmember Whittum reported his attendance at the Air Force Association Annual Awards banquet.

Councilmember Whittum reported receipt of a note from a member of the public concerning the availability of playing fields from December through February and expressed interest in whether there has been a policy change.

Councilmember Meyering reported his attendance at a "Mayor's Challenge to End Homelessness" session at the National League of Cities Conference.

Councilmember Martin-Milius reported her attendance at the National League of Cities Conference.

**-City Manager**

Assistant City Manager Robert Walker reported on behalf of City Manager Santana

that the study session regarding School Enrollment Rate and Projections tentatively scheduled for December 16 will be rescheduled to a new date.

**INFORMATION ONLY REPORTS/ITEMS**

[14-0871](#) Tentative Council Meeting Agenda Calendar

[14-0958](#) Information/Action Items

[14-0873](#) Board/Commission Meeting Minutes

**ADJOURNMENT**

Mayor Griffith adjourned the meeting at 10:45 p.m.



# City of Sunnyvale

## Agenda Item

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14-1122

Agenda Date: 12/9/2014

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### REPORT TO COUNCIL

#### **SUBJECT**

Approve the List(s) of Claims and Bills Approved for Payment by the City Manager

#### **BACKGROUND**

Pursuant to Sunnyvale Charter Section 802(6), the City Manager has approved for payment claims and bills on the following list(s); and checks have been issued.

List No.	Date	Total Disbursements
739	11/16/14 through 11/22/14	\$6,184,532.83
740	11/23/14 through 11/29/14	\$1,229,168.08

#### **PUBLIC CONTACT**

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, at the Sunnyvale Senior Center, Community Center and Department of Public Safety; and by making the agenda and report available at the Sunnyvale Public Library, the Office of the City Clerk and on the City's website.

#### **RECOMMENDATION**

Approve the list(s) of claims and bills.

Prepared by: Pete Gonda, Purchasing Officer

Reviewed by: Grace K. Leung, Director of Finance

Reviewed by: Robert A. Walker, Assistant City Manager

Approved by: Deanna J. Santana, City Manager

#### **ATTACHMENTS**

1. List(s) of Claims and Bills Approved for Payment



12/2/2014

City of Sunnyvale

LIST #739

Page 1

**List of All Claims and Bills Approved for Payment**

For Checks Dated 11/16/14 through 11/22/14

Sorted by Payment Number

Payment No.	Payment Date	Vendor Name	Invoice No.	Description	Invoice Amount	Discount	Taken	Amount Paid	Payment Total
100263243	11/19/14	ACROSS THE STREET PRODUCTIONS INC	12-2275	Training and Conferences	693.00		0.00	693.00	<b>\$1,078.00</b>
			12-2307	Training and Conferences	385.00		0.00	385.00	
100263244	11/19/14	ADAMSON POLICE PRODUCTS	INV150488	General Supplies	361.05		0.00	361.05	<b>\$361.05</b>
100263245	11/19/14	AGILENT TECHNOLOGIES INC	109233960	Water/Wastewater Treat Equip	171,847.50		0.00	171,847.50	<b>\$172,688.19</b>
			109233965	Water/Wastewater Treat Equip	840.69		0.00	840.69	
100263246	11/19/14	AIR COOLED ENGINES INC	75586	Parts, Vehicles & Motor Equip	357.28		0.00	357.28	<b>\$357.28</b>
100263247	11/19/14	AIRGAS USA LLC	9032878790	General Supplies	175.79		0.00	175.79	<b>\$1,042.74</b>
			9032925064	General Supplies	221.55		0.00	221.55	
			9032973648	General Supplies	645.40		0.00	645.40	
100263248	11/19/14	ALAMEDA COUNTY SHERIFFS OFFICE	3580	Training and Conferences	22,800.00		0.00	22,800.00	<b>\$22,800.00</b>
100263249	11/19/14	ALL STAR GLASS	ISJ032043	Auto Maint & Repair - Labor	84.00		0.00	84.00	<b>\$262.24</b>
			ISJ032043	Auto Maint & Repair - Materials	178.24		0.00	178.24	
100263250	11/19/14	ALTEC INDUSTRIES INC	10306449	Parts, Vehicles & Motor Equip	26.94		0.00	26.94	<b>\$26.94</b>
100263251	11/19/14	APPLEONE EMPLOYMENT SERVICES	01-3443223	Contracts/Service Agreements	897.60		0.00	897.60	<b>\$897.60</b>
100263252	11/19/14	ARROWHEAD MOUNTAIN SPRING WATER	14K0024199309	Miscellaneous Services	43.34		0.00	43.34	<b>\$276.94</b>
			14K5715636006	General Supplies	70.26		0.00	70.26	
			14K5740146005	Miscellaneous Services	163.34		0.00	163.34	
100263253	11/19/14	ASSOCIATED INFRASTRUCTURE MGMT SERVICES	2014-024	Consultants	16,900.00		0.00	16,900.00	<b>\$16,900.00</b>
100263254	11/19/14	ASTRA RADIO COMMUNICATIONS	75272	Clothing, Uniforms & Access	784.30		0.00	784.30	<b>\$784.30</b>
100263255	11/19/14	AVAYA INC	2733254828	Comm Equip Maintain & Repair - Labor 1	12,665.98		0.00	12,665.98	<b>\$18,998.97</b>
			2733286551	Comm Equip Maintain & Repair - Labor 1	6,332.99		0.00	6,332.99	
100263256	11/19/14	BAUER COMPRESSORS INC	0000189812	Safety Equipment Maintenance & Repair	26.09		0.00	26.09	<b>\$26.09</b>
100263257	11/19/14	BAY-VALLEY PEST CONTROL INC	0182034	Facilities Maint & Repair - Labor	43.00		0.00	43.00	<b>\$1,122.00</b>
			0182035	Facilities Maint & Repair - Labor	43.00		0.00	43.00	
			0182036	Facilities Maint & Repair - Labor	43.00		0.00	43.00	
			0182037	Facilities Maint & Repair - Labor	43.00		0.00	43.00	
			0182038	Facilities Maint & Repair - Labor	43.00		0.00	43.00	
			0182039	Facilities Maint & Repair - Labor	43.00		0.00	43.00	
			0182045	Facilities Maint & Repair - Labor	64.00		0.00	64.00	
			0182046	Facilities Maint & Repair - Labor	32.00		0.00	32.00	
			0182047	Facilities Maint & Repair - Labor	56.00		0.00	56.00	
			0182049	Facilities Maint & Repair - Labor	42.00		0.00	42.00	
			0182050	Facilities Maint & Repair - Labor	42.00		0.00	42.00	
			0182052	Facilities Maint & Repair - Labor	42.00		0.00	42.00	
			0182053	Facilities Maint & Repair - Labor	42.00		0.00	42.00	
			0182054	Facilities Maint & Repair - Labor	42.00		0.00	42.00	
			0182055	Facilities Maint & Repair - Labor	86.00		0.00	86.00	
			0182076	Facilities Maint & Repair - Labor	120.00		0.00	120.00	
			0182079	Facilities Maint & Repair - Labor	58.00		0.00	58.00	
			0182093	Facilities Maint & Repair - Labor	120.00		0.00	120.00	
			0182410	Facilities Maint & Repair - Labor	118.00		0.00	118.00	
100263259	11/19/14	BELLECCI & ASSOC INC	12028-M	Engineering Services	17,273.00		0.00	17,273.00	<b>\$17,273.00</b>
100263260	11/19/14	BERT S ESPINOSA	BLOCT2014	Medical Services	5,100.00		0.00	5,100.00	<b>\$5,100.00</b>
100263261	11/19/14	BRUCE D PRAET	NOV/10&14/14	Training and Conferences	6,202.20		0.00	6,202.20	<b>\$6,202.20</b>
100263262	11/19/14	BURTONS FIRE INC	S24812	Parts, Vehicles & Motor Equip	317.87		0.00	317.87	<b>\$317.87</b>
100263263	11/19/14	C OVERAA & CO	14/367	General Supplies	21,000.00		0.00	21,000.00	<b>\$21,000.00</b>
100263264	11/19/14	CSAC EXCESS INSURANCE AUTHORITY	NOV2014	Insurances - Life/AD&D Insurance	18,164.32		0.00	18,164.32	<b>\$41,180.07</b>

**List of All Claims and Bills Approved for Payment**

For Checks Dated 11/16/14 through 11/22/14

Sorted by Payment Number

Payment No.	Payment Date	Vendor Name	Invoice No.	Description	Invoice Amount	Discount	Taken	Amount Paid	Payment Total
			NOV2014	Insurances - Long Term Disability	23,015.75		0.00	23,015.75	
100263265	11/19/14	CALLANDER ASSOC	13042014REV	Engineering Services	548.25		0.00	548.25	<b>\$548.25</b>
100263266	11/19/14	CALTEST ANALYTICAL LABORATORY	533452	Water Lab Services	130.50		0.00	130.50	<b>\$130.50</b>
100263267	11/19/14	CALTRONICS BUSINESS SYSTEMS	1660345	Equipment Rental/Lease	9,797.22		0.00	9,797.22	<b>\$9,797.22</b>
100263268	11/19/14	CAM THUY DO	460795-015866	DED Services/Training - Books	80.49		0.00	80.49	<b>\$80.49</b>
100263269	11/19/14	CENTURY GRAPHICS	40549	Clothing, Uniforms & Access	312.68		0.00	312.68	<b>\$312.68</b>
100263270	11/19/14	CHANG RUTHENBERG & LONG PC	47344	Financial Services	3,000.00		0.00	3,000.00	<b>\$3,000.00</b>
100263271	11/19/14	CINTAS DOCUMENT MANAGEMENT	DG38285266	Records Related Services	90.00		0.00	90.00	<b>\$139.00</b>
			DG38287406	Records Related Services	49.00		0.00	49.00	
100263272	11/19/14	CLEANSOURCE INC	1555892-00	Inventory Purchase	767.30		0.00	767.30	<b>\$767.30</b>
100263273	11/19/14	COAST PERSONNEL SERVICES INC	238243	Contracts/Service Agreements	1,024.44		0.00	1,024.44	<b>\$1,024.44</b>
100263274	11/19/14	CORIX WATER PRODUCTS (US) INC	1741329313	Inventory Purchase	201.19		1.85	199.34	<b>\$199.34</b>
100263275	11/19/14	COUNTY OF SANTA CLARA	APR-JUN2014	Professional Services	30,593.95		0.00	30,593.95	<b>\$30,593.95</b>
100263276	11/19/14	CYBERSOURCE CORP	5451161	Software As a Service	75.00		0.00	75.00	<b>\$75.00</b>
100263277	11/19/14	DLT SOLUTIONS LLC	SI272615	Software As a Service	1,184.50		0.00	1,184.50	<b>\$1,184.50</b>
100263278	11/19/14	DATAWORKS PLUS LLC	14-971	Software Licensing & Support	5,600.00		0.00	5,600.00	<b>\$5,600.00</b>
100263279	11/19/14	DEL GAVIO GROUP	7287	Facilities Maint & Repair - Labor	21,872.81		0.00	21,872.81	<b>\$21,872.81</b>
100263280	11/19/14	DELTA DENTAL INSURANCE CO	BE000962341	Insurances - Dental	1,481.59		0.00	1,481.59	<b>\$1,481.59</b>
100263281	11/19/14	DETAIL PLUS	25662	Auto Maint & Repair - Labor	100.00		0.00	100.00	<b>\$100.00</b>
100263282	11/19/14	DISPENSING TECHNOLOGY CORP	8108	Miscellaneous Equipment Parts & Supplies	793.59		0.00	793.59	<b>\$793.59</b>
100263283	11/19/14	DUKES ROOT CONTROL INC	10545	Construction Services	29,061.35		0.00	29,061.35	<b>\$29,061.35</b>
100263284	11/19/14	EOA INC	SU43-0914	Consultants	18,050.60		0.00	18,050.60	<b>\$18,050.60</b>
100263285	11/19/14	ENERGY REDUCTION SOLUTIONS	080414	Inventory Purchase	13,836.33		0.00	13,836.33	<b>\$13,836.33</b>
100263286	11/19/14	EQUIFAX INFORMATION SERVICES LLC	8807025	Investigation Expense	70.74		0.00	70.74	<b>\$70.74</b>
100263287	11/19/14	FAST FABRICATORS LLC	IN-239606	Miscellaneous Equipment Parts & Supplies	917.75		0.00	917.75	<b>\$917.75</b>
100263288	11/19/14	FEDERAL EXPRESS CORP	2-823-85096	Mailing & Delivery Services	5.29		0.00	5.29	<b>\$10.04</b>
			2-830-94610	Mailing & Delivery Services	4.75		0.00	4.75	
100263289	11/19/14	FISHER SCIENTIFIC CO LLC	0788061	General Supplies	123.54		0.00	123.54	<b>\$136.56</b>
			0978643	General Supplies	13.02		0.00	13.02	
100263290	11/19/14	FOLGERGRAPHICS INC	104165	Printing & Related Services	9,314.45		0.00	9,314.45	<b>\$9,314.45</b>
100263291	11/19/14	FOOTJOY	5940833	Inventory Purchase	70.23		1.18	69.05	<b>\$69.05</b>
100263292	11/19/14	FOSTER BROS SECURITY SYSTEMS INC	263777	Miscellaneous Services	56.39		0.00	56.39	<b>\$239.09</b>
			263928	Bldg Maint Matls & Supplies	182.70		0.00	182.70	
100263293	11/19/14	G&S CARPET MILLS INC	3352	Facilities Maint & Repair - Labor	49,864.18		0.00	49,864.18	<b>\$49,864.18</b>
100263294	11/19/14	GCS ENVIRONMENTAL EQUIPMENT SERVICES INC	10670	Parts, Vehicles & Motor Equip	45.60		0.00	45.60	<b>\$45.60</b>
100263295	11/19/14	GEOGRAPHIC TECHNOLOGIES GROUP	G20-11266	Professional Services	5,000.00		0.00	5,000.00	<b>\$5,000.00</b>
100263296	11/19/14	GLOBAL ACCESS INC	13196	Software Licensing & Support	236.08		0.00	236.08	<b>\$236.08</b>
100263297	11/19/14	GOLDEN GATE MECHANICAL INC	3679	Electrical Parts & Supplies	18,570.00		0.00	18,570.00	<b>\$18,570.00</b>
100263298	11/19/14	GRANITE CONSTRUCTION CO	736114	Materials - Land Improve	854.13		0.00	854.13	<b>\$854.13</b>
100263299	11/19/14	GRANITEROCK CO	854239	Materials - Land Improve	519.77		0.00	519.77	<b>\$519.77</b>
100263300	11/19/14	GRAYBAR ELECTRIC CO INC	975423795	Comm Equip Maintain & Repair - Materials 2	584.56		0.00	584.56	<b>\$1,162.31</b>
			975451497	Comm Equip Maintain & Repair - Materials 2	207.20		0.00	207.20	
			975532491	Comm Equip Maintain & Repair - Materials 2	370.55		0.00	370.55	
100263301	11/19/14	HACH CO INC	9031561	General Supplies	64.35		0.00	64.35	<b>\$504.26</b>

**List of All Claims and Bills Approved for Payment**

For Checks Dated 11/16/14 through 11/22/14

Sorted by Payment Number

Payment No.	Payment Date	Vendor Name	Invoice No.	Description	Invoice Amount	Discount	Taken	Amount Paid	Payment Total
			9096070	General Supplies	148.18		0.00	148.18	
			9098428	General Supplies	291.73		0.00	291.73	
100263302	11/19/14	HANSON ASSOC	1494	Consultants	1,282.50		0.00	1,282.50	<b>\$1,282.50</b>
100263303	11/19/14	HIGH LINE CORP	18212	Computer Software	4,367.00		0.00	4,367.00	<b>\$4,367.00</b>
100263304	11/19/14	HOUSING AUTHORITY OF THE COUNTY OF	2014-7	Contracts/Service Agreements	928.67		0.00	928.67	<b>\$9,194.67</b>
			2014-7	Outside Group Funding	8,266.00		0.00	8,266.00	
100263305	11/19/14	HYBRID COMMERCIAL PRINTING INC	24986	Printing & Related Services	1,502.11		0.00	1,502.11	<b>\$1,502.11</b>
100263306	11/19/14	IMAGEX	199819	Printing & Related Services	1,257.78		0.00	1,257.78	<b>\$1,257.78</b>
100263307	11/19/14	INTERSTATE SALES	9269	Materials - Land Improve	1,261.50		0.00	1,261.50	<b>\$1,479.44</b>
			9270	Materials - Land Improve	217.94		0.00	217.94	
100263308	11/19/14	JOHN DEERE LANDSCAPES INC	70160440	Materials - Land Improve	11,713.46		0.00	11,713.46	<b>\$11,713.46</b>
100263309	11/19/14	JONES & MAYER	69981	Legal Services	2,556.86		0.00	2,556.86	<b>\$2,556.86</b>
100263310	11/19/14	KAREN L PIKE	KLP300-01	Medical Services	4,000.00		0.00	4,000.00	<b>\$4,000.00</b>
100263311	11/19/14	KELLY PAPER CO	6897962	General Supplies	432.28		0.00	432.28	<b>\$864.56</b>
			6906602	General Supplies	432.28		0.00	432.28	
100263312	11/19/14	L N CURTIS & SONS INC	1332017-01	Supplies, First Aid	36.98		0.00	36.98	<b>\$306.68</b>
			1334713-00	Safety Equipment Maintenance & Repair	269.70		0.00	269.70	
100263313	11/19/14	LANGUAGE LINE SERVICES	3474957	Miscellaneous Services	592.06		0.00	592.06	<b>\$592.06</b>
100263314	11/19/14	LARRY WERTMAN	246-JUL-OCT14	Rec Instructors/Officials	1,441.20		0.00	1,441.20	<b>\$1,441.20</b>
100263315	11/19/14	LEVEL 3 COMMUNICATIONS LLC	37552743	Comm Equip Maintain & Repair - Labor 1	3,988.49		0.00	3,988.49	<b>\$3,988.49</b>
100263316	11/19/14	LIFETIME TENNIS INC	1012	Rec Instructors/Officials	4,260.00		0.00	4,260.00	<b>\$4,260.00</b>
100263317	11/19/14	MCMASTER CARR SUPPLY CO	16531550	Miscellaneous Equipment Parts & Supplies	400.46		0.00	400.46	<b>\$459.59</b>
			16548188	General Supplies	59.13		0.00	59.13	
100263318	11/19/14	METROPOLITAN PLANNING GROUP	1797	Professional Services	875.00		0.00	875.00	<b>\$875.00</b>
100263319	11/19/14	MICHAEL BERNICK	OCT2014	Contracts/Service Agreements	5,125.00		0.00	5,125.00	<b>\$5,125.00</b>
100263320	11/19/14	MICRO FOCUS (US) INC	96199592	Software Licensing & Support	12,138.02		0.00	12,138.02	<b>\$12,138.02</b>
100263321	11/19/14	MOTOROLA	76726340	Electrical Parts & Supplies	2,990.63		0.00	2,990.63	<b>\$2,990.63</b>
100263322	11/19/14	MOTOROLA SOLUTIONS INC	41201830	General Supplies	81,850.85		0.00	81,850.85	<b>\$81,850.85</b>
100263323	11/19/14	MOUNTAIN VIEW GARDEN CENTER	73559	Materials - Land Improve	16.29		0.00	16.29	<b>\$3,694.75</b>
			73570	Materials - Land Improve	16.29		0.00	16.29	
			73788	Materials - Land Improve	96.73		0.00	96.73	
			73830	Materials - Land Improve	223.57		0.00	223.57	
			73835	Materials - Land Improve	115.81		0.00	115.81	
			73842	Materials - Land Improve	188.18		0.00	188.18	
			73845	Materials - Land Improve	191.40		0.00	191.40	
			73863	Materials - Land Improve	241.26		0.00	241.26	
			73865	Materials - Land Improve	32.57		0.00	32.57	
			73867	Materials - Land Improve	247.70		0.00	247.70	
			73873	Materials - Land Improve	241.26		0.00	241.26	
			73876	Materials - Land Improve	241.26		0.00	241.26	
			73893	Materials - Land Improve	241.26		0.00	241.26	
			73897	Materials - Land Improve	241.26		0.00	241.26	
			73909	Materials - Land Improve	241.26		0.00	241.26	
			73912	Materials - Land Improve	241.26		0.00	241.26	
			73916	Materials - Land Improve	241.26		0.00	241.26	
			73926	Materials - Land Improve	241.26		0.00	241.26	
			73931	Materials - Land Improve	201.06		0.00	201.06	
			73946	Materials - Land Improve	193.81		0.00	193.81	

**List of All Claims and Bills Approved for Payment**

For Checks Dated 11/16/14 through 11/22/14

Sorted by Payment Number

Payment No.	Payment Date	Vendor Name	Invoice No.	Description	Invoice Amount	Discount	Taken	Amount Paid	Payment Total
100263325	11/19/14	NI GOVERNMENT SERVICES INC	4100929193	Miscellaneous Services	77.45		0.00	77.45	<b>\$77.45</b>
100263326	11/19/14	NET TRANSCRIPTS INC	093014-131	Investigation Expense	153.30		0.00	153.30	<b>\$287.70</b>
			101014-94	Investigation Expense	63.00		0.00	63.00	
			101714-82	Investigation Expense	71.40		0.00	71.40	
100263327	11/19/14	NIKE USA INC	965433515	Inventory Purchase	84.82		0.00	84.82	<b>\$84.82</b>
100263328	11/19/14	ON ASSIGNMENT LAB SUPPORT	LAB550005882	Salaries - Contract Personnel	1,440.00		0.00	1,440.00	<b>\$4,485.60</b>
			LAB550005890	Salaries - Contract Personnel	1,344.00		0.00	1,344.00	
			LAB550007947	Salaries - Contract Personnel	1,701.60		0.00	1,701.60	
100263329	11/19/14	P&R PAPER SUPPLY CO INC	30014630-00	Inventory Purchase	1,142.50		0.00	1,142.50	<b>\$1,173.73</b>
			30014630-01	Inventory Purchase	31.23		0.00	31.23	
100263330	11/19/14	PACIFIC COAST TRANE CONTROLS	C18227	Facilities Maint & Repair - Labor	2,450.00		0.00	2,450.00	<b>\$2,450.00</b>
100263331	11/19/14	PACIFIC TELEMAGEMENT SERVICES	698267	Utilities - Telephone	75.00		0.00	75.00	<b>\$75.00</b>
100263332	11/19/14	PAN ASIAN PUBLICATIONS INC	U-14256	Library Acquisitions, Books	896.09		0.00	896.09	<b>\$896.09</b>
100263333	11/19/14	PENINSULA BATTERY INC	109881	Inventory Purchase	313.20		0.00	313.20	<b>\$313.20</b>
100263334	11/19/14	PERKINELMER HEALTH SCIENCES	5303291783	Miscellaneous Services	687.81		0.00	687.81	<b>\$687.81</b>
100263335	11/19/14	PETRO DIAMOND INC	14-23420	Inventory Purchase	18,196.70		0.00	18,196.70	<b>\$43,033.48</b>
			14-24048	Inventory Purchase	18,303.00		0.00	18,303.00	
			14-24049	Inventory Purchase	6,533.78		0.00	6,533.78	
100263336	11/19/14	PITNEY BOWES INC	569177	Equipment Rental/Lease	208.80		0.00	208.80	<b>\$208.80</b>
100263337	11/19/14	PLANET GRANITE INC	141001	Rec Instructors/Officials	1,150.00		0.00	1,150.00	<b>\$1,150.00</b>
100263338	11/19/14	PREFERRED BENEFIT INSURANCE ADMIN INC	EIA12465	Insurances - Dental	57,498.00		0.00	57,498.00	<b>\$68,909.20</b>
			EIA12465	Insurances - Vision	11,411.20		0.00	11,411.20	
100263339	11/19/14	RANKIN STOCK HEABERLIN	32213	Legal Services	6,290.17		0.00	6,290.17	<b>\$6,290.17</b>
100263340	11/19/14	RAYVERN LIGHTING SUPPLY CO INC	29742-2	Inventory Purchase	1,823.41		0.00	1,823.41	<b>\$1,823.41</b>
100263341	11/19/14	REED & GRAHAM INC	822075	Materials - Land Improve	2,128.70		0.00	2,128.70	<b>\$3,833.66</b>
			822304	Materials - Land Improve	1,704.96		0.00	1,704.96	
100263342	11/19/14	SANDERSON SAFETY SUPPLY CO	8083367-05	Inventory Purchase	70.47		0.65	69.82	<b>\$143.53</b>
			8083629-02	Inventory Purchase	74.39		0.68	73.71	
100263343	11/19/14	SANTA CLARA VLY TRANSPORTATION AUTHORITY	1800016417	Engineering Services	37,048.63		0.00	37,048.63	<b>\$37,048.63</b>
100263344	11/19/14	SHIN SHIN TRAINING CENTER	W20140108	DED Services/Training - Training	495.00		0.00	495.00	<b>\$1,485.00</b>
			W20140110	DED Services/Training - Training	495.00		0.00	495.00	
			W20140112	DED Services/Training - Training	495.00		0.00	495.00	
100263345	11/19/14	SIERRA CHEMICAL CO	SLS10015099	Chemicals	3,857.58		0.00	3,857.58	<b>\$3,857.58</b>
100263346	11/19/14	SIERRA PACIFIC TURF SUPPLY INC	0440076-IN	Hand Tools	64.17		0.00	64.17	<b>\$726.01</b>
			0440153-IN	Materials - Land Improve	661.84		0.00	661.84	
100263347	11/19/14	SIGNET TESTING LABORATORIES INC	1718	Engineering Services	758.50		0.00	758.50	<b>\$758.50</b>
100263348	11/19/14	SILICON VALLEY POLYTECHNIC INSTITUTE	11102014-225	DED Services/Training - Training	300.00		0.00	300.00	<b>\$300.00</b>
100263349	11/19/14	SKYHAWKS SPORTS ACADEMY INC	2011	Rec Instructors/Officials	3,484.60		0.00	3,484.60	<b>\$3,484.60</b>
100263350	11/19/14	SMART & FINAL INC	160629-111114	General Supplies	45.64		0.00	45.64	<b>\$45.64</b>
100263351	11/19/14	SMASH GYMS INC	007	Rec Instructors/Officials	408.80		0.00	408.80	<b>\$408.80</b>
100263352	11/19/14	SUNNYVALE PUBLIC SAFETY OFFICERS ASSN	DENTAL1114	Insurances - Dental	28,672.20		0.00	28,672.20	<b>\$28,672.20</b>
100263353	11/19/14	SUNNYVALE PUBLIC SAFETY OFFICERS ASSN	DISABILITY1114	Insurances - Long Term Disability	3,686.00		0.00	3,686.00	<b>\$3,686.00</b>
100263354	11/19/14	TARGET SPECIALTY PRODUCTS INC	1711677	Materials - Land Improve	433.26		0.00	433.26	<b>\$433.26</b>
100263355	11/19/14	THOMAS PLUMBING INC	89865	Facilities Maint & Repair - Labor	114.00		0.00	114.00	<b>\$162.00</b>

**List of All Claims and Bills Approved for Payment**

For Checks Dated 11/16/14 through 11/22/14

Sorted by Payment Number

Payment No.	Payment Date	Vendor Name	Invoice No.	Description	Invoice Amount	Discount	Taken	Amount Paid	Payment Total
			89865	Facilities Maint & Repair - Materials	48.00		0.00	48.00	
100263356	11/19/14	TIBURON INC	IN00007126	Computer Software	24,000.00		0.00	24,000.00	<b>\$24,000.00</b>
100263357	11/19/14	TURF & INDUSTRIAL EQUIPMENT CO	IV09124	Inventory Purchase	225.66		0.00	225.66	<b>\$225.66</b>
100263358	11/19/14	US SECURITY ASSOC INC	793094	Professional Services	450.00		0.00	450.00	<b>\$450.00</b>
100263359	11/19/14	UNIVERSITY OF CALIFORNIA SANTA CRUZ	56238	DED Services/Training - Training	600.00		0.00	600.00	<b>\$6,378.50</b>
			56403	DED Services/Training - Training	378.50		0.00	378.50	
			56586	DED Services/Training - Training	5,400.00		0.00	5,400.00	
100263360	11/19/14	VMI INC	232440	Miscellaneous Services	220.00		0.00	220.00	<b>\$220.00</b>
100263361	11/19/14	VWR INTERNATIONAL LLC	8059493755	General Supplies	419.34		0.00	419.34	<b>\$733.50</b>
			8059497972	General Supplies	46.13		0.00	46.13	
			8059497973	General Supplies	112.80		0.00	112.80	
			8059505095	General Supplies	155.23		0.00	155.23	
100263362	11/19/14	VALLEY CREST TREE CO	4622301	Materials - Land Improve	1,827.00		0.00	1,827.00	<b>\$4,350.01</b>
			4622302	Materials - Land Improve	2,523.01		0.00	2,523.01	
100263363	11/19/14	VERIZON WIRELESS	9734046936	Utilities - Mobile Phones - City Mobile	2,029.03		0.00	2,029.03	<b>\$4,595.26</b>
				Phones					
			9734046937	Utilities - Mobile Phones - City Mobile	2,566.23		0.00	2,566.23	
				Phones					
100263367	11/19/14	VIASYN	25045	Utilities - Electric	2,750.00		0.00	2,750.00	<b>\$2,750.00</b>
100263368	11/19/14	VLACH REPAIR SERVICE	102214	Comm Equip Maintain & Repair - Labor 1	88.00		0.00	88.00	<b>\$135.93</b>
			102214	Comm Equip Maintain & Repair - Materials 2	47.93		0.00	47.93	
100263369	11/19/14	WAXIE SANITARY SUPPLY	74894164	Inventory Purchase	375.54		0.00	375.54	<b>\$139.16</b>
			74894164CM	Inventory Purchase	-236.38		0.00	-236.38	
100263370	11/19/14	WELLS FARGO FINANCIAL LEASING	5001645095	Equipment Rental/Lease	171.71		0.00	171.71	<b>\$171.71</b>
100263371	11/19/14	YAMAHA MOTOR CORP USA	538238	Equipment Rental/Lease	5,444.83		0.00	5,444.83	<b>\$5,444.83</b>
100263372	11/19/14	WAITER.COM INC	E1111779854	Food Products	110.77		0.00	110.77	<b>\$253.35</b>
			E1112792592	Food Products	57.37		0.00	57.37	
			E1113793888	Food Products	85.21		0.00	85.21	
100263373	11/19/14	ASHISH MANDRI	CR10-2580	Return of Seized, Forfeiture or Found Funds	340.00		0.00	340.00	<b>\$340.00</b>
100263374	11/19/14	CU SOLUTIONS INC	0179	Miscellaneous Services	7,022.25		0.00	7,022.25	<b>\$23,455.59</b>
			0185	Miscellaneous Services	16,433.34		0.00	16,433.34	
100263375	11/19/14	D-PREP LLC	72902030614004	Training and Conferences	146.00		0.00	146.00	<b>\$146.00</b>
100263376	11/19/14	NEW YORK STYLE SAUSAGE CO	1290462	Food Products	183.20		0.00	183.20	<b>\$183.20</b>
100263377	11/19/14	PACIFIC GAS & ELECTRIC CO	05225890201014	Utilities - Gas	286.57		0.00	286.57	<b>\$93,181.44</b>
			05225892761014	Utilities - Electric	4,020.77		0.00	4,020.77	
			06075133001014	Utilities - Electric	11.18		0.00	11.18	
			100023461114	Utilities - Electric	1,354.20		0.00	1,354.20	
			12847684121014	Utilities - Electric	10.90		0.00	10.90	
			14823837851014	Utilities - Electric	47.55		0.00	47.55	
			18068041901014	Utilities - Electric	98.46		0.00	98.46	
			19867842521014	Utilities - Electric	42.76		0.00	42.76	
			22868920921014	Utilities - Electric	111.67		0.00	111.67	
			32725920071014	Utilities - Electric	14.29		0.00	14.29	
			32725920351014	Utilities - Gas	7.84		0.00	7.84	
			32725921321014	Utilities - Electric	178.48		0.00	178.48	
			32725921481014	Utilities - Electric	274.81		0.00	274.81	
			32725921491014	Utilities - Electric	11.27		0.00	11.27	

**List of All Claims and Bills Approved for Payment**

For Checks Dated 11/16/14 through 11/22/14

Sorted by Payment Number

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			32725921601014	Utilities - Gas	26.99		0.00	26.99	
			32725921801014	Utilities - Electric	18.62		0.00	18.62	
			32725921981014	Utilities - Electric	754.71		0.00	754.71	
			32725922051014	Utilities - Electric	41.32		0.00	41.32	
			32725922091014	Utilities - Electric	2,168.39		0.00	2,168.39	
			32725922411014	Utilities - Electric	1,491.26		0.00	1,491.26	
			32725922521014	Utilities - Electric	474.48		0.00	474.48	
			32725923351014	Utilities - Electric	167.90		0.00	167.90	
			32725923401014	Utilities - Electric	34.32		0.00	34.32	
			32725923711014	Utilities - Electric	11.65		0.00	11.65	
			32725923771014	Utilities - Electric	756.13		0.00	756.13	
			32725924171014	Utilities - Electric	56.09		0.00	56.09	
			32725924971014	Utilities - Electric	18.40		0.00	18.40	
			32725925001014	Utilities - Electric	813.87		0.00	813.87	
			32725925231014	Utilities - Electric	476.24		0.00	476.24	
			32725925371014	Utilities - Electric	212.25		0.00	212.25	
			32725925891014	Utilities - Electric	1,580.03		0.00	1,580.03	
			32725925921014	Utilities - Electric	433.14		0.00	433.14	
			32725926211014	Utilities - Electric	256.76		0.00	256.76	
			32725926441014	Utilities - Electric	1,269.18		0.00	1,269.18	
			32725926471014	Utilities - Electric	1,147.56		0.00	1,147.56	
			32725926951014	Utilities - Electric	32.60		0.00	32.60	
			32725927041014	Utilities - Electric	11.44		0.00	11.44	
			32725927341014	Utilities - Electric	639.54		0.00	639.54	
			32725927381014	Utilities - Electric	130.71		0.00	130.71	
			32725927401014	Utilities - Electric	71.38		0.00	71.38	
			32725927511014	Utilities - Electric	710.37		0.00	710.37	
			32725928251014	Utilities - Electric	20.30		0.00	20.30	
			32725928591014	Utilities - Electric	232.63		0.00	232.63	
			32725929221014	Utilities - Electric	541.79		0.00	541.79	
			32725929281014	Utilities - Electric	42.58		0.00	42.58	
			32725929751014	Utilities - Electric	137.96		0.00	137.96	
			38257235831014	Utilities - Electric	10.39		0.00	10.39	
			39509111001014	Utilities - Electric	48.30		0.00	48.30	
			43142590151014	Utilities - Gas	7.85		0.00	7.85	
			43142590251014	Utilities - Gas	964.65		0.00	964.65	
			43142590301014	Utilities - Gas	69.34		0.00	69.34	
			43142597201014	Utilities - Electric	1,026.79		0.00	1,026.79	
			43142597641014	Utilities - Electric	1,811.41		0.00	1,811.41	
			48131400741014	Utilities - Electric	9.70		0.00	9.70	
			52896844241014	Utilities - Gas	34.31		0.00	34.31	
			52896847891014	Utilities - Electric	1,020.27		0.00	1,020.27	
			56892570121014	Utilities - Electric	14.12		0.00	14.12	
			56892570471014	Utilities - Electric	11.56		0.00	11.56	
			56892570611014	Utilities - Electric	13.38		0.00	13.38	
			56892570851014	Utilities - Electric	9.53		0.00	9.53	
			56892571501014	Utilities - Electric	10.75		0.00	10.75	
			56892572231014	Utilities - Electric	9.53		0.00	9.53	
			56892573211014	Utilities - Electric	11.97		0.00	11.97	

**List of All Claims and Bills Approved for Payment**

For Checks Dated 11/16/14 through 11/22/14

Sorted by Payment Number

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			56892573281014	Utilities - Electric	9.53		0.00	9.53	
			56892573341014	Utilities - Electric	11.29		0.00	11.29	
			56892573451014	Utilities - Electric	9.53		0.00	9.53	
			56892574541014	Utilities - Electric	11.65		0.00	11.65	
			56892574611014	Utilities - Electric	11.95		0.00	11.95	
			56892574691014	Utilities - Electric	11.76		0.00	11.76	
			56892574721014	Utilities - Electric	11.53		0.00	11.53	
			56892574931014	Utilities - Electric	11.44		0.00	11.44	
			56892575241014	Utilities - Electric	11.59		0.00	11.59	
			56892575251014	Utilities - Electric	11.98		0.00	11.98	
			56892575561014	Utilities - Electric	11.99		0.00	11.99	
			56892575841014	Utilities - Electric	13.37		0.00	13.37	
			56892576281014	Utilities - Electric	11.68		0.00	11.68	
			56892576481014	Utilities - Electric	12.50		0.00	12.50	
			56892576591014	Utilities - Electric	9.53		0.00	9.53	
			56892576691014	Utilities - Electric	11.82		0.00	11.82	
			56892577221014	Utilities - Electric	11.59		0.00	11.59	
			56892577391014	Utilities - Electric	12.08		0.00	12.08	
			56892578181014	Utilities - Electric	10.23		0.00	10.23	
			56892578671014	Utilities - Electric	11.43		0.00	11.43	
			56892578891014	Utilities - Electric	11.54		0.00	11.54	
			56892579011014	Utilities - Electric	9.53		0.00	9.53	
			56892579641014	Utilities - Electric	11.66		0.00	11.66	
			56892579811014	Utilities - Electric	11.60		0.00	11.60	
			60225900041014	Utilities - Electric	49,357.24		0.00	49,357.24	
			60225900081014	Utilities - Electric	8,155.39		0.00	8,155.39	
			60225900141014	Utilities - Electric	37.78		0.00	37.78	
			60225900151014	Utilities - Electric	23.90		0.00	23.90	
			60225900161014	Utilities - Electric	14.00		0.00	14.00	
			60225900171014	Utilities - Electric	10.90		0.00	10.90	
			60225900221014	Utilities - Electric	801.58		0.00	801.58	
			60225900261014	Utilities - Electric	41.63		0.00	41.63	
			60225900451014	Utilities - Electric	238.16		0.00	238.16	
			60225901981014	Utilities - Electric	74.43		0.00	74.43	
			60225902641014	Utilities - Electric	49.85		0.00	49.85	
			60225902901014	Utilities - Electric	336.20		0.00	336.20	
			60225904171014	Utilities - Electric	12.50		0.00	12.50	
			60225904581014	Utilities - Electric	95.35		0.00	95.35	
			60225905101014	Utilities - Electric	4.52		0.00	4.52	
			60225905571014	Utilities - Electric	95.65		0.00	95.65	
			60225905581014	Utilities - Electric	12.47		0.00	12.47	
			60225905591014	Utilities - Electric	12.47		0.00	12.47	
			60225905601014	Utilities - Electric	6,680.62		0.00	6,680.62	
			60225906211014	Utilities - Electric	4.52		0.00	4.52	
			60225906601014	Utilities - Electric	102.99		0.00	102.99	
			60225908581014	Utilities - Electric	72.00		0.00	72.00	
			60225909051014	Utilities - Electric	13.83		0.00	13.83	
			60225909411014	Utilities - Electric	101.73		0.00	101.73	
			60225909831014	Utilities - Electric	93.05		0.00	93.05	

**List of All Claims and Bills Approved for Payment**

For Checks Dated 11/16/14 through 11/22/14

Sorted by Payment Number

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			66172622091014	Utilities - Electric	61.48		0.00	61.48	
			81008625371014	Utilities - Electric	69.21		0.00	69.21	
100263386	11/19/14	SECRETARY FOR ENVIRONMENTAL PROTECTION	070114-093014	CUPA State Fees Payable	7,337.08		0.00	7,337.08	<b>\$7,337.08</b>
100263387	11/19/14	UNITED STATES POSTAL SERVICE	CNCWINTER2014	Mailing & Delivery Services	700.00		0.00	700.00	<b>\$700.00</b>
100263388	11/19/14	EDWARD JONES INVESTMENTS	8000008963	Deposits Payable - Facility Rental	500.00		0.00	500.00	<b>\$500.00</b>
100263389	11/19/14	ELMER MANUEL	8000008962	Deposits Payable - Facility Rental	500.00		0.00	500.00	<b>\$500.00</b>
100263390	11/19/14	JOANN FOLEY	256263	Refund Recreation Fees	184.00		0.00	184.00	<b>\$184.00</b>
100263391	11/19/14	KANUBHAI SUTHAR	256901	Refund Recreation Fees	29.00		0.00	29.00	<b>\$29.00</b>
100263392	11/19/14	LEEANN SANTIAGO	8000008966	Deposits Payable - Facility Rental	350.00		0.00	350.00	<b>\$350.00</b>
100263393	11/19/14	NICOLE CENDEJAS	256019	Refund Recreation Fees	56.00		0.00	56.00	<b>\$56.00</b>
100263394	11/19/14	SHUBHA KRISHNAMURTHY	8000008973	Deposits Payable - Facility Rental	350.00		0.00	350.00	<b>\$350.00</b>
100263395	11/21/14	AAA SPEEDY SMOG TEST ONLY STATION	16810	Auto Maint & Repair - Labor	40.00		0.00	40.00	<b>\$40.00</b>
100263396	11/21/14	ADVANCED FUEL SERVICES INC	902062	Auto Maint & Repair - Labor	262.50		0.00	262.50	<b>\$1,261.54</b>
			902062	Auto Maint & Repair - Materials	999.04		0.00	999.04	
100263397	11/21/14	ALBERT S AYERS JR	0103014-1	Rec Instructors/Officials	632.00		0.00	632.00	<b>\$632.00</b>
100263398	11/21/14	ANDERSON PACIFIC ENGINEERING	AIRFLOAT1+4#09	Construction Services	58,409.92		0.00	58,409.92	<b>\$58,409.92</b>
100263399	11/21/14	ARROWHEAD MOUNTAIN SPRING WATER	14K5740132005	Miscellaneous Services	14.01		0.00	14.01	<b>\$14.01</b>
100263400	11/21/14	ASSETWORKS INC	604-894	Computer Software	1,349.60		0.00	1,349.60	<b>\$1,349.60</b>
100263401	11/21/14	AUTOSCRIBE CORP	135202	Financial Services	1,189.62		0.00	1,189.62	<b>\$1,189.62</b>
100263402	11/21/14	BP & A ENTERPRISES	5300334	Fuel, Oil & Lubricants	18.27		0.00	18.27	<b>\$202.88</b>
			5300338	Fuel, Oil & Lubricants	16.92		0.00	16.92	
			5300339	Fuel, Oil & Lubricants	20.31		0.00	20.31	
			5300363	Fuel, Oil & Lubricants	16.22		0.00	16.22	
			5300370	Fuel, Oil & Lubricants	17.89		0.00	17.89	
			5600517	Fuel, Oil & Lubricants	14.06		0.00	14.06	
			5600566	Fuel, Oil & Lubricants	20.75		0.00	20.75	
			5600586	Fuel, Oil & Lubricants	18.70		0.00	18.70	
			5600599	Fuel, Oil & Lubricants	19.61		0.00	19.61	
			5600600	Fuel, Oil & Lubricants	19.78		0.00	19.78	
			5601801	Fuel, Oil & Lubricants	20.37		0.00	20.37	
100263403	11/21/14	BACKFLOW PREVENTION SPECIALISTS INC	4761	Water Backflow Valves	603.46		0.00	603.46	<b>\$603.46</b>
100263404	11/21/14	BADGER METER INC	1020576	Water Meters	10,473.36		0.00	10,473.36	<b>\$10,473.36</b>
100263405	11/21/14	BAKER & TAYLOR	4011024143	Library Acquisitions, Books	1,633.10		0.00	1,633.10	<b>\$1,993.16</b>
			4011024143	Library Materials Preprocessing	47.84		0.00	47.84	
			4011039054	Library Acquisitions, Books	303.20		0.00	303.20	
			4011039054	Library Materials Preprocessing	9.02		0.00	9.02	
100263406	11/21/14	BAY AREA NEWS GROUP DIGITAL FIRST MEDIA	0005309857	Advertising Services	225.00		0.00	225.00	<b>\$1,035.00</b>
			0005311994	Advertising Services	231.00		0.00	231.00	
			0005317579	Advertising Services	132.00		0.00	132.00	
			0005327784	Advertising Services	197.00		0.00	197.00	
			0005330861	Advertising Services	71.00		0.00	71.00	
			0005335176	Advertising Services	179.00		0.00	179.00	
100263407	11/21/14	BOUND TREE MEDICAL LLC	81590880	Supplies, First Aid	1,565.94		0.00	1,565.94	<b>\$1,565.94</b>
100263408	11/21/14	CINTAS DOCUMENT MANAGEMENT	DG38282056	Records Related Services	140.00		0.00	140.00	<b>\$1,925.00</b>
			DG38287404	Records Related Services	185.00		0.00	185.00	
			DG38287573	Recycling Services	1,600.00		0.00	1,600.00	

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For Checks Dated 11/16/14 through 11/22/14

Sorted by Payment Number

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100263409	11/21/14	CLARK SECURITY PRODUCTS	22K-054431	General Supplies	83.68		0.00	83.68	<b>\$83.68</b>
100263410	11/21/14	CORIX WATER PRODUCTS (US) INC	1741329134	Construction Services	184.48		0.00	184.48	<b>\$184.48</b>
100263411	11/21/14	CUMMINS PACIFIC LLC	027-27000	Parts, Vehicles & Motor Equip	1,476.95		0.00	1,476.95	<b>\$1,476.95</b>
100263412	11/21/14	DELL MARKETING LP	XJJ41MFT1	Computer Hardware	2,686.15		0.00	2,686.15	<b>\$5,624.31</b>
			XJJ87FD71	Computer Hardware	331.68		0.00	331.68	
			XJJPW8X17	Computer Hardware	-331.68		0.00	-331.68	
			XJJR3CR55	Computer Hardware	-2,686.15		0.00	-2,686.15	
			XJJWMJ727	Computer Hardware	5,624.31		0.00	5,624.31	
100263413	11/21/14	ESBRO	9773	Chemicals	1,385.26		0.00	1,385.26	<b>\$1,385.26</b>
100263414	11/21/14	FIRST PLACE INC	81717	Special Events	17.41		0.00	17.41	<b>\$347.86</b>
			81747	Customized Products	114.20		0.00	114.20	
			81752	Customized Products	216.25		0.00	216.25	
100263415	11/21/14	GOODYEAR COMMERCIAL TIRE & SERVICE CTR	189-1085380	Auto Maint & Repair - Labor	35.00		0.00	35.00	<b>\$35.00</b>
100263416	11/21/14	GRANITEROCK CO	FRMNTPVMT14#0	Construction Services	2,401,196.25		0.00	2,401,196.25	<b>\$2,401,196.25</b>
100263417	11/21/14	HEXAGON TRANSPORTATION CONSULTANTS INC	8537	Consultants	16,006.43		0.00	16,006.43	<b>\$16,006.43</b>
100263418	11/21/14	HUMANE SOCIETY SILICON VALLEY	76482	Contracts/Service Agreements	23,193.00		0.00	23,193.00	<b>\$23,193.00</b>
100263419	11/21/14	HYDROSCIENCE ENGINEERS INC	262001060	Professional Services	232.50		0.00	232.50	<b>\$3,270.00</b>
			262013006	Consultants	3,037.50		0.00	3,037.50	
100263420	11/21/14	IMPERIAL SPRINKLER SUPPLY	2101220-01	Materials - Land Improve	779.53		0.00	779.53	<b>\$920.12</b>
			2128981-00	Materials - Land Improve	140.59		0.00	140.59	
100263421	11/21/14	INFOSEND INC	85135	Mailing & Delivery Services	1,419.44		0.00	1,419.44	<b>\$10,230.75</b>
			85135	Print Shop Charges	64.56		0.00	64.56	
			85136	Postage	2,871.90		0.00	2,871.90	
			85585	Mailing & Delivery Services	1,297.16		0.00	1,297.16	
			85585	Print Shop Charges	68.23		0.00	68.23	
			85586	Postage	2,864.22		0.00	2,864.22	
			85906	Financial Services	1,645.24		0.00	1,645.24	
100263422	11/21/14	KME FIRE APPARATUS	529023	Parts, Vehicles & Motor Equip	62.96		0.00	62.96	<b>\$62.96</b>
100263423	11/21/14	L N CURTIS & SONS INC	1332298-00	Clothing, Uniforms & Access	136.48		0.00	136.48	<b>\$136.48</b>
100263424	11/21/14	MIDWEST TAPE	92290809	Library Acquis, Audio/Visual	307.57		0.00	307.57	<b>\$1,424.03</b>
			92299684	Library Acquis, Audio/Visual	1,116.46		0.00	1,116.46	
100263425	11/21/14	MIKE ROBINSON LLC	INV-101	Consultants	1,900.00		0.00	1,900.00	<b>\$1,900.00</b>
100263426	11/21/14	MOUNTAIN VIEW GARDEN CENTER	73568	Materials - Land Improve	116.63		0.00	116.63	<b>\$1,031.79</b>
			73593	Materials - Land Improve	116.63		0.00	116.63	
			73636	Materials - Land Improve	73.68		0.00	73.68	
			73688	Materials - Land Improve	93.51		0.00	93.51	
			73712	Materials - Land Improve	79.66		0.00	79.66	
			73778	Materials - Land Improve	65.14		0.00	65.14	
			73833	Materials - Land Improve	46.22		0.00	46.22	
			73853	Materials - Land Improve	46.22		0.00	46.22	
			73938	Materials - Land Improve	96.73		0.00	96.73	
			74051	Materials - Land Improve	116.63		0.00	116.63	
			74086	Materials - Land Improve	84.01		0.00	84.01	
			74108	Materials - Land Improve	96.73		0.00	96.73	
100263428	11/21/14	NAPA AUTO PARTS	140377	Parts, Vehicles & Motor Equip	59.15		0.00	59.15	<b>\$263.05</b>
			142364	Parts, Vehicles & Motor Equip	43.39		0.00	43.39	

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For Checks Dated 11/16/14 through 11/22/14

Sorted by Payment Number

Payment No.	Payment Date	Vendor Name	Invoice No.	Description	Invoice Amount	Discount	Taken	Amount Paid	Payment Total
			142382	Parts, Vehicles & Motor Equip	10.86		0.00	10.86	
			142643	Parts, Vehicles & Motor Equip	4.34		0.00	4.34	
			142730	Parts, Vehicles & Motor Equip	27.27		0.00	27.27	
			142741	Parts, Vehicles & Motor Equip	118.04		0.00	118.04	
100263429	11/21/14	P&R PAPER SUPPLY CO INC	30013414-01	Inventory Purchase	12.84		0.00	12.84	<b>\$12.84</b>
100263430	11/21/14	PAPE MACHINERY	9216555	Parts, Vehicles & Motor Equip	349.05		0.00	349.05	<b>\$1,585.95</b>
			9217219	Parts, Vehicles & Motor Equip	1,236.90		0.00	1,236.90	
100263431	11/21/14	R & B CO	S1440765.001	Construction Services	1,218.46		0.00	1,218.46	<b>\$1,218.46</b>
100263432	11/21/14	R E P NUT N BOLT GUY	25573	Inventory Purchase	242.26		0.00	242.26	<b>\$242.26</b>
100263433	11/21/14	ROYAL BRASS INC	734821-001	Parts, Vehicles & Motor Equip	17.66		0.00	17.66	<b>\$17.66</b>
100263434	11/21/14	SAFETY KLEEN SYSTEMS INC	65109127	Auto Maint & Repair - Labor	1,051.15		0.00	1,051.15	<b>\$1,051.15</b>
100263435	11/21/14	SAFEWAY INC	430115-111414	Food Products	80.00		0.00	80.00	<b>\$268.77</b>
			432010-111014	Food Products	11.48		0.00	11.48	
			432684-111114	Food Products	16.81		0.00	16.81	
			720957-111014	Food Products	85.00		0.00	85.00	
			801655-111014	Food Products	39.21		0.00	39.21	
			802558-102114	Food Products	36.27		0.00	36.27	
100263436	11/21/14	SANDERSON SAFETY SUPPLY CO	8083747-01	Inventory Purchase	51.38		0.47	50.91	<b>\$50.91</b>
100263437	11/21/14	SANTA CLARA COUNTY CITIES MANAGERS ASSN	121014MTG	Meetings	160.00		0.00	160.00	<b>\$160.00</b>
100263438	11/21/14	SMART & FINAL INC	163013-111314	Food Products	0.00		0.00	0.00	<b>\$102.81</b>
			163013-111314	General Supplies	32.59		0.00	32.59	
			163015-111314	Food Products	70.22		0.00	70.22	
100263439	11/21/14	SPARTAN TOOL LLC	473804	Inventory Purchase	884.35		0.00	884.35	<b>\$884.35</b>
100263440	11/21/14	SPORTS TURF MANAGEMENT	34288	Professional Services	380.00		0.00	380.00	<b>\$380.00</b>
100263441	11/21/14	STATE WATER RESOURCES CONTROL BOARD	RW1490091R	Membership Fees	217.60		0.00	217.60	<b>\$217.60</b>
100263442	11/21/14	STOP PROCESSING CENTER	15297	Financial Services	55.56		0.00	55.56	<b>\$55.56</b>
100263443	11/21/14	STUDIO EM GRAPHIC DESIGN	15441	Graphics Services	81.56		0.00	81.56	<b>\$81.56</b>
100263444	11/21/14	SUBURBAN PROPANE	1644-040212	Facilities Maint & Repair - Labor	152.21		0.00	152.21	<b>\$152.21</b>
100263445	11/21/14	SUMMIT UNIFORMS	16898	Clothing, Uniforms & Access	7.70		0.00	7.70	<b>\$10,912.00</b>
			16898	Ballistic Equipment - Body Armor/Vests	9.70		0.00	9.70	
			17003	Clothing, Uniforms & Access	384.58		0.00	384.58	
			17003	Ballistic Equipment - Body Armor/Vests	484.33		0.00	484.33	
			17004	Clothing, Uniforms & Access	384.58		0.00	384.58	
			17004	Ballistic Equipment - Body Armor/Vests	484.33		0.00	484.33	
			17005	Clothing, Uniforms & Access	384.59		0.00	384.59	
			17005	Ballistic Equipment - Body Armor/Vests	484.32		0.00	484.32	
			17006	Clothing, Uniforms & Access	384.59		0.00	384.59	
			17006	Ballistic Equipment - Body Armor/Vests	484.32		0.00	484.32	
			17007	Clothing, Uniforms & Access	384.58		0.00	384.58	
			17007	Ballistic Equipment - Body Armor/Vests	484.33		0.00	484.33	
			17008	Clothing, Uniforms & Access	384.59		0.00	384.59	
			17008	Ballistic Equipment - Body Armor/Vests	484.32		0.00	484.32	
			17009	Clothing, Uniforms & Access	384.56		0.00	384.56	
			17009	Ballistic Equipment - Body Armor/Vests	484.35		0.00	484.35	
			17011	Clothing, Uniforms & Access	64.99		0.00	64.99	
			17011	Ballistic Equipment - Body Armor/Vests	81.82		0.00	81.82	

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For Checks Dated 11/16/14 through 11/22/14

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			17012	Clothing, Uniforms & Access	6.74		0.00	6.74	
			17012	Ballistic Equipment - Body Armor/Vests	8.49		0.00	8.49	
			17013	Clothing, Uniforms & Access	134.29		0.00	134.29	
			17013	Ballistic Equipment - Body Armor/Vests	169.12		0.00	169.12	
			17014	Clothing, Uniforms & Access	134.29		0.00	134.29	
			17014	Ballistic Equipment - Body Armor/Vests	169.12		0.00	169.12	
			17015	Clothing, Uniforms & Access	203.12		0.00	203.12	
			17015	Ballistic Equipment - Body Armor/Vests	255.81		0.00	255.81	
			17016	Clothing, Uniforms & Access	20.70		0.00	20.70	
			17016	Ballistic Equipment - Body Armor/Vests	26.06		0.00	26.06	
			17023	Clothing, Uniforms & Access	52.95		0.00	52.95	
			17023	Ballistic Equipment - Body Armor/Vests	66.68		0.00	66.68	
			17078	Clothing, Uniforms & Access	74.13		0.00	74.13	
			17078	Ballistic Equipment - Body Armor/Vests	93.35		0.00	93.35	
			17127	Clothing, Uniforms & Access	56.80		0.00	56.80	
			17127	Ballistic Equipment - Body Armor/Vests	71.53		0.00	71.53	
			17135	Clothing, Uniforms & Access	10.60		0.00	10.60	
			17135	Ballistic Equipment - Body Armor/Vests	13.33		0.00	13.33	
			17143	Clothing, Uniforms & Access	47.65		0.00	47.65	
			17143	Ballistic Equipment - Body Armor/Vests	60.01		0.00	60.01	
			17262	Clothing, Uniforms & Access	85.67		0.00	85.67	
			17262	Ballistic Equipment - Body Armor/Vests	107.91		0.00	107.91	
			17263	Clothing, Uniforms & Access	9.63		0.00	9.63	
			17263	Ballistic Equipment - Body Armor/Vests	12.12		0.00	12.12	
			17264	Clothing, Uniforms & Access	4.81		0.00	4.81	
			17264	Ballistic Equipment - Body Armor/Vests	6.07		0.00	6.07	
			17321	Clothing, Uniforms & Access	108.30		0.00	108.30	
			17321	Ballistic Equipment - Body Armor/Vests	136.39		0.00	136.39	
			17431	Clothing, Uniforms & Access	42.36		0.00	42.36	
			17431	Ballistic Equipment - Body Armor/Vests	53.34		0.00	53.34	
			17514	Clothing, Uniforms & Access	33.22		0.00	33.22	
			17514	Ballistic Equipment - Body Armor/Vests	41.82		0.00	41.82	
			17531	Clothing, Uniforms & Access	18.78		0.00	18.78	
			17531	Ballistic Equipment - Body Armor/Vests	23.63		0.00	23.63	
			17532	Clothing, Uniforms & Access	152.10		0.00	152.10	
			17532	Ballistic Equipment - Body Armor/Vests	191.55		0.00	191.55	
			17636	Clothing, Uniforms & Access	47.65		0.00	47.65	
			17636	Ballistic Equipment - Body Armor/Vests	60.01		0.00	60.01	
			17665	Clothing, Uniforms & Access	33.22		0.00	33.22	
			17665	Ballistic Equipment - Body Armor/Vests	41.82		0.00	41.82	
			17680	Clothing, Uniforms & Access	28.40		0.00	28.40	
			17680	Ballistic Equipment - Body Armor/Vests	35.76		0.00	35.76	
			17735	Clothing, Uniforms & Access	26.95		0.00	26.95	
			17735	Ballistic Equipment - Body Armor/Vests	33.95		0.00	33.95	
			17738	Clothing, Uniforms & Access	60.16		0.00	60.16	
			17738	Ballistic Equipment - Body Armor/Vests	75.78		0.00	75.78	
			17739	Clothing, Uniforms & Access	47.65		0.00	47.65	
			17739	Ballistic Equipment - Body Armor/Vests	60.01		0.00	60.01	
			17740	Clothing, Uniforms & Access	142.96		0.00	142.96	

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For Checks Dated 11/16/14 through 11/22/14

Sorted by Payment Number

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			17740	Ballistic Equipment - Body Armor/Vests	180.03		0.00	180.03	
			17742	Clothing, Uniforms & Access	128.52		0.00	128.52	
			17742	Ballistic Equipment - Body Armor/Vests	161.84		0.00	161.84	
			17743	Clothing, Uniforms & Access	95.31		0.00	95.31	
			17743	Ballistic Equipment - Body Armor/Vests	120.02		0.00	120.02	
			17744	Clothing, Uniforms & Access	72.20		0.00	72.20	
			17744	Ballistic Equipment - Body Armor/Vests	90.93		0.00	90.93	
			17745	Clothing, Uniforms & Access	9.63		0.00	9.63	
			17745	Ballistic Equipment - Body Armor/Vests	12.12		0.00	12.12	
			17746	Clothing, Uniforms & Access	56.79		0.00	56.79	
			17746	Ballistic Equipment - Body Armor/Vests	71.54		0.00	71.54	
			17747	Clothing, Uniforms & Access	71.72		0.00	71.72	
			17747	Ballistic Equipment - Body Armor/Vests	90.32		0.00	90.32	
			17754	Clothing, Uniforms & Access	28.39		0.00	28.39	
			17754	Ballistic Equipment - Body Armor/Vests	35.77		0.00	35.77	
			17773	Clothing, Uniforms & Access	19.25		0.00	19.25	
			17773	Ballistic Equipment - Body Armor/Vests	24.25		0.00	24.25	
100263462	11/21/14	SUNNYVALE FORD	426704	Parts, Vehicles & Motor Equip	28.28		0.00	28.28	<b>\$1,500.04</b>
			428488	Parts, Vehicles & Motor Equip	60.02		0.00	60.02	
			428524	Parts, Vehicles & Motor Equip	1,059.11		0.00	1,059.11	
			428669	Parts, Vehicles & Motor Equip	72.62		0.00	72.62	
			428697	Parts, Vehicles & Motor Equip	212.54		0.00	212.54	
			428710	Parts, Vehicles & Motor Equip	67.47		0.00	67.47	
100263463	11/21/14	SUNNYVALE TOWING INC	282508	Vehicle Towing Services	40.00		0.00	40.00	<b>\$460.00</b>
			283780	Vehicle Towing Services	35.00		0.00	35.00	
			283989	Vehicle Towing Services	40.00		0.00	40.00	
			284223	Vehicle Towing Services	40.00		0.00	40.00	
			284769	Vehicle Towing Services	35.00		0.00	35.00	
			285636	Vehicle Towing Services	35.00		0.00	35.00	
			285637	Vehicle Towing Services	35.00		0.00	35.00	
			286380	Vehicle Towing Services	200.00		0.00	200.00	
100263464	11/21/14	SUNNYVALE WINDUSTRIAL CO INC	633132 00	Materials - Land Improve	14.71		0.00	14.71	<b>\$89.35</b>
			633132 02	Materials - Land Improve	13.92		0.00	13.92	
			633132 03	Materials - Land Improve	60.72		0.00	60.72	
100263465	11/21/14	TRICOR AMERICA INC	M613581	Contracts/Service Agreements	660.00		0.00	660.00	<b>\$660.00</b>
100263466	11/21/14	TURF & INDUSTRIAL EQUIPMENT CO	IV08889	Parts, Vehicles & Motor Equip	84.09		0.00	84.09	<b>\$342.86</b>
			IV08889A	Parts, Vehicles & Motor Equip	38.63		0.00	38.63	
			IV08998	Parts, Vehicles & Motor Equip	57.09		0.00	57.09	
			IV09055	Parts, Vehicles & Motor Equip	45.11		0.00	45.11	
			IV09073	Parts, Vehicles & Motor Equip	118.92		0.00	118.92	
			IV09076	Parts, Vehicles & Motor Equip	-0.98		0.00	-0.98	
100263467	11/21/14	TURF STAR INC	6868618-00	Parts, Vehicles & Motor Equip	171.72		0.00	171.72	<b>\$763.53</b>
			6869604-00	Parts, Vehicles & Motor Equip	385.17		0.00	385.17	
			6872250-00	Parts, Vehicles & Motor Equip	80.41		0.00	80.41	
			6872250-01	Parts, Vehicles & Motor Equip	126.23		0.00	126.23	
100263468	11/21/14	UNITED RENTALS	118372315-010	Equipment Rental/Lease	646.61		0.00	646.61	<b>\$646.61</b>
100263469	11/21/14	UNITED SITE SERVICES INC	114-2456360	Equipment Rental/Lease	159.25		0.00	159.25	<b>\$159.25</b>
100263470	11/21/14	WECO INDUSTRIES LLC	0032620-IN	Miscellaneous Equipment	1,237.88		0.00	1,237.88	<b>\$5,362.06</b>

**List of All Claims and Bills Approved for Payment**

For Checks Dated 11/16/14 through 11/22/14

Sorted by Payment Number

Payment No.	Payment Date	Vendor Name	Invoice No.	Description	Invoice Amount	Discount	Taken	Amount Paid	Payment Total
			0032628-IN	Construction Services	0.00		0.00	0.00	
			0032628-IN	Miscellaneous Equipment	2,506.63		0.00	2,506.63	
			0032642-IN	Construction Services	1,617.55		0.00	1,617.55	
100263471	11/21/14	WEST COAST RUBBER & RECYCLING INC	14-2709	Auto Maint & Repair - Labor	112.00		0.00	112.00	<b>\$123.20</b>
			14-2709	Auto Maint & Repair - Materials	11.20		0.00	11.20	
100263472	11/21/14	WEST LITE SUPPLY CO INC	50569H	Materials - Land Improve	295.20		0.00	295.20	<b>\$295.20</b>
100263473	11/21/14	WEST VALLEY STAFFING GROUP	123151	Professional Services	131.25		0.00	131.25	<b>\$1,230.47</b>
			123720	Professional Services	1,099.22		0.00	1,099.22	
100263474	11/21/14	YORK RISK SERVICES GROUP INC	500011621	Workers' Compensation - Administration	21,739.25		0.00	21,739.25	<b>\$21,739.25</b>
100263475	11/21/14	ZEP MANUFACTURING CO	9001315393	Chemicals	1,681.33		0.00	1,681.33	<b>\$1,681.33</b>
100263476	11/21/14	ALBERT J SCOTT	DECEMBER 2014	Insurances - Retiree Medical - Retiree Reimbursement	103.50		0.00	103.50	<b>\$103.50</b>
100263477	11/21/14	CHARLES S EANEFF JR	DECEMBER 2014	Insurances - Retiree Medical - Retiree Reimbursement	1,184.60		0.00	1,184.60	<b>\$1,184.60</b>
100263478	11/21/14	CYNTHIA KEEHEN	DECEMBER 2014	Insurances - Retiree Medical - Retiree Reimbursement	3.27		0.00	3.27	<b>\$3.27</b>
100263479	11/21/14	DEAN CHU	DECEMBER 2014	Insurances - Retiree Medical - Retiree Reimbursement	838.50		0.00	838.50	<b>\$838.50</b>
100263480	11/21/14	DEAN S RUSSELL	DECEMBER 2014	Insurances - Retiree Medical - Retiree Reimbursement	1,223.16		0.00	1,223.16	<b>\$1,223.16</b>
100263481	11/21/14	FIRST AMERICAN TITLE GUARANTY CO	4312-4703599	Customer Loans Disbursed	50,000.00		0.00	50,000.00	<b>\$50,000.00</b>
100263482	11/21/14	GAIL SWEGLES	DECEMBER 2014	Insurances - Retiree Medical - Retiree Reimbursement	107.53		0.00	107.53	<b>\$107.53</b>
100263483	11/21/14	GRAINGER	9547304965	Water Meters	1,051.00		0.00	1,051.00	<b>\$11,511.43</b>
			9557178127	Parts, Vehicles & Motor Equip	18.99		0.00	18.99	
			9557201903	General Supplies	3.50		0.00	3.50	
			9557221281	Bldg Maint Matls & Supplies	136.89		0.00	136.89	
			9558316452	Supplies, Safety	905.37		0.00	905.37	
			9558316460	Hand Tools	175.28		0.00	175.28	
			9558791142	Bldg Maint Matls & Supplies	17.14		0.00	17.14	
			9558901683	Supplies, Safety	66.89		0.00	66.89	
			9559833406	Hand Tools	255.90		0.00	255.90	
			9560053762	Bldg Maint Matls & Supplies	40.26		0.00	40.26	
			9561715344	Chemicals	32.11		0.00	32.11	
			9562342833	Electrical Parts & Supplies	165.74		0.00	165.74	
			9562362062	Hand Tools	201.45		0.00	201.45	
			9562362070	Hand Tools	82.89		0.00	82.89	
			9562362096	Hand Tools	9.09		0.00	9.09	
			9562389750	Hand Tools	78.72		0.00	78.72	
			9562401100	Miscellaneous Equipment	796.71		0.00	796.71	
			9563259564	Miscellaneous Equipment	90.86		0.00	90.86	
			9563259572	Bldg Maint Matls & Supplies	82.58		0.00	82.58	
			9563690966	Miscellaneous Equipment	657.90		0.00	657.90	
			9564150481	Miscellaneous Equipment	116.10		0.00	116.10	
			9564178557	Water Meters	-788.24		0.00	-788.24	
			9564716331	Hand Tools	47.68		0.00	47.68	
			9564716349	Electrical Parts & Supplies	129.69		0.00	129.69	
			9564731181	Electrical Parts & Supplies	409.51		0.00	409.51	

**List of All Claims and Bills Approved for Payment**

For Checks Dated 11/16/14 through 11/22/14

Sorted by Payment Number

Payment No.	Payment Date	Vendor Name	Invoice No.	Description	Invoice Amount	Discount	Taken	Amount Paid	Payment Total
			9564783216	Bldg Maint Matls & Supplies	24.66		0.00	24.66	
			9567899688	Miscellaneous Equipment	1,144.23		0.00	1,144.23	
			9568117478	Supplies, Safety	25.89		0.00	25.89	
			9568423165	Electrical Parts & Supplies	129.69		0.00	129.69	
			9569207203	Materials - Land Improve	280.09		0.00	280.09	
			9569480545	Miscellaneous Equipment	116.10		0.00	116.10	
			9569498083	Construction Services	102.59		0.00	102.59	
			9570885047	Clothing, Uniforms & Access	246.52		0.00	246.52	
			9571840983	General Supplies	300.47		0.00	300.47	
			9571870915	Parts, Vehicles & Motor Equip	69.75		0.00	69.75	
			9571901751	Hand Tools	4.72		0.00	4.72	
			9572128651	Materials - Land Improve	49.67		0.00	49.67	
			9574219383	Hand Tools	555.67		0.00	555.67	
			9574618030	Miscellaneous Equipment	101.69		0.00	101.69	
			9574927928	Hand Tools	13.71		0.00	13.71	
			9575990545	Electrical Parts & Supplies	723.19		0.00	723.19	
			9575990560	Hand Tools	48.33		0.00	48.33	
			9576001359	Clothing, Uniforms & Access	282.89		0.00	282.89	
			9576599295	Parts, Vehicles & Motor Equip	229.91		0.00	229.91	
			9576884358	Hand Tools	29.41		0.00	29.41	
			9576884366	General Supplies	33.06		0.00	33.06	
			9576931365	General Supplies	101.78		0.00	101.78	
			9577823280	Parts, Vehicles & Motor Equip	8.89		0.00	8.89	
			9578094980	Hand Tools	58.82		0.00	58.82	
			9579221301	Bldg Maint Matls & Supplies	58.61		0.00	58.61	
			9579932147	Miscellaneous Equipment Parts & Supplies	78.68		0.00	78.68	
			9580327790	Materials - Land Improve	89.03		0.00	89.03	
			9580469519	Hand Tools	454.24		0.00	454.24	
			9580670918	Miscellaneous Equipment Parts & Supplies	20.84		0.00	20.84	
			9581342434	Materials - Land Improve	-49.67		0.00	-49.67	
			9581553634	Materials - Land Improve	356.13		0.00	356.13	
			9581795243	Miscellaneous Equipment Parts & Supplies	115.06		0.00	115.06	
			9581795250	Miscellaneous Equipment Parts & Supplies	118.05		0.00	118.05	
			9581808806	Miscellaneous Equipment Parts & Supplies	27.19		0.00	27.19	
			9582812385	General Supplies	46.20		0.00	46.20	
			9582812393	General Supplies	623.25		0.00	623.25	
			9582891470	Miscellaneous Equipment Parts & Supplies	30.42		0.00	30.42	
			9583631875	General Supplies	26.56		0.00	26.56	
			9583631883	Supplies, Safety	31.80		0.00	31.80	
			9583631891	Materials - Land Improve	19.30		0.00	19.30	
100263489	11/21/14	JOHN S WITTHAUS	DECEMBER 2014	Insurances - Retiree Medical - Retiree Reimbursement	1,487.63		0.00	1,487.63	<b>\$1,487.63</b>
100263490	11/21/14	MP EAST MAUDE ASSOC LP	DRAW#2	Customer Loans Disbursed	832,545.13		0.00	832,545.13	<b>\$832,545.13</b>
100263491	11/21/14	MP HOMESTEAD PARK ASSOCIATES	LOAN DRAW#7	Customer Loans Disbursed	461,322.15		0.00	461,322.15	<b>\$461,322.15</b>
100263492	11/21/14	MARK ROGGE	DECEMBER 2014	Insurances - Retiree Medical - Retiree Reimbursement	149.09		0.00	149.09	<b>\$149.09</b>
100263493	11/21/14	ORANGE COUNTY SHERIFFS DEPARTMENT	120114-120514	Training and Conferences	401.00		0.00	401.00	<b>\$401.00</b>
100263494	11/21/14	PAMELA RUSSELL	DECEMBER 2014	Insurances - Retiree Medical - Retiree	55.22		0.00	55.22	<b>\$55.22</b>

## List of All Claims and Bills Approved for Payment

**For Checks Dated 11/16/14 through 11/22/14**

**Sorted by Payment Number**

Payment No.	Payment Date	Vendor Name	Invoice No.	Description	Invoice Amount	Discount	Taken	Amount Paid	Payment Total
100263495	11/21/14	ROSIE CANDELARIA	DECEMBER 2014	Reimbursement Insurances - Retiree Medical - Retiree	55.22		0.00	55.22	\$55.22
100263496	11/21/14	TERILYN ANDERSON	DECEMBER 2014	Reimbursement Insurances - Retiree Medical - Retiree	55.22		0.00	55.22	\$55.22
100263497	11/21/14	VALERIE ARMENTO	DECEMBER 2014	Reimbursement Insurances - Retiree Medical - Retiree	55.22		0.00	55.22	\$55.22
100263498	11/21/14	C.P CONTSTRUCTION WEST	16097553	Deposits Payable - Hydrant Meter	2,198.00		0.00	2,198.00	\$2,095.05
			16097553	Water Sales - Metered	-102.95		0.00	-102.95	
100263499	11/21/14	CASEY FARMER	176055-12490	Refund Utility Account Credit	275.24		0.00	275.24	\$275.24
100263500	11/21/14	HECTOR PICART	066925	Business License Tax	34.13		0.00	34.13	\$34.13
100263501	11/21/14	KAILIN WANG	149747-42324	Refund Utility Account Credit	1,550.00		0.00	1,550.00	\$1,550.00
100263502	11/21/14	MT3D LLC	159507-76328	Refund Utility Account Credit	114.08		0.00	114.08	\$114.08
100263503	11/21/14	PCD, PROCESS CHALLENGE DEVICES, LLC	133919-52810	Refund Utility Account Credit	278.02		0.00	278.02	\$278.02
100263504	11/21/14	TSYS ACQUIRING	147855-70166	Refund Utility Account Credit	101.12		0.00	101.12	\$101.12
950002339	11/18/14	PUBLIC EMPLOYEES RETIREMENT SYSTEM	950002339	Retirement Benefits - PERS Misc - Empl Portion	-88,940.63		0.00	-88,940.63	\$1,097,415.02
			950002339	Retirement Benefits - PERS Misc - Total	662,125.55		0.00	662,125.55	
			950002339	Retirement Benefits - PERS Safety - Empl Portion	-37,523.36		0.00	-37,523.36	
			950002339	Retirement Benefits - PERS Safety - Total	548,203.91		0.00	548,203.91	
			950002339	Retirement Benefits - PERS EPMC Public Safety	6,257.65		0.00	6,257.65	
			950002339	Retirement Benefits - PERS EPMC - Misc	7,291.90		0.00	7,291.90	
950900829	11/17/14	EMPLOYMENT DEVELOPMENT DEPT	238011712	Insurances - Unemployment	14,706.00		0.00	14,706.00	\$14,706.00
Grand Total Payment Amount									\$6,184,532.83
									\$6,184,532.83

**List of All Claims and Bills Approved for Payment**

For Checks Dated 11/23/14 through 11/29/14

Sorted by Payment Number

Payment No.	Payment Date	Vendor Name	Invoice No.	Description	Invoice Amount	Discount	Taken	Amount Paid	Payment Total
100263505	11/25/14	AT&T	11/17-12/16/14	Utilities - Mobile Phones - City Mobile Phones	196.48		0.00	196.48	<b>\$196.48</b>
100263506	11/25/14	ADAMSON POLICE PRODUCTS	INV155623	Ammunition	2,296.36		0.00	2,296.36	<b>\$21,024.85</b>
			INV155624	Ammunition	2,296.36		0.00	2,296.36	
			INV157688	Ammunition	16,432.13		0.00	16,432.13	
100263507	11/25/14	AIR LIQUIDE AMERICA SPECIALTY GASES LLC	57596559	Supplies, First Aid	556.10		0.00	556.10	<b>\$556.10</b>
100263508	11/25/14	AIRGAS USA LLC	9922565485	General Supplies	170.00		0.00	170.00	<b>\$170.00</b>
100263509	11/25/14	APPLEONE EMPLOYMENT SERVICES	01-3447420	Contracts/Service Agreements	830.28		0.00	830.28	<b>\$830.28</b>
100263510	11/25/14	APPLIED INDUSTRIAL TECHNOLOGIES	7003716848	Miscellaneous Equipment Parts & Supplies	308.83		0.00	308.83	<b>\$633.22</b>
			7003719225	Miscellaneous Equipment Parts & Supplies	240.12		0.00	240.12	
			7003771654	Miscellaneous Equipment Parts & Supplies	84.27		0.00	84.27	
100263511	11/25/14	ARROWHEAD MOUNTAIN SPRING WATER	04K0028805083	General Supplies	20.82		0.00	20.82	<b>\$243.88</b>
			14K0023249071	General Supplies	43.34		0.00	43.34	
			14K0023360647	General Supplies	11.17		0.00	11.17	
			14K0023956113	Food Products	17.09		0.00	17.09	
			14K0025819772	General Supplies	32.09		0.00	32.09	
			14K5736476002	General Supplies	28.34		0.00	28.34	
			14K5740153001	General Supplies	67.42		0.00	67.42	
			14K5740154009	General Supplies	14.92		0.00	14.92	
			14K5740156004	General Supplies	8.69		0.00	8.69	
100263512	11/25/14	BMI IMAGING SYSTEMS	300382	Records Related Services	11,526.97		0.00	11,526.97	<b>\$11,526.97</b>
100263513	11/25/14	BAKER & TAYLOR	4011015344	Library Acquisitions, Books	295.30		0.00	295.30	<b>\$2,507.57</b>
			4011015344	Library Materials Preprocessing	13.26		0.00	13.26	
			4011023082	Library Acquisitions, Books	602.50		0.00	602.50	
			4011023082	Library Materials Preprocessing	24.78		0.00	24.78	
			4011030452	Library Acquisitions, Books	366.66		0.00	366.66	
			4011030452	Library Materials Preprocessing	18.44		0.00	18.44	
			4011045103	Library Acquisitions, Books	1,140.52		0.00	1,140.52	
			4011045103	Library Materials Preprocessing	46.11		0.00	46.11	
100263514	11/25/14	BAY AREA NEWS GROUP DIGITAL FIRST MEDIA	0005329009	Advertising Services	107.00		0.00	107.00	<b>\$107.00</b>
100263515	11/25/14	CALCON SYSTEMS INC	34209	Contracts/Service Agreements	190.00		0.00	190.00	<b>\$2,333.00</b>
			34246	Contracts/Service Agreements	525.00		0.00	525.00	
			34619	Salaries - Contract Personnel	1,618.00		0.00	1,618.00	
100263516	11/25/14	CENTURY GRAPHICS	40213	Clothing, Uniforms & Access	243.60		0.00	243.60	<b>\$883.96</b>
			40236	Clothing, Uniforms & Access	104.27		0.00	104.27	
			40310	Clothing, Uniforms & Access	536.09		0.00	536.09	
			DG38287405	Records Related Services	45.00		0.00	45.00	
100263517	11/25/14	CINTAS DOCUMENT MANAGEMENT							<b>\$45.00</b>
100263518	11/25/14	CITY OF SANTA CLARA	75704	Real Property Rental/Lease	5,000.00		0.00	5,000.00	<b>\$5,000.00</b>
100263519	11/25/14	CLEAN VENT INC	34228	Facilities Maint & Repair - Labor	575.00		0.00	575.00	<b>\$575.00</b>
100263520	11/25/14	COAST PERSONNEL SERVICES INC	238296	Contracts/Service Agreements	801.72		0.00	801.72	<b>\$801.72</b>
100263521	11/25/14	COASTAL TRACTOR	IV60209	Parts, Vehicles & Motor Equip	146.99		0.00	146.99	<b>\$444.49</b>
			WO48841	Auto Maint & Repair - Labor	297.50		0.00	297.50	
100263522	11/25/14	CUNNINGHAM ELECTRIC INC	8030	Facilities Maint & Repair - Labor	6,210.00		0.00	6,210.00	<b>\$6,210.00</b>
100263523	11/25/14	DAVES MOBILE CRANE SERVICE	3980	Facilities Maint & Repair - Labor	390.00		0.00	390.00	<b>\$390.00</b>
100263524	11/25/14	DAVIDOVITZ & BENNETT LLP	9017	Legal Services	31,232.87		0.00	31,232.87	<b>\$31,232.87</b>
100263525	11/25/14	FEDERAL EXPRESS CORP	2-786-83872	Mailing & Delivery Services	18.02		0.00	18.02	<b>\$39.55</b>
			2-837-77492	Postage	5.29		0.00	5.29	

**List of All Claims and Bills Approved for Payment**

For Checks Dated 11/23/14 through 11/29/14

Sorted by Payment Number

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			2-838-20434	Mailing & Delivery Services	5.29		0.00	5.29	
			2-845-05505	Postage	10.95		0.00	10.95	
100263526	11/25/14	FRANK A OLSEN CO INC	231849	Miscellaneous Equipment Parts & Supplies	2,659.23		0.00	2,659.23	<b>\$2,659.23</b>
100263527	11/25/14	FREEDMAN TUNG + SASAKI	1183	Professional Services	1,680.00		0.00	1,680.00	<b>\$11,196.30</b>
			1185	Professional Services	9,516.30		0.00	9,516.30	
100263528	11/25/14	GOLDEN GATE MECHANICAL INC	30576	Facilities Maint & Repair - Labor	961.90		0.00	961.90	<b>\$2,006.62</b>
			30656	Facilities Maint & Repair - Labor	892.72		0.00	892.72	
			30656	Facilities Maint & Repair - Materials	152.00		0.00	152.00	
100263529	11/25/14	GORILLA METALS	177961	Electrical Parts & Supplies	156.65		0.00	156.65	<b>\$156.65</b>
100263530	11/25/14	HACH CO INC	9102299	General Supplies	217.84		0.00	217.84	<b>\$217.84</b>
100263531	11/25/14	HAZARD MANAGEMENT SERVICES INC	T14183.1	Training and Conferences	2,150.00		0.00	2,150.00	<b>\$2,150.00</b>
100263532	11/25/14	HYDROSCIENCE ENGINEERS INC	262010013	Engineering Services	2,744.20		0.00	2,744.20	<b>\$2,744.20</b>
100263533	11/25/14	IDEXX DISTRIBUTION GROUP	282926371	General Supplies	4,897.12		0.00	4,897.12	<b>\$5,060.00</b>
			282926378	General Supplies	162.88		0.00	162.88	
100263534	11/25/14	IRELAND ENGINEERING INC	14242	Engineering Services	435.00		0.00	435.00	<b>\$435.00</b>
100263535	11/25/14	JOHNSON ROBERTS & ASSOC INC	123726	Investigation Expense	104.00		0.00	104.00	<b>\$169.00</b>
			123922	Investigation Expense	39.00		0.00	39.00	
			123993	Investigation Expense	26.00		0.00	26.00	
100263536	11/25/14	JONES & MADHAVAN	1727	Engineering Services	511.05		0.00	511.05	<b>\$511.05</b>
100263537	11/25/14	K J WOODS CONSTRUCTION INC	H2OLINEPHS3#02	Construction Services	302,191.35		0.00	302,191.35	<b>\$302,191.35</b>
100263538	11/25/14	KMVT COMMUNITY TELEVISION	6540	Engineering Services	3,396.74		0.00	3,396.74	<b>\$3,396.74</b>
100263539	11/25/14	KIDZ LOVE SOCCER	2014FA-AIS	Rec Instructors/Officials	14,656.04		0.00	14,656.04	<b>\$14,656.04</b>
100263540	11/25/14	LEXISNEXIS RISK DATA MANAGEMENT INC	1409790-141031	Financial Services	130.00		0.00	130.00	<b>\$130.00</b>
100263541	11/25/14	MSI FUEL MANAGEMENT INC	3572	Auto Maint & Repair - Labor	570.00		0.00	570.00	<b>\$570.00</b>
100263542	11/25/14	MACIAS GINI AND OCONNELL LLP	202697	Financial Services	19,333.10		0.00	19,333.10	<b>\$23,576.94</b>
			202697	General Supplies	4,243.84		0.00	4,243.84	
100263543	11/25/14	MCMASTER CARR SUPPLY CO	17133479	Vehicles & Motorized Equip	254.14		0.00	254.14	<b>\$397.21</b>
			17284635	General Supplies	21.87		0.00	21.87	
			17339888	Miscellaneous Equipment Parts & Supplies	121.20		0.00	121.20	
100263544	11/25/14	MIDWEST TAPE	92331164	Library Acquis, Audio/Visual	1,750.16		0.00	1,750.16	<b>\$2,338.45</b>
			92336632	Library Acquis, Audio/Visual	222.81		0.00	222.81	
			92345525	Library Acquis, Audio/Visual	365.48		0.00	365.48	
100263545	11/25/14	MUNICIPAL MAINTENANCE EQUIPMENT INC	0095958-IN	Parts, Vehicles & Motor Equip	1,117.11		0.00	1,117.11	<b>\$2,994.06</b>
			0095983-IN	Parts, Vehicles & Motor Equip	197.02		0.00	197.02	
			0096067-IN	Parts, Vehicles & Motor Equip	281.86		0.00	281.86	
			0096071-IN	Miscellaneous Equipment	1,398.07		0.00	1,398.07	
100263546	11/25/14	OTIS ELEVATOR COMPANY	SJ26900001	Facilities Maint & Repair - Labor	834.37		0.00	834.37	<b>\$834.37</b>
100263547	11/25/14	OVERDRIVE INC	0910-110409370	Library Periodicals/Databases	323.78		0.00	323.78	<b>\$323.78</b>
100263548	11/25/14	PME EQUIPMENT SALES	258501	Parts, Vehicles & Motor Equip	886.75		0.00	886.75	<b>\$886.75</b>
100263549	11/25/14	PEARSON BUICK GMC	246405	Parts, Vehicles & Motor Equip	56.09		0.00	56.09	<b>\$155.73</b>
			246858	Parts, Vehicles & Motor Equip	99.64		0.00	99.64	
100263550	11/25/14	PELZER GOLF SUPPLIES	11-14086	Inventory Purchase	619.50		0.00	619.50	<b>\$1,677.57</b>
			11-14133	Inventory Purchase	160.22		0.00	160.22	
			11-14136	Inventory Purchase	897.85		0.00	897.85	
100263551	11/25/14	PINE CONE LUMBER CO INC	566843	Miscellaneous Equipment	15.17		0.00	15.17	<b>\$15.17</b>
100263552	11/25/14	R & B CO	S1442986.002	Inventory Purchase	6.85		0.13	6.72	<b>\$6.72</b>
100263553	11/25/14	R2 ENGINEERING INC	117070	Water/Wastewater Treat Equip	17,918.89		0.00	17,918.89	<b>\$17,918.89</b>
100263554	11/25/14	RANKIN STOCK HEABERLIN	32214	Legal Services	731.50		0.00	731.50	<b>\$731.50</b>
100263555	11/25/14	RICHARD P CARR PHYSICAL THERAPY INC	3628	Occupational Health and Safety Services	1,050.00		0.00	1,050.00	<b>\$1,050.00</b>

**List of All Claims and Bills Approved for Payment**

For Checks Dated 11/23/14 through 11/29/14

Sorted by Payment Number

Payment No.	Payment Date	Vendor Name	Invoice No.	Description	Invoice Amount	Discount	Taken	Amount Paid	Payment Total
100263556	11/25/14	ROLDAN RHOLD A VICTOR	001112	Professional Services	708.34		0.00	708.34	<b>\$708.34</b>
100263557	11/25/14	SC FUELS	0211009-IN	Inventory Purchase	303.80		0.00	303.80	<b>\$303.80</b>
100263558	11/25/14	SCBA SAFETY CHECK INC	7065	Safety Equipment Maintenance & Repair	429.64		0.00	429.64	<b>\$429.64</b>
100263559	11/25/14	SAFETY KLEEN SYSTEMS INC	65342966	Chemicals	302.82		0.00	302.82	<b>\$302.82</b>
100263560	11/25/14	SAFEWAY INC	801688-111714	General Supplies	129.34		0.00	129.34	<b>\$142.62</b>
			804439-111414	Inventory Purchase	13.28		0.00	13.28	
100263561	11/25/14	SAN DIEGO POLICE EQUIPMENT CO	614807	Ammunition	3,732.30		0.00	3,732.30	<b>\$9,777.68</b>
			614958	Ammunition	6,045.38		0.00	6,045.38	
100263562	11/25/14	SANTA CLARA VLY TRANSPORTATION AUTHORITY	1800016436	Congestion Management Agency Dues	248,609.09		0.00	248,609.09	<b>\$248,609.09</b>
100263563	11/25/14	SCHAAF & WHEELER	25466	Engineering Services	5,943.30		0.00	5,943.30	<b>\$5,943.30</b>
100263564	11/25/14	SIERRA PACIFIC TURF SUPPLY INC	0440160-IN	Materials - Land Improve	5,038.60		0.00	5,038.60	<b>\$5,038.60</b>
100263565	11/25/14	SINCLAIR INTL	10567902.01	General Supplies	43.44		0.00	43.44	<b>\$43.44</b>
100263566	11/25/14	SMART & FINAL INC	161303-111214	Food Products	43.35		0.00	43.35	<b>\$104.44</b>
			164528-111714	Food Products	52.83		0.00	52.83	
			164528-111714	General Supplies	8.26		0.00	8.26	
100263567	11/25/14	STEVENS CREEK QUARRY INC	570783	General Supplies	83.68		0.00	83.68	<b>\$83.68</b>
100263568	11/25/14	SUN MOUNTAIN	193339	Inventory Purchase	707.00		35.35	671.65	<b>\$671.65</b>
100263569	11/25/14	SUNNYVALE BUILDING MAINTENANCE	97562	Professional Services	965.75		0.00	965.75	<b>\$965.75</b>
100263570	11/25/14	SUNNYVALE FORD	428821	Parts, Vehicles & Motor Equip	177.07		0.00	177.07	<b>\$310.78</b>
			428822	Parts, Vehicles & Motor Equip	79.04		0.00	79.04	
			428832	Parts, Vehicles & Motor Equip	26.39		0.00	26.39	
			429012	Parts, Vehicles & Motor Equip	28.28		0.00	28.28	
100263571	11/25/14	SUNNYVALE WINDUSTRIAL CO INC	634531 00	Bldg Maint Matls & Supplies	500.42		0.00	500.42	<b>\$500.42</b>
100263572	11/25/14	SWINERTON MANAGEMENT & CONSULTING14	100030-001	Engineering Services	3,380.00		0.00	3,380.00	<b>\$23,530.00</b>
			14100031-001	Engineering Services	910.00		0.00	910.00	
			14100031-002	Engineering Services	2,860.00		0.00	2,860.00	
			14100032-001	Engineering Services	1,690.00		0.00	1,690.00	
			14100032-002	Engineering Services	2,730.00		0.00	2,730.00	
			14100033-001	Engineering Services	1,560.00		0.00	1,560.00	
			14100033-002	Engineering Services	2,210.00		0.00	2,210.00	
			14100035-001	Engineering Services	260.00		0.00	260.00	
			14100035-002	Engineering Services	520.00		0.00	520.00	
			14100036-001	Engineering Services	1,560.00		0.00	1,560.00	
			14100036-002	Engineering Services	910.00		0.00	910.00	
			14100037-001	Engineering Services	2,210.00		0.00	2,210.00	
			14100037-002	Engineering Services	2,730.00		0.00	2,730.00	
100263574	11/25/14	TITLEIST	0219313	Inventory Purchase	720.00		0.00	720.00	<b>\$170.04</b>
			0259572	Inventory Purchase	173.40		3.36	170.04	
			6160448	Inventory Purchase	-720.00		0.00	-720.00	
100263575	11/25/14	VWR INTERNATIONAL LLC	8059588369	General Supplies	63.03		0.00	63.03	<b>\$218.50</b>
			8059594811	General Supplies	155.47		0.00	155.47	
100263576	11/25/14	VALLEY POWER SYSTEMS NORTH INC	K 11275	Parts, Vehicles & Motor Equip	4,340.34		0.00	4,340.34	<b>\$4,340.34</b>
100263577	11/25/14	WITMER TYSON IMPORTS INC	T10636	Canine Program Expenditures	614.19		0.00	614.19	<b>\$614.19</b>
100263578	11/25/14	CITY OF SANTA CLARA MUNICIPAL UTILITIES	NOV2014	Utilities - Electric	494.60		0.00	494.60	<b>\$494.60</b>
100263579	11/25/14	OFFICEMAX CONTRACT INC	17498711032014	Supplies, Office 1	27.95		0.00	27.95	<b>\$10,780.80</b>
			17795811032014	Supplies, Office 1	182.00		0.00	182.00	
			18405411032014	Supplies, Office 1	455.15		0.00	455.15	

**List of All Claims and Bills Approved for Payment**

For Checks Dated 11/23/14 through 11/29/14

Sorted by Payment Number

Payment No.	Payment Date	Vendor Name	Invoice No.	Description	Invoice Amount	Discount	Taken	Amount Paid	Payment Total
			19961211042014	Supplies, Office 1	57.83		0.00	57.83	
			20407611042014	Supplies, Office 1	130.01		0.00	130.01	
			20446111042014	Supplies, Office 1	58.54		0.00	58.54	
			21161811052014	Supplies, Office 1	194.67		0.00	194.67	
			21422411052014	Supplies, Office 1	35.12		0.00	35.12	
			21912111052014	Supplies, Office 1	65.75		0.00	65.75	
			22268511052014	Supplies, Office 1	653.83		0.00	653.83	
			22416211052014	Supplies, Office 1	180.97		0.00	180.97	
			23129411062014	Supplies, Office 1	10.68		0.00	10.68	
			23199911062014	Supplies, Office 1	188.69		0.00	188.69	
			23203011062014	Supplies, Office 1	64.34		0.00	64.34	
			23218011062014	Supplies, Office 1	33.31		0.00	33.31	
			23818511062014	Supplies, Office 1	132.46		0.00	132.46	
			24138611062014	Supplies, Office 1	396.76		0.00	396.76	
			24480211062014	Supplies, Office 1	225.59		0.00	225.59	
			24543811102014	Supplies, Office 1	13.62		0.00	13.62	
			24963711072014	Supplies, Office 1	64.83		0.00	64.83	
			25815211072014	Supplies, Office 1	471.54		0.00	471.54	
			26115511072014	Supplies, Office 1	80.48		0.00	80.48	
			27318111102014	Supplies, Office 1	41.73		0.00	41.73	
			27319411102014	Supplies, Office 1	10.66		0.00	10.66	
			27352611102014	Supplies, Office 1	1,201.16		0.00	1,201.16	
			27792111102014	Supplies, Office 1	12.42		0.00	12.42	
			27848811102014	Supplies, Office 1	55.80		0.00	55.80	
			28628611122014	Supplies, Office 1	134.45		0.00	134.45	
			28767811122014	Supplies, Office 1	210.28		0.00	210.28	
			29550511112014	Supplies, Office 1	149.83		0.00	149.83	
			29712511132014	Supplies, Office 1	15.54		0.00	15.54	
			29715811122014	Supplies, Office 1	55.72		0.00	55.72	
			29800911122014	Supplies, Office 1	30.96		0.00	30.96	
			30686311122014	Supplies, Office 1	195.74		0.00	195.74	
			30920411122014	Supplies, Office 1	1,102.73		0.00	1,102.73	
			30986411122014	Supplies, Office 1	255.53		0.00	255.53	
			31084511122014	Supplies, Office 1	194.91		0.00	194.91	
			31241711122014	Supplies, Office 1	69.00		0.00	69.00	
			31313511122014	Supplies, Office 1	195.81		0.00	195.81	
			31334311122014	Supplies, Office 1	62.80		0.00	62.80	
			31335511122014	Supplies, Office 1	98.30		0.00	98.30	
			31367411122014	Supplies, Office 1	103.45		0.00	103.45	
			31434211122014	Supplies, Office 1	125.52		0.00	125.52	
			31758611132014	Supplies, Office 1	55.10		0.00	55.10	
			31972411132014	Supplies, Office 1	504.41		0.00	504.41	
			31991411132014	Supplies, Office 1	12.07		0.00	12.07	
			32093911132014	Supplies, Office 1	582.20		0.00	582.20	
			32632511132014	Supplies, Office 1	78.03		0.00	78.03	
			32834111132014	Supplies, Office 1	53.63		0.00	53.63	
			32991811132014	Supplies, Office 1	93.99		0.00	93.99	
			33450811142014	Supplies, Office 1	52.58		0.00	52.58	
			33642411142014	Supplies, Office 1	31.46		0.00	31.46	
			33754911142014	Supplies, Office 1	35.19		0.00	35.19	

**List of All Claims and Bills Approved for Payment**

For Checks Dated 11/23/14 through 11/29/14

Sorted by Payment Number

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100263584	11/25/14	PACIFIC GAS & ELECTRIC CO	33848611142014	Supplies, Office 1	52.65		0.00	52.65	<b>\$162,596.44</b>
			33986311142014	Supplies, Office 1	1,170.51		0.00	1,170.51	
			34379611142014	Supplies, Office 1	149.55		0.00	149.55	
			34828811132014	Supplies, Office 1	-137.03		0.00	-137.03	
			03142830051114	Utilities - Electric	17,727.47		0.00	17,727.47	
			11059220091014	Utilities - Electric	4,713.77		0.00	4,713.77	
			11059220251014	Utilities - Gas	948.81		0.00	948.81	
			11059220401014	Utilities - Gas	174.12		0.00	174.12	
			11059220451014	Utilities - Gas	522.93		0.00	522.93	
			11059220501014	Utilities - Gas	17.96		0.00	17.96	
			11059220551014	Utilities - Electric	894.81		0.00	894.81	
			11059220601014	Utilities - Gas	3,042.00		0.00	3,042.00	
			11059220751014	Utilities - Gas	390.52		0.00	390.52	
			11059220811014	Utilities - Electric	392.01		0.00	392.01	
			11059220901014	Utilities - Gas	65.61		0.00	65.61	
			11059221021014	Utilities - Electric	263.35		0.00	263.35	
			11059221051014	Utilities - Gas	40.71		0.00	40.71	
			11059221061014	Utilities - Electric	1,142.81		0.00	1,142.81	
			11059221081014	Utilities - Electric	708.53		0.00	708.53	
			11059221151014	Utilities - Gas	55.87		0.00	55.87	
			11059221181014	Utilities - Electric	10,223.53		0.00	10,223.53	
			11059221251014	Utilities - Gas	58.03		0.00	58.03	
			11059221351014	Utilities - Gas	52.43		0.00	52.43	
			11059221401014	Utilities - Gas	767.70		0.00	767.70	
			11059221601014	Utilities - Gas	56.11		0.00	56.11	
			11059221701014	Utilities - Gas	184.04		0.00	184.04	
			11059221731014	Utilities - Electric	2,176.05		0.00	2,176.05	
			11059221851014	Utilities - Gas	7.85		0.00	7.85	
			11059221931014	Utilities - Electric	13,564.73		0.00	13,564.73	
			11059221941014	Utilities - Electric	13,827.14		0.00	13,827.14	
			11059221981014	Utilities - Electric	611.64		0.00	611.64	
			11059222631014	Utilities - Electric	1,778.92		0.00	1,778.92	
			11059222721014	Utilities - Electric	834.87		0.00	834.87	
			11059224271014	Utilities - Electric	9.85		0.00	9.85	
			11059225291014	Utilities - Electric	806.75		0.00	806.75	
			11059225651014	Utilities - Gas	776.67		0.00	776.67	
			11059226381014	Utilities - Electric	8,522.18		0.00	8,522.18	
			11059227031014	Utilities - Electric	593.18		0.00	593.18	
			11059227231014	Utilities - Electric	7,168.29		0.00	7,168.29	
			11059227791014	Utilities - Electric	162.86		0.00	162.86	
			11059228051014	Utilities - Electric	8,914.52		0.00	8,914.52	
			11059228291014	Utilities - Electric	75.99		0.00	75.99	
			11059228581014	Utilities - Electric	16,633.20		0.00	16,633.20	
			11059229931014	Utilities - Electric	82.76		0.00	82.76	
			35642590101014	Utilities - Electric	63.87		0.00	63.87	
			35642590151014	Utilities - Electric	53.69		0.00	53.69	
			35642590201014	Utilities - Electric	35.47		0.00	35.47	
			35642590251014	Utilities - Electric	90.19		0.00	90.19	
			35642590301014	Utilities - Electric	142.41		0.00	142.41	
			35642590351014	Utilities - Electric	78.95		0.00	78.95	

**List of All Claims and Bills Approved for Payment**

For Checks Dated 11/23/14 through 11/29/14

Sorted by Payment Number

Payment No.	Payment Date	Vendor Name	Invoice No.	Description	Invoice Amount	Discount	Taken	Amount Paid	Payment Total
			35642590401014	Utilities - Electric	96.43		0.00	96.43	
			35642590451014	Utilities - Electric	71.03		0.00	71.03	
			35642590501014	Utilities - Electric	59.86		0.00	59.86	
			35642590651014	Utilities - Electric	60.87		0.00	60.87	
			35642590701014	Utilities - Electric	54.26		0.00	54.26	
			35642590751014	Utilities - Electric	87.13		0.00	87.13	
			35642590801014	Utilities - Electric	86.46		0.00	86.46	
			35642590851014	Utilities - Electric	49.65		0.00	49.65	
			35642590951014	Utilities - Electric	17.62		0.00	17.62	
			35642591001014	Utilities - Electric	117.83		0.00	117.83	
			35642591051014	Utilities - Electric	62.61		0.00	62.61	
			35642591101014	Utilities - Electric	55.49		0.00	55.49	
			35642591151014	Utilities - Electric	71.19		0.00	71.19	
			35642591251014	Utilities - Electric	86.82		0.00	86.82	
			35642591301014	Utilities - Electric	40.60		0.00	40.60	
			35642591351014	Utilities - Electric	104.59		0.00	104.59	
			35642591401014	Utilities - Electric	68.54		0.00	68.54	
			35642591451014	Utilities - Electric	54.83		0.00	54.83	
			35642591501014	Utilities - Electric	41.77		0.00	41.77	
			35642591551014	Utilities - Electric	47.55		0.00	47.55	
			35642591601014	Utilities - Electric	60.72		0.00	60.72	
			35642591651014	Utilities - Electric	81.28		0.00	81.28	
			35642591701014	Utilities - Electric	70.37		0.00	70.37	
			35642591751014	Utilities - Electric	69.04		0.00	69.04	
			35642591801014	Utilities - Electric	49.20		0.00	49.20	
			35642591851014	Utilities - Electric	53.18		0.00	53.18	
			35642591901014	Utilities - Electric	49.37		0.00	49.37	
			35642591951014	Utilities - Electric	97.84		0.00	97.84	
			35642592001014	Utilities - Electric	82.96		0.00	82.96	
			35642592051014	Utilities - Electric	69.71		0.00	69.71	
			35642592101014	Utilities - Electric	71.91		0.00	71.91	
			35642592151014	Utilities - Electric	67.93		0.00	67.93	
			35642592201014	Utilities - Electric	72.84		0.00	72.84	
			35642592251014	Utilities - Electric	71.19		0.00	71.19	
			35642592351014	Utilities - Electric	9.53		0.00	9.53	
			35642592401014	Utilities - Electric	93.80		0.00	93.80	
			35642592451014	Utilities - Electric	66.81		0.00	66.81	
			35642592501014	Utilities - Electric	55.65		0.00	55.65	
			35642592551014	Utilities - Electric	75.33		0.00	75.33	
			35642592601014	Utilities - Electric	70.20		0.00	70.20	
			35642592651014	Utilities - Electric	92.52		0.00	92.52	
			35642592701014	Utilities - Electric	72.35		0.00	72.35	
			35642592751014	Utilities - Electric	56.31		0.00	56.31	
			35642592801014	Utilities - Electric	101.94		0.00	101.94	
			35642592851014	Utilities - Electric	63.76		0.00	63.76	
			35642592901014	Utilities - Electric	54.99		0.00	54.99	
			35642592951014	Utilities - Electric	69.84		0.00	69.84	
			35642593001014	Utilities - Electric	62.43		0.00	62.43	
			35642593051014	Utilities - Electric	92.85		0.00	92.85	
			35642593101014	Utilities - Electric	69.04		0.00	69.04	

**List of All Claims and Bills Approved for Payment**

For Checks Dated 11/23/14 through 11/29/14

Sorted by Payment Number

Payment No.	Payment Date	Vendor Name	Invoice No.	Description	Invoice Amount	Discount	Taken	Amount Paid	Payment Total
			35642593201014	Utilities - Electric	69.37		0.00	69.37	
			35642593251014	Utilities - Electric	12.45		0.00	12.45	
			35642593301014	Utilities - Electric	77.28		0.00	77.28	
			35642593351014	Utilities - Electric	66.23		0.00	66.23	
			35642593401014	Utilities - Electric	75.66		0.00	75.66	
			35642593451014	Utilities - Electric	70.46		0.00	70.46	
			35642593501014	Utilities - Electric	71.85		0.00	71.85	
			35642593551014	Utilities - Electric	56.31		0.00	56.31	
			35642593601014	Utilities - Electric	86.73		0.00	86.73	
			35642593651014	Utilities - Electric	79.95		0.00	79.95	
			35642593701014	Utilities - Electric	75.33		0.00	75.33	
			35642593751014	Utilities - Electric	51.18		0.00	51.18	
			35642593801014	Utilities - Electric	55.49		0.00	55.49	
			35642593851014	Utilities - Electric	10.19		0.00	10.19	
			35642593901014	Utilities - Electric	58.30		0.00	58.30	
			35642593951014	Utilities - Electric	54.17		0.00	54.17	
			35642594001014	Utilities - Electric	64.42		0.00	64.42	
			35642594051014	Utilities - Electric	39.45		0.00	39.45	
			35642594101014	Utilities - Electric	40.77		0.00	40.77	
			35642594151014	Utilities - Electric	59.95		0.00	59.95	
			35642594251014	Utilities - Electric	103.24		0.00	103.24	
			35642594301014	Utilities - Electric	64.75		0.00	64.75	
			35642594351014	Utilities - Electric	59.79		0.00	59.79	
			35642594401014	Utilities - Electric	53.01		0.00	53.01	
			35642594451014	Utilities - Electric	62.26		0.00	62.26	
			35642594501014	Utilities - Electric	49.21		0.00	49.21	
			35642594551014	Utilities - Electric	86.89		0.00	86.89	
			35642594601014	Utilities - Electric	84.41		0.00	84.41	
			35642594651014	Utilities - Electric	88.04		0.00	88.04	
			35642594701014	Utilities - Electric	89.04		0.00	89.04	
			35642594751014	Utilities - Electric	59.13		0.00	59.13	
			35642594801014	Utilities - Electric	73.67		0.00	73.67	
			35642594851014	Utilities - Electric	55.64		0.00	55.64	
			35642594901014	Utilities - Electric	62.75		0.00	62.75	
			35642594951014	Utilities - Electric	75.32		0.00	75.32	
			35642595001014	Utilities - Electric	69.02		0.00	69.02	
			35642595051014	Utilities - Electric	68.86		0.00	68.86	
			35642595101014	Utilities - Electric	63.41		0.00	63.41	
			35642595151014	Utilities - Electric	54.48		0.00	54.48	
			35642595201014	Utilities - Electric	76.47		0.00	76.47	
			35642595251014	Utilities - Electric	48.11		0.00	48.11	
			35642595301014	Utilities - Electric	53.02		0.00	53.02	
			35642595351014	Utilities - Electric	50.68		0.00	50.68	
			35642595401014	Utilities - Electric	57.79		0.00	57.79	
			35642595451014	Utilities - Electric	106.07		0.00	106.07	
			35642595501014	Utilities - Electric	44.08		0.00	44.08	
			35642595551014	Utilities - Electric	47.54		0.00	47.54	
			35642595601014	Utilities - Electric	46.56		0.00	46.56	
			35642595651014	Utilities - Electric	92.50		0.00	92.50	
			35642595701014	Utilities - Electric	58.47		0.00	58.47	

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			35642595751014	Utilities - Electric	63.08		0.00	63.08	
			35642595801014	Utilities - Electric	53.01		0.00	53.01	
			35642595851014	Utilities - Electric	103.75		0.00	103.75	
			35642595901014	Utilities - Electric	50.53		0.00	50.53	
			35642595951014	Utilities - Electric	99.37		0.00	99.37	
			35642596001014	Utilities - Electric	86.06		0.00	86.06	
			35642596051014	Utilities - Electric	69.54		0.00	69.54	
			35642596101014	Utilities - Electric	65.39		0.00	65.39	
			35642596151014	Utilities - Electric	49.54		0.00	49.54	
			35642596201014	Utilities - Electric	68.51		0.00	68.51	
			35642596251014	Utilities - Electric	46.89		0.00	46.89	
			35642596301014	Utilities - Electric	54.82		0.00	54.82	
			35642596351014	Utilities - Electric	48.05		0.00	48.05	
			35642596401014	Utilities - Electric	55.83		0.00	55.83	
			35642596451014	Utilities - Electric	96.31		0.00	96.31	
			35642596501014	Utilities - Electric	50.62		0.00	50.62	
			35642598241014	Utilities - Electric	9.53		0.00	9.53	
			60225900551014	Utilities - Electric	9,860.80		0.00	9,860.80	
			60225900761014	Utilities - Electric	512.92		0.00	512.92	
			60225901001014	Utilities - Electric	9.86		0.00	9.86	
			60225901011014	Utilities - Electric	1,709.53		0.00	1,709.53	
			60225901101014	Utilities - Gas	7.85		0.00	7.85	
			60225901311014	Utilities - Electric	12.98		0.00	12.98	
			60225901611014	Utilities - Electric	9,921.22		0.00	9,921.22	
			60225902291014	Utilities - Electric	25.68		0.00	25.68	
			60225902531014	Utilities - Electric	1,374.08		0.00	1,374.08	
			60225902951014	Utilities - Electric	19.81		0.00	19.81	
			60225903551014	Utilities - Electric	2,430.47		0.00	2,430.47	
			60225904241014	Utilities - Electric	10.57		0.00	10.57	
			60225905411014	Utilities - Electric	27.65		0.00	27.65	
			60225906511014	Utilities - Electric	1,085.31		0.00	1,085.31	
			60225906591014	Utilities - Electric	430.80		0.00	430.80	
			60225906781014	Utilities - Electric	1,512.46		0.00	1,512.46	
			60225907691014	Utilities - Electric	198.28		0.00	198.28	
			60225907731014	Utilities - Electric	19.43		0.00	19.43	
			60225908171014	Utilities - Electric	23.53		0.00	23.53	
			60225908611014	Utilities - Electric	110.79		0.00	110.79	
			60225908941014	Utilities - Electric	56.63		0.00	56.63	
			60225909721014	Utilities - Electric	11.48		0.00	11.48	
			61266000051014	Utilities - Gas	1,182.63		0.00	1,182.63	
			74408230821014	Utilities - Electric	60.87		0.00	60.87	
			91475900451014	Utilities - Gas	40.86		0.00	40.86	
			91475903191014	Utilities - Electric	98.54		0.00	98.54	
			91475904101014	Utilities - Electric	736.75		0.00	736.75	
			91475904311014	Utilities - Electric	603.92		0.00	603.92	
			91475907051014	Utilities - Electric	192.54		0.00	192.54	
			91475907471014	Utilities - Electric	1,134.56		0.00	1,134.56	
			91475908691014	Utilities - Electric	441.50		0.00	441.50	
			91475909641014	Utilities - Electric	677.97		0.00	677.97	
			91475909791014	Utilities - Electric	938.42		0.00	938.42	

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Payment No.	Payment Date	Vendor Name	Invoice No.	Description	Invoice Amount	Discount	Taken	Amount Paid	Payment Total
100263600	11/25/14	TOD BRENDLEN	NOV292014	Special Events	1,533.45		0.00	1,533.45	<b>\$1,533.45</b>
100263601	11/25/14	CONG HU	505STE425	Deposits Payable - Property Management	800.00		0.00	800.00	<b>\$800.00</b>
100263602	11/25/14	LYNN WILKIE	176827-44568	Refund Utility Account Credit	361.93		0.00	361.93	<b>\$361.93</b>
100263603	11/25/14	SHIRLEY DAY	173125-72080	Refund Utility Account Credit	187.74		0.00	187.74	<b>\$187.74</b>
100263604	11/25/14	TIDAL SYSTEMS	176357-59004	Refund Utility Account Credit	236.04		0.00	236.04	<b>\$236.04</b>
100263605	11/26/14	AREA TRUCK DRIVING SCHOOL	6888	DED Services/Training - Training	5,350.50		0.00	5,350.50	<b>\$16,051.50</b>
			6889	DED Services/Training - Training	5,350.50		0.00	5,350.50	
			6890	DED Services/Training - Training	5,350.50		0.00	5,350.50	
100263606	11/26/14	ASSOCIATED LIGHTING REPRESENTATIVES INC	63429	General Supplies	3,055.88		0.00	3,055.88	<b>\$3,055.88</b>
100263607	11/26/14	BOUND TREE MEDICAL LLC	81604157	Inventory Purchase	987.45		0.00	987.45	<b>\$987.45</b>
100263608	11/26/14	CENTURY GRAPHICS	40537	Inventory Purchase	173.78		0.00	173.78	<b>\$173.78</b>
100263609	11/26/14	CLEANSOURCE INC	1558483-00	Inventory Purchase	2,423.72		0.00	2,423.72	<b>\$2,596.68</b>
			1560673-00	Inventory Purchase	172.96		0.00	172.96	
100263610	11/26/14	COMMUNITY HEALTH CHARITIES OF CALIFORNIA	PR201447	Employee Payroll Contributions	288.00		0.00	288.00	<b>\$288.00</b>
100263611	11/26/14	COUNTY OF SANTA CLARA OFC OF THE SHERIFF	1800044531	Prisoner Transport	165.24		0.00	165.24	<b>\$165.24</b>
100263612	11/26/14	DAPPER TIRE CO INC	41223208	Inventory Purchase	1,978.98		0.00	1,978.98	<b>\$2,859.25</b>
			41253793	Inventory Purchase	880.27		0.00	880.27	
100263613	11/26/14	EARTH SHARE OF CALIFORNIA	PR201447	Employee Payroll Contributions	177.00		0.00	177.00	<b>\$177.00</b>
100263614	11/26/14	ECONOMIC & PLANNING SYSTEMS INC	21123-12	Professional Services	3,642.50		0.00	3,642.50	<b>\$3,642.50</b>
100263615	11/26/14	EMPIRE SAFETY & SUPPLY	0066841-IN	Inventory Purchase	938.18		0.00	938.18	<b>\$938.18</b>
100263616	11/26/14	FORTELL TRAFFIC INC	7708-2	Software Licensing & Support	4,906.25		0.00	4,906.25	<b>\$4,906.25</b>
100263617	11/26/14	HARRIS DESIGN	13.02.08	Engineering Services	10,522.50		0.00	10,522.50	<b>\$10,522.50</b>
100263618	11/26/14	HATCH MOTT MACDONALD	304781-20	Engineering Services	2,019.50		0.00	2,019.50	<b>\$2,019.50</b>
100263619	11/26/14	KENNEDY JENKS CONSULTANTS	87315	Engineering Services	25,526.50		0.00	25,526.50	<b>\$25,526.50</b>
100263620	11/26/14	KIMLEY HORN & ASSOC INC	6092182	Consultants	1,592.54		0.00	1,592.54	<b>\$1,592.54</b>
100263621	11/26/14	MCMaster CARR SUPPLY CO	17505519	Miscellaneous Equipment Parts & Supplies	13.48		0.00	13.48	<b>\$13.48</b>
100263622	11/26/14	PAYFLEX SYSTEMS USA INC	PR201447-DC	Employee Payroll Contributions	4,148.91		0.00	4,148.91	<b>\$11,777.74</b>
			PR201447-HCR	Employee Payroll Contributions	6,982.83		0.00	6,982.83	
			PR201447-TRST	Employee Payroll Contributions	646.00		0.00	646.00	
100263623	11/26/14	SUNNYVALE PUBLIC SAFETY OFFICERS ASSN	PR201447	Employee Payroll Contributions	13,910.00		0.00	13,910.00	<b>\$13,910.00</b>
100263624	11/26/14	SUNNYVALE WINDUSTRIAL CO INC	633756 00	Miscellaneous Equipment Parts & Supplies	252.68		0.00	252.68	<b>\$2,703.75</b>
			633926 01	Miscellaneous Equipment Parts & Supplies	916.64		0.00	916.64	
			633926 03	Miscellaneous Equipment Parts & Supplies	476.46		0.00	476.46	
			633991 00	Miscellaneous Equipment Parts & Supplies	37.47		0.00	37.47	
			634118 00	Miscellaneous Equipment Parts & Supplies	124.98		0.00	124.98	
			634216 01	Miscellaneous Equipment Parts & Supplies	234.74		0.00	234.74	
			634225 01	Miscellaneous Equipment Parts & Supplies	660.78		0.00	660.78	
100263625	11/26/14	TJKM	0043825	Consultants	1,998.48		0.00	1,998.48	<b>\$1,998.48</b>
100263626	11/26/14	UNITED WAY SILICON VALLEY	PR201447	Employee Payroll Contributions	321.00		0.00	321.00	<b>\$321.00</b>
100263627	11/26/14	MCMaster CARR SUPPLY CO	17505518	Electrical Parts & Supplies	910.30		0.00	910.30	<b>\$910.30</b>
950100472	11/24/14	STATE BOARD OF EQUAL DIRECT DEPOSIT	19565035056	Miscellaneous Payment	8,868.81		0.00	8,868.81	<b>\$8,868.81</b>
950100473	11/24/14	WELLS FARGO BANK	11192014	Purchasing Card Statement	146,452.55		0.00	146,452.55	<b>\$146,452.55</b>

**\$1,229,168.08****Grand Total Payment Amount****\$1,229,168.08**



# City of Sunnyvale

## Agenda Item

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14-0974

Agenda Date: 12/9/2014

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### REPORT TO COUNCIL

#### SUBJECT

Authorization to Accept a Metropolitan Transportation Commission Priority Development Area Planning Grant and Approval of Budget Modification No. 23 to Appropriate Funds for the Comprehensive Update of the Precise Plan for El Camino Real

#### REPORT IN BRIEF

Staff requests Council authorization to accept a Priority Development Area (PDA) Planning Grant from the Metropolitan Transportation Commission (MTC) and approve Budget Modification No. 23 to complete a comprehensive update of the Precise Plan for El Camino Real.

#### BACKGROUND AND DISCUSSION

The City Council combined and highly ranked two study issues (CDD 14-09 and CDD 14-14) in January 2014 to update and clarify policies in the Precise Plan for El Camino Real (Attachment 1). The original Precise Plan for El Camino Real (Plan) was completed in 1993 and updated in 2007. Since that time, development interest in the El Camino Real corridor has greatly increased. Although the 2007 Plan enhanced the vision of El Camino Real as a vibrant, mixed-use corridor with pedestrian-oriented environments and improved streetscapes, it does not provide enough specificity to effectively guide development.

Council approved \$80,000 as part of Budget Supplement #2 in the FY 2014/15 Adopted Budget for limited consultant services to prepare a market demand/land use alternatives analysis for the corridor and to conduct the environmental review necessary to support the Plan amendments. Staff applied for the PDA Planning Grant from MTC to allow for a broader scope of work for the Precise Plan update and preparation of a programmatic EIR to facilitate its implementation. The project has been awarded \$587,000 with a local match requirement of \$80,000. To secure the grant funding, Council authorization is required to sign the funding agreement provided by MTC (Attachment 2), which includes the project scope, budget and schedule prepared by staff.

Staff will prepare a Request for Proposals (RFP) to obtain consultant services for the Plan update. Staff estimates the project will take approximately 18 months to complete after a consultant contract is awarded. The grant requires the formation of a community advisory group to guide the preparation of the plan. A more detailed work schedule and public outreach strategy will be presented to the City Council at a later date following MTC approval of the agreement and selection of the consultant team.

#### EXISTING POLICY

##### **Council Policy 7.1.5 Donations, Contributions and Sponsorships:**

The City Manager may apply for grants of any dollar amount, but shall notify the Council when grants are being pursued. Council approval of a budget modification to appropriate grant monies is required

before funds can be expended by staff. Such a budget modification shall include the use to which the grant would be placed; the objectives or goals of the City which will be achieved through use of the grant; the local match required, if any, plus the source of the local match; any increased cost to be locally funded upon termination of the grant; and the ability of the City to administer the grant.

Grant funds from MTC have external reporting requirements and fall under the federal single audit guidelines.

### **ENVIRONMENTAL REVIEW**

Appropriation of grant funds does not constitute a project under the California Environmental Quality Act (CEQA) and therefore CEQA is not applicable.

### **FISCAL IMPACT**

The Comprehensive Update of the Precise Plan for El Camino Real project is funded in the General Fund. With acceptance of this grant, the total cost for the project is estimated to be \$667,000.

Acceptance of the grant would require a local match of 12% of the total project budget (\$80,000). Funding of \$80,000 was appropriated to the project in the FY 2014/15 Adopted Budget which is available to use as the local match for this project.

Budget Modification No. 23 has been prepared to appropriate \$587,000 in grant funds in the General Fund to project 830980, the Comprehensive Update of the Precise Plan for El Camino Real.

	<b>Current</b>	<b>Increase/ (Decrease)</b>	<b>Revised</b>
<b>General Fund</b>			
<b><u>Revenue</u></b>			
MTC Grant	\$0	\$587,000	\$587,000
<b><u>Expenditures</u></b>			
830980 - Comprehensive Update of the Precise Plan for El Camino Real	\$80,000	\$587,000	\$667,000

### **PUBLIC CONTACT**

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, at the Sunnyvale Senior Center, Community Center and Department of Public Safety; and by making the agenda and report available at the Sunnyvale Public Library, the Office of the City Clerk and on the City's website.

### **RECOMMENDATION**

Authorize acceptance of the MTC PDA Planning Grant in the amount of \$587,000 and authorize the City Manager to execute the Funding Agreement (Attachment 2); and approve Budget Modification No. 23 to appropriate grant funding received for the Comprehensive Update of the Precise Plan for El Camino Real.

Prepared by: Rosemarie Zulueta, Associate Planner

Reviewed by: Hanson Hom, Director, Community Development Department

Reviewed by: Grace K. Leung, Director, Finance Department

Reviewed by: Robert A. Walker, Assistant City Manager

Approved by: Deanna J. Santana, City Manager

**ATTACHMENTS**

1. Study Issue Papers
2. MTC Grant Funding Agreement



2014 Council Study Issue

**CDD 14-09 Comprehensive Update of the Precise Plan for El Camino Real**

**Lead Department** Community Development

**Sponsor(s)** Staff

**History** 1 year ago: 2 years ago:

1. **Scope of the Study**

- a. The current Precise Plan for El Camino Real was prepared and adopted in 2007. Since that time, more development interest has been raised along the El Camino Real corridor, and the Precise Plan's policies are not direct enough to cover the issues raised. The design guidelines are useful, but could also be reviewed, specifically to address mixed-use projects. Additionally, the Grand Boulevard Initiative was at its initial formation when the Precise Plan was written, and the Guiding Principles (which have been adopted as Council Policy) could be more specifically included in the Precise Plan.

Recently, the Council discussed whether commercial uses would be required for both commercial and residential-zoned property, and what level of commercial uses. The current Precise Plan is not clear how to address this issue, and the suggested update would address that issue by clarifying the policy and providing standards and/or guidelines.

The study would review:

- Determine appropriate proportion of commercial and residential uses for mixed-use sites;
- Determine what level of mixed use development can occur in node and non-node locations;
- Market analysis to determine expected changes and trends in the land use demands;
- Appropriate densities, heights and other development standards for mixed use projects;
- Appropriate mix of uses; commercial and residential;
- Sidewalk standards along the street;
- Specific requirements for Node versus non-Node locations;
- Updated implementation measures;
- Clarification of policies on certain uses, such as child care centers, fast food restaurants, and residential projects in mid-block locations;
- Review the sign design guidelines to ensure they meet current sign code and the aesthetic goals for the street;
- Negative declaration of the changes.

- b. What precipitated this study?

Recent interest in large mixed-use projects along El Camino Real has shown a need to update the Precise Plan. The Precise Plan update could address issues that have arisen since the plan was adopted in 2007.

- c. Is this a multiple year project? Yes Planned Completion Year 2015

2. **Fiscal Impact**

a. Cost to Conduct Study

i. Level of staff effort required (opportunity cost)

☒ Major ☐ Moderate ☐ Minor

ii. Amount of funding above current budget required \$50,000

☒ Will seek budget supplement ☐ Will seek grant funding

iii. Explanation of Cost: \$50,000 for an environmental document, depending on the level of plan amendments.

b. Costs to Implement Study Results

☒ No cost to implement.

☐ Unknown. Study would include assessment of potential costs.

☐ Some cost to implement. Explanation:

3. **Expected participation in the process**

☐ Council-approved work plan

☐ Council Study Session

☒ Board/Commission Review by Planning Commission

4. **Staff Recommendation**

a. Position: Support contingent on approval of a budget modification of \$50,000 and combine with CDD 14-14.

b. Explanation: Much has changed since the Precise Plan was prepared in 2007, including a greater interest in mixed-use projects and anticipation of the new LUTE. The study would result in a revised precise plan, with clearer direction on the policy for mixed-use projects, understanding market trends for the corridor, and addressing aspects not currently described clearly in the existing plan.

This study issue should be combined with related study issue CDD 14-14, which only addresses whether commercial uses should be required for new non-commercial developments. Combining the two studies would result in an estimated cost of \$80,000.

Reviewed By:

Approved By:

Department Director

Date

City Manager

Date

*Judi Ryan* 11/8/13  
*[Signature]* 11-8-13

2014 Council Study Issue

**CDD 14-14 Address Non-commercial Properties in Precise Plan for El Camino Real**

**Lead Department** Community Development

**Sponsor(s)** City Council

**History** 1 year ago: 2 years ago:

1. **Scope of the Study**

- a. The Precise Plan for El Camino Real, adopted in 2007, includes a policy that new mixed use projects should include a commercial component that is 25% of the floor area ratio (FAR) for the property. The purpose of that requirement is to maintain the street as an important commercial corridor for the community. This policy pertains to all properties along the corridor and does not distinguish between commercial and residential zoning. The ECR combining district only defines a 20% FAR requirement for commercially-zoned properties in the nodes.

Currently, approximately 17% of the land uses along the El Camino Real corridor in Sunnyvale is residential. Most of those properties are multi-family residential units, mainly apartments.

Recently, the Council discussed whether commercial uses should be required for both commercial and residential-zoned property, and what level of commercial uses. The current Precise Plan does not specifically address whether commercial uses would be required if a residential property is redeveloped. This study would consider that issue. It would also be appropriate to reevaluate the 20-25% FAR policy/requirement with consideration of the latest commercial and retail market trends.

- b. What precipitated this study?  
Recently, properties along El Camino Real zoned residential are being considered for redevelopment. It has been debated whether these sites would be required to include a commercial component with the redevelopment.
- c. Is this a multiple year project? Yes Planned Completion Year 2015

2. **Fiscal Impact**

a. Cost to Conduct Study

- i. Level of staff effort required (opportunity cost)  
☒ Major ☐ Moderate ☐ Minor

- ii. Amount of funding above current budget required \$30,000  
☒ Will seek budget supplement ☐ Will seek grant funding

- iii. Explanation of Cost: \$30,000 for a market/economic analysis to assess the viability of commercial uses for the corridor.

b. Costs to Implement Study Results

- ☒ No cost to implement.  
☐ Unknown. Study would include assessment of potential costs.  
☐ Some cost to implement. Explanation:

3. **Expected participation in the process**

- ☐ Council-approved work plan
- ☐ Council Study Session
- ☒ Board/Commission Review by Planning Commission

4. **Staff Recommendation**

- a. Position: Support contingent on approval of a budget modification of \$30,000 and combine with CDD 14-09.
- b. Explanation: The revised Precise Plan should address recent interest regarding whether commercial uses should be required or optional for residentially-zoned properties along El Camino Real and provide guidelines or standards for this designation.

This study issue could be combined with related study issue CDD 14-09, which is a comprehensive review of the Precise Plan for El Camino Real. Combining the two studies would result in an estimated cost of \$80,000.

Reviewed By:

Approved By:

Department Director

Date

City Manager

Date

*Jude Ryan* 11/8/13  
*for* *Lu Walker* 11-8-13



METROPOLITAN  
TRANSPORTATION  
COMMISSION

Attachment 2

Joseph P. Bort MetroCenter  
101 Eighth Street  
Oakland, CA 94607-4700  
TEL 510.817.5700  
TTY/TDD 510.817.5769  
FAX 510.817.5848  
E-MAIL info@mtc.ca.gov  
WEB www.mtc.ca.gov

*Amy Rein Worth, Chair*  
Cities of Contra Costa County

November 2, 2014

*Dave Cortese, Vice Chair*  
Santa Clara County

Deanna Santana

*Alicia C. Aguirre*  
Cities of San Mateo County

City Manager

*Tom Azumbrado*  
U.S. Department of Housing  
and Urban Development

City of Sunnyvale

P.O. Box 3707

*Tom Bates*  
Cities of Alameda County

Sunnyvale, CA 94088-3707

*David Campos*  
City and County of San Francisco

RE: PDA Planning Funding Agreement

*Bill Dodd*  
Napa County and Cities

Dear Ms. Santana:

*Dorene M. Giacomini*  
U.S. Department of Transportation

This letter is our Funding Agreement for the performance of Priority Development

*Federal D. Glover*  
Contra Costa County

Area Planning Assistance ("the Agreement").

*Scott Haggerty*  
Alameda County

It is agreed that the City of Sunnyvale (also referred to as "RECIPIENT") shall

*Anne W. Halsted*  
San Francisco Bay Conservation  
and Development Commission

perform, or engage a consultant to perform, the project tasks specified in Attachment

*Steve Kinsey*  
Marin County and Cities

A, Scope of Work attached hereto and incorporated by this reference.

*Sam Liccardo*  
San Jose Mayor's Appointee

Therese Trivedi (herein "MTC Contract Manager") shall be responsible for the

*Mark Luce*  
Association of Bay Area Governments

overall administration of the Agreement, including approving deliverables and

*Jake Mackenzie*  
Sonoma County and Cities

invoices. Day-to-day technical direction shall be provided by Mark Shorett,

*Joe Pirzynski*  
Cities of Santa Clara County

Association of Bay Area Governments (herein "Project Manager") or a designated

representative.

*Jean Quan*  
Oakland Mayor's Appointee

Payment to RECIPIENT shall be due in the amounts indicated in Attachment B, Project

*Bijan Sartipi*  
California State  
Transportation Agency

Budget and Schedule, upon acceptance by the Contract Manager of the Project

*James P. Spering*  
Solano County and Cities

deliverables, described in detail in Attachment A, Scope of Work.

*Adrienne J. Tissier*  
San Mateo County

Payment shall be made within thirty (30) days after receipt by MTC of an acceptable

*Scott Wiener*  
San Francisco Mayor's Appointee

invoice, which shall be subject to the review and approval of MTC's Contract Manager.

RECIPIENT shall deliver or mail invoices to MTC, as follows:

*Steve Heminger*  
Executive Director

Accounting Department

*Alix Bockelman*  
Deputy Executive Director, Policy

Metropolitan Transportation Commission

Joseph P. Bort MetroCenter

101 - 8th Street

Oakland, CA 94607-4700

*Andrew B. Fremier*  
Deputy Executive Director, Operations

Subject only to duly executed amendments, it is expressly understood and agreed that in no event shall the total compensation to be paid under the Agreement exceed the sum of five hundred eighty-seven thousand dollars (\$587,000).

The Agreement is funded in whole, or in part, by Surface Transportation Program (STP) funds allocated to MTC by the Federal Highway Administration, funds from which have been awarded to RECIPIENT by MTC, and the provisions in Attachment C, Terms and Conditions, and Attachment D, Fair Employment Practices Addendum, and Attachment E, Nondiscrimination Assurances, are hereby incorporated by reference. To the extent that they conflict with any of the above provisions, they supersede such provisions.

Performance shall begin on November 17, 2014, and be completed by September 31, 2016, unless MTC terminates this agreement earlier as provided in Article 3, TERMINATION, of Attachment C, Terms and Conditions.

If you agree, please sign both copies of this letter in the space provided below and return one to us. The other copy is for your files.

Very truly yours,

Steve Heminger  
Executive Director

SH: TT

J:\CONTRACT\Contracts-New\CON 14-15\PDA Plans\Sunnyvale.docx

Accepted and Agreed to this \_\_\_\_\_ day  
of November, 2014

---

Deanna Santana, City Manager  
City of Sunnyvale

**ATTACHMENT A**  
**Scope of Work****El Camino Precise Plan EIR/Form Based Code**

RECIPIENT, with professional consulting assistance (“CONSULTANT”), shall complete the following for the comprehensive update of the Precise Plan for El Camino Real (“Precise Plan”):

**TASK 1: PROJECT INITIATION, DATA AND DOCUMENT COLLECTION AND REVIEW*****TASK 1.1: Develop a Technical Advisory Committee (TAC)***

CONSULTANT shall coordinate with RECIPIENT to identify members to form the Technical Advisory Committee (TAC), the purpose of which shall be to develop plan concepts and guide the project through the work tasks described in this attachment. The TAC shall include Community Development Department staff and representatives of other city departments, partner agencies, transit providers, neighboring jurisdictions as appropriate, congestion management agency, water district and other infrastructure providers as appropriate and regional agencies.

***TASK 1.2: Convene a Project Kick-Off Meeting***

CONSULTANT shall convene a kick-off meeting with the TAC. The meeting shall confirm and clarify the roles and responsibilities of the team, the work program, schedule, key milestones, and the project’s vision, goals and expectations. The approach of the Community Involvement Plan shall be confirmed, including identifying key stakeholders and technical advisors and their roles in the planning process and the team’s vision for collecting broad-based community input.

***TASK 1.3: Collect and Review Background Data***

CONSULTANT shall coordinate with RECIPIENT to identify, collect and review documents and studies that pertain to the Precise Plan area (“planning area”) and El Camino Real PDA Boundary as referenced in EXHIBIT A. Information to be collected and reviewed includes, but is not limited to:

- RECIPIENT’s General Plan (Land Use and Transportation Element and Housing Element), Climate Action Plan, 2007 Precise Plan for El Camino Real, 2007 Pedestrian Safety and Opportunities Study, 2006 Bicycle Plan, Downtown Specific Plan, Zoning Code, Design Guidelines and other relevant regulatory and policy documents;
- GIS/AutoCAD data, such as aerial photographs, boundary and parcel information, land use, physical site features and circulation patterns;
- Approved and pending development projects within the planning area since 2007;
- Traffic data and local and regional traffic, transit, and bike/pedestrian studies;
- Regional transit or land use plans/projects or studies, including VTA Bus Rapid Transit and Grand Boulevard Initiative efforts;
- Other planning efforts for El Camino Real in neighboring jurisdictions (especially Mountain View and Santa Clara)
- Data needs with respect to environmental impact analysis;
- Utility and infrastructure maps and capacity studies;
- Demographic and socio-economic indicators;

- Local and regional market studies and available sales data; and
- Any relevant environmental studies or assessments.

#### ***TASK 1.4: Prepare Base Maps***

CONSULTANT shall prepare updated base maps for the PDA and Precise Plan area using GIS or AutoCAD data. CONSULTANT shall prepare overlays of the existing utility infrastructure on aerial and planimetric surveys provided by RECIPIENT and other sources.

#### ***TASK 1.5: Prepare El Camino Real Profile***

CONSULTANT shall prepare a Profile Report that describes the existing conditions of the PDA and planning area and provides an overview of the project context and any known issues that shall be considered or addressed in the planning process. The Profile Report shall provide the demographic and socio-economic characteristics of the planning area, transit/travel patterns and use, as well as the physical aspects of the planning area. Data sources shall include the information collected under *Task 1.3*, as well as the U.S. Census and other state and federal sources. Results of the Profile Report should inform subsequent tasks and shall be incorporated into the final Precise Plan.

Measures to be included or described in the Profile Report include:

- Context of the PDA and planning area to the surrounding region;
- Demographic and socio-economic characteristics, such as population, household, age, ethnicity, language, place of birth and residence, disability, households, employment, income and poverty status, household tenure costs, place of work, travel mode to work, vehicle availability and travel time to work;
- Physical landscape (inventory of housing, jobs, parks, neighborhood amenities, retail, social services, schools/playgrounds, activity nodes, etc.);
- Exposure to natural hazards such as earthquakes and flooding (taking into account sea level rise);
- Existing and projected infrastructure capacity;
- Local workforce characteristics such as share of jobs by wage level and sector, commute distance and mode, and percentage of low-income in-commuters ;
- Opportunity sites identified in Housing Element;
- Projected demographic and economic characteristics such as future household size and income level, and share of jobs by wage level and sector; and
- Known issues or concerns to be included in the planning process.

#### ***TASK 1 DELIVERABLES***

- 1.1** *Technical Advisory Committee (TAC)* TAC Roster and Member Descriptions
- 1.2** *Convene a Project Kick-Off Meeting:* Detailed work program and schedule, Meeting agenda, materials and summary notes
- 1.3** *Collect and Review Background Data* - List of resources consulted
- 1.4** *Prepare Base Maps* - Base maps for planning area
- 1.5** *El Camino Real Profile*  
Profile Report describing the existing conditions and major planning, policy, infrastructure and regulatory issues surrounding development of the planning area

Maps, graphics, tables and charts depicting the existing conditions and the opportunities and constraints in the planning area.

## **TASK 2: COMMUNITY INVOLVEMENT**

### ***TASK 2.1: Develop a Community Involvement Plan***

RECIPIENT and CONSULTANT shall develop a collaborative and broad-based community involvement plan before beginning the planning process. The Community Involvement Plan shall outline the process for engaging stakeholders, leaders, community groups, minority populations and other interested citizens in crafting the vision and alternatives for the updated Precise Plan.

The Community Involvement Plan shall identify:

- Potential members or the process for selecting members of a Citizens Advisory Committee (CAC). Potential members shall include representative members of the Planning Commission and select other boards/commissions, neighborhood associations, businesses, residents, property owners and other stakeholders within the PDA and Plan area. The Profile Report shall be consulted for an understanding of the residents and stakeholders to be engaged in the process;
- Strategies for communicating and soliciting comments from diverse members, local community-based groups and interests in the community, especially low-income communities and communities of color, at key points of the planning process;
- Tools for ongoing project communication and noticing of public meetings/workshops. In addition to conventional methods, explore and utilize new or creative community outreach techniques with greatest potential for engaging the community to share information and participate in the planning process. Such techniques could include social media sites and services that can be accessed through RECIPIENT's website (such as MindMixer or CrowdBrite), online/interactive surveys, educational talks or workshops along the El Camino Real corridor;
- Where appropriate, and based on the results of the Profile Report, methods to provide alternative language translation at public meetings and of key documents (notices, report summaries, meeting notes, etc.); and
- A preliminary schedule for public meetings, TAC and CAC meetings and other public outreach efforts.

### ***TASK 2.2: Select Citizens Advisory Committee (CAC) Members***

RECIPIENT shall select members of the CAC in accordance with the Community Involvement Plan.

## **TASK 2 DELIVERABLES**

**2.1** *Develop a Community Involvement Plan:* Community Involvement Plan Graphics and other content to be used in developing public notifications, Link to project website, Preliminary survey results or summaries of participant comments

**2.2** *Select Citizens Advisory Committee (CAC) Members:* CAC Roster and Member Descriptions

### **TASK 3: HOUSING AND COMMERCIAL MARKET ASSESSMENT AND STRATEGIES**

#### ***TASK 3.1: Conduct a Market Demand and Feasibility Analysis***

CONSULTANT shall conduct an analysis of future market demand for housing at various levels of densities and affordability, retail, commercial, administrative or professional office uses and mix of uses. The analysis shall consider the existing market and outcomes in the short-term as well as an assessment of trends with a long-range perspective, while also considering broader project objectives.

The market demand analysis shall include the following elements:

- Delineation of primary and secondary (broader) market areas (set context for analysis);
- Assessment of potential for employment in the planning area;
  - Review characteristics of current employment within and surrounding the planning area based on land use, industry breakdown and the type of frequency of nearby transit;
  - Describe trends in the current real estate market and expected patterns of growth based on reports from commercial real estate brokers or government agencies;
  - Project employment based on projected square footage of potential commercial development of each type; and
  - Project jobs by wage/salary and occupation, providing a comparison to regional forecasts for the area.
- Assessment of potential for housing in the planning area;
  - Drawing upon analysis completed in Task 2, assess characteristics of current and projected population and workforce in and near the planning area—such as income, household size, age, and other demographic factors—and identify affordable rents for different segments of the population and workforce;
  - Consider tendency of various household types and age groups to locate near transit;
  - Drawing upon analysis completed in Task 2, review affordability of existing housing relative to the income of area households;
  - Given current market conditions, identify projected absorption of housing at various income levels;
  - Evaluate the feasibility of various housing products at different densities and rent levels, taking into account the existing and projected incomes of the population and workforce within and surrounding the plan area; and
  - Identify obstacles (e.g. construction costs, allowable densities, expected developer return, etc) to meeting projected housing needs at different income levels.
- Assessment of potential for commercial development (retail, entertainment, hotel, etc.);
  - Assess existing commercial development, including rent levels of current area businesses;
  - Describe trends in the current real estate market and expected patterns of growth based on reports from commercial real estate brokers or government agencies, including rent levels required to support development;

- Analyze feasibility of various mixed-use components such as ground floor retail and other active ground floor uses, identifying affordability of projected rent levels to different types of existing and potential local businesses; and
- Cross reference with analysis of how much more retail could be supported by expected growth in housing and population.
- Assessment of potential for displacement
  - Identify key housing sites occupied by low and moderate income households, including deed-restricted and non-restricted housing;
  - Identify the share of rent-burdened households without deed-restricted housing; and
  - Based upon existing and projected rent levels and tenure protections, identify populations at risk of displacement and affordable housing sites at risk of redevelopment.

### ***TASK DELIVERABLES***

- Market Demand and Feasibility Analysis

#### ***TASK 3.2: Housing Production, Affordability, and Anti-Displacement Strategy***

CONSULTANT and RECIPIENT shall prepare a Housing Production, Affordability, and Anti-Displacement Strategy that includes goals, policies and regulations for producing housing affordable to the current and projected population and workforce at all income levels.

CONSULTANT shall identify mechanisms, such as development incentives by provision of affordable housing, to be included in the Plan to ensure that affordable housing goals are met. Strategies and goals for the planning area shall align with RECIPIENT's Housing Element goals and shall be consistent with other RECIPIENT goals, policies and regulations. To the extent possible, the strategy shall also identify key sites for preserving affordable housing through actions such as acquisition and rehabilitation, including those identified in the Housing Element.

### ***TASK 3 DELIVERABLES***

**3.1** *Conduct a Market Demand And Feasibility Analysis:* Market Demand and Feasibility Analysis

**3.2** *Housing Production, Affordability and Anti-Displacement Strategy:* Housing Production, Affordability, and Anti-Displacement Strategy

## **TASK 4: VISION AND ALTERNATIVES ANALYSIS**

### ***TASK 4.1: Develop Land Use Alternatives***

CONSULTANT shall develop land use alternatives for the planning area, illustrating conceptual alternatives for land use, density, multimodal connectivity and circulation, housing mix and affordability, site development and reuse, and urban design concepts. These alternatives shall be based on the work of earlier tasks, community, TAC and CAC input received through the planning process and the results of the market demand analysis and the housing production and affordability strategy. Alternatives shall explore land use mix and site development strategies and appropriateness of a form-based code versus traditional zoning for the planning area, and determine approximate development yield. CONSULTANT shall analyze and compare land use mix, development intensity, housing affordability policies, design characteristics, circulation and

access, environmental constraints, greenhouse gas implications (to be fully analyzed as part of the project EIR), and other project indicators that have been identified by the public or address issues which have arisen through the planning process.

***TASK 4.2: Select Preferred Alternative***

Based on TAC, CAC and community input, the results of the alternatives analysis, market demand analysis, housing production and affordability strategy, and overall project goals, a preferred alternative and program shall be selected. The resulting alternative shall include more refined circulation and parking patterns, intensity of development, and location of site amenities and features. The preferred alternative shall include land use diagrams, multiple modes of circulation, open space and development examples.

***TASK 4 DELIVERABLES***

**4.1** *Develop Land Use Alternatives:* Memo of land use alternatives considered (descriptions, diagrams, graphics, summary of the effectiveness of each alternative in meeting project goals) Meeting agendas, materials and summary notes

**4.2** *Select Preferred Alternative:* Preferred Land Use Alternative Plan, Meeting agendas, materials and summary notes

**TASK 5: MULTIMODAL ACCESS, LEVELS OF SERVICE AND CONNECTIVITY**

***TASK 5.1: Identify Improvements for Multimodal Access, Levels of Service and Connectivity***

CONSULTANT shall prepare a Circulation and Connectivity Strategy Memo through conducting a transportation and circulation analysis of the planning area and PDA, and identifying strategies for improving access and circulation for all modes of transportation (pedestrians, bicycles, vehicles and transit). The Memo shall identify the improvements necessary to support development of the preferred alternative plan. CONSULTANT shall consult RECIPIENT's Pedestrian Safety and Opportunities Study and Bicycle Plan in identifying opportunities and necessary improvements for pedestrian and bicyclist safety and convenience and connectivity within the planning area. CONSULTANT shall coordinate with the TAC (specifically Caltrans), monitor VTA's Bus Rapid Transit project and consult with studies conducted by the Grand Boulevard Initiative (such as the *Complete Streets Project*) and plans for El Camino Real in neighboring jurisdictions to determine opportunities, constraints and potential impacts to the planning area. CONSULTANT and RECIPIENT shall explore ways and make recommendations to strengthen the connection between Downtown Sunnyvale and the El Camino Real corridor.

CONSULTANT shall prepare circulation maps, graphics and cross-section recommendations for street and path facilities in the plan area.

***TASK 5.2: Determine Parking Policy and Management Strategies***

CONSULTANT shall prepare a Parking Policy and Management Strategy Memo that considers current and future development potential within the planning area and determine the appropriate parking policy and management strategies to be included in the Plan. The memo shall evaluate future parking demand, outline potential parking policies and strategies intended to support transit-oriented development where appropriate. CONSULTANT shall work with RECIPIENT

to craft policies that both reflect the character of the City of Sunnyvale and achieve goals of reducing parking demand within PDAs and station areas. The strategies shall expand upon recently updated parking regulations pertaining to maximum parking limits and reduced parking minimums for uses within a half mile of transit if adequate pedestrian connections are provided.

***TASK 5.3: Develop Pedestrian-Friendly Design Guidelines/Standards***

CONSULTANT shall include in the Circulation and Connectivity Strategy Memo (based on Task 5.1) recommendations for improved pedestrian access and circulation patterns between local transit, neighborhood amenities and activity nodes in the planning area. Recommendations shall include design guidelines or standards that increase the safety, comfort and convenience for pedestrians within these connections, and placemaking standards (street design, street furniture, wayfinding, etc.) that enhances the walking environment within the planning area.

***TASK 5.4: Incorporate Accessible Design***

CONSULTANT shall consider and incorporate accessible design for people with disabilities when determining the strategies required in earlier tasks. CONSULTANT shall prepare a memo describing how the planning area will accommodate persons with disabilities, both in path of travel to/from transit and surrounding destinations, as well as habitable and visitable housing units.

***TASK 5 DELIVERABLES***

***5.1 Identify Improvements for Multimodal Access, Levels of Service and Connectivity:***

Circulation and Connectivity Strategy memo, Maps, graphics and diagrams. Meeting agendas, materials and summary notes

***5.2 Determine Parking Policy and Management Strategies:*** Parking Policy and Management Memo, Meeting agendas, materials and summary notes

***5.3 Develop Pedestrian-Friendly Design Guidelines/Standards:*** Circulation and Connectivity Strategy Memo

***5.4 Incorporate Accessible Design:*** Accessible Design Memo

**TASK 6: URBAN DESIGN AND DEVELOPMENT STANDARDS AND GUIDELINES**

***TASK 6.1: Develop Urban Design and Development Standards and Guidelines***

Based on the preferred land use alternative and input from TAC, CAC, the community and RECIPIENT, CONSULTANT shall develop development standards (building form, landscaping, open space, etc.), design guidelines and streetscape standards/required improvements to further refine the preferred alternative. Standards and guidelines shall incorporate the strategies identified in earlier tasks (connectivity, parking demand, affordable housing, pedestrian-friendly design and accessible design) and shall be crafted to achieve the Precise Plan vision. CONSULTANT and RECIPIENT shall identify incentives to facilitate the development process and Plan implementation.

***TASK 6 DELIVERABLES***

***6.1 Develop Urban Design and Development Standards and Guidelines:*** Urban design and development standards and guidelines

***6.2*** Maps, graphics and diagrams, Meeting agendas, materials and summary notes

## **TASK 7: INFRASTRUCTURE DEVELOPMENT, IMPLEMENTATION PLAN AND FINANCING STRATEGY**

### ***TASK 7.1: Assess Infrastructure and Budget Needs***

CONSULTANT shall determine the infrastructure necessary to support the land uses and improvements identified in the preferred land use alternative and the urban design standards. The analysis shall incorporate the existing public infrastructure and facilities conditions identified in the Profile Report, incorporate findings from the Market Demand Analysis, incorporate any relevant information under Task 1.3 (i.e. Grand Boulevard Initiative's *Infrastructure Needs Assessment and Financing Strategy*) and determine potential impacts of new development and necessary improvements. A fiscal impact analysis shall be conducted to determine the impact of the Plan on public services and determine appropriate financing strategies to meet costs.

### ***TASK 7.2: Prepare Implementation Plan and Financing Strategy***

CONSULTANT and RECIPIENT shall prepare a capital improvement implementation and financing strategy that identifies available funding sources, timeline and phasing of necessary infrastructure and improvements. The Strategy shall establish a mechanism for periodic review of plan implementation progress and priorities.

## **TASK 7 DELIVERABLES**

**7.1** *Assess Infrastructure and Budget Needs:* Infrastructure and Budget Needs Assessment Memo, Maps, diagrams and graphics

**7.2** *Develop Implementation Plan and Financing Strategy:* Implementation Plan and Finance Strategy Memo

## **TASK 8: PREPARATION OF PRECISE PLAN**

### ***TASK 8.1: Prepare First Administrative Draft Precise Plan***

The Precise Plan shall consist of goals, policies, implementation measures and design guidelines to ensure the vision for the PDA and planning area shall be implemented, while minimizing the potential for adverse environmental impacts. CONSULTANT shall compile the information and recommendations from previous tasks and work with RECIPIENT in the development of the Precise Plan, as described below. The Precise Plan shall contain the following parts:

- Introduction and Site Context;
- Vision and Summary of the Precise Plan;
- Land Use/Zoning and Development Standards (may include elements of a form-based code and any development incentives such as through the provision of affordable housing and other strategies identified in earlier tasks);
- Transportation, Circulation, Accessibility and Parking;
- Urban Design/Streetscape Standards or Guidelines;
- Resource Management;
- Infrastructure and Community Services; and
- Implementation and Administration.

***TASK 8.2: Prepare Second Administrative Draft Precise Plan***

Based on comments, CONSULTANT shall refine the Administrative Draft Precise Plan and produce a Second Administrative Draft Precise Plan for review.

***TASK 8.3: Prepare Public Draft Precise Plan***

Following any comments or revisions from RECIPIENT, ABAG/MTC and TAC, CONSULTANT shall prepare a Public Draft Precise Plan for distribution in print and electronic format to the public. This document shall be considered a final document. CONSULTANT shall document public comments received on Draft Precise Plan.

***TASK 8 DELIVERABLES***

**8.1** *Prepare First Administrative Draft Precise Plan:* First Administrative Draft Precise Plan in electronic pdf format

**8.2** *Prepare Second Administrative Draft Precise Plan:* Second Administrative Draft Precise Plan in electronic pdf format

**8.3** *Prepare Public Draft Precise Plan:* Public Draft Precise Plan in printed and digital copy in pdf format

**8.4** Record of public meetings and comments on the Draft Precise Plan

**TASK 9: PROGRAM-LEVEL ENVIRONMENTAL IMPACT REPORT (EIR)*****TASK 9.1: PREPARE A PROGRAM-LEVEL EIR***

CONSULTANT, in coordination with RECIPIENT, shall prepare a Program-Level Environmental Impact Report (EIR) pursuant to the California Environmental Quality Act (CEQA) for the Precise Plan, ensuring integration and consistency between the Plan and CEQA evaluation. CONSULTANT shall advise RECIPIENT how to best prepare the Precise Plan EIR to optimize streamlining potential for subsequent projects consistent with the Precise Plan.

CONSULTANT shall prepare for, and facilitate public meetings designed to gather input from agencies, stakeholders and the community regarding the Program-Level EIR. CONSULTANT shall summarize comments offered at scoping meetings, review meeting and NOP responses and respond to comments received during the CEQA process.

CONSULTANT shall prepare an administrative draft, screencheck draft and administrative final draft EIR incorporating input from RECIPIENT, TAC, CAC and the community throughout the CEQA process.

***TASK 9 DELIVERABLES***

**9.1** *Prepare a Program-Level EIR:* Notice of Preparation, Public notices, Administrative Draft and Screencheck Draft EIR in pdf, Administrative Final EIR in pdf

**TASK 10: EIR CERTIFICATION*****TASK 10.1: CERTIFY EIR***

RECIPIENT and CONSULTANT shall present the environmental impact report (EIR) and mitigation monitoring and reporting program (MMRP), at public hearings before the Planning Commission for recommendation and before the City Council for certification. RECIPIENT shall file the Notice of Determination.

***TASK 10 DELIVERABLES***

**10.1** *Certify EIR:* Final EIR and MMRP, Notice of Determination, Public hearing report, presentation and minutes

**TASK 11: ADOPTION OF PRECISE PLAN**

***TASK 11.1: ADOPT PRECISE PLAN AND ANY GENERAL PLAN/ZONING AMENDMENTS***

RECIPIENT and CONSULTANT shall present the draft precise plan and general plan and zoning amendments at public hearings before the Planning Commission and City Council. RECIPIENT and CONSULTANT shall make any final revisions based on the City Council action, as applicable.

***TASK 11 DELIVERABLES***

**11.1** *Adopt Precise Plan and any General Plan/Zoning Amendments:* Final adopted Precise, Plan for El Camino Real, Public hearing report, presentation and minutes

**ATTACHMENT B**  
**Project Budget and Schedule****El Camino Precise Plan EIR/Form Based Code**

The following table provides the project budget by deliverable, including the local match to be provided by the RECIPIENT:

<b>PROJECT SUBTASKS AND DELIVERABLES</b>		<b>TOTAL COST</b>	<b>RECIPIENT MATCH</b>	<b>MTC GRANT REIMBURSEMENT</b>	<b>ANTICIPATED COMPLETION DATE</b>
	<b>TASK 1 - PROJECT INITIATION</b>				
<b>1.1</b>	<i>Develop a Technical Advisory Committee (TAC)</i> TAC Roster and Member Descriptions	\$2,000	\$300	\$1,700	4/30/15
<b>1.2</b>	<i>Convene a Project Kick-Off Meeting</i> Detailed work program and schedule Meeting agenda, materials and summary notes	\$3,000	\$400	\$2,600	4/30/15
<b>1.3</b>	<i>Collect and Review Background Data</i> List of resources consulted	\$3,000	\$300	\$2,700	4/30/15
<b>1.4</b>	<i>Prepare Base Maps</i> Base maps for planning area	\$3,500	\$500	\$3,000	4/30/15
<b>1.5</b>	<i>El Camino Real Profile</i> Profile Report describing the existing conditions and major planning, policy, infrastructure and regulatory issues surrounding development of the planning area Maps, graphics, tables and charts depicting the existing conditions and the opportunities and constraints in the planning area	\$3,500	\$300	\$3,200	4/30/15
	<b>TASK 2 - COMMUNITY INVOLVEMENT</b>				

PROJECT SUBTASKS AND DELIVERABLES		TOTAL COST	RECIPIENT MATCH	MTC GRANT REIMBURSEMENT	ANTICIPATED COMPLETION DATE
2.1	<i>Develop a Community Involvement Plan</i> Community Involvement Plan Graphics and other content to be used in developing public notifications Link to project website Preliminary survey results or summaries of participant comments	\$2,500	\$900	\$1,600	5/30/15
2.2	<i>Select Citizens Advisory Committee (CAC) Members</i> CAC Roster and Member Descriptions	\$2,500	\$900	\$1,600	5/30/15
	<b>TASK 3 – HOUSING AND COMMERCIAL MARKET ASSESSMENT AND STRATEGIES</b>				
3.1	<i>Conduct a Market Demand And Feasibility Analysis</i> Market Demand and Feasibility Analysis	\$30,000	\$5,000	\$25,000	6/30/15
3.2	<i>Housing Production, Affordability and Anti-Displacement Strategy</i> Housing Production, Affordability, and Anti-Displacement Strategy	\$20,000	\$5,000	\$15,000	6/30/15
	<b>TASK 4 - VISION AND ALTERNATIVES ANALYSIS</b>				
4.1	<i>Develop Land Use Alternatives</i> Memo of land use alternatives considered (descriptions, diagrams, graphics, summary of the effectiveness of each alternative in meeting project goals) Meeting agendas, materials and summary notes	\$15,000	\$2,500	\$12,500	7/31/15
4.2	<i>Select Preferred Alternative</i> Preferred Land Use Alternative Plan Meeting agendas, materials and summary notes	\$5,000	\$500	\$4,500	7/31/15
	<b>TASK 5 - MULTIMODAL ACCESS, LEVELS OF SERVICE AND CONNECTIVITY</b>				

PROJECT SUBTASKS AND DELIVERABLES		TOTAL COST	RECIPIENT MATCH	MTC GRANT REIMBURSEMENT	ANTICIPATED COMPLETION DATE
<b>5.1</b>	<i>Identify Improvements for Multimodal Access, Levels of Service and Connectivity</i> Circulation and Connectivity Strategy memo Maps, graphics and diagrams Meeting agendas, materials and summary notes	\$40,000	\$3,500	\$36,500	9/30/15
<b>5.2</b>	<i>Determine Parking Policy and Management Strategies</i> Parking Policy and Management Memo Meeting agendas, materials and summary notes	\$30,000	\$3,500	\$26,500	9/30/15
<b>5.3</b>	<i>Develop Pedestrian-Friendly Design Guidelines/Standards</i> Circulation and Connectivity Strategy Memo	\$30,000	\$3,000	\$27,000	9/30/15
<b>5.4</b>	<i>Incorporate Accessible Design</i> Accessible Design Memo	\$20,000	\$2,000	\$18,000	9/30/15
<b>TASK 6 – URBAN DESIGN AND DEVELOPMENT STANDARDS AND GUIDELINES</b>					
<b>6.1</b>	<i>Develop Urban Design and Development Standards and Guidelines</i> Urban design and development standards and guidelines	\$60,000	\$5,600	\$54,400	10/31/15
<b>6.2</b>	Maps, graphics and diagrams Meeting agendas, materials and summary notes	\$20,000	\$4,000	\$16,000	10/31/15
<b>TASK 7 - INFRASTRUCTURE DEVELOPMENT, BUDGET AND FINANCING STRATEGY</b>					
<b>7.1</b>	<i>Assess Infrastructure and Budget Needs</i> Infrastructure and Budget Needs Assessment Memo Maps, diagrams and graphics	\$30,000	\$980	\$29,020	11/30/15
<b>7.2</b>	<i>Develop Implementation Plan and Financing Strategy</i> Implementation Plan and Finance Strategy Memo	\$30,000	\$980	\$29,020	11/30/15
<b>TASK 8 - PREPARATION OF PRECISE PLAN</b>					
<b>8.1</b>	<i>Prepare First Administrative Draft Precise Plan</i> First Administrative Draft Precise Plan in electronic pdf format	\$100,000	\$10,000	\$90,000	3/31/16

PROJECT SUBTASKS AND DELIVERABLES		TOTAL COST	RECIPIENT MATCH	MTC GRANT REIMBURSEMENT	ANTICIPATED COMPLETION DATE
8.2	<i>Prepare Second Administrative Draft Precise Plan</i> Second Administrative Draft Precise Plan in electronic pdf format	\$20,000	\$3,000	\$17,000	3/31/16
8.3	<i>Prepare Public Draft Precise Plan</i> Public Draft Precise Plan in printed and digital copy in pdf format	\$11,160	\$2,000	\$9,160	3/31/16
8.4	Record of public meetings and comments on the Draft Precise Plan	\$885	\$885	\$0.00	3/31/16
<b>TASK 9 – PROGRAM EIR</b>					
9.1	<i>Prepare a Program-Level EIR</i> Notice of Preparation	\$200	\$200	\$0.00	4/30/16
	Public notices	\$3,500	\$1,500	\$2,000	4/30/16
	Administrative Draft and Screencheck Draft EIR in pdf	\$140,000	\$17,000	\$123,000	4/30/16
	Administrative Final EIR in pdf	\$31,000	\$2,000	\$29,000	4/30/16
<b>TASK 10 - EIR CERTIFICATION</b>					
10.1	<i>Certify EIR</i> Final EIR and MMRP Notice of Determination Public hearing report, presentation and minutes	\$5,300	\$1,800	\$3,500	6/30/16
<b>TASK 11 - ADOPTION OF PRECISE PLAN</b>					
11.1	<i>Adopt Precise Plan and any General Plan/Zoning Amendments</i> Final adopted Precise Plan for El Camino Real Public hearing report, presentation and minutes	\$5,000	\$1,500	\$3,500	6/30/16
<b>TOTAL</b>		\$667,045,	\$80,045	\$587,000	

**ATTACHMENT C****TERMS AND CONDITIONS****1. FUNDING**

Funding from DOT shall be contingent upon approval by the Federal Highway Administration (FHWA) of MTC's Overall Work Program ("OWP"). Shall DOT amend the OWP after the effective date of this Agreement to reduce the amount of available STP funds, MTC shall reduce RECIPIENT's share of STP funds proportionately and shall, after consultation with the RECIPIENT, amend the Scope of Work as necessary to reflect the reduced level of funding.

**2. AMENDMENTS**

Any changes in the activities to be performed under this Agreement shall be incorporated in written amendments, which shall specify the changes in work performed and any adjustments in compensation and schedule. All amendments shall be executed by the MTC Executive Director or a designated representative and RECIPIENT. No claim for additional compensation or extension of time shall be recognized unless contained in a duly executed amendment.

**3. TERMINATION**

MTC may terminate this Agreement without cause upon ten (10) days prior written notice. If MTC terminates this Agreement without cause, RECIPIENT shall be entitled to payment for costs incurred for incomplete deliverables, up to the maximum amount payable for each deliverable. If RECIPIENT fails to perform as specified in this Agreement, MTC may terminate this Agreement for cause by written notice and RECIPIENT shall be entitled only to costs incurred for work product acceptable to MTC, not to exceed the maximum amount payable under this Agreement for such work product.

**4. RETENTION OF RECORDS**

RECIPIENT agrees to establish and maintain an accounting system confirming to GAAP that is adequate to accumulate and segregate reasonable, allowable, and allocable project costs.

RECIPIENT further agrees to keep all records pertaining to the project being funded for audit purposes for a minimum of three (3) years following final payment to RECIPIENT or four (4) years following the fiscal year of the last expenditure under this Agreement, whichever is longer, in accordance with generally accepted accounting principles. Copies of RECIPIENT audits, if any, performed during the course of Project development and at Project completion shall be forwarded to MTC no later than one hundred eighty (180) days after fiscal year end close.

**5. AUDITS**

RECIPIENT agrees to grant MTC, or any agency that provides MTC with funds for the Project, including but not limited to, the U.S. Department of Transportation, FHWA, the Comptroller General of the United States, the State, and their authorized representatives access to RECIPIENT's books and records for the purpose of verifying that funds are properly accounted for and proceeds are expended in accordance with the terms of this Agreement. All documents shall be available for inspection during normal business hours at any time while the Project is underway and for the retention period specified in Article 4.

RECIPIENT further agrees to include in all its third-party contracts hereunder a provision to the effect that the contractor agrees that MTC, the U.S. Department of Transportation, FHWA, the

Comptroller General of the United States, the State, or any of their duly authorized representatives shall have access to and the right to examine any directly pertinent books, documents, papers, and records of such subcontractor, during normal business hours, for the term specified above. The term “contract” as used in this clause excludes agreements not exceeding \$25,000.

6. LICENSE TO WORK PRODUCTS

RECIPIENT hereby grants to MTC an irrevocable, non-exclusive, royalty-free license to use without restriction and share with any person or entity all drawings, designs, specifications, manuals, reports, studies, surveys, models, software, source code and source code documentation, documentation or system architecture, and any other documents, materials, data, and products (“Work Products”) developed, prepared, or assembled by RECIPIENT or RECIPIENT’s CONSULTANT(s) or its subCONSULTANTS pursuant to this Agreement. MTC may exercise their licenses to Work Products through sublicenses to a third party, without the approval of RECIPIENT or RECIPIENT’s CONSULTANT(s) or subCONSULTANTS. FHWA reserves a royalty-free, non-exclusive and irrevocable license to reproduce, publish or otherwise use, and to authorize others to use, for federal government purposes: (a) the copyright in any work developed under this Agreement; and (b) any rights of copyright to which RECIPIENT or RECIPIENT’s CONSULTANT(s) or subCONSULTANTS purchase ownership under this Agreement.

7. EQUAL EMPLOYMENT OPPORTUNITY

In accordance with Title VI of the Civil Rights Act, as amended (42 U.S.C. § 2000d); Section 303 of the Age Discrimination Act of 1975, as amended (42 U.S.C. § 6102); Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. § 12132); and 49 U.S.C. § 5332 for FTA-funded projects, RECIPIENT agrees that it shall not, on the grounds of race, religious creed, color, national origin, age, physical disability or sex, discriminate or permit discrimination against any employee or applicant for employment.

8. DISADVANTAGED BUSINESS ENTERPRISES (DBE)

It is the policy of MTC and the U.S. Department of Transportation to ensure nondiscrimination in the award and administration of DOT-assisted contracts and to create a level playing field on which disadvantaged business enterprises, as defined in 49 Code of Federal Regulations Part 26, can compete fairly for contracts and subcontracts relating to MTC’s procurement and professional services activities.

RECIPIENT shall not discriminate on the basis of race, color, national origin or sex in the performance of this Agreement. RECIPIENT shall carry out applicable requirements of 49 CFR Part 26 in the award and administration of DOT-assisted contracts. Failure by RECIPIENT to carry out these requirements is a material breach of contract, which may result in the termination of this agreement or such other remedy as MTC deems appropriate.

9. TITLE VI OF THE CIVIL RIGHTS ACT OF 1964

RECIPIENT agrees to comply with all the requirements imposed by Title VI of the Civil Rights Act of 1964 (47 U.S.C. § 2000(d)) and the regulations of the Department of Transportation issued thereunder (49 CFR Part 21).

10. ACCESS REQUIREMENTS FOR INDIVIDUALS WITH DISABILITIES

RECIPIENT agrees to comply with all applicable requirements of the Americans with Disabilities Act of 1990 (ADA), 42 U.S.C. § 12101 *et seq.*; Section 504 of the Rehabilitation Act of 1973, as amended, 29 U.S.C. § 794; Section 16 of the Federal Transit Act, as amended, 49 U.S.C. § 5310(f); and their implementing regulations.

11. STATE ENERGY CONSERVATION PLAN

RECIPIENT shall comply with all mandatory standards and policies relating to energy efficiency that are contained in the State energy conservation plan issued in compliance with the Energy Policy and Conservation Act (42 U.S.C. § 6321).

12. DEBARMENT

RECIPIENT certifies that neither it, nor any of its participants, principals or subcontractors is or has been debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions, as they are defined in 49 CFR Part 29, by any Federal agency or department.

13. CLEAN AIR AND WATER POLLUTION ACTS

RECIPIENT agrees to comply with the applicable requirements of all standards, orders, or requirements issued under the Clean Air Act (42 U.S.C. § 7501 *et seq.*), the Clean Water Act (33 U.S.C. § 1251 *et seq.*), Executive Order 11738, and Environmental Protection Agency regulations (40 CFR Part 15).

14. LOBBYING

RECIPIENT agrees to comply with the restrictions on the use of federal funds for lobbying activities set forth in 31 United States Code §1352 and 49 C.F.R. Part 20.

15. INDEMNIFICATION

RECIPIENT shall indemnify and hold harmless MTC, Caltrans, their Commissioners, Directors, officers, agents and employees from any and all claims, demands, suits, loss, damages, injury and/or liability (including any and all costs and expenses in connection therewith), incurred by reason of any negligent or otherwise wrongful act or omission of RECIPIENT, its officers, directors, employees, agents and contractors, or any of them, under or in connection with this Agreement; and RECIPIENT agrees at its own cost, expense and risk to defend any and all claims, actions, suits, or other legal proceedings brought or instituted against MTC, Caltrans, their Commissioners, Directors, officers, agents, and employees, or any of them, arising out of such act or omission, and to pay and satisfy any resulting judgments.

**16. MEETINGS**

RECIPIENT agrees to invite the MTC Contract Manager and the Project Manager to participate in all meetings held in connection with this project, including public meetings and project Team meetings.

**17. COMPLIANCE WITH LAWS**

RECIPIENT shall comply with any and all laws, statutes, ordinances, rules, regulations or requirements of the federal, state, or local government, and any agency thereof, including, but not limited to MTC, the U.S. DOT, FHWA, the State, and Caltrans, which relate to or in any manner affect the performance of this Agreement. Those laws, statutes, ordinances, rules, regulations, and procedural requirements that are imposed on MTC as a recipient of federal or state funds are hereby in turn imposed on RECIPIENT (including, but not limited to, 49 CFR Part 18, "Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments"), and are herein incorporated by this reference and made a part hereof.

RECIPIENT contractors shall agree to comply with all 48 CFR, Chapter 1, Part 31, Contract Cost Principles and Procedures. In addition, RECIPIENT certifies that the RECIPIENT and its contractors shall comply with the requirements of the California Environmental Quality Act (CEQA), California Public Resources Code Section 21,000 *et seq.* and with the State Environmental Impact Report Guidelines (14 California Code of Regulations Section 15000 *et seq.*) and the National Environmental Policy Act (NEPA), 42 U.S.C. Section 4321 *et seq.* and the applicable regulations thereunder.

**18. IDENTIFICATION OF DOCUMENTS**

RECIPIENT shall ensure that all documents related to the project including meeting notices and reports state that the project is funded through the Metropolitan Transportation Commission's Station Area Planning Program.

In addition, RECIPIENT shall ensure that all reports and other documents completed as part of this Agreement shall carry the following notation on the front cover or title page:

"The preparation of this report has been financed in part by grants from the U.S. Department of Transportation. The contents of this report do not necessarily reflect the official views or policy of the U.S. Department of Transportation."

**19. TRAVEL AND SUBSISTENCE COSTS**

Reimbursement of RECIPIENT travel expenses and per diem rates are not to exceed the rate specified by the State of California Department of Personnel Administration for similar employees (i.e. non-representative employees)

**20. SUBCONTRACTS**

RECIPIENT must include provisions of this Agreement, as applicable, modified only to show the particular contractual relationship, in any third-party contracts funded by this Agreement.

**ATTACHMENT D****FAIR EMPLOYMENT PRACTICES ADDENDUM**

1. In the performance of this Agreement, RECIPIENT shall not discriminate against any employee for employment because of race, color, sex, sexual orientation, religion, ancestry or national origin, physical disability, medical condition, marital status, political affiliation, family and medical care leave, pregnancy leave, or disability leave. RECIPIENT shall take affirmative action to ensure that employees are treated during employment without regard to their race, sex, sexual orientation, color, religion, ancestry, or national origin, physical disability, medical condition, marital status, political affiliation, family and medical care leave, pregnancy leave, or disability leave. Such action shall include, but not be limited to, the following: employment; upgrading; demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. RECIPIENT shall post in conspicuous places, available to employees for employment, notices to be provided by STATE setting forth the provisions of this Fair Employment section.

2. RECIPIENT, its contractor(s) and all subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Government Code Section 12900 et seq.), and the applicable regulations promulgated thereunder (California code of Regulations, Title 2, Section 7285.0 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code, Section 12900(a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations are incorporated into this AGREEMENT by reference and made a part hereof as if set forth in full. Each of the RECIPIENT'S contractors and all subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreements, as appropriate.

3. RECIPIENT shall include the nondiscrimination and compliance provisions of this clause in all contracts and subcontracts to perform work under this AGREEMENT.

4. RECIPIENT shall permit access to the records of employment, employment advertisements, application forms, and other pertinent data and records by STATE, the State Fair Employment and Housing Commission, or any other agency of the State of California designated by STATE, for the purposes of investigation to ascertain compliance with the Fair Employment section of this Agreement.

5. Remedies for Willful Violation:

(a) STATE may determine a willful violation of the Fair Employment provision to have occurred upon receipt of a final judgment to that effect from a court in an action to which RECIPIENT was a party, or upon receipt of a written notice from the Fair Employment and Housing Commission that it has investigated and determined that RECIPIENT has violated the Fair Employment Practices Act and had issued an order under Labor Code Section 1426 which has become final or has obtained an injunction under Labor Code Section 1429.

(b) For willful violation of this Fair Employment Provision, STATE shall have the right to terminate this Agreement either in whole or in part, and any loss or damage sustained by STATE in securing the goods or services thereunder shall be borne and paid for by RECIPIENT and by the surety under the

performance bond, if any, and STATE may deduct from any moneys due or thereafter may become due to RECIPIENT, the difference between the price named in the Agreement and the actual cost thereof to STATE to cure RECIPIENT's breach of this Agreement.

**ATTACHMENT E****NONDISCRIMINATION ASSURANCES**

RECIPIENT HEREBY AGREES THAT, as a condition to receiving any federal financial assistance from the STATE, acting for the U.S. Department of Transportation, it will comply with Title VI of the Civil Rights Act of 1964, 78 Stat. 252, 42 U.S.C. 2000d-42 U.S.C. 2000d-4 (hereinafter referred to as the ACT), and all requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, “Nondiscrimination in Federally-Assisted Programs of the Department of Transportation - Effectuation of Title VI of the Civil Rights Act of 1964” (hereinafter referred to as the REGULATIONS), the Federal-aid Highway Act of 1973, and other pertinent directives, to the end that in accordance with the ACT, REGULATIONS, and other pertinent directives, no person in the United States shall, on the grounds of race, color, sex, national origin, religion, age or disability, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity for which RECIPIENT receives federal financial assistance from the Federal Department of Transportation. RECIPIENT HEREBY GIVES ASSURANCE THAT RECIPIENT shall promptly take any measures necessary to effectuate this agreement. This assurance is required by subsection 21.7(a) (1) of the REGULATIONS.

More specifically, and without limiting the above general assurance, RECIPIENT hereby gives the following specific assurances with respect to its federal-aid Program:

1. That RECIPIENT agrees that each “program” and each “facility” as defined in subsections 21.23 (e) and 21.23 (b) of the REGULATIONS, will be (with regard to a “program”) conducted, or will be (with regard to a “facility”) operated in compliance with all requirements imposed by, or pursuant to, the REGULATIONS.
2. That RECIPIENT shall insert the following notification in all solicitations for bids for work or material subject to the REGULATIONS made in connection with the federal-aid Program and, in adapted form, in all proposals for negotiated agreements: RECIPIENT hereby notifies all bidders that it will affirmatively insure that in any agreement entered into pursuant to this advertisement, minority business enterprises will be afforded full opportunity to submit bids in response to this invitation and will not be discriminated against on the grounds of race, color, sex, national origin, religion, age, or disability in consideration for an award.
3. That RECIPIENT shall insert the clauses of Appendix A of this assurance in every agreement subject to the ACT and the REGULATIONS.
4. That the clauses of Appendix B of this Assurance shall be included as a covenant running with the land, in any deed affecting a transfer of real property, structures, or improvements thereon, or interest therein.
5. That where RECIPIENT receives federal financial assistance to construct a facility, or part of a facility, the Assurance shall extend to the entire facility and facilities operated in connection therewith.

6. That where RECIPIENT receives federal financial assistance in the form, or for the acquisition, of real property or an interest in real property, the Assurance shall extend to rights to space on, over, or under such property.

7. That RECIPIENT shall include the appropriate clauses set forth in Appendix C and D of this Assurance, as a covenant running with the land, in any future deeds, leases, permits, licenses, and similar agreements entered into by the RECIPIENT with other parties:

Appendix C;

(a) for the subsequent transfer of real property acquired or improved under the federal-aid Program; and

Appendix D;

(b) for the construction or use of or access to space on, over, or under real property acquired, or improved under the federal-aid Program.

8. That this assurance obligates RECIPIENT for the period during which federal financial assistance is extended to the program, except where the federal financial assistance is to provide, or is in the form of, personal property or real property or interest therein, or structures, or improvements thereon, in which case the assurance obligates RECIPIENT or any transferee for the longer of the following periods:

(a) the period during which the property is used for a purpose for which the federal financial assistance is extended, or for another purpose involving the provision of similar services or benefits; or

(b) the period during which RECIPIENT retains ownership or possession of the property.

9. That RECIPIENT shall provide for such methods of administration for the program as are found by the U.S. Secretary of Transportation, or the official to whom he delegates specific authority, to give reasonable guarantee that RECIPIENT, other recipients, sub-grantees, applicants, sub-applicants, transferees, successors in interest, and other participants of federal financial assistance under such program will comply with all requirements imposed by, or pursuant to, the ACT, the REGULATIONS, this Assurance and the Agreement.

10. That RECIPIENT agrees that the United States and the State of California have a right to seek judicial enforcement with regard to any matter arising under the ACT, the REGULATIONS, and this Assurance.

11. RECIPIENT shall not discriminate on the basis of race, religion, age, disability, color, national origin or sex in the award and performance of any STATE assisted contract or in the administration on its DBE Program or the requirements of 49 CFR Part 26. RECIPIENT shall take all necessary and reasonable steps under 49 CFR Part 26 to ensure non discrimination in the award and administration of STATE assisted contracts. The California Department of Transportation Disadvantaged Business Enterprise Program Implementation Agreement for Local Agencies is incorporated by reference in this AGREEMENT. Implementation of this program is a legal obligation and failure to carry out its terms shall be treated as a violation of this agreement. Upon notification to the recipient of its failure to carry out the Implementation Agreement, STATE may impose sanctions as provided for under 49 CFR Part

26 and may, in appropriate cases, refer the matter for enforcement under 18 USC 1001 and/or the Program Fraud Civil Remedies Act of 1985 (31 USC 3801 et seq.)

THESE ASSURANCES are given in consideration of and for the purpose of obtaining any and all federal grants, loans, agreements, property, discounts or other federal financial assistance extended after the date hereof to RECIPIENT by STATE, acting for the U.S. Department of Transportation, and is binding on RECIPIENT, other recipients, subgrantees, applicants, sub-applicants, transferees, successors in interest and other participants in the federal-aid Highway Program.

## APPENDIX A TO ATTACHMENT E

During the performance of this Agreement, RECIPIENT, for itself, its assignees and successors in interest (hereinafter collectively referred to as RECIPIENT) agrees as follows:

(1) Compliance with Regulations: RECIPIENT shall comply with the regulations relative to nondiscrimination in federally assisted programs of the Department of Transportation, Title 49, Code of Federal Regulations, Part 21, as they may be amended from time to time, (hereinafter referred to as the REGULATIONS), which are herein incorporated by reference and made a part of this agreement.

(2) Nondiscrimination: RECIPIENT, with regard to the work performed by it during the AGREEMENT, shall not discriminate on the grounds of race, color, sex, national origin, religion, age, or disability in the selection and retention of sub-applicants, including procurements of materials and leases of equipment. RECIPIENT shall not participate either directly or indirectly in the discrimination prohibited by Section 21.5 of the REGULATIONS, including employment practices when the agreement covers a program set forth in Appendix B of the REGULATIONS.

(3) Solicitations for Sub-agreements, Including Procurements of Materials and Equipment: In all solicitations either by competitive bidding or negotiation made by RECIPIENT for work to be performed under a Sub-agreement, including procurements of materials or leases of equipment, each potential sub-applicant or supplier shall be notified by RECIPIENT of the RECIPIENT's obligations under this Agreement and the REGULATIONS relative to nondiscrimination on the grounds of race, color, or national origin.

(4) Information and Reports: RECIPIENT shall provide all information and reports required by the REGULATIONS, or directives issued pursuant thereto, and shall permit access to RECIPIENT's books, records, accounts, other sources of information, and its facilities as may be determined by STATE or FHWA to be pertinent to ascertain compliance with such REGULATIONS or directives. Where any information required of RECIPIENT is in the exclusive possession of another who fails or refuses to furnish this information, RECIPIENT shall so certify to STATE or the FHWA as appropriate, and shall set forth what efforts RECIPIENT has made to obtain the information.

(5) Sanctions for Noncompliance: In the event of RECIPIENT's noncompliance with the nondiscrimination provisions of this agreement, STATE shall impose such agreement sanctions as it or the FHWA may determine to be appropriate, including, but not limited to:

(a) withholding of payments to RECIPIENT under the Agreement within a reasonable period of time, not to exceed 90 days; and/or

(b) cancellation, termination or suspension of the Agreement, in whole or in part.

(6) Incorporation of Provisions: RECIPIENT shall include the provisions of paragraphs (1) through (6) in every sub-agreement, including procurements of materials and leases of equipment, unless exempt by the REGULATIONS, or directives issued pursuant thereto.

RECIPIENT shall take such action with respect to any sub-agreement or procurement as STATE or FHWA may direct as a means of enforcing such provisions including sanctions for noncompliance,

provided, however, that, in the event RECIPIENT becomes involved in, or is threatened with, litigation with a sub-applicant or supplier as a result of such direction, RECIPIENT may request STATE enter into such litigation to protect the interests of STATE, and, in addition, RECIPIENT may request the United States to enter into such litigation to protect the interests of the United States.

## APPENDIX B TO ATTACHMENT E

The following clauses shall be included in any and all deeds effecting or recording the transfer of PROJECT real property, structures or improvements thereon, or interest therein from the United States.

## (GRANTING CLAUSE)

NOW, THEREFORE, the U.S. Department of Transportation, as authorized by law, and upon the condition that RECIPIENT shall accept title to the lands and maintain the project constructed thereon, in accordance with Title 23, United States Code, the Regulations for the Administration of federal-aid for Highways and the policies and procedures prescribed by the Federal Highway Administration of the Department of Transportation and, also in accordance with and in compliance with the Regulations pertaining to and effectuating the provisions of Title VI of the Civil Rights Act of 1964 (78 Stat. 252; 42 U.S.C. 2000d to 2000d-4), does hereby remise, release, quitclaim and convey unto the RECIPIENT all the right, title, and interest of the U.S. Department of Transportation in, and to, said lands described in Exhibit "A" attached hereto and made a part hereof.

## (HABENDUM CLAUSE)

TO HAVE AND TO HOLD said lands and interests therein unto RECIPIENT and its successors forever, subject, however, to the covenant, conditions, restrictions and reservations herein contained as follows, which will remain in effect for the period during which the real property or structures are used for a purpose for which federal financial assistance is extended or for another purpose involving the provision of similar services or benefits and shall be binding on RECIPIENT, its successors and assigns.

RECIPIENT, in consideration of the conveyance of said lands and interests in lands, does hereby covenant and agree as a covenant running with the land for itself, its successors and assigns,

(1) that no person shall on the grounds of race, color, sex, national origin, religion, age or disability, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination with regard to any facility located wholly or in part on, over, or under such lands hereby conveyed (;) (and) \*

(2) that RECIPIENT shall use the lands and interests in lands so conveyed, in compliance with all requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Non-discrimination in federally-assisted programs of the Department of Transportation - Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended (;) and

(3) that in the event of breach of any of the above-mentioned nondiscrimination conditions, the U.S. Department of Transportation shall have a right to re-enter said lands and facilities on said land, and the above-described land and facilities shall thereon revert to and vest in and become the absolute property of the U.S. Department of Transportation and its assigns as such interest existed prior to this deed.\*

\*Reverter clause and related language to be used only when it is determined that such a clause is necessary in order to effectuate the purposes of Title VI of the Civil Rights Act of 1964.

## APPENDIX C TO ATTACHMENT E

The following clauses shall be included in any and all deeds, licenses, leases, permits, or similar instruments entered into by RECIPIENT, pursuant to the provisions of Assurance 7(a) of Attachment E.

The grantee (licensee, lessee, permittee, etc., as appropriate) for himself, his heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree (in the case of deeds and leases add 'as covenant running with the land') that in the event facilities are constructed, maintained, or otherwise operated on the said property described in this (deed, license, lease, permit, etc.) for a purpose for which a U.S. Department of Transportation program or activity is extended or for another purpose involving the provision of similar services or benefits, the (grantee, licensee, lessee, permittee, etc.), shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to Title 49, Code of Federal Regulations, U.S. Department of Transportation, Subtitle A, Office of Secretary, Part 21, Nondiscrimination in federally-assisted programs of the Department of Transportation - Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.

(Include in licenses, leases, permits, etc.)\*

That in the event of breach of any of the above nondiscrimination covenants, RECIPIENT shall have the right to terminate the (license, lease, permit etc.) and to re-enter and repossess said land and the facilities thereon, and hold the same as if said (license, lease, permit, etc.) had never been made or issued.

(Include in deeds)\*

That in the event of breach of any of the above nondiscrimination covenants, RECIPIENT shall have the right to re-enter said land and facilities thereon, and the above described lands and facilities shall thereupon revert to and vest in and become the absolute property of RECIPIENT and its assigns.

\*Reverter clause and related language to be used only when it is determined that such a clause is necessary in order to effectuate the purposes of Title VI of the Civil Rights Act of 1964.

## APPENDIX D TO ATTACHMENT E

The following shall be included in all deeds, licenses, leases, permits, or similar agreements entered into by the RECIPIENT, pursuant to the provisions of Assurance 7 (b) of Attachment E.

The grantee (licensee, lessee, permittee, etc., as appropriate) for himself, his personal representatives, successors in interest and assigns, as a part of the consideration hereof, does hereby covenant and agree (in the case of deeds, and leases add “as a covenant running with the land”) that:

(1) no person on the ground of race, color, sex, national origin, religion, age or disability, shall be excluded from participation in, denied the benefits of, or otherwise subjected to discrimination in the use of said facilities;

(2) that in the construction of any improvements on, over, or under such land and the furnishing of services thereon, no person on the ground of race, color, sex, national origin, religion, age or disability shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination; and

(3) that the (grantee, licensee, lessee, permittee, etc.,) shall use the premises in compliance with the Regulations.

(Include in licenses, leases, permits, etc.)\*

That in the event of breach of any of the above nondiscrimination covenants, RECIPIENT shall have the right to terminate the (license, lease, permit, etc.) and to re-enter and repossess said land and the facilities thereon, and hold the same as if said (license, lease, permit, etc.) had never been made or issued.

(Include in deeds)\*

That in the event of breach of any of the above nondiscrimination covenants, RECIPIENT shall have the right to re-enter said land and facilities thereon, and the above described lands and facilities shall thereupon revert to and vest in and become the absolute property of RECIPIENT, and its assigns.

\*Reverter clause and related language to be used only when it is determined that such a clause is necessary in order to effectuate the purposes of Title VI of the Civil Rights Act of 1964.

**CONTRACT APPROVAL SHEET**

AGENCY:	MTC	ConTracker #:		Contract No. (Acctg. use only):	
NAME OF CONTRACTOR/CONSULTANT:	City of Sunnyvale				
PROJECT TITLE:	El Camino Precise Plan EIR/Form Based Code				
Amount	Approval by ED or Committee (specify)	Committee Approval Date <i>Attach <u>most recent</u> <u>signed</u> Comm. memo</i>	Grant/ Allocation Name	Grant No./ Allocation No./ Funding Source (Acctg.)	
Original Contract:	587,000	Commission	May 28, 2014	STP	6084 (186)
Amend #1:				Federal Funds :	Yes X No
Amend #2:					
Amend #3:					
WORK ITEM:	1611	Sole Source: Yes <input type="checkbox"/> ✓ No X N/A <input type="checkbox"/> ✓ delete 2 check marks. If yes, attach signed sole source justification			
FISCAL YEARS:	2014/15 – 17/18				
Insurance Code:		Insurance Exceptions:			
Contractor Contact/Email:					
Contractor Address:					

Document1

J:\CONTRACT\Contracts-New\CON 14-15\PDA Plans\Sunnyvale.docx

**REVIEW LIST**

Project Manager:	_____	Date:	_____
	Therese Trivedi		
	Pre Award Audit Required:	Yes	<input type="checkbox"/> No <input type="checkbox"/>
	Public Works:	Yes	<input type="checkbox"/> No <input type="checkbox"/>
Section Director:	_____	Date:	_____
	Ken Kirkey		
Finance Section:	_____	Date:	_____
	Brian Mayhew		
	Verification of Grant Statement Above:	Yes	<input type="checkbox"/> No <input type="checkbox"/>
Contract Administration <sup>1</sup> :	_____	Date:	_____
IT Review:	_____	Date:	_____
	Nick Roethel/Valerie Campbell		
Office of the General Counsel:	_____	Date:	_____
Deputy Executive Director:	_____	Date:	_____
	Andrew B. Fremier <sup>2</sup>		
Deputy Executive Director:	_____	Date:	_____
	Alix Bockelman <sup>3</sup>		

<sup>1</sup> Includes DBE review for all federally-funded contracts.<sup>2</sup> Reviews all procurements and contracts from HAO, BOO, and TCI, plus BATA, BAHA, MTC SAFE, and BAIFA,-funded work.<sup>3</sup> Reviews all procurements and contracts from Planning, PAA, LPA and ATS.





# City of Sunnyvale

## Agenda Item

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14-0989

Agenda Date: 12/9/2014

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### REPORT TO COUNCIL

#### SUBJECT

Receive and File FY 2013/14 Annual Status Report on Receipt and Use of Development Impact Fees and Adopt a Resolution Approving Findings Regarding Unspent Transportation Impact and Sense of Place Fees

#### BACKGROUND

In order to ensure that mitigation fees are spent in a timely manner and on projects for which they were being collected, the State Legislature passed a bill known as AB 1600 (The Mitigation Fee Act). This bill applies to developer fees which were increased or imposed on or after January 1, 1989.

The Mitigation Fee Act (California Government Code, § 66000 et seq.) requires local agencies that impose development impact fees to present an annual, consolidated report showing the receipt and use of those fees. The Annual Status Report must be reviewed by Council within 180 days after the close of the fiscal year represented.

The City assesses four development impact fees - the Housing Mitigation Fee; the Sense of Place Fee; the Transportation Impact Fee; and the Park Dedication Fee. The first three are subject to the Mitigation Fee Act, while only a portion of the City's Park Dedication Fee is subject to the Mitigation Fee Act. Specifically, Park Dedication Fees assessed pursuant to the Quimby Act (California Government Code §66477) and codified by the City in the Sunnyvale Municipal Code, Chapter 18.10 (Subdivisions - Parks and Open Space Dedication) are exempt from the reporting requirements included in the Mitigation Fee Act. Park Dedication Fees assessed pursuant to Sunnyvale Municipal Code, Chapter 19.74 (Zoning - Park Dedication Fees for Rental Housing Projects) are subject to the reporting requirements included in the Mitigation Fee Act. Therefore, only the details of the non-exempt Park Dedication Fees are included in the report.

In addition to these four active fees, the City maintained a fund balance in FY 2013/14 resulting from Traffic Mitigation Fees. Traffic Mitigation Fees have not been assessed by the City since 2004. It is important to note that the Traffic Mitigation Fee and the Transportation Impact Fee are exclusive of one another and monies associated with each are segregated in separate sub-funds. The Traffic Mitigation Fee was created in 2000 as a key component of the Transportation Strategic Program to provide an interim revenue mechanism to fund needed upgrades to the transportation system resulting from new development. In 2004, the City stopped assessing Traffic Mitigation Fees and began assessing Transportation Impact Fees. Both the Traffic Mitigation Fees and the Transportation Impact Fees are subject to the Mitigation Fee Act and are included in the report.

The Mitigation Fee Act also specifies that every five years, findings are required to specify the intended use of any unexpended impact fees. This report contains the FY 2013/14 findings for Transportation Impact Fees and Sense of Place Fees. For Housing Mitigation Fees, Park Dedication

Fees, and Traffic Mitigation Fees, Council made the required findings for FY 2010/11. The next findings for those fees will be required for FY 2015/16. If findings are not presented as scheduled, it is possible that the City may be obligated to refund either all or a portion of the fees collected under the authority of the Act.

### **EXISTING POLICY**

Sunnyvale Municipal Code Chapters 3.50, 18.10, 19.22, and 19.74.

### **ENVIRONMENTAL REVIEW**

N/A

### **DISCUSSION**

As prescribed by the Mitigation Fee Act, the Annual Status Report must include the following information for each development impact fee:

- A brief description of the fee and the fund into which the fee was deposited;
- The amount of the fee;
- The associated fund's beginning and ending balances for the fiscal year;
- The total amount of fees collected and interest earned;
- Identification of each public improvement on which impact fees were expended and amount of expenditure on each improvement, including the total percentage of the cost of the public improvement that was funded with impact fees;
- Identification of approximate date by which construction of a public improvement will begin;
- Determination that sufficient funds have been collected to complete financing on an incomplete public improvement;
- Description of each inter-fund transfer or loan made from the account or fund, including the public improvement on which the loaned funds will be expended, and in the case of an inter-fund loan, the date on which the loan will be repaid and the rate of interest that the account or fund will receive on the loan; and
- Amount of any refunds made due to inability to expend impact fees once a determination is made that sufficient impact fees have been collected to finance a public improvement, and the improvement remains incomplete, and the City has not determined an approximate date by which construction will begin.

This information is presented in the attached FY 2013/14 Annual Status Report on Receipt and Use of Development Impact Fees (Attachment 1).

In addition, findings are required this year for Transportation Impact Fees and Sense of Place Fees. The findings are found in the attached Resolution (Attachment 2).

### **FISCAL IMPACT**

In FY 2013/14, the City received \$18,778,056 in new development impact fees. Of that total amount \$14,442,758 was reportable under the Mitigation Fee Act and \$4,335,298 was exempt from reporting requirements. The fee revenue will be used to fund public improvements necessary to meet the demand for services resulting from commercial and residential development in the City. The specifics of how these monies are programmed for expenditure are included in the status report, as well as in the FY 2013/14 Adopted Budget and Resource Allocation Plan.

**PUBLIC CONTACT**

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, at the Sunnyvale Senior Center, Community Center and Department of Public Safety; and by making the agenda and report available at the Sunnyvale Public Library, the Office of the City Clerk and on the City's website.

The Mitigation Fee Act stipulates a 15-day public review period for the Annual Status Report. The Annual Status Report was available for public inspection on November 21, 2014.

**RECOMMENDATION**

Receive and file the FY 2013/14 Annual Status Report on receipt and use of development impact fees and adopt a resolution approving findings regarding unspent Transportation Impact and Sense of Place Fees.

Prepared by: Brice McQueen, Senior Management Analyst

Reviewed by: Grace K. Leung, Director, Finance

Reviewed by: Hanson Hom, Director, Community Development

Reviewed by: Manuel Pineda, Director, Public Works

Reviewed by: Robert A. Walker, Assistant City Manager

Approved by: Deanna J. Santana, City Manager

**ATTACHMENTS**

1. FY 2013/14 Annual Status Report on Receipt and Use of Development Impact Fees
2. A Resolution of the City Council of the City of Sunnyvale Making Findings With Respect to Unspent Impact Fees; Transportation Impact Fees Sub-Fund; Sense of Place Fees Sub-Fund



**City of Sunnyvale**  
**Annual Status Report on Receipt and Use of Development Impact Fees**  
**FY 2013/14**

**Fee:**                      **Housing Mitigation Fee**

**Fee Description:**      Fees paid by developers of high intensity industrial projects that result in new floor area ratios to mitigate demand for affordable housing.  
(Sunnyvale Municipal Code Chapter 19.22)

**Amount of Fee:**        \$9.49 per applicable square foot

**Fund:**                      Housing Mitigation Fund/Housing Mitigation Sub-fund  
(070/100)

**FY 2013/2014 Receipt and Use:**

Beginning Balance	\$ 22,817,328
Resources	
New Fees Collected	4,363,911
Other Revenues - Loan Repayments	687,042
Other Revenues - Rental Income/Grants	17,100
Interest	100,811
	<hr/>
Total Resources	<b>\$ 27,986,192</b>

Expenditures

235330 Affordable Housing Capital Project Management	\$ 114,544
% Funded by Fee:	100%
Origination Year:	FY 10/11
Planned Completion Year:	On-going
235340 Management, Supervision, and Administration	211,856
% Funded by Fee:	100%
Origination Year:	FY 10/11
Planned Completion Year:	On-going
825930 City Owned Properties – Downtown/388 Charles Street	2,501
% Funded by Fee:	100%
Origination Year:	FY 05/06
Planned Completion Year:	FY 16/17
828100 First-Time Homebuyer Loans (81-120% AMI)	91,250
% Funded by Fee:	100%
Origination Year:	FY 09/10
Planned Completion Year:	On-going

**City of Sunnyvale**  
**Annual Status Report on Receipt and Use of Development Impact Fees**  
**FY 2013/14**

828110 Housing Trust Fund (HTFSCC) Contribution	250,000
% Funded by Fee:	100%
Origination Year:	FY 09/10
Planned Completion Year:	FY 13/14
829530 Armory Affordable Housing Site - Charities Housing	4,010,000
% Funded by Fee:	100%
Origination Year:	FY 12/13
Planned Completion Year:	FY 14/15
829540 Armory Affordable Housing Site - MidPen Housing	3,986,751
% Funded by Fee:	100%
Origination Year:	FY 12/13
Planned Completion Year:	FY 14/15
829580 Homestead Park (Final Phase)	1,495,824
% Funded by Fee:	100%
Origination Year:	FY 12/13
Planned Completion Year:	FY 14/15
829980 Habitat for Humanity - Sale of City-Owned Homes (HMF)	875,699
% Funded by Fee:	100%
Origination Year:	FY 12/13
Planned Completion Year:	FY 14/15
830130 Housing Mitigation Fund - Fee Restructure	18,680
% Funded by Fee:	100%
Origination Year:	FY 12/13
Planned Completion Year:	FY 14/15
Transfers	
General Fund In-Lieu	\$ 65,786
Origination Year:	On-going
Planned Completion Year:	On-going
Interfund Transfer To:	General Fund
Total Expenditures/Transfers	<u>\$ 11,122,891</u>
Ending Balance	<u>\$ 16,863,301</u>

*Note: No interfund loans or refunds were made during FY 2013/2014.*

**City of Sunnyvale**  
**Annual Status Report on Receipt and Use of Development Impact Fees**  
**FY 2013/14**

**Description of Projects:**

*235330 Affordable Housing Capital Project Management* — This operational function provides staff time to support the provision of affordable housing within the City.

*235340 Management, Supervision, and Administration* — This operational function provides staff time to support the provision of affordable housing within the City.

*825930 City Owned Properties – Downtown/388 Charles Street* — This project provides funding for repairs, general maintenance, and administration of the property at 388 Charles Street. On October 14, 2014, Council gave direction that properties located on Charles Street and Mathilda Avenue (including 388 Charles Street) are to be maintained until a plan of action for timing of a sale and greatest benefit to the community from the sale of these properties is determined, at which time Council will revisit the disposition of all existing parcels. It is not known when these properties will be sold; however, the budget assumes it may occur in FY 2016/17.

*828100 First-Time Homebuyer Loans (81-120% AMI)* – This project provides funding for the First Time Homebuyer Program, to be used for down-payment assistance loans to eligible moderate-income households.

*828110 Housing Trust Fund (HTFSCC) Contribution* - This project provides contributions of Housing Mitigation funds to the Housing Trust Fund of Santa Clara County for investment in city-approved housing projects located in Sunnyvale. Funds will be used for affordable multi-family rental housing construction, rehabilitation, and/or preservation, and/or down-payment assistance programs for low and/or moderate income first-time buyers. The Housing Trust Fund seeks monies from various public agencies in the county and other donors, and uses these funds to seek matching funds from the State and federal governments, corporations, and other donors.

*829530 Armory Affordable Housing Site - Charities Housing* -- This project allocates \$4,050,000 in Housing Mitigation funds to Charities Housing Corporation, a non-profit corporation. Funds will be used for the predevelopment, entitlement and long-term lease of the Armory Property, and the construction of rental housing all of which will be affordable to either homeless, very-low or extremely-low income households. The proposed project includes 68 low-income family apartments by MidPen and 56 low-income efficiency studio units by Charities for a total of 124 dwelling units.

*829540 Armory Affordable Housing Site - MidPen Housing* - This project allocates \$4,050,000 in Housing Mitigation funds to MidPen Housing Corporation, a non-profit corporation. Funds will be used for the predevelopment, entitlement and long-term lease of the Armory Property, and the construction of rental housing all of which will be affordable to either homeless, very-low or extremely-low income households. In FY 2011/12, the City entered a joint negotiating agreement with MidPen Housing Corporation and Charities Housing Development Corporation as the Developers of an Affordable Housing Project at 620 East Maude Avenue.

**City of Sunnyvale**  
**Annual Status Report on Receipt and Use of Development Impact Fees**  
**FY 2013/14**

*829580 Homestead Park (Final Phase)* This project allocates \$5,000,000 in Housing Mitigation Loan funds to MidPen Housing Corporation, a non-profit housing developer. Funds will support the rehabilitation of Homestead Park Apartments located at 1601 Tenaka Place, to improve and preserve affordable rental housing for very low-income households. The project would completely rehabilitate the exteriors of 10 buildings (approximately 90 units) with an urgent need for rehabilitation, and completely renovate the interiors of all 211 units.

*829980 Habitat for Humanity - Sale of City-Owned Homes (HMF)* -- This project allocates \$880,000 in Housing Mitigation Loan funds to Habitat for Humanity to finance their acquisition of three City surplus properties. Habitat proposes to acquire all three homes from the City, rehabilitate them to like-new condition, screen and select eligible lower-income home buyers, and sell the homes to those buyers with affordable long-term financing, under Habitat's standard self-help housing model. The homes would be resale-restricted for at least thirty years. The entire project is estimated to take approximately six months from time of City approval.

*830130 Housing Mitigation Fund - Fee Restructure* This project allocates \$75,000 in Housing Mitigation funds for consultant services to study raising and/or restructuring the Housing Mitigation Fee Program. The consultant will review the existing housing mitigation fee structure, rate, and applicability, and consider possibly expanding it to a wider range of development types.

*General Fund In-Lieu* — Transfer to the General Fund to cover the indirect costs realized during the course of managing Housing activities not directly associated with a specific capital improvement project.

**City of Sunnyvale**  
**Annual Status Report on Receipt and Use of Development Impact Fees**  
**FY 2013/14**

**Fee:**                      **Sense of Place Fee**

**Fee Description:**      Fees paid by developers in areas where planned public improvements exceed the requirements of other areas of the City, including those with special land use or public improvement plans.

**Amount of Fee:**        \$1,096.70 per unit in the applicable areas.

**Fund:**                      Capital Projects Fund/Sense of Place Fees Sub-fund  
(385/970)

**FY 2013/2014 Receipt and Use:**

Beginning Balance	\$        961,194
Resources	
New Fees Collected	\$        271,451
Interest	5,693
	<hr/>
Total Resources	<u>\$        1,238,338</u>

Total Expenditures/Transfers	<hr/> \$                      --
Ending Balance	<u>\$        1,238,338</u>

*Note: No interfund loans, refunds, or transfers were made during FY 2013/2014.*

**City of Sunnyvale**  
**Annual Status Report on Receipt and Use of Development Impact Fees**  
**FY 2013/14**

**Fee:**                      **Transportation Impact Fee**

**Fee Description:**      Fees adopted pursuant to the Transportation Strategic Program to fund major transportation projects necessary to support land use plans. (Sunnyvale Municipal Code, Chap. 3.50)

**Amount of Fee:**

A.	Impact Fee — Area South of State Route 237	
	• Single Family detached, per dwelling unit	\$ 2,144.00
	• Multi-family attached, per dwelling unit	\$ 1,317.00
	• Office, per 1,000 square feet	\$ 3,164.00
	• Retail, per 1,000 square feet	\$ 3,970.00
	• Industrial, per 1,000 square feet	\$ 1,571.00
	• Research and Development, per 1,000 square feet	\$ 2,081.00
	• Hotel, per room	\$ 1,295.00
	• Uses not enumerated, per trip	\$ 2,124.00
B.	Impact Fee — Industrial Area North of State Route 237	
	• Industrial, per 1,000 square feet	\$ 3,602.00
	• Research and Development, per 1,000 square feet	\$ 4,763.00
	• Destination Retail, per 1,000 square feet	\$11,420.00
	• Neighborhood Retail, per 1,000 square feet	\$ 5,710.00
	• Hotel, per room	\$ 3,725.00
	• Uses not enumerated, per trip	\$ 6,106.00

**Fund:**                      Capital Projects Fund/Transportation Impact Fees Sub-fund  
(385/960)

**FY 2013/2014 Receipt and Use:**

Beginning Balance	\$ 16,330,306
Resources	
New Fees Collected	3,674,938
Other sources: 826890 Mathilda/237/101 Interchange Improvements	245,637
Interest	93,272
	\$ 20,344,153
Total Resources	

Expenditures

825530 Computerized Transportation Model Update	\$ 2,700
% Funded by Fee:	100%
Origination Year:	FY 05/06
Planned Completion Year:	On-going

**City of Sunnyvale**  
**Annual Status Report on Receipt and Use of Development Impact Fees**  
**FY 2013/14**

826890 Mathilda/237/101 Interchange Improvements	245,637
% Funded by Fee:	50%
Origination Year:	FY 07/08
Planned Completion Year:	On-going

Transfers

General Fund In-Lieu	\$ 12,853
Origination Year:	On-going
Planned Completion Year:	On-going
Interfund Transfer To:	General Fund

Total Expenditures/Transfers	<u>\$ 261,190</u>
Ending Balance	<u>\$ 20,082,963</u>

*Note: No interfund loans or refunds were made during FY 2013/2014.*

**Description of Projects:**

*825530 Computerized Transportation Model Update* — This project provides funding for the Transportation Model Update. The City's Transportation Impact Fee is based upon long range projections of roadway capacity needs from a computerized Transportation Model. Updating the Transportation Model provides the City with a basis for upholding a fair valuation of the Transportation Impact Fee. This important source of transportation improvement revenue benefits residents, travelers, and developers in the City by allocating a fair share of the cost of transportation system expansion to the land development contributing to the need for the improvements. This model update is necessary every five years over the life of the General Plan.

*826890 Mathilda/237/101 Interchange Improvements* — This project involves preparation of Caltrans required Project Initiation Document (PID); environmental documents; and Plans, Specifications, and Estimate (PS&E) for a roadway improvement to reconstruct the interchanges of Mathilda Avenue with SR 237 and US 101. The intent of improvement is to simplify weaving operations, improve queuing at signals, and provide more efficient traffic flow. The project under study involves re-design of traffic signals and re-routing of a frontage road and freeway ramps. The purpose of the project is to provide for safe and efficient movement of traffic at one of the busiest and most complex roadway systems in the region. This will support planned growth as called for in the General Plan.

*General Fund In-Lieu* — Transfer to the General Fund to cover the indirect costs realized during the course of managing transportation related activities not directly associated with a specific capital improvement project.

**City of Sunnyvale**  
**Annual Status Report on Receipt and Use of Development Impact Fees**  
**FY 2013/14**

**Fund:** Traffic Mitigation Fee

**Fee Description:** Specific fee amounts assessed as a condition of development to mitigate increased demands for traffic improvements. This fee was superseded by the Transportation Impact Fee (TIF) in FY 2003/2004.

**Amount of Fee:** Occasionally received for development projects approved prior to adoption of the TIF in FY 2003/2004. Amount is subject to the Fee Schedule that was in effect at the time the development project was approved.

**Fund:** Capital Projects Fund/Traffic Mitigation Sub-fund  
(385/950)

**FY 2013/2014 Receipt and Use:**

Beginning Balance	\$ 2,110,465
Resources	
New Fees Collected	--
Interest	10,059
Contribution from Developer	5,270
Federal Grant	--
Total Resources	<u>\$ 2,125,794</u>

Expenditures

816000 Future Traffic Signal Construction/Modification	\$ 9,335
% Funded by Fee:	100%
Origination Year:	FY 07/08
Planned Completion Year:	On-going

Transfers

828900 Hendy Avenue – Complete Street	68,840
% Funded by Fee:	15.7%
Origination Year:	FY 10/11
Planned Completion Year:	FY 14/15
Interfund Transfer To:	Cap.Proj. – General Assets
828910 Sunnyvale Ave/Old San Francisco Rd Left Turn Project	120,106
% Funded by Fee:	11.47%
Origination Year:	FY 10/11
Planned Completion Year:	FY 13/14
Interfund Transfer To:	Cap.Proj. – General Assets

**City of Sunnyvale**  
**Annual Status Report on Receipt and Use of Development Impact Fees**  
**FY 2013/14**

829270 Remington Drive/Bernardo Ave Traffic Signal	58,630
% Funded by Fee:	14.3%
Origination Year:	FY 11/12
Planned Completion Year:	FY 14/15
Interfund Transfer To:	Cap.Proj. – General Assets
829320 Downtown Streetscape Improvements Phase II	80,063
% Funded by Fee:	20%
Origination Year:	FY 10/11
Planned Completion Year:	FY 13/14
Interfund Transfer To:	Cap.Proj. – General Assets
829910 Mathilda Avenue/Maude Avenue Safety Improvements	10,081
% Funded by Fee:	21.16%
Origination Year:	FY 12/13
Planned Completion Year:	FY 15/16
Interfund Transfer To:	Cap.Proj. – General Assets
829920 Sunnyvale-Saratoga Rd/Fremont Avenue Safety Improvements	16,801
% Funded by Fee:	21.16%
Origination Year:	FY 12/13
Planned Completion Year:	FY 14/15
Interfund Transfer To:	Cap.Proj. – General Assets
Total Expenditures/Transfers	\$ 363,856
Ending Balance	\$ 1,761,938

*Note: No interfund loans or refunds were made during FY 2013/2014.*

**Description of Projects:**

*816000 Future Traffic Signal Construction/Modification* — This project provides funding for major signal modifications and/or installing new traffic signals as necessitated by traffic conditions.

*828900 Hendy Avenue Complete Street Project* – This project is to reconstruct Hendy Avenue from Sunnyvale Avenue to Fair Oaks Avenue. This project has been included as part of City, County, and Regional long-range Traffic and Transportation Plans for many years. It is part of the City's Bicycle Capital Improvement Program, Santa Clara County's Bicycle Expenditure Program, and the Valley Transportation Authority's (VTA) Bicycle Plan. The condition of the roadway in this area is exceptionally poor and it is missing or has substandard sidewalks, bikeways, and lighting. Drainage facilities are also inadequate. This project will essentially reconstruct the entire roadway section to provide for all travel modes, upgrade lighting and

**City of Sunnyvale**  
**Annual Status Report on Receipt and Use of Development Impact Fees**  
**FY 2013/14**

streetscape to downtown standards, and provide additional on-street parking in the vicinity of the Northrop Grumman facility.

*828910 Sunnyvale Avenue/Old San Francisco Road Left Turn Project* – This project will construct a new signalized southbound left turn access to Old San Francisco Road from Sunnyvale Avenue. A preliminary engineering feasibility analysis was conducted that indicated there was an operational benefit to providing a left turn lane onto Old San Francisco Road from Sunnyvale Ave, where none currently exists.

*829270 Remington Drive/Bernardo Ave Traffic Signal* - This project will construct a new traffic signal and communications equipment at the intersection of Remington Drive and Bernardo Avenue to improve traffic operations and safety at this location.

*829320 Downtown Streetscape Improvements Phase II* - This project will provide streetscape improvements (enhanced sidewalks, lighting, and landscaping) on Iowa Avenue in locations that are not anticipated to be enhanced by redevelopment. The purpose of the project is to enhance public spaces in the downtown to encourage economic development and public activity such as walking and shopping.

*829910 Mathilda Avenue/Maude Avenue Safety Improvements* - This project provides for traffic safety improvements at the intersection of Mathilda Avenue and Maude Avenue. Rear-end and sideswipe collisions at the intersection will be mitigated with projects such as improved traffic signal visibility and timing, advance changeable message warning signs, Light Emitting Diode (LED) safety lighting, and accessible pedestrian signals.

*829920 Sunnyvale-Saratoga Road/Fremont Avenue Safety Improvements* - This project provides for traffic safety improvements at the intersection of Sunnyvale-Saratoga Road and Fremont Avenue. Rear-end and sideswipe collisions at the intersection will be mitigated with projects such as improved traffic signal visibility and timing, advance changeable message warning signs, Light Emitting Diode (LED) safety lighting, and accessible pedestrian signals.

**City of Sunnyvale**  
**Annual Status Report on Receipt and Use of Development Impact Fees**  
**FY 2013/14**

**Fee:**                      **Park Dedication Fee**

**Fee Description:**      Fee assessed on certain residential subdivisions to purchase land, buy equipment, or construct improvements in neighborhood and district parks and recreational facilities serving the subdivision.  
(Sunnyvale Municipal Code, Chap. 19.74 — Non-exempt from Mitigation Fee Act reporting requirements.)

**Amount of Fee:**        \$69.00 per square foot.

**Fund:**                      Park Dedication Fund – Multi-Family Residential  
(141/200)

**FY 2013/2014 Receipt and Use:**

The City of Sunnyvale has two different types of Park Dedication Fees. The first was established pursuant to the Quimby Act (California Government Code §66477), listed in the Subdivision Map Act, and codified by the City in the Sunnyvale Municipal Code, Chapter 18.10. These particular Park Dedication Fees are assessed only on residential units in subdivisions and may be used to purchase land, buy equipment or construct improvements in neighborhood parks, district parks, and recreational facilities serving the residential subdivision. The fees collected for this type of development are exempt from reporting requirements, and details are not included in this report.

The second type of Park Dedication Fee was established pursuant to the Mitigation Fee Act (California Government Code §66000(b)) and codified by the City in the Sunnyvale Municipal Code, Chapter 19.74. These Park Dedication Fees are assessed only on multi-family residential units and may be used to purchase land, buy equipment or construct improvements in neighborhood parks, district parks, and recreational facilities serving the multi-family residential unit. The fees collected for this type of development are subject to the reporting requirements included in the Mitigation Fee Act.

Beginning Balance	\$ 2,140,090
Resources	
New Fees Collected	\$ 6,132,458
Interest	14,832
Total Resources	<u>\$ 8,287,388</u>

**City of Sunnyvale**  
**Annual Status Report on Receipt and Use of Development Impact Fees**  
**FY 2013/14**

## Transfers

808352 Seven Seas Park Development	\$ 4,661,501
% Funded by Fee:	100%
Origination Year:	FY 90/91
Planned Completion Year:	FY 13/14
Interfund Transfer To:	Cap.Proj. – General Assets
818550 Park Buildings – Rehabilitation	1,536,938
% Funded by Fee:	100%
Origination Year:	FY 96/97
Planned Completion Year:	On-going
Interfund Transfer To:	Infrast. – General Assets
818600 Senior Center Buildings – Rehabilitation	6,358
% Funded by Fee:	100%
Origination Year:	FY 96/97
Planned Completion Year:	On-going
Interfund Transfer To:	Infrast. – General Assets
820240 Park Tennis/Basketball Court Reconstruction	9,852
% Funded by Fee:	100%
Origination Year:	FY 98/99
Planned Completion Year:	On-going
Interfund Transfer To:	Infrast. – General Assets
820270 Playground Equipment Replacement	440,230
% Funded by Fee:	100%
Origination Year:	FY 98/99
Planned Completion Year:	On-going
Interfund Transfer To:	Infrast. – General Assets
820280 Park Furniture and Fixtures Replacement	112,215
% Funded by Fee:	100%
Origination Year:	FY 98/99
Planned Completion Year:	On-going
Interfund Transfer To:	Infrast. – General Assets
825850 Swim Pools Infrastructure	57,929
% Funded by Fee:	100%
Origination Year:	FY 05/06
Planned Completion Year:	On-going
Interfund Transfer To:	Infrast. – General Assets

**City of Sunnyvale**  
**Annual Status Report on Receipt and Use of Development Impact Fees**  
**FY 2013/14**

828400 Golf Buildings Renovations		110,041
% Funded by Fee:	100%	
Origination Year:	FY 09/10	
Planned Completion Year:	FY 17/18	
Interfund Transfer To:	Infrast. – Comm Rec	
829150 Swim Buildings Infrastructure		957
% Funded by Fee:	100%	
Origination Year:	FY 11/12	
Planned Completion Year:	On-going	
Interfund Transfer To:	Infrast. – General Assets	
829160 Golf Course Tree Trimming and Removal		32,453
% Funded by Fee:	100%	
Origination Year:	FY 07/08	
Planned Completion Year:	FY 13/14	
Interfund Transfer To:	Infrast. – Comm Rec	
829190 Community Center Comprehensive Infrastructure		17,805
% Funded by Fee:	100%	
Origination Year:	FY 11/12	
Planned Completion Year:	On-going	
Interfund Transfer To:	Infrast. – General Assets	
829440 Land Acquisition Due Dilligence		4,000
% Funded by Fee:	100%	
Origination Year:	FY 11/12	
Planned Completion Year:	FY 15/16	
Interfund Transfer To:	Cap.Proj. – General Assets	
829520 Theatre Stage Lighting		320,301
% Funded by Fee:	100%	
Origination Year:	FY 12/13	
Planned Completion Year:	FY 13/14	
Interfund Transfer To:	Infrast. – General Assets	
829570 Orchard Gardens Park Expansion		146,871
% Funded by Fee:	100%	
Origination Year:	FY 12/13	
Planned Completion Year:	FY 14/15	
Interfund Transfer To:	Cap.Proj. – General Assets	

**City of Sunnyvale**  
**Annual Status Report on Receipt and Use of Development Impact Fees**  
**FY 2013/14**

829950 BIA Litigation		26,860
% Funded by Fee:	100%	
Origination Year:	FY 12/13	
Planned Completion Year:	FY 13/14	
Interfund Transfer To:	Gen Fund – General Assets	
830500 Landfill Hills Recreation Master Plan		98,884
% Funded by Fee:	100%	
Origination Year:	FY13/14	
Planned Completion Year:	FY13/14	
Interfund Transfer To:	Cap.Proj. – General Assets	
830560 Fremont Pool house Infrastructure Improvements		66,709
% Funded by Fee:	100%	
Origination Year:	FY12/13	
Planned Completion Year:	Ongoing	
Interfund Transfer To:	Infrast. – General Assets	
830800 Las Palmas Dog Park Improvements		6,932
% Funded by Fee:	100%	
Origination Year:	FY13/14	
Planned Completion Year:	FY14/15	
Interfund Transfer To:	General Fund - General	
Project Administration In-Lieu		609,734
Origination Year:	On-going	
Planned Completion Year:	On-going	
Interfund Transfer To:	Internal Services Fund	
Total Transfers		<u>\$ 8,266,570</u>
Ending Balance		<u>\$ 20,810</u>

*Note: No interfund loans or refunds were made during FY 2013/2014.*

**Exempt Park Dedication Fees:**

During FY 2013/2014, the City collected \$4,335,298 in new exempt Park Dedication Fees, with \$96,838 in interest earned. These fees were assessed on the number of residential units in subdivisions. The City has specified 5 capital projects for parks and common use spaces that serve the residents. Descriptions of the projects are included in *Volume III* of the *FY 2013/2014 Adopted Budget and Resource Allocation Plan*. As previously noted, these fees are exempt from reporting requirements, and therefore, details are not included in this report.

**City of Sunnyvale**  
**Annual Status Report on Receipt and Use of Development Impact Fees**  
**FY 2013/14**

**Description of Projects:**

*808352 Seven Seas Park Development* - This project provides development of a 5.3 acre parcel on Morse Avenue as a neighborhood park. This property was purchased to provide a park for this neighborhood and was previously leased for private industrial use (Fair Oaks Industrial Park).

*818550 Park Buildings – Rehabilitation* – This project provides for renovations and upgrades to Park Buildings for a multitude of reasons, including compliance with code requirements and Americans with Disabilities Act (ADA) guidelines, safety improvements, and repairs to aging infrastructure.

*818600 Senior Center Buildings - Rehabilitation* – This project provides for infrastructure repairs and renovations to existing park buildings. This may include repair/replacement of flooring, window coverings, fixtures, HVAC, roofs, and other work required to keep existing structures in a safe, usable, and attractive condition. These projects are evaluated and prioritized according to applicable codes, safety issues, and relationships to other rehabilitation projects that may trigger work to the buildings such as playground renovations or ADA upgrades to restrooms.

*820240 Park Tennis/Basketball Court Construction* -- This project provides for the reconstruction of 32 City-owned tennis and basketball courts and does not include the 16 tennis courts at the Sunnyvale Tennis Center, which are included in a separate project. Based on historical data, usage, and current surveys, major reconstruction and repair for each court is required approximately every 30 years. Reconstruction will include surfacing, fencing, and hardware as appropriate.

*820270 Playground Equipment Replacement* - This project provides for the replacement of parks playground equipment and resilient surfacing on a 20-year cycle.

*820280 Park Furniture and Fixtures Replacement* - This project provides for the replacement of picnic tables, park benches, drinking fountains, trash containers, retaining walls and other fixtures.

*825850 Swim Pools Infrastructure* - This project covers infrastructure needs for three community swimming pools – the City-owned Washington Pool, and the leased pools at Columbia Middle School and Sunnyvale Middle School.

*828400 Golf Buildings Renovations* - This project provides for the repair/renovation of existing golf building components at both Sunnyvale and Sunken Gardens golf courses to bring them into compliance with current building codes and ADA requirements. Components include flooring, electrical/lighting systems (including practice range), HVAC systems, plumbing, interior/exterior painting, stairs and ramp ways, and cabinetry

**City of Sunnyvale**  
**Annual Status Report on Receipt and Use of Development Impact Fees**  
**FY 2013/14**

*829150 Swim Buildings Infrastructure* - This project provides for infrastructure renovation and repair of two community swimming pool buildings: the City-owned Washington Pool and the pool at Columbia Middle School. Facilities at Washington include the bleacher/pool equipment and locker room buildings. Facilities at Columbia include the office and pool equipment/park maintenance buildings.

*829160 Golf Course Tree Trimming and Removal*- This project provides for the pruning and removal of mature trees at Sunnyvale and Sunken Gardens Golf Courses. The vast majority of the trees have reached maturity and are dead/dying or have safety issues that must be addressed. Pruning from the ground can no longer be done, so now these trees must be pruned either by climbing or by the use of bucket trucks to ensure employee health and safety. The required work has grown cumulatively over the last 10 years and has surpassed the ability of the operating funds to adequately address it.

*829190 Community Center Comprehensive Infrastructure* - This project provides for infrastructure repairs and renovations to buildings at the Community Center. The scope of the project includes roof replacement and repair, HVAC (heating, ventilation, and air conditioning) system replacement and repair, fire protection systems, and waterproofing.

*829440 Land Acquisition Due Diligence* - This project allows for due diligence to cover for professional services associated with review and evaluation of reports provided by developers offering land for dedication, and to coordinate with State regulatory oversight agencies.

*829520 Theatre Stage Lighting* - This project provides for the replacement of aging and outdated stage lighting infrastructure in the Community Center Theatre. The lighting control equipment and infrastructure is integral to the operations of a live theater facility. The project includes new, more efficient stage lighting, replacement of the lighting control board, dimmers for the stage lights, and upgrades to electrical infrastructure (wiring) to current codes.

*829570 Orchard Gardens Park Expansion* - The expansion of Orchard Gardens Park includes the demolition of three City-owned homes adjacent to the park on Garner Drive. This area will be replaced with landscaping, benches, lighting, and concrete pathways and serve as the western “gateway” to the JWC Greenbelt. The City has purchased all adjacent parcels necessary for the park expansion.

*829950 BIA Litigation*- This project provides funds to cover outside counsels costs in *BIA vs. City of Sunnyvale* litigation.

*830500 Landfill Hills Recreational Master Plan* - This project provides for the development of a long-term plan for the recreational use of the landfill area including the West Hill, Recycle Hill, and South Hill portions of the Sunnyvale Landfill. The scope includes contracting with a consultant to develop the plan in coordination with City staff and public input.

**City of Sunnyvale**  
**Annual Status Report on Receipt and Use of Development Impact Fees**  
**FY 2013/14**

*830560 Fremont Pool House Infrastructure Improvements* - Fremont Union High School District (FUHSD) and the City entered into an agreement for maintenance of the pool house in 2002. This project provides for major infrastructure improvements to the Fremont High School pool house building that are more extensive than normal routine maintenance. The repairs will address deficient shower drains, inadequate air flow inside the two locker rooms, and damages to building infrastructure as a result of the deficiencies.

*830800 Las Palmas Dog Park Improvements* - This project will provide for improvements to the existing 0.5 acre dog park including natural grass surfacing, a separate fenced area for small dogs and related site amenities.

*Project Administration In-Lieu* — Transfer to the Project Management Services General Service Fund to cover the indirect costs realized during the course of managing transportation related capital projects.



RESOLUTION NO. \_\_\_\_-14

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY  
OF SUNNYVALE MAKING FINDINGS WITH RESPECT  
TO UNSPENT TRANSPORTATION IMPACT AND  
SENSE OF PLACE FEES**

WHEREAS, Government Code section 66001(d) requires the City to make certain findings concerning development impact fees collected with respect to that portion of the account or fund remaining unexpended, whether committed or uncommitted, in the fifth fiscal year following the first deposit into the account and every fifth year thereafter; and

WHEREAS, the City has collected transportation impact fees as authorized under the Sunnyvale Municipal Code, Chapter 3.50, Transportation Impact Fee, as a key component of the Transportation Program in order to mitigate the impact of new development on transportation deficiencies; and

WHEREAS, the City has collected sense of place fees to plan and construct public improvements that enhance the quality of life for residents and employees of an area through improved site specific improvements that benefit a larger planning area; and

WHEREAS, the City has unspent transportation mitigation and sense of place fees, together with accrued interest thereon, for a period of five years or more since the first deposit; and

WHEREAS, the City Council desires to make the findings required by law with respect to such fees; and

WHEREAS, California Government Code Section 66001(d), the Mitigation Fee Act, requires the City Council adopt certain findings each fifth year following deposit of development fees, whether committed or uncommitted, as follows:

1. Identify the purpose to which the fee is to be put;
2. Demonstrate a reasonable relationship between the fee and the purpose for which it is charged;
3. Identify all sources and amounts of funding anticipated to complete financing in incomplete improvements identified;
4. Designate the approximate dates on which the funding referred to in subparagraph 3, above is expected to be deposited into the appropriate account or fund.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SUNNYVALE hereby adopts the following findings:

1. TRANSPORTATION IMPACT FEE

a. Identify the purpose to which the fee is to be put.

Transportation impact funds were collected pursuant to the Mitigation Fee Act for those projects contributing traffic to the local roadway system at levels defined as significant per the criterion of the City of Sunnyvale General Plan and the Santa Clara Valley Transportation Authority Congestion Management Program Transportation Impact Analysis Program. Funds are to be used for projects identified in the Sunnyvale General Plan Land Use and Transportation Element, adopted November 11, 1997 as required to maintain roadway intersection levels of service per City General Plan policy. Projects are listed in the City's *Resource Allocation Plan*.

The City has refined its forecast of transportation improvement needs in December, 2013 to maintain local roadway levels of service since adoption of the Land Use and Transportation Element.

b. Demonstrate a reasonable relationship between the fee and the purpose for which it is charged.

A reasonable relationship exists between the cumulative mitigation funds and the purpose for which they were collected, in that the funds were collected from projects generating new traffic to the roadway system that was determined in the General Plan and supporting documents to require improvements to maintain roadway levels of service. Traffic from these projects cumulatively generate congestion, which adversely impacts roadway level of service. Funds are to be used for projects that improve the city's transportation system. Projects to improve the regional transportation system have been identified through the *City's Resource Allocation Plan* process and are listed in the *Resource Allocation Plan*.

c. Identify all sources and amounts of funding anticipated to complete financing in incomplete improvements.

The City's Transportation Impact Fee and identified a strategy for obtaining the balance of funding from other sources includes federal and state funds. Cumulative mitigation funds will continue to be deposited as collected and will be used solely for the purpose of constructing traffic improvements to maintain roadway levels of service identified in the list of transportation improvement projects identified and adopted by the City Council on December 17, 2013. Such public improvements require various sources of funding in addition to development impact fees, including federal, state and regional apportionments and/or grant funding. Such funds are budgeted to the extent they can be reasonably projected.

The City of Sunnyvale has adopted a Capital Improvement Program (CIP) which indicates the approximate location, estimated cost and status of each proposed capital project which is available to the public upon request and is posted on the City's website. In addition, the City adopts the CIP as a component of its annual budget process which is subject to extensive public input and public hearing.

- d. Designate the approximate dates on which the funding referred to in subparagraph c. is expected to be deposited into the appropriate account or fund.

The current cost estimate for transportation system improvements necessary to maintain local roadway levels of service is identified in General Plan policy. All transportation system improvements to support General Plan land use are anticipated to be completed by 2030. Remaining improvements have not yet been implemented due to lack of funding, lack of right-of-way, and levels of traffic growth which have not yet met cumulative forecast conditions.

2. SENSE OF PLACE FEE

- a. Identify the purpose to which the fee is to be put.

The three geographic areas subject to Sense of Place fees are Tasman Crossing, Fair Oaks Junction and East Sunnyvale. Sense of Place fees are collected and used to plan and construct public improvements that: enhance the quality of life for residents and employees of an area through improved pedestrian access to parks, open space, schools, retail amenities and public transportation; encourage pedestrian, bicycle, and transit use through streetscape improvements, land use planning, and architectural design; and, aim toward “complete street” designs that accommodate movements of all modes of transportation including bicycle, pedestrian and transit traffic. Sense of Place fees and related improvements augment the site specific developer required sense of place improvements. The fees also provide matching funds for grants for types of improvements that benefit a larger planning area.

- b. Demonstrate a reasonable relationship between the fee and the purpose for which it is charged.

The Sense of Place fee is applied to redevelopment projects on a per unit basis. These funds will be used for common improvements such as pedestrian crossings, markers and other elements identified in the plan. Implementation of other plan elements, such as the pedestrian signals, may be funded by gas tax funds and other transportation mitigation funds.

- c. Identify all sources and amounts of funding anticipated to complete financing in incomplete improvements.

Sense of Place fees provide funding for a portion of the identified plans and improvements in each of the three areas and may be applied as

matching funds for grants when an improvement cannot be funded entirely by the fees. Sense of Place fees represents 15-30% of the total cost of the sense of place improvements for each area.

The adopted plans list a variety of funding sources available for sense of place improvements. For example, the Bay Area Air Quality Management District/ Transportation Fund for Clean Air is available for bicycle facilities and smart growth/traffic calming projects. The Valley Transportation Authority Community Design & Transportation Program provides grants for similar projects. Grant opportunities are modified periodically and are added to the potential sources.

- d. Designate the approximate dates on which the funding referred to in subparagraph c. is expected to be deposited into the appropriate account or fund.

It is anticipated that funding for Sense of Place improvements will be pursued annually. Due to the transitional nature of the three neighborhoods with Sense of Place planning, some of the improvements may be tied to the timing of the redevelopment of those properties. It is anticipated that it will be approximately 10 more years (i.e. 2024) for all the sites to redevelop and 10 years for sense of place fees to be paid for the entire area. It may be another five years beyond this time (i.e. 2029) for all funding to be received to complete the improvements.

Adopted by the City Council at a regular meeting held on \_\_\_\_\_, 2014, by the following vote:

AYES:  
NOES:  
ABSTAIN:  
ABSENT:  
RECUSAL:

ATTEST:

APPROVED:

\_\_\_\_\_  
City Clerk  
(SEAL)

\_\_\_\_\_  
Mayor

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney



# City of Sunnyvale

## Agenda Item

14-1091

Agenda Date: 12/9/2014

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### REPORT TO COUNCIL

#### **SUBJECT**

Amend the Schedule of Pay of the Salary Resolution: Salary Adjustment for Pay Plan Category C (applies to Classified Public Safety Officers and Lieutenants) and Pay Plan Category D/E (applies to Public Safety Captains and Public Safety Deputy Chiefs) and Approve Budget Modification No. 27

#### **BACKGROUND**

The 2006-2015 Memorandum of Understanding (MOU) with the Public Safety Officers' Association (PSOA) provides for salary adjustments for Public Safety Officers and Public Safety Lieutenants. Adjustments are to be based on the market survey data of total compensation for 12 Bay Area cities and require that the City "provide such increase as needed to adjust the wages of the Public Safety Officers and Public Safety Lieutenants eleven percent (11%) above" the survey average of the top eight agencies.

The July 1, 2013 through June 30, 2015 MOU with the Public Safety Managers' Association (PSMA) states that Public Safety Captains and Public Safety Deputy Chiefs are to receive the same percentage of salary increase as the Public Safety Lieutenant classification on the same effective date as the Public Safety Lieutenant and retroactive, if applicable.

#### **EXISTING POLICY**

The proposed increases are in accordance with the provisions of the current MOU between the City of Sunnyvale and the PSOA and current MOU between the City of Sunnyvale and the PSMA.

#### **ENVIRONMENTAL REVIEW**

N/A

#### **DISCUSSION**

As noted, when the current MOU was adopted, the previous MOUs with the PSOA established a wage formula based upon an annual market survey of total compensation for 12 Bay Area cities. The formula provides for total compensation for Sunnyvale classifications to be 11 percent above the survey average of the top eight surveyed agencies. Pursuant to the current MOU, the same methodology was used for this year's survey.

Based on the results of this year's survey, it is recommended that the Pay Plan Category C and D/E of the Schedule of Pay of the Salary Resolution be amended pursuant to the City's current MOUs with the PSOA and PSMA to reflect the new pay rates for the following classifications, increased by the indicated percentages, effective retroactive to July 6, 2014: 2.49 percent Public Safety Officer II, 2.36 percent Public Safety Lieutenant, 2.36 percent for Public Safety Captains and Public Safety Deputy Chiefs. Pursuant to the Salary Resolution, the classification of Public Safety Officer-in-Training is set at 10 percent below Public Safety Officer II. The classification of Public Safety Officer

It is set at 5 percent above Public Safety Officer-in-Training.

### **FISCAL IMPACT**

The FY 2014/15 Adopted Budget included a four percent increase for all sworn personnel. Additionally, the General Fund Long Term Financial Plan projects three percent increases per year through FY 2023/24 and four percent per year through the remainder of the plan. Because the survey resulted in actual increases less than budgeted, the General Fund will realize approximately \$700,000 in savings in the current year and approximately \$18.2 million over 20 years if the remaining salary assumptions hold.

While these survey results do lower the salary base going forward, there is significant uncertainty around future survey results. In past years, low survey results have been followed by high survey results. Over the last twenty years, the survey has resulted in an annual average increase of 4.1 percent. As the economy recovers and upward pressure is placed on salaries, it is possible that the survey will return a value higher than budgeted, thus negating the reduction in the base.

Staff is recommending that the FY 2014/15 Department of Public Safety budget be reduced to reflect the actual salary increases provided. These savings will help to absorb the cash flow needs of the General Fund related to accelerating public safety recruitment activities discussed in a separate staff report tonight. Budget Modification No. 27 has been prepared to reduce the Department of Public Safety's operating budget to reflect the lower than anticipated increase in salaries.

### **Budget Modification No. 27**

	<b>Current</b>	<b>FY 2014/15 Increase/ (Decrease)</b>	<b>Revised</b>
<b><u>General Fund Expenditures</u></b>			
Program 471 - Police Services	\$29,231,828	(\$310,274)	\$28,921,554
Program 472 - Fire Services	\$26,880,869	(\$295,738)	\$26,585,131
Program 473 - Community Safety Services	\$4,101,921	(\$21,720)	\$4,080,201
Program 474 - Personnel and Training	\$1,807,557	(\$13,388)	\$1,794,169
Program 475 - Investigation Services	\$4,741,370	(\$46,787)	\$4,694,583
Program 477 - Public Safety Administrative Services	\$5,320,629	(\$13,274)	\$5,307,355
<b><u>Reserves</u></b>			
Budget Stabilization Fund	\$42,299,757	\$701,181	\$43,000,938

### **PUBLIC CONTACT**

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, at the Sunnyvale Senior Center, Community Center and Department of Public Safety; and by making the agenda and report available at the Sunnyvale Public Library, the Office of the City Clerk and on the City's website.

**STAFF RECOMMENDATION**

Amend Pay Plan Category C and D/E of the Schedule of Pay of the Salary Resolution to reflect the new pay rates pursuant to the City's current MOUs with the PSOA and PSMA, effective retroactive to July 6, 2014 and Approve Budget Modification No. 27.

Prepared by: Allison Suggs, Human Resources Manager

Reviewed by: Teri Silva, Director of Human Resources

Reviewed by: Grace K. Leung, Director of Finance

Reviewed by: Robert A. Walker, Assistant City Manager

Approved by: Deanna J. Santana, City Manager

**ATTACHMENTS**

1. 10/15/14 PSOA Total Compensation Survey - Public Safety Officer
2. 10/15/14 PSOA Total Compensation Survey - Public Safety Lieutenant
3. Resolution for Pay Plan Category C with Exhibit A (Salary Schedule)
4. Resolution for Pay Plan Category D/E (Public Safety Captains and Public Safety Deputy Chiefs) with Exhibit A (Salary Schedule)



# ATTACHMENT 1

PSOA - October 15, 2014

**PUBLIC SAFETY OFFICER II, STEP 6 - PROJECTED INCREASE**  
(compares to Police Officer)

Top 8/ 1.77% PERS EPMC

Current monthly top step salary: \$10,186.76

All costs shown in the array represent the maximum monthly agency costs or contributions for the respective benefit.

City	MOU Dates	Month(s) Salary Changes	Salary Effective Date	BASE PAY		BENEFIT PAY (Maximum Agency Contribution)										TOTAL COMP	
				Top-Step Base Salary	City Paid EE PERS	% Rate	EPMC %	EPMC \$	Medical	EAP	Dental	Life	LTD	Uniform Allowance	Total Benefits Pay	Base Pay + Benefit Pay	
Sunnyvale (current)	07/01/06-06/30/15	July	07/09/13	10,186.76	916.81	9.00% a)	1.77%	180.31	515.00	in med	140.55	16.85	19.00	26.00 b)	1,814.51	12,001.27	
Sunnyvale (new)	07/01/06-06/30/15	July	07/06/14	10,440.14	939.61	9.00% a)	1.77%	184.79	515.00	in med	140.55	16.38	19.00	26.00 b)	1,841.33	12,281.48	
Concord	07/10/07-06/30/15	January	7/7/2014	7,524	0.00	0.00%			1,642.07	7.06	165.90	20.77	29.35	108.33	1,973.48	9,497.88 *	
Fremont	07/01/13-06/30/15	July	6/29/2014	8,361	0.00	0.00%			1,700.00	4.34	in med	4.20	57.16	125.00	1,890.70	10,251.70 *	
Palo Alto	07/01/11-06/30/14	July	5/19/2012	8,117	0.00	0.00%			1,704.89	2.74	164.75	25.33	0.00	37.33 b)	1,935.03	10,052.23 *	
San Jose	07/01/13-12/31/15	July	7/1/2014	8,705	0.00	0.00%			1,217.02	20.75	96.72	1.34	0.00	56.25	1,392.08	10,096.88 *	
Alameda	06/29/13-06/24/17	January	annualized	8,391	0.00	0.00%			1,894.32	3.19	158.65	8.00	n/a	145.83	2,209.99	10,600.94	
Hayward	07/01/04-06/30/15	July	7/1/2010	8,774	0.00	0.00%			1,894.32	5.46	195.94	n/a	n/a	75.00	2,170.72	10,944.85	
Milpitas	01/01/09-12/31/14	July	6/29/2014	9,235	0.00	0.00%			1,931.07	1.82	200.73	7.00	19.50	112.50	2,272.62	11,507.93	
Mountain View	07/01/12-06/30/15	July	7/1/2014	9,365	0.00	0.00%			1,817.08	2.77	214.06	61.81	0.00	0.00	2,095.72	11,460.96	
Richmond	07/01/13-06/30/16	July	7/1/2014	9,293	0.00	0.00%			1,894.32	3.83	122.46	14.50	25.00	66.67	2,126.78	11,419.78	
San Leandro	01/01/13-12/31/15	January	annualized	8,390	125.84	1.50%			1,665.09	3.90	147.40	n/a	n/a	108.33	2,050.56	10,440.15	
San Mateo	08/19/12-08/15/15	July	7/6/2014	8,676	0.00	0.00%			1,688.15	2.15	143.21	8.50	0.00	70.83	1,912.84	10,588.38	
Santa Clara	12/23/12-12/12/14	December	12/27/2009	10,288	0.00	0.00%			1,207.17	1.15	in med	5.85	0.00	50.00	1,264.17	11,552.17	

Notes:

0.00

a) amount to be used per MOU.

b) PERSable figure only, not actually paid.

Alameda - 1/1/15 based upon BRJ from fiscal year 2013-2014 (min. 2%; max. 5%)

Concord - contract extended through 6/30/15

Fremont - effective 6/29/14 - 2% salary increase

Hayward - no salary increase 7/1/11 - 7/3/14 due to budget shortfall.

Mountain View - salary increase 7/1/14 - 2%

Palo Alto - Effective 5/19/12 - 1.33% pay decrease; contract expired 6/30/14, in negotiations

San Leandro - 3% salary increase effective 1/1/15; sixth step added 1/1/15 - 5%

San Mateo - new contract - employees now pay 9% PERS and City now pays 90% of lowest cost HMO

Santa Clara - no increase

## Salary Calculation Methodology per MOU

### MOU Section

10.6.2	Sunnyvale Current Total Compensation:	12,001.27
10.6.4	Average Total Compensation (excludes Sunnyvale and four lowest cities *):	11,064.39
10.6.5	Average Total Compensation + 11%:	12,281.48
10.6.6	Dollar difference between 10.6.5 and 10.6.2:	280.20
10.6.7	Express 10.6.6 as a percentage of 10.6.2:	2.33%
10.6.8a	Percentage to apply to Top-Step Monthly Salary so that 10.6.2 equals 10.6.5:	2.49%

	Old Rate	New Rate
Hourly Salary	58.7698	60.2316
Monthly Salary	10,186.76	10,440.14
Annual Salary	122,241.11	125,281.72

*Teri Silva*  
TERI SILVA, DIRECTOR OF HUMAN RESOURCES

10/30/14  
DATE

*Tim Ahearn*  
TIM AHEARN, PRESIDENT OF PSOA

10/31/14  
DATE



PSOA - October 15, 2014

**PUBLIC SAFETY LIEUTENANT- PROJECTED INCREASE**  
(compares to Police Sergeant)

Top 8/ 1.77% PERS EPMC

Current monthly top step salary: \$11,951.62

All costs shown in the array represent the maximum monthly agency costs or contributions for the respective benefit.  
Educational Incentive uses the highest contribution or the amount equivalent to a Bachelor's Degree.

City	MOU Dates	Month(s) Salary Changes	Salary Effective Date	BASE PAY BENEFIT PAY (Maximum Agency Contribution)													TOTAL COMP
				Top-Step Base Salary	City Paid EE PERS	EE PERS % Rate	EPMC %	EPMC \$	Medical	EAP	Dental	Life	LTD	Uniform Allowance	Total Benefits Pay	Base Pay + Benefit Pay	
Sunnyvale (current)	07/01/06-06/30/15	July	07/09/13	11,951.62	1075.65	9.00% a)	1.77%	211.54	515.00	in med	140.55	19.73	19.00	26.00 b)	2,007.47	13,959.09	
Sunnyvale (new)	07/01/06-06/30/15	July	07/06/14	12,233.89	1101.05	9.00% a)	1.77%	216.54	515.00	in med	140.55	19.11	19.00	26.00 b)	2,037.25	14,271.14	
Concord	07/10/07-06/30/15	January	7/7/2014	9743	0.00	0.00%			1,642.07	7.06	165.90	26.89	38.00	108.33	1,988.25	11,731.25 *	
Fremont	07/01/13-06/30/15	July	6/29/2014	10048	0.00	0.00%			1,700.00	4.34	in med	4.20	57.16	125.00	1,890.70	11,938.70 *	
Palo Alto	07/01/11-06/30/14	July	5/19/2012	9826	0.00	0.00%			1,704.89	2.74	164.75	30.66	0.00	37.33 b)	1,940.36	11,766.63 *	
San Jose	07/01/13-12/31/15	July	7/1/2014	10076	0.00	0.00%			1,217.02	20.75	96.72	1.34	0.00	56.25	1,392.08	11,467.95 *	
Alameda	06/29/13-06/24/17	January	annualized	10215	0.00	0.00%			1,894.32	3.19	158.65	8.00	n/a	145.83	2,209.99	12,425.13	
Hayward	07/01/04-06/30/15	July	7/1/2010	10516	0.00	0.00%			1,894.32	5.46	195.94	n/a	n/a	75.00	2,170.72	12,686.85	
Milpitas	01/01/09-12/31/14	July	6/29/2014	11157	0.00	0.00%			1,931.07	1.82	200.73	7.00	19.50	112.50	2,272.62	13,429.13	
Mountain View	07/01/12-06/30/15	July	7/1/2014	11369	0.00	0.00%			1,817.08	2.77	214.06	66.00	0.00	0.00	2,099.91	13,469.06	
Richmond	07/01/13-06/30/16	July	7/1/2014	11073	0.00	0.00%			1,894.32	3.83	122.46	14.50	25.00	66.67	2,126.78	13,199.78	
San Leandro	01/01/13-12/31/15	January	annualized	10068	151.02	1.50%			1,665.09	3.90	147.40	n/a	n/a	108.33	2,075.73	12,143.44	
San Mateo	08/19/12-08/15/15	July	7/6/2014	10409	0.00	0.00%			1,688.15	2.15	143.21	6.80	0.00	75.00	1,915.31	12,324.50	
Santa Clara	12/23/12-12/12/14	December	12/27/2009	11913	0.00	0.00%			1,207.17	1.15	in med	5.85	0.00	50.00	1,264.17	13,177.17	

## Notes

0.00

a) amount to be used per MOU.

b) PERSable figure only, not actually paid.

Alameda - 1/1/15 based upon BRI from fiscal year 2013-2014 (min. 2%; max. 5%)

Concord - contract extended through 6/30/15

Fremont - effective 6/29/14 - 2% salary increase

Hayward - no salary increase 7/1/11 - 7/1/14 due to budget shortfall.

Mountain View - salary increase 7/1/14 - 2%

Palo Alto - Effective 5/19/12 - 1.33% pay decrease; contract expired 6/30/14, in negotiations

San Leandro - 3% salary increase effective 1/1/15; sixth step added 1/1/15 - 5%

San Mateo - new contract - employees now pay 9% PERS and City now pays 90% of lowest cost HMO

Santa Clara - no increase

## Salary Calculation Methodology per MOU

## MOU Section

10.6.2	Sunnyvale Current Total Compensation:	13,959.09
10.6.4	Average Total Compensation (excludes Sunnyvale and four lowest cities *):	12,856.88
10.6.5	Average Total Compensation + 11%:	14,271.14
10.6.6	Dollar difference between 10.6.5 and 10.6.2:	312.05
10.6.7	Express 10.6.6 as a percentage of 10.6.2:	2.24%
10.6.8a	Percentage to apply to Top-Step Monthly Salary so that 10.6.2 equals 10.6.5:	2.36%

	Old Rate	New Rate
Hourly Salary	68.9517	70.5801
Monthly Salary	11,951.62	12,233.89
Annual Salary	143,419.49	146,806.67

TERI SILVA, DIREC

1

DATE

TIM AHEARN, PRESIDENT OF PSOA

DATE



RESOLUTION NO. \_\_\_\_\_

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF  
SUNNYVALE AMENDING RESOLUTION NO. 190-05, THE CITY'S  
SALARY RESOLUTION, BY AMENDING THE PAY SCHEDULE  
FOR PAY PLAN CATEGORY C (PUBLIC SAFETY OFFICERS  
ASSOCIATION EMPLOYEES)**

WHEREAS, as specified in the 2006-2015 Memorandum of Understanding with the Public Safety Officers Association ("PSOA"), which provides for salary adjustments for Public Safety Officers and Public Safety Lieutenants; Human Resources staff has proposed to amend the City's Salary Resolution No. 190-05 by revising the new salary range for Public Safety Officers and Public Safety Lieutenants;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SUNNYVALE THAT Resolution No. 190-05 is hereby amended by adding the Pay Plan Category C (Public Safety Officers Association Employees) classifications attached in Exhibit A.

Adopted by the City Council of the City of Sunnyvale at a regular meeting held on \_\_\_\_\_, 2014, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

RECUSAL:

ATTEST:

APPROVED:

\_\_\_\_\_  
City Clerk  
(SEAL)

\_\_\_\_\_  
Mayor

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney

# EXHIBIT A

## City of Sunnyvale Salary Table PSO-IT, PSO I, PSO II, PS Lieutenant

Job Code	Job Title	Unit	Pay Categories	Range / Scale	Min. range / Step 1	Step 2	Step 3	Step 4	Step 5	Max. range / Step 6	Effective Date
3000	PUBLIC SAFETY OFFICER IN-TRAINING	PSOA	C	305	44.1071	46.3124	48.6280	51.0594			7/6/2014
3006	PUBLIC SAFETY OFFICER ACADEMY ATTENDEE/GRADUATE	PSOA	C	305	44.1071	46.3124	48.6280	51.0594			7/6/2014
3001	PUBLIC SAFETY OFFICER II	PSOA	C	306	49.0078	51.4582	54.0312	56.7327	59.5693	61.0586	7/6/2014
3002	PUBLIC SAFETY OFFICER I	PSOA	C	307	46.3124	48.6280	51.0594	53.6124			7/6/2014
3003	PUBLIC SAFETY OFFICER I - TRAINEE	PSOA	C	308	44.1071	46.3124	48.6280	51.0594			7/6/2014
4601	PUBLIC SAFETY LIEUTENANT	PSOA	C	309	58.5310	61.4575	64.5304	67.7569	71.1447		7/6/2014
3000	PUBLIC SAFETY OFFICER IN-TRAINING (EMT)	PSOA	C	305E	45.8713	48.1649	50.5732	53.1018			7/6/2014
3006	PUBLIC SAFETY OFFICER ACADEMY ATTENDEE/GRADUATE (EMT)	PSOA	C	305E	45.8713	48.1649	50.5732	53.1018			7/6/2014
3001	PUBLIC SAFETY OFFICER II (BACHELOR'S DEGREE)	PSOA	C	306B						62.5850	7/6/2014
3001	PUBLIC SAFETY OFFICER II (BACHELOR'S DEGREE AND EMT)	PSOA	C	306BE						65.0274	7/6/2014
3001	PUBLIC SAFETY OFFICER II (EMT)	PSOA	C	306E	50.9682	53.5166	56.1924	59.0020	61.9521	63.5009	7/6/2014
3001	PUBLIC SAFETY OFFICER II (MASTER'S DEGREE)	PSOA	C	306M						64.1115	7/6/2014
3001	PUBLIC SAFETY OFFICER II (MASTER'S DEGREE AND EMT)	PSOA	C	306ME						66.5539	7/6/2014
3002	PUBLIC SAFETY OFFICER I (EMT)	PSOA	C	307E	48.1649	50.5732	53.1018	55.7569			7/6/2014
3003	PUBLIC SAFETY OFFICER I - TRAINEE (EMT)	PSOA	C	308E	45.8713	48.1649	50.5732	53.1018			7/6/2014
4601	PUBLIC SAFETY LIEUTENANT (BACHELOR'S DEGREE)	PSOA	C	309B	59.9942	62.9939	66.1436	69.4508	72.9234		7/6/2014
4601	PUBLIC SAFETY LIEUTENANT (BACHELOR'S DEGREE AND EMT)	PSOA	C	309BE	62.3355	65.4522	68.7249	72.1611	75.7691		7/6/2014
4601	PUBLIC SAFETY LIEUTENANT (EMT)	PSOA	C	309E	60.8722	63.9158	67.1116	70.4672	73.9905		7/6/2014
4601	PUBLIC SAFETY LIEUTENANT (MASTER'S DEGREE)	PSOA	C	309M	61.4575	64.5304	67.7569	71.1447	74.7020		7/6/2014
4601	PUBLIC SAFETY LIEUTENANT (MASTER'S DEGREE AND EMT)	PSOA	C	309ME	63.7987	66.9887	70.3381	73.8550	77.5478		7/6/2014

### Notes

PSOA:

Educational Incentive: The employee must provide the Department of Human Resources with notification of the degree to establish the educational incentive.

Bachelor's Degree - 2.5%

Master's Degree - 5.0%

Emergency Medical Technician (EMT) - 4.0%

Donning and Doffing - PS Officer-in-Training and PS Officer - 1.373%

Donning and Doffing - PS Lieutenant - 0.80%

### Assignments of Grade and Pay Ranges to Pay Plan as Referenced in the Salary Resolution

#### PSOA:

Category C, applies to Public Safety Lieutenants, Public Safety Officers, and Public Safety Officers-in-Training

Pay rates for Categories A, B, C, G and L consist of hourly pay rates for each available step in each classification.

#### Revisions:

Current revision: 08/31/2014

Prior revisions since 2011: 8/17/2014, 7/6/2014, 2/25/2014, 12/22/2013, 12/4/2013, 9/30/2013, 7/7/2013, 6/3/2013, 3/3/2013, 2/6/2013, 12/26/2012, 10/2/2012, 8/27/2012, 5/15/2012, 3/29/2012, 11/21/2011, 10/2/2011

RESOLUTION NO. \_\_\_\_\_

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF  
SUNNYVALE AMENDING RESOLUTION NO. 190-05, THE CITY'S  
SALARY RESOLUTION, BY AMENDING THE PAY SCHEDULE  
FOR PAY PLAN CATEGORY D/E (CLASSIFIED MANAGEMENT  
EMPLOYEES)**

WHEREAS, as specified in the 2013-2015 Memorandum of Understanding with the Public Safety Manager's Association ("PSMA"), which provides for salary adjustments for Public Safety Captains and Public Safety Deputy Chiefs; Human Resources staff has proposed to amend the City's Salary Resolution No. 190-05 by revising the new salary range for Public Safety Captains and Public Safety Deputy Chiefs;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SUNNYVALE THAT Resolution No. 190-05 is hereby amended by adding the Pay Plan Category D/E (Classified Management Employees) classifications attached in Exhibit A.

Adopted by the City Council of the City of Sunnyvale at a regular meeting held on \_\_\_\_\_, 2014, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

RECUSAL:

ATTEST:

APPROVED:

\_\_\_\_\_  
City Clerk  
(SEAL)

\_\_\_\_\_  
Mayor

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney

# EXHIBIT A

## City of Sunnyvale Salary Table DPS Captains and DPS Deputy Chiefs

Job Code	Job Title	Unit	Pay Categories	Range / Scale	Min. range / Step 1	Step 2	Step 3	Step 4	Step 5	Max. range / Step 6	Effective Date
0236	PUBLIC SAFETY CAPTAIN	Mgmt-PSMA	E	19PS	156,190					183,753	7/6/2014
0341	DEPUTY CHIEF PUBLIC SAFETY	Mgmt-PSMA	E	20PS	174,932					205,802	7/6/2014

### Notes

Assignments of Grade and Pay Ranges to Pay Plan as Referenced in the Salary Resolution

### MGMT-SMA and MGMT-PSMA:

**Category E**, applies to Represented Classified Management Employees

Pay rates for **Categories D,E, F and K** consist of the annual control point for each classification.

### Revisions:

Current revision: 08/31/2014

Prior revisions since 2011: 8/17/2014, 7/6/2014, 2/25/2014, 12/22/2013, 12/4/2013, 9/30/2013, 7/7/2013, 6/3/2013, 3/3/2013, 2/6/2013, 12/26/2012, 10/2/2012, 8/27/2012, 5/15/2012, 3/29/2012, 11/21/2011, 10/2/2011



# City of Sunnyvale

## Agenda Item

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**14-1132**

**Agenda Date: 12/9/2014**

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### **SUBJECT**

Adopt Ordinance No. 3050-14 Amending Title 19 (Zoning) Regarding the Appeal Process for Land Use Projects

The Council introduced this ordinance, as modified, at its November 25, 2014 regular meeting. The modifications include allowing one, rather than two, planning commissioner to call for review of a director decision, and to allow director decisions related to variances, use permits, special development permits, and parcel maps to be appealed to city council following an appeal to the planning commission. These modifications are shown on the proposed ordinance (Attachment 1) by strikethrough and interlineation.

### **RECOMMENDATION**

Adopt Ordinance No. 3050-14.

### **ATTACHMENT**

1. Ordinance No. 3050-14



## ORDINANCE NO. 3050-14

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY  
OF SUNNYVALE AMENDING TITLE 19 (ZONING)  
REGARDING THE APPEAL PROCESS FOR LAND USE  
PROJECTS

WHEREAS, the City Council has reviewed the provisions in the zoning code related to the appeal process for land use decisions, and desires to make certain changes to the code for the purpose of clarity and administrative efficiency.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF SUNNYVALE DOES ORDAIN AS FOLLOWS:

SECTION 1. SECTION AMENDED. Section 19.44.140 of Chapter 19.44 (Sign Code) of Title 19 (Zoning) of the Sunnyvale Municipal Code is hereby amended to read as follows:

**19.44.140. Appeals, judicial review.**

(a) Any action of the director regarding signs may be appealed to the planning commission, whose decision shall be final, pursuant to the procedures contained in Chapter 19.98 (General Procedures).

(b) Stay of Proceedings. The request for appeal shall automatically stay the proceedings until a final decision is rendered on the action, permit or determination being appealed, except whenever a sign, by virtue of its physical condition, constitutes an immediate and significant threat to public safety.

(c) [Text unchanged.]

SECTION 2. SECTION AMENDED. Section 19.52.050 of Chapter 19.52 (Art in Private Development) of Title 19 (Zoning) of the Sunnyvale Municipal Code is hereby amended to read as follows:

**19.52.050. Art permit.**

(a) – (d) [Text unchanged.]

(e) Appeals. Actions of the arts commission may be appealed by any aggrieved person in accordance with Chapter 19.98 (General Procedures). The city council, based on the finding, may either:

(1) – (2) [Text unchanged.]

(f) [Text unchanged.]

**SECTION 3. SECTION AMENDED.** Section 19.58.060 of Chapter 19.58 (Family Child Care Homes) of Title 19 (Zoning) of the Sunnyvale Municipal Code is hereby amended to read as follows:

**19.58.060. Director approval or use permit required.**

Except as otherwise modified in this chapter, the requirements and procedures identified in Chapter 19.98 (General Procedures) apply.

(a) Director Approval—Single-Family Dwelling in Residential Zoning District. Each licensee is required to obtain approval by the director of community development for operation of a large family child care home in a single-family dwelling in any residential zoning district. Without public notice or hearing, the director may approve or deny a large family child care home application upon determining its conformance with Section 19.58.050 (Standards for Large Family Child Care Homes) and applicable provisions of this title. The decision of the director shall be final.

(b) – (c) [Text unchanged.]

**SECTION 4. SECTION AMENDED.** Section 19.58.070 of Chapter 19.58 (Family Child Care Homes) of Title 19 (Zoning) of the Sunnyvale Municipal Code is hereby amended to read as follows:

**19.58.070. Revocation of use permit by the planning commission.**

A use permit for a large family child care home may be revoked by the planning commission, after a public hearing thereon, by an affirmative vote of a majority of its voting members, when the planning commission finds a violation of or noncompliance with the conditions of approval of the permit. The decision by the planning commission to revoke a use permit for a large family child care home is appealable to the city council under the requirements and procedures in Chapter 19.98 (General Procedures).

**SECTION 5. SECTION AMENDED.** Section 19.80.040 of Chapter 19.80 (Design Review) of Title 19 (Zoning) of the Sunnyvale Municipal Code is hereby amended to read as follows:

**19.80.040. Procedures and decisions.**

(a) Design Review without Public Notice or Hearing by Director. For design review applications listed in this subsection, the director of community development may, without public notice or hearing, approve the application as requested or as changed, modified or conditioned by the director or deny the design review application based on Section 19.80.050 (Finding). The following design review applications shall require design review without public notice or hearing:

(1) New single-story single-family or duplex residence in the R-0, R-1 or R-2 zoning district which does not exceed either the FAR or gross floor area threshold established in Section 19.32.020;

(2) Single-story exterior modification or addition to a single-family or duplex residence in the R-0, R-1 or R-2 zoning district which does not exceed either the FAR or gross floor area threshold established in Section 19.32.020; and

(3) As otherwise required by this title.

(b) Design Review with Public Notice and No Hearing by Director. For design review applications listed in this subsection, the director of community development may, after providing public notice as described in Chapter 19.98 (General Procedures) and a 14-day public comment period, approve the application as requested or as changed, modified or conditioned by the director, or deny the design review application based on Section 19.80.050 (Finding). Onsite postings for single-family or duplex projects shall include a streetscape elevation showing the proposed home and one adjacent home on each side. The following design review applications shall require design review with public notice and no hearing:

(1) New two-story single-family or duplex residence in the R-0, R-1 or R-2 zoning district which does not exceed either the FAR or gross floor area threshold established in Section 19.32.020;

(2) Second-story exterior modification or second-story addition to a single-family or duplex residence in the R-0, R-1 or R-2 zoning district which does not exceed either the FAR or gross floor area threshold established in Section 19.32.020;

(3) New nonresidential building adjacent to a residential zoning district and which is not subject to any other discretionary permit in this title;

(4) Exterior modification or addition to a nonresidential building adjacent to a residential zoning district and which is not subject to any other discretionary permit in this title; and

(5) As otherwise required by this title.

(c) Appeal of Decision by Director. A decision by the director of community development on a design review pursuant to subsections (a) and (b) may only be appealed by the applicant, the owner of the subject property, or the owner of a property within the required noticing radius as described in Chapter 19.98 (General Procedures). After receiving an appeal from the decision of the director, and following a public hearing, the planning commission, whose decision shall be final, by the affirmative vote of a majority of its voting members may:

(1) – (2) [Text unchanged.]

(d) Design Review with Public Hearing by Planning Commission. For design review applications listed in this subsection, the planning commission may, after holding a public hearing, approve the application as requested or as changed, modified or conditioned by the commission, or deny the design review application based on Section 19.80.050 (Finding). Onsite postings for single-

family or duplex projects shall include a streetscape elevation showing the proposed home and one adjacent home on each side. The following design review applications shall be require design review at a public hearing by the planning commission:

(1) New single-family or duplex residence in the R-0, R-1 or R-2 zoning district which exceeds either the FAR or gross floor area threshold established in Section 19.32.020;

(2) Addition to a single-family or duplex residence in the R-0, R-1 or R-2 zoning districts which exceeds the FAR or gross floor area threshold established in Section 19.32.020;

(3) Multiple-family projects of 3 to 50 units. in the R-2, R-3, R-4, R-5 and R-MH zoning districts and which is not subject to any other discretionary permit or action by this title; and

(4) As otherwise required by this title.

(e) Appeal of Decision by Planning Commission. A decision by the planning commission on a design review pursuant to subsection (d) may only be appealed by the applicant, the owner of the subject property, or the owner of a property within the required noticing radius as described in Chapter 19.98 (General Procedures). After receiving an appeal from the decision of the planning commission, and following a public hearing, the city council by the affirmative vote of a majority of its voting members may:

(1) – (2) [Text unchanged.]

**SECTION 6. SECTION 19.82.030 REPEALED.** Section 19.82.030 of Chapter 19.82 (Miscellaneous Plan Permit) of Title 19 (Zoning) of the Sunnyvale Municipal Code is hereby repealed in its entirety.

**SECTION 7. SECTION AMENDED.** Section 19.82.040 of Chapter 19.82 (Miscellaneous Plan Permit) of Title 19 (Zoning) of the Sunnyvale Municipal Code is hereby renumbered to 19.82.030 and amended to read as follows:

**19.82.030. Procedures and Decisions.**

(a) Review without Public Notice or Hearing by Director. Except for those applications listed in subsection (b), the director of community development, without notice or hearing, may:

(1) Approve the miscellaneous plan permit as requested or as changed, modified or conditioned by the director, if the director finds that the use or project as approved meets at least one of the required findings.

(2) Deny the miscellaneous plan permit if the director finds that the use or project would not meet either of the required findings.

(b) Review with Public Notice and No Hearing by Director. For miscellaneous plan permit applications listed in this subsection, the director of community development may, after providing public notice as described in Chapter 19.98 (General Procedures) and a 14-day public comment period, approve the application as requested or as changed, modified or conditioned by the director, or deny the application based on the required findings. The following

miscellaneous plan permit applications shall require review with public notice and no hearing:

- (1) Accessory structures as regulated in Chapter 19.40;
- (2) Donation centers for used goods;
- (3) Medical clinics; and
- (4) As otherwise required by this title.

(c) Appeal of Decision by Director—General. After receiving an appeal from the decision of the director of community development on a miscellaneous plan permit, and following a public hearing, the planning commission, whose decision is final, by the affirmative vote of a majority of its voting members may:

- (1) – (2) [Text unchanged.]

(d) Appeal of Decision by Director—Determination of Convenience and Necessity. The decision by the director of community development on a determination of a finding of convenience or necessity may be appealed directly to the city council. After receiving an appeal from the decision of the director on a requested determination of convenience or necessity and following a public hearing, the city council by the affirmative vote of a majority of its voting members may:

- (1) – (2) [Text unchanged.]

(3) Upon a decision by the city council to approve or deny an application on appeal for a determination of a finding of convenience or necessity, the director of community development is authorized to prepare a letter addressed to the applicant on behalf of the city, declaring that the city has made a determination that the public convenience or necessity would or would not be served by issuance of a permit for the purposes of Business and Professions Code Section 23958.4(b)(2), and that such determination shall be final.

**SECTION 8. SECTION AMENDED.** Section 19.82.050 of Chapter 19.82 (Miscellaneous Plan Permit) of Title 19 (Zoning) of the Sunnyvale Municipal Code is hereby renumbered to 19.82.040, and reads as follows:

**19.82.040. Findings.**

- (a) – (b) [Text unchanged]

~~**SECTION 9. SECTION AMENDED.** Section 19.84.040 of Chapter 19.84 (Variances) of Title 19 (Zoning) of the Sunnyvale Municipal Code is hereby amended to read as follows:~~

~~**19.84.040. Actions.**~~

- ~~\_\_\_\_\_ (a) [Text unchanged.]~~

~~\_\_\_\_\_ (b) After receiving either an application for a variance, or an appeal from the decision of the director of community development on a requested variance, and following a public hearing, the planning commission by the affirmative vote of a majority of its voting members may:~~

- ~~\_\_\_\_\_ (1) – (2) [Text unchanged.]~~

~~The decision of the planning commission on appeal shall be final.~~

~~————(c)————[Text unchanged.]~~

~~SECTION 10. SECTION AMENDED. Section 19.88.040 of Chapter 19.88 (Use Permits) of Title 19 (Zoning) of the Sunnyvale Municipal Code is hereby amended to read as follows:~~

~~**19.88.040. Actions.**~~

~~————(a)————[Text unchanged.]~~

~~————(b)———— After receiving either an application for a use permit, or an appeal from the action of the director of community development on a requested use permit, and following at least one public hearing, the planning commission by the affirmative vote of a majority of its voting members may:~~

~~————(1)——(2)————[Text unchanged.]~~

~~The decision of the planning commission on appeal shall be final.~~

~~————(c)————[Text unchanged.]~~

~~SECTION 11. SECTION AMENDED. Section 19.90.040 of Chapter 19.90 (Special Development Permits) of Title 19 (Zoning) of the Sunnyvale Municipal Code is hereby amended to read as follows:~~

~~**19.90.040. Decisions.**~~

~~————(a)————[Text unchanged.]~~

~~————(b)———— After receiving either an application for a special development permit, or an appeal from the decision of the director of community development on a requested special development permit, and following a public hearing, the planning commission by the affirmative vote of a majority of its voting members may:~~

~~————(1)——(2)————[Text unchanged.]~~

~~The decision of the planning commission on appeal shall be final.~~

~~————(c)————[Text unchanged.]~~

SECTION 9. SECTION ADDED. Section 19.94.065 of Chapter 19.94 (Tree Preservation) of Title 19 (Zoning) of the Sunnyvale Municipal Code is hereby added to read as follows:

**19.94.065. Decisions and procedures.**

(a) Review by Director. The director of community development may, without notice or hearing, approve the tree removal permit as requested, or as changed, modified or conditioned by the director, or deny the tree removal permit application, consistent with the standards and criteria set forth in Chapter 19.94;

(b) Appeal of Decision by Director. A decision by the director of community development on a tree removal permit may only be appealed by the owner of the subject property. After receiving an appeal from the decision of the director on a tree removal permit, and following a public hearing, the planning commission by the affirmative vote of a majority of its voting members, pursuant to the criteria in this Chapter, may approve the tree removal permit as requested,

or as changed, modified or conditioned, or may deny the tree removal permit application. The decision of the planning commission shall be final.

**SECTION 10. SECTION AMENDED.** Section 19.96.065 of Chapter 19.96 (Heritage Preservation) of Title 19 (Zoning) of the Sunnyvale Municipal Code is hereby repealed and replaced in its entirety to read as follows:

**19.96.065. Ranking of heritage resources, alteration process.**

(a) – (c) [Text unchanged.]

(d) No person shall carry out or cause to be carried out on a heritage resource or in a heritage resource district any material change in exterior appearance of such resource or district through alteration, construction, relocation, or demolition without a resource alteration permit issued by the heritage preservation commission as described in Section 19.96.095. Minor modifications to heritage resources or heritage resource districts may be processed by city staff through the miscellaneous plan permit process set forth in Section 19.82.030(a) of this code, provided, however, that appeal of such decision shall be made to the heritage preservation commission rather than the planning commission, and the decision of the heritage preservation commission shall be final.

**SECTION 11. SECTION AMENDED.** Section 19.98.070 of Chapter 19.98 (General Procedures) of Title 19 (Zoning) of the Sunnyvale Municipal Code is hereby repealed and replaced in its entirety to read as follows:

**19.98.070. Appeals and Calls for Review.**

(a) Authorization to Appeal. Unless otherwise modified or limited by specific provisions of this title, or otherwise required by state law, decisions may be appealed as follows:

(1) Appeal of Director Decision to Planning Commission. Any person aggrieved by a final decision of the director of community development may appeal the decision to the planning commission, ~~whose decision on appeal shall be final.~~

(2) Appeal of Commission Decision to City Council. Any person aggrieved by a final decision of the heritage preservation commission, arts commission, or planning commission may appeal the decision to the city council, ~~unless the decision of the commission is made final pursuant to a specific provision of this title, provided, however, that a commission decision on a matter appealed from a decision of the director shall be final and may not be appealed to the city council.~~

(3) Members of the Planning Commission and City Council. City councilmembers and planning commissioners may call up a decision for review pursuant to subsection (e), and may not appeal a decision unless they are the applicant on the project.

(4) Appeals may be filed by more than one person.

(b) Timing and Filing of Appeal. An appeal shall be initiated as follows:

(1) Appeal Period. Any appeal shall be filed by 5:00 p.m. of the fifteenth day following the decision being appealed. A meeting which extends past midnight is considered to occur on the day it began. When the appeal period ends on a weekend or holiday, the time limits shall be extended to the next working day.

(2) Filing Requirements. An appeal shall be submitted in writing, and shall be accompanied by the required fee, as set by resolution of the city council, and shall state the decision appealed from, the facts and basis for the appeal, and the relief or action sought. Appeals of decisions by the director of community development to the planning commission shall be filed with the community development department. Appeals to the city council shall be filed with the city clerk.

(c) Appeal Stays Action. The timely filing of an appeal shall automatically stay the operative effect of the action, permit, decision or determination from which the appeal has been taken until a final decision is rendered on the appeal.

(d) Withdrawal of Appeal. An appellant may submit a written request to withdraw their appeal any time before the scheduled hearing for the appeal, in which case the appeal shall not move forward and the decision that was the subject of the appeal shall be the final decision.

(e) Call for Review. Decisions may be called up for review to the next higher decision-making body as follows:

(1) City Council Requests. Any two councilmembers may request city council review of any decision appealable to the city council, as prescribed in this title.

(2) Planning Commission Requests. Any ~~one two~~ planning commissioners may request planning commission review of a final decision made by the director of community development after holding a public hearing, if the decision is appealable to the planning commission, as prescribed in this title.

(3) Timing and Filing of Call for Review. To initiate a review, written requests shall be filed prior to the end of the appeal period prescribed in subsection (b). Councilmembers shall file their requests with the city manager; planning commissioners shall file their requests with the director of community development. No reasons shall be stated in the written request for review and no appeal fee shall be required. If councilmembers or planning commissioners call for a review of a decision as provided in this section, there is a presumption that the reason for the review is that the action is of significant importance to the community. No inference of bias shall be made or implied due to such a request for review being filed by a decision-maker.

(4) Procedures and Decisions. Upon receiving a request for city council review of a decision from at least two councilmembers within the designated timeframe, the item shall be placed on the next appropriate agenda, as determined by the city manager. Upon receiving a request for review from at least ~~one two~~ planning commissioners within the designated timeframe, the item shall be placed on the next appropriate agenda, as determined by the director of

community development. Any matter called up for review pursuant to this section shall be heard in the same manner as an appeal as prescribed in subsection (f).

(5) Call for Review Stays Action. The timely filing of a call for review shall automatically stay the operative effect of the action, permit, decision or determination from which the call has been made until a final decision is rendered on the matter.

(f) Procedures and Decisions. The procedure for the public hearing on the appeal or call for review shall be conducted as follows:

(1) Public Notice. Public notice of the appeal hearing shall be provided as prescribed in Section 19.98.040 (Public Notice).

(2) Scope of Hearing. Consideration of appeals and calls for review shall be de novo. The reviewing body is not bound by the decision that has been appealed or limited to the issues raised on appeal by the appellant.

(3) Decision of Review Body. After the hearing, the reviewing body shall affirm, modify, or reverse the original decision based on the evidence and findings.

(g) Effective Date of Decision. A decision by the city council or planning commission regarding an appeal or review becomes final on the date of the decision.

SECTION 12. CEQA - EXEMPTION. The City Council finds, pursuant to Title 14 of the California Code of Regulations, Section 15061(b)(3), that this ordinance is exempt from the requirements of the California Environmental Quality Act (CEQA) in that it is not a project which has the potential for causing a significant effect on the environment.

SECTION 13. CONSTITUTIONALITY; SEVERABILITY. If any section, subsection, sentence, clause or phrase of this ordinance is for any reason held to be invalid, such decision or decisions shall not affect the validity of the remaining portions of this ordinance. The City Council hereby declares that it would have passed this ordinance, and each section, subsection, sentence, clause and phrase thereof irrespective of the fact that any one or more sections, subsections, sentences, clauses or phrases be declared invalid.

SECTION 14. EFFECTIVE DATE. This ordinance shall be in full force and effect thirty (30) days from and after the date of its adoption.

SECTION 15. POSTING AND PUBLICATION. The City Clerk is directed to cause copies of this ordinance to be posted in three (3) prominent places in the City of Sunnyvale and to cause publication once in The Sun, the official publication of legal notices of the City of Sunnyvale, of a notice setting forth the date of adoption, the title of this ordinance, and a list of places where copies of this ordinance are posted, within fifteen (15) days after adoption of this ordinance.

Introduced at a regular meeting of the City Council held on November 25, 2014, and adopted as an ordinance of the City of Sunnyvale at a regular meeting of the City Council held on \_\_\_\_\_, 2014, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

RECUSAL:

ATTEST:

APPROVED:

\_\_\_\_\_  
City Clerk  
Date of Attestation: \_\_\_\_\_

\_\_\_\_\_  
Mayor

(SEAL)

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney



# City of Sunnyvale

## Agenda Item

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14-0673

Agenda Date: 12/9/2014

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### REPORT TO COUNCIL

#### SUBJECT

Consideration of Housing Mitigation Fee Nexus Study Findings and Alternatives

#### REPORT IN BRIEF

In 2009 Council directed staff to study possible expansion and/or increase of the City's Housing Mitigation Fee, which is currently imposed only on certain industrial or office projects. This study, initiated originally as a study issue (**Attachment 1**), required the completion of a nexus study to meet legal requirements for imposition of a new development impact fee. Staff engaged a consultant to complete the nexus study and other analysis related to this project. The nexus study is provided in **Attachment 2** to this report. A feasibility study is provided in **Attachment 3**, a slide presentation is provided in **Attachment 4**, and a comparison of several fee alternatives is provided in **Attachment 5**. Background on the City's past and projected uses of the Housing Mitigation fees is provided in **Attachment 6**, and the commissions' meeting minutes are provided in **Attachments 7 and 8**.

Staff recommends that Council adopt Alternatives 1, 2 and 4:

1. Direct staff to prepare an ordinance to expand the Housing Mitigation Fee to all net new square footage of all office/R&D, industrial, retail, and lodging development projects in any zone;
2. Set the initial fee rate in the draft ordinance at \$12 per square foot for office/R&D/industrial projects (\$6 per square foot for first 25,000 square feet), and \$6 per square foot for retail and lodging projects, both adjusted annually for inflation as part of the annual fee schedule adoption; and
4. Clarify that the new fee rates shall apply to all covered projects for which a complete planning application is submitted on or after the effective date of the ordinance.

The fee would apply to net new square footage, with credit for any existing square footage. This recommendation would expand the fee program to retail and lodging uses that are not currently subject to the fee. While the rates in Alternative 2 are relatively similar to the current fee rate, most projects that are already subject to the fee would experience a significant increase in the total fee amount due, because the entire net new building square footage would be subject to the fee, rather than just the portion of the building that exceeds allowable floor area ratio for that site.

Although the nexus study demonstrates that a much higher fee could be assessed on all use types, other considerations, such as regional competitiveness, feasibility of desired uses (i.e., retail), the need for local jobs, and other City revenues generated by these developments (sales, property, and occupancy taxes) provide compelling reasons not to charge a rate significantly higher than that of Alternative 2. The feasibility assessment highlights significant impacts to feasibility that would occur if the fee were set at a rate much higher than \$20 per square foot.

The Housing and Human Services Commission and Planning Commission held public hearings on this matter on October 22 and 27, respectively. Both commissions voted unanimously to support the staff recommendation (with two absences at the Housing and Human Services Commission meeting).

## **BACKGROUND**

This study was suggested originally as part of the City's 2008 Housing Strategy, then as a study issue in 2009, and was also included in the 2009 Housing Element implementation plan.

**Attachment 1** provides the study issue paper, updated in 2013, with a brief background and description of the proposed study. This study issue was dropped only because it was already included in the 2009 Housing Element implementation plan. To complete this study, staff recently commissioned a nexus study of the City's current commercial linkage fee, also known as the Housing Mitigation Fee. This fee was adopted by resolution in 1983, codified in 2003, and updated in 2008. It is contained in Sunnyvale Municipal Code section 19.22.035.

The purpose of this report is to share the findings of the nexus study and allow the community to discuss the findings and some possible ways to adjust the current linkage fee consistent with the study findings and other community concerns and priorities. The nexus study, provided in **Attachment 2**, is a rather technical document. Some useful definitions are provided here for background.

- A commercial linkage fee is a fee that links new employment-generating development, such as new offices, stores or factories, with the need for more affordable housing for the new workers who will work in those developments.
- A nexus study is a study of the connection between new development of a defined type and size, and its potential impacts on a community, such as increased traffic, increased air or water pollution, increased demand for public facilities and services such as schools or policing, or increased demand for housing, to name a few types of potential impacts. Each nexus study usually focuses on one particular type of impact, such as increased demand for housing or for parks.
- A nexus study also examines how the particular impact of the development might be mitigated or resolved. Mitigation usually occurs in one of two ways: either by the developer providing the needed services, land or facilities directly, or by paying a fee which the City (or the school district or other agency imposing the fee) could use to mitigate the identified impact of the development.
- The California Mitigation Fee Act requires that any requirements placed on land development projects by the city or county, such as the requirements to pay a fee, dedicate land, or construct community facilities, be connected to, or "have a nexus with" the identified impacts of that project. It also requires that the amount of the fee or other required mitigation measure be proportional to the degree or scale of the impacts of that development. Typically this legal requirement is addressed by completion of a nexus study by the city or county that identifies both the type and scale or size of likely impacts of a project.

The nexus study provides important information about the type and scale of the impacts of new commercial development on the City's needs for affordable housing. This information will be helpful for the City and community to consider when evaluating potential adjustments to the City's current

housing mitigation fee.

### **EXISTING POLICY**

#### **General Plan, Housing Element**

Policy A.4: Continue to require office and industrial development to mitigate the demand for affordable housing.

### **ENVIRONMENTAL REVIEW**

N/A

### **DISCUSSION**

#### **Current Housing Mitigation Fee**

The City's current Housing Mitigation Fee has been in effect since 1983 and was last updated in 2008, at which time the fee was indexed to inflation. The fee, which was \$9.49 per *applicable* square foot at the time the study was completed (currently \$9.74/square foot), only applies to development in the City's industrial zones, and only on the portion of the new building that exceeds the maximum floor-area ratio (FAR) allowed at the site of the development (i.e., "applicable" square feet). In other words, if the zoning on a particular site in an industrial zone only allows a 50,000 square foot development due to the FAR limits in place, and the applicant seeks and obtains a discretionary approval to build a project of 80,000 square feet, the fee would only apply to the extra 30,000 square feet built in the project. In fact, a developer wishing to replace a 40,000 square foot building with a 50,000 square foot project on that same site would currently pay no housing mitigation fee at all (because the project, despite representing a net increase in square footage, would not exceed the maximum FAR allowed on site).

In addition, if an identical office project is built in a non-industrial zone, such as in areas zoned Office, Commercial, or within any of the specific plan zones such as Downtown Specific Plan or El Camino Precise Plan, it is not subject to the Housing Mitigation Fee. Similarly, this fee does not apply to any type of project, such as hotels, stores, or other places of employment, outside of the industrial zones, although all of those projects are employment-generating. Due to the somewhat limited application of the current Housing Mitigation Fee, many have suggested expanding the fee to apply to all employment-generating uses to better address the need for affordable housing generated by all types of employment-generating projects.

#### **Study Procedure and Findings**

In order to complete the nexus study, the City retained Economic Planning Systems, Inc., based in Oakland (EPS), a firm that has completed many studies of this type for clients throughout California. The scope of work included the following primary tasks:

- Define the nexus between new employment-generating (non-residential) development and the need for new affordable housing in the City. For this study, commercial development was divided into three main types, to allow for more accurate analysis of the number and wage levels of workers in the developments. These three types included: office/industrial/research and development (R&D); retail; and lodging.
- Identify the maximum supportable nexus-based fee levels for each of the three development

types.

- Study the financial feasibility of the various development types under the current Housing Mitigation Fee structure, the maximum supportable fee level, and a “suggested” fee level that would not impede development, but would generate additional fees to support the housing needs generated by these developments. This suggested fee level was not a staff recommendation, but simply a fee level selected for feasibility testing.
- Survey the rates and structures of commercial linkage fees in other communities in the vicinity and the region for comparison.

The full report prepared by EPS is provided in **Attachment 2**. The third and fourth tasks listed above are summarized in a memorandum from EPS provided in **Attachment 3**.

The primary findings of the study are as follows:

1. The maximum nexus-supported fees calculated by EPS for Sunnyvale, shown in the table below, greatly exceed those currently imposed in Sunnyvale and other jurisdictions.

Project Type	Maximum Supportable Fee Level Per Square Foot ( <i>net new space</i> )	Silicon Valley Average*
Lodging	\$76	\$9
Retail / Restaurants	\$295	\$9
Office / Light Industrial / R&D	\$114	\$11-12

*All figures rounded to the nearest dollar.*

*\* Data used to determine average is described further in Attachment 3.*

2. Commercial fees charged by other Bay Area jurisdictions vary significantly based on geography and local development costs.
3. Jurisdictions have taken different approaches to how they apply the fees to the square footage of new projects.
4. EPS suggests charging well below the maximum nexus-based fee to all evaluated commercial uses (lodging, office/R&D, light industrial/flex, and retail), nearer the range of fees charged by comparable cities.

The report and Memorandum explain the logical basis for the analysis that produced these findings, and shows all the background data used for the calculations in the appendices.

### Feasibility Analysis

The report acknowledges that the maximum fee levels shown in Finding 1 above would likely make most development projects infeasible, and could lead to future difficulties in increasing local employment opportunities and/or retaining desired employers who wish to expand in the City.

One metric used in the feasibility study to test project feasibility at different fee levels was “return on cost”, as explained further in **Attachment 3**. This test showed that if the fee were to be set at the maximum levels shown in the nexus study, all project types would fall well below the feasibility threshold, which is a seven percent return on cost at project stabilization. Under the maximum fee levels, the return on cost would fall to the following rates, which are well below the minimum return on

cost typically expected by most investors when determining whether or not to undertake a project at a particular location:

- Office/R&D Projects: 5.97%
- Light Industrial/Flex Projects: 5.44%
- Retail: 3.44%
- Lodging: 6.37%

Given the feasibility impacts of the maximum fee, if a fee were imposed at such a high rate, it is likely developers would look for properties in nearby jurisdictions that have a lower linkage fee or no linkage fee at all, such as Santa Clara or San Jose. If that were the case, the City would not receive any revenues from linkage fees, nor other project-related economic benefits, such as sales taxes, property taxes, local employment opportunities, and derivative corporate and employee spending at local retail, services, and hospitality businesses.

To address this concern, EPS tested a fee level, referred to in the Memorandum (**Attachment 3**) as Scenario A, that was closer to the average fee levels in those nearby cities that currently have linkage fees (Cupertino, Palo Alto, Mountain View and Menlo Park). This average ranges from \$9 to \$12 per square foot, depending on project type, as shown on page 4 of **Attachment 3**. However, after the report was completed, Mountain View representatives indicated that the City of Mountain View is considering raising its housing mitigation fee from \$10.26 per square foot to \$20-26 per square foot. The Mountain View Council will consider this proposal at a hearing on December 16.

The feasibility test of Scenario A assumed the fee would apply only to net new square footage, which is the total square footage of the new project minus the square footage of any existing workplaces to be demolished on the site, in order to reflect the net increase in employment level created by the new project.

Another adjustment made to the Scenario A fee level to minimize impacts on relatively small projects, which may have less financial basis from which to pay higher fees, was to reduce the fee level by half for any projects of 25,000 square feet or less, and also for the first 25,000 square feet of any larger projects, as shown below. The rate for lodging is less than the rate for other development types because its impacts on housing demand are significantly less, as shown on the prior page, due to the lower number of employees per square foot of lodging developments compared to the other types of development.

Project Type	Scenario A Fees Per Square Foot ( <i>net new space</i> )	
	First 25,000 SF	Any Additional
Lodging	\$3	\$6
Retail / Restaurants	\$5	\$10
Office / Light Industrial / R&D	\$5	\$10

EPS tested the feasibility of fees under Scenario A, and found that they would not have significant impacts on the financial feasibility of such projects, measured in terms of impact on developer “return on costs,” as explained in **Attachment 3** and depicted graphically in **Attachment 4**.

## Public Outreach

The nexus study reports were published on the City's website at *LinkageFee.inSunnyvale.com* on September 12. Staff held two outreach meetings in late September and invited various stakeholders and community members to attend and comment on the study. Invitations to these meetings were sent by email to more than 2,700 emails on various outreach lists of community contacts and stakeholder groups, and posted in the City Manager's Blog, housing e-newsletter, and sent to several associations such as the Moffett Park Business Association and several regional housing groups.

Approximately 25 people attended the outreach meetings, including representatives of NAIOP, an industry group representing office and industrial developers, the Building Industry Association, various housing advocacy groups and housing providers, area residents, one representative of a company located in Moffett Park, and various others. Most of the attendees expressed support for expansion of the fee and for fee levels higher than Scenario A but not as high as the maximum fee level. Some attendees suggested testing a fee of \$20 per square foot for feasibility. Following the outreach meeting, EPS tested the feasibility of this fee level, referred to as Scenario B in the Memorandum. The results of that test showed slightly higher, but not significantly different impacts on feasibility compared to Scenario A. However, a fee rate much higher than Scenario B could begin to impact project feasibility, particularly for retail, lodging, and light industrial/flex space projects. Scenario B would bring feasibility rates down to the following levels, compared to the Existing Fee:

### Return on Cost

Project Type	Existing Fee	Scenario B
Office/R&D	7.83%	7.57%
Light Ind/Flex	7.51%	7.13%
Retail	6.53%	6.22%
Lodging	7.82%	7.38%

While the seven percent return on cost measure is a general rule of thumb for determining project feasibility, it is not a guarantee of investor interest. For that reason, it would be prudent to set the fees at a rate that would not significantly reduce the return on cost rate from its current percentage. As shown above, retail is the only project type for which the return on cost rate is already below seven percent. This is reflected in the relatively few applications submitted in recent years for development of new retail space in stand-alone retail projects. For this reason the recommended alternatives provide a reduced fee rate for retail projects. In addition, any of the factors other than the fee itself that are used in calculating return on cost, including land or construction costs, can change over time, therefore it would be prudent to set the rate in such a way as to allow a certain "margin of error" or cushion to account for such changes.

Industry representatives asked questions but did not express specific concerns or suggestions about fee levels, but indicated they would review the EPS reports and provide written comments later. The presentation provided at the outreach meetings, revised to add the results of the Scenario B feasibility test and an additional project example, is provided in **Attachment 4**.

The Planning and Housing and Human Services Commissions held a joint study session on this topic at the Planning Commission's October 13 meeting. Some commissioners expressed interest in

providing lower fees for retail, due to the community's need for more of certain types of retail projects, and also due to the weaker market feasibility of retail projects in general, as shown in the feasibility study. Attendees also noted that all three use types provide sales and occupancy taxes and other types of revenue to the City.

The Housing and Human Services and Planning Commissions held public hearings on this matter on October 22 and 27, respectively. Both commissions voted unanimously for the staff recommendation (with two absences at the Housing and Human Services Commission meeting). Minutes of those hearings are provided in **Attachments 7 and 8**.

In response to requests by the Planning Commission at its hearing and by several Council members during the Council study session on October 28, additional information regarding past and projected uses of the fees, public review procedures and City policies involved in use of the fees is provided in **Attachment 6**.

Upon request, staff made presentations on this proposal to the Moffett Park Business and Transportation Association Board of Directors (MPBTA) and the Silicon Valley Leadership Group's Land Use and Housing Committee (SVLG) on November 10 and 12, respectively. Both groups asked questions about the history and uses of the fee and rationale for the proposed changes, and indicated that their organizations had not yet developed a formal position on the topic. Some attendees were somewhat alarmed about the maximum fee levels (i.e., \$114/SF for office). Others were concerned about restructuring the fee to apply to all net new square feet. Attendees also expressed interest in exemptions for amenity space and parking structures.

### **Alternatives Analysis**

A table provided in **Attachment 5** compares the actual Housing Mitigation Fee amounts that would be due from the sample projects described in **Attachment 4** under various scenarios: the current Housing Mitigation Fee ordinance, Scenarios A and B as described in the feasibility study, and two other alternatives discussed herein. These include:

- Alternative 2: a rate of \$12 per square foot for office/R&D projects (\$6 per square foot for first 25,000 square feet) and \$6 per square foot for retail and lodging; and
- Alternative 3: a rate of \$15 per square foot for office/R&D projects (\$7.50 per square foot for first 25,000 square feet); and \$7.50 per square foot for retail and lodging.

The rate for retail is lower in both alternatives in light of concerns expressed at the Joint Study Session regarding the community's desire for certain types of retail, and the more challenging feasibility context for retail in general, as shown in **Attachments 3 and 4**. In all cases, the fee would be apply to the net increase in square footage with credit provided for existing buildings to be demolished.

The range from Scenario A to Scenario B, which encompasses Alternatives 2 and 3, is considered to be a reasonable range within which to set the fees, given the regional context, as some neighboring cities, such as Mountain View, have fees similar to Scenario A, while other cities, such as Palo Alto, have fees similar to Scenario B, while others don't charge linkage fees at all, such as San Jose and Santa Clara. The average rates of the cities in Silicon Valley that have linkage fees are shown in **Attachment 4** (Slide 9).

Although the nexus study demonstrates that a fee much higher than that of Scenario B could be assessed on all use types, other considerations, such as regional competitiveness, feasibility of desired uses (i.e., retail), the need for local jobs, and other City revenues generated by these developments (sales, property, and occupancy taxes) provide compelling reasons to set the fees within the range described above.

Alternatives 2 and 3 provide a good balance between the need to generate funds to address the housing impacts of these projects, and the other considerations noted above. Both alternatives would significantly raise the fee for future projects compared to the current fee. Alternative 2, using the fee revenue estimates explained in **Attachment 6**, would provide approximately the amount of funding estimated to be needed to subsidize development of the “Quantified Objectives” for lower-income housing units included in the City’s Draft 2015-2023 Housing Element.

Alternative 3 would provide a slightly higher amount of estimated fee revenues than Alternative 2, which would provide the City more of a hedge against future increases in affordable housing development costs, and potentially allow the City to make even more progress toward the overall Regional Housing Needs Allocation (RHNA) goals, which are higher than the Quantified Objectives.

### **FISCAL IMPACT**

The fiscal impact of a possible expansion or adjustment of the Housing Mitigation fee would depend on the fee rate and its application, and on future levels of development subject to the fee. One preliminary estimate of the potential impact, based on average annual square footage of non-residential development since 2000, indicate that a fee rate in the \$12 - \$15 range as provided in Alternatives 2 and 3 could generate annual revenues to the Housing Mitigation fund ranging from \$7.3 to \$9.2 million per year, assuming future development levels are similar to past levels. However, if the fee is set at levels that significantly impact project feasibility, it could have the unintended impact of halting or significantly decreasing levels of commercial development, which could have a negative impact on the General fund and various other funds supported by development fees, including the Housing Mitigation fund.

### **PUBLIC CONTACT**

Public contact was made by posting the Council agenda on the City’s official-notice bulletin board outside City Hall, at the Sunnyvale Senior Center, Community Center and Department of Public Safety; and by making the agenda and report available at the Sunnyvale Public Library, the Office of the City Clerk, and on the City’s website. Additional public outreach efforts are described in the Discussion section above.

The Housing and Human Services and Planning Commissions held a joint study session on this topic on October 13 and held public hearings on this matter on October 22 and 27, respectively. Both commissions voted unanimously for the staff recommendation (with two absences at the Housing and Human Services Commission meeting). Minutes of both meetings are provided in **Attachments 7 and 8**. Council held a study session on this topic on October 28.

### **ALTERNATIVES**

1. Direct staff to prepare an ordinance to expand the Housing Mitigation Fee to all net new square footage of all office/R&D, industrial, retail, and lodging development projects in any zone.

2. Direct staff to set the initial fee rate in the draft ordinance at \$12 per square foot for office/R&D/industrial projects (\$6 per square foot for first 25,000 square feet), and \$6 per square foot for retail and lodging projects, both adjusted annually for inflation as part of the annual fee schedule adoption.
3. Direct staff to set the initial fee rate in the draft ordinance at \$15 per square foot for office/R&D/industrial projects (\$7.50 per square foot for first 25,000 square feet), and \$7.50 per square foot for retail and lodging projects, both adjusted annually for inflation as part of the annual fee schedule adoption.
4. Include a provision to clarify that the new fee rates shall apply to all covered projects for which a complete planning application is submitted on or after the effective date of the ordinance.
5. Adopt a modified fee schedule with rates for each development type as directed by Council.
6. Provide other direction to staff regarding this study.

### **STAFF AND COMMISSION RECOMMENDATIONS**

Alternatives 1, 2, and 4: 1) Direct staff to prepare an ordinance to expand the Housing Mitigation Fee to all net new square footage of all office/R&D, industrial, retail, and lodging development projects in any zone; and 2) Direct staff to set the initial fee rate in the draft ordinance at \$12 per square foot for office/R&D/industrial projects (\$6 per square foot for first 25,000 square feet), and \$6 per square foot for retail and lodging projects, both adjusted annually for inflation as part of the annual fee schedule adoption; and 4) Include a provision to clarify that the new fee rates shall apply to all covered projects for which a complete planning application is submitted on or after the effective date of the ordinance.

Staff recommends the approach provided in Alternatives 1, 2 and 4 as a fair way to require new employment-generating developments to at least partially mitigate the need for affordable housing for the workers who will be employed at these new workplaces.

While a rate of greater than \$12 per square foot could be fully justified based on the nexus study, other considerations balance the arguments for a higher fee. These include: meeting the City's economic development goals for attracting employment, retail and hospitality uses, the fiscal benefits (property, sales and occupancy taxes) that these uses bring to the City, and the objective of staying within the range of fees charged by other nearby cities that charge such a fee. Staff also acknowledges that although Sunnyvale's housing mitigation fee has been in place since the 1980s, many surrounding cities do not levy such a fee on commercial development.

There are not many other sources of funding available to address local affordable housing needs. The proposed alternatives would be consistent with the Mitigation Fee Act and the nexus study findings, and would provide approximately the amount of funding needed to meet the quantified objectives in the City's 2015-2023 Housing Element, based on current cost estimates.

While the rates in Alternative 2 are similar to the current rate, most projects that are already subject to the fee would experience a significant increase in the total fee amount due, as shown in Attachments 4 and 5, because the entire net new building square footage would be subject to the fee. Additionally, Alternative 2 would expand the fee program to retail and lodging uses that are not currently subject to the fee. While staff is not recommending Alternative 3 at this time, it could be incorporated through adoption of a phased increase.

The Housing and Human Services and Planning Commissions both voted unanimously (among

those present) to support the staff recommendation during their respective meetings in late October.

If so directed, staff would return to the appropriate commissions and Council within several months with a draft ordinance implementing the proposed changes to the Housing Mitigation Fee for consideration and possible adoption by Council.

Prepared by: Suzanne Isé, Housing Officer

Reviewed by: Hanson Hom, Director, Community Development Department

Reviewed by: Robert A. Walker, Assistant City Manager

Approved by: Deanna J. Santana, City Manager

#### **ATTACHMENTS**

1. Study Issue Paper CDD 09-11 Review of the Housing Mitigation Fee
2. Nexus Study Report
3. Feasibility Study Memorandum
4. Outreach Presentation
5. Comparison Table
6. Historic and Projected Uses of the Fee
7. October 22, 2014 Housing and Human Services Commission Minutes
8. October 27, 2014 Planning Commission Minutes

2013 Council Study Issue

## **CDD 09-11 Review of the Housing Mitigation Fee**

**Lead Department** Community Development

**History**                      **1 year ago** Deferred                      **2 years ago** Deferred

### **1. What are the key elements of the issue? What precipitated it?**

This study was proposed initially as part of the 2008 Housing Strategy, which was intended to increase the City's ability to provide affordable housing units. In June of 2008 Council directed staff to review this fee program to determine if the amount of the fee, and the indexing method, were appropriate and effective. At that time Council set the fee at \$8.95 per square foot of new building area subject to the fee (high intensity industrial development in excess of the allowable floor/area ratio [FAR] of the zoning district in which it is located); directed staff to adjust the fee annually based on change in the CPI for that year; and require all projects approved after July 1, 2008 to pay the fee in effect at the time of payment. The goal of the study is to review the existing housing mitigation fee structure, rate, and applicability, and consider possibly expanding it to a wider range of development types. The study would include a review of existing conditions in the City and would review other nearby cities' requirements. A nexus study would also be conducted in compliance with the state Mitigation Fee Act.

In September 2009, the Housing and Community Revitalization Element of the General Plan (Housing Element) was adopted with an implementation plan which included this study as an objective to be initiated in 2011, and completed no later than 2014:

#### **3. Affordable Housing Development Assistance**

Support development of new housing affordable to extremely low, very low and low income households. Provide financial and regulatory assistance for new affordable housing development, using available funds. Identify new sources of funding. Evaluate expansion of Housing Mitigation Fee in 2011.

In early 2009, this study was considered as a study issue, but given the severe economic recession which began in late 2008, it was deferred in 2010 and 2011 as it was not considered to be an appropriate time to raise fees on employment-generating developments such as those subject to the fee. However, it is not necessary to continue to consider and rank this item as a study issue, as it will be completed as part of CDD's general Housing Element implementation work program, after the LUTE is adopted.

### **2. How does this relate to the General Plan or existing City Policy?**

#### **HOUSING AND COMMUNITY REVITALIZATION SUB-ELEMENT**

**GOAL B:** Move toward a local balance of jobs and housing

Policy B.2 Continue to require office and industrial development above a certain intensity to mitigate the demand for housing.

*Action Statement B.2.a* Codify the Housing Mitigation Policy that requires certain developments in industrial zoning districts that exceed established floor area ratios to contribute towards the housing fund or take other measures to mitigate the effects of the job increase upon the housing supply, and index the Housing Mitigation Fee.

#### **LAND USE AND TRANSPORTATION ELEMENT**

**GOAL C4:** Sustain a strong local economy that contributes fiscal support for desired city services and provides a mix of jobs and commercial opportunities.

Policy C4.1 Maintain a diversity of commercial enterprises and industrial uses to sustain and bolster the local economy.

Policy C4.3 Consider the needs of business as well as residents when making land use and transportation decisions.

### **HOUSING STRATEGY**

**Issue:** To increase resources to provide the subsidy needed to create affordable units. Review the Housing Mitigation Fee ordinance to consider including other industrial and commercial developments to increase housing resources for all loan and development programs. (Study issue already proposed on this item.)

**Target:** Very Low, Low and Moderate

#### **3. Origin of issue**

**City Staff** Staff

#### **4. Staff effort required to conduct study** Moderate

##### **Briefly explain the level of staff effort required**

Staff will need to work with Purchasing to issue an RFP for completion of a nexus study; review proposals and assist in selection of the consultant, manage the contract and supervise the consultant, provide significant amounts of in-house data on development trends, land use policies, housing costs and programs, etc. to the consultant, review draft reports, and write an RTC with final recommendations regarding any possible revisions to the fee, as well as work with OCA to make any code revisions necessary to implement such changes. Staff of CDD, OCA, Finance, and possibly ITD will be involved to varying degrees in completing this study.

#### **5. Multiple Year Project?** No **Planned Completion Year** 2014

#### **6. Expected participation involved in the study issue process?**

**Does Council need to approve a work plan?** No  
**Does this issue require review by a Board/Commission?** Yes  
**If so, which?** Housing and Human Services Commission,  
Planning Commission  
**Is a Council Study Session anticipated?** No

#### **7. Briefly explain if a budget modification will be required to study this issue**

**Amount of budget modification required** 75000

##### **Explanation**

A mitigation fee nexus study of this type would be estimated at \$75,000 for a qualified consultant to complete, depending on exactly what scope of work is ultimately defined for the study. This type of study requires highly specialized knowledge, analytical ability, and often costly proprietary economic data, and it would be most cost-effective to hire an experienced consultant to do it, as such studies are often subject to legal challenge. This estimate does not include staff hours estimated to be required to complete this study, which can be provided as part of standard operations. The cost for this study could be funded by the Housing Mitigation Fund, if added as a special project in the FY 2013-14 Budget.

#### **8. Briefly explain potential costs of implementing study results, note estimated capital and operating costs, as well as estimated revenue/savings, include dollar amounts**

**Are there costs of implementation?** No

**Explanation**

A restructure of the housing mitigation fee program could be revenue neutral, or it could result in additional revenues for housing programs. Estimates and analysis of additional revenue are a key components for this study. Implementation costs would include the costs to revise the Municipal code and fee schedule as needed to implement the study recommendations, however these are not anticipated to be significant and most likely can be absorbed within the operating budget.

**9. Staff Recommendation**

**Staff Recommendation** Drop

**If 'Support', 'Drop' or 'Defer', explain**

A study issue is no longer required because this work was incorporated into the Housing Element Implementation Plan (Objective 3). Staff is tentatively planning to complete this study in FY 2013-14, after adoption of the LUTE, assuming adequate funding is approved in the adopted FY 2013-14 Projects Budget.

**Reviewed by**



**Department Director**

**Date** 10/3/12

**Approved by**



**City Manager**

**Date** 10-4-12



## Report

# Housing Mitigation Nexus and Fee Study

*The Economics of Land Use*



Prepared for:

City of Sunnyvale

Prepared by:

Economic & Planning Systems, Inc.

September 8, 2014

EPS #131119

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## Table of Contents

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1.	INTRODUCTION AND EXECUTIVE SUMMARY .....	1
	Background.....	1
	Purpose .....	1
	Authority .....	1
	Summary.....	2
	Sources .....	4
	Organization of Report.....	4
2.	FINDINGS FOR FEE PROGRAM .....	5
	Purpose of Fee.....	5
	Use of Fee.....	5
	Relationship between Use of Fee and Type of Development.....	5
	Relationship between Demand for Affordable Housing and Type of Project .....	5
	Relationship between Amount of Fee and Cost of Public Benefit Attributed to New Development.....	5
3.	EMPLOYMENT AND INCOME TRENDS .....	6
	Residential Development Trends .....	6
	Employment and Income Composition .....	6
4.	METHODOLOGY AND FEE CALCULATION .....	10
	Calculation of Affordable Housing Demand .....	10
	Potential Housing Programs and Projects .....	16
	Housing Development Costs and Affordability Gap .....	18
	Maximum Fee Calculation .....	22

### Appendices:

- APPENDIX A:      Assumptions and Sources
- APPENDIX B:      Occupation Distribution and Wages by Building Type

## List of Tables

---

Table 1	Summary of Maximum Allowable Fees and Current Fee Levels.....	3
Table 2	Santa Clara County Income Category Definitions (2014) .....	7
Table 3	Residential Construction Trends in Sunnyvale .....	8
Table 4	Employment Category Descriptions .....	11
Table 5	Adjustment Factors for Converting National Wages to San Jose-Sunnyvale- Santa Clara MSA Wages.....	12
Table 6	Illustration of Employees' Household Income Calculation.....	14
Table 7	Income Distribution of Worker Households by Employment Category.....	15
Table 8	Household Generation Rates by Employment Category .....	17
Table 9	Affordability Gap Analysis—For-Sale Product Type .....	19
Table 10	Affordability Gap Analysis—For-Rent Product Type .....	20
Table 11	Fee Calculation - Lodging .....	23
Table 12	Fee Calculation – Retail.....	24
Table 13	Fee Calculation – Office/Light Industrial/R&D.....	25

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# **1. INTRODUCTION AND EXECUTIVE SUMMARY**

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## **Background**

Incorporated in 1912, the City of Sunnyvale (City) established a Housing Mitigation Policy in 1983 requiring employment-generating development to contribute to the City's ability to provide affordable housing for lower-wage workers. The Housing Mitigation Fee Program was updated in 2008 followed by a new Housing Element adopted in 2009. The Housing Element calls for provision of new housing and home buyer assistance for below market rate housing, as well as provision of housing to meet the diverse needs of Sunnyvale's households of all income levels and maintenance and enhancement of the condition and affordability of existing housing in Sunnyvale.

To address these goals, the City retained EPS to conduct a *Housing Mitigation Nexus and Fee Study* to support and update an affordable housing impact fee for new nonresidential development.

## **Purpose**

The nexus study conducted by Economic & Planning Systems, Inc. (EPS) quantifies the relationship between the growth in nonresidential land uses and the demand for and cost of affordable housing for the local workforce. As a development impact fee, the Housing Mitigation Fee can only be charged to new development and must be based on the impact of new development on the need for resources to subsidize the development of new affordable housing. The purpose of this report is to provide the nexus (or reasonable relationship) between new nonresidential development that occurs in the City and the need for additional affordable housing as a result of this new development.

The fee generated by this program will be used to provide assistance for production, acquisition of at-risk units, or rehabilitation of affordable housing.

## **Authority**

Cities may impose development impact fees to mitigate the effects of development, so long as there is a reasonable relationship, or nexus, between the fee, the impact of the project, and the use of the fee. This study serves as the basis for demonstrating the nexus between the impact of commercial development on the need for affordable housing and supportable affordable housing mitigation fees.

### Required Nexus Findings

- Identify the purpose of the fee.
- Identify how the fee is to be used.
- Determine how a reasonable relationship exists between the fee's use and the type of development project on which the fee is imposed.
- Determine how a reasonable relationship exists between the demand for the affordable housing and the type of development project on which the fee is imposed.
- Demonstrate a reasonable relationship between the amount of the fee and the cost of the public benefit attributable to the development on which the fee is imposed.

In 1991, the Ninth Circuit U.S. Court of Appeals upheld the City of Sacramento's nonresidential linkage fee.<sup>1</sup> In that case, the court found that the City's fee program demonstrated a rational relationship between the fee and the need for affordable housing created by commercial development. EPS is using a similar methodology to the nexus study reviewed in that case to develop the City's fee program.

## Summary

As new employment-generating development continues to occur in the City, additional affordable housing will be required to house a portion of the new lower wage workforce. The cost to construct new housing units is higher than can be supported by the rents or home prices that many workers will be able to pay. The difference between costs and affordable rent levels is considered an "affordability gap." The costs allocated to new nonresidential development through this fee reflect this affordability gap that would need to be filled in order to provide housing for additional workforce demanded by nonresidential development.

**Table 1** summarizes the maximum justifiable fee by employment category. This fee is based on the total number of lower-wage workers generated by growing employment in the City. **Table 1** also includes the City's current Housing Mitigation Fee as a point of reference, and indicates that lodging and retail/restaurant uses are not currently subject to the Housing Mitigation Fee. The City does charge the current fee to office/light industrial/R&D uses to the extent that their proposed square footage exceeds established density thresholds (which vary by use and location). The EPS-calculated fee levels are envisioned to apply to all net new square footage of the building.

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<sup>1</sup> *Commercial Builders of Northern California v. City of Sacramento*, 941 F2d 872 (1991).

**Table 1**  
**Summary of Maximum Allowable Fees and Current Fee Levels**  
**Sunnyvale Housing Mitigation Nexus and Fee Study; EPS #131119**

<b>Employment Category</b>	<b>Maximum Fee per sq. ft.</b>	<b>Current Fee per sq. ft. [1]</b>
Lodging	\$76.22	N/A
Retail/Restaurants	\$295.23	N/A
Office/Light Industrial/R&D	\$113.99	\$9.49

[1] The City does not charge fees to lodging and retail/restaurant uses currently, and office/light industrial/R&D fees are charged only on square footage that exceeds density thresholds that vary by use and location.

Source: City of Sunnyvale; EPS

## Sources

To estimate the fee, EPS relied on numerous sources of data, including the following:

- U.S. Census 2010
- U.S. Bureau of Labor Statistics (BLS) "May 2012 National Industry-Specific Occupational Employment and Wage Estimates".
- State Department of Housing and Community Development (HCD) annual income limits for 2014.
- U.S. Census Bureau American Community Survey (ACS) 2010-2012 estimate.
- Input from City of Sunnyvale's staff.

These and other data sources are identified on the tables provided throughout this report. In addition, EPS generated development and operating cost assumptions by reviewing pro forma materials provided for this and other EPS assignments by various market-rate and affordable housing developers active in the Bay Area.

## Organization of Report

Following this **Introduction and Executive Summary**, this study includes the following chapters:

- **Chapter 2** presents the nexus findings based on the methodology.
- **Chapter 3** provides a general discussion of the City's development trends and employment composition.
- **Chapter 4** describes the methodology used to calculate the fee.

## **2. FINDINGS FOR FEE PROGRAM**

---

### **Purpose of Fee**

The fee program developed through this Nexus Study would fund the development and preservation of affordable housing projects in the City of Sunnyvale as required by the increase in local lower wage workers employed in new nonresidential developments. The businesses that occupy new nonresidential buildings will employ staff, many of whom will have difficulty finding suitable local housing they can afford.

### **Use of Fee**

The funds generated by this fee will be used to provide assistance for production, acquisition of at-risk units, or rehabilitation of affordable housing. The fee also will fund the studies and administration to support the fee program.

### **Relationship between Use of Fee and Type of Development**

The development of new nonresidential land uses in the City will generate need for additional workers. The wages of a significant portion of the new employees will be inadequate to support sufficient rent prices to attract residential developers to provide housing opportunities without further subsidy. The fee will be used to help to fill the “affordability gap” for housing development and increase the number of homes available for the local workforce.

### **Relationship between Demand for Affordable Housing and Type of Project**

The City and EPS have identified three employment categories for which a separate fee has been calculated – lodging, retail/restaurants, and office/light industrial/R&D. The proportion of lower wage workers and the number of square feet per employee for each employment category has been assessed to ensure a proper nexus has been established.

### **Relationship between Amount of Fee and Cost of Public Benefit Attributed to New Development**

EPS estimated the gap between the cost of developing new housing and the achievable value of the new units based on the financial resources available to households at different income levels. To estimate the maximum fee, this gap was multiplied by the number of lower wage workers anticipated by the new development projects and the number of households of various income categories those workers are likely to form. The maximum fee may represent too high a cost burden to sustain development feasibility, and/or may account for housing impacts already addressed in other City programs (such as the City’s affordable housing impact fees), so adjustments downward from the maximum fees may be warranted.

### 3. EMPLOYMENT AND INCOME TRENDS

---

This report provides information regarding income categories as commonly defined by State and federal agencies that administer affordable housing programs. **Table 2** presents the income categories that are relevant for this fee program based on the 2014 requirements for Santa Clara County. EPS uses acronyms in several of the tables provided and those acronyms are also included in **Table 2** for reference.

#### **Residential Development Trends**

Sunnyvale is located in Santa Clara County, in the southern part of the San Francisco Bay Area and in the heart of the Silicon Valley. Its population is about 146,000 residents with about half of the housing inventory as single-family and half as multifamily uses. The City experienced moderate growth of below one percent a year over the last two decades. It is noteworthy that the vast majority of new housing construction in the City during the late 1990s and 2000s was multifamily, followed by townhomes, while single-family detached growth was modest. As **Table 3** displays, an annual average of about 30 units of single-family detached housing has been constructed over the last 18 years.

#### **Employment and Income Composition**

Sunnyvale had roughly 82,000 jobs in 2011 based on the data from the US Census Bureau's "On The Map". The City has evolved into a regional hub for high-tech employment with headquarters of numerous internationally prominent information technology companies such as NetApp, Juniper Networks, and Yahoo!. The City's other large employers include Lockheed Martin, Hewlett Packard, AMD, and Northrop Grumman Marine Systems. Many jobs in these tech and defense-oriented industries pay relatively high salaries. Even with many well-paying jobs, the City still has many jobs that pay much more modest wages in its diverse employment base. According to the US Census Bureau's "On The Map", 28.2 percent of all jobs located in the City of Sunnyvale in 2011 paid less than \$40,000 per year, which is within the "very low income" level for households of two or more people in the County.

According to Costar real estate data, there are currently 36.8 million square feet of office, R&D, and industrial uses, 5.0 million square feet of retail uses, and 2.0 million square feet of lodging uses in Sunnyvale. Over the last eight years, about 375,000 square feet of new retail space was built for an annual average of 46,875 square feet, while 4.5 million square feet of new office space and 145,000 square feet of new R&D space were built in the City. This equals a respective annual growth rate of 562,500 square feet and 18,125 square feet for office and R&D. Office and retail space growth has been relatively consistent over the last eight years, while the R&D space increase is attributed to a single project completed in 2010. Employment has grown slowly over the last decade with the City increasing its jobs by 1 percent between 2002 and 2011 according to the US Census Bureau's "On The Map" data. Based on Projections from the Association of the Bay Area Governments, the City will add about 12,000 jobs or 16 percent of the existing employment base over the next decade.

**Table 2**  
**Santa Clara County Income Category Definitions (2014)**  
**Sunnyvale Housing Mitigation Nexus and Fee Study; EPS #131119**

<b>Affordability Category</b>	<b>Acronym</b>	<b>Percentage of County Median</b>	<b>Maximum Income Threshold 3-person household</b>	<b>Source</b>
Very Low Income [1]	VLI	0% - 50%	\$47,750	HCD
Low Income	LI - 80	51% - 80%	\$76,400	HCD
Median Income	Median	81% - 100%	\$94,950	HCD
Moderate Income	Moderate	101% - 120%	\$113,950	HCD

[1] The "Very Low Income" category also captures a combination of extremely low (0% to 30% of median incomes) and very low income (31% to 50% of median incomes) in Santa Clara County.

Source: California HCD and EPS.

**Table 3**  
**Residential Construction Trends in Sunnyvale\***  
**Sunnyvale Housing Mitigation Nexus and Fee Study; EPS #131119**

Year	Single-Family Detached	Townhomes	Condos/ Apartments (1)	Total
1996	50	3	80	133
1997	26	15	179	220
1998	18	17	114	149
1999	25	42	225	292
2000	111	14	796	921
2001	42	0	392	434
2002	12	0	256	268
2003	6	0	2	8
2004	51	71	124	246
2005	17	273	1	291
2006	37	117	89	243
2007	16	257	206	479
2008	22	164	54	240
2009	21	121	15	157
2010	27	133	0	160
2011	8	57	388	453
2012	14	2	599	615
2013	<u>49</u>	<u>123</u>	<u>17</u>	<u>189</u>
<b>18-Year Total</b>	<b>552</b>	<b>1,409</b>	<b>3,537</b>	<b>5,498</b>
<b>18-Year Average</b>	<b>31</b>	<b>78</b>	<b>197</b>	<b>305</b>

\*Note: figures reflect the net new dwelling units completed (based on finalized building permits).

(1) Include assessory dwelling units on single family lots.

Sources: City of Sunnyvale construction data; EPS.

The City's robust job market offers a diverse mix of professions and pay levels with a high concentration of tech employment that contributes to high incomes and drives up housing costs. The City's median household income has historically been slightly higher than the countywide median. In desirable job-rich communities like Sunnyvale, local workers compete for a limited housing supply with longer-term residents who may have built substantial equity in their homes and/or with higher-income households who have more flexibility regarding where they choose to live. As a result of the strong level of demand for housing in the City, it is difficult for new lower wage and even some moderate income workers to find suitable housing in the City without programs designed to bring the cost of housing down to an affordable range.

## 4. METHODOLOGY AND FEE CALCULATION

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The fee calculation requires an estimate of the number of income-qualified households generated by various types of non-residential development and an estimate of the costs to provide housing for such households. This section of the report also discusses the types of programs and projects that may be pursued by the City to address those housing needs.

### Calculation of Affordable Housing Demand

To calculate the demand for affordable housing that is created when new non-residential development occurs in Sunnyvale, this study evaluates the number and wages of employees expected in such new development, and the number of income-qualified households that would be formed by those employees.

#### Employment Categories

Employment categories utilized in this analysis are displayed in **Table 4** along with a description of the types of businesses that are included in each category. In general, each employment category is intended to be associated with a particular type of building or land use, to which the fees can be applied. EPS separated commercial development into three distinct categories including lodging (hotel/motel), retail/restaurants, and office/light industrial/R&D uses. Separation of these land uses reflects the notion that their tenant types are generally distinct and have various income patterns and distributions that will result in different demands for lower income housing. Employment categories are more discretely associated with a particular type of building, and thus the appropriate fees for such buildings are easier to determine when a building is proposed and constructed. The combined office/light industrial/R&D category reflects the fact that certain building types may include a wide variety of tenants – for instance, low-rise industrial “flex” buildings in the City may include tenants ranging from offices to laboratories to production and repair companies, while multi-story commercial buildings can also include traditional offices or technology companies conducting research and development.

#### Occupational Category and Wage Distribution

EPS used U.S. Bureau of Labor Statistics (BLS) *National Industry-Specific Occupational Employment and Wage Estimates* for 2012 to estimate the wages earned by employees in industry sectors related to the employment categories. This BLS data set includes wage data at both the national and Metropolitan Statistical Area (MSA). The San Jose-Sunnyvale-Santa Clara MSA is the geography of the Silicon Valley. Wage data for the MSA are provided for occupations for all industries in aggregate (e.g., all “Management” occupations regardless of industry), while national-level occupational wage data are provided by industry sector (e.g., managers in the Accommodations industry vs. managers in the Finance and Insurance industry). To account for regional wage disparities, EPS calculated wage adjustment factors as displayed in **Table 5**. EPS applied these adjustment factors to the nationwide income level data by industry sector to estimate the typical wages by occupation and industry for the Silicon Valley.

**Table 4**  
**Employment Category Descriptions**  
**Sunnyvale Housing Mitigation Nexus and Fee Study; EPS #131119**

Employment Category	Description and Examples
Lodging	Temporary housing for non-residents. Examples include resorts, hotels, motels, and bed and breakfast inns.
Retail/Restaurants	Businesses selling merchandise, entertainment, personal services, and food and beverage to the general public. Examples include grocery stores, drug stores, clothing stores, general merchandise stores, restaurants and bars, beauty salons, movie theaters, auto sales and rentals, and gas stations.
Office/Light Industrial/R&D	Employers engaged in business activity with limited direct access from the general public, businesses focused on assembling, distributing, or repairing products, and businesses focused on the testing and invention of new materials, products, or processes. Examples include finance, insurance, real estate, law, engineering, science and technology, warehouses, auto repair, and self-storage facilities.

**Table 5**  
**Adjustment Factors for Converting National Wages to San Jose-Sunnyvale-Santa Clara MSA Wages**  
**Sunnyvale Housing Mitigation Nexus and Fee Study; EPS #131119**

Occupation Category	US Average Wage	San Jose-Sunnyvale- Santa Clara MSA Avg. Wage	San Jose-Sunnyvale- Santa Clara MSA as % of US Average
Management	\$108,570	\$127,520	117.5%
Business and Financial Operations	\$69,550	\$81,770	117.6%
Computer and Mathematical Science	\$80,180	\$94,880	118.3%
Architecture and Engineering	\$79,000	\$96,950	122.7%
Life, Physical, and Social Science	\$68,360	\$81,400	119.1%
Community and Social Services	\$44,240	\$55,370	125.2%
Legal Occupations	\$98,570	\$113,350	115.0%
Education, Training and Library	\$51,210	\$60,300	117.8%
Arts, Design, Entertainment, Sports, and Media	\$54,490	\$58,890	108.1%
Healthcare Practitioner and Technical	\$73,540	\$102,730	139.7%
Healthcare Support	\$27,780	\$36,680	132.0%
Protective Services	\$43,050	\$58,020	134.8%
Food Preparation and Serving	\$21,380	\$22,670	106.0%
Buildings and Grounds Cleaning and Maintenance	\$25,670	\$32,700	127.4%
Personal Care and Service	\$24,550	\$27,800	113.2%
Sales and Related Occupations	\$37,990	\$45,480	119.7%
Office and Administrative Support	\$34,410	\$42,650	123.9%
Farming, Fishing and Forestry	\$24,230	\$26,600	109.8%
Construction and Extraction	\$44,960	\$61,780	137.4%
Installation, Maintenance, and Repair	\$43,870	\$53,830	122.7%
Production	\$34,500	\$40,360	117.0%
Transportation and Material Moving	\$33,590	\$39,990	119.1%

Sources: BLS *National Industry-Specific Occupational Employment and Wage Estimates*, May 2012

EPS used BLS nationwide data regarding industries and occupation categories to estimate the proportion of occupations likely to be represented under each employment category. For example, EPS evaluated the occupation categories for the Accommodation industry to determine the proportional distribution of occupations for the “Lodging” employment category in Sunnyvale. North American Industry Classification System (NAICS) sector 721000 (“Accommodation”) shows that nationwide 4.3 percent of the jobs in the lodging industry are taken by managers while 29.3 percent are in the category of buildings and grounds cleaning and maintenance (see **Table 6** and **B-1**). The occupational and wage distributions for all designated employment categories and building types are provided in **Appendix B**.

To estimate household incomes, the per-worker wages of each occupation were multiplied by 1.53, the average number of workers per working household in Sunnyvale according to the Census 2010 data. The resulting figure is assumed to represent the annual household wage of a worker in each occupation and industry category. Also, according to the American Community Survey, the average household size in Sunnyvale is 2.64 and the average family size is 3.22 people. Rounding these average household and family sizes suggests that a typical working household in Sunnyvale has three people, so EPS compared the estimated household wage with the income thresholds for a 3-person household to identify the income category into which each occupation would fall. An example of this calculation is illustrated in **Table 6**. Key assumptions and their sources are summarized in **Appendix A**.

It is important to note that the income distribution findings of this study are similar to those in the City’s recent studies for housing impact fees that may be charged to residential development, despite some differences in the methodologies employed.<sup>2</sup> For example, this study finds that 96 percent of the employees in the “Retail/Restaurant” land use category represent low- and very-low-income households in need of housing subsidies. The rental housing impact fee nexus study completed in 2013 found that 94 percent of all retail and service worker households attributable to demand from new residents would be low- and very-low-income households.

### **Distribution of Workers by Land Use Type**

After identifying income ranges for each occupation and employment category, EPS summed the percentages of occupations by income bracket. These proportions of anticipated household income brackets by employment category are presented in **Table 7**.

As shown, a significant majority of households formed by workers in Retail/Restaurants and Lodging are expected to be at the low- and very-low-income levels, while roughly half of all jobs in the Office/Light Industrial/R&D uses are expected to yield household incomes at or above Median income levels.

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<sup>2</sup> EPS’ “Nexus-Based Affordable Housing Fee Analysis for For-Sale Housing” dated July 19, 2012 and “Nexus-Based Affordable Housing Fee Analysis for Rental Housing” for the City of Sunnyvale, dated June 3, 2013.

**Table 6**  
**Illustration of Employees' Household Income Calculation**  
**Sunnyvale Housing Mitigation Nexus and Fee Study; EPS #131119**

Item	Source	Example
Employment Category	City of Sunnyvale and EPS	Lodging
Industry	Bureau of Labor Statistics (BLS)	Accommodation (NAICS Code 721000)
Occupation Category	BLS	Buildings and Grounds Cleaning and Maintenance
Nationwide Median Income for Occupation	BLS (2012)	\$22,740
Regional Wage Adjustment Factor for Occupation	BLS and EPS	127.4%
Median Wage Estimate for the San Jose-Sunnyvale-Santa Clara MSA	BLS and EPS	\$28,968
Workers per Household	U.S. Census 2010 est.	1.53
Median Income per Household	Workers per HH Multiplied by Med. Annual Wage	\$44,320
Income Category for 3-person Family	Dept. of Housing and Community Development (HCD)	Very Low Income - (VLI 0%-50%)

Sources: City of Sunnyvale, BLS, American Community Survey, HCD, and EPS.

**Table 7**  
**Income Distribution of Worker Households by Employment Category [1]**  
**Sunnyvale Housing Mitigation Nexus and Fee Study; EPS #131119**

Employment Category	VLI	LI - 80	Median	Moderate	Above Mod
Lodging	64.9%	29.1%	1.4%	0.4%	4.2%
Retail/Restaurants	44.4%	50.9%	0.2%	0.2%	4.3%
Office/Light Industrial/R&D	0.9%	49.2%	13.2%	10.0%	26.7%

[1] Designation of household income is based on a 3-person household and 1.53 workers per household, both based on American Community Survey data.

Source: BLS, HCD, EPS, and American Community Survey 2012.

## Employment Densities

Commercial operations have varying levels of employment requirements. The number of building square feet anticipated for a certain number of employees is termed the “employment density” of each employment category.

Based on the City business license data and prior assumptions from similar studies, along with input from City staff, EPS estimated the employment density for each employment category as shown in **Table 8**. As shown, employment density assumptions inform the number of employees that would occupy a 100,000-square foot building for each land use. Lodging uses are assumed to have the lowest employment densities, while retail/restaurant and office/light industrial/R&D have more comparable densities.<sup>3</sup>

## Household Formation in Sunnyvale

EPS then estimated the number of households those employees would represent. First, EPS adjusted for the fact that younger workers may not be at the age to form their own households. Data from the Bureau of Labor Statistics indicate that young workers age 16 to 19 represent only about 1.9 percent of the overall workforce. However, the majority of these young workers are in the retail/restaurant industries, where they represent 12.5 percent of the overall industry employment. EPS has assumed that these young workers age 16 to 19 would not form their own households. As noted above, EPS has further assumed that, on average, new households formed in response to growing employment opportunities would have 1.53 wage-earning workers based on the City-average data for “workers” in households that have workers. The combination of these adjustments results in the assumption that roughly six households are formed for every ten new employees.

## Potential Housing Programs and Projects

This fee study establishes the relationship between employment growth and demand for affordable housing. The production of net new affordable units can most directly accommodate the housing needs of a growing workforce, and thus serves as the basis for calculating the maximum nexus-based fee. To the extent that other approaches may be available to retain and/or expand the supply of housing affordable to income-qualified households, the City may elect to invest its fee revenues in such programs. Examples of such alternative programs may include, without limitation:

- acquisition of existing (typically older) market-rate units that would then be subject to income restrictions,
- negotiated and compensated extension of income restrictions on affordable units nearing their expiration, and
- down payment assistance or other credit enhancements for income-qualified homebuyers.

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<sup>3</sup> As noted above, the office/light industrial/R&D category reflects a wide range of potential businesses that may occupy similar buildings, and the employment density assumption in this category represents a blend of traditional densities for office, light industrial, and R&D uses.

**Table 8**  
**Household Generation Rates by Employment Category**  
**Sunnyvale Housing Mitigation Nexus and Fee Study; EPS #131119**

Employment Category	Sq.Ft. per Worker [1]	Total Workers per 100k Sq.Ft.	% of Workers Forming Households [2]	Total Households per 100k Sq.Ft. [3]	Households by Income Level [4]				
					VLI	LI - 80	Median	Moderate	Above Mod
Lodging	2,000	50	98.1%	32	21	9	0	0	1
Retail/Restaurants	400	250	87.5%	143	63	73	0	0	6
Office/Light Industrial/R&D	420	238	98.1%	153	1	75	20	15	41

[1] See **Appendix Table A-1** for sources on employment densities in different land uses.

[2] BLS data indicates that 12.5% of retail/restaurant workers are age 16-19, but an average of only 1.9% of workers in other industries. EPS has assumed that workers of age 16-19 do not form their own households.

[3] Assumes 1.53 employees per household based on the Census data for Sunnyvale; rounded.

[4] Figures are rounded to nearest whole number.

Sources: BLS, US Census, On The Map 2011, and EPS.

In the past, Sunnyvale has invested its housing fees in all of these types of projects and programs, plus modest amounts for the administration of its housing programs, though the majority has been spent subsidizing the construction of new affordable rental units.

## Housing Development Costs and Affordability Gap

**Tables 9** and **10** show the subsidy needed to produce multifamily for-sale and rental housing affordable to very low-, low-, median- and moderate-income households. These tables are based on the Nexus-Based Affordable Housing Fee Analysis for Rental Housing completed by EPS for the City in 2013, updated to reflect more income levels, land, and development costs. This analysis assumed homes for affordable households would be provided in whatever tenure (rental vs. for-sale) required the least subsidy under prevailing market conditions, which was determined to be rental units for low- and very low-income households, and for-sale units for median income households. No subsidy appears to be required for households earning the full "Moderate" income limit of 120 percent of area median income.

### Product Type

This analysis assumes that new lower-income worker households would be housed in multifamily developments in Sunnyvale. Developable residential land in Sunnyvale is very expensive, assumed to be approximately \$4.1 million per acre but with other transactions reflecting still higher rates<sup>4</sup>. Constructing single-family detached or even attached housing would require land costs of several hundred thousand dollars per unit, in addition to the costs of actually building the housing units. Multifamily affordable housing is more financially feasible in this market context because the high land costs can be spread over more units per acre, and the overall prices to develop the affordable units can be closer to the prices that income-qualified households can afford. EPS has assumed that these projects will have an average density of 42 units per acre, and be built in woodframe buildings of three to four stories over parking podiums beneath the building (but not fully underground).

In order to determine the average household size of future affordable housing units, EPS used two estimates from the 2010 Census. The American Community Survey indicates that the average household size in Sunnyvale is 2.64 people and the average family size is 3.22 people. Each of these figures rounds to an average of three people per household, so EPS uses this assumption to determine the applicable income limits for the new units.

California State law (California Health and Safety Code Section 50052.5) assumes that a 2-bedroom unit is occupied by a 3-person household, and this assumption is used in this analysis. Typically, a 2-bedroom unit in the Bay Area has a gross size of about 1,100 square feet (accounting for shared lobbies, hallways, etc.) and a net size of 950 square feet.

The funding gap for development of for-sale and rental units by income level under present market conditions is shown in **Tables 9** and **10**. With City input, EPS has assumed that many households at low and very low incomes will not have adequate wealth reserves

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<sup>4</sup> Based on an appraisal of 485 North Wolfe Rd completed in January 2013 and corroborated by a calculation of residual land value (building values based on achievable market pricing less development costs for residential development).

**Table 9**  
**Affordability Gap Analysis – For-Sale Affordable Housing Unit Type**  
**Sunnyvale Housing Mitigation Nexus and Fee Study; EPS #131119**

Item	3-4 Stories Multifamily Building With Podium Parking	
	Median Income (100% AMI)	Moderate Income (120% AMI)
<b>Development Program Assumptions</b>		
Density/Acre	42	42
Gross Unit Size	1,100	1,100
Net Unit Size	950	950
Number of Bedrooms	2	2
Number of Persons per 2-bedroom Unit [1]	3	3
Parking Spaces/Unit	2.00	2.00
<b>Cost Assumptions</b>		
Land/Acre [2]	\$4,094,000	\$4,094,000
Land/Unit	\$97,476	\$97,476
Direct Costs		
Direct Construction Costs/Net SF [3]	\$195	\$195
Direct Construction Costs/Unit	\$184,832	\$184,832
Parking Construction Costs/Space	\$15,084	\$15,084
Parking Construction Costs/Unit	\$30,167	\$30,167
Subtotal, Direct Costs/Unit	\$214,999	\$214,999
Indirect Costs as a % of Direct Costs [4]	40%	40%
Indirect Costs/Unit	\$86,000	\$86,000
Developer Profit Margin (% of all costs)	10%	10%
Developer Profit	\$39,847	\$39,847
<b>Total Cost/Unit</b>	<b>\$438,322</b>	<b>\$438,322</b>
<b>Maximum Supported Home Price</b>		
Household Income [5]	\$94,950	\$113,950
Income Available for Housing Costs/Year [6]	\$33,233	\$39,883
Less Annual HOA Fees and Insurance [7]	\$3,826	\$3,826
Less Property Taxes (1.1738%) [8]	\$4,465	\$5,500
Income Available for Mortgage	\$24,942	\$30,557
Mortgage Interest Rate [9]	5.0%	5.0%
Mortgage Repayment Period (years)	30	30
Down Payment [10]	\$42,601	\$52,192
Total Supportable Unit Value	\$426,014	\$521,921
<b>Affordability Gap</b>	<b>\$12,309</b>	<b>\$0</b>

[1] An average of 3 persons is used for this analysis based on Census data indicating the average family and household size in Sunnyvale is approximately 3 persons, and State law (Health and Safety Code Section 50052.5) indicates that a 2-bedroom unit should be assumed to be occupied by a 3-person household. Thus, EPS has assumed an average unit for income-qualified worker households would be 2-bedrooms.

[2] Based on an appraisal of 485 North Wolfe Rd completed in January of 2013 and corroborated by a calculation of residual land value. Asking prices of recent listings of residential land tend to be higher, so this estimate is considered conservative. For example, 1103 E. El Camino Real is a 1.02 acre developable parcel was recently appraised for \$4.45 million.

[3] Includes on-site work, offsite work, vertical construction, general requirements, overhead and developer fees. Assumes a for-profit builder of moderate-income homes can build a unit for 10% less per square foot than can a non-profit builder. The cost estimate from 2013 is adjusted by a one-year inflation factor reported by ENR.

[4] Includes costs for architecture and engineering; entitlement and fees; project management, marketing, commissions, and general administration; financing and charges; insurance; and contingency

[5] Based on 2014 income limits for a three-person household in Santa Clara County at 100% and 120% of AMI, respectively.

[6] Assumes housing costs to be 35% of gross household income.

[7] Assumes HOA dues of \$275 per month and insurance costs of 0.12% of the total cost/unit.

[8] Includes special assessment districts in addition to the base tax rate of 1.00%, and is applied to total cost/unit.

[9] Based on typical 30-year fixed rate mortgage terms.

[10] Assumes a 10% down payment.

Source: City of Sunnyvale; HUD; Economic & Planning Systems, Inc.

**Table 10**  
**Affordability Gap Analysis – Rental Product Type**  
**Sunnyvale Housing Mitigation Nexus and Fee Study; EPS #131119**

Item	3 - 4 Stories Multifamily Building With Podium Parking			
	Very Low Income (50% AMI)	Low Income (80% AMI)	Median Income (100% AMI)	Moderate Income (120% AMI)
<b>Development Program Assumptions</b>				
Density/Acre	42	42	42	42
Gross Unit Size	1,100	1,100	1,100	1,100
Net Unit Size	950	950	950	950
Number of Bedrooms	2	2	2	2
Number of Persons per 2-bedroom Unit [1]	3	3	3	3
Parking Spaces/Unit	2.00	2.00	2.00	2.00
<b>Cost Assumptions</b>				
Land/Acre [2]	\$4,094,000	\$4,094,000	\$4,094,000	\$4,094,000
Land/Unit	\$97,476	\$97,476	\$97,476	\$97,476
<b>Direct Costs</b>				
Direct Construction Costs/Net SF [3]	\$210	\$210	\$189	\$189
Direct Construction Costs/Unit	\$199,424	\$199,424	\$179,968	\$179,968
Parking Construction Costs/Space	\$16,500	\$16,500	\$15,500	\$15,500
Parking Construction Costs/Unit	\$33,000	\$33,000	\$31,000	\$31,000
Subtotal, Direct Costs/Unit	\$232,424	\$232,424	\$210,968	\$210,968
<b>Indirect Costs as a % of Direct Costs [4]</b>				
Indirect Costs/Unit	\$92,970	\$92,969.60	\$84,387	\$84,387
Total Cost/Unit	\$422,870	\$422,870	\$392,831	\$392,831
<b>Maximum Supported Home Price</b>				
Household Income [5]	\$47,750	\$76,400	\$94,950	\$117,400
Income Available for Housing Costs/Year [6]	\$14,325	\$22,920	\$28,485	\$35,220
Less Utility Costs [7]	\$1,620	\$1,620	\$1,620	\$1,620
Income Available for Rent Payments	\$12,705	\$21,300	\$26,865	\$33,600
Operating Expenses per Unit/Year	\$6,000	\$6,000	\$10,611	\$10,611
Net Operating Income [8]	\$6,705	\$15,300	\$16,254	\$22,989
Capitalization Rate [9]	5.5%	5.5%	5.5%	5.5%
Total Supportable Unit Value [10]	\$121,909	\$278,182	\$295,526	\$417,981
<b>Affordability Gap</b>	<b>\$300,961</b>	<b>\$144,688</b>	<b>\$97,305</b>	<b>\$0</b>

[1] An average of 3 persons is used for this analysis based on Census data indicating the average family and household size in Sunnyvale is approximately 3 persons, and State law (Health and Safety Code Section 50052.5) indicates that a 2-bedroom unit should be assumed to be occupied by a 3-person household. Thus, EPS has assumed an average unit for income-qualified worker households would be 2-bedrooms

[2] Based on an appraisal of 485 North Wolfe Rd completed in January of 2013 and corroborated by a calculation of residual land value. Asking prices of recent listings of residential land tend to be higher, so this estimate is considered conservative. For example, 1103 E. El Camino Real is a 1.02 acre developable parcel was recently appraised for \$4.45 million.

[3] Includes on-site work, offsite work, vertical construction, general requirements, overhead and developer fees. Assumes a for-profit builder of moderate-income homes can build a unit for 10% less per square foot than can a non-profit builder. The cost estimate from 2013 is adjusted by a one-year inflation factor reported by ENR.

[4] Includes costs for architecture and engineering; entitlement and fees; project management; appraisal and market study; marketing, commissions, and general administration; financing and charges; insurance; developer fee and contingency.

[5] Based on 2014 income limits for a three person household in Santa Clara County at the four income-levels shown.

[6] Assumes housing costs to be 30% of gross household income based on maximum rents established under Sunnyvale's current BMR rental program.

[7] Based on Santa Clara County Authority 2012 Utility Allowance Table assuming a low-rise apartment and natural gas service.

[8] Moderate income units generate rents similar to market-rate units, so EPS assumes that any moderate income units would be subject to property tax (1.0% of unit cost). Units for lower income levels are assumed to be produced by non-profit builders and thus not taxable

[9] The capitalization rate is used to determine the current value of a property based on estimated future operating income, and is typically a measure of estimated operating risk. Capitalization rate assumptions are based on recent PwC Real Estate Investor Surveys.

[10] The total supportable unit value is determined by dividing the net operating income by the capitalization rate.

Sources: City of Sunnyvale; Affordable housing developers; HUD; ENR, PwC; Economic & Planning Systems, Inc.

for down payments on homeownership units, and may have further difficulty absorbing the ongoing costs of homeownership (taxes, repairs, etc.) that they can effectively avoid by renting their homes rather than buying. Median and moderate-income households may not face the same financial challenges, so EPS has compared the subsidy costs of rental and for-sale housing at these income levels to determine which requires less subsidy.

### **Development Cost Assumptions**

Affordable housing development costs include land costs, direct costs (e.g. labor and materials), indirect or “soft” costs (e.g., architecture, entitlement, marketing, etc.), and developer profit. For rental projects, operating costs also must be incorporated into the analysis. While specific costs for any given project can vary significantly, EPS has worked with the City and vetted assumptions with locally active developers to establish development costs that represent reasonable estimates for a typical project in Sunnyvale. For the 2013 nexus study for affordable housing fees for rental development, EPS combined cost data from recent Sunnyvale development and recent land transactions with EPS’s information from various market-rate and affordable housing developers to determine appropriate development cost assumptions for use in Sunnyvale, and those costs were reviewed by developers and subject to a peer review study by another consultant retained by the Building Industry Association. For this 2014 study, EPS inflated direct construction costs from its original 2013 estimates based on the Engineering News Record index to reflect construction cost escalation since the original analysis. These assumptions are shown on **Tables 9 and 10**.

The land value is estimated based on a recent appraisal for residential land in Sunnyvale of \$4.1 million per acre, located at 485 North Wolfe Road. EPS believes this figure is conservative (i.e., low) for two reasons: 1) current asking prices for developable residential land in Sunnyvale are as high as \$4.7 million per acre, and 2) a “residual land value analysis” suggests that developers of market-rate apartments can afford to pay more than \$4.1 million per acre for developable land.

### **Revenue Assumptions**

To calculate the values of the affordable units, assumptions must be made regarding the applicable income level (moderate, median, LI, and VLI) and the percentage of income spent on housing costs. In addition, translating these assumptions into unit prices and values requires estimates of operating expenses, capital reserves, and capitalization rates. The following assumptions were used in these calculations:

- *Income Levels*—The maximum allowable incomes used in each affordable housing income category are consistent with those set forth by both the federal government (U.S. Department of Housing and Urban Development [HUD]) and State government (California Department of Housing and Community Development [HCD]): VLI = 50 percent of Area Median Income (AMI), LI = 80 percent of AMI, Median Income = 100 percent of AMI, and Moderate Income = 120 percent of AMI.
- *Percentage of Gross Household Income Available for Housing Costs*—HCD generally considers housing to be affordable when renters spend no more than 30 percent of gross household income on housing costs (rent and utilities), or when homeowners pay not more than 35 percent of gross income for mortgage principal and interest, taxes, insurance, and homeowner association dues. For this analysis, EPS has assumed that VLI, LI, median, and

moderate-income households may spend 35 percent of their gross income on housing costs. All units are assumed to be two-bedroom multifamily dwellings for the purpose of this analysis.

- *Other Costs Included for Rental Units*—In addition to rent payments, the analysis assumes approximately \$135 per month in utility costs based on the Santa Clara County Housing Authority 2012 utility allowance table. This amount is subtracted from the total available housing costs (30 percent of household income) to determine the net amount available for rent payments.
- *Operating Costs for Rental Units*—The analysis assumes that apartment operators incur annual costs of \$6,000 per unit for LI and VLI units and \$10,300 for Median Income and Moderate units. EPS has assumed the Median and Moderate income units would be built by for-profit builders and subject to property taxes, while units for lower-income households would be built and operated by nonprofit organizations and thus tax-exempt.

### **Affordability Gap Results**

**Tables 9 and 10** show the subsidies for construction of for-sale condominiums and for-rent apartments for VLI through moderate-income households. The affordability gap ranges from \$0 for moderate-income households (i.e., moderate-income households can afford home prices adequate to cover the costs of construction) to \$300,961 for VLI households. The affordability gap for VLI households is much higher because these households have significantly less income available for housing costs, while construction costs remain essentially fixed.

These affordability gaps then were used to calculate the justified nexus-based fees by multiplying this required subsidy by the number of units required to house workers providing goods and services to new market-rate housing development. This methodology is discussed in more detail in the following section.

### **Maximum Fee Calculation**

**Tables 11 through 13** provide the maximum nonresidential housing fee calculations for each of the three employment categories. Assuming a 100,000-square foot nonresidential building prototype for each employment category, the number of new households by income category is multiplied by the per-unit affordability gap to determine the level of subsidy required to provide housing for the new worker households. The adjusted affordability gap is then divided by the size of the assumed building or land to determine a maximum fee per building square foot.

As shown, the EPS maximum fees for office/light industrial/R&D are calculated at \$113.99 per square foot, substantially above the City's current \$9.49 fee for these uses (the City's current fee applies only to square footage above an established density threshold that varies by use and location). EPS also has calculated the maximum supportable fees as \$76.22 per square foot for lodging uses and \$295.23 for retail/restaurant uses. These uses currently are not subject to Housing Mitigation Fees in Sunnyvale, though the majority of their workers qualify as lower-wage employees potentially in need of affordable housing.

**Table 11**  
**Fee Calculation - Lodging**  
**Sunnyvale Housing Mitigation Nexus and Fee Study; EPS #131119**

Item	Worker Households per 100k sq. ft.	Affordability Gap per household	Total Gap
<i>Table references:</i>			
	<i>Table 8</i>	<i>Tables 9 and 10</i>	
<b>Aggregate Financing Gap per 100K Sq. Ft</b>			
<b>Affordability Level</b>			
VLI	21	\$300,961	\$6,320,175
LI - 80	9	\$144,688	\$1,302,192
Median	0	\$12,309	\$0
Moderate	0	\$0	\$0
Above Moderate	1	\$0	\$0
<b>Total</b>	<b>31</b>	<b>n/a</b>	<b>\$7,622,366</b>
<b>Fee Calculation</b>			
		<i>formula</i>	
Total Financing Gap		<i>a</i>	\$7,622,366
Total Building Sq. Ft.		<i>b</i>	100,000
<b>Maximum Fee per Sq. Ft.</b>		<i>c = a / b</i>	<b>\$76.22</b>

**Table 12**  
**Fee Calculation - Retail/Restaurant**  
**Sunnyvale Housing Mitigation Nexus and Fee Study; EPS #131119**

Item	Worker Households per 100k sq. ft.	Affordability Gap per household	Total Gap
<i>Table references:</i>			
	<i>Table 8</i>	<i>Tables 9 and 10</i>	
<b>Aggregate Financing Gap per 100K Sq. Ft</b>			
<b>Affordability Level</b>			
VLI	63	\$300,961	\$18,960,524
LI - 80	73	\$144,688	\$10,562,222
Median	0	\$12,309	\$0
Moderate	0	\$0	\$0
Above Moderate	6	\$0	\$0
<b>Total</b>	<b>142</b>	<b>n/a</b>	<b>\$29,522,746</b>
<b>Fee Calculation</b>			
		<i>formula</i>	
Total Financing Gap		<i>a</i>	\$29,522,746
Total Building Sq. Ft.		<i>b</i>	100,000
<b>Maximum Fee per Sq. Ft.</b>		<i>c = a / b</i>	<b>\$295.23</b>

**Table 13**  
**Fee Calculation - Office/Light Industrial/R&D**  
**Sunnyvale Housing Mitigation Nexus and Fee Study; EPS #131119**

Item	Worker Households per 100k sq. ft.	Affordability Gap per household	Total Gap
<i>Table references:</i>			
	<i>Table 8</i>	<i>Tables 9 and 10</i>	
<b>Aggregate Financing Gap per 100K Sq. Ft</b>			
<b>Affordability Level</b>			
VLI	1	\$300,961	\$300,960.70
LI - 80	75	\$144,688	\$10,851,598
Median	20	\$12,309	\$246,174
Moderate	15	\$0	\$0
Above Moderate	41	\$0	\$0
<b>Total</b>	<b>152</b>	<b>n/a</b>	<b>\$11,398,733</b>
<b>Fee Calculation</b>			
		<i>formula</i>	
Total Financing Gap		<i>a</i>	\$11,398,733
Total Building Sq. Ft.		<i>b</i>	100,000
<b>Maximum Fee per Sq. Ft.</b>		<b><math>c = a / b</math></b>	<b>\$113.99</b>



## APPENDIX A:

### Assumptions and Sources

**Table A-1**  
**Assumptions and Sources**  
**Sunnyvale Housing Mitigation Nexus and Fee Study; EPS #131119**

Item	Total	Unit	Source
<b>Demographic Assumptions</b>			
Workers per Household with Workers	1.53 persons		U.S. Census 2010
Persons per Household	2.64 persons		American Community Survey Estimate 2010-2012
Persons per Family	3.22 persons		American Community Survey Estimate 2010-2012
<b>Employment Density Assumptions</b>			
Lodging	2,000 sq. ft. per employee		Keyser Marston Associates report for Mountain View
Retail/Restaurants	400 sq. ft. per employee		San Jose Transportation Department Study
Office/Light Industrial/R&D [1]	420 sq. ft. per employee		San Jose Transportation Department Study

[1] The office/light industrial/R&D category reflects a wide range of potential businesses that may occupy similar buildings, and the employment density assumption in this category represents a blend of typical densities for such tenants.

Sources: U.S. Census Bureau; Keyser Marston Associates; San Jose Transportation Department; City of Sunnyvale; and EPS.



## APPENDIX B:

### Occupation Distribution and Wages by Building Type

**Table B-1**  
**Occupation and Wage Distribution - Hotels/Lodging**  
**Sunnyvale Housing Mitigation Nexus and Fee Study; EPS #131119**

**Lodging**

Occupation Category	Lodging [1]					Income Category
	US Total Jobs by Occ. in Industry	US Avg. Wage by Occ. in Industry	San Jose-Sunnyvale-Santa Clara MSA Wage Est. [2]	% of Industry Jobs in Occ. Category	HH Income at 1.53 workers/HH	
Management	76,470	\$71,950	\$84,508	4.26%	\$129,298	Above Mod
Business and Financial Operations	25,400	\$49,460	\$58,150	1.42%	\$88,970	Median
Computer and Mathematical Science	2,160	\$54,730	\$64,764	0.12%	\$99,089	Moderate
Architecture and Engineering	400	\$58,790	\$72,148	0.02%	\$110,386	Moderate
Life, Physical, and Social Science	0	\$55,510	\$66,099	0.00%	\$101,131	Moderate
Community and Social Services	230	\$34,320	\$42,954	0.01%	\$65,720	LI - 80
Legal Occupations	70	\$90,320	\$103,863	0.00%	\$158,910	Above Mod
Education, Training and Library	700	\$32,500	\$38,269	0.04%	\$58,551	LI - 80
Arts, Design, Entertainment, Sports, and Media	8,340	\$46,170	\$49,898	0.47%	\$76,344	LI - 80
Healthcare Practitioner and Technical	320	\$46,770	\$65,334	0.02%	\$99,961	Moderate
Healthcare Support	1,740	\$36,400	\$48,062	0.10%	\$73,534	LI - 80
Protective Services	41,520	\$28,380	\$38,249	2.31%	\$58,521	LI - 80
Food Preparation and Serving	450,280	\$25,860	\$27,420	25.11%	\$41,953	VLI
Buildings and Grounds Cleaning and Maintenance	524,940	\$22,740	\$28,968	29.27%	\$44,320	VLI
Personal Care and Service	130,810	\$25,910	\$29,340	7.29%	\$44,890	VLI
Sales and Related Occupations	45,350	\$35,200	\$42,140	2.53%	\$64,474	LI - 80
Office and Administrative Support	335,120	\$25,600	\$31,730	18.68%	\$48,547	LI - 80
Farming, Fishing and Forestry	730	\$26,370	\$28,949	0.04%	\$44,292	VLI
Construction and Extraction	3,580	\$47,560	\$65,353	0.20%	\$99,990	Moderate
Installation, Maintenance, and Repair	88,750	\$33,450	\$41,044	4.95%	\$62,798	LI - 80
Production	33,870	\$24,160	\$28,264	1.89%	\$43,243	VLI
Transportation and Material Moving	22,760	\$24,820	\$29,549	1.27%	\$45,210	VLI
<b>Total or Weighted Average</b>	<b>1,793,540</b>		<b>\$33,299</b>	<b>100.00%</b>	<b>\$50,948</b>	

"dist\_t1"

[1] Includes NAICS Sector: 721000 - Accommodation.

[2] Adjusted using factors calculated in Table 5.

Source: BLS and EPS.

**Table B-2**  
**Occupation and Wage Distribution - Retail**  
**Sunnyvale Housing Mitigation Nexus and Fee Study; EPS #131119**

**Retail/Restaurants**

Occupation Category	RETAIL [1]					
	US Total Jobs by Occ. in Industry	US Avg. Wage by Occ. in Industry	San Jose-Sunnyvale-Santa Clara MSA Wage Est. [2]	% of Industry Jobs in Occ. Category	HH Income at 1.53 workers/HH	Income Category
Management	606,720	\$81,565	\$95,801	2.28%	\$146,576	Above Mod
Business and Financial Operations	48,100	\$54,857	\$64,495	0.18%	\$98,678	Moderate
Computer and Mathematical Science	57,090	\$67,589	\$79,981	0.21%	\$122,371	Above Mod
Architecture and Engineering	4,560	\$72,702	\$89,221	0.02%	\$136,507	Above Mod
Life, Physical, and Social Science	490	\$50,900	\$60,610	0.00%	\$92,733	Median
Community and Social Services	1,430	\$43,352	\$54,259	0.01%	\$83,016	Median
Legal Occupations	1,370	\$89,466	\$102,881	0.01%	\$157,409	Above Mod
Education, Training and Library	7,540	\$31,632	\$37,247	0.03%	\$56,987	LI - 80
Arts, Design, Entertainment, Sports, and Media	116,970	\$33,364	\$36,059	0.44%	\$55,170	LI - 80
Healthcare Practitioner and Technical	500,980	\$62,505	\$87,315	1.89%	\$133,592	Above Mod
Healthcare Support	84,390	\$29,453	\$38,889	0.32%	\$59,501	LI - 80
Protective Services	83,000	\$28,102	\$37,874	0.31%	\$57,947	LI - 80
Food Preparation and Serving	9,433,370	\$20,846	\$22,104	35.52%	\$33,819	VLI
Buildings and Grounds Cleaning and Maintenance	215,170	\$22,966	\$29,255	0.81%	\$44,760	VLI
Personal Care and Service	681,510	\$26,660	\$30,189	2.57%	\$46,189	VLI
Sales and Related Occupations	8,958,170	\$26,226	\$31,396	33.73%	\$48,036	LI - 80
Office and Administrative Support	2,842,670	\$26,419	\$32,745	10.70%	\$50,100	LI - 80
Farming, Fishing and Forestry	19,990	\$23,321	\$25,602	0.08%	\$39,172	VLI
Construction and Extraction	42,270	\$38,465	\$52,855	0.16%	\$80,869	Median
Installation, Maintenance, and Repair	783,340	\$37,835	\$46,424	2.95%	\$71,029	LI - 80
Production	630,330	\$26,893	\$31,461	2.37%	\$48,136	LI - 80
Transportation and Material Moving	1,438,650	\$24,271	\$28,895	5.42%	\$44,210	VLI
<b>Total or Weighted Average</b>	<b>26,558,110</b>		<b>\$31,303</b>	<b>100.00%</b>	<b>\$47,894</b>	

[1] Includes NAICS Sectors: 44 and 45 - Retail Trade; 532000 - Rental and Leasing Services; 722000 - Food Services and Drinking Places, and 812000 - Personal and Laundry Services

[2] Adjusted using factors calculated in Table 5.

Source: BLS and EPS.

**Table B-3**  
**Occupation and Wage Distribution - Office/Light Industrial/R&D**  
**Sunnyvale Housing Mitigation Nexus and Fee Study; EPS #131119**

**Office/Light Industrial/R&D**

Occupation Category	Office/Light Industrial/R&D [1]					
	US Total Jobs by Occ. in Industry	US Avg. Wage by Occ. in Industry	San Jose-Sunnyvale-Santa Clara MSA Wage Est. [2]	% of Industry Jobs in Occ. Category	HH Income at 1.53 workers/HH	Income Category
Management	3,761,970	\$121,644	\$142,876	6.61%	\$218,601	Above Mod
Business and Financial Operations	4,497,450	\$72,321	\$85,027	7.90%	\$130,092	Above Mod
Computer and Mathematical Science	2,989,280	\$83,153	\$98,398	5.25%	\$150,550	Above Mod
Architecture and Engineering	2,073,720	\$78,708	\$96,592	3.64%	\$147,785	Above Mod
Life, Physical, and Social Science	653,300	\$72,300	\$86,091	1.15%	\$131,720	Above Mod
Community and Social Services	51,660	\$44,738	\$55,994	0.09%	\$85,670	Median
Legal Occupations	746,830	\$103,214	\$118,691	1.31%	\$181,597	Above Mod
Education, Training and Library	48,890	\$51,420	\$60,547	0.09%	\$92,637	Median
Arts, Design, Entertainment, Sports, and Media	1,029,390	\$59,726	\$64,549	1.81%	\$98,759	Moderate
Healthcare Practitioner and Technical	453,530	\$62,191	\$86,876	0.80%	\$132,920	Above Mod
Healthcare Support	185,640	\$26,653	\$35,192	0.33%	\$53,844	LI - 80
Protective Services	855,980	\$28,279	\$38,113	1.50%	\$58,313	LI - 80
Food Preparation and Serving	202,960	\$22,591	\$23,954	0.36%	\$36,649	VLI
Buildings and Grounds Cleaning and Maintenance	2,077,330	\$25,364	\$32,310	3.65%	\$49,435	LI - 80
Personal Care and Service	228,180	\$24,233	\$27,441	0.40%	\$41,984	VLI
Sales and Related Occupations	4,658,740	\$59,484	\$71,212	8.18%	\$108,954	Moderate
Office and Administrative Support	12,028,480	\$33,990	\$42,129	21.12%	\$64,457	LI - 80
Farming, Fishing and Forestry	81,650	\$26,172	\$28,732	0.14%	\$43,960	VLI
Construction and Extraction	4,037,120	\$44,816	\$61,582	7.09%	\$94,221	Median
Installation, Maintenance, and Repair	3,404,620	\$44,587	\$54,710	5.98%	\$83,706	Median
Production	7,590,250	\$34,851	\$40,770	13.33%	\$62,378	LI - 80
Transportation and Material Moving	5,282,650	\$35,053	\$41,731	9.28%	\$63,849	LI - 80
<b>Total or Weighted Average</b>	<b>56,939,620</b>		<b>\$63,119</b>	<b>100.00%</b>	<b>\$96,572</b>	

[1] Includes NAICS Sectors: 51 - Information; 52 - Finance and Insurance; 53 - Real Estate and Rental and Leasing (excluding 532000 -Rental and Leasing Services); 54 - Professional, Scientific, and Technical Services (excluding 541700 - Scientific Research and Development Services); 55 - Management of Companies and Enterprises; 561000 - Admin. and Support Services; 22 - Construction; 23 - Utilities; 31, 32, and 33 - Manufacturing; 42 - Wholesale Trade; 48 and 49 - Transportation & Warehousing; 541700 - Scientific R&D Services; and 811000 - Repair and Maintenance.

[2] Adjusted using factors calculated in Table 5.

Source: BLS and EPS.

## MEMORANDUM

To: Suzanne Ise, City of Sunnyvale

From: Darin Smith, Michael Nimon, and Walker Toma

Subject: Housing Fee Survey and Development Feasibility  
Considerations; EPS #131119

Date: October 6, 2014

*The Economics of Land Use*



Economic & Planning Systems, Inc. (EPS) was retained by the City of Sunnyvale (City) to update the existing fees that the City charges to commercial development in support of the City's affordable housing program. As part of this goal, the analysis presented in this memorandum is designed to inform an optimum fee level that could be charged by the City without adversely affecting new development prospects. An excessive financial burden on desired new development could thwart the City's other policy goals (economic development, housing production, etc.). This analysis builds on the maximum nexus-based affordable housing fee estimates completed by EPS and is designed to supplement those studies.

Feasibility considerations in this analysis combine the following two approaches:

- **Housing fee survey.** EPS conducted a survey of housing mitigation fees imposed in other comparable jurisdictions in the Bay Area. The data includes the current fees by land use, implementation considerations, and date of adoption.
- **Financial feasibility analysis.** EPS developed pro formas for key commercial uses to evaluate the financial impact of housing fees on project feasibility. This analysis assesses the extent to which the maximum impact fees may reduce a typical project's financial returns, and estimates a fee threshold at which development economics may be supported.

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## Key Findings

- 1. The maximum nexus-supported fees calculated by EPS for Sunnyvale greatly exceed those currently imposed in Sunnyvale and other jurisdictions.** EPS calculated maximum fees ranging from \$76.22 to \$295.23 per square foot, based on the wages and density of employees in various land use categories and the full cost to subsidize below-market rate housing construction for those employee households. Many jurisdictions have adopted fees well below those supported by their own nexus fee studies, in recognition of the feasibility impacts on desired development or other considerations such as the potential availability of other funding sources.
- 2. Commercial fees charged by other Bay Area jurisdictions vary significantly based on geography and local development costs.** The City of San Francisco charges the highest development impact fees in the Bay Area (over \$15 per square foot for all uses), followed by jurisdictions in Silicon Valley (nearer \$10 per square foot, on average). In the East Bay and North Bay, fees are typically \$2 to \$4 per square foot. These differences largely parallel the cost to subsidize construction of affordable units in the different areas, with land values being a key component of those costs. Also, jurisdictions typically seek to charge fees similar to those in their general market area, to minimize the extent to which the fees may create a competitive disadvantage for attracting employment uses. Many jurisdictions charge hospitality uses lower fees than other uses.
- 3. Jurisdictions have taken different approaches to how they apply the fees to the square footage of new projects.** While most jurisdictions apply a straight-line fee charge based on the square footage, some jurisdictions use a step function approach. For example, the City of Mountain View charges a lower fee on the first 10,000 square feet (or 25,000 square feet for hotel and retail uses) with the fee increasing on the area that exceeds that size. This approach is comparable to Sunnyvale's current practice of charging fees only on development over a certain size, which varies by the allowances of the development's base zoning. However, many jurisdictions charge the fees on the full size of the new development, with potential downward adjustments if a preceding development on the site reduces the "net new" amount of square footage.
- 4. EPS suggests charging well below the maximum nexus-based fee to all evaluated commercial uses (lodging, office/R&D, light industrial/flex, and retail), nearer the range of fees charged by comparable cities.** Under current market conditions, all commercial uses are estimated to be infeasible under the maximum nexus-based fees because the fees represent too high a proportion of total development costs and achievable building values cannot support those added costs. However, with fees up to \$10 per square foot—similar to those imposed by Sunnyvale's neighboring cities in Silicon Valley—commercial projects are likely to remain feasible and generate reasonable returns on cost. As in Mountain View, the City might charge lower fees for lodging as well as for all uses below a certain size threshold (say, 25,000 square feet). Tested fee levels within this range would result in an insignificant increase of the overall development cost for commercial development in the City (referred to as Scenario A).

The City may choose to implement higher fees to ensure a higher share of affordable housing funding is available to meet existing needs. As such, EPS also tested a higher fee of \$20 per

square foot across all land uses (referred to as Scenario B). This fee level generally coincides to that charged by the City of Palo Alto. Fees imposed under both scenarios will help to ensure that the City is not “overcharging” for its affordable housing needs, when the Housing Mitigation Fee funds are added to the potential fees on rental housing.

**Table 1 Current, Maximum, and Tested Fees by Product Type**

Land Use	Assumed Sunnyvale Fee per sq.ft.					Estimated Developer Return			
	Existing (1)	Scenario A		Scenario B	Maximum	Existing	Scenario A	Scenario B	Maximum
		Below 25,000 sq.ft.	Above 25,000 sq.ft.						
Office/R&D	\$9.49	\$5.00	\$10.00	\$20.00	\$113.99	7.83%	7.80%	7.57%	5.97%
Light Industrial/Flex	\$9.49	\$5.00	\$10.00	\$20.00	\$113.99	7.51%	7.43%	7.13%	5.44%
Retail	na	\$5.00	\$10.00	\$20.00	\$295.23	6.53%	6.43%	6.22%	3.77%
Lodging	na	\$3.00	\$6.00	\$20.00	\$76.22	7.82%	7.70%	7.38%	6.37%

(1) Applies to the square footage above that already entitled under existing zoning, which varies by location. For the purpose of this analysis, the fee is assumed to apply to development above 0.3 FAR.

## Affordable Housing Fee Survey

EPS conducted a survey of commercial linkage fees in jurisdictions around Sunnyvale and throughout the greater Bay Area. These jurisdictions include several cities where fees have been recently updated. While this survey is not a comprehensive review of all fees in the Bay Area, it is designed to provide an illustration of common practices and variances for fees charged by various jurisdictions. Data for the Silicon Valley jurisdictions and several others has been verified to be accurate as of April 2014. This survey makes use of information collected by EPS for various clients over the past 12 months, and specific jurisdictions’ fees may slightly vary today as fees are periodically updated. Where necessary due to unique implementation factors, such as fees applied only to projects above a certain square footage, EPS has noted our assumption for displaying the applicable fee.

Given the range of evaluated land uses, EPS normalized the fee schedules for the following five categories:

- Office
- Retail
- Industrial
- Hotel
- R&D

The summary of the commercial housing fees for each category is provided in **Table 2**.

## Results

There is a wide range in fees charged by various Bay Area jurisdictions. Silicon Valley housing mitigation fees generally fall below those in San Francisco but above those in the East and North Bay. Sunnyvale’s existing commercial housing fees for office/R&D, light industrial/flex uses fall within the lower end of the range of Silicon Valley cities (given that they only apply to the net building increase above existing zoning), which suggests that the fees could be increased without significant adverse impacts on the City’s regional competitiveness. The maximum nexus-based fees fall well outside of the typical fee range. Implementation of the maximum fee would put

Sunnyvale's commercial fee above all surveyed jurisdictions for all commercial land uses. Sunnyvale's implementation of the fee in the \$2 to \$20 per square foot range would fall within the range charged by other comparable jurisdictions. For purposes of further analysis below,

EPS tested a fee ranging from \$5 to \$10 per square foot for office/R&D, light industrial/flex, and retail uses, and a range of \$3 to \$6 for lodging uses as Scenario A and \$20 per square foot as Scenario B. Under Scenario A, the lower end of the range would be applied to the first 25,000 square feet of net new building space.

**Table 2 Commercial Housing Fee Schedules**

Item	Office	Retail	Industrial	Lodging	R&D
Sunnyvale Existing Fee [1]	\$9.49	-	\$9.49	-	\$9.49
EPS Maximum Fee Calculation [2]	\$113.99	\$295.23	\$113.99	\$76.22	\$113.99
<u>Silicon Valley</u>					
Cupertino	\$5.56	\$5.56	\$5.56	\$5.56	\$5.56
Menlo Park [3]	\$14.92	\$8.10	\$8.10	\$8.10	\$14.92
Mountain View [4]	\$10.00	\$2.47	\$10.00	\$2.47	\$10.00
Palo Alto	<u>\$19.31</u>	<u>\$19.31</u>	<u>\$19.31</u>	<u>\$19.31</u>	<u>\$19.31</u>
<b>Silicon Valley Average</b>	<b>\$12.45</b>	<b>\$8.86</b>	<b>\$10.74</b>	<b>\$8.86</b>	<b>\$12.45</b>
<u>San Francisco</u>	\$24.03	\$22.42	\$18.89	\$17.99	\$16.01
<u>North Bay [5]</u>	\$3.14	\$4.06	\$1.99	\$2.37	\$3.64
City of Napa	\$1.00	\$0.80	\$0.50	\$1.40	-
Corte Madera	\$4.79	\$8.38	\$2.79	\$1.20	\$3.20
Cotati	\$2.08	\$3.59	\$2.15	\$2.08	\$2.08
Marin County	\$7.19	\$5.40	\$3.74	\$3.49	\$7.19
Napa County	\$2.00	\$2.00	\$1.00	\$3.00	-
Petaluma	\$2.08	\$3.59	\$2.15	\$2.08	\$2.08
Sonoma County	\$2.40	\$4.15	\$2.48	\$2.40	-
St. Helena	<u>\$3.61</u>	<u>\$4.57</u>	<u>\$1.11</u>	<u>\$3.33</u>	-
<b>North Bay Average</b>					
<u>East Bay [6]</u>	<u>\$3.14</u>	<u>\$2.59</u>	<u>\$2.27</u>	<u>\$2.42</u>	<u>\$2.76</u>
Walnut Creek	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00
Oakland	\$4.70	-	\$4.70	-	-
Berkeley	\$4.00	\$4.00	\$2.00	\$4.00	\$4.00
Alameda	\$3.63	\$1.84	\$0.63	\$1.86	\$3.63
Dublin	\$1.21	\$0.97	\$0.47	\$0.41	\$0.79
Livermore [5]	\$0.58	\$0.90	\$0.29	\$0.44	\$0.29
Pleasanton	<u>\$2.83</u>	<u>\$2.83</u>	<u>\$2.83</u>	<u>\$2.83</u>	<u>\$2.83</u>
<b>East Bay Average</b>					
<b>Bay Area Nexus Fee Average [7]</b>	<b>\$6.05</b>	<b>\$5.57</b>	<b>\$4.68</b>	<b>\$4.58</b>	<b>\$6.46</b>

[1] Applies to square footage in excess of allowable FAR.

[2] EPS max fee calculation based on full building square footage.

[3] Fees only apply to buildings of 10,000 square feet or more. This analysis assumes fees for a 10,000 square foot building.

[4] For office/high-tech/industrial uses, Mountain View applies fee of \$5.00/sqft up to 10,000 sqft and \$10.00/sqft for square footage above 10,000. Similarly, for hotel/retail/entertainment uses, \$1.27/sqft is applied below 25,000 sqft and \$2.47/sqft for square footage exceeding 25,000. This analysis assumes fees for a building exceeding 25,000 square feet.

[5] Includes cities of Napa, Madera, Cotati, Petaluma, St. Helena, as well as Marin, Napa, and Sonoma counties.

[6] Includes cities of Walnut Creek, Oakland, Berkeley, Alameda, Dublin, Livermore, and Pleasanton.

[7] Does not include Sunnyvale or jurisdictions that do not charge a nexus-based commercial linkage fee.

Source: Economic & Planning Systems, Inc.

## Financial Feasibility Analysis

### Methodology

EPS developed vertical development pro formas as a tool for analyzing the financial feasibility of different types of development in evaluation of potential housing mitigation fee levels. These pro formas include the general costs of land, construction and other development activities, as well as values or lease rates achieved by new development under current market conditions. Pro

forma assumptions build on financial feasibility work recently completed by EPS for a range of the development projects in the Bay Area. For the purpose of this analysis, EPS developed pro formas for office/R&D, light industrial/flex, retail, and lodging uses.

Background and support for the inputs in the feasibility analysis are described in the **Appendices** as follows:

- **Appendix A:** return on cost for product type with existing housing fee<sup>1</sup>
- **Appendix B:** return on cost for product type with Scenario A housing fees
- **Appendix C:** return on cost for product type with Scenario B housing fees
- **Appendix D:** return on cost for product type with maximum housing fees per the nexus study

The land uses considered in this analysis are assumed to have podium/structured parking for office/R&D and surface parking for all other uses and each use is assumed to be developed on a 2-acre site. The evaluated product types reflect likely building prototypes that fall under each land use. Given the range of potential densities, building materials, design factors, and parking accommodation strategies, any given development project could have somewhat different development costs from those estimated in this analysis. Given the policy level nature of this analysis, site-specific circumstances and unique product types are not considered.

## Results

EPS compared developer/builder's return on cost estimates for each land use under the existing, tested, and maximum commercial linkage fee scenarios. This comparison, summarized in **Table 1**, is designed to evaluate the impact of the fee on the overall development feasibility for each land use. The detailed calculations are shown in the **Appendices**.

Under current market conditions, all commercial uses are estimated to be infeasible under the maximum nexus-based fees because the fees represent too high a proportion of total development costs and achievable developer return cannot support those added costs. However, with tested fees at or below \$10 per square foot and \$20 per square foot, similar to those imposed by Sunnyvale's neighboring cities in Silicon Valley, commercial projects are likely to yield financial returns similar to those achievable under the City's current fee structure leaving the basic feasibility of the Project largely unchanged.<sup>2</sup>

## Key Assumptions

EPS utilized a number of assumptions to develop the financial feasibility analysis. These factors will change over time as the economy and real estate market conditions continue to fluctuate. Key assumptions are described below.

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<sup>1</sup> Applies to office/R&D, light industrial/flex uses; lodging and retail uses currently have no housing fee.

<sup>2</sup> This analysis assumes a return on cost (annual net operating income/total development cost) of at least 7.0% would need to be achieved to support development feasibility of commercial vertical development. Return on development investment varies based on a range of factors such as risk, capital and real estate market conditions, building uses, and other trends.

### **Land Values**

EPS based the land value estimates on research of recent land sales in select Santa Clara and San Mateo County jurisdictions. Commercial land is assumed at \$4 million per acre for office/R&D, retail, and lodging uses. While the economics of each of these uses vary, all commercial uses generally compete for available sites with differences in values between office/R&D, retail, and lodging typically negligible. Light industrial/flex land value is estimated at \$2.5 million per acre. This use typically results in lower land values relative to other commercial uses due to its weaker economics associated with low rents and high vacancies in the Silicon Valley. In practice, the economics of any given development project in Sunnyvale will be heavily influenced by the underlying value of the property, which may reflect the value of existing uses (e.g., a low-scale retail strip center that may be redeveloped for office space), the allowable land uses and densities under development regulations (e.g., residential vs. office vs. industrial), location and access attributes, and certainly the value and return expectations of the property owner.

### **Revenues**

This analysis utilizes a range of annual rent assumptions based on EPS's previously conducted work in Sunnyvale, additional market research, and market data reported by Costar. Office/R&D rents are based on full-service leases while light industrial/flex and retail rents are based on a triple-net lease. Lodging revenues are based on typical room charges in the Silicon Valley hotels.

Potential building sale values are determined by applying a capitalization rate to net operating income. Capitalization rates are based on the IRR Viewpoint 2014 Investor survey for the San Jose submarket and other sources. EPS assumes a 3 percent cost of sale for all uses.

### **Development Costs**

EPS uses cost estimates that vary for each use and include direct building construction cost, parking/site improvement costs, tenant improvements, indirect costs, and contingency. Direct building construction cost estimates are based on EPS's prior work in Sunnyvale as well as other financial feasibility work.

In each scenario, the assumed housing mitigation fee is listed among the project's indirect costs. Other indirect costs include general and administration, permitting/fees, architecture and engineering, legal, marketing, insurance, and financing costs. A 5 percent contingency is assumed across all product types to reflect a potential cost escalation risk or uncertainty associated with cost estimates in this analysis.

## **Potential Funding Overlap Considerations**

The City is exploring adoption of an affordable housing fee to be imposed on new market-rate rental housing. Those fees would be calculated based on the number of lower-wage workers required to meet the demand for goods and services of the new housing residents. As such, it is important to ensure that the City's affordable housing fees imposed on residential and

commercial development are coordinated and do not, in combination, exceed the nexus-based need for housing subsidies<sup>3</sup>.

The tested Housing Mitigation Fee levels in this memorandum reflect a range of 3 to 9 percent of the maximum nexus-supported fees in Scenario A and a range of 7 to 26 percent of the maximum nexus-supported fees in Scenario B, as shown in **Table 1**. This suggests that unless a substantial or full share of the maximum rental housing fee is adopted, an overlap is unlikely. The current recommendation for rental housing fee of up to \$20 per square foot (the highest figure suggested in public discussions of the potential rental fee) falls significantly below the nexus-based maximum of about \$40 to \$50 per square foot, depending on rental unit size. This rental housing fee coverage of 50 percent or below of the maximum nexus suggests that the nexus-based need for housing subsidies would not be exceeded unless either or both of the discussed fees are adopted at a level significantly above that outlined in this analysis.

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<sup>3</sup> The City's adopted zoning requirement applied to for-sale residential development is excluded from this analysis since it is not a nexus fee.

**APPENDIX A:**  
**Existing Housing Fee**



Table A-1

## Office/R&amp;D Pro Forma (Midrise/Podium)

## Sunnyvale Housing Mitigation Nexus and Fee Study; EPS #131119

Item	Assumption	Per Bldg. Sq.Ft.	Total
<b>DEVELOPMENT PROGRAM</b>			
Land Area (acres)			2.0
Gross Leasable Area	2.00 F.A.R.		174,240 sq.ft.
Efficiency Ratio	90%		
Net Area			156,816 sq.ft.
Parking Spaces	2.0 parking space per 1,000 sq.ft.		
Podium Parking	80% of parking spaces		278
Surface Parking	20% of parking spaces		<u>70</u>
Total Parking Spaces			348
<b>REVENUE ASSUMPTIONS</b>			
Gross Revenue (FS) (1)	\$50.00 /net sq. ft./yr.	\$45.00	\$7,840,800
(less) Operating Expenses	30.0%	(\$13.50)	(\$2,352,240)
(less) Commissions	3.0%	(\$1.35)	(\$235,224.00)
(less) Vacancy Rate	5.0%	<u>(\$2.25)</u>	<u>(\$392,040)</u>
Subtotal, Annual Net Operating Income		\$27.90	\$4,861,296
<b>LAND VALUE</b>		\$45.91	\$8,000,000
<b>DEVELOPMENT COSTS</b>			
<b>Direct Costs</b>			
Building Construction Cost	\$150.00 /GLA sq. ft.	\$150.00	\$26,136,000
Site Work/Surface Parking Cost	\$10.00 /GLA sq. ft.	\$10.00	\$1,742,400
Parking Cost	\$20,000 /podium space	<u>\$31.96</u>	<u>\$5,568,000</u>
Total Direct Costs		\$191.96	\$33,446,400
<b>Indirect Costs</b>			
Affordable Housing Fee		\$8.07	\$1,405,507
Tenant Improvements	\$40.00 /net sq. ft.	\$36.00	\$6,272,640
Construction Tax	0.5% of direct costs	\$0.96	\$167,232
Other Permits & Fees	4.0% of direct costs	\$7.68	\$1,337,856
Legal, Insurance & Warranty	3.0% of direct costs	\$5.76	\$1,003,392
Architecture & Engineering	8.0% of direct costs	\$15.36	\$2,675,712
Developer Fee	7.0% of direct costs	\$13.44	\$2,341,248
General & Administrative	2.5% of direct costs	\$4.80	\$836,160
Financing Costs	<u>6.0%</u> of direct costs	<u>\$11.52</u>	<u>\$2,006,784</u>
Total Indirect Costs	54.0% of direct costs	\$103.57	\$18,046,531
<b>Total Development Cost</b>		<b>\$295.53</b>	<b>\$51,492,931</b>
Contingency	5.0% of direct and indirect costs	\$14.78	\$2,574,647
<b>Total Cost</b>		<b>\$356</b>	<b>\$62,067,578</b>
<b>Return on Cost</b>			<b>7.83%</b>

(1) Based on the Costar average rents in Sunnyvale; increased by 10% to reflect a rent premium relative to the existing space.

**Table A-2**  
**Light Industrial/Flex Commercial Pro Forma**  
**Sunnyvale Housing Mitigation Nexus and Fee Study; EPS #131119**

Item	Assumption	Per Bldg. Sq.Ft.	Total
<b>DEVELOPMENT PROGRAM</b>			
Gross Land Area (acres)			2.0
Gross Leasable Area	0.55 F.A.R.		47,916 sq.ft.
Efficiency Ratio	90%		
Net Area			43,124 sq.ft.
Parking Spaces	2.0 parking space per 1,000 sq.ft.		96
<b>REVENUE ASSUMPTIONS</b>			
Gross Revenue (NNN) (1)	\$28.00 /net sq. ft./yr.	\$25.20	\$1,207,483
(less) Operating Expenses	2.0%	(\$0.50)	(\$24,149.66)
(less) Vacancy Rate	5.0%	(\$1.26)	(\$60,374)
(less) Commissions	3.0%	(\$0.76)	(\$36,224)
Subtotal, Annual Net Operating Income		\$22.68	\$1,086,735
<b>LAND VALUE</b>			
		\$104.35	\$5,000,000
<b>DEVELOPMENT COSTS</b>			
<b>Direct Costs</b>			
Building Construction Cost	\$115.00 /GLA sq. ft.	\$115.00	\$5,510,340
Site Work/Surface Parking Cost	\$10.00 /GLA sq. ft.	\$10.00	\$479,160
Total Direct Costs		\$125.00	\$5,989,500
<b>Indirect Costs</b>			
Affordable Housing Fee		\$4.31	\$206,692
Tenant Improvements	\$25.00 /net sq. ft.	\$22.50	\$1,078,110
Construction Tax	0.5% of direct costs	\$0.63	\$29,948
Other Permits & Fees	4.0% of direct costs	\$5.00	\$239,580
Legal, Insurance & Warranty	3.0% of direct costs	\$3.75	\$179,685
Architecture & Engineering	8.0% of direct costs	\$10.00	\$479,160
Developer Fee	7.0% of direct costs	\$8.75	\$419,265
General & Administrative	2.5% of direct costs	\$3.13	\$149,738
Financing Costs	4.0% of direct costs	\$5.00	\$239,580
Total Indirect Costs	50.5% of direct costs	\$63.06	\$3,021,757
<b>Total Development Cost</b>		<b>\$188.06</b>	<b>\$9,011,257</b>
Contingency	5.0% of direct and indirect costs	\$9.40	\$450,563
<b>Total Cost</b>		<b>\$302</b>	<b>\$14,461,820</b>
<b>Return on Cost</b>			
			<b>7.51%</b>

(1) Based on the Costar average rents in Sunnyvale; increased by 10% to reflect a rent premium relative to the existing space.

Table A-3

## Retail Pro Forma

## Sunnyvale Housing Mitigation Nexus and Fee Study; EPS #131119

Item	Assumption	Per Bldg. Sq.Ft.	Total
<b>DEVELOPMENT PROGRAM</b>			
Land Area (acres)			2.0
Gross Leasable Area	0.40 F.A.R.		34,848 sq.ft.
Efficiency Ratio	95%		
Net Area			33,106 sq.ft.
Parking Spaces	4.0 parking space per 1,000 sq.ft.		139
<b>REVENUE ASSUMPTIONS</b>			
Gross Revenue (NNN) (1)	\$32.00 /net sq. ft./yr.	\$30.40	\$1,059,379
(less) Operating Expenses	2.0%	(\$0.61)	(\$21,188)
(less) Commissions	3.0%	(\$0.91)	(\$31,781)
(less) Vacancy Rate	4.0%	(\$1.22)	(\$42,375)
Subtotal, Annual Net Operating Income		\$27.66	\$964,035
<b>LAND VALUE</b>		\$229.57	\$8,000,000
<b>DEVELOPMENT COSTS</b>			
<b>Direct Costs</b>			
Building Construction Cost	\$110.00 /GLA sq. ft.	\$110.00	\$3,833,280
Site Work / Surface Parking	\$15.00 /GLA sq. ft.	\$15.00	\$522,720
Total Direct Costs		\$125.00	\$4,356,000
<b>Indirect Costs</b>			
Affordable Housing Fee		\$0.00	\$0
Tenant Improvements	\$25.00 /net sq. ft.	\$23.75	\$827,640
Construction Tax	0.5% of direct costs	\$0.63	\$21,780
Other Permits & Fees	4.0% of direct costs	\$5.00	\$174,240
Legal, Insurance & Warranty	3.0% of direct costs	\$3.75	\$130,680
Architecture & Engineering	8.0% of direct costs	\$10.00	\$348,480
Developer Fee	7.0% of direct costs	\$8.75	\$304,920
General & Administrative	2.5% of direct costs	\$3.13	\$108,900
Financing Costs	4.0% of direct costs	\$5.00	\$174,240
Total Indirect Costs	48.0% of direct costs	\$60.00	\$2,090,880
<b>Total Development Cost</b>		<b>\$185.00</b>	<b>\$6,446,880</b>
Contingency	5.0% of direct and indirect costs	\$9.25	\$322,344
<b>Total Cost</b>		<b>\$423.82</b>	<b>\$14,769,224</b>
<b>Return on Cost</b>			<b>6.53%</b>

(1) Based on the Costar average rents in Sunnyvale; increased by 10% to reflect a rent premium relative to the existing space.

**Table A-4**  
**Lodging Pro Forma**  
**Sunnyvale Housing Mitigation Nexus and Fee Study; EPS #131119**

Item	Assumption	Per Bldg. Sq.Ft.	Per Room	Total
<b>DEVELOPMENT PROGRAM</b>				
Land Area (acres)				2.0
Gross Leasable Area	1.00 F.A.R.			87,120 sq.ft.
Rooms	700 sq.ft./ room (including common area)			124
Parking Spaces	1.0 parking space per room			124
<b>REVENUE ASSUMPTIONS</b>				
Room Revenue	\$160 /room per night	\$83.12	\$58,400	\$7,241,600
Other Operating Revenue (1)	10%	\$8.31	\$5,840	\$724,160
(less) Vacancy	25.0%	<u>(\$22.86)</u>	<u>(\$16,060)</u>	<u>(\$1,991,440)</u>
Gross Revenue		\$68.58	\$48,180	\$5,974,320
(less) Operating Expenses	60.0%	<u>(\$41.15)</u>	<u>(\$28,908)</u>	<u>(\$3,584,592)</u>
Subtotal, Annual Net Operating Income		\$27.43	\$19,272	\$2,389,728
<b>LAND VALUE</b>		\$91.83	\$64,516	\$8,000,000
<b>DEVELOPMENT COSTS</b>				
<b>Direct Costs</b>				
Building Construction Cost	\$160.00 /GLA sq. ft.	\$10.00	\$112,413	\$13,939,200
Site Work/Surface Parking	\$15.00 /GLA sq. ft.	<u>\$15.00</u>	<u>\$10,539</u>	<u>\$1,306,800</u>
Total Direct Costs		\$175.00	\$122,952	\$15,246,000
<b>Indirect Costs</b>				
Affordable Housing Fee		\$0.00	\$0	\$0
Construction Tax	0.5% of direct costs	\$0.88	\$615	\$76,230
Other Permits & Fees	4.0% of direct costs	\$7.00	\$4,918	\$609,840
Legal, Insurance & Warranty	3.0% of direct costs	\$5.25	\$3,689	\$457,380
Architecture and Engineering	8.0% of direct costs	\$14.00	\$9,836	\$1,219,680
Developer Fee	7.0% of direct costs	\$12.25	\$8,607	\$1,067,220
G&A	2.5% of direct costs	\$4.38	\$3,074	\$381,150
FF&E	10.0% of direct costs	\$17.50	\$12,295	\$1,524,600
Financing	<u>6.0%</u> of direct costs	<u>\$10.50</u>	<u>\$7,377</u>	<u>\$914,760</u>
Total Indirect Costs	41.0% of direct costs	\$71.75	\$50,410	\$6,250,860
<b>Total Development Cost</b>		<b>\$246.75</b>	<b>\$173,362</b>	<b>\$21,496,860</b>
Contingency	5.0% of direct and indirect costs	\$12.34	\$8,668	\$1,074,843
<b>Total Cost</b>		<b>\$351</b>	<b>\$246,546</b>	<b>\$30,571,703</b>
<b>Return on Cost</b>				<b>7.82%</b>

(1) Reflects rental and other income, telecommunications, food and beverage, movie rentals, and other departments.

APPENDIX B:  
Scenario A



Table B-1

## Office/R&amp;D Pro Forma (Midrise/Podium)

## Sunnyvale Housing Mitigation Nexus and Fee Study; EPS #131119

Item	Assumption	Per Bldg. Sq.Ft.	Total
<b>DEVELOPMENT PROGRAM</b>			
Land Area (acres)			2.0
Gross Leasable Area	2.00 F.A.R.		174,240 sq.ft.
Efficiency Ratio	90%		
Net Area			156,816 sq.ft.
Parking Spaces	2.0 parking space per 1,000 sq.ft.		
Podium Parking	80% of parking spaces		278
Surface Parking	20% of parking spaces		<u>70</u>
Total Parking Spaces			348
<b>REVENUE ASSUMPTIONS</b>			
Gross Revenue (FS) (1)	\$50.00 /net sq. ft./yr.	\$45.00	\$7,840,800
(less) Operating Expenses	30.0%	(\$13.50)	(\$2,352,240)
(less) Commissions	3.0%	(\$1.35)	(\$235,224.00)
(less) Vacancy Rate	5.0%	<u>(\$2.25)</u>	<u>(\$392,040)</u>
Subtotal, Annual Net Operating Income		\$27.90	\$4,861,296
<b>LAND VALUE</b>			
		\$45.91	\$8,000,000
<b>DEVELOPMENT COSTS</b>			
<b>Direct Costs</b>			
Building Construction Cost	\$150.00 /GLA sq. ft.	\$150.00	\$26,136,000
Site Work/Surface Parking Cost	\$10.00 /GLA sq. ft.	\$10.00	\$1,742,400
Parking Cost	\$20,000 /podium space	<u>\$31.96</u>	<u>\$5,568,000</u>
Total Direct Costs		\$191.96	\$33,446,400
<b>Indirect Costs</b>			
Affordable Housing Fee		\$9.28	\$1,617,400
Tenant Improvements	\$40.00 /net sq. ft.	\$36.00	\$6,272,640
Construction Tax	0.5% of direct costs	\$0.96	\$167,232
Other Permits & Fees	4.0% of direct costs	\$7.68	\$1,337,856
Legal, Insurance & Warranty	3.0% of direct costs	\$5.76	\$1,003,392
Architecture & Engineering	8.0% of direct costs	\$15.36	\$2,675,712
Developer Fee	7.0% of direct costs	\$13.44	\$2,341,248
General & Administrative	2.5% of direct costs	\$4.80	\$836,160
Financing Costs	<u>6.0%</u> of direct costs	<u>\$11.52</u>	<u>\$2,006,784</u>
Total Indirect Costs	54.6% of direct costs	\$104.79	\$18,258,424
<b>Total Development Cost</b>		<b>\$296.74</b>	<b>\$51,704,824</b>
Contingency	5.0% of direct and indirect costs	\$14.84	\$2,585,241
<b>Total Cost</b>		<b>\$357</b>	<b>\$62,290,065</b>
<b>Return on Cost</b>			
			<b>7.80%</b>

(1) Based on the Costar average rents in Sunnyvale; increased by 10% to reflect a rent premium relative to the existing space.

**Table B-2**  
**Light Industrial/Flex Commercial Pro Forma**  
**Sunnyvale Housing Mitigation Nexus and Fee Study; EPS #131119**

Item	Assumption	Per Bldg. Sq.Ft.	Total
<b>DEVELOPMENT PROGRAM</b>			
Gross Land Area (acres)			2.0
Gross Leasable Area	0.55 F.A.R.		47,916 sq.ft.
Efficiency Ratio	90%		
Net Area			43,124 sq.ft.
Parking Spaces	2.0 parking space per 1,000 sq.ft.		96
<b>REVENUE ASSUMPTIONS</b>			
Gross Revenue (NNN) (1)	\$28.00 /net sq. ft./yr.	\$25.20	\$1,207,483
(less) Operating Expenses	2.0%	(\$0.50)	(\$24,149.66)
(less) Vacancy Rate	5.0%	(\$1.26)	(\$60,374)
(less) Commissions	3.0%	(\$0.76)	(\$36,224)
Subtotal, Annual Net Operating Income		\$22.68	\$1,086,735
<b>LAND VALUE</b>		\$104.35	\$5,000,000
<b>DEVELOPMENT COSTS</b>			
<b>Direct Costs</b>			
Building Construction Cost	\$115.00 /GLA sq. ft.	\$115.00	\$5,510,340
Site Work/Surface Parking Cost	\$10.00 /GLA sq. ft.	\$10.00	\$479,160
Total Direct Costs		\$125.00	\$5,989,500
<b>Indirect Costs</b>			
Affordable Housing Fee		\$7.39	\$354,160
Tenant Improvements	\$25.00 /net sq. ft.	\$22.50	\$1,078,110
Construction Tax	0.5% of direct costs	\$0.63	\$29,948
Other Permits & Fees	4.0% of direct costs	\$5.00	\$239,580
Legal, Insurance & Warranty	3.0% of direct costs	\$3.75	\$179,685
Architecture & Engineering	8.0% of direct costs	\$10.00	\$479,160
Developer Fee	7.0% of direct costs	\$8.75	\$419,265
General & Administrative	2.5% of direct costs	\$3.13	\$149,738
Financing Costs	4.0% of direct costs	\$5.00	\$239,580
Total Indirect Costs	52.9% of direct costs	\$66.14	\$3,169,225
<b>Total Development Cost</b>		<b>\$191.14</b>	<b>\$9,158,725</b>
Contingency	5.0% of direct and indirect costs	\$9.56	\$457,936
<b>Total Cost</b>		<b>\$305</b>	<b>\$14,616,661</b>
<b>Return on Cost</b>			<b>7.43%</b>

(1) Based on the Costar average rents in Sunnyvale; increased by 10% to reflect a rent premium relative to the existing space.

Table B-3

## Retail Pro Forma

## Sunnyvale Housing Mitigation Nexus and Fee Study; EPS #131119

Item	Assumption	Per Bldg. Sq.Ft.	Total
<b>DEVELOPMENT PROGRAM</b>			
Land Area (acres)			2.0
Gross Leasable Area	0.40 F.A.R.		34,848 sq.ft.
Efficiency Ratio	95%		
Net Area			33,106 sq.ft.
Parking Spaces	4.0 parking space per 1,000 sq.ft.		139
<b>REVENUE ASSUMPTIONS</b>			
Gross Revenue (NNN) (1)	\$32.00 /net sq. ft./yr.	\$30.40	\$1,059,379
(less) Operating Expenses	2.0%	(\$0.61)	(\$21,188)
(less) Commissions	3.0%	(\$0.91)	(\$31,781)
(less) Vacancy Rate	4.0%	(\$1.22)	(\$42,375)
Subtotal, Annual Net Operating Income		\$27.66	\$964,035
<b>LAND VALUE</b>		\$229.57	\$8,000,000
<b>DEVELOPMENT COSTS</b>			
<b>Direct Costs</b>			
Building Construction Cost	\$110.00 /GLA sq. ft.	\$110.00	\$3,833,280
Site Work / Surface Parking	\$15.00 /GLA sq. ft.	\$15.00	\$522,720
Total Direct Costs		\$125.00	\$4,356,000
<b>Indirect Costs</b>			
Affordable Housing Fee		\$6.41	\$223,480
Tenant Improvements	\$25.00 /net sq. ft.	\$23.75	\$827,640
Construction Tax	0.5% of direct costs	\$0.63	\$21,780
Other Permits & Fees	4.0% of direct costs	\$5.00	\$174,240
Legal, Insurance & Warranty	3.0% of direct costs	\$3.75	\$130,680
Architecture & Engineering	8.0% of direct costs	\$10.00	\$348,480
Developer Fee	7.0% of direct costs	\$8.75	\$304,920
General & Administrative	2.5% of direct costs	\$3.13	\$108,900
Financing Costs	4.0% of direct costs	\$5.00	\$174,240
Total Indirect Costs	53.1% of direct costs	\$66.41	\$2,314,360
<b>Total Development Cost</b>		<b>\$191.41</b>	<b>\$6,670,360</b>
Contingency	5.0% of direct and indirect costs	\$9.57	\$333,518
<b>Total Cost</b>		<b>\$430.55</b>	<b>\$15,003,878</b>
<b>Return on Cost</b>			<b>6.43%</b>

(1) Based on the Costar average rents in Sunnyvale; increased by 10% to reflect a rent premium relative to the existing space.

**Table B-4**  
**Lodging Pro Forma**  
**Sunnyvale Housing Mitigation Nexus and Fee Study; EPS #131119**

Item	Assumption	Per Bldg. Sq.Ft.	Per Room	Total
<b>DEVELOPMENT PROGRAM</b>				
Land Area (acres)				2.0
Gross Leasable Area	1.00 F.A.R.			87,120 sq.ft.
Rooms	700 sq.ft./ room (including common area)			124
Parking Spaces	1.0 parking space per room			124
<b>REVENUE ASSUMPTIONS</b>				
Room Revenue	\$160 /room per night	\$83.12	\$58,400	\$7,241,600
Other Operating Revenue (1)	10%	\$8.31	\$5,840	\$724,160
(less) Vacancy	25.0%	<u>(\$22.86)</u>	<u>(\$16,060)</u>	<u>(\$1,991,440)</u>
Gross Revenue		\$68.58	\$48,180	\$5,974,320
(less) Operating Expenses	60.0%	<u>(\$41.15)</u>	<u>(\$28,908)</u>	<u>(\$3,584,592)</u>
Subtotal, Annual Net Operating Income		\$27.43	\$19,272	\$2,389,728
<b>LAND VALUE</b>		\$91.83	\$64,516	\$8,000,000
<b>DEVELOPMENT COSTS</b>				
<b>Direct Costs</b>				
Building Construction Cost	\$160.00 /GLA sq. ft.	\$10.00	\$112,413	\$13,939,200
Site Work/Surface Parking	\$15.00 /GLA sq. ft.	<u>\$15.00</u>	<u>\$10,539</u>	<u>\$1,306,800</u>
Total Direct Costs		\$175.00	\$122,952	\$15,246,000
<b>Indirect Costs</b>				
Affordable Housing Fee		\$5.14	\$3,597	\$447,720
Construction Tax	0.5% of direct costs	\$0.88	\$615	\$76,230
Other Permits & Fees	4.0% of direct costs	\$7.00	\$4,918	\$609,840
Legal, Insurance & Warranty	3.0% of direct costs	\$5.25	\$3,689	\$457,380
Architecture and Engineering	8.0% of direct costs	\$14.00	\$9,836	\$1,219,680
Developer Fee	7.0% of direct costs	\$12.25	\$8,607	\$1,067,220
G&A	2.5% of direct costs	\$4.38	\$3,074	\$381,150
FF&E	10.0% of direct costs	\$17.50	\$12,295	\$1,524,600
Financing	<u>6.0%</u> of direct costs	<u>\$10.50</u>	<u>\$7,377</u>	<u>\$914,760</u>
Total Indirect Costs	43.9% of direct costs	\$76.89	\$54,021	\$6,698,580
<b>Total Development Cost</b>		<b>\$251.89</b>	<b>\$176,972</b>	<b>\$21,944,580</b>
Contingency	5.0% of direct and indirect costs	\$12.59	\$8,849	\$1,097,229
<b>Total Cost</b>		<b>\$356</b>	<b>\$250,337</b>	<b>\$31,041,809</b>
<b>Return on Cost</b>				<b>7.70%</b>

(1) Reflects rental and other income, telecommunications, food and beverage, movie rentals, and other departments.

APPENDIX C:  
Scenario B



Table C-1

## Office/R&amp;D Pro Forma (Midrise/Podium)

## Sunnyvale Housing Mitigation Nexus and Fee Study; EPS #131119

Item	Assumption	Per Bldg. Sq.Ft.	Total
<b>DEVELOPMENT PROGRAM</b>			
Land Area (acres)			2.0
Gross Leasable Area	2.00 F.A.R.		174,240 sq.ft.
Efficiency Ratio	90%		
Net Area			156,816 sq.ft.
Parking Spaces	2.0 parking space per 1,000 sq.ft.		
Podium Parking	80% of parking spaces		278
Surface Parking	20% of parking spaces		<u>70</u>
Total Parking Spaces			348
<b>REVENUE ASSUMPTIONS</b>			
Gross Revenue (FS) (1)	\$50.00 /net sq. ft./yr.	\$45.00	\$7,840,800
(less) Operating Expenses	30.0%	(\$13.50)	(\$2,352,240)
(less) Commissions	3.0%	(\$1.35)	(\$235,224.00)
(less) Vacancy Rate	5.0%	<u>(\$2.25)</u>	<u>(\$392,040)</u>
Subtotal, Annual Net Operating Income		\$27.90	\$4,861,296
<b>LAND VALUE</b>			
		\$45.91	\$8,000,000
<b>DEVELOPMENT COSTS</b>			
<b>Direct Costs</b>			
Building Construction Cost	\$150.00 /GLA sq. ft.	\$150.00	\$26,136,000
Site Work/Surface Parking Cost	\$10.00 /GLA sq. ft.	\$10.00	\$1,742,400
Parking Cost	\$20,000 /podium space	<u>\$31.96</u>	<u>\$5,568,000</u>
Total Direct Costs		\$191.96	\$33,446,400
<b>Indirect Costs</b>			
Affordable Housing Fee		\$20.00	\$3,484,800
Tenant Improvements	\$40.00 /net sq. ft.	\$36.00	\$6,272,640
Construction Tax	0.5% of direct costs	\$0.96	\$167,232
Other Permits & Fees	4.0% of direct costs	\$7.68	\$1,337,856
Legal, Insurance & Warranty	3.0% of direct costs	\$5.76	\$1,003,392
Architecture & Engineering	8.0% of direct costs	\$15.36	\$2,675,712
Developer Fee	7.0% of direct costs	\$13.44	\$2,341,248
General & Administrative	2.5% of direct costs	\$4.80	\$836,160
Financing Costs	<u>6.0%</u> of direct costs	<u>\$11.52</u>	<u>\$2,006,784</u>
Total Indirect Costs	60.2% of direct costs	\$115.51	\$20,125,824
<b>Total Development Cost</b>		<b>\$307.46</b>	<b>\$53,572,224</b>
Contingency	5.0% of direct and indirect costs	\$15.37	\$2,678,611
<b>Total Cost</b>		<b>\$369</b>	<b>\$64,250,835</b>
<b>Return on Cost</b>			
			<b>7.57%</b>

(1) Based on the Costar average rents in Sunnyvale; increased by 10% to reflect a rent premium relative to the existing space.

**Table C-2**  
**Light Industrial/Flex Commercial Pro Forma**  
**Sunnyvale Housing Mitigation Nexus and Fee Study; EPS #131119**

Item	Assumption	Per Bldg. Sq.Ft.	Total
<b>DEVELOPMENT PROGRAM</b>			
Gross Land Area (acres)			2.0
Gross Leasable Area	0.55 F.A.R.		47,916 sq.ft.
Efficiency Ratio	90%		
Net Area			43,124 sq.ft.
Parking Spaces	2.0 parking space per 1,000 sq.ft.		96
<b>REVENUE ASSUMPTIONS</b>			
Gross Revenue (NNN) (1)	\$28.00 /net sq. ft./yr.	\$25.20	\$1,207,483
(less) Operating Expenses	2.0%	(\$0.50)	(\$24,149.66)
(less) Vacancy Rate	5.0%	(\$1.26)	(\$60,374)
(less) Commissions	3.0%	<u>(\$0.76)</u>	<u>(\$36,224)</u>
Subtotal, Annual Net Operating Income		\$22.68	\$1,086,735
<b>LAND VALUE</b>			
		\$104.35	\$5,000,000
<b>DEVELOPMENT COSTS</b>			
<b>Direct Costs</b>			
Building Construction Cost	\$115.00 /GLA sq. ft.	\$115.00	\$5,510,340
Site Work/Surface Parking Cost	\$10.00 /GLA sq. ft.	\$10.00	\$479,160
Total Direct Costs		\$125.00	\$5,989,500
<b>Indirect Costs</b>			
Affordable Housing Fee		\$20.00	\$958,320
Tenant Improvements	\$25.00 /net sq. ft.	\$22.50	\$1,078,110
Construction Tax	0.5% of direct costs	\$0.63	\$29,948
Other Permits & Fees	4.0% of direct costs	\$5.00	\$239,580
Legal, Insurance & Warranty	3.0% of direct costs	\$3.75	\$179,685
Architecture & Engineering	8.0% of direct costs	\$10.00	\$479,160
Developer Fee	7.0% of direct costs	\$8.75	\$419,265
General & Administrative	2.5% of direct costs	\$3.13	\$149,738
Financing Costs	4.0% of direct costs	<u>\$5.00</u>	<u>\$239,580</u>
Total Indirect Costs	63.0% of direct costs	\$78.75	\$3,773,385
<b>Total Development Cost</b>		<b>\$203.75</b>	<b>\$9,762,885</b>
Contingency	5.0% of direct and indirect costs	\$10.19	\$488,144
<b>Total Cost</b>		<b>\$318</b>	<b>\$15,251,029</b>
<b>Return on Cost</b>			
			<b>7.13%</b>

(1) Based on the Costar average rents in Sunnyvale; increased by 10% to reflect a rent premium relative to the existing space.

Table C-3

## Retail Pro Forma

## Sunnyvale Housing Mitigation Nexus and Fee Study; EPS #131119

Item	Assumption	Per Bldg. Sq.Ft.	Total
<b>DEVELOPMENT PROGRAM</b>			
Land Area (acres)			2.0
Gross Leasable Area	0.40 F.A.R.		34,848 sq.ft.
Efficiency Ratio	95%		
Net Area			33,106 sq.ft.
Parking Spaces	4.0 parking space per 1,000 sq.ft.		139
<b>REVENUE ASSUMPTIONS</b>			
Gross Revenue (NNN) (1)	\$32.00 /net sq. ft./yr.	\$30.40	\$1,059,379
(less) Operating Expenses	2.0%	(\$0.61)	(\$21,188)
(less) Commissions	3.0%	(\$0.91)	(\$31,781)
(less) Vacancy Rate	4.0%	(\$1.22)	(\$42,375)
Subtotal, Annual Net Operating Income		\$27.66	\$964,035
<b>LAND VALUE</b>		\$229.57	\$8,000,000
<b>DEVELOPMENT COSTS</b>			
<b>Direct Costs</b>			
Building Construction Cost	\$110.00 /GLA sq. ft.	\$110.00	\$3,833,280
Site Work / Surface Parking	\$15.00 /GLA sq. ft.	\$15.00	\$522,720
Total Direct Costs		\$125.00	\$4,356,000
<b>Indirect Costs</b>			
Affordable Housing Fee		\$20.00	\$696,960
Tenant Improvements	\$25.00 /net sq. ft.	\$23.75	\$827,640
Construction Tax	0.5% of direct costs	\$0.63	\$21,780
Other Permits & Fees	4.0% of direct costs	\$5.00	\$174,240
Legal, Insurance & Warranty	3.0% of direct costs	\$3.75	\$130,680
Architecture & Engineering	8.0% of direct costs	\$10.00	\$348,480
Developer Fee	7.0% of direct costs	\$8.75	\$304,920
General & Administrative	2.5% of direct costs	\$3.13	\$108,900
Financing Costs	4.0% of direct costs	\$5.00	\$174,240
Total Indirect Costs	64.0% of direct costs	\$80.00	\$2,787,840
<b>Total Development Cost</b>		<b>\$205.00</b>	<b>\$7,143,840</b>
Contingency	5.0% of direct and indirect costs	\$10.25	\$357,192
<b>Total Cost</b>		<b>\$444.82</b>	<b>\$15,501,032</b>
<b>Return on Cost</b>			<b>6.22%</b>

(1) Based on the Costar average rents in Sunnyvale; increased by 10% to reflect a rent premium relative to the existing space.

**Table C-4**  
**Lodging Pro Forma**  
**Sunnyvale Housing Mitigation Nexus and Fee Study; EPS #131119**

Item	Assumption	Per Bldg. Sq.Ft.	Per Room	Total
<b>DEVELOPMENT PROGRAM</b>				
Land Area (acres)				2.0
Gross Leasable Area	1.00 F.A.R.			87,120 sq.ft.
Rooms	700 sq.ft./ room (including common area)			124
Parking Spaces	1.0 parking space per room			124
<b>REVENUE ASSUMPTIONS</b>				
Room Revenue	\$160 /room per night	\$83.12	\$58,400	\$7,241,600
Other Operating Revenue (1)	10%	\$8.31	\$5,840	\$724,160
(less) Vacancy	25.0%	<u>(\$22.86)</u>	<u>(\$16,060)</u>	<u>(\$1,991,440)</u>
Gross Revenue		\$68.58	\$48,180	\$5,974,320
(less) Operating Expenses	60.0%	<u>(\$41.15)</u>	<u>(\$28,908)</u>	<u>(\$3,584,592)</u>
Subtotal, Annual Net Operating Income		\$27.43	\$19,272	\$2,389,728
<b>LAND VALUE</b>		\$91.83	\$64,516	\$8,000,000
<b>DEVELOPMENT COSTS</b>				
<b>Direct Costs</b>				
Building Construction Cost	\$160.00 /GLA sq. ft.	\$10.00	\$112,413	\$13,939,200
Site Work/Surface Parking	\$15.00 /GLA sq. ft.	<u>\$15.00</u>	<u>\$10,539</u>	<u>\$1,306,800</u>
Total Direct Costs		\$175.00	\$122,952	\$15,246,000
<b>Indirect Costs</b>				
Affordable Housing Fee		\$20.00	\$14,000	\$1,742,400
Construction Tax	0.5% of direct costs	\$0.88	\$615	\$76,230
Other Permits & Fees	4.0% of direct costs	\$7.00	\$4,918	\$609,840
Legal, Insurance & Warranty	3.0% of direct costs	\$5.25	\$3,689	\$457,380
Architecture and Engineering	8.0% of direct costs	\$14.00	\$9,836	\$1,219,680
Developer Fee	7.0% of direct costs	\$12.25	\$8,607	\$1,067,220
G&A	2.5% of direct costs	\$4.38	\$3,074	\$381,150
FF&E	10.0% of direct costs	\$17.50	\$12,295	\$1,524,600
Financing	<u>6.0%</u> of direct costs	<u>\$10.50</u>	<u>\$7,377</u>	<u>\$914,760</u>
Total Indirect Costs	52.4% of direct costs	\$91.75	\$64,462	\$7,993,260
<b>Total Development Cost</b>		<b>\$266.75</b>	<b>\$187,413</b>	<b>\$23,239,260</b>
Contingency	5.0% of direct and indirect costs	\$13.34	\$9,371	\$1,161,963
<b>Total Cost</b>		<b>\$372</b>	<b>\$261,300</b>	<b>\$32,401,223</b>
<b>Return on Cost</b>				<b>7.38%</b>

(1) Reflects rental and other income, telecommunications, food and beverage, movie rentals, and other departments.



## APPENDIX D:

### Maximum Housing Fee

Table D-1

## Office/R&amp;D Pro Forma (Midrise/Podium)

## Sunnyvale Housing Mitigation Nexus and Fee Study; EPS #131119

Item	Assumption	Per Bldg. Sq.Ft.	Total
<b>DEVELOPMENT PROGRAM</b>			
Land Area (acres)			2.0
Gross Leasable Area	2.00 F.A.R.		174,240 sq.ft.
Efficiency Ratio	90%		
Net Area			156,816 sq.ft.
Parking Spaces	2.0 parking space per 1,000 sq.ft.		
Podium Parking	80% of parking spaces		278
Surface Parking	20% of parking spaces		<u>70</u>
Total Parking Spaces			348
<b>REVENUE ASSUMPTIONS</b>			
Gross Revenue (FS) (1)	\$50.00 /net sq. ft./yr.	\$45.00	\$7,840,800
(less) Operating Expenses	30.0%	(\$13.50)	(\$2,352,240)
(less) Commissions	3.0%	(\$1.35)	(\$235,224.00)
(less) Vacancy Rate	5.0%	<u>(\$2.25)</u>	<u>(\$392,040)</u>
Subtotal, Annual Net Operating Income		\$27.90	\$4,861,296
<b>LAND VALUE</b>		\$45.91	\$8,000,000
<b>DEVELOPMENT COSTS</b>			
<b>Direct Costs</b>			
Building Construction Cost	\$150.00 /GLA sq. ft.	\$150.00	\$26,136,000
Site Work/Surface Parking Cost	\$10.00 /GLA sq. ft.	\$10.00	\$1,742,400
Parking Cost	\$20,000 /podium space	<u>\$31.96</u>	<u>\$5,568,000</u>
Total Direct Costs		\$191.96	\$33,446,400
<b>Indirect Costs</b>			
Affordable Housing Fee		\$113.99	\$19,861,153
Tenant Improvements	\$40.00 /net sq. ft.	\$36.00	\$6,272,640
Construction Tax	0.5% of direct costs	\$0.96	\$167,232
Other Permits & Fees	4.0% of direct costs	\$7.68	\$1,337,856
Legal, Insurance & Warranty	3.0% of direct costs	\$5.76	\$1,003,392
Architecture & Engineering	8.0% of direct costs	\$15.36	\$2,675,712
Developer Fee	7.0% of direct costs	\$13.44	\$2,341,248
General & Administrative	2.5% of direct costs	\$4.80	\$836,160
Financing Costs	<u>6.0%</u> of direct costs	<u>\$11.52</u>	<u>\$2,006,784</u>
Total Indirect Costs	109.1% of direct costs	\$209.49	\$36,502,177
<b>Total Development Cost</b>		<b>\$401.45</b>	<b>\$69,948,577</b>
Contingency	5.0% of direct and indirect costs	\$20.07	\$3,497,429
<b>Total Cost</b>		<b>\$467</b>	<b>\$81,446,005</b>
<b>Return on Cost</b>			<b>5.97%</b>

(1) Based on the Costar average rents in Sunnyvale; increased by 10% to reflect a rent premium relative to the existing space.

**Table D-2**  
**Light Industrial/Flex Commercial Pro Forma**  
**Sunnyvale Housing Mitigation Nexus and Fee Study; EPS #131119**

Item	Assumption	Per Bldg. Sq.Ft.	Total
<b>DEVELOPMENT PROGRAM</b>			
Gross Land Area (acres)			2.0
Gross Leasable Area	0.55 F.A.R.		47,916 sq.ft.
Efficiency Ratio	90%		
Net Area			43,124 sq.ft.
Parking Spaces	2.0 parking space per 1,000 sq.ft.		96
<b>REVENUE ASSUMPTIONS</b>			
Gross Revenue (NNN) (1)	\$28.00 /net sq. ft./yr.	\$25.20	\$1,207,483
(less) Operating Expenses	2.0%	(\$0.50)	(\$24,149.66)
(less) Vacancy Rate	5.0%	(\$1.26)	(\$60,374)
(less) Commissions	3.0%	<u>(\$0.76)</u>	<u>(\$36,224)</u>
Subtotal, Annual Net Operating Income		\$22.68	\$1,086,735
<b>LAND VALUE</b>			
		\$104.35	\$5,000,000
<b>DEVELOPMENT COSTS</b>			
<b>Direct Costs</b>			
Building Construction Cost	\$115.00 /GLA sq. ft.	\$115.00	\$5,510,340
Site Work/Surface Parking Cost	\$10.00 /GLA sq. ft.	\$10.00	\$479,160
Total Direct Costs		\$125.00	\$5,989,500
<b>Indirect Costs</b>			
Affordable Housing Fee		\$113.99	\$5,461,817
Tenant Improvements	\$25.00 /net sq. ft.	\$22.50	\$1,078,110
Construction Tax	0.5% of direct costs	\$0.63	\$29,948
Other Permits & Fees	4.0% of direct costs	\$5.00	\$239,580
Legal, Insurance & Warranty	3.0% of direct costs	\$3.75	\$179,685
Architecture & Engineering	8.0% of direct costs	\$10.00	\$479,160
Developer Fee	7.0% of direct costs	\$8.75	\$419,265
General & Administrative	2.5% of direct costs	\$3.13	\$149,738
Financing Costs	4.0% of direct costs	<u>\$5.00</u>	<u>\$239,580</u>
Total Indirect Costs	138.2% of direct costs	\$172.74	\$8,276,882
<b>Total Development Cost</b>		<b>\$297.74</b>	<b>\$14,266,382</b>
Contingency	5.0% of direct and indirect costs	\$14.89	\$713,319
<b>Total Cost</b>		<b>\$417</b>	<b>\$19,979,701</b>
<b>Return on Cost</b>			
			<b>5.44%</b>

(1) Based on the Costar average rents in Sunnyvale; increased by 10% to reflect a rent premium relative to the existing space.

Table D-3

## Retail Pro Forma

## Sunnyvale Housing Mitigation Nexus and Fee Study; EPS #131119

Item	Assumption	Per Bldg. Sq.Ft.	Total
<b>DEVELOPMENT PROGRAM</b>			
Land Area (acres)			2.0
Gross Leasable Area	0.40 F.A.R.		34,848 sq.ft.
Efficiency Ratio	95%		
Net Area			33,106 sq.ft.
Parking Spaces	4.0 parking space per 1,000 sq.ft.		139
<b>REVENUE ASSUMPTIONS</b>			
Gross Revenue (NNN) (1)	\$32.00 /net sq. ft./yr.	\$30.40	\$1,059,379
(less) Operating Expenses	2.0%	(\$0.61)	(\$21,188)
(less) Commissions	3.0%	(\$0.91)	(\$31,781)
(less) Vacancy Rate	4.0%	(\$1.22)	(\$42,375)
Subtotal, Annual Net Operating Income		\$27.66	\$964,035
<b>LAND VALUE</b>		\$229.57	\$8,000,000
<b>DEVELOPMENT COSTS</b>			
<b>Direct Costs</b>			
Building Construction Cost	\$110.00 /GLA sq. ft.	\$110.00	\$3,833,280
Site Work / Surface Parking	\$15.00 /GLA sq. ft.	\$15.00	\$522,720
Total Direct Costs		\$125.00	\$4,356,000
<b>Indirect Costs</b>			
Affordable Housing Fee		\$295.23	\$10,288,087
Tenant Improvements	\$25.00 /net sq. ft.	\$23.75	\$827,640
Construction Tax	0.5% of direct costs	\$0.63	\$21,780
Other Permits & Fees	4.0% of direct costs	\$5.00	\$174,240
Legal, Insurance & Warranty	3.0% of direct costs	\$3.75	\$130,680
Architecture & Engineering	8.0% of direct costs	\$10.00	\$348,480
Developer Fee	7.0% of direct costs	\$8.75	\$304,920
General & Administrative	2.5% of direct costs	\$3.13	\$108,900
Financing Costs	4.0% of direct costs	\$5.00	\$174,240
Total Indirect Costs	284.2% of direct costs	\$355.23	\$12,378,967
<b>Total Development Cost</b>		<b>\$480.23</b>	<b>\$16,734,967</b>
Contingency	5.0% of direct and indirect costs	\$24.01	\$836,748
<b>Total Cost</b>		<b>\$733.81</b>	<b>\$25,571,715</b>
<b>Return on Cost</b>			<b>3.77%</b>

(1) Based on the Costar average rents in Sunnyvale; increased by 10% to reflect a rent premium relative to the existing space.

**Table D-4**  
**Lodging Pro Forma**  
**Sunnyvale Housing Mitigation Nexus and Fee Study; EPS #131119**

Item	Assumption	Per Bldg. Sq.Ft.	Per Room	Total
<b>DEVELOPMENT PROGRAM</b>				
Land Area (acres)				2.0
Gross Leasable Area	1.00 F.A.R.			87,120 sq.ft.
Rooms	700 sq.ft./ room (including common area)			124
Parking Spaces	1.0 parking space per room			124
<b>REVENUE ASSUMPTIONS</b>				
Room Revenue	\$160 /room per night	\$83.12	\$58,400	\$7,241,600
Other Operating Revenue (1)	10%	\$8.31	\$5,840	\$724,160
(less) Vacancy	25.0%	<u>(\$22.86)</u>	<u>(\$16,060)</u>	<u>(\$1,991,440)</u>
Gross Revenue		\$68.58	\$48,180	\$5,974,320
(less) Operating Expenses	60.0%	<u>(\$41.15)</u>	<u>(\$28,908)</u>	<u>(\$3,584,592)</u>
Subtotal, Annual Net Operating Income		\$27.43	\$19,272	\$2,389,728
<b>LAND VALUE</b>		\$91.83	\$64,516	\$8,000,000
<b>DEVELOPMENT COSTS</b>				
<b>Direct Costs</b>				
Building Construction Cost	\$160.00 /GLA sq. ft.	\$10.00	\$112,413	\$13,939,200
Site Work/Surface Parking	\$15.00 /GLA sq. ft.	<u>\$15.00</u>	<u>\$10,539</u>	<u>\$1,306,800</u>
Total Direct Costs		\$175.00	\$122,952	\$15,246,000
<b>Indirect Costs</b>				
Affordable Housing Fee		\$76.22	\$53,357	\$6,640,606
Construction Tax	0.5% of direct costs	\$0.88	\$615	\$76,230
Other Permits & Fees	4.0% of direct costs	\$7.00	\$4,918	\$609,840
Legal, Insurance & Warranty	3.0% of direct costs	\$5.25	\$3,689	\$457,380
Architecture and Engineering	8.0% of direct costs	\$14.00	\$9,836	\$1,219,680
Developer Fee	7.0% of direct costs	\$12.25	\$8,607	\$1,067,220
G&A	2.5% of direct costs	\$4.38	\$3,074	\$381,150
FF&E	10.0% of direct costs	\$17.50	\$12,295	\$1,524,600
Financing	<u>6.0%</u> of direct costs	<u>\$10.50</u>	<u>\$7,377</u>	<u>\$914,760</u>
Total Indirect Costs	84.6% of direct costs	\$147.97	\$103,963	\$12,891,466
<b>Total Development Cost</b>		<b>\$322.97</b>	<b>\$226,915</b>	<b>\$28,137,466</b>
Contingency	5.0% of direct and indirect costs	\$16.15	\$11,346	\$1,406,873
<b>Total Cost</b>		<b>\$431</b>	<b>\$302,777</b>	<b>\$37,544,339</b>
<b>Return on Cost</b>				<b>6.37%</b>

(1) Reflects rental and other income, telecommunications, food and beverage, movie rentals, and other departments.

# Sunnyvale Housing Mitigation Fee Nexus Study

*The Economics of Land Use*



*presented to*

City of Sunnyvale

*presented by*

Darin Smith and Michael Nimon

September 24, 2014

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# Housing Mitigation Fee Background and Context

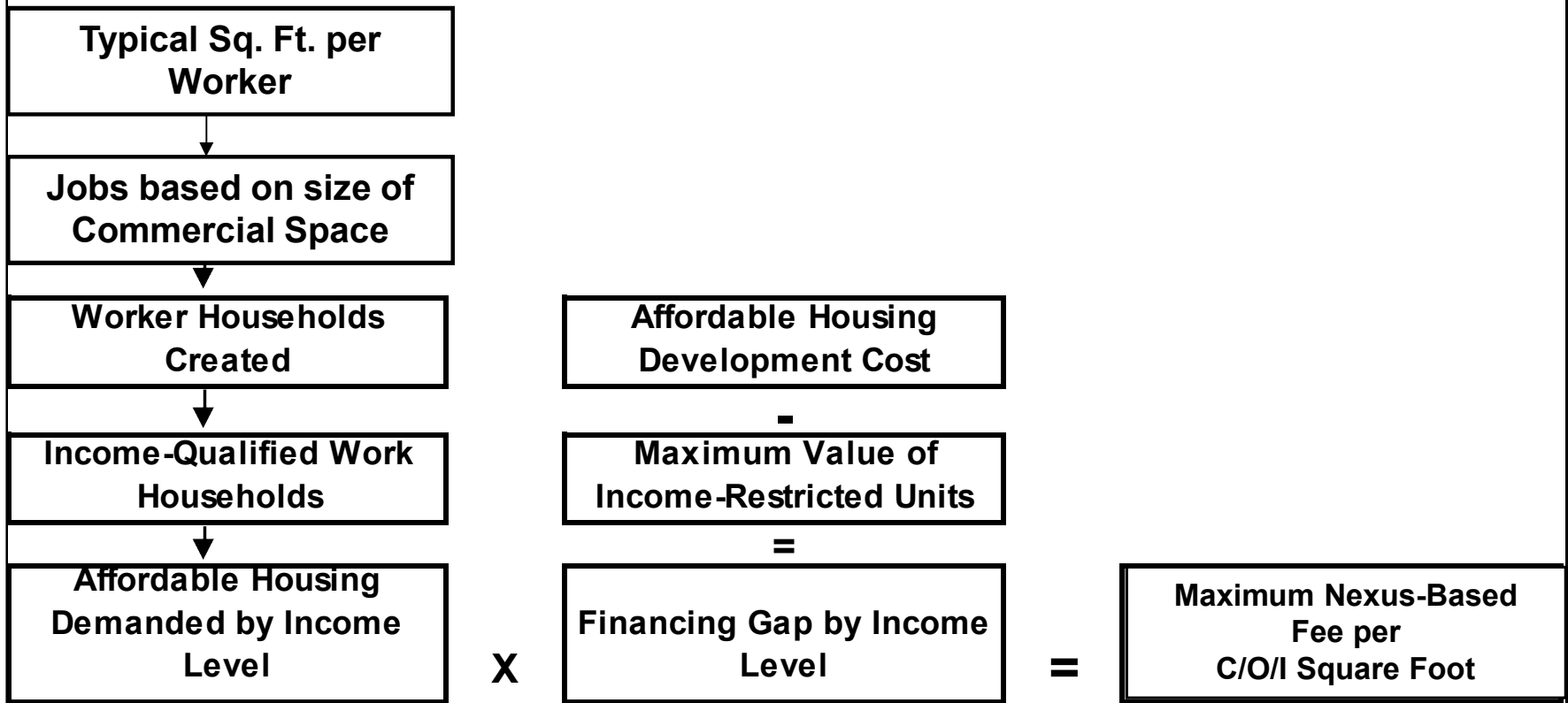
- Sunnyvale's existing Housing Mitigation Fee was adopted in 1983, last updated in 2003
  - \$9.49/SF for certain uses
- Economic circumstances have changed
  - Housing market conditions
  - Development economics
- Affordable housing resources have changed
  - Constrained City budgets
  - Federal and State funding for housing is less consistent
  - Inclusionary zoning has faced legal challenges

# EPS Scope of Services

1. Update nexus calculation for commercial uses, including office/R&D/light industrial, retail, and lodging
2. Establish “Maximum Fees” for commercial uses
3. Survey fees and practices in comparable jurisdictions
4. Test feasibility impacts of fees at various levels
5. Work with staff to suggest updated fee schedule

# Housing Mitigation Fee Illustration of Methodology

## Approach to Calculating Affordable Housing "Nexus" Relationships



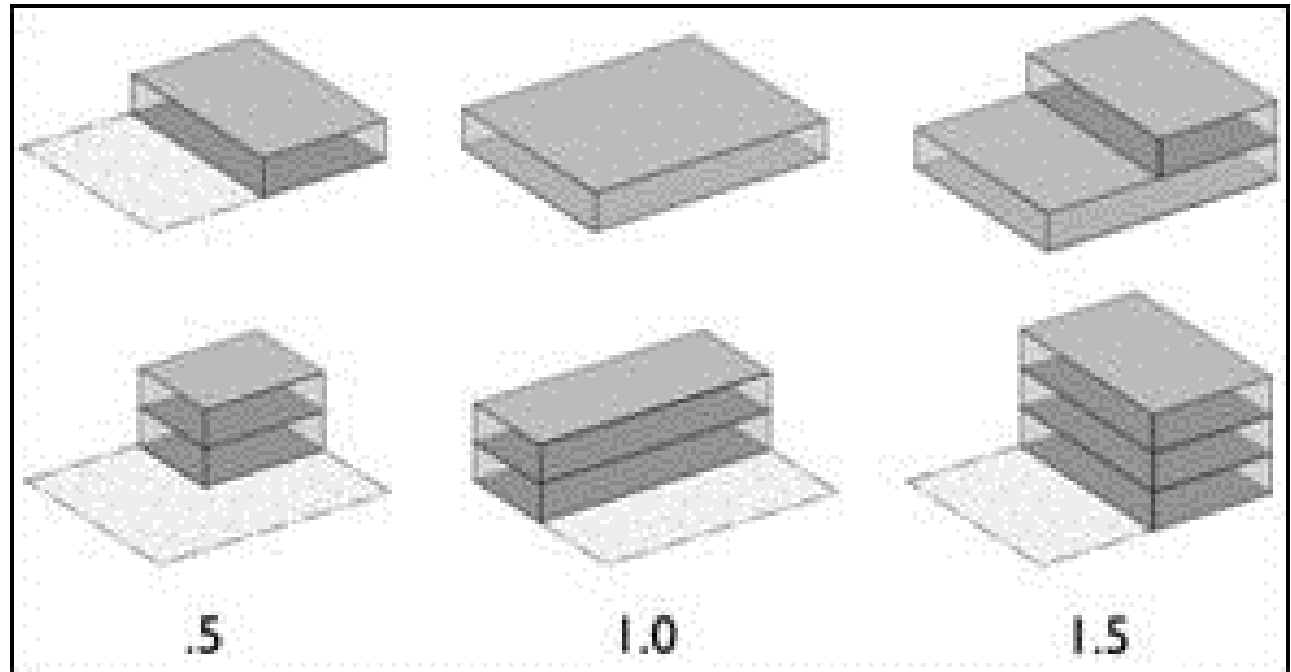
\*Figure format based on A.F. Cray's "The Use of Residential Nexus Analysis in Support of California's Inclusionary Housing Ordinances: A Critical Evaluation"; November 2011

# Current Housing Mitigation Fee

- \$9.49 per SF for new developments (office/R&D and light industrial) in industrial zoning districts
- Applies only to new building area that exceeds Floor Area Ratio (FAR) limits
  - Example: If zoning allows 0.3 FAR by right, fee only applies to any new building area above 0.3 FAR.
- Projects of any kind (i.e., office/R&D, hospitality or retail) located in other zoning districts are not subject to the fee

# Illustration of Floor Area Ratio (FAR)

- Floor area ratio (FAR) is the ratio of the total floor area of building(s) on a site to the site (property) area.
- To calculate FAR, divide total floor area by site area.
- Typically expressed as a decimal (0.5 or 1.0 FAR).



$$\frac{\text{FLOOR (Total building area, in sq. ft.)}}{\text{AREA (of site, in sq. ft)}} = \text{FAR}$$

# Housing Mitigation Fee Nexus Study Updates

- **Worker housing demand estimates**
  - Typical local wages by occupation and industry
  - Worker densities (square feet/employee)
  - Household formation rates
- **Housing development economics**
  - Costs for property acquisition, construction, other fees
  - Housing values under current financing standards
- **Additional uses and application**
  - Added retail and lodging to office/light industrial/R&D
  - Calculated based on net new building square footage, not just SF in excess of FAR limits

# Housing Mitigation Fee Nexus Study Findings

- Many jobs are created in lower-wage positions
  - Retail workers are typically low-income
  - Lodging has low-wage jobs, but lower employment density
  - Office/R&D/light industrial has more higher-income workers, but still many lower-wage employees as well
- Most retail and lodging workers can't afford market-rate home prices
  - Median Sunnyvale home sale price ~\$875,000 (1)  
(1) Include single family, townhome, and condo sales. Source: DQ News
  - Average Sunnyvale rent ~\$2,233  
Source: RealFacts

# Existing HMF vs. Updated Maximum Fees

Land Use	Fee per sq.ft.	
	Existing (1)	Maximum
Office/R&D/Light Industrial	\$9.49	\$113.99
Retail	na	\$295.23
Lodging	na	\$76.22

(1) Applies to square footage above base zoning allowance

# Housing Mitigation Fee Comparison

Item	Office	R&D	Industrial	Retail	Lodging
Sunnyvale Existing Fee [1]	\$9.49	\$9.49	\$9.49	-	-
EPS Maximum Fee Calculation [2]	\$113.99	\$113.99	\$113.99	\$295.23	\$76.22
<u>Silicon Valley</u>					
Cupertino	\$5.56	\$5.56	\$5.56	\$5.56	\$5.56
Menlo Park [3]	\$14.92	\$14.92	\$8.10	\$8.10	\$8.10
Mountain View [4]	\$10.00	\$10.00	\$10.00	\$2.47	\$2.47
Palo Alto	<u>\$19.31</u>	<u>\$19.31</u>	<u>\$19.31</u>	<u>\$19.31</u>	<u>\$19.31</u>
<b>Silicon Valley Average</b>	<b>\$12.45</b>	<b>\$12.45</b>	<b>\$10.74</b>	<b>\$8.86</b>	<b>\$8.86</b>
<u>San Francisco</u>	\$24.03	\$16.01	\$18.89	\$22.42	\$17.99
<u>North Bay [5]</u>	\$3.14	\$3.64	\$1.99	\$4.06	\$2.37
<u>East Bay [6]</u>	<u>\$3.14</u>	<u>\$2.76</u>	<u>\$2.27</u>	<u>\$2.59</u>	<u>\$2.42</u>
<b>Bay Area Nexus Fee Average [7]</b>	<b>\$6.05</b>	<b>\$6.46</b>	<b>\$4.68</b>	<b>\$5.57</b>	<b>\$4.58</b>

# Housing Mitigation Fee Notes

- [1] Applies to square footage in excess of allowable FAR.
- [2] EPS max fee calculation based on full building square footage.
- [3] Fees only apply to buildings of 10,000 square feet or more. This analysis assumes fees for a 10,000 square foot building.
- [4] For office/high-tech/industrial uses, Mountain View applies fee of \$5.00/sqft up to 10,000 sqft and \$10.00/sqft for square footage above 10,000. Similarly, for hotel/retail/entertainment uses, \$1.27/sqft is applied below 25,000 sqft and \$2.47/sqft for square footage exceeding 25,000. This analysis assumes fees for a building exceeding 25,000 square feet.
- [5] Includes cities of Napa, Madera, Cotati, Petaluma, St. Helena, as well as Marin, Napa, and Sonoma counties.
- [6] Includes cities of Walnut Creek, Oakland, Berkeley, Alameda, Dublin, Livermore, and Pleasanton.
- [7] Does not include Sunnyvale or jurisdictions that do not charge a nexus-based commercial linkage fee.

# Fee Levels Tested for Feasibility

*by Product Type per sq.ft.*

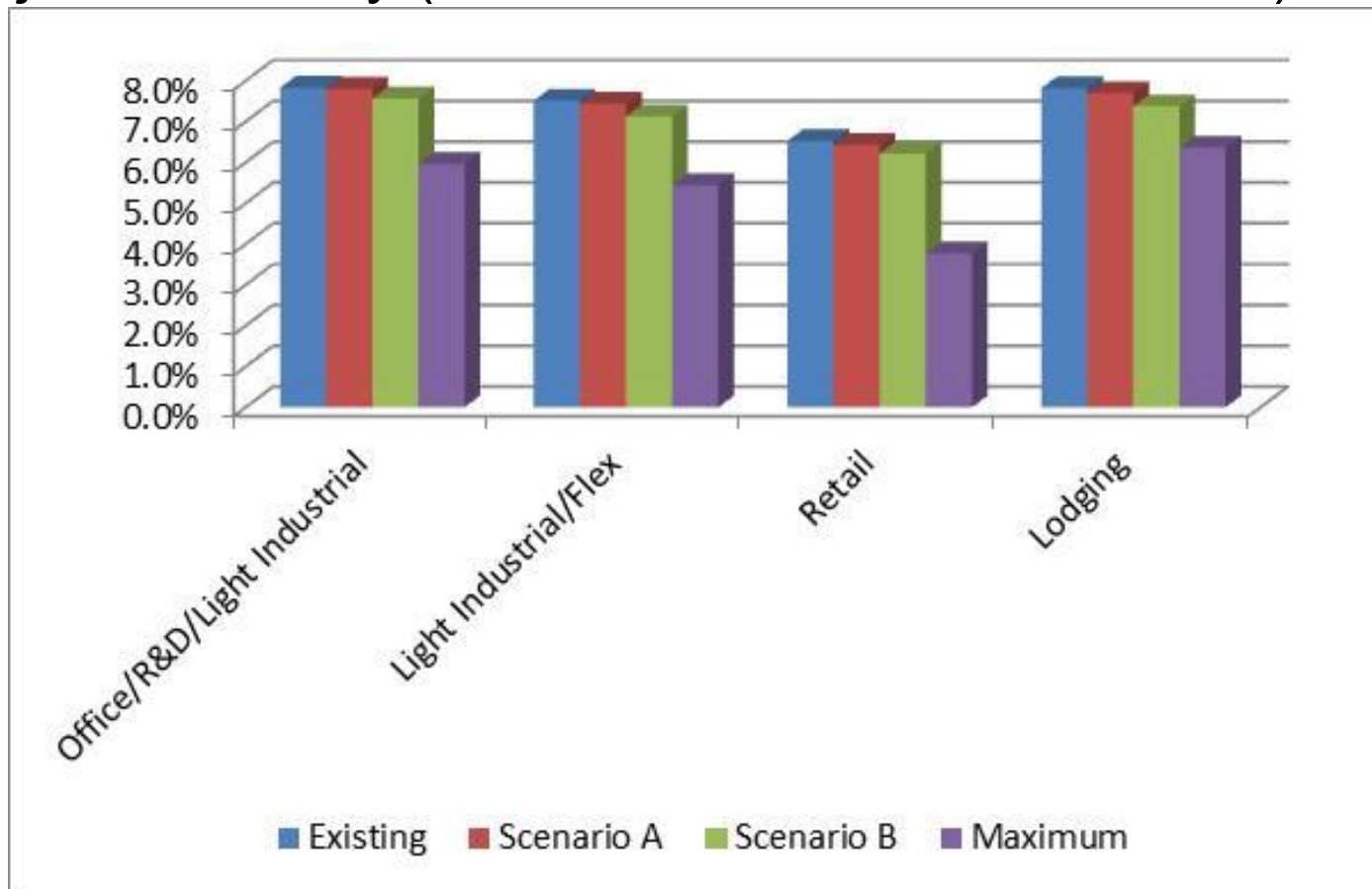
Land Use	Existing (1)	Maximum	Scenario A		Scenario B
			Below 25,000 sq.ft.	Above 25,000 sq.ft.	
Office/R&D/Light Industrial	\$9.49	\$113.99	\$5.00	\$10.00	\$20.00
Retail	na	\$295.23	\$5.00	\$10.00	\$20.00
Lodging	na	\$76.22	\$3.00	\$6.00	\$20.00

(1) Applies to the square footage above that already entitled under existing zoning, which varies by location. For the purpose of to development above 0.3 FAR.

- Scenario A: Fees could be discounted by 50% for the first 25,000 SF of a project (similar to Mountain View)
- Scenario B: \$20/SF for all uses (similar to Palo Alto)

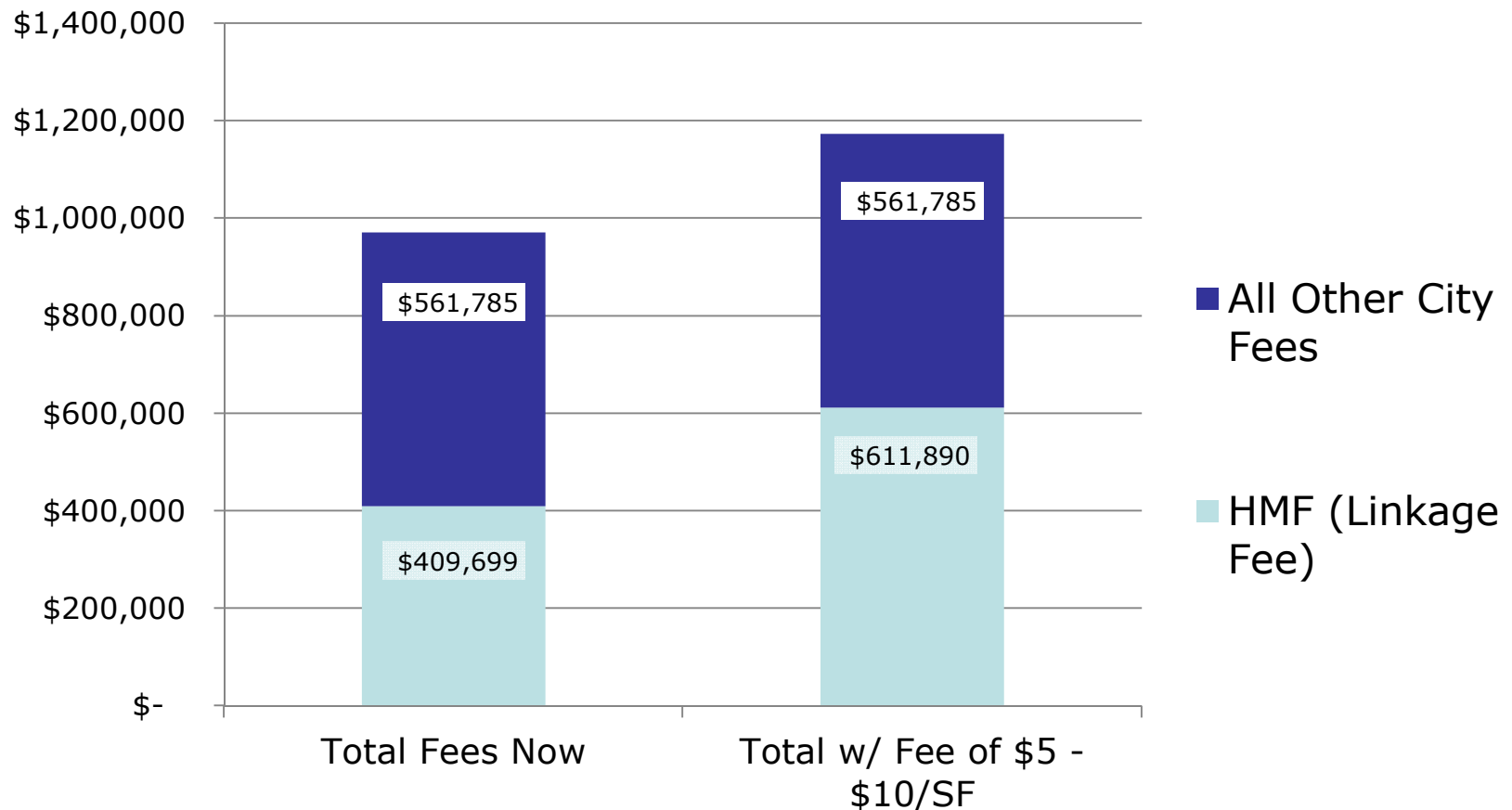
# Feasibility Test Findings

- Fees at the tested levels would have marginal impacts on project feasibility (return on costs at stabilization)



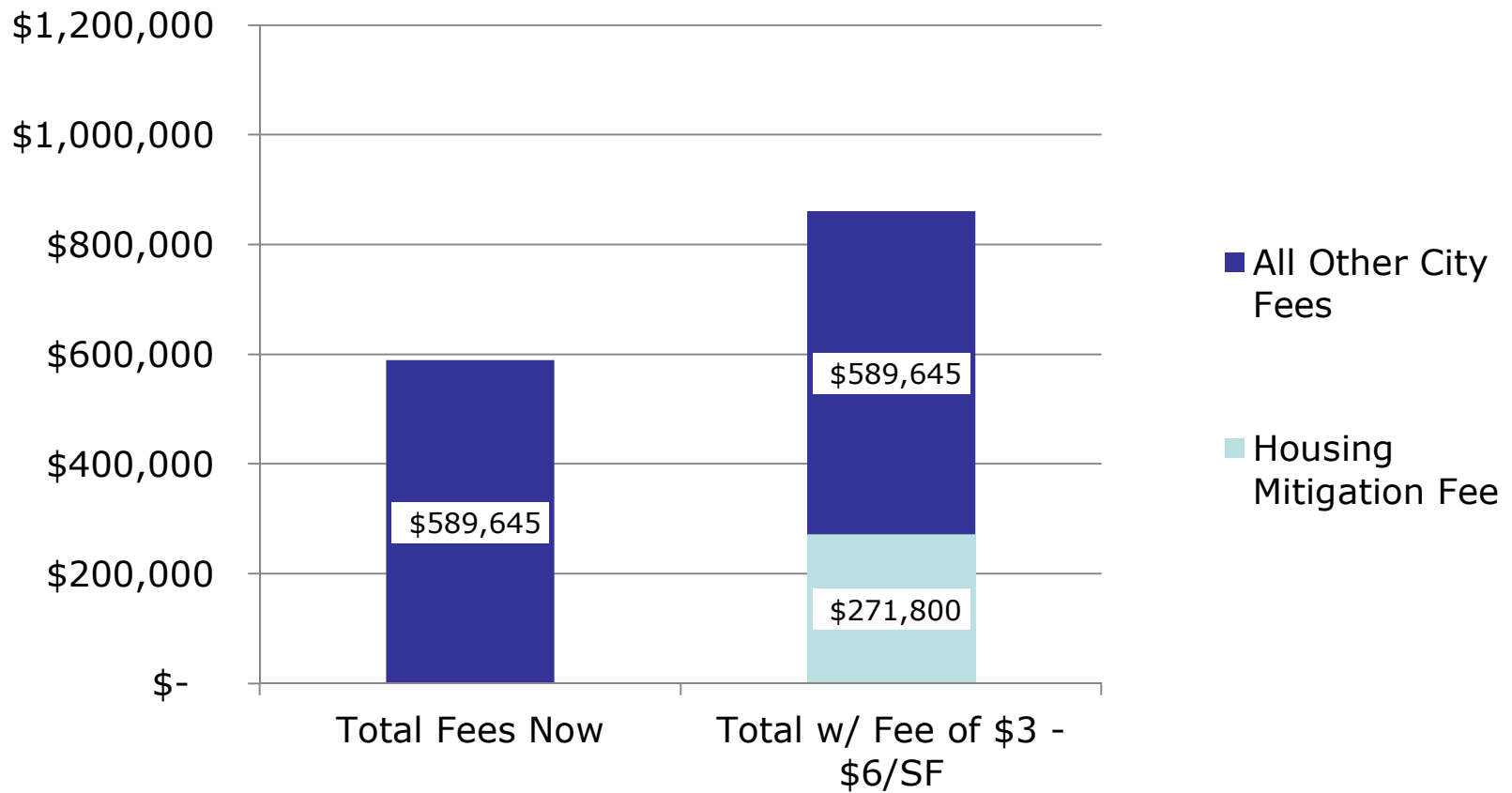
# Current Total Fees vs. Total Fees Including Tested Linkage Fee of \$5-\$10 / nnSF

## 124,000 SF Office/R&D Project in Industrial Zone



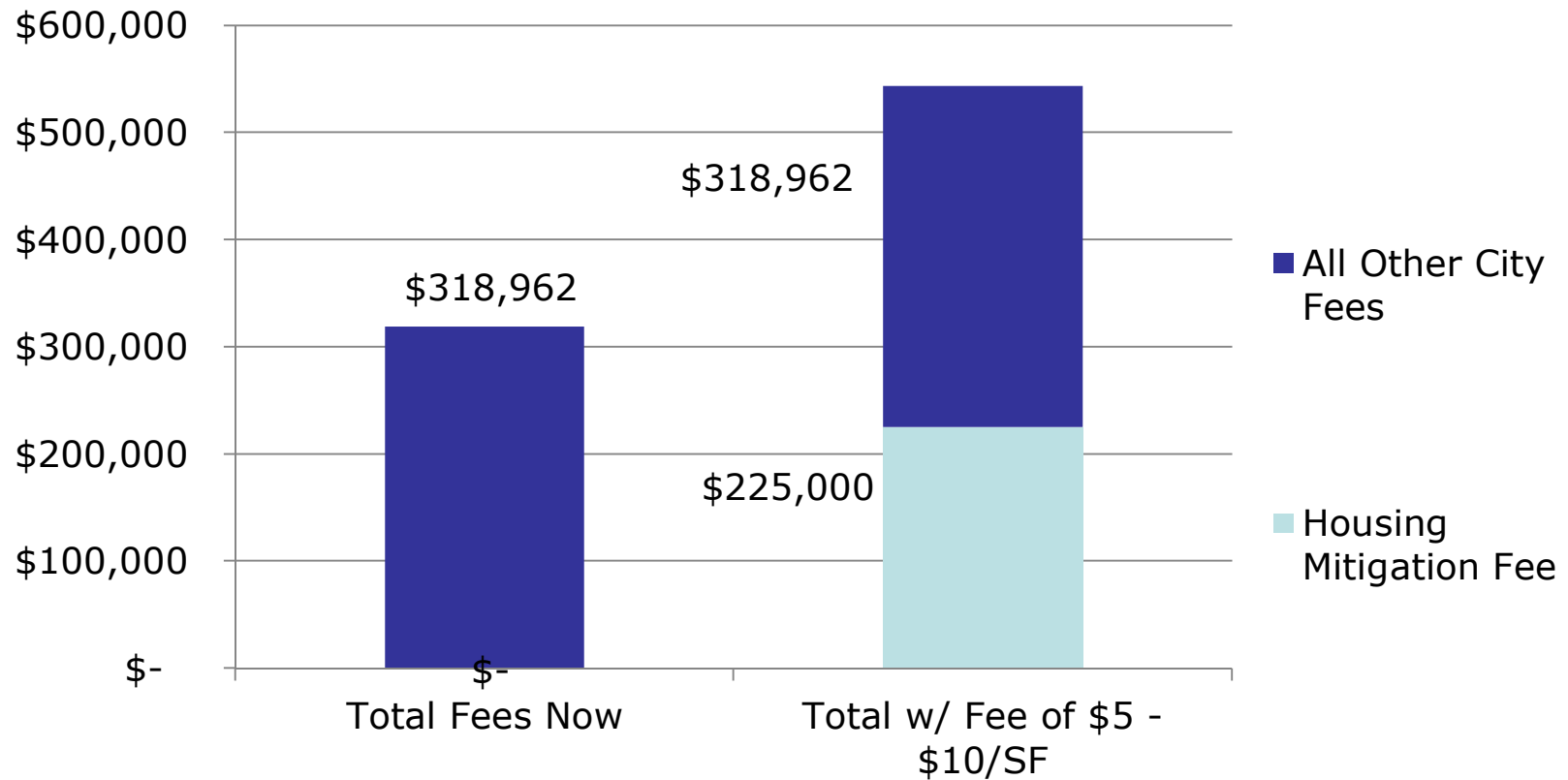
# Current Total Fees vs. Total Fees Including Tested Linkage Fee of \$3-\$6 / nnSF

## 73,000 SF Hotel Project in Commercial Zone



# Current Total Fees vs. Total Fees Including Tested Linkage Fee of \$5-\$10 / nnSF

## 45,000 SF Retail Project in Commercial Zone



# Next Steps

Date/Time	Meeting	Location
Oct. 13 at 7 p.m.	Joint Study Session, <i>Planning &amp; Housing Commissions</i>	City Hall, West Conference Room
Oct. 22 at 7 p.m.	Public Hearing, <i>Housing &amp; Human Services Commission</i>	City Hall, West Conference Room
Oct. 27 at 8 p.m.	Public Hearing, <i>Planning Commission</i>	City Hall, Council Chambers
Oct. 28 at 6 p.m.	Study Session, <i>City Council</i>	City Hall, West Conference Room
Dec. 9 at 7 p.m.	Public Hearing, <i>City Council</i>	City Hall, Council Chambers



### Comparison of Housing Mitigation Fees Due on Sample Projects at Various Fee Rates

Project Examples	Total of All Other City Fees	Current HMF	Scenario A HMF	Scenario B HMF	Alternative 2 HMF	Alternative 3 HMF
<i>Rate/SF (Office / Retail / Lodging)</i>	<i>n/a</i>	<i>\$9.49 (limited application)</i>	<i>\$10* / \$10* / \$6*</i>	<i>\$20 / \$20 / \$20</i>	<i>\$12* / \$6 / \$6</i>	<i>\$15* / \$7.50 / \$7.50</i>
Office/R&D in 0.35 FAR Zone (73,400 nn SF, 0.5 FAR)	\$562,000	\$410,000	\$612,000	\$1,474,000	\$734,000	\$913,500
Office/R&D in 0.5 FAR Zone (370,000 nn SF, 0.8 FAR)	\$5,503,000	\$1,860,000	\$3,575,000	\$7,400,000	\$4,290,000	\$5,362,500
Hotel (57,800 nn SF)	\$590,000	\$ -	\$272,000	\$1,156,000	\$347,000	\$433,500
Retail (35,000 nn SF)	\$319,000	\$ -	\$225,000	\$700,000	\$210,000	\$262,500

\* 50% discount for first 25,000 SF of project

### Percent Change from Current HMF

Project Examples	Current HMF	Scenario A HMF	Scenario B HMF	Alternative 2 HMF	Alternative 3 HMF
<i>Rate/SF (Office / Retail / Lodging)</i>	<i>\$9.49 (limited application)</i>	<i>\$10* / \$10* / \$6*</i>	<i>\$20 / \$20 / \$20</i>	<i>\$12* / \$6 / \$6</i>	<i>\$15* / \$7.50 / \$7.50</i>
Office/R&D in 0.35 FAR Zone (73,400 nn SF, 0.5 FAR)	\$410,000	+49%	+260%	+79%	+123%
Office/R&D in 0.5 FAR Zone (370,000 nn SF, 0.8 FAR)	\$1,860,000	+92%	+298%	+131%	+188%

Percent change not calculated for retail and lodging, which are not currently subject to HMF (zero denominator).

Percent change from current fee will vary by project depending on square footage and FAR.



**Projected HMF Revenues Under Various Alternatives  
Based on Average Annual Construction Data**

ATTACHMENT 6  
Page 1

<b>Building Permit Data from Community Condition Indicators for the Years Shown</b>		
<b>Year</b>	<b>New Office/Ind Floor Area Permitted (SF)</b>	<b>New Retail/Services <sup>1</sup> Permitted (SF)</b>
2000	660,975	Not Available
2005	151,200	240,000
2006	146,368	8,000
2007	2,780,657	5,000
2008	831,705	293,000
2009	675	229,494
2010	29,278	127,838
2011	774,098	-
2012	1,070,523	12,000
2013	671,402	49,496
<b>Total</b>	<b>7,116,881</b>	<b>964,828</b>
<b>Avg / Year</b>	<b>711,688</b>	<b>107,203</b>

1. Assuming that this includes lodging.

<b>Quantified Objectives (QO) = 650 Low &amp; Very Low Income Units</b>			
RHNA = 2,546 Low & Very Low Income Units			
<b>Income Level</b>	<b>Subsidy Per Unit</b>	<b>City Subsidy Per Unit</b>	<b>City Total for QO</b>
<b>Very Low</b>	\$268,000	\$134,000	\$ 53,600,000
<b>Low</b>	\$112,000	\$56,000	\$ 14,000,000
<b>Moderate</b>	\$0	\$0	\$ -
<b>Total Cost</b>			\$ 67,600,000
Avg Annual for 8 yr RHNA			\$ 8,450,000
<b>Avg City Subsidy / Unit for QO <sup>2</sup></b>			<b>\$ 104,000</b>

2. City subsidy is lower than total due to leveraging of other funds (tax credits, other City housing funds, State, County, etc.)

**Projected HMF Revenues under Various Alternatives  
Based on Average Annual Construction Data, 2000-2013**

ATTACHMENT 6  
Page 2

Alternatives <sup>3</sup>	HMF Rev from Office/Ind	HMF Rev from Retail/Svcs	Total Projected HMF Revenues	Funding Goal for QO	Other City Housing Funds <sup>4</sup>	(Shortfall) / Surplus	Estim. Units Funded / Yr with HMF Only	Estim Units / Yr, Other Funds	Total Units in 8- year RHNA Cycle	Result	Acres of Land Required <sup>5</sup>
<b>Alternative 2</b>	\$ 6,832,206	\$ 514,575	<b>\$ 7,346,781</b>	\$ 8,500,000	1,500,000	\$ 346,781	71	14	681	Meets QO; any excess toward full RHNA	17
<b>Alternative 3</b>	\$ 8,540,257	\$ 643,219	<b>\$ 9,183,476</b>	\$ 8,500,000	1,500,000	\$ 2,183,476	88	14	822	Meets QO; any excess toward full RHNA	21
<b>Scenario A</b>	\$ 5,693,505	\$ 428,812	<b>\$ 6,122,317</b>	\$ 8,500,000	1,500,000	<b>\$ (877,683)</b>	59	14	<b>586</b>	Does not meet QO	15
<b>Scenario B</b>	\$ 11,387,010	\$ 1,715,250	<b>\$ 13,102,259</b>	\$ 8,500,000	1,500,000	\$ 6,102,259	126	14	1,123	Meets QO; any excess toward full RHNA	28

3. All alternatives assume 20% reduction for existing floor area. Impossible to apply discounted rates for first 25,000 SF of a project, because historic building data is in the aggregate (impossible to identify project sizes), however this is not considered significant in the larger context, given that future construction rates may be higher than the historic average, which would offset any slightly lower fee revenues due to the discount.

4. Approximate, based on historic trends and future projections of other housing revenues (CDBG, CDBG RLF, HOME, BMR In-Lieu). Does not include potential future sources such as Rental Impact Fee.

5. Assuming average project density of 40 units/acre, consistent with EPS Nexus Study assumptions.

Major Housing Projects Funded with HMF	HMF Funding	# of Units	Project Type	Occupant Type	Housing Type
Aster Park Apartments (1991)	\$ 450,000	95	Rehab/Preservation	Workforce	Rental
Orchard Gardens Apartments (1998)	\$ 648,099	62	Acquisition/Rehabilitation	Workforce	Rental
Stoney Pine Apartments (1998)	\$ 420,000	23	New Construction	Special Needs	Supportive Rental
Eight Trees Apartments (2002)	\$ 915,000	24	Acquisition/Rehabilitation	Workforce	Supportive Rental
Moulton Plaza (2004)	\$ 992,000	66	New Construction	Workforce & Seniors	Rental
Garland Plaza (2007)	\$ 2,100,000	20	Acquisition/Rehabilitation	Workforce	Rental
Fair Oaks Plaza (2009)	\$ 5,108,273	124	New Construction	Seniors	Supportive Rental
Homestead Park Apartments Rehab (2012)	\$ 5,000,000	211	Rehab	Workforce & Seniors	Rental
Parkside Studios (2013)	\$ 4,100,000	59	New Construction	Workforce & Special Needs	Supportive Rental
MidPen Armory Apartments (2013)	\$ 4,100,000	58	New Construction	Workforce & Special Needs	Supportive Rental
Jackson St. Habitat Homes (2013)	\$ 880,000	2	Acquisition/Rehabilitation	First Time Home Buyers / Workforce	Self-Help for-sale
<b>Total HMF Funding for Capital Projects</b>	<b>\$ 24,713,372</b>	<b>744</b>			
<i><b>Avg HMF Funding per Unit</b></i>	<i><b>\$ 33,217</b></i>				

# Units Reserved for Seniors/Special Needs Tenants	194
<b>% Units Reserved for Seniors/Special Needs Tenants</b>	<b>26%</b>
# New Construction Units	330
<b>% New Construction Units</b>	<b>44%</b>

**In addition to the above:**

*A small portion of HMF funds (average of approximately \$350,000 / year since 2003) is also used for First Time Home Buyer loans, Housing Program administration, planning and policy development, monitoring and compliance, and other Housing program operational expenses.*

*A total of slightly over \$1.5 million in HMF has been provided to the Silicon Valley Housing Trust in annual or periodic grants from the City since the Trust's inception in 2001, for the Trust's affordable housing programs, which include down payment assistance, financing for construction and/or rehabilitation of affordable rental units, and related programs.*

*\* The projects listed above do not include any Sunnyvale Below Market Rate units or affordable housing projects funded with non-HMF sources.*

**Fair Oaks Senior Housing Project (1 & 2 BRs)****HMF committed in 2009, Project Completed in 2011**

Units	124
City HMF	\$ 4,467,000
City HOME	\$ 1,400,000
Other Financing (State, Fed, Tax Credits)	\$ 30,133,000
Total Project Cost	\$ 36,000,000
Cost / Unit	\$ 290,323
<b>City HMF Subsidy per Unit</b>	<b>\$ 36,024</b>
Total City Subsidy per Unit (with HOME)	\$ 47,315
<b>Percent of Project Cost Paid with HMF</b>	<b>12%</b>
Percent of Project Cost Paid by any City Funds	16%

**Armory Family Apartments (1-3 BRs)****HMF committed in 2013, Project Completion by Dec. 2016**

Units	58
City HMF	\$ 4,100,000
City HOME	\$ 1,300,000
Other Financing (State, Fed, County, Tax Credits)	\$ 26,900,000
Total Project Cost	\$ 32,300,000
Cost / Unit	\$ 556,897
<b>City HMF Subsidy per Unit</b>	<b>\$ 70,690</b>
Total City Subsidy per Unit (with HOME)	\$ 93,103
<b>Percent of Project Cost Paid with HMF</b>	<b>13%</b>
Percent of Project Cost Paid by any City Funds	17%

## Policies and Procedures for Expenditure of HMF

### Policy Guidance for Expenditure of HMF

1. Goals and Objectives of Housing Element of Sunnyvale General Plan, adopted through extensive public outreach and review process that takes several years to complete.
2. HMF authorizing resolution adopted by Council
3. Other Council Policies applicable to affordable housing programs
4. Adopted City Budgets and Budget Policies
5. City Procurement Policies
6. Specific Council direction (occasional)
7. Federal and State housing legislation, fair housing laws as applicable
8. Housing-related goals and objectives of Sunnyvale's HUD Consolidated Plan (non-mandatory guidance)
9. Best practices in affordable housing development (non-mandatory guidance)
10. Regional goals and objectives (non-mandatory guidance)

### Procedures for Review and Approval of Capital Project Expenditures

1. Staff provides draft request for proposals to Housing and Human Services Commission for review on public hearing agenda. Commission approves with or without changes.
2. Staff releases RFP to general public, publicizes on City website, distributes to interested parties, list-serves, etc.
3. Proposals received, evaluated by staff, evaluations reported to Commission in public hearings, applicants make presentations to Commissions in public hearings. Commission deliberates and makes recommendation to Council on award of HMF loans or grants for proposed projects.
4. Council holds public hearing and makes final decision on funding awards.
5. Funding awards included in Recommended Budget.
6. Commission reviews Recommended Budget in public hearing.
7. Council reviews Recommended Budget, adopts with or without changes, in public hearing.
8. Staff issues conditional funding award letters for projects approved in Final Budget.
9. In case of mid-year funding requests, Commission and Council may consider request and Council may approve budget modification if necessary, in public hearing.

### Procedures for Review and Approval of HMF Operating Expenditures

1. Staff develops operating budget based on known and estimated program needs, commitments for coming year (study issues/non-routine projects, programs in Housing Element, etc.).
2. Proposed budget, as approved by City Manager, included in Recommended Budget.
3. Commission reviews Recommended Budget in public hearing.
4. Council reviews Recommended Budget, adopts with or without changes.
5. Staff utilizes operating funds, to the extent required, consistent with Final Adopted Budget.
6. In case of mid-year funding requests, Commission and Council may consider request and Council may approve budget modification if necessary, in public hearing.



**2**      [14-0788](#)      Consideration of Housing Mitigation Fee Nexus Study Findings and Alternatives

This item was heard after agenda item 4.

Housing Officer Suzanne Isé gave a summary of the report and noted that the Housing Mitigation fee has been in place since 1983, was added to the Municipal Code in 2003, and was indexed to inflation by Council action in 2008. This fee generates the largest amount of revenue for the City's affordable housing programs. However, the fee rate has not significantly increased since the inception of the program.

She also noted that one of the unique aspects of Sunnyvale's Housing Mitigation fee is that it only applies to new development projects in industrial zones of the City. The goal of the nexus study is to determine an appropriate fee rate based on the amount of housing need generated by new job-creating developments, and how it might be applied more broadly to other commercial zones.

Chair Gilbert opened the public hearing at 8:05 p.m.

Councilmember Martin-Milius asked how the fee would be applied to mixed used projects. Staff explained that the current study does not get into that level of detail, however that is the type of detail that would be addressed in an ordinance implementing changes to the fee. Staff would most likely recommend taking a pro-rata approach based on the percentage of space dedicated to each use type in the structure, such as office or retail.

Chair Gilbert closed the public hearing at 8:07 p.m.

After additional discussion and clarifying questions of staff, Chair Gilbert asked for a motion.

Commissioner Chiu moved and Commissioner McCloud seconded the motion to approve Alternatives 1, 2, and 4: Recommend that Council expand the Housing Mitigation Fee to all net new square footage of all non-residential development projects, in any zone; recommend that Council consider adopting a fee of \$12 per square foot for office/industrial projects (\$6 per square foot for first 25,000 square feet), and \$6 per square foot for retail and lodging projects, both based on net increase in square footage and adjusted annually for inflation as part of the annual fee schedule adoption; and recommend that Council have the new fee apply to projects where a complete planning application is submitted after the effective date

of the fee. The motion carried by the following vote:

**Yes:** 5 - Chair Gilbert  
Commissioner Chiu  
Commissioner Evans  
Commissioner McCloud  
Commissioner Schmidt

**No:** 0

**Absent:** 2 - Vice Chair Jeong  
Commissioner Sidhu

- 2      [14-0792](#)      Consideration of Housing Mitigation Fee Nexus Study Findings and Alternatives  
**Staff Contact:** Suzanne Isé, Housing Officer, (408) 730-7698, sise@sunnyvale.ca.gov

Suzanne Isé, Housing Officer, presented the staff report.

Comm. Rheaume verified and compared with Ms. Isé the proposed fee increase for office, retail and lodging with those of nearby cities.

Vice Chair Olevson and Ms. Isé discussed fee calculation and how fees are applied in other cities, and the relationship between the fee structure and rate of development in Sunnyvale. Vice Chair Olevson and Ms. Isé also discussed how the proposed fee increase would affect the Below Market Rate (BMR) program, and the number of very low- and low-income units that must be provided to reach the goal for the current Regional Housing Need Allocation (RHNA) period.

Comm. Harrison and Ms. Isé discussed the types of loans provided by the City for rehabilitation or construction of rental properties and the preference for providing loans rather than grants. Comm. Harrison confirmed with Ms. Isé that no loan has yet been forgiven, and discussed the typical number of years a restriction term lasts for low-income properties and what becomes of the properties once the term has ended. Hanson Hom, Director of the Community Development Department, commented on how rehabilitation loans extend affordability periods for older rental properties.

Comm. Simons confirmed with Ms. Isé that the fees go into a special, segregated fund, that allocations are reviewed by the Housing and Human Services Commission and are approved by City Council, and that the City budget contains information on projects and goals for upcoming years. Comm. Simons also confirmed with Ms. Isé that staff is amenable to adding more detail to the recommended alternative.

Comm. Durham verified with Ms. Isé the number of units currently subsidized by the City through the Housing Mitigation Fee, and how the return on cost is calculated.

Chair Melton opened the public hearing.

Pat Sausedo, Executive Director of NAIOP, discussed her concern with adopting the nexus study and said future governing bodies could increase the fee to the proposed maximum, which would hinder development. Ms. Sausedo also said that

**EXCERPT**

Planning Commission

Meeting Minutes - Final

NAIOP has commissioned a financial consultant to provide a peer review of the nexus study.

Chair Melton and Ms. Sausedo discussed when the independent review of the study would be available and whether NAIOP would support the fee without the nexus study.

Comm. Simons confirmed with Ms. Sausedo that recommendations and a discussion of methodologies will be included in the peer review.

Chair Melton closed the public hearing.

Comm. Harrison confirmed with Ms. Ise that the Alternatives presented in the staff report are not to adopt methodologies or the premise of the nexus study, but are to recommend adopting the fees. Comm. Harrison confirmed with Ms. Ise that the fee is subsidizing over 700 affordable to very low-income households and the goal in the draft Housing Element is to obtain an additional 650.

Chair Melton and Trudi Ryan, Planning Officer, discussed previous nexus studies.

Vice Chair Olevson moved Alternatives 1, 2, and 4 to recommend that Council expand the Housing Mitigation Fee to all net new square footage of all non-residential development projects, in any zone; recommend that Council consider adopting a fee of \$12 per square foot for office/industrial projects (\$6 per square foot for first 25,000 square feet), and \$6 per square foot for retail and lodging projects, both based on net increase in square footage and adjusted annually for inflation as part of the annual fee schedule adoption; and recommend that Council have the new fee apply to projects where a complete planning application is submitted after the effective date of the fee.

Comm. Simons seconded and offered a friendly amendment to include in the spending process the tracking of funds; keeping interest and loan repayments in the restricted fund; that future spending be reviewed by the Housing and Human Services Commission and City Council; and that goals are updated along with the spending plan.

Vice Chair Olevson confirmed with Ms. Ise that all of these recommendations are current City policy. Comm. Simons suggested adding a short text about the process. Mr. Hom said the requested information can be included in the report to City Council but does not have to be a motion. Comm. Simons withdrew the friendly amendment.

Vice Chair Olevson said he is supporting the staff recommendation because it is a modest increase and the City needs to continually review its process to ensure competitiveness in the area to obtain new construction and meet goals. He said the builders council has concerns about the validity of the nexus study but that it is not part of the motion and the study contains currently available data. He said he is confident that the Planning Commission and City Council will evaluate current and future data and make an informed decision, and that the work done so far indicates that we should proceed with the staff recommendations.

Comm. Simons said he will be supporting the motion and that it is premature to discuss how future mitigation fees may have a relationship to viability, especially without the report from the building association. He said he recommends forwarding this recommendation to the City Council, and suggests that Council consider adding information regarding the process of modifying the fees in the future.

Comm. Durham said he will be supporting the motion, that the cost of living in this area is high for most people and that he is surprised to see that median income in the U.S. is in the low- to very low-income level for this region. He said we want people here to work and support those who cannot afford above-market rate housing, and that the next agenda item, the Climate Action Plan work plan, demonstrates that we cannot have people driving here everyday from 20 to 30 miles away, so it is better for everyone if we can get more people to stay in the area.

Comm. Harrison said she will be supporting the motion, and that only providing low-income housing at great distance does not help the community from climate, stress and traffic standpoints. She said a big reason she is supporting the motion is because the fee is applied more evenly, not just in certain industrial zones, which seems a fairer playing field for developers who may no longer shy away from one area of the City and can choose development locations based on what is best for their project and the City.

Comm. Klein said he will be supporting the motion, and that increasing the fee makes sense when looking at office and industrial areas because the Association of Bay Area Governments (ABAG) numbers are all directly related to the housing and jobs balance, and as we continue to add more large office space in the area, our housing numbers rarely keep up. He said current fees do not fully meet our long term goals, and he worries that the numbers may be too small for those areas and could have been a compromise between the \$10 and \$20 vision to be \$15 but

**EXCERPT**

Planning Commission

Meeting Minutes - Final

that Council may reevaluate that. He added that a lower cost for lodging and retail makes sense, that he is glad staff listened to comments from the Planning Commission and that this is a good step forward. He said he is happy to hear how the fees have been used in the past 15 years and hopes that we will get even better use of the funds going forward.

Comm. Rheaume said he will be supporting the motion, and that the fees are moderate and more fairly applied to all zones. He said the comments from the business community discussed concerns about the nexus study and the possible maximum fee but that it is not part of this motion and the proposed fees are reasonable. He added that additional low-income housing is a necessity.

Chair Melton said he will be supporting the motion, that there has been a great discussion tonight and the Housing Officer did a fabulous job. He said the agenda item is about the Housing Mitigation Fee, but that naturally there is curiosity about the actual programs funded by the fee. He noted that the staff report provides a comprehensive review of the recommendation and he too wonders if the number could be even higher, but that the final decision rests with City Council and he looks forward to seeing what they will do. He said he is pleased to hear that the potential additional funding from the increased fee will get us closer to the RHNA numbers, which underscore the importance of affordable housing in Silicon Valley. He said the comment from the member of the public came just before the City Council study session tomorrow night, and that it would be great if NAIOP could say whether they support the fee structure outlined in staff recommendation 2. He said this is an opportunity for NAIOP to work with staff to understand the role of the nexus study, and that he likes that NAIOP is doing an independent peer review, and that while it is not the place of the Planning Commission to recommend a schedule to Council, if NAIOP asked for more time to review the study, Council will do what is best.

MOTION: Vice Chair Olevson moved to recommend to City Council Alternatives:

- 1) Recommend that Council expand the Housing Mitigation Fee to all net new square footage of all non-residential development projects, in any zone.
- 2) Recommend that Council adopt a fee of \$12 per square foot for office/industrial projects (\$6 per square foot for first 25,000 square feet), and \$6 per square foot for retail and lodging projects, both based on net increase in square footage and adjusted annually for inflation as part of the annual fee schedule adoption.
- 4) Recommend that Council have the new fee apply to projects where a complete planning application is submitted after the effective date of the fee.

Comm. Simons seconded. The motion carried by the following vote:

**Yes: 7 -** Chair Melton  
Vice Chair Olevson  
Commissioner Durham  
Commissioner Harrison  
Commissioner Klein  
Commissioner Rheaume  
Commissioner Simons

**No: 0**





December 2, 2014

Ms. Suzanne Ize, Housing Officer  
City of Sunnyvale CDD, Housing Division  
456 W. Olive Avenue  
Sunnyvale, CA 94085

Re: Sunnyvale Council for December 9, 2014  
Economic & Planning Systems, Inc. (EPS) Housing Mitigation Fee Nexus Study dated September 8, 2014

Dear Ms. Ize,

NAIOP Silicon Valley appreciates Sunnyvale Housing Department and EPS for holding informational stakeholder meetings to review the EPS Housing Mitigation Fee Nexus Study on September 24<sup>th</sup> and October 13<sup>th</sup>. City staff and EPS representatives provided an overview of the EPS Nexus Study methodology, data analysis and fee calculations.

Following the October 13<sup>th</sup> informational stakeholder meeting NAIOP Silicon Valley commissioned a peer review of the EPS Nexus Study by Development Financial Advisors (DFA). At the conclusion of DFA's peer review the following issues remain a concern to the commercial real estate community i.e., (1) not all lower-wage workers employed in new commercial development will be new workforce, (2) not all new lower-wage workers will choose to live in Sunnyvale, thereby not impacting the need for new or additional affordable housing and (3) not all new lower-wage workers will create new lower-wage households.

Through various studies, including the Joint Center for Housing Studies of Harvard University, there is a growing body of evidence that the two principal forces behind housing affordability are restrictions on residential development and the growth in low-wage and part-time employment. Additionally the continual escalating cost of residential housing is driven by inadequate housing supply, restrictive land use regulation, infrastructure costs, impact fees and rising labor costs.

EPS warns that the maximum fee contained in their study for Office/R&D/Light Industrial (\$113.99/sq. ft.) *may represent too high a cost burden to sustain development feasibility, and/or may account for housing impacts already addressed in other City programs, so adjustments downward from the maximum fees may be warranted.* The economic vitality of the City of Sunnyvale depends on a strong commercial real estate market and NAIOP strongly encourages the Council to heed EPS own warning!

NAIOP Silicon Valley believes that the city has been very effective in attracting strong economic investment. While it is important to provide housing to an economically diverse community NAIOP believes the critical priority for the City is to insure the continuation of a strong jobs based economy. For these reasons, NAIOP Silicon Valley recommends the adoption of a city-wide commercial impact fee, not to exceed, \$12/sq. ft./net new construction for Office, R&D and Light Industrial.

A handwritten signature in black ink, appearing to read "Patricia E. Sausedo".

Patricia E. Sausedo, Executive Director  
NAIOP Silicon Valley

Attachment: DFA Peer Review EPS Nexus Study for Sunnyvale

Cc: Mayor & Council

# **Linkage Fees: Strategies and Policy Recommendations In Silicon Valley**

Prepared for



Patricia Sausedo, *Executive Director*  
**NAIOP Silicon Valley**

November 2014

**Linkage Fees: Strategies and Policy Recommendations In Silicon Valley | 1**

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**Table of Contents**

Introduction.....	2
The Basis for Jobs-Housing Linkage Fees.....	2
Existing Public Policy and Impacts to New Development .....	4
Affordable Housing Policy Recommendations .....	5
Conclusion .....	8
Attachment 1: Comments to the Housing Mitigation Nexus and Fee Study - City of Sunnyvale	

## Linkage Fees: Strategies and Policy Recommendations In Silicon Valley | 2

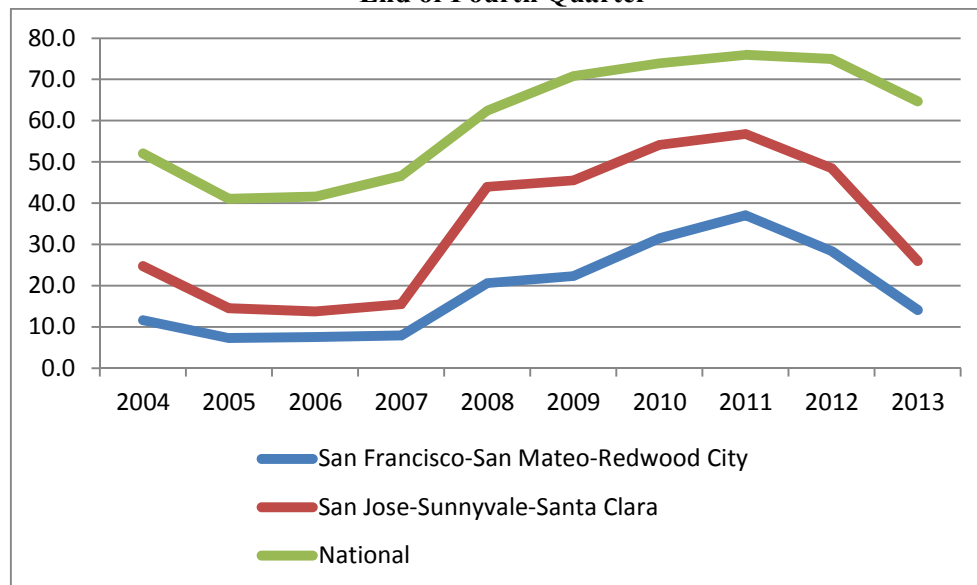
### Introduction

The concept of a jobs-housing linkage fee on commercial development is to mitigate the impact of commercial development on the demand for affordable housing. The developer is asked to either provide the benefit directly or to pay fees that are directed towards providing the benefit. For example, the developer is asked to either build affordable housing units as part of the new development or pay in-lieu fees that will go towards providing affordable housing units. This White Paper provides: (i) an overview of the use of jobs-housing linkage fee programs in Silicon Valley, (ii) describes the impact associated with increasing fees on commercial development and, (iii) explores supplementary or alternative funding options to help absorb the increasing cost associated with affordable housing.

### The Basis for Jobs-Housing Linkage Fees

As indicated by the Housing Opportunity Index (HOI) prepared by the National Association of Home Builders (NAHB) and Wells Fargo, cities in the Silicon Valley<sup>1</sup> continue to lead the nation in offering the least affordable homes. The HOI shows San Francisco as the least affordable city in the nation from 1991-2001 and has taken the crown back from the New York and Los Angeles housing areas since 2012.<sup>2</sup>

**Figure 1**  
**Housing Opportunity Index in Silicon Valley MSAs**  
**End of Fourth Quarter**



Source: NAHB/Wells Fargo

<sup>1</sup> Cities in the Silicon Valley include San Francisco, Burlingame/Hillsborough, San Mateo, Foster City, Menlo Park/Atherton, Palo Alto, Mountain View, Sunnyvale, Los Altos, Fremont, Milpitas, San Jose, Cupertino, Saratoga and Los Gatos. Source: Silicon Valley Regional Center. [www.siliconvalleyeb5.com](http://www.siliconvalleyeb5.com)

<sup>2</sup> "The NAHB/Wells Fargo Housing Opportunity Index: History of Least and Most Affordable Areas" available at [www.nahb.org](http://www.nahb.org).

### Linkage Fees: Strategies and Policy Recommendations In Silicon Valley | 3

According to the NAHB and Wells Fargo, the HOI for the second quarter of 2014 is 11.1 in the San Francisco-San Mateo-Redwood City MSA (or 11.1% of homes sold in the second quarter were affordable to families earning the area's median income of \$100,400) and 21.5 in the San Jose-Sunnyvale-Santa Clara MSA (or 21.5% of homes sold in the second quarter were affordable to families earning the area's median income of \$100,900). The national average in the second quarter of 2014 was 62.6 (or 62.6% of homes sold in the U.S. in the second quarter were affordable to families earning the national median income of \$63,900).

Since the loss of redevelopment agencies and the State court prohibition of rental inclusionary zoning, cities have increasingly relied on impact fees to support affordable housing. To provide additional resources to increase affordable housing unit production, commercial linkage fee programs have been implemented by several cities in the Silicon Valley area. Revenues generated by the fee are intended to help fund the development of affordable housing units within accessible commuting distance to the center of employment. Linkage fees vary by type of commercial development, such as office, hotel, retail or industrial and different development types maybe charged separate rates per square foot of development, due to the differing levels of impact. The size of linkage fees varies by construction, with office and R&D development categories generally having higher linkage fees than other building categories. This is seen in Silicon Valley cities, as shown in the table below.

**Table 1**  
**Jobs Housing Linkage Fee Programs (2014)**

<b>Jurisdiction</b>	<b>Building Category</b>	<b>Fee per SF</b>	<b>Exemptions / Threshold</b>
City and County of San Francisco	Office R&D Entertainment and Retail Integrated PDR and Small Enterprise	\$24.03 \$16.01 \$22.42 \$18.89	25,000 GSF threshold
City of Palo Alto	Commercial and Industrial	\$19.31	Not-for-profits, education, hospitals, recreation
City of Menlo Park	Office and R&D All other	\$15.19 \$8.24	Not-for-profits, education, hospitals, recreation
City of Sunnyvale*	Office/R&D and Light Industrial (located within industrial zoning districts)	\$9.74	Applies only to portion of project in excess of allowable FAR
City of Mountain View	Office, Industrial and High-Tech Hotel, Retail and Entertainment	\$10.26 \$2.60	Fee is 50% less if meets threshold: Office<10,000 SF Hotel<25,000 SF Retail<25,000 SF
City of Cupertino	Office, Industrial, Hotel, Retail, R&D Planned Industrial Park Zones	\$6.00 \$3.00	No minimum threshold

\*Sunnyvale: Updated study underway at the time of preparation of this paper.

## Linkage Fees: Strategies and Policy Recommendations In Silicon Valley | 4

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Jobs-housing fees significantly impact the decision making process of commercial developers and builders, including “go” or “no go” decisions to move forward on projects when deciding among various locations.

### **Existing Public Policy and Impacts to New Development**

Public policy towards linkage fees attempt to strike a balance between the impact of growth in non-residential development to accommodate job expansion and stimulating affordable housing for workers.

The assignment of ‘responsibility’ behind the lack of housing affordability and the derivation of linkage fees is subject to debate. Policy regarding the use of linkage fees should consider the origin of affordability problems. What causes or perpetuates the need for affordable housing? According to the Joint Center for Housing Studies of Harvard University, “evidence is mounting that the two principal forces behind housing affordability problems are restrictions on residential development and the growth in low-wage and part-time employment.” “Affordability problems are most acute in housing markets with the strictest land use regulations.” Are these problems associated with the development of nonresidential land uses? Do linkage fees look at the big picture regarding the positive economic impacts (new tax revenue) new development provides to a local economy?

Funding affordable housing via linkage fees often creates an inequitable environment because it only applies to new development and not to existing property. A significant amount of initial costs to fund the gap in affordable housing is burdened by new development, sometimes without consideration for other funding sources. At times, this inequity among “new” and “existing” developments is further exacerbated due to different tax provisions. According to a study prepared by the California Tax Reform Association in 2012, “hundreds of acres of prime commercial land are taxed at very low values.”<sup>3</sup> The study points out that in some areas of commercial lands, assessed values and property taxes for major companies are fixed at a level from a generation ago. It provides an example of Intel, which is located on 36 acres of desirable land taxed at 2 cents per square foot, or \$980 per acre; another is IBM, which pays \$202 per acre on 200 acres of land. In comparison, Google recently bought commercial land that generates \$1.35 in tax per square foot, or \$58,000 per acre in tax, about 60 times Intel’s tax. Public policy can assist with providing for a more equitable approach to funding public benefits and provide a more competitive playing field within their respective jurisdictional boundaries.

Linkage fees can be a variable in the decision-making process of land buyers. Linkage fees raise the costs of development, or might be reflected in lower prices paid by developers for land. The rise in development costs can have an opposite effect on the desire for more local employment growth as well as affordable housing units. One

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<sup>3</sup> Goldberg, Lenny and David Kersten. “High Tech, Low Tax: How the Richest Silicon Valley Corporations Pay Incredibly Low Taxes on Their Land.” *California Tax Reform Association* March 2012

## Linkage Fees: Strategies and Policy Recommendations In Silicon Valley | 5

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cannot discount the landowner possibly changing his or her original intention for the land, which is to retain the property to generate income; however, a profit-driven landowner may seek an alternative use that will also generate income and reduce total development costs (for example, building a parking structure instead of office and/or retail buildings or mixed-use residential housing). A study prepared by the U.S. Housing and Urban Development (HUD) argues that although fair and reasonable levels of impact fees can be an efficient way to pay for growth-related infrastructure costs, impact fees “pose the greatest barrier to affordable housing when they are regressive or disproportionate to actual development costs.”<sup>4</sup>

### Affordable Housing Policy Recommendations

Impact fees and in-lieu fees for affordable housing collected by cities in Santa Clara County totaled over \$25 million, or 53%, of the total \$47.3 million funds received for affordable housing in 2013. This is in contrast to the 17% contribution share of impact fees and in-lieu fees for affordable housing in 2008 before the loss of redevelopment funding.<sup>5</sup> There are numerous, practical approaches to supply housing at all levels of affordability that can be supported by various means. For example, housing policies can have a significant impact on the effectiveness of providing affordable housing. Charter cities, especially, can have a profound impact to local housing policies, as they have relatively more autonomy in regards to governance than general law cities. In contrast, general cities are bound by the State’s general laws. Zoning ordinances of charter cities are not required to be consistent with the city’s general plan, unless the city has adopted a consistency requirement, for example.

Several actions and policies that may be considered and benefit affordable housing in the long term include:

- *Identifying additional funding sources for supplying affordable homes.*
  - Aggressively apply for available external funding. Both Federal and State resources can alleviate affordable housing funding gaps. Resources such as the U.S. Department of Housing and Urban Development’s Community Development Block Grants and HOME Investment Partnerships Program. These funds are used to finance a wide range of affordable housing activities. HOME’s requires participating jurisdictions match 25 cents of every dollar in program funds.<sup>6</sup>
  - Dedicate a percentage of tax revenues, such as tax increment, or levy new tax to fund affordable homes. As an example, in November 2012, voters

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<sup>4</sup> U.S. Department of Housing and Urban Development. “Why Not In Our Community? Removing Barriers to Affordable Housing.” An Update to the Report of the Advisory Commission on Regulatory Barriers to Affordable Housing. 2005 February.

<sup>5</sup> Mohsen, Raania, Kevin Zwick and Shannon McDonald. “Affordable Housing Funding Landscape and Local Best Practices.” *Cities Association of Santa Clara County and Housing Trust Silicon Valley* 2 December 2013.

<sup>6</sup> U.S. Department of Housing and Urban Development.

[http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/comm\\_planning/affordablehousing/programs/home/](http://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/affordablehousing/programs/home/)

## Linkage Fees: Strategies and Policy Recommendations In Silicon Valley | 6

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in the City of Bellingham, Washington, approved Proposition 1, a low-income housing levy, by a majority vote. This imposes a tax of 36 cents per \$1,000 of property value. It is expected to generate \$3 million annually over seven years, for a total of \$21 million to the Bellingham Home Fund to provide housing for lower-income families, seniors, veterans, and others at-risk or experiencing homelessness.<sup>7</sup>

- Consider issuing bonds, as part of the mix to fund affordable housing. In 2012, Houston voters approved Proposition E, which authorized the issuance of \$15 million affordable housing bonds for the acquisition, construction, rehabilitation of affordable housing and the levying of taxes.<sup>8</sup>
- Utilize existing State financing mechanisms to fund affordable housing. In 1990, California enacted the Infrastructure Financing District Act, which authorizes cities and counties to create infrastructure financing districts (IFDs) and issue bonds to finance public improvements. Properties in the IFD do not have to be located in blighted areas and can overlap existing redevelopment project areas. IFDs may also receive tax increment from property within the district. In September 2014, California passed the Enhanced Infrastructure Financing Districts Act (Senate Bill No. 628), giving communities more authority to build infrastructure they deem would achieve their growth and sustainability goals. Jurisdictions may utilize provisions under SB No. 628 to support affordable housing. Affordable housing provisions are specified in Sections 53398.52, 53398.53, 53398.56, and 53398.63. In particular, Section 53398.53 states that an infrastructure financing district “may reimburse a developer of a project that is located entirely within the boundaries of that district for any permit expenses incurred and to offset additional expenses incurred by the developer in constructing affordable housing units pursuant to the Transit Priority Project Program established in Section 65470.”<sup>9</sup>
- Introduce a transfer tax for the sale or transfer of commercial real estate. Although the City of Santa Monica, California in the November 2014 election failed to raise its transfer tax on real estate transactions of at least \$1 million from the current \$3 per \$1,000 to \$9 to support affordable housing, the bill (Measure H) can nevertheless be emulated in the Silicon Valley region.

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<sup>7</sup> Bellingham City Low-Income Housing Levy Proposition (November 2012). [www.ballotpedia.org](http://www.ballotpedia.org)

<sup>8</sup> Mellon, Ericka and Monica Rhor. “Voters approve most, possibly all, of city’s \$415 million bond package; HISD, Metro HCC also succeed.” *Houston Chronicle* 6 November 2012.

<sup>9</sup> California Legislative Information. [http://www.leginfo.ca.gov/pub/13-14/bill/sen/sb\\_0601-0650/sb\\_628\\_bill\\_20140929\\_chaptered.htm](http://www.leginfo.ca.gov/pub/13-14/bill/sen/sb_0601-0650/sb_628_bill_20140929_chaptered.htm). Text of the Transit Priority Project Program Section 65470 can also be found on <http://www.leginfo.ca.gov>.

## Linkage Fees: Strategies and Policy Recommendations In Silicon Valley | 7

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- *Reviewing current housing and zoning ordinances and programs to examine for opportunities to make homes less expensive to build and more affordable.*
  - Provide incentives to residential developers that encourage a healthy supply of market rate homes, which could prevent home prices from significantly rising.
  - Introduce mechanisms that expire linkage fees if certain agreed-upon milestones are not met.
  - Eliminate regulatory barriers that hinder construction of affordable housing. A report by HUD cites several barriers affecting the construction of affordable housing, which includes increased environmental regulations, misuse of smart growth, excessive subdivision controls, expansion of impact fees, and obsolete building and rehabilitation codes, such as requiring the use of expensive materials. For example, New Jersey adopted a housing rehabilitation code that reduced rehabilitation costs by 25% and increased the number of rehabilitation by about 25%.<sup>10</sup>
  - Promote the use of surplus property for affordable housing construction, which would eliminate land costs and help in the affordability of housing. Further, while “affordable by design” such as smaller units, may not be necessarily affordable for lower income households, it may benefit entry-level workforce housing.<sup>11</sup>
  - Evaluate density bonus ordinances to consider greater flexibility for production of more low income housing.
  - Exempt new development that does not create a new impact. A new development that replaced an existing one does not increase its impact, unless the new development is bigger than the previous one. If the new development is bigger than the previous one, the linkage fee should be adjusted to reflect the incremental impact of the new development.
  - Eliminate or reduce linkage fees for rehabilitating blighted areas. The idea here is to encourage new development in economically depressed regions. For example, the City of Albuquerque has in their ordinance a full or partial waiver of impact fees for affordable housing projects that meet economic-based development projects.<sup>12</sup>
  - Amend an existing or prepare a “smart growth” plan that can reduce cost of development, with input from developers, the community and public agencies.

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<sup>10</sup> U.S. Department of Housing and Urban Development. “Why Not In Our Community? Removing Barriers to Affordable Housing.” An Update to the Report of the Advisory Commission on Regulatory Barriers to Affordable Housing. 2005 February.

<sup>11</sup> Mohsen, Raania, Kevin Zwick and Shannon McDonald. “Affordable Housing Funding Landscape and Local Best Practices.” *Cities Association of Santa Clara County and Housing Trust Silicon Valley* 2 December 2013.

<sup>12</sup> City of Albuquerque Code of Ordinance Section 14-19-15 (“Exemptions”).

## Linkage Fees: Strategies and Policy Recommendations In Silicon Valley | 8

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- *Providing financial alternatives to assist with linkage fee cost impacts on certain employment generating developments.*
  - Consider waivers or subsidies to specific commercial developments that may warrant subsidies. For example, the City of Mountain View may waive linkage fees if the nonresidential development project is constructed for a specific use that will not have employees or fewer than one employee per 2,000 square feet of gross floor area. Additional criteria include having the building designed and built such that it cannot be converted to a use that can house a larger number of employees, except by major reconstruction.<sup>13</sup> Commercial building construction for certain industries may also be given some form of credit towards linkage fees. Commercial construction for the technology sector, which utilizes office and/or R&D spaces, could be given linkage fee waivers or subsidies. Jurisdictions providing economic subsidies will require dissemination of certain information to the public regarding the subsidy pursuant to Assembly Bill No. 562.
  - Provide economic incentives that fulfill specific criteria established by the jurisdiction. The City of San Diego, for example, created Policy No. 900-12, which provides incentives such as expedited permit review processes and reimbursement of all or a portion of building and/or development-related fees as long as the business provides “significant revenues and/or jobs, promote the stability and growth of City taxes and other revenues, encourage new business and other appropriate development in older parts of the City, or respond to other jurisdictions’ efforts to induce businesses to relocate from San Diego.” The business must also be consistent with the City’s Community and Economic Development Strategy.<sup>14</sup>
  - Consider amending Floor Area Ratio (FAR) restrictions.
  - Provide linkage fee deferral options consistent with timing of employment impacts (based on occupancy).

### Conclusion

Linkage fees on commercial development continue to be used as a way to alleviate the low levels of affordable housing in the Silicon Valley region. The demise of redevelopment funding in California has increased reliance by cities on impact fees and in-lieu fees for affordable housing. Current housing policies may be outdated, warranting their review to examine for costly barriers to constructing affordable housing. These policy reviews and changes include a combination of using external funding, revising zoning ordinances, engaging in public-private collaborations and providing financial incentives to stimulate desirable economic activity and the construction of affordable housing.

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<sup>13</sup> Ordinance to repeal Chapter 36 (Zoning Ordinance) and Add a New Chapter 36 (Second Reading). *City of Mountain View* 10 December 2013.

<sup>14</sup> City of San Diego Council Policy No. 900-12. Effective date May 15, 2001.

## Linkage Fees: Strategies and Policy Recommendations in Silicon Valley

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### Housing Mitigation Nexus and Fee Study – City of Sunnyvale

On behalf of the City of Sunnyvale, a Housing Mitigation Nexus and Fee Study, dated September 8, 2014 (“Study”) was prepared by Economic Planning Systems (“EPS”). The purpose of the Study is to “quantify the relationship between the growth in nonresidential land uses and the demand for and cost of affordable housing for the local workforce.”

#### Nexus Review

In order to establish this relationship, the Study makes a number of working assumptions. The following assumptions are key to the Study findings:

- Nonresidential development will demand a new workforce.
- A portion of the new workforce will be lower-wage workers.
- Household formations occur when new lower-wage jobs are created.

A closer look at each of these assumptions raises questions. What the Study doesn’t address includes the following:

- Not all lower-wage workers employed in new commercial development will be new workforce. While adjustments were made for young workers, further consideration should be made for existing residents fulfilling the local job market; such as unemployed workers or workers changing industries that will not create a new impact on affordable housing needs.
- Not all new lower-wage workers will choose to live in Sunnyvale, thereby not impacting the need for new or additional affordable housing. It is not reasonable to assume all new lower-wage workers would choose to live in Sunnyvale. For example, it is common that housing choices are made based on proximity to schools, family members, or based on the location of other household worker job locations.
- Not all new lower-wage workers will create new lower-wage households. The Study assumes that all household workers earn an equal wage. While it probable in certain instances, it is not reasonable to assume in all cases. It is common that one household worker or spouse may choose to work a lower-wage job to supplement a higher wage workers income.

Seemingly the Study attempts to generalize the makeup of the lower-wage worker and worker households. In some instances the assumptions might be accurate; however, blanket statements not supportable by data should be balanced with rational adjustments so not to knowingly overstate the results of the analysis.

## Linkage Fees: Strategies and Policy Recommendations in Silicon Valley

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The relationship between affordable housing needs and nonresidential development is subject to further examination and raises questions regarding the methodology of linkage fees. According to the Joint Center for Housing Studies of Harvard University, “evidence is mounting that the two principal forces behind housing affordability problems are restrictions on residential development and the growth in low-wage and part-time employment.” “Affordability problems are most acute in housing markets with the strictest land use regulations.”<sup>1</sup>

The cost of residential housing are driven by issues such as, commodity prices, labor costs, infrastructure costs and impact fees, public policy, land use regulations and housing supply. According to the City of Sunnyvale’s “Nexus Based Affordable Housing Fee Analysis for Rental Housing”, the growth of low-wage and part-time employment is driven by the spending habits of residents living in new rental housing. To “link” either of these issues to nonresidential development is inconsistent with the above cited findings as well as the City’s other nexus-based study finding.

### Summary

The Study notes that the maximum fee *“may represent too high a cost burden to sustain development feasibility, and/or may account for housing impacts already addressed in other City programs, so adjustments downward from the maximum fees may be warranted”*.

By suggesting adjustments downward from the maximum fee levels may be warranted due to the fact that housing impacts are already addressed in other City programs, the preparer of the Study acknowledges the Study is incomplete. In effect, the Study partly assigns the responsibility of establishing an appropriate fee level with City staff or City council. It is the responsibility of the preparer of the Study to meet the required findings of nexus law and it is these findings, after thoroughly evaluating and analyzing all relevant information, that establish a “maximum” fee level. To knowingly report a maximum fee that has not accounted for “other City programs” indicates a result and corresponding fee level that is inflated.

Linkages between nonresidential development and affordable housing are subject to debate. The costs to build housing and related affordability gaps are the result of numerous variables, as described in this review, and are arguably independent of nonresidential development. The Study chooses to assign nonresidential land use as the responsible party to mitigate the impacts of economic activity associated with local spending habits. The methodology is contradictory to the City of Sunnyvale’s “Nexus Based Affordable Housing Fee Analysis for Rental Housing” conclusions regarding responsibility for the impact on and causation of affordable housing. These contradictions result in duplication of linkage fees among residential and nonresidential land uses and leave questions regarding the soundness of the proposed linkage fee program.

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<sup>1</sup> Joint Center for Housing Studies of Harvard University. “The State of the Nation’s Housing, 2006”.



# City of Sunnyvale

## Agenda Item

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14-1076

Agenda Date: 12/9/2014

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### REPORT TO COUNCIL

#### SUBJECT

2014 4<sup>th</sup> Quarterly Consideration of **GENERAL PLAN AMENDMENT INITIATION REQUEST**

**File #:** 2014-7958

**Location:** 690 E. Arques Avenue (APN: 201-31-005)

**Proposed Project:** Request to study a General Plan Land Use Designation change from Industrial to Schools, Residential High Density, or other designation that would accommodate a middle and high school. This Study may include other properties in the vicinity and evaluate other General Plan designations.

**Applicant / Owner:** Summit Public Schools / 690 East Arques LLC.

**Environmental Review:** Environmental Review is not required to initiate a General Plan study. The individual studies and potential future projects will be subject to the provisions of the California Environmental Quality Act (CEQA).

#### BACKGROUND

The Sunnyvale General Plan <<http://ecityhall.sunnyvale.ca.gov/cd/GeneralPlan.pdf>> is a fundamental policy document used for guiding the City through change and growth. It addresses the physical development of the City and, when used together with a larger body of City Council policies, provides direction for decision-making on City services and resources. It is both a long-range and a strategic planning document, containing long-term goals and policies for the next 10-20 years and strategic actions for the next 5-10 years. As community needs and values change, the City periodically reviews and updates the General Plan to remain a realistic document to achieve the community's vision.

The process for reviewing changes to the General Plan land use designations requested by property owners or project applicants is through a General Plan Amendment (GPA) study. The first step is to request that the City Council initiate a study through a General Plan Amendment Initiation (GPI). If the Council initiates the request, a formal application for a GPA may be filed.

In late 2013, the City Council adopted a revised process for considering GPIs which included a limit of four hearings on GPIs each year. Previously GPIs could be heard throughout the year as many times as there were requests and each GPI was generally considered separately and only by the City Council. With the revised process, each cycle includes noticed hearings and the GPI is considered before both the Planning Commission and City Council.

In this cycle the City has received only one request, which is from Summit Public Schools for property located at 690 E. Arques Ave. In 2005, the City Council supported a request by KB Homes South Bay to study the land use for this same site for either Industrial to Residential (ITR) or Residential High Density (RHD). Following the City Council's approval of a GPI to study residential use, a

preliminary review application was submitted for review in 2006. However because of the economic downturn, KB Homes did not proceed with formal applications.

### **EXISTING POLICY**

The GPI under consideration is a request to change from an Industrial land use designation to Schools, Residential High Density, or other designation that is compatible with nearby uses and would allow elementary and high schools. The General Plan contains a number of goals and policies that are applicable to this request.

### **Land Use & Transportation Element**

**GOAL LT-4 Quality Neighborhoods and Districts** - Preserve and enhance the quality character of Sunnyvale's industrial, commercial, and residential neighborhoods by promoting land use patterns and related transportation opportunities that are supportive of the neighborhood concept.

- **Policy LT-4.1** Protect the integrity of the City's neighborhoods; whether residential, industrial or commercial.
- **Policy LT-4.2** Require new development to be compatible with the neighborhood, adjacent land uses, and the transportation system.
- **Policy LT-4.3** Support a full spectrum of conveniently located commercial, public, and quasi-public uses that add to the positive image of the City.
- **Policy LT-4.14** Support the provision of a full spectrum of public and quasi-public services (e.g., parks, day care, group living, recreation centers, religious institutions) that are appropriately located in residential, commercial and industrial neighborhoods and ensure that they have beneficial effects on the surrounding area.

**GOAL LT-7 Balanced Economic Base** - Endeavor to maintain a balanced economic base that can resist downturns of any one economic sector.

- **Policy LT-7.3** Promote commercial uses that respond to the current and future retail service needs of the community.

### **Community Character Element**

**GOAL CC-3 Well Designed Sites and Buildings** - Ensure that buildings and related site improvements for private development are well designed and compatible with surrounding properties and districts.

- **Policy CC-3.2** Ensure site design is compatible with the natural and surrounding built environment.

### **Safety and Noise Element**

**GOAL SN-1 Acceptable Levels Of Risk For Natural And Human-Caused Hazards** - Ensure that natural and human-caused hazards are recognized and considered in decisions affecting the community and that land uses reflect acceptable levels of risk based on identified hazards and

occupancy.

- **Policy SN -1.1** Evaluate and consider existing and potential hazards in developing land use policies. Make land use decisions based on an awareness of the hazards and potential hazards for the specific parcel of land.

## **ENVIRONMENTAL REVIEW**

Environmental Review is not required to initiate a General Plan study. The individual studies and potential future projects will be subject to the provisions of the CEQA depending on the scope of those projects.

## **DISCUSSION**

### **GPI Request:**

Summit Public Schools, a charter school program has requested a GPI to study a General Plan designation change from Industrial to Schools or other designation that would accommodate their combined middle-high school (grades 6 through 12). Elementary and high schools are not allowed in Industrial zoning districts areas because of potential health and safety issues associated with industrial and manufacturing activities. The location of the site is contained in Attachment 1. A copy of the applicant's request is contained in Attachment 2.

### **Project Site and Surrounding Uses**

The project site consists of a 3.18 acre parcel located on the south side of E. Arques Avenue between N. Fair Oaks Avenue and N. Wolfe Road. The site is fully developed and is occupied with a vacant two-story office building. A site plan is contained in Attachment 3.

The site is in a transitional area. The existing land uses, General Plan Land Use Designations and Zoning Districts for the subject and surrounding properties are described in the table below and shown on Attachment 4.

	<b>Existing Land Use</b>	<b>Existing GP Land Use Designation</b>	<b>Existing Zoning</b>
<b>Project Site</b>	Office (Vacant)	Industrial - Places of Assembly	MS-POA
<b>West</b>	Attached Residential	Residential High Density	R-4
<b>North</b>	Townhouses	Industrial to Residential	MS-ITR (Medium Density)
<b>East (adjacent)</b>	Water Channel/ PG&E Transmission lines	Industrial - Places of Assembly	MS-POA
<b>East</b>	Places of Assembly	Industrial - Places of Assembly	MS-POA
<b>South (across Central Expressway)</b>	Single Family Detached Residential	Low Density Residential	R-0

Zoning Designation Legend: R-0 Low Density Residential R-4 High Density Residential MS/ITR/R-3 Industrial and Service -Industrial To (Medium Density) Residential MS-POA Industrial and Service - Places of Assembly
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### Proposed School Use

The proposal to allow the establishment of a combined middle and high school in the existing 65,520 square foot two-story office building located at 690 E. Arques Ave. The applicant states that they expect to initially provide educational services to about 325 students in the 2015-2016 school year. They project their enrollment to increase to a maximum of 725 students by the 2019-2020 school year, with a commensurate increase in staff from 20 to 45.

There are two basic questions associated with this request. The first question is, if this site were appropriate for a middle-high school, what is the appropriate General Plan Land Use Designation. The second question is whether the study should focus on this site only or an expanded area.

In order to allow a middle-high school on the project site, the City Council would first need to change the General Plan to a designation that would allow an appropriate zoning district allowing this type of education use. To allow middle and high schools, the City could examine a number of Land Use Designations.

**Schools:** Schools would allow a Zoning Designation of PF (Public Facility). The Public Facilities zoning district is reserved for governmental, public utility and educational buildings and facilities, and other uses compatible with the public character of the district. The PF Zoning District allows community serving places of assembly such as churches, educational uses and child care centers with approval of a Use Permit.

**Residential:** Any Residential General Plan land use designation and related zoning district would allow educational facilities with the approval of a Use Permit. The site is an unlikely candidate for low density or low-medium density residential uses due to its siting adjacent to Central Expressway. Studying Residential Medium Density (RMED 14-27 dwelling units per acre) and Residential High Density (RHI 27-45 dwelling units per acre) General Plan designations could be considered.

The geographic scope of the GPA is also a part of this GPI request. The second question is whether the GPA should focus on just the project site or incorporate a larger area.

In locations where a general plan amendment could set a precedent, could create incompatible land uses adjacent to each other, or could change the character of an area, a larger general plan amendment study area is more appropriate. In locations where a general plan amendment is not likely to result in (or encourage) a large scale change in land uses, a more focused study is suitable.

The site of the proposed GPA is located between two established and economically viable land use areas. The first area is the high density residential area to the west and north. The second area is the places of assembly district to the east. Central Expressway creates a logical transition zone or barrier to other land use areas to the south. For this reason, land use compatibility and connectivity to the south is not an important factor in this case.

Because the surrounding land uses to the north, west and east were already evaluated during earlier general plan studies for Industrial to Residential and Places of Assembly, and this site could be compatible with either of these surrounding land use designations, a focused study would be appropriate in this circumstance. If the City Council agrees to initiate a General Plan Amendment study, the General Plan Amendment, Zone Change and Use Permit analysis would need to address, at a minimum, the following topics:

- Traffic impacts, including vehicular, pedestrian and bicycle safety;
- Potential impacts on the sewer system;
- On-site circulation, especially related to the drop-off/pick of students (as well as emergency vehicle access);
- Building and Fire Code compliance for an education use; and
- On-site amenities for school use related to student recreation, dining, etc.

### **BALANCED GROWTH PROFILE**

There are no project-related impacts when initiating a GPA Study. Impacts of each amendment would be evaluated as part of the study. For information purposes, the Balanced Growth Profile (from October 2014) is provided as Attachment 5.

### **FISCAL IMPACT**

No fiscal impacts are associated with initiating a General Plan study. The costs for technical and environmental studies and preparation of the CEQA document will be covered by the applicant.

### **PUBLIC CONTACT**

Public contact was made through the posting of the agenda on the City's official-notice bulletin board outside of City Hall, at the Sunnyvale Senior Center, Community Center and Department of Public Safety. The agenda and report are also available in the Reference Section of the City Library, in the Office of the City Clerk and on the City's website. Notices were sent to all property owners and businesses within the suggested expanded study areas as well as to property owners within 500 feet of the recommended study area boundaries; 596 notices were mailed.

The Planning Commission considered this request at a public hearing on November 24, 2014. During the public hearing, a representative of Summit Public Schools spoke; no other members of the public addressed the Commission on the request. A commissioner asked if the flood control channel, adjacent to the east would be used for future public access; staff indicated future public use of the channel could be included in a General Plan Amendment study. Following the public hearing, the Planning Commission voted 6-1 to recommend that the City Council authorize the initiation of a focused General Plan Study for 690 E. Arques Ave., evaluating both Schools and Residential High Density General Plan designations (Alternative 1). The dissenting vote expressed concerns with a user-specific general plan study that is limited in size and concerns with the long term land use needs of the community. Draft minutes of the Planning Commission hearing are in Attachment 6.

### **ALTERNATIVES**

1. Initiate a focused General Plan Study for 690 E. Arques Ave., evaluating both Schools and

Residential High Density General Plan designations.

2. Initiate a General Plan Study for the site with modified direction to geographic scope or land use designations.
3. Do not initiate General Plan Study for the site.

**PLANNING COMMISSION/STAFF RECOMMENDATION**

Alternative 1: Initiate a focused General Plan Study for 690 E. Arques Ave., evaluating both Schools (SCH) and Residential High Density (RHI) General Plan designations for the site.

Staff recommends that the City Council authorize a focused General Plan Amendment Study to explore the Schools (SCH) and Residential High Density (RHI) designations. The Residential High Density designation is considered to be a more appropriate land use transition to the Place of Assembly area to east. If the City Council ultimately approves a Schools or Residential High Density designation it would be an opportunity to rezone the site to either the Public Facility (PF) or R-4 zoning district, as appropriate.

Prepared by: David Hogan, Contract Planner

Reviewed by: Trudi Ryan, Planning Officer

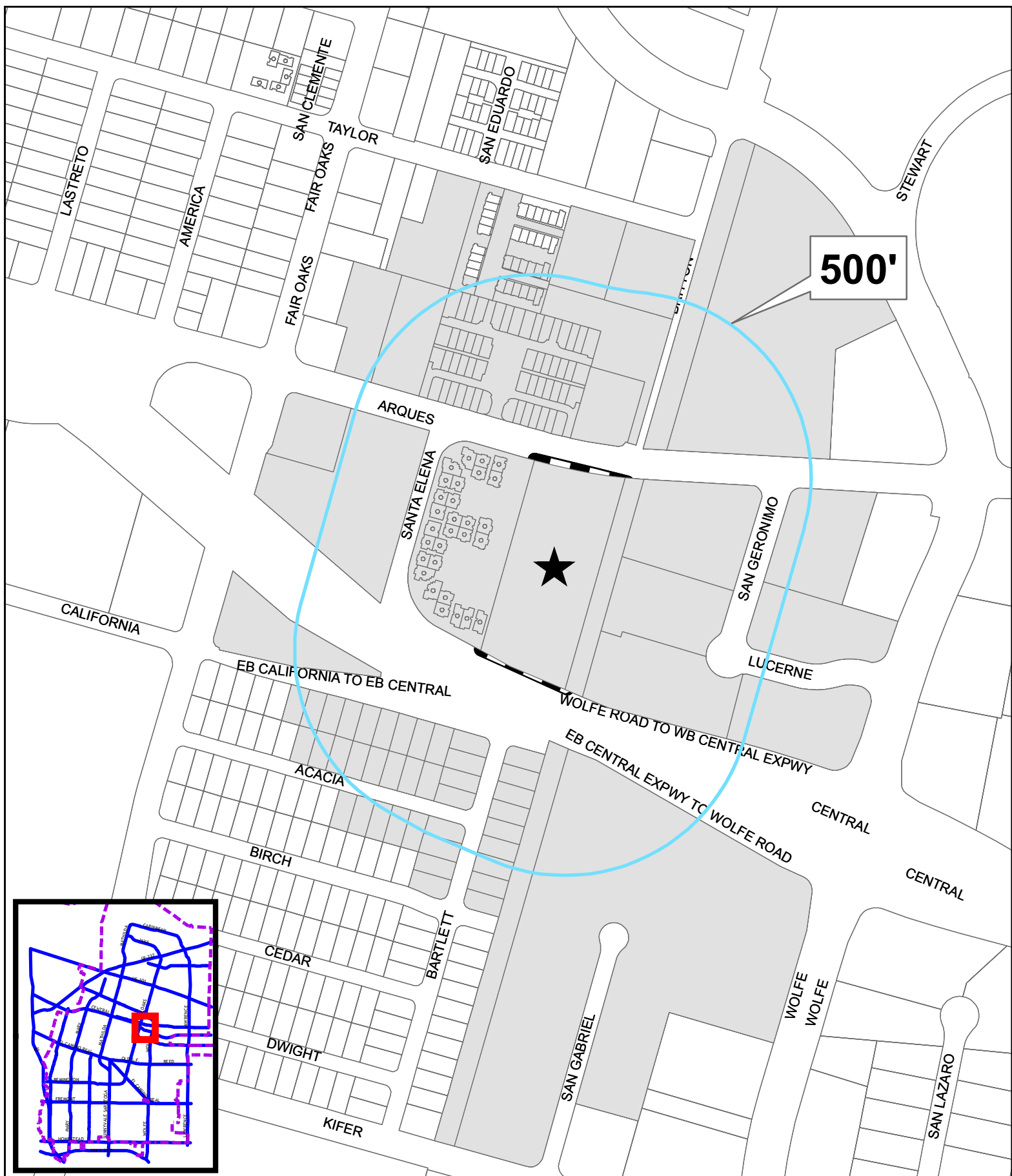
Reviewed by: Hanson Hom, Director, Community Development Department

Reviewed by: Robert A. Walker, Assistant City Manager

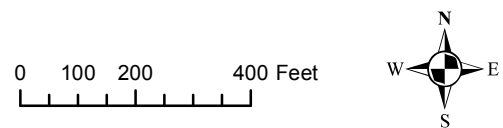
Approved by: Deanna J. Santana, City Manager

**ATTACHMENTS**

1. General Plan Vicinity Map
2. Applicant's Request Letter
3. Site Plan
4. General Plan Land Use Map
5. Balanced Growth Profile, October 2014
6. Draft Planning Commission Minutes of November 24, 2014



690 E. Arques (APN: 205-31-005)





**City of Sunnyvale  
General Plan Amendment Initiation Request  
Project Description Letter  
10/30/2014**

**Project:** Summit Public School: Denali

**Proposed Site:** 690 E. Arques Avenue, Sunnyvale

**Project Description:** Summit Public Schools (SPS) plans to lease the existing 65,520 s.f. building to operate a public charter middle school and high school (grades 6 – 12). Our target population is the diverse community of families in the local community with particular focus on underserved students along the Highway 101 corridor. In 2015 the school will serve 330 students and grow by about 100 students each year until it reaches capacity at 725 students in the 2019-2020 school year.

**Reason for General Plan  
Amendment:**

Summit Public School: Denali will provide a free, high quality college prep education to all students attending our grade 6-12 school in Sunnyvale. We already have more than 200 families enrolled in our public charter middle school and a strong showing of additional applicants for the fall of 2015. The enrolled students and the applicants represent the diversity of the northern Santa Clara County area, especially that along the “101 corridor.” In line with our goal of a diverse, heterogeneous school community, our outreach efforts have specifically targeted underserved families along the 101 corridor where several of the existing public schools are low performing. Our proposed site at 690 E. Arques is located in the San Miguel Elementary school attendance area where 78.8% of the students qualify for free or reduced price lunch. This location makes a high performing school accessible to these families and those in the surrounding neighborhoods. .

Having opened Summit Denali in the fall of 2013, Summit Public Schools first began our exhaustive search for long-term facilities back in 2012. Even after opening Summit Denali, Summit Public Schools has continued to aggressively search for a long-term facility. Thus, we have conducted more than two and half years of active searches with three different

brokers in three different cities and have found extremely few options that can meet the needs of the students (appropriate location, cost, owner willingness, open floor design).

We determined that the Arques site is an ideal fit for our educational mission, program needs and student needs, even though it will come at a huge financial cost to Summit Public Schools. We believe that our small school model and innovative program is compatible with the current uses in the neighborhood. The location on Arques Avenue, and the ample surround parking on the property provides a clear and easy pathway to ensure traffic disruptions would be minimal. Although zoned for industrial use with a POA overlay, the surrounding neighborhood gives no impression of an industrial area. The site is surrounded by three apartment complexes (one to the west, two to the north), two places of worship (both to the east), one small manufacturing company (to the north) and Central Expressway (to the south).

**Neighboring Properties:**

North – Eaves apartment complex, TM Industries, Pinnacles Terrace apartment complex  
South – Central Expressway  
East – Iranian Christian Church, Hindu Temple  
West – Santa Elena Terrace housing complex

**Zone:**

M-S Industrial and Service with a POA overlay

**Proposed Use:**

Educational Facility (Charter Middle and High School)

**Outside Use:**

Fitness/outdoor activities on site if possible (not required)

**Other Tenants:**

None

**Proposed Occupant Load:**

	Students	Faculty
2015-2016	330	20
2016-2017	430	27
2017-2018	525	33
2018-2019	625	39
2019-2020	725	45

**Previous Use:** Office use for California State Teacher Retirement Services (CalSTRS)

**Hours of Operation:** 7 am – 5 pm Monday - Friday

**Daily Schedule:** Start Time – 8 a.m.  
Dismissal Time – 3:30 p.m.

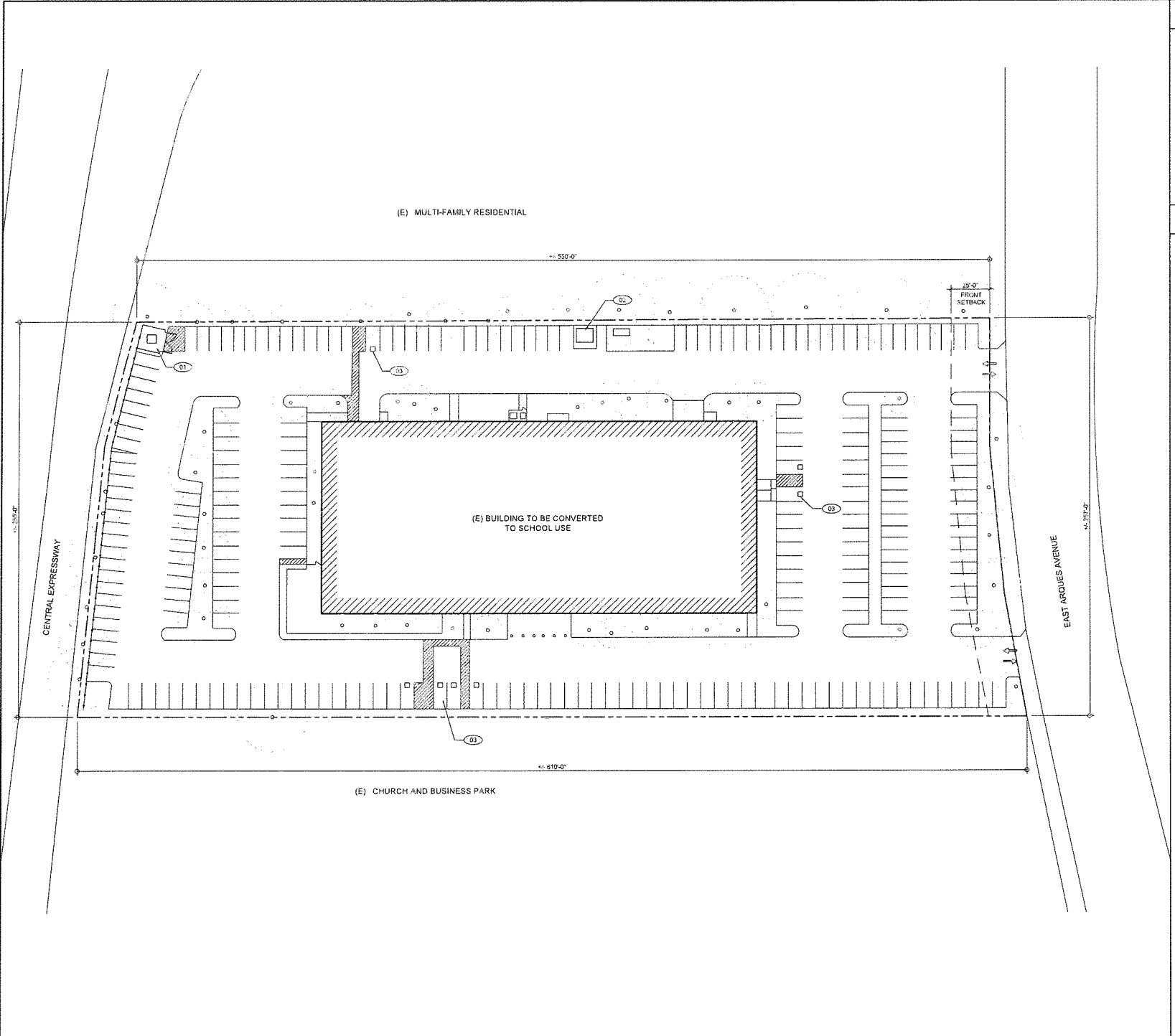


ARTiK

ART & ARCHITECTURE

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San Jose, CA 95111  
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Fax 408.224.9891  
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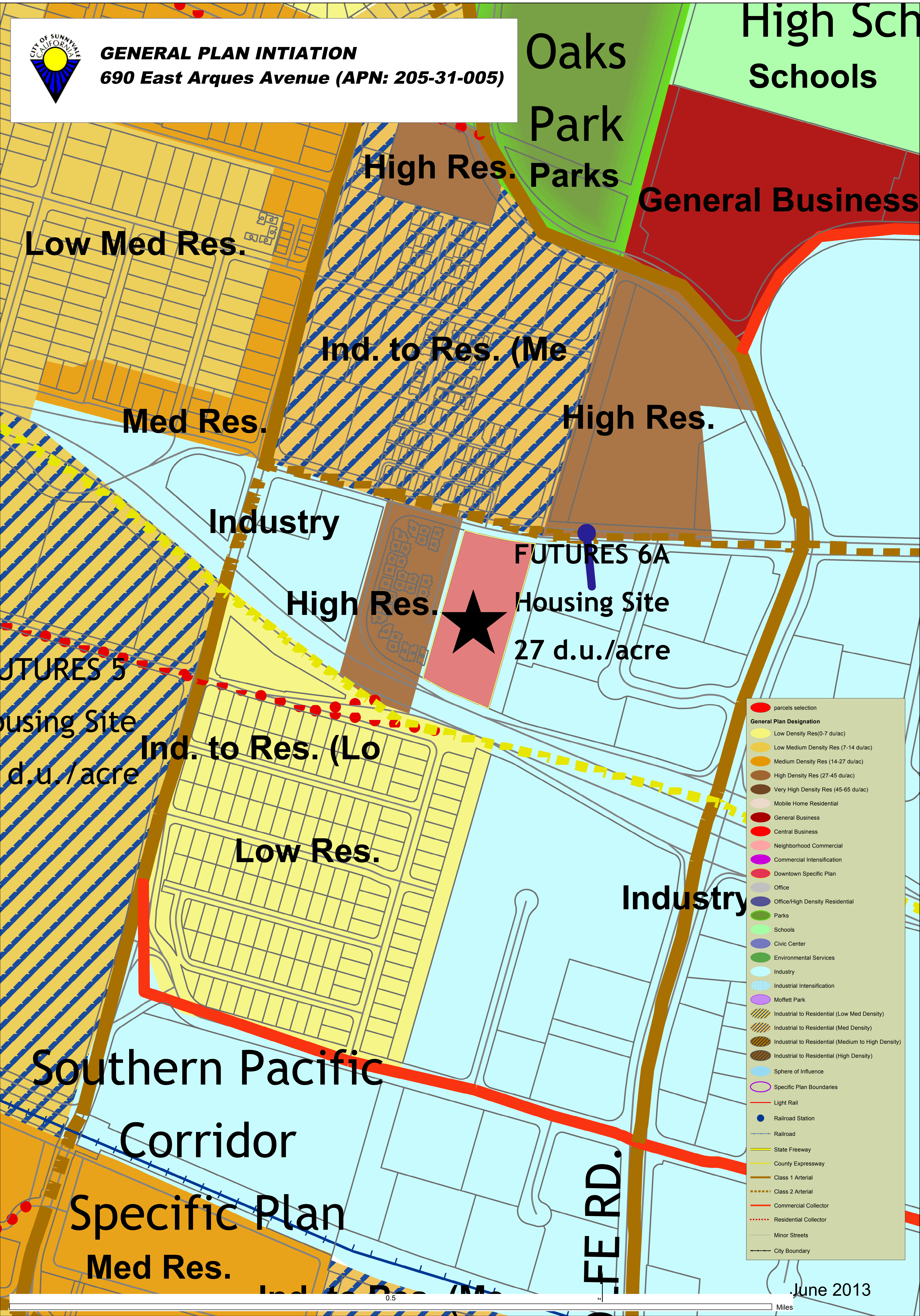
1	KEYNOTE LEGEND
01	(E) TRASH ENCLOSURE
02	(E) TRANSFORMER
03	(E) ACCESSIBLE PARKING STALLS
2	HATCH/SYMBOL LEGEND
---	(E) PROPERTY LINE
o	(E) TREE
---	(E) FENCE
	PROJECT TITLE
	SUMMIT DENALI SITE FEASIBILITY
	690 EAST ARQUES AVE. SUNNYVALE, CA 94085
	SUMMIT PUBLIC SCHOOLS
	DRAWING TITLE
	SITE PLAN
	PROJECT NO.
	120844
	DATE
	10.30.14
	SCALE
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	SHEET NO.







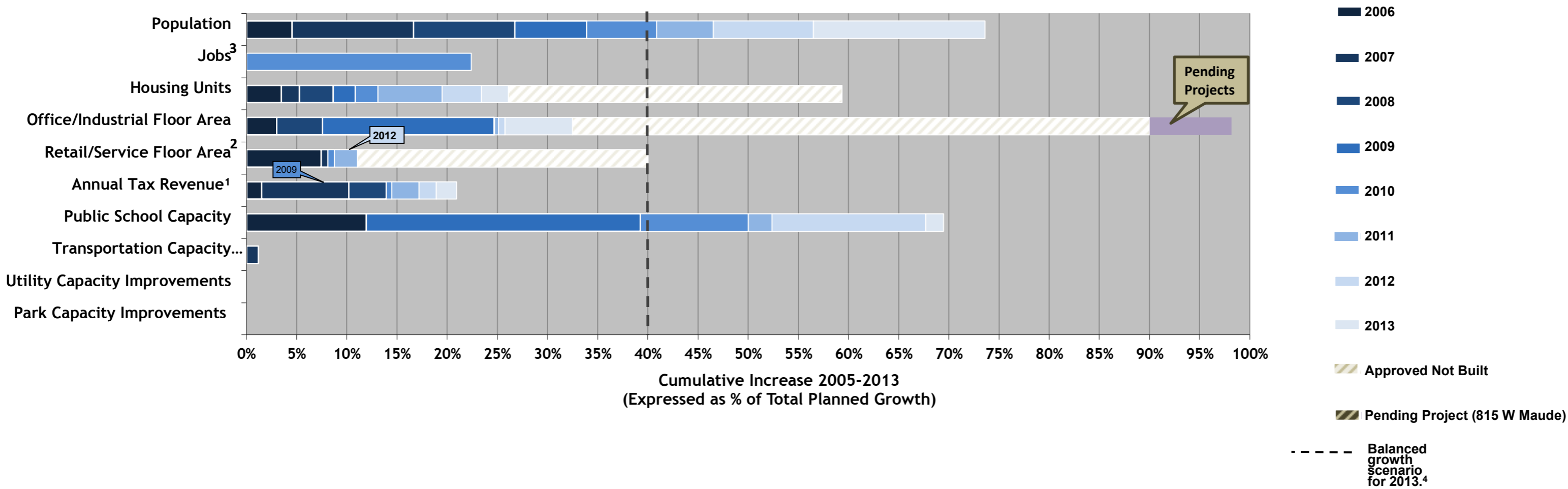
**GENERAL PLAN INITIATION**  
**690 East Arques Avenue (APN: 205-31-005)**





PROJECTED BALANCED GROWTH PROFILE (INCLUDES NONRESIDENTIAL FLOOR AREA AND HOUSING UNITS APPROVED BUT NOT YET BUILT)

Balanced Growth Indices	Base Year 2005	GOAL FOR 2025	Total Planned Growth Net Increase 2005 to 2025	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Actual	2013 Increment Increase (actual since 2012)	2013 Increment (% of Total Planned Growth)	Approved Not Yet Built as of June 2014	Pending Projects (280 Santa Ana, 215 Moffett Park)
Park Capacity Improvements		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Utility Capacity Improvements		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Transportation Capacity Improvements		\$46,884,000	\$46,884,000	\$547,970	\$547,970	0	0	0	0	0	0	0%	n/a	n/a
Public School Capacity	5,373	6,729	1,356	5,535	5,535	5,905	6,051	6,083	6,291	6,315	24	2%	n/a	n/a
Annual Tax Revenue <sup>1</sup>	\$72,271,030	\$174,748,212	\$102,477,182	\$82,731,078	\$86,536,989	\$80,080,423	\$80,640,616	\$83,447,216	\$85,189,946	\$87,277,140	\$2,087,194	2%	n/a	n/a
Retail/Service Floor Area <sup>2</sup>	5,784,000	7,500,000	2,200,000	5,962,662	5,962,662	5,962,662	5,976,840	6,027,052	6,005,338	6,000,788	-4,550	0%	637,309	n/a
Office/Industrial Floor Area	30,100,000	37,700,000	7,600,000	30,327,927	30,673,881	31,973,881	31,979,928	32,009,556	32,058,721	32,568,435	509,714	7%	4,372,210	618,371
Housing Units	54,800	61,900	7,100	55,174	55,414	55,570	55,730	56,183	56,462	56,653	191	3%	2,361	n/a
Jobs <sup>3</sup>	73,630	92,650	19,020	n/a	n/a	n/a	77,890	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Population	132,725	150,725	18,000	135,721	137,538	138,826	140,081	141,099	142,896	145,973	1,797	17%	n/a	n/a



Notes

1. FY 2004/2005 is the base year for the Balanced Growth Index. All revenues are converted to FY 2004/2005 dollars for comparison purposes.

2. This index only represents net new floor area, and does not reflect tenant improvements to existing floor area.

3. Data has been modified resulting in a decrease in base year, projections, and current year estimates. There is a significant challenge in finding reliable estimates of Sunnyvale jobs. This version of the Balanced Growth Profile provides Association of Bay Area Governments (ABAG) data from most recent publications while staff explores a more reliable annual estimate of jobs. Data for 2011 or 2012 is not yet available.

4. In a "balanced growth scenario" each profiled item would increase 5% each year. Cumulative "balanced growth" to the end of 2013 would be 40%.



**3**      [14-1075](#)      2014 4th Quarterly Consideration of **GENERAL PLAN AMENDMENT INITIATION REQUEST**

**File #:**            2014-7958

**Location:**            690 E. Arques Avenue (APN: 201-31-005)

**Proposed Project:**    Request to study a General Plan Land Use Designation change from Industrial to Schools, Residential High Density, or other designation that would accommodate a middle and high school. This Study may include other properties in the vicinity and evaluate other General Plan designations.

**Applicant / Owner:**    Summit Public Schools

**Environmental Review:** Environmental Review is not required to initiate a General Plan study. The individual studies and potential future projects will be subject to the provisions of the California Environmental Quality Act (CEQA).

**Sponsors:**    Planning Commission

Trudi Ryan, Planning Officer, presented the staff report.

Comm. Harrison confirmed with Ms. Ryan that there are no limits to defining the study area, and that an athletic field would be evaluated as part of an application for a school use. Comm. Harrison also confirmed with Ms. Ryan that the school and the City would need to have an agreement to allow public use of the school's open space.

Vice Chair Olevson discussed with Ms. Ryan whether Summit School would have to reapply for a charter if the site is rezoned, and also discussed the City's school capacity and projected population growth.

Comm. Durham clarified with Ms. Ryan the General Plan Amendment (GPA) process, and that a Use Permit application would evaluate the specific site plan of the school or building.

Comm. Rheame and Ms. Ryan discussed potential outcomes of a GPA and changing the zoning of a site and then having an applicant who decides not to apply.

Chair Melton opened the public hearing.

Norman LuPatin, Director of Real Estate for Summit Schools, addressed questions

of the Commissioners, and described the model and objective of Summit Schools.

Comm. Simons discussed with Mr. LuPatin rental of an existing school site for this project, and discussed the type of site desired for the schools. Comm. Simons also confirmed with Mr. LuPatin that any child from within the County of Santa Clara would be able to apply for admission.

Chair Melton closed the public hearing.

Comm. Klein verified with Ms. Ryan that creating public access on the site near the water channel would be evaluated if the study is initiated.

Vice Chair Olevson moved Alternative 1 to recommend that City Council Initiate a General Plan Study for 690 E. Arques Ave., evaluating both Schools and Residential High Density General Plan designations.

Comm. Klein seconded.

Vice Chair Olevson said this is just the start of a detailed process, and he is glad the applicant is ready, willing and able to fund the study if City Council elects to allow the study to proceed. He said this is a process wherein we have, over the last year or two, formalized and restructured the General Plan change studies. He noted that the process begins with authorization of the study, and that after an applicant funds it, the City makes a decision about whether it is good for the General Plan which is then followed up later by an application for use of the new designation. He added that he likes the process, and that the applicant has made a good case to proceed with the study.

Comm. Klein said he agrees that this is the first step in a longer process, and that he worked east of this property for four years and saw that it sat there. He said changing it to a school or residential use is an improvement in that most properties to the north have been redeveloped into residential use, and the use of industrial or commercial buildings has been reduced in this general area. He said the concept of evaluating whether or not this should be a residential or school use is a good thing for the community in general, that the need for schools is always increasing, and with brand new residential going in nearby with students who may attend this school, initiating a General Plan Amendment study makes sense. He added that evaluating whether the levees to the east will also be connected to improve overall walkability of this area as part of this plan is also good, so he will be supporting the motion.

Comm. Durham said he has some concerns but is glad there is a good process starting here. He said his concerns are with traffic, having lived and worked near a couple different schools and seeing how parents can be for this type of activity. He added that the size of the school may not allow the required recreational space, but will be looked at later, and that it is a good idea to do the study. He added that it may even become residential which will be addressed down the road, and that he will be supporting the motion.

Comm. Simons said he has watched this area change, and that a desire to get something done in the short term oftentimes means losing certain opportunities. He said this area is contiguous to, not part of, a section of Sunnyvale that is being converted to housing, and was probably one of largest contiguous office/business sites left in Silicon Valley. He said there were many studies being done because of the dot com bust that concluded that the City would never have need for office in the future, which he thinks was hogwash. He said he will be voting against this, not because of this application or because the review of use may or may not be appropriate, but as a comment about long term land use and trying to keep as much contiguous as possible. He added that if industrial-to-residential is to be done, it needs to be contiguous and without spot zoning and odd sections across a freeway which might cause problems.

MOTION: Vice Chair Olevson moved Alternative 1 to recommend that City Council Initiate a General Plan Study for 690 E. Arques Ave., evaluating both Schools and Residential High Density General Plan designations.

Comm. Klein seconded.

The motion carried by the following vote:

**Yes:** 6 - Chair Melton  
Vice Chair Olevson  
Commissioner Durham  
Commissioner Harrison  
Commissioner Klein  
Commissioner Rheume

**No:** 1 - Commissioner Simons





# City of Sunnyvale

## Agenda Item

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14-1003

Agenda Date: 12/9/2014

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### REPORT TO COUNCIL

#### SUBJECT

Update to the Status of Department of Public Safety Recruitment and Staffing and Approval of Budget Modification No. 28

#### REPORT IN BRIEF

The Department of Public Safety (DPS) is facing several staffing challenges that this report seeks to address. Additionally, the City Council has expressed interest in an update on current recruitment actions and plans for accelerating hiring. Staff is recommending action on three separate but related issues associated with the recruitment and training of Public Safety Officers (PSOs) which include adding three additional authorized positions, accelerating recruitment funding, and adding a Public Safety Specialist to recruitment staff to support accelerated recruitment activities.

Changing conditions and increases in demands for service are prompting DPS to request an increase of its authorized sworn positions from 198 to 201. The north side of Sunnyvale has been increasing in density due to new development, with new commercial development increasing the daytime population and corresponding demand for DPS services. The additional positions are to address the need to staff a new fire ladder truck that is being funded by the Jay Paul Company, along with the construction of a new Fire Station 5. Both the new fire station and the new ladder truck are being funded as part of the Moffett Place project. The new fire station is anticipated to open in December of 2015 and will serve the north area of Sunnyvale.

In order to bring on additional staff, as well as fill a higher than expected number of vacancies, Staff is also requesting approval of Budget Modification No. 28 to accelerate funding for Public Safety Officer recruitment activities. Currently 188 of 198 sworn positions are filled. Vacancies are occurring for essentially three reasons. First, retirements and other separations are happening at an elevated level. Second, the Department added three new positions, increasing the Department's authorized sworn positions from 195 to 198 during FY 2013/14. The purpose of the positions was to fund a Street Crimes Unit, which has not yet been implemented due to the long lead time to hire and train PSOs. Third, the Department suspended recruitment efforts in FY 2011/12 as it was actually over-staffed, thereby ending the fiscal year over budget and requiring a Council approved budget modification.

Lastly, this report recommends the addition of a Public Safety Specialist to perform recruitment related duties in order to support accelerated recruiting. Current staffing dedicated to these tasks is limited to one individual Public Safety Lieutenant.

#### BACKGROUND

The Department of Public Safety (DPS) is currently authorized for 198 sworn positions which include 11 managers, 42 lieutenants and 145 public safety officers (PSO II). In the PSO classification, there

is a distinction between fully trained officers (PSO II) and officers who are in the training program (PSO I and PSOIT). The Department deploys PSO IIs across both the Police and Fire Bureaus, as well as over other operational areas. PSOs must complete all initial training in police, fire and EMS before permanent assignment. Upon completion of training, sworn officers are reclassified as a PSO II. Officers in the training program are not counted in the total number of authorized positions. The training program for entry level PSOs spans approximately 18 months. Lateral officers from an outside law enforcement agency take approximately 12 months to train.

Services provided to the community by DPS are performed primarily by PSO IIs. As the training time is substantial, adding additional services requires a strategic approach. In FY 2013/14 Council approved three additional sworn positions for DPS to address a significant increase in property crimes; specifically, the positions were allocated to form a new Street Crimes Unit. It is important to note that while these positions were approved in FY 2013/14, it takes approximately 18 to 24 months to add the services and staff due to recruitment and hiring efforts. During this time period, DPS employs specific, targeted actions to suppress property crimes, such as a temporary Burglary Suppression Unit, staffed on overtime. Now, in addition to the economic recovery and corresponding increasing demand for services, the City finds itself relocating and expanding Fire Station 5 through a developer contribution to better serve the north side of Sunnyvale, which includes the addition of a new fire ladder truck requiring additional staffing in the Bureau of Fire Services. Opening late 2015, now is the appropriate time to begin to hire and train staff to eventually add these additional services.

While working to meet community demands, DPS is also experiencing an elevated number of retirements and separations. Currently, only 188 sworn public safety officers are eligible for full duty leaving 10 sworn vacancies (198 authorized positions). Typically, PSO II vacancies are created through service retirements and unanticipated separations. The number of separations can fluctuate due to personal factors, economic conditions, or injuries. DPS is currently experiencing a high level of vacancies due to a significant number of retirements and a variety of other factors.

One of the contributing factors was the suspension of recruitment efforts. In FY 2010/11 and FY 2011/12, DPS was staffed over its authorized positions (195 at the time). Due to the long lead time to fully train a PSO II, staff works to recruit and train officers in advance of anticipated separations by annually reviewing and projecting upcoming separations. In these two years, DPS was implementing the Community Service Officer (CSO) model and dropping the number of sworn positions through attrition from 205 to 195, adding 10 CSO positions. This left DPS in an overstaffed position, requiring a \$500,000 budget modification to the Department's operating budget to address the overage financially. As a result, recruitment activities were halted.

At the same time, most other public safety agencies throughout the region were also freezing recruitment efforts due to the economic downturn. An unanticipated consequence included the closure or suspension of police academies in the area resulting in fewer training academy options and spaces available for a large number of recruits. This further impeded the City's rebounding recruitment and training efforts. Then came the addition of the three new positions in FY 2013/14 to staff the street crimes unit, creating three additional vacancies. The addition in FY 2011/12 of six specially trained Community Service Officers (CSO) to perform duties not requiring a sworn officer is mitigating some of the impact from these vacancies. However, staff is projecting that the number of vacancies will remain elevated for the next several years due primarily to anticipated retirements.

Many of the efforts related to recruiting and hiring PSOITs (for example, job postings, application

screenings, and arranging for oral board interview panels) are handled by the Department of Human Resources. In this regard, the recruitment of PSOs is no different than any other City recruitment. However, there is an aspect of the PSO recruitment process that is unique to the Department of Public Safety, and that is the performance of background checks. Background checks on individuals applying for the position of PSO are much different than the background checks performed on others, and conducting those background checks requires specialized training and skills. For this reason, the background checks of PSOs are conducted by DPS staff, who also help to market the Public Safety program to likely recruits (e.g., college students; veterans, etc.).

The Department previously had a second full time sworn officer and a CSO permanently assigned to the Unit. This CSO position was later reclassified as a Public Safety Specialist. As reductions occurred based upon the economy, the Department made the decision to reduce staffing in the Personnel Unit based upon future anticipated hiring needs at the time. The Department has been utilizing modified duty personnel on a limited basis to supplement the work of the Recruiting Lieutenant. Current staffing dedicated to recruitment related tasks is limited to one individual and based on the average number of separations and not the elevated conditions currently being experienced. Additional capacity is needed to more appropriately and timely address our recruitment needs.

### **EXISTING POLICY**

#### **Council Policy 4.3.1 Support Services - Goals and Policies**

Goal 4.3A Sustain a quality work force in order to assure that Public Safety Services are provided in a quality and efficient manner.

Policy 4.3A.1. Train and develop employees to meet state and local standards.

### **ENVIRONMENTAL REVIEW**

This activity does not require environmental review because it can be seen with certainty that there is no possibility that it may have a significant effect on the environment (CEQA Guideline 15061(b)(3)).

### **DISCUSSION**

Staff is recommending that Council take three separate but related actions to address staffing needs in the Department of Public Safety. These include increasing the authorized number of sworn positions to meet new community demand, accelerating funding of recruitment activities to address filling an elevated number of vacancies, and the addition of a Public Safety Specialist to support accelerating recruiting activities.

### **Fire Station 5 Staffing**

DPS is requesting to increase its authorized sworn positions from 198 to 201. This request is to address the need to staff a new fire ladder truck that is being funded by the Jay Paul Company, along with the construction of a relocated Fire Station 5. Both the new fire station and the new ladder truck are being funded as part of the Moffett Place project. The fire station and ladder truck will be located in District 5. District 5 is located in the northern portion of the City and is primarily comprised of commercial development, but also provides public safety services to approximately 8,500 residents. New building construction in District 5 has dramatically changed the landscape, with a significant increase in the number of mid and high rise buildings. The increased height, density and complexity

of the new developments present contemporary challenges to public safety services which require additional staffing for response to calls for service. Fire Station 5 and the new ladder truck are scheduled to be ready for service in late 2015.

Current staffing for Station 5 includes one PSO and one Lieutenant per fire team, for a total of six officers over three teams; two additional PSOs per fire team will be necessary to operate the new ladder truck. Given the long lead times for hiring and training, an interim solution to staff the ladder truck is needed. Based upon the current and anticipated increased vacancy rate, the Department recognizes the challenges in providing staffing for both the new ladder truck and the Street Crimes Unit in the short term. Given our fiscal constraints, the Department believes that staffing the new ladder truck, a front line service, takes priority over the implementation of the Street Crimes Unit, an enhanced service. The three new positions authorized in FY 2013/14 to staff the newly formed Street Crimes Unit are not yet occupied and the Street Crimes Unit has not been implemented. In the meantime, DPS will continue to conduct special enforcement operations on a temporary basis to address contemporary crime issues. Due to the priority of staffing the ladder truck, DPS management proposes to delay implementation of the Street Crimes Unit, and reallocate those resources to staff the truck while recruitment and training efforts run their course. This also provides staff additional time to evaluate a strategic approach to permanently staffing this new service along with existing services.

### **Recruitment Funding**

All costs associated with initial hiring and training of PSOs are funded in the projects budget, with each project representing a recruitment class. The amount of funding each year is reviewed annually and partially based on anticipated separations in the coming year, which include retirements due to injury, failure of probation, resignation and termination. The Department has averaged six unanticipated separations per year over the last 10 years. The most current data shows that 14 sworn personnel are eligible to retire in FY 2014/15 with an additional nine in FY 2015/16. In order to remain at or near the authorized sworn staffing level of 198, the Department must pre-hire within the appropriate amount of time to ensure that new PSOs are able to complete the training program before current employees separate service. An officer hired today will not impact minimum staffing until June 2016. However, this must be carefully balanced, as becoming overstaffed can be at great cost with each PSO II costing approximately \$265,000 annually. In FY 2012/13, DPS restarted the recruitment process and currently has twenty recruits in the training program funded between two recruitment projects. The FY 2013/14 project was originally set to fund nine recruits but thirteen are currently enrolled due to hiring needs based upon unanticipated separations; this project requires additional funding to support the extra four recruits, who are expected to complete the program in August 2015.

The FY 2014/15 project is currently funded to support 18 recruits. However, based on data regarding anticipated and unanticipated separations, coupled with the current staffing level and number of trainees, the Department believes it is necessary to pull recruitment project funding forward to increase the budget to support 10 additional PSO positions to the current recruitment project. The following table summarizes the need for the additional 10 recruits. The factor used for unanticipated separations represents 50% of the average vacancy rate over the last ten years as a cautious approach to avoid overstaffing.

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Authorized Sworn Staffing	Current Sworn Staffing	PSO's in Training	Anticipated Separations FY 14/15 FY 15/16	Unanticipated Separations FY 14/15 FY 15/16	Current Unfilled Recruitment Project Funding	Additional Recruitment Project Funding
198	188	20	23	6	9	10
Variance	-10	+10	-13	-19	-10	0

### **Recruitment Unit - Additional Temporary Public Safety Specialist Position**

The DPS Recruitment Unit is currently comprised of one Public Safety Lieutenant supported by employees who are temporarily reassigned to that unit due to injury, illness or other circumstances which prevent them from working in their primary assignment. Historically, the Department staffed the unit with three full time employees: a Lieutenant, Public Safety Officer and a Community Service Officer (CSO), later reclassified as a Public Safety Specialist. This reliance on temporarily reassigned employees has resulted in operational challenges which have already delayed the recruitment and hiring processes. Unless additional staff is provided to this Unit, the number of additional recruitments and background checks anticipated over the next few years will undoubtedly exacerbate this situation. With Council approval, the Public Safety Specialist would be added for a period of three and a half years and dedicated to the Recruitment Unit to help work through this peak recruitment time to ensure consistency and efficiency in the recruitment and hiring processes.

### **FISCAL IMPACT**

DPS plans for the future recruitment, selection and training of new officers over the next 20 years. A total of \$54 million for recruitment and training of public safety officers is included in the FY 2014/15 budget over the twenty-year planning period. DPS budgets these funds in two-year allocations, in a series of recurring special projects rather than in the operating budget. This approach allows expenditures to fluctuate each year based on the number of recruitments. Additionally, project appropriations do not lapse at the end of the fiscal year as operational appropriations do. Since recruitment and training expenses span 12 to 18 months this allows the total recruitment class to be completed without an additional action to appropriate funds.

There are currently two active projects - FY 2013/14 Recruitment and Training for Sworn Officers and FY 2014/15 Recruitment and Training for Sworn Officers. There is also a project that acts as a placeholder for funding over twenty years, which provides funding for approximately five to six recruits per year.

As a result of the changes in the originally planned versus recently projected expenditures, budgets need to be revised. The FY 2013/14 project was originally set to fund nine recruits but thirteen are currently being funded by this project. Therefore, this project requires an additional \$1,232,000 to support the additional four recruits. Expected completion is August 2015.

The FY 2014/15 Project was funded to support 18 recruits. With the addition of 10 recruits (detailed in the table in the discussion section of this report), the total project requires additional funds of \$1,996,391 in FY 2014/15. The second half of the project falls into FY 2015/16 and will be adjusted accordingly with the FY 2015/16 Recommended Budget.

To cover the anticipated budget shortfalls staff recommends that the additional funding be appropriated from the General Fund Budget Stabilization Fund, and then reduced from the twenty-

year recruitment project (as part of the FY 2015/16 Recommended Budget) leaving the total anticipated recruitment cost of \$54 million unchanged. Fixed costs associated with these activities, which include management oversight and recruitment, continue to be part of the Department's operating budget. FY 2015/16 and future project allocations, including the additional three recruits for Fire Station 5 will be addressed through the regular FY 2015/16 Project Budget Cycle process. Budget Modification No. 28 has been prepared to accelerate funding to the current recruitment projects.

Bringing the funding forward, while not changing the twenty-year budget, still impacts cash flow in the General Fund. As a practical matter, this modification spends down reserves earlier than planned to provide cash to the projects now, and replenishes that cash later when future planned expenditures are reduced in the outer years of the long term recruitment project. In the interim, the General Fund loses interest earnings on the funds, enough so that the cumulative affect potentially reduces the General Fund Budget Stabilization Fund by as much as \$4 million in the twentieth year. To offset some of this impact, staff is recommending that operating savings of \$1M be included in the DPS Operating Budget in the current year, and next year. These savings are an estimation of how much the department will come in under budget and is based on the anticipation of at least four sworn vacancies over the next two years.

Budget Modification No. 28 which deals only with the FY 2014/15 Budget, has been prepared to appropriate additional funding to the recruitment projects and savings from the current Department of Public Safety Operating Budget. Future funding changes discussed in this report will be included with the FY 2015/16 Recommended Budget.

**Budget Modification No. 28**  
**FY 2014/15**

	<b>Current</b>	<b>Increase/ (Decrease)</b>	<b>Revised</b>
<b><u>General Fund</u></b>			
<b><u>Expenditures</u></b>			
Project 826290 - FY 13-14 Recruitment and Training for Sworn Officers	\$1,229,605	\$1,232,000	\$2,461,605
Project 826300 - FY 14-15 Recruitment and Training for Sworn Officers	\$3,039,861	\$1,996,391	\$5,036,252
FY 2014/15 Department of Public Safety Staffing Savings	\$78,856,693	(\$1,000,000)	\$77,856,693
<b><u>Reserves</u></b>			
Budget Stabilization Fund	\$43,000,938	(\$2,228,391)	\$40,772,547

**Recruitment Unit Staff**

Adding a Public Safety Specialist to the Recruitment Unit will require increasing the number of budgeted Public Safety Specialist positions from two to three. The Public Safety Specialist would be hired as soon as possible. Public Safety Specialists cost a total of \$126,737 annually. The current year cost will be absorbed by the Department, with the ongoing cost built into the FY 2015/16 Operating Budget.

**Fire Station 5 Staffing**

Initially, staff is recommending the addition of three authorized positions to staff the new Fire Station. Public Safety Officers currently cost \$265,268 per year. At almost \$800,000 per year escalated, the twenty-year cost of the three officers would add approximately \$20 million to the bottom line of the General Fund. If the decision is to retain the Street Crimes Unit as budgeted, the cost to fund all six PSOs for the new station would double the amount to almost \$1,600,000 per year. Given the additional full cost, staff is proposing an alternative approach that stabilizes staffing for Fire Station 5 and does not impact the City's fiscal condition to such extreme. If approved by Council, these three positions will be built into the FY 2015/16 Recommended Budget and General Fund Long Term Financial Plan.

As mentioned previously, FY 2015/16 and future project allocations for Recruitment and Training will be addressed through the regular FY 2015/16 Project Budget Cycle process. With the addition of Station 5 staff, future project allocations, specifically FY 2015/16 and FY 2016/17, will require funds to support the increased number of recruits.

**PUBLIC CONTACT**

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, at the Sunnyvale Senior Center, Community Center and Department of Public Safety; and by making the agenda and report available at the Sunnyvale Public Library, the Office of the City Clerk and on the City's website.

**ALTERNATIVES**

1. Approve Budget Modification No. 28 to appropriate \$3,228,391 to fund current recruitment projects.
2. Approve the addition of a full time Public Safety Specialist to the Recruitment Unit.
3. Approve the addition of three PSO IIs to the Public Safety authorized sworn level in the FY 2016/17 Budget for the purpose of staffing Fire Station 5 and include recruitment project funding for the three positions in the FY 2015/16 Recommended Budget.

**STAFF RECOMMENDATION**

Alternatives 1, 2 and 3: 1) Approve Budget Modification No. 28 to appropriate \$3,228,391 to fund current recruitment projects; 2) Approve the addition of a full time Public Safety Specialist to the Recruitment Unit; and 3) Approve the addition of three PSO IIs to the Public Safety authorized sworn level in the FY 2016/17 Budget for the purpose of staffing Fire Station 5 and include recruitment project funding for consideration in the FY 2015/16 Recruitment Project.

This recommendation of adding three PSO IIs is based upon the realistic ability of the Department to recruit, hire and train for the large number of vacancies over the next two years. Staff has identified the need for additional staffing at the new Fire Station 5 as the top priority to ensure adequate public safety services to the community. The Street Crimes Unit also remains a top priority; however, the current recruitment and hiring challenges will result in a delayed operational deployment over the next two fiscal years.

This service level impact can be evaluated as part of the next operating budget cycle.

Prepared by: Nancy Thome, Senior Management Analyst, Public Safety

Reviewed by: Frank Grgurina, Director, Public Safety

Reviewed by: Teri Silva, Director, Human Resources

Reviewed by: Robert A. Walker, Assistant City Manager

Approved by: Deanna J. Santana, City Manager

**ATTACHMENT**

1. Fire Station 5 Staffing and Equipment Informational Memorandum

## District/Fire Station #5 Staffing and Equipment

The following information is presented to provide the reader with a high level overview of information related to fire/public safety services in District #5 serviced by Fire Station #5.

### **District Challenges:**

- District 5 is primarily an industrial/business area of the city; however, the district also provides service to an estimated 8500 residents. Station 5 was built in 1960 and DPS has maintained the same staffing in this district since that time, one engine staffed with 2 personnel.
- Because district 5 is dissected by Hwy 101 and 237, the district cannot be reached from any other part of the city without traversing an overpass or underpass. In the event of a major natural disaster, such as an earthquake, this area of the city could become isolated due to structural failures of these roadway elements.
- District demographics have drastically changed since 1960. This district has gone from a sparsely populated industrial area that was home to Lockheed and several hundred residential units, to a high tech hub in the region that is home to Yahoo!, Juniper Networks, Network Appliance, Apple and Google, along with several thousand residents.

### **Building Construction:**

- Since 2009, the City has seen commercial building construction increase in density and height. 52 buildings have been built, or are under construction, that exceeds 3 stories in height. Approximately 40 of these buildings are in District 5.
- Of these 40 buildings, 10 buildings are considered High Rise structures (over 75' in height of occupied space) consisting of eight story buildings.

### **Emergency Response & Mitigation:**

- High Rise and Mid Rise buildings and their systems are complex, challenging to access and require significant resources to inspect. During an emergency, they require increased personnel with specialized training and equipment to operate safely due to construction type, building materials, suppression systems, communications systems, location, and layout.
- An April 2013 study by the United States Department of Commerce/ National Institute of Standards and Technology has identified Fire Services staffing needs for High Rise and Mid Rise structures;
  - 48 field experiments were conducted to determine the impact of crew size, alarm size (number of companies responding) and vertical response modes on firefighter safety and effectiveness at a high hazard High Rise commercial structure incident.
  - "Time to Task" data was collected on 3, 4, 5, and 6 person crews to complete the tasks of hose line placement, search and rescue, and fire extinguishment.

*Discussion assumes current District 5 crew size is 3 (2 Fire based with 1 Patrol). Proposed District 5 crew size is 6 (4 Fire based – 2 on engine and 2 on truck – with 2 Patrol)*

### **Examples of NIST Findings:**

- 3 person crews took 4 min 28 sec longer than the 6 person crew to deploy the initial hose line to the fire floor (10<sup>th</sup> floor)
- 3 person crews took 7 min 2 sec longer than the 6 person crew to put the fire out. 3-person crews ascending to the fire floor confronted an environment where the fire had released 60% more heat energy than the fire encountered by the 6-person crews doing the same work.
- Larger fires expose firefighters and civilians to greater risks and are more challenging to suppress.
- Six-person crews started the search for civilians on the fire floor 3 min 46 s (22%) faster and completed the search 27 min 51 s (47 %) faster than the 3-person crews.
- A 6-person crew located the victim on the fire floor 28 min 33 s (57.1 %) faster than the 3-person crew.

### **Proposed District 5 Deployment Model:**

- In addition to the current single engine company in District 5, 1 aerial apparatus to provide specialized equipment and ladders for above ground operations which may be required in mid-rise and high-rise structures. The additional aerial apparatus would be equipped with specialized equipment such as High Rise specific fire hose, large area search equipment, and positive pressure fans utilized to ventilate evacuation stairwells.
  - 6 additional public safety officers (2 per day) to staff annually. Along with fire suppression and rescue skills, these personnel would provide emergency medical services, fire suppression, inspections and other emergency and non-emergency services to the people working in the structures, along with enhanced inspection and fire prevention services in the district.



# City of Sunnyvale

## Agenda Item

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14-1111

Agenda Date: 12/9/2014

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### REPORT TO COUNCIL

#### **SUBJECT**

Adopt Memorandum of Understanding between the City of Sunnyvale and the Sunnyvale Managers Association (SMA) and the corresponding Resolution to Amend the City's Salary Resolution and the Resolution for Paying and Reporting the Value of Employer Paid Member Contributions for CalPERS Retirement

#### **BACKGROUND**

A Tentative Agreement has been reached between the City of Sunnyvale (City) and the Sunnyvale Managers Association (SMA) on a successor Memorandum of Understanding (MOU). SMA represents approximately 65 managers in many City departments. This report recommends adoption of the provisions of the 2014-2015 MOU. This agreement, if approved by the City Council, will be effective July 1, 2014 through and including June 30, 2015.

The MOU between the City and SMA expired on June 30, 2014. Negotiators for the City and SMA began the meet and confer process in March 2014 and met seven times, in addition to numerous exchanges by telephone and email, in an effort to reach an agreement. A Tentative Agreement was reached on November 13, 2014, and the City has been notified that the SMA membership ratified this agreement on November 13, 2014.

#### **EXISTING POLICY**

**Council Policy 7.3.1 Legislative Management - Goals and Policies, Goal 7.3D:** Maintain a quality work force, Consistent with state and federal laws, City Charter, and adopted policies in order to assure that City services are provided in an effective, efficient, and high quality manner.

#### **ENVIRONMENTAL REVIEW**

N/A

#### **DISCUSSION**

The significant provisions of the proposed amendments are as follows:

##### **Wages**

Salary adjustments during the term of the agreement:

- Effective August 31, 2014, a 2% across the board salary adjustment
- Effective the first full pay period following membership ratification and City Council approval, a 1% of current salary, pensionable for CalPERS classic members, lump sum payment

##### **Retirement**

##### **Tier 1**

Effective August 31, 2014, employees represented by SMA shall pay an additional 1% of the employee contribution. The City shall contribute 4% of the 8% employee contribution.

#### Tier 2

Effective August 31, 2014, employees represented by SMA shall pay an additional 1% of the employee contribution. The City shall contribute 4% of the 7% employee contribution.

#### **FISCAL IMPACT**

The 2% salary increase for one year and increasing the employees' contribution for retirement costs by 1% year is consistent with the Fiscal Year 2014/2015 Adopted Budget and the City's 20-year financial plan.

The fiscal impact of the 1% pensionable, lump sum payment for 1 year will be approximately \$79,000. As this is a one-time cost, there will be no long-term impact over the 20-year financial plan. The fiscal impact can be absorbed in the current budget.

#### **PUBLIC CONTACT**

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, at the Sunnyvale Senior Center, Community Center and Department of Public Safety; and by making the agenda and report available at the Sunnyvale Public Library, the Office of the City Clerk and on the City's website.

#### **ALTERNATIVES**

1. Adopt the Memorandum of Understanding between the City of Sunnyvale and the Sunnyvale Managers Association, presented as Attachment 3, and the corresponding Resolution amending the City's Salary Resolution, presented as Attachment 4, and the Resolution for Paying and Reporting the Value of Employer Paid Member Contributions, presented as Attachment 5.
2. Do not adopt the Memorandum of Understanding between the City of Sunnyvale and the Sunnyvale Managers Association and the corresponding Resolutions.

#### **STAFF RECOMMENDATION**

Alternative 1: Adopt the Memorandum of Understanding between the City of Sunnyvale and the Sunnyvale Managers Association, presented as Attachment 3, and the corresponding Resolution amending the City's Salary Resolution, presented as Attachment 4, and the Resolution for Paying and Reporting the Value of Employer Paid Member Contributions, presented as Attachment 5.

Prepared by: Allison Suggs, Human Resources Manager  
Reviewed by: Teri Silva, Director of Human Resources  
Reviewed by: Grace K. Leung, Director of Finance  
Reviewed by: Robert A. Walker, Assistant City Manager  
Approved by: Deanna J. Santana, City Manager

#### **ATTACHMENTS**

1. Tentative Agreement between the City of Sunnyvale and the Sunnyvale Managers Association
2. 2014-2015 MOU with Track Changes
3. 2014-2015 MOU
4. Resolution Amending Resolution No. 190-05, the City's Salary Resolution, by Amending the

Schedule of Pay for Pay Plan Category D/E (SMA)

5. Resolution for Paying and Reporting the Value of Employer Paid Member Contributions



2014 CITY OF SUNNYVALE – SMA NEGOTIATIONS

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**TENTATIVE AGREEMENT**

Package Proposal Date: November 12, 2014

- Housekeeping (as tentatively agreed to on June 5, 2014)
- Renegotiations (as tentatively agreed to on April 30, 2014)
- Bereavement Leave
- Term
- Wages
- Retirement

**HOUSEKEEPING – Proposal # 1**

Tentatively agreed to on June 5, 2014

**15.4 City-Wide Employee Emergency Leave Relief Fund**

The City-Wide Employee Emergency Leave Relief Fund is available to employees pursuant to the provisions contained in the City's Salary Resolution. Donations are made based on an hour-for-hour conversion.

**16.2 Reduction-In-Force**

If the City implements a reduction-in-force that affects employees in this Unit, it will be administered pursuant to the City's Administrative Policy related to Reduction-in-Force: that is, SMA members will have the bumping rights to a current or previously held classification in any Unit.

**General Clean Up**

- \* Fix any typographical errors
- \* Spacing issues
- \* Reference errors
- \* Change Department of Parks and Recreation to Library and Community Services
- \* Incorporate existing side letters

**RENEGOTIATIONS – Proposal # 2**

Tentatively agreed to on April 30, 2014

City Proposed Language:

- x.1 Negotiations shall begin no later than 120 calendar days prior to the termination date of the agreement.

If either party is unable to meet the timeline, it shall not result in any waiver of rights. The parties shall meet as soon as possible.

It is the intent of both parties to try and reach a successor Agreement prior to the expiration of this Agreement. However, it is by no means a mandatory obligation of the parties to do so.

**LEAVES – Proposal # 4****14.3 Bereavement Leave**

Employees are entitled to bereavement leave where death has occurred to an employee's:

spouse or registered domestic partner, father, step-father, mother, step-mother, son, daughter, brother, sister, grandparents, or grandchildren, or to the father, mother, son, daughter, brother, or sister, grandparents or grandchildren of an employee's spouse or registered domestic partner.

Employees are entitled to bereavement leave in an amount not to exceed 40 work hours per eligible incident immediately upon employment. Except as provided herein, all bereavement leave must be used within six calendar months of the date of the eligible incident. Employees who are designated as the executor for a qualifying decedent's estate may use bereavement leave beyond the six month limitation. Any use of bereavement leave more than six months after the eligible incident requires the approval of the Human Resources Director.

The City reserves the right to require proof of death from the employee including, but not limited to: death certificates, obituaries, and funeral cards.

#### **TERM – Proposal # 6**

- 4.1 The term of this Agreement shall be upon ratification of the parties and through June 30, 2015, and will thereafter continue in effect until the parties reach agreement on a successor Agreement or the City Council takes action after meeting and conferring in good faith to modify the wages, hours, and terms and conditions of employment provided hereunder.

#### **WAGES/COMPENSATION – Proposal # 9**

##### **12.2 Salary Adjustments**

1. Effective August 31, 2014, 2% across the board salary adjustment
2. Effective the first full pay period following ratification by the SMA membership and approval by the City Council, a 1% of current salary, pensionable for CalPERS classic members, lump sum payment

#### **RETIREMENT – Proposal # 10-B**

##### **13.13 Retirement**

The City has contracted with CalPERS and shall provide pension benefits for miscellaneous employees, including employees in this Unit, in a manner consistent with State law and will comply with the Public Employees' Pension Reform Act (Government Code Section 7522 et seq.).

Employees' payment to their employee contribution to CalPERS shall be made pursuant to IRC Section 414(h)(2).

##### Tier 1 – Local Miscellaneous 2.7% at age 55

Employees hired before December 23, 2012 shall receive Local Miscellaneous 2.7% at age 55 retirement formula. Final compensation shall be calculated using the single highest year model.

The City agrees to contribute to CalPERS on behalf of employees as follows:

Effective August 31, 2014, the City shall contribute four percent (4%) of the eight percent (8%) employee contribution. Employees shall pay the remaining four percent (4%) of the employee contribution on a pre-tax basis.

The City's payment of employees' CalPERS contribution is based upon authority from CalPERS and upon tax treatment permitted by the Internal Revenue Service and revenue rulings related thereto, and by the California Franchise Tax Board. It is understood that the State Legislature or Congress may alter the statutory authority for this tax treatment, and the Franchise Tax Board, or the IRS or the United States Department of Treasury may alter the current revenue rulings, either by other rulings or regulations.

The City shall continue to report the value of the employer-paid member contributions (EPMC) as additional compensation for each employee.

Tier 2 – Local Miscellaneous 2.0% at age 60

Employees hired on or after December 23, 2012 who are also classic CalPERS members shall receive the Local Miscellaneous 2.0% at age 60 retirement formula. Final compensation shall be calculated using the single highest year model.

The City agrees to contribute to CalPERS on behalf of employees as follows:

Effective August 31, 2014, the City shall contribute four percent (4%) of the seven percent (7%) employee contribution. Employees shall pay the remaining three percent (3%) of the employee contribution on a pre-tax basis.

The City's payment of employees' CalPERS contribution is based upon authority from CalPERS and upon tax treatment permitted by the Internal Revenue Service and revenue rulings related thereto, and by the California Franchise Tax Board. It is understood that the State Legislature or Congress may alter the statutory authority for this tax treatment, and the Franchise Tax Board, or the IRS or the United States Department of Treasury may alter the current revenue rulings, either by other rulings or regulations.

The City shall continue to report the value of the employer-paid member contributions (EPMC) as additional compensation for each employee.

Tier 3 - Local Miscellaneous 2.0% @ 62

Employees hired on or after January 1, 2013 who are also new CalPERS members shall receive the Local Miscellaneous 2.0% at age 62 retirement formula. Final compensation shall be calculated using the highest 36-consecutive month model. Employees will pay fifty percent (50%) of normal cost as the employee contribution on a pre-tax basis. The normal cost is subject to change on a fiscal year basis as determined by CalPERS.

- \* *This agreement is considered tentative and shall not be considered final or binding until ratified by the membership and approved by the City Council. This document sets forth the full agreements of the parties reached during these negotiations. Anything not included in the document is not part of the Tentative Agreement.*

For the Sunnyvale Managers Association:

Date: 11-13-14

Chief Spokesperson: Robert Van Housen

For the City of Sunnyvale:

Date: 11/13/14

Chief Spokesperson: Jen Silva

2014 CITY OF SUNNYVALE – SMA NEGOTIATIONS  
TENTATIVE AGREEMENT

**HOUSEKEEPING – Proposal # 1**

**15.4 City-Wide Employee Emergency Leave Relief Fund**

The City-Wide Employee Emergency Leave Relief Fund is available to employees pursuant to the provisions contained in the City's Salary Resolution. Donations are made based on an hour-for-hour conversion.

~~Subject to review by other bargaining units the City will change the program provisions to provide for dollar-to-dollar conversion as opposed to the current hour for hour conversion.~~

**16.2 Reduction-In-Force**

If the City implements a reduction-in-force that affects employees in this Unit, it will be administered pursuant to the City's Administrative Policy related to Reduction-in-Force: that is, SMA members will have the bumping rights to a current or previously held classification in any Unit.

General Clean Up

- Fix any typographical errors
- Spacing issues
- Reference errors
- Change Department of Parks and Recreation to Library and Community Services
- Incorporate existing side letters

\* This agreement is considered tentative and shall not be considered final or binding until a final agreement on all terms has been reached and both ratified by association members and approved by the City Council.

For the Sunnyvale Managers Association:

Date: June 5, 2014

Chief Spokesperson: Robert Van Hees

For the City of Sunnyvale:

Date: 6/5/14

Chief Spokesperson: CAZ

2014 CITY OF SUNNYVALE – SMA NEGOTIATIONS  
TENTATIVE AGREEMENT

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**RENEGOTIATIONS – Proposal # 2**

Proposal Date: April 30, 2014

City Proposed Language:

x.1 Negotiations shall begin no later than 120 calendar days prior to the termination date of the agreement.

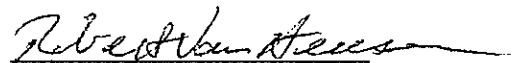
If either party is unable to meet the timeline, it shall not result in any waiver of rights. The parties shall meet as soon as possible.

It is the intent of both parties to try and reach a successor Agreement prior to the expiration of this Agreement. However, it is by no means a mandatory obligation of the parties to do so.

\* This agreement is considered tentative and shall not be considered final or binding until a final agreement on all terms has been reached and both ratified by association members and approved by the City Council.

For the Sunnyvale Managers Association:

Date: 4-30-14

Chief Spokesperson: 

For the City of Sunnyvale:

Date: 4/30/14

Chief Spokesperson: 



**CITY OF SUNNYVALE  
AND  
SUNNYVALE MANAGERS ASSOCIATION  
MEMORANDUM OF UNDERSTANDING**

| July ~~2008-2014~~ to June 30, ~~2014~~2015

## TABLE OF CONTENTS

Article		Page
Article	1 - Preamble .....	1
Article	2 - Recognition .....	1
Article	3 - Ratification .....	1
Article	4 - Term .....	1
Article	5 - Full Understanding, Modifications, and Waivers .....	1
Article	6 - Severability .....	2
Article	7 - Ordinances, Codes, and Resolutions .....	2
Article	8 - Scope of Negotiations .....	2
Article	9 - Authorized Agents .....	3
Article	10 - Non-Discrimination .....	3
Article	11 - Negotiation Preparation .....	3
Article	12 - Wages/Compensation .....	4
	12.1 Salaries .....	4
	12.2 Salary Adjustments .....	4
	12.3 Interim/Acting Pay .....	4
	12.4 Merit Increase .....	4
	12.5 Change in Pay Upon Promotion .....	4
	12.6 Change in Pay Upon Reclassification .....	5
Article	13 - Insurance Plans and Retirement .....	5
	13.1 Medical Insurance .....	5
	13.2 Cafeteria Benefits Plan .....	5
	13.3 Employee Contribution .....	5
	13.4 Premium Conversion .....	5
	13.5 Cash In-Lieu of Medical Coverage .....	5
	13.6 Dental Insurance .....	6
	13.7 Vision Insurance .....	7
	13.8 Life/AD&D Insurance .....	7
	13.9 Long Term Disability Insurance .....	7
	13.10 Employee Assistance Program .....	7
	13.11 Dependent Care .....	7
	13.12 Medical Reimbursement Account .....	7
	13.13 Retirement .....	8

Article	14	- Leaves .....	8
	14.1	Paid Time Off Leave (PTO) .....	8
	14.2	Holiday Leave .....	11
	14.3	Bereavement Leave .....	12
	14.4	Jury Leave .....	12
	14.5	Military Leave .....	12
	14.6	Administrative Leave .....	12
Article	15	- Additional Benefits .....	12
	15.1	Workers' Compensation Benefits .....	12
	15.2	Deferred Compensation .....	12
	15.3	Tuition Reimbursement .....	12
	15.4	City-Wide Employee Emergency Leave Relief Fund .....	12
	15.5	Direct Deposit .....	13
	15.6	Personal Vehicle Use .....	13
Article	16	- Working Conditions .....	13
	16.1	Special Work Schedule .....	13
	16.2	Reduction-In-Force .....	13
	16.3	Grievance Procedure .....	13
	16.4	Disciplinary Appeal Procedure .....	15
Article	17	- Association Provisions .....	15
	17.1	Bulletin Boards .....	15
	17.2	Use of City Facilities and Equipment .....	16
	17.3	Use of City E-mail System .....	16
	17.4	Dues Deduction .....	16
	17.5	New Employee Roster/Orientation .....	17
	17.6	Release Time When Meeting With The City .....	17
	17.7	Association/Management Committee .....	17
<u>Article</u>	<u>18</u>	<u>Renegotiations</u>	

Exhibits

A - Classifications Represented by the Sunnyvale Managers Association

B - Side Letter Agreement Regarding Cross Unit Bumping

C - Side Letter Agreement Regarding Educational Requirements and Protections

## **Article 1 PREAMBLE**

This Memorandum of Understanding (MOU) is between the City of Sunnyvale (City) and the duly authorized representatives of the Sunnyvale Managers Association (SMA). Its purpose is to promote harmonious relations between the City, the Association, and employees (Employees) by setting forth the understanding of the parties reached as a result of meeting and conferring in good faith regarding the wages, hours, and certain other terms and conditions of employment of employees in the classifications comprising this Bargaining Unit (Unit).

## **Article 2 RECOGNITION**

The Sunnyvale Managers Association (Association) is hereby acknowledged as the exclusively recognized employee organization for those full-time employees in the classifications listed in Exhibit A as it currently reads or as modified by agreement of the parties during the term of the MOU.

The City shall notify the Association of the development of a new or revised management classification and, upon written request from the Association within seven (7) work days from the City's notice, shall consult with the Association concerning the new classification.

## **Article 3 RATIFICATION**

It is agreed that the provisions of this MOU are of no force or effect until ratified by the Association and duly adopted by the City Council of the City of Sunnyvale.

## **Article 4 TERM**

The term of this Agreement shall be upon ratification of the parties and through June 30, [20142015](#), and will thereafter continue in effect until the parties reach agreement on a successor Agreement or the City Council takes action after meeting and conferring in good faith to modify the wages, hours, and terms and conditions of employment provided hereunder.

## **Article 5 FULL UNDERSTANDING, MODIFICATIONS, AND WAIVERS**

This Agreement sets forth the full and entire agreement of the parties regarding the matters set forth herein, and any other prior or existing understanding or agreements, including any prior memoranda of understanding, over the matters between parties, whether formal or informal, are hereby superseded or terminated in their entirety.

It is agreed and understood that, except as set forth herein, each party hereto voluntarily and unqualifiedly waives its right to negotiate, and agrees that the other party shall not be required to negotiate with respect to any subject or matter covered herein or with respect to any other matters within the scope of representation, during the term of this Agreement.

No agreement, alteration, understanding, variation, waiver, or modification of any of the terms or provisions contained herein shall in any manner be binding upon the parties hereto unless made and executed by all parties hereto, and if required, approved by the City and ratified by the membership of the Association.

The waiver of any breach, term or condition of this Agreement by either party shall not constitute a precedent in the future enforcement of all its terms and provisions.

## **Article 6 SEVERABILITY**

In the event any provision of this MOU is declared invalid or unenforceable by a court of competent jurisdiction, the remaining provisions of the MOU shall remain in full force and effect.

If a provision is declared invalid or unenforceable as provided above, at the written request of either party submitted to the other within ten (10) work days of such action by the court, the parties shall meet promptly to negotiate the impact of such declaration by the court.

## **Article 7 ORDINANCES, CODES, AND RESOLUTIONS**

Any written City ordinances, codes, or resolutions currently in effect that cover subjects within the scope of representation shall not be changed during the term of this Agreement without first giving the Association the opportunity to meet and confer concerning such changes, except as otherwise provided by this Agreement.

Such meeting and conferring shall be up to and including mediation.

## **Article 8 SCOPE OF NEGOTIATIONS**

The scope of representation shall include all matters relating to employment conditions, and employer-employee relations including but not limited to wages, hours, and other terms and conditions of employment, as provided by the Meyers-Milias-Brown Act and as may be amended.

Pursuant to the Meyers-Milias-Brown Act, as it currently exists, or may be amended, the City agrees to meet and confer with the Association in advance regarding any proposed

changes in working conditions within the scope of representation, except as provided elsewhere in this Agreement.

The City is required to comply with federal and state laws, and to the extent the City is required to meet and confer about any changes in federal or state law, it will do so; however, if there is no requirement to meet and confer, the City will implement any required policies and/or procedures.

## **Article 9 AUTHORIZED AGENTS**

For purposes of administering the terms and provisions of this Agreement:

City's principal authorized representative shall be the City's Director of Human Resources or his/her duly authorized representative (address: 505 West Olive Avenue, Suite 200, Sunnyvale, CA 94086; telephone (408) 730-7495) except where a particular management representative is specifically designated in connection with the performance of a specified function or obligation set forth herein.

The Association's principal authorized agent shall be the President of the Sunnyvale Managers Association or his/her duly authorized representative. The Association's official mailing address is P.O. Box 70083, Sunnyvale, CA 94086.

## **Article 10 NON-DISCRIMINATION**

The parties agree that they and each of them shall adhere to the City's policies concerning Equal Employment Opportunity (EEO) and non-discrimination, and other applicable Federal and State non-discrimination laws.

The parties agree that they and each of them shall not discriminate against any employee because of membership or non-membership in the Association, or because of any authorized activity on behalf of the Association, or because of the exercise of rights under this Agreement.

## **Article 11 NEGOTIATION PREPARATION**

Up to three (3) Association negotiating team members and one note taker will be compensated for negotiation sessions that occur during their regular work schedules, notwithstanding leaves of absence. The City will compensate the negotiation team members for up to one (1) hour of preparation time either before or after the scheduled meeting. All other time spent on Association business will be on the member's own time. Only negotiation team members shall attend the negotiation sessions, unless mutually agreed otherwise.

## Article 12 WAGES/COMPENSATION

### 12.1 Salaries

Pay rates for each classification within the Unit shall be assigned to a pay grade as set forth currently in Pay Plan Category D/E as defined in the City's Salary Resolution. The range for each classification extends from 85% of the Control Point up to the Control Point (100%).

### 12.2 Salary Adjustments

- ~~1. July 2008 no adjustment.~~
- ~~2. The pay period that include July 1, 2009 2%~~
- ~~3. First full pay period of July 2010 2%~~
- ~~4. First full pay period of July 2011 3%~~
- ~~5. First full pay period of July 2012 0%~~
- ~~6. First full pay period of July 2013 0%~~
1. Effective August 31, 2014, 2% across the board salary adjustment
2. Effective the first full pay period following ratification by the SMA membership and approval by the City Council, a 1% of current salary, pensionable for CalPERS classic members, lump sum payment

### 12.3 Interim/Acting Pay

Employees who are appointed by the City Manager in an acting/interim status to a higher level vacant position may receive placement within the control point of the vacant position; or a percentage over current pay as designated by the City Manager.

### 12.4 Merit Increase

Upon completion of 13 pay periods of service, any employee hired in a classification represented by the Association on or after July 1, 2013 who receives an overall rating of achieves or exceeds expectation on their most recent performance evaluation shall receive an increase in salary above the rate to which they were initially assigned, up to but not exceeding the Control Point. Consideration for each subsequent increase in salary will be given following the completion of 26 pay periods from the prior increase in salary, up to but not exceeding the Control Point. Increases in salary shall be granted effective the start of the pay period in which the day after the employee completes 26 pay periods from the prior increase in salary occurs. ~~employees who meet or exceed expectations of performance may receive an increase in salary above the rate to which they were initially assigned, up to but not exceeding the Control Point.~~

The pay rate for employees hired prior to June 1, 2013 will be considered for adjustment beyond that granted after the first 13 pay periods of service at the beginning of each new fiscal year after employment, up to but not exceeding the Control Point. The pay rate adjustment is subject to a meets or exceeds performance evaluation. Increases of more than 5% require approval of the City Manager.

### 12.5 Change in Pay Upon Promotion

Employees who are promoted to a classification which has been assigned a Control Point greater than the classification from which the employee is being promoted shall be entitled to assignment to a pay rate in the new salary range which provides at least 5% above the employee's current pay rate, or the rate which the employee would have received with a meeting or exceeding expectation of performance within 2 pay periods had the promotion not been made, provided the increase does not exceed 95.0% of the Control Point for the new classification, except that upon recommendation of the Department Director and approval of the City Manager, the promoted employee's pay rate may be set at up to 100% of such Control Point. Thereafter, the employee is considered for merit increases in the same manner as other employees.

### **12.6 Change in Pay Upon Reclassification**

When a position is reclassified to a classification with a higher pay range and the incumbent employee retains the position, the employee shall be placed at a pay level commensurate with his or her skills, knowledge and experience and within the range for the new position, or a salary 5% above the employee's present salary, whichever is higher.

## **Article 13 INSURANCE PLANS AND RETIREMENT**

### **13.1 Medical Insurance**

To maintain current benefit level, the City will contribute the cost of the premium or \$544.69 per month, whichever is less toward the cost of premiums for medical insurance under the Public Employees Medical and Hospital Care Act (PEMHCA) for each employee and his or her eligible dependents. Effective January of each year during the term of this Agreement, the City's contribution will be the lesser of: the cost of the premium or the lowest cost HMO premium for single coverage of the lowest cost HMO plan available through the CalPERS Bay Area regional medical plans. Additionally, the City's contribution shall be no less than the highest City contribution for any of the other represented employee units.

### **13.2 Cafeteria Benefits Plan**

To maintain current benefit level the City will contribute to a Cafeteria Benefits Plan for the cost of medical premiums only. The City's Cafeteria Benefits Plan contribution will be capped at the cost of the premium of the highest priced plan between the CalPERS Bay Area regional HMO plans or the PERS Choice PPO plan, less the City Contribution as stated in Section 13.1 above.

### **13.3 Employee Contribution**

Any difference between the total cost of the employee's medical plan (for employee only, employee plus one or employee plus family) and the amount contributed by the City will be paid by the employee.

### 13.4 Premium Conversion

The City agrees to continue to provide employees with an option to pay their insurance premium contributions on a pre-tax basis, as provided in the Internal Revenue Code.

### 13.5 Cash In-Lieu of Medical Coverage

The City will continue to provide employees with the option of reducing their medical coverage and receiving payment of a portion of what otherwise would be the City contribution.

To be eligible for this plan, an employee must either:

- Change from full family to employee plus one or employee only (available only when the employee continues to be eligible for full family coverage);
- Change from employee plus one to employee only (available only when the employee continues to be eligible for employee plus one coverage),
- Change from any level coverage to no coverage; or
- A new employee may choose no coverage.

Payment shall be made on the following schedule:

<u>CURRENT</u>	<u>NEW</u>	<u>PER PAY PERIOD</u>	<u>MONTHLY</u>
E + 2	None	\$98.50	\$213.42
E + 2	E	\$60.50	\$131.08
E + 2	E + 1	\$22.50	\$ 48.75
E + 1	None	\$76.00	\$164.67
E + 1	E	\$38.00	\$ 82.33
E	None	\$38.00	\$ 82.33
NEW	None	\$38.00	\$ 82.33

The cash in-lieu payment shall not, when combined with the City's contribution for medical insurance and the cafeteria benefits plan, exceed the combined City contribution for medical insurance and the cafeteria benefits plan.

If the employee is currently a dependent of a City employee and covered by a CalPERS Health Plan, the employee is not eligible for reimbursement.

Whenever an employee changes to no coverage, the employee shall provide proof of alternate coverage and sign a waiver stating that she or he does have alternative coverage and that she or he understands that he or she will no longer receive coverage through a City sponsored CalPERS provided medical plan.

If an employee decides to increase his or her level of coverage by either reentering a City sponsored CalPERS provided medical plan or including a dependent in his or her current coverage, he or she may enroll in accordance with CalPERS procedures.

Procedures for exercising this option and for reentering the City sponsored CalPERS provided medical plans shall be established by the City.

### **13.6 Dental Insurance**

Dental insurance at the current benefit level will continue to be provided for employees and eligible family members. The premium is fully paid by the City.

### **13.7 Vision Insurance**

Vision insurance at the current benefit level will continue to be provided for employees and eligible family members. The premium is fully paid by the City.

### **13.8 Life/AD&D Insurance**

The City shall provide Basic Life and Accidental Death and Dismemberment (Life/AD&D) insurance for each employee in an amount equal to that employee's base annual salary.

Such insurance shall be at no cost to the employee, except that, insurance amounts above \$50,000 provided by the City shall be subject to tax law provisions.

At the time of hire, an employee may purchase additional Life/AD&D insurance in an amount equal to the coverage provided by the City, up to a combined maximum coverage of \$175,000.

Current employees, who did not purchase additional Life/AD&D insurance at the time of hire, may purchase additional Life/AD&D insurance in an amount equal to the coverage provided by the City, up to a combined maximum coverage of \$175,000, subject to approval by the carrier.

Upon renewal of the coverage, the City will make a good faith effort to find a carrier who will increase the voluntary coverage to \$250,000.

### **13.9 Long Term Disability Insurance**

To maintain current benefit level the City shall provide Long Term Disability insurance that provides 2/3 of the employee's base annual salary to a maximum of \$11,000 per month of paid benefits, subject to the terms of the contract with the carrier. Such insurance shall be at no cost to the employee.

### **13.10 Employee Assistance Program**

To maintain current benefit level the Employee Assistance Program will continue to be provided. Enrollment is mandatory, and the premium is fully paid by the City.

### **13.11 Dependent Care**

The City shall continue to provide a plan in accordance with the Internal Revenue Code Section 129 which provides an option for employees to pay for dependent care expenses on a pre-tax basis.

### **13.12 Medical Reimbursement Account**

A Section 125 medical reimbursement plan will be offered to all employees on a voluntary basis.

### **13.13 Retirement**

~~The City has contracted with CalPERS to provide for miscellaneous employees, including employees in this Unit, the Retirement formula commonly called, "Local Miscellaneous 2.7% @ 55".~~

~~The City shall contribute seven percent (7%) of salary for the employee's share of CalPERS. Employees shall pay one percent (1%) of their required employee contribution; such payment shall be made on a pre-tax basis pursuant to IRC Section 414(h)(2). Effective with the first full pay period of July 2012, the employees shall pay three percent (3%) of their required employee contribution; such payment shall be made on a pre-tax basis pursuant to IRC Section 414(h)(2). The three percent (3%) contribution amount shall apply to all SMA members, both current and future.~~

~~The City shall continue to report the value of the employer paid member contribution (EPMC) as additional compensation for each employee.~~

~~The City's payment of employees' CalPERS contribution is based upon authority from CalPERS and upon tax treatment permitted by the Internal Revenue Service and revenue rulings related thereto, and by the California Franchise Tax Board. It is understood that the State Legislature or Congress may alter the statutory authority for this tax treatment, and the Franchise Tax Board, or the IRS or the United States Department of Treasury may alter the current revenue rulings, either by other rulings or regulations.~~

### **13.14 Retirement Second Tier**

~~At any time the second tier retirement formula is implemented for new employees, Sunnyvale Managers Association (SMA) agrees to immediately accept implementation of the same retirement formula.~~

The City has contracted with CalPERS and shall provide pension benefits for miscellaneous employees, including employees in this Unit, in a manner consistent with

State law and will comply with the Public Employees' Pension Reform Act (Government Code Section 7522 et seq.).

Employees' payment to their employee contribution to CalPERS shall be made pursuant to IRC Section 414(h)(2).

Tier 1 – Local Miscellaneous 2.7% at age 55

Employees hired before December 23, 2012 shall receive Local Miscellaneous 2.7% at age 55 retirement formula. Final compensation shall be calculated using the single highest year model.

The City agrees to contribute to CalPERS on behalf of employees as follows:

Effective August 31, 2014, the City shall contribute four percent (4%) of the eight percent (8%) employee contribution. Employees shall pay the remaining four percent (4%) of the employee contribution on a pre-tax basis.

The City's payment of employees' CalPERS contribution is based upon authority from CalPERS and upon tax treatment permitted by the Internal Revenue Service and revenue rulings related thereto, and by the California Franchise Tax Board. It is understood that the State Legislature or Congress may alter the statutory authority for this tax treatment, and the Franchise Tax Board, or the IRS or the United States Department of Treasury may alter the current revenue rulings, either by other rulings or regulations.

The City shall continue to report the value of the employer--paid member contributions (EPMC) as additional compensation for each employee.

Tier 2 – Local Miscellaneous 2.0% at age 60

Employees hired on or after December 23, 2012 who are also classic CalPERS members shall receive the Local Miscellaneous 2.0% at age 60 retirement formula. Final compensation shall be calculated using the single highest year model.

The City agrees to contribute to CalPERS on behalf of employees as follows:

Effective August 31, 2014, the City shall contribute four percent (4%) of the seven percent (7%) employee contribution. Employees shall pay the remaining three percent (3%) of the employee contribution on a pre-tax basis.

The City's payment of employees' CalPERS contribution is based upon authority from CalPERS and upon tax treatment permitted by the Internal Revenue Service and revenue rulings related thereto, and by the California Franchise Tax Board. It is understood that the State Legislature or Congress may alter the statutory authority for this tax treatment, and the Franchise Tax Board, or the IRS or the United States

Department of Treasury may alter the current revenue rulings, either by other rulings or regulations.

The City shall continue to report the value of the employer-paid member contributions (EPMC) as additional compensation for each employee.

### Tier 3 - Local Miscellaneous 2.0% @ 62

Employees hired on or after January 1, 2013 who are also new CalPERS members shall receive the Local Miscellaneous 2.0% at age 62 retirement formula. Final compensation shall be calculated using the highest 36-consecutive month model. Employees will pay fifty percent (50%) of normal cost as the employee contribution on a pre-tax basis. The normal cost is subject to change on a fiscal year basis as determined by CalPERS.

## **Article 14 LEAVES**

### **14.1 Paid Time Off Leave (PTO)**

(a) Employees are eligible to accrue and use Paid Time Off Leave (PTO). Such leave shall be used for vacation, medical appointment, disability/illness, family emergency, and may also be used for personal business, care of sick children or other family members, school visits, etc. Leaves not included in PTO which remain separate leaves are bereavement, jury duty, military duty, management administrative leave, workers' compensation, floating holiday, and holiday.

Except for illness or emergency, all PTO shall be pre-planned and pre-approved. The recommended advance notice is 1 week. Shorter periods of advance notice may be acceptable with Supervisor or Director's approval. The City may at any time require written verification from a physician for a non-pre-planned absence for illness, family emergency or visits to a doctor, dentist or licensed mental health practitioner.

(b) PTO begins accruing on the first day of employment and is prorated on an hourly basis for each paid hour. PTO shall not accrue during any unpaid leave. Time off is paid provided there is adequate PTO accrued to cover the absence. Time off in excess of PTO accruals and other available leave shall be leave without pay. As employees use PTO, the time used shall be deducted from the employee's current PTO balance.

(c) The accrual rates are listed below:

TABLE A

<b>Service Period Pay Periods</b>	<b>Years</b>	<b>Hrs/pp</b>	<b>Accrual Rate Hrs/yr</b>	<b>Days/yr</b>
1-26	0 to 1	6.5	169	21
27-130	1+ to 5	7.5	195	24
131-260	5+ to 10	9.0	234	29
261-650	10+ to 25	10.5	273	34
651+	25+	12.0	312	39

(d) Eligible employees will accrue at the rates shown in Table A for the first 870 hours (21.75 weeks, 108.75 work days). After 870 hours are accrued, the employee will start accruing at the reduced rate levels of Table B.

TABLE B

<b>Service Period Pay Periods</b>	<b>Years</b>	<b>Hrs/pp</b>	<b>Accrual Rate Hrs/yr</b>	<b>Work Days/yr</b>
1-130	0 to 5	5.0	130	16
131-650	5+ to 25	6.5	169	21
651+	25+	8.0	208	27

Accruals at this level will stop at 1040 hours (maximum cap) until total accrual is reduced below 1040.

(e) If at any time the total accrual falls below 870 hours, the accrual rate will revert to the rates in Table A.

(f) No minimum usage per year is required. Accruals carry over from one payroll calendar year to the next.

(g) PTO and Separation/Retirement. PTO accrues and is prorated on an hourly basis for each paid hour during the last pay period of service. PTO shall be paid off to the employee on the employee's last day of work (pay included in final paycheck). The City Manager may, however, approve the utilization of available accrued PTO to extend the date of retirement, and in special circumstances, the date of separation.

(h) PTO and Disability. After 26 consecutive pay periods of service, the City shall provide full pay for a medically certified (same occurrence) disability, beginning with work hour 81 through 90 calendar days of disability. At this time, the City will require a doctor's note and medical information in accordance with current Administrative Policy provisions. No disability leave will be provided until this requirement is satisfied.

To access the Disability Leave Benefit (full pay from 10-90 calendar days), an employee must provide acceptable written medical documentation showing that the disability is a

single disability, whether continuous time off has been taken or not for that disability. The first 80 hours of a single disability are charged to the employee's PTO bank. Hours 81 up through the maximum of calendar day 90 are eligible for coverage under the Disability Leave Benefit.

After 90 calendar days of (same occurrence) disability, the disabled employee shall be eligible to apply for Long Term Disability coverage. In addition, if, after having been off work for 80 hours on a same disability and becoming eligible for disability leave pay, the disabled employee continues to be unable to return to work full-time, but is able to work partial days, the employee remains eligible for disability pay for the part of the day that the employee is unable to work.

(i) PTO and Workers' Compensation. During the first 26 pay periods of service, the employee will be eligible for Workers' Compensation benefits as provided by state law. The employee, at this time, will have the option to use PTO or any other leave balance available to him/her, have it paid off, or keep it in his/her leave bank for future use upon his/her return.

After 26 consecutive pay periods of service, the City shall provide full pay for a medically certified work-related (same occurrence) disability, beginning with workday 1 through 90 calendar days of disability. After 90 calendar days of (same occurrence) work-related disability, the disabled employee shall be eligible to apply for Long Term Disability coverage.

(j) If an employee has no available leave hours, pay may be deducted for any hours short of 40 worked in a week. This policy is established pursuant to principles of public accountability.

(k) Employees have the option to cash-out up to 80 hours of PTO once at the end of each payroll calendar year. This cash-out will be allowed as long as the employee maintains a balance of 80 hours in his/her bank. If the employee elects this option, the minimum number of hours that may be cashed-out is 8.

## **14.2 HOLIDAY LEAVE**

### **(a) Holidays**

Employees who were on pay status both before and after each holiday shall be entitled to take leave on each of the following holidays:

New Year's Eve  
 New Year's Day  
 Martin Luther King Jr. Day  
 Presidents' Day  
 Memorial Day  
 Independence Day  
 Labor Day  
 Thanksgiving Day

Day after Thanksgiving  
 Christmas Eve  
 Christmas Day

When a City holiday falls on a Saturday the holiday will be observed on the Friday; when a holiday falls on a Sunday, the holiday will be observed on Monday; or as designated by the City Council.

(b) Floating Holiday

Employees shall be credited with twenty (20) hours of floating holiday leave on the first day of the first pay period in the payroll calendar year.

Newly hired employees shall be credited with a pro-rata share of floating holiday hours, based upon the proportion of the calendar year remaining after their date of hire. Use of floating holiday leave shall be subject to approval in advance by the employee's supervisor.

Employees separating City employment shall have their allotment of floating holiday leave for that year pro-rated based upon their date of separation.

Any employee who has used less than his/her pro-rated allotment for the portion of the calendar year worked, shall have the balance paid to him/her on his/her final paycheck.

Any employee who has used more than his/her pro-rated allotment for the portion of the calendar year worked, shall have the overage offset against any available accrued leave, on his/her final paycheck. The employee may also authorize the deduction from his/her final compensation. If the employee's final paycheck is insufficient to repay the overage, the employee shall reimburse the City immediately.

Unused floating holiday leave at the end of the payroll calendar year may be paid out in cash or rolled over into PTO leave subject to maximum accrual limits specified in this Agreement.

### 14.3 Bereavement Leave

Employees are entitled to bereavement leave where death has occurred to an employee's:

-spouse or registered domestic partner, father, step-father, mother, step-mother, son, daughter, brother, sister, grandparents, or grandchildren, or to the father, mother, son, daughter, brother, or sister, grandparents or grandchildren of an employee's spouse or registered domestic partner.

Employees are entitled to bereavement leave in an amount not to exceed 40 work hours per eligible incident immediately upon employment. Except as provided herein, all bereavement leave must be used within six calendar months of the date of the eligible incident. Employees who are designated as the executor for a qualifying decedent's

estate may use bereavement leave beyond the six month limitation. Any use of bereavement leave more than six months after the eligible incident requires the approval of the Human Resources Director.

The City reserves the right to require proof of death from the employee including, but not limited to: death certificates, obituaries, and funeral cards.

#### **14.4 Jury Leave**

An employee is entitled to jury leave in accordance with State Law and/or City Policy.

#### **14.5 Military Leave**

Employees assigned to active military duty are entitled to military leave in accordance with the provisions of applicable State and Federal laws and/or City policy.

#### **14.6 Administrative Leave**

Administrative Leave of forty (40) hours per calendar year is subject to Department Director's approval and to the additional provisions in the Administrative Policy.

### **Article 15 ADDITIONAL BENEFITS**

#### **15.1 Workers' Compensation Benefits**

Workers' Compensation Benefits will be provided as required by law, and in accordance with the provisions of the City's Salary Resolution.

#### **15.2 Deferred Compensation**

Employees are eligible to participate in a 457 deferred compensation plan approved by the City. A 401 (a) plan is available, and procedures for contribution to such plan will be established by the City. With respect to any employee who enrolls in either of the two deferred compensation plans (457 or 401 (a)), the City shall contribute to such plan on behalf of the employee an amount equal to 2% of the employee's gross pay per pay period. Employees shall not be entitled to receive any or all of such payment except as payment into a deferred compensation account.

#### **15.3 Tuition Reimbursement**

Employees are eligible for tuition reimbursement as provided in the City's Administrative Policy.

No reduction of City services will result due to the tuition reimbursement program.

#### **15.4 City-Wide Employee Emergency Leave Relief Fund**

The City-Wide Employee Emergency Leave Relief Fund is available to employees pursuant to the provisions contained in the City's Salary Resolution. Donations are made based on an hour-for-hour conversion.

~~Subject to review by other bargaining units the City will change the program provisions to provide for dollar to dollar conversion as opposed to the current hour for hour conversion.~~

### **15.5 Direct Deposit**

The City shall make available deposit of all or a portion of an employee's net pay to financial institutions of his or her choice via direct electronic paycheck deposit.

### **15.6 Personal Vehicle Use**

An employee eligible to receive an automobile allowance under the City's administrative policy shall receive \$310 per month.

## **Article 16 WORKING CONDITIONS**

### **16.1 Special Work Schedule**

An employee may request an alternative work schedule based on the guidelines found in the City's Administrative Policy related to Work Schedules.

This policy specifically allows the establishment of alternative work schedules, including flextime schedules. It also requires that the City establish schedules that are attentive to the needs of individual employees while also assuring prompt, efficient and cost effective public service.

A special work schedule implemented according to the above procedure may be terminated at the end of a pay period by the City Manager, the Department Director, or upon request of the employee upon three (3) weeks written notice to each other.

The City agrees to consider the needs and desires of employees requesting a special schedule. If the City denies a request for a special schedule, then the City will give the employee(s) the reasons for the denial in writing.

### **16.2 Reduction-In-Force**

If the City implements a reduction-in-force that affects employees in this Unit, it will be administered pursuant to the City's Administrative Policy related to Reduction-in-Force: that is, SMA members will have the bumping rights to a current or previously held classification in ~~ay~~any Unit.

### **16.3 Grievance Procedure**

Any employee covered by the Memorandum of Understanding may file a grievance.

#### **a) Purpose**

To assure prompt and fair treatment of employee grievances related to employment.

## b) Definition

A grievance is defined as an alleged violation, misinterpretation or misapplication of the provisions of this Memorandum of Understanding or the City's Administrative Policy.

## c) Limitations

A grievant and representative shall be allowed reasonable time during work hours to meet regarding any grievance as provided in this article without loss of pay. It is understood that the grievant and representatives shall:

- (i) provide their supervisor(s) with advance notice and request for such time;
- (ii) that such request will not be arbitrarily denied;
- (iii) that such time shall be charged on the grievant's/representative's timecard to the designated program code, if applicable.

Time limits may be extended by written mutual agreement of the parties.

## d) Procedures

Step I

The grievant will first attempt to resolve the grievance through informal discussions with successive levels of supervision beginning with his/her immediate supervisor through his/her department head. These discussions must be initiated within ten (10) work days following knowledge of the incident upon which the grievance is based. Every attempt will be made by the parties to settle the issue at this level.

Step II

If the grievance is not resolved through the informal discussions, the employee may submit a written appeal to his/her department head within ten (10) work days after the informal meeting.

The written appeal must contain in clear, factual, and concise language:

- 1. A brief statement as to the date of the occurrence on which the grievance is based and the facts, as the grievant sees them;
- 2. The rule, regulation or act on which the grievance is based;
- 3. The action the grievant believes will resolve the grievance;
- 4. Signature of the employee.

The department head shall have ten (10) work days following receipt of the appeal to review the matter and prepare a written response. Copies shall go to all parties involved and the Human Resources Department.

**Step III**

If the grievance is not resolved, the grievant may, and upon approval of the Association, within five (5) work days following receipt of the department head's response, appeal to the City Manager, stating in writing the basis for the appeal. The grievant may, and upon approval of the association, have the option to request advisory arbitration. If advisory arbitration is requested the parties shall mutually agree on an arbitrator or request a list of five arbitrators from the California State Mediation and Conciliation Service. An arbitrator shall then be selected by the parties by alternately striking names. A hearing before the arbitrator shall be held as soon as practical and the arbitrator shall render a decision which shall be advisory to the City Manager.

The City Manager shall render a written decision to all parties directly involved within fifteen (15) work days following the date of the hearing with the City Manager or the optional advisory arbitration. This decision will be final.

**16.4 Disciplinary Appeal Procedure**

Any employee holding a regular appointment who is suspended, demoted, dismissed or had a salary reduction shall be entitled to be heard before the Personnel Board at a duly constituted meeting in accordance with the provisions contained in the City's Administrative Policy.

**Article 17 ASSOCIATION PROVISIONS****17.1 Bulletin Boards**

The Association shall have the use of designated bulletin board space to post material related to Association business.

The City shall determine the placement of bulletin boards and the portion of the board to be made available to the Association.

Any materials posted must be dated and initialed by the Association representative responsible for the posting.

At the time of the posting, a copy of the material must be given to the management representative designated for that bulletin board.

The Association shall remove posted material after it has served its purpose, usually within 30 days.

The Association agrees that nothing of a libelous, obscene, defamatory, or of a partisan political nature, shall be posted.

The Association agrees that this Article provides the right to post materials only on designated bulletin boards.

Any material posted in violation of this Article may be removed by the management representative designated for a particular bulletin board. If material is removed, the City shall notify the Association in writing of the removal and the reasons therefore.

### **17.2 Use of City Facilities and Equipment**

The Association may be granted the use of City facilities subject to the following conditions:

- the meeting is during non-work hours;
- the meeting is for City employees;
- the meeting is not for organizing activities;
- the meeting is not for a membership drive;
- the Association makes a written request at least 24 hours in advance of the day it wants to use the facility, and stating the purpose of the meeting; and space is available.

The parties agree the City has the right to assess reasonable charges for the use of such facilities.

Use of City equipment, other than items normally used in the conduct of such business meetings, such as desks, chairs, and black/whiteboards, is strictly prohibited, the presence of such equipment in approved City facilities notwithstanding.

### **17.3 Use of City E-mail System**

The Association may use the City's e-mail system outside of work hours to post notices and results of elections, appointments of officers, to schedule and post notices of meetings, and to post notices of recreational, social and other organization events.

Per Section 2.24.100 of the Municipal Code, employees may only review and respond to such during non-work times.

### **17.4 Dues Deduction**

Association dues and such other deductions as may be properly requested and lawfully permitted shall be deducted, in accordance with applicable state law, bi-weekly by the City from the salary of each employee who files with the City a written request that such deduction be made on their behalf.

Remittance of the aggregate amount of all deductions made pursuant to this Article shall be made to the Association by the City within thirty (30) days after such deductions are made. As soon as administratively possible, the City shall make such remittance by electronic transfer to the financial institution(s) as designated by the Association.

**17.5 New Employee Roster/Orientation**

The City shall provide the Association with a list of new Association hires including name, date of hire, classification and work location within one week of start date.

The Association may prepare a new employee information packet which shall be given by the City to employees during the Department of Human Resources orientation of new employees.

**17.6 Release Time When Meeting With The City**

If the President of the Association attends a mutually agreed upon meeting with the City, the President and up to three (3) designated Association Representatives, shall have reasonable release time to attend such meeting. Employees shall notify their supervisor or his/her designee as soon as possible in advance of such meeting. Travel time is included within the reasonable release time.

**17.7 Association/Management Committee**

The parties agree that regular meetings to explore mutual problems and issues will be beneficial to the relationship between the City and the Association. Consequently the parties agree to meet as needed to discuss any issue concerning the rights of either party or the relationship between the City and the Association or the City and employees the Association represents. The purpose of the meetings is to exchange information and to solve problems and issues.

The Association may have up to three (3) representatives attend these meetings. Association representatives shall receive reasonable release time to participate in these meetings.

The specific schedule and agenda shall be mutually agreed by the parties.

**Article 18 RENEGOTIATIONS****18.1 Negotiations shall begin no later than 120 calendar days prior to the termination date of the agreement.**

If either party is unable to meet the timeline, it shall not result in any waiver of rights. The parties shall meet as soon as possible.

It is the intent of both parties to try and reach a successor Agreement prior to the expiration of this Agreement. However, it is by no means a mandatory obligation of the parties to do so.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2011.

CITY OF SUNNYVALE

SUNNYVALE MANAGERS  
ASSOCIATION

\_\_\_\_\_  
~~Gary Luebbers~~Deanna J. Santana, City Manager  
~~Kirby~~BobRobert Van Heusen, President

\_\_\_\_\_  
~~Tim~~

\_\_\_\_\_  
Teri Silva, Director of  
Human Resources

\_\_\_\_\_  
~~Mark Bowers~~,Scott Morton  
~~Negotiating Team~~Board Member

# EXHIBIT A

## Classifications Represented by the Sunnyvale Managers Association

Job  
Code

Classification

0302	<del>Administrative Assistant: Golf Services</del>
0303	<del>Administrative Assistant: Library Circulation</del>
0305	Administrative Librarian
0309	Administrative Services Manager: <u>Utility Billing</u>
0217	Affordable Housing Manager
0206	Assistant City Engineer
0259	<u>Assistant Director of Finance</u>
0205	Assistant Director of Public Works/City Engineer
0258	<del>Assistant to the Director of Parks and Recreation</del>
0367	Budget Analyst I
0368	Budget Analyst II
0388	City Property Administrator
0369	<u>Civilian Fire Marshal</u>
0316	Communications Officer
0342	Community Resources Manager
0213	<u>Community Services Manager</u>
0260	Economic Development Manager
0301	Employment Training Manager
0326	<u>Environmental Programs Manager</u>
0295	<del>Environmental Division Manager</del>
0361	Finance Manager: Accounting
0363	<del>Finance Manager: Treasury</del>
0380	Fleet Manager
0327	Golf Operations <del>Supervisor</del> <u>Manager</u>
0302	<u>Head Golf Professional</u>
0202	Housing Officer
0286	<del>Intergovernmental Relations Officer</del>
0338	Internal Auditor
0390	Laboratory/Pretreatment Manager
0303	<u>Library Circulation Manager</u>
0274	Management Analyst: Employment Development
0276	Management Analyst: Public Safety
0209	Manager of Business Operations
0211	Manager of Job Seeker Services

<u>Job Code</u>	<u>Classification</u>
0332	Manager, Applications Development
0324	Manager, Bureau of Technical Services-Public Safety
0331	Manager, Information Technology Services
0204	Neighborhood Preservation Manager
0329	Operations Manager: Facilities
0330	Parks <del>Supervisor</del> <u>Manager</u>
0230	Planning Officer
0375	Program Quality and Operations Manager
<del>0350</del>	<del>Public Works Supervisor</del>
<del>0245</del>	<del>Public Safety Communications Manager</del>
<del>0246</del>	<del>Public Safety Records Manager</del>
0362	Purchasing Officer
<del>0218</del>	<del>Regulatory Programs Division Manager</del>
0213	Recreation Supervisor
0326	Recycling Manager
<del>0315</del>	<del>Revenue Systems Supervisor</del>
<del>0373</del>	<del>Senior Engineer</del>
<del>0374</del>	<del>Senior Environmental Engineer</del>
0339	Senior Internal Auditor
<del>0322</del>	<del>Senior Management Analyst</del>
<del>0317</del>	<del>Senior Management Analyst: Community Development</del>
<del>0318</del>	<del>Senior Management Analyst: Finance</del>
<del>0314</del>	<del>Senior Management Analyst: Public Safety</del>
0275	Solid Waste Programs <del>s Division</del> Manager
<del>0353</del>	<del>Street Operations Manager</del>
0210	Superintendent of Building Inspection
0212	Superintendent of Facilities Maintenance
0270	Superintendent of <del>Field Services</del> <u>Public Works Operations</u>
0222	Superintendent of Parks and Golf
0216	Superintendent of <del>Recreation</del> <u>Community Services</u>
0223	Superintendent of Trees and Landscape
0310	Supervising Librarian
0290	Transportation and Traffic Manager
<del>0363</del>	<del>Treasury Manager</del>
0344	Urban Landscape Manager
<del>0345</del>	<del>Urban Landscape Supervisor</del>
<del>0315</del>	<del>Utility Billing Manager</del>
<del>0352</del>	<del>Wastewater Operations Manager</del>
<del>0201</del>	<del>Water and Sewer Systems Division Manager</del>
0351	Water Operations Manager

Job  
Code

Classification

0295	<u>Water Pollution Control Division Manager</u>
0395	Water Pollution Control Maintenance <del>and Facility</del> Manager
0396	Water Pollution Control Operations Manager
0284	Youth and Family Resources Manager

**CITY OF SUNNYVALE**  
**AND**  
**SUNNYVALE MANAGERS ASSOCIATION**  
**MEMORANDUM OF UNDERSTANDING**

**July 2014 to June 30, 2015**



## TABLE OF CONTENTS

Article		Page
Article	1 - Preamble .....	1
Article	2 - Recognition .....	1
Article	3 - Ratification .....	1
Article	4 - Term .....	1
Article	5 - Full Understanding, Modifications, and Waivers .....	1
Article	6 - Severability .....	2
Article	7 - Ordinances, Codes, and Resolutions .....	2
Article	8 - Scope of Negotiations .....	2
Article	9 - Authorized Agents .....	3
Article	10 - Non-Discrimination .....	3
Article	11 - Negotiation Preparation .....	3
Article	12 - Wages/Compensation .....	4
	12.1 Salaries .....	4
	12.2 Salary Adjustments .....	4
	12.3 Interim/Acting Pay .....	4
	12.4 Merit Increase .....	4
	12.5 Change in Pay Upon Promotion .....	4
	12.6 Change in Pay Upon Reclassification .....	5
Article	13 - Insurance Plans and Retirement .....	5
	13.1 Medical Insurance .....	5
	13.2 Cafeteria Benefits Plan .....	5
	13.3 Employee Contribution .....	5
	13.4 Premium Conversion .....	5
	13.5 Cash In-Lieu of Medical Coverage .....	5
	13.6 Dental Insurance .....	6
	13.7 Vision Insurance .....	7
	13.8 Life/AD&D Insurance .....	7
	13.9 Long Term Disability Insurance .....	7
	13.10 Employee Assistance Program .....	7
	13.11 Dependent Care .....	7
	13.12 Medical Reimbursement Account .....	7
	13.13 Retirement .....	8

Article	14	- Leaves .....	9
	14.1	Paid Time Off Leave (PTO) .....	9
	14.2	Holiday Leave .....	11
	14.3	Bereavement Leave .....	12
	14.4	Jury Leave .....	13
	14.5	Military Leave .....	13
	14.6	Administrative Leave .....	13
Article	15	- Additional Benefits .....	13
	15.1	Workers' Compensation Benefits .....	13
	15.2	Deferred Compensation .....	13
	15.3	Tuition Reimbursement .....	13
	15.4	City-Wide Employee Emergency Leave Relief Fund .....	13
	15.5	Direct Deposit .....	14
	15.6	Personal Vehicle Use .....	14
Article	16	- Working Conditions .....	14
	16.1	Special Work Schedule .....	14
	16.2	Reduction-In-Force .....	14
	16.3	Grievance Procedure .....	14
	16.4	Disciplinary Appeal Procedure .....	16
Article	17	- Association Provisions .....	16
	17.1	Bulletin Boards .....	16
	17.2	Use of City Facilities and Equipment .....	17
	17.3	Use of City E-mail System .....	17
	17.4	Dues Deduction .....	17
	17.5	New Employee Roster/Orientation .....	17
	17.6	Release Time When Meeting With The City .....	18
	17.7	Association/Management Committee .....	18
Article	18	Renegotiations.....	18

Exhibits

A - Classifications Represented by the Sunnyvale Managers Association

B - Side Letter Agreement Regarding Cross Unit Bumping

C - Side Letter Agreement Regarding Educational Requirements and Protections

## **Article 1 PREAMBLE**

This Memorandum of Understanding (MOU) is between the City of Sunnyvale (City) and the duly authorized representatives of the Sunnyvale Managers Association (SMA). Its purpose is to promote harmonious relations between the City, the Association, and employees (Employees) by setting forth the understanding of the parties reached as a result of meeting and conferring in good faith regarding the wages, hours, and certain other terms and conditions of employment of employees in the classifications comprising this Bargaining Unit (Unit).

## **Article 2 RECOGNITION**

The Sunnyvale Managers Association (Association) is hereby acknowledged as the exclusively recognized employee organization for those full-time employees in the classifications listed in Exhibit A as it currently reads or as modified by agreement of the parties during the term of the MOU.

The City shall notify the Association of the development of a new or revised management classification and, upon written request from the Association within seven (7) work days from the City's notice, shall consult with the Association concerning the new classification.

## **Article 3 RATIFICATION**

It is agreed that the provisions of this MOU are of no force or effect until ratified by the Association and duly adopted by the City Council of the City of Sunnyvale.

## **Article 4 TERM**

The term of this Agreement shall be upon ratification of the parties and through June 30, 2015, and will thereafter continue in effect until the parties reach agreement on a successor Agreement or the City Council takes action after meeting and conferring in good faith to modify the wages, hours, and terms and conditions of employment provided hereunder.

## **Article 5 FULL UNDERSTANDING, MODIFICATIONS, AND WAIVERS**

This Agreement sets forth the full and entire agreement of the parties regarding the matters set forth herein, and any other prior or existing understanding or agreements, including any prior memoranda of understanding, over the matters between parties, whether formal or informal, are hereby superseded or terminated in their entirety.

It is agreed and understood that, except as set forth herein, each party hereto voluntarily and unqualifiedly waives its right to negotiate, and agrees that the other party shall not be required to negotiate with respect to any subject or matter covered herein or with respect to any other matters within the scope of representation, during the term of this Agreement.

No agreement, alteration, understanding, variation, waiver, or modification of any of the terms or provisions contained herein shall in any manner be binding upon the parties hereto unless made and executed by all parties hereto, and if required, approved by the City and ratified by the membership of the Association.

The waiver of any breach, term or condition of this Agreement by either party shall not constitute a precedent in the future enforcement of all its terms and provisions.

## **Article 6 SEVERABILITY**

In the event any provision of this MOU is declared invalid or unenforceable by a court of competent jurisdiction, the remaining provisions of the MOU shall remain in full force and effect.

If a provision is declared invalid or unenforceable as provided above, at the written request of either party submitted to the other within ten (10) work days of such action by the court, the parties shall meet promptly to negotiate the impact of such declaration by the court.

## **Article 7 ORDINANCES, CODES, AND RESOLUTIONS**

Any written City ordinances, codes, or resolutions currently in effect that cover subjects within the scope of representation shall not be changed during the term of this Agreement without first giving the Association the opportunity to meet and confer concerning such changes, except as otherwise provided by this Agreement.

Such meeting and conferring shall be up to and including mediation.

## **Article 8 SCOPE OF NEGOTIATIONS**

The scope of representation shall include all matters relating to employment conditions, and employer-employee relations including but not limited to wages, hours, and other terms and conditions of employment, as provided by the Meyers-Milias-Brown Act and as may be amended.

Pursuant to the Meyers-Milias-Brown Act, as it currently exists, or may be amended, the City agrees to meet and confer with the Association in advance regarding any proposed

changes in working conditions within the scope of representation, except as provided elsewhere in this Agreement.

The City is required to comply with federal and state laws, and to the extent the City is required to meet and confer about any changes in federal or state law, it will do so; however, if there is no requirement to meet and confer, the City will implement any required policies and/or procedures.

## **Article 9 AUTHORIZED AGENTS**

For purposes of administering the terms and provisions of this Agreement:

City's principal authorized representative shall be the City's Director of Human Resources or his/her duly authorized representative (address: 505 West Olive Avenue, Suite 200, Sunnyvale, CA 94086; telephone (408) 730-7495) except where a particular management representative is specifically designated in connection with the performance of a specified function or obligation set forth herein.

The Association's principal authorized agent shall be the President of the Sunnyvale Managers Association or his/her duly authorized representative. The Association's official mailing address is P.O. Box 70083, Sunnyvale, CA 94086.

## **Article 10 NON-DISCRIMINATION**

The parties agree that they and each of them shall adhere to the City's policies concerning Equal Employment Opportunity (EEO) and non-discrimination, and other applicable Federal and State non-discrimination laws.

The parties agree that they and each of them shall not discriminate against any employee because of membership or non-membership in the Association, or because of any authorized activity on behalf of the Association, or because of the exercise of rights under this Agreement.

## **Article 11 NEGOTIATION PREPARATION**

Up to three (3) Association negotiating team members and one note taker will be compensated for negotiation sessions that occur during their regular work schedules, notwithstanding leaves of absence. The City will compensate the negotiation team members for up to one (1) hour of preparation time either before or after the scheduled meeting. All other time spent on Association business will be on the member's own time. Only negotiation team members shall attend the negotiation sessions, unless mutually agreed otherwise.

## **Article 12 WAGES/COMPENSATION**

### **12.1 Salaries**

Pay rates for each classification within the Unit shall be assigned to a pay grade as set forth currently in Pay Plan Category D/E as defined in the City's Salary Resolution. The range for each classification extends from 85% of the Control Point up to the Control Point (100%).

### **12.2 Salary Adjustments**

1. Effective August 31, 2014, 2% across the board salary adjustment
2. Effective the first full pay period following ratification by the SMA membership and approval by the City Council, a 1% of current salary, pensionable for CalPERS classic members, lump sum payment

### **12.3 Interim/Acting Pay**

Employees who are appointed by the City Manager in an acting/interim status to a higher level vacant position may receive placement within the control point of the vacant position; or a percentage over current pay as designated by the City Manager.

### **12.4 Merit Increase**

Upon completion of 13 pay periods of service, any employee hired in a classification represented by the Association on or after July 1, 2013 who receives an overall rating of achieves or exceeds expectation on their most recent performance evaluation shall receive an increase in salary above the rate to which they were initially assigned, up to but not exceeding the Control Point. Consideration for each subsequent increase in salary will be given following the completion of 26 pay periods from the prior increase in salary, up to but not exceeding the Control Point. Increases in salary shall be granted effective the start of the pay period in which the day after the employee completes 26 pay periods from the prior increase in salary occurs.

The pay rate for employees hired prior to June 1, 2013 will be considered for adjustment beyond that granted after the first 13 pay periods of service at the beginning of each new fiscal year after employment, up to but not exceeding the Control Point. The pay rate adjustment is subject to a meets or exceeds performance evaluation. Increases of more than 5% require approval of the City Manager.

### **12.5 Change in Pay Upon Promotion**

Employees who are promoted to a classification which has been assigned a Control Point greater than the classification from which the employee is being promoted shall be entitled to assignment to a pay rate in the new salary range which provides at least 5% above the employee's current pay rate, or the rate which the employee would have received with a meeting or exceeding expectation of performance within 2 pay periods had the promotion not been made, provided the increase does not exceed 95.0% of the Control Point for the new classification, except that upon recommendation of the Department Director and approval of the City Manager, the promoted employee's pay

rate may be set at up to 100% of such Control Point. Thereafter, the employee is considered for merit increases in the same manner as other employees.

**12.6 Change in Pay Upon Reclassification**

When a position is reclassified to a classification with a higher pay range and the incumbent employee retains the position, the employee shall be placed at a pay level commensurate with his or her skills, knowledge and experience and within the range for the new position, or a salary 5% above the employee's present salary, whichever is higher.

**Article 13 INSURANCE PLANS AND RETIREMENT****13.1 Medical Insurance**

To maintain current benefit level, the City will contribute the cost of the premium or \$544.69 per month, whichever is less toward the cost of premiums for medical insurance under the Public Employees Medical and Hospital Care Act (PEMHCA) for each employee and his or her eligible dependents. Effective January of each year during the term of this Agreement, the City's contribution will be the lesser of: the cost of the premium or the lowest cost HMO premium for single coverage of the lowest cost HMO plan available through the CalPERS Bay Area regional medical plans. Additionally, the City's contribution shall be no less than the highest City contribution for any of the other represented employee units.

**13.2 Cafeteria Benefits Plan**

To maintain current benefit level the City will contribute to a Cafeteria Benefits Plan for the cost of medical premiums only. The City's Cafeteria Benefits Plan contribution will be capped at the cost of the premium of the highest priced plan between the CalPERS Bay Area regional HMO plans or the PERS Choice PPO plan, less the City Contribution as stated in Section 13.1 above.

**13.3 Employee Contribution**

Any difference between the total cost of the employee's medical plan (for employee only, employee plus one or employee plus family) and the amount contributed by the City will be paid by the employee.

**13.4 Premium Conversion**

The City agrees to continue to provide employees with an option to pay their insurance premium contributions on a pre-tax basis, as provided in the Internal Revenue Code.

**13.5 Cash In-Lieu of Medical Coverage**

The City will continue to provide employees with the option of reducing their medical coverage and receiving payment of a portion of what otherwise would be the City contribution.

To be eligible for this plan, an employee must either:

- Change from full family to employee plus one or employee only (available only when the employee continues to be eligible for full family coverage);
- Change from employee plus one to employee only (available only when the employee continues to be eligible for employee plus one coverage),
- Change from any level coverage to no coverage; or
- A new employee may choose no coverage.

Payment shall be made on the following schedule:

<u>CURRENT</u>	<u>NEW</u>	<u>PER PAY PERIOD</u>	<u>MONTHLY</u>
E + 2	None	\$98.50	\$213.42
E + 2	E	\$60.50	\$131.08
E + 2	E + 1	\$22.50	\$ 48.75
E + 1	None	\$76.00	\$164.67
E + 1	E	\$38.00	\$ 82.33
E	None	\$38.00	\$ 82.33
NEW	None	\$38.00	\$ 82.33

The cash in-lieu payment shall not, when combined with the City's contribution for medical insurance and the cafeteria benefits plan, exceed the combined City contribution for medical insurance and the cafeteria benefits plan.

If the employee is currently a dependent of a City employee and covered by a CalPERS Health Plan, the employee is not eligible for reimbursement.

Whenever an employee changes to no coverage, the employee shall provide proof of alternate coverage and sign a waiver stating that she or he does have alternative coverage and that she or he understands that he or she will no longer receive coverage through a City sponsored CalPERS provided medical plan.

If an employee decides to increase his or her level of coverage by either reentering a City sponsored CalPERS provided medical plan or including a dependent in his or her current coverage, he or she may enroll in accordance with CalPERS procedures.

Procedures for exercising this option and for reentering the City sponsored CalPERS provided medical plans shall be established by the City.

### **13.6 Dental Insurance**

Dental insurance at the current benefit level will continue to be provided for employees and eligible family members. The premium is fully paid by the City.

**13.7 Vision Insurance**

Vision insurance at the current benefit level will continue to be provided for employees and eligible family members. The premium is fully paid by the City.

**13.8 Life/AD&D Insurance**

The City shall provide Basic Life and Accidental Death and Dismemberment (Life/AD&D) insurance for each employee in an amount equal to that employee's base annual salary.

Such insurance shall be at no cost to the employee, except that, insurance amounts above \$50,000 provided by the City shall be subject to tax law provisions.

At the time of hire, an employee may purchase additional Life/AD&D insurance in an amount equal to the coverage provided by the City, up to a combined maximum coverage of \$175,000.

Current employees, who did not purchase additional Life/AD&D insurance at the time of hire, may purchase additional Life/AD&D insurance in an amount equal to the coverage provided by the City, up to a combined maximum coverage of \$175,000, subject to approval by the carrier.

Upon renewal of the coverage, the City will make a good faith effort to find a carrier who will increase the voluntary coverage to \$250,000.

**13.9 Long Term Disability Insurance**

To maintain current benefit level the City shall provide Long Term Disability insurance that provides 2/3 of the employee's base annual salary to a maximum of \$11,000 per month of paid benefits, subject to the terms of the contract with the carrier. Such insurance shall be at no cost to the employee.

**13.10 Employee Assistance Program**

To maintain current benefit level the Employee Assistance Program will continue to be provided. Enrollment is mandatory, and the premium is fully paid by the City.

**13.11 Dependent Care**

The City shall continue to provide a plan in accordance with the Internal Revenue Code Section 129 which provides an option for employees to pay for dependent care expenses on a pre-tax basis.

**13.12 Medical Reimbursement Account**

A Section 125 medical reimbursement plan will be offered to all employees on a voluntary basis.

### 13.13 Retirement

The City has contracted with CalPERS and shall provide pension benefits for miscellaneous employees, including employees in this Unit, in a manner consistent with State law and will comply with the Public Employees' Pension Reform Act (Government Code Section 7522 et seq.).

Employees' payment to their employee contribution to CalPERS shall be made pursuant to IRC Section 414(h)(2).

#### Tier 1 – Local Miscellaneous 2.7% at age 55

Employees hired before December 23, 2012 shall receive Local Miscellaneous 2.7% at age 55 retirement formula. Final compensation shall be calculated using the single highest year model.

The City agrees to contribute to CalPERS on behalf of employees as follows:

Effective August 31, 2014, the City shall contribute four percent (4%) of the eight percent (8%) employee contribution. Employees shall pay the remaining four percent (4%) of the employee contribution on a pre-tax basis.

The City's payment of employees' CalPERS contribution is based upon authority from CalPERS and upon tax treatment permitted by the Internal Revenue Service and revenue rulings related thereto, and by the California Franchise Tax Board. It is understood that the State Legislature or Congress may alter the statutory authority for this tax treatment, and the Franchise Tax Board, or the IRS or the United States Department of Treasury may alter the current revenue rulings, either by other rulings or regulations.

The City shall continue to report the value of the employer-paid member contributions (EPMC) as additional compensation for each employee.

#### Tier 2 – Local Miscellaneous 2.0% at age 60

Employees hired on or after December 23, 2012 who are also classic CalPERS members shall receive the Local Miscellaneous 2.0% at age 60 retirement formula. Final compensation shall be calculated using the single highest year model.

The City agrees to contribute to CalPERS on behalf of employees as follows:

Effective August 31, 2014, the City shall contribute four percent (4%) of the seven percent (7%) employee contribution. Employees shall pay the remaining three percent (3%) of the employee contribution on a pre-tax basis.

The City's payment of employees' CalPERS contribution is based upon authority from CalPERS and upon tax treatment permitted by the Internal Revenue Service and

revenue rulings related thereto, and by the California Franchise Tax Board. It is understood that the State Legislature or Congress may alter the statutory authority for this tax treatment, and the Franchise Tax Board, or the IRS or the United States Department of Treasury may alter the current revenue rulings, either by other rulings or regulations.

The City shall continue to report the value of the employer-paid member contributions (EPMC) as additional compensation for each employee.

Tier 3 - Local Miscellaneous 2.0% @ 62

Employees hired on or after January 1, 2013 who are also new CalPERS members shall receive the Local Miscellaneous 2.0% at age 62 retirement formula. Final compensation shall be calculated using the highest 36-consecutive month model. Employees will pay fifty percent (50%) of normal cost as the employee contribution on a pre-tax basis. The normal cost is subject to change on a fiscal year basis as determined by CalPERS.

## **Article 14 LEAVES**

### **14.1 Paid Time Off Leave (PTO)**

(a) Employees are eligible to accrue and use Paid Time Off Leave (PTO). Such leave shall be used for vacation, medical appointment, disability/illness, family emergency, and may also be used for personal business, care of sick children or other family members, school visits, etc. Leaves not included in PTO which remain separate leaves are bereavement, jury duty, military duty, management administrative leave, workers' compensation, floating holiday, and holiday.

Except for illness or emergency, all PTO shall be pre-planned and pre-approved. The recommended advance notice is 1 week. Shorter periods of advance notice may be acceptable with Supervisor or Director's approval. The City may at any time require written verification from a physician for a non-pre-planned absence for illness, family emergency or visits to a doctor, dentist or licensed mental health practitioner.

(b) PTO begins accruing on the first day of employment and is prorated on an hourly basis for each paid hour. PTO shall not accrue during any unpaid leave. Time off is paid provided there is adequate PTO accrued to cover the absence. Time off in excess of PTO accruals and other available leave shall be leave without pay. As employees use PTO, the time used shall be deducted from the employee's current PTO balance.

(c) The accrual rates are listed below:

TABLE A

<b>Service Period Pay Periods</b>	<b>Years</b>	<b>Hrs/pp</b>	<b>Accrual Rate Hrs/yr</b>	<b>Days/yr</b>
1-26	0 to 1	6.5	169	21
27-130	1+ to 5	7.5	195	24
131-260	5+ to 10	9.0	234	29
261-650	10+ to 25	10.5	273	34
651+	25+	12.0	312	39

(d) Eligible employees will accrue at the rates shown in Table A for the first 870 hours (21.75 weeks, 108.75 work days). After 870 hours are accrued, the employee will start accruing at the reduced rate levels of Table B.

TABLE B

<b>Service Period Pay Periods</b>	<b>Years</b>	<b>Hrs/pp</b>	<b>Accrual Rate Hrs/yr</b>	<b>Work Days/yr</b>
1-130	0 to 5	5.0	130	16
131-650	5+ to 25	6.5	169	21
651+	25+	8.0	208	27

Accruals at this level will stop at 1040 hours (maximum cap) until total accrual is reduced below 1040.

(e) If at any time the total accrual falls below 870 hours, the accrual rate will revert to the rates in Table A.

(f) No minimum usage per year is required. Accruals carry over from one payroll calendar year to the next.

(g) PTO and Separation/Retirement. PTO accrues and is prorated on an hourly basis for each paid hour during the last pay period of service. PTO shall be paid off to the employee on the employee's last day of work (pay included in final paycheck). The City Manager may, however, approve the utilization of available accrued PTO to extend the date of retirement, and in special circumstances, the date of separation.

(h) PTO and Disability. After 26 consecutive pay periods of service, the City shall provide full pay for a medically certified (same occurrence) disability, beginning with work hour 81 through 90 calendar days of disability. At this time, the City will require a doctor's note and medical information in accordance with current Administrative Policy provisions. No disability leave will be provided until this requirement is satisfied.

To access the Disability Leave Benefit (full pay from 10-90 calendar days), an employee must provide acceptable written medical documentation showing that the disability is a single disability, whether continuous time off has been taken or not for that disability. The first 80 hours of a single disability are charged to the employee's PTO bank. Hours 81 up through the maximum of calendar day 90 are eligible for coverage under the Disability Leave Benefit.

After 90 calendar days of (same occurrence) disability, the disabled employee shall be eligible to apply for Long Term Disability coverage. In addition, if, after having been off work for 80 hours on a same disability and becoming eligible for disability leave pay, the disabled employee continues to be unable to return to work full-time, but is able to work partial days, the employee remains eligible for disability pay for the part of the day that the employee is unable to work.

(i) PTO and Workers' Compensation. During the first 26 pay periods of service, the employee will be eligible for Workers' Compensation benefits as provided by state law. The employee, at this time, will have the option to use PTO or any other leave balance available to him/her, have it paid off, or keep it in his/her leave bank for future use upon his/her return.

After 26 consecutive pay periods of service, the City shall provide full pay for a medically certified work-related (same occurrence) disability, beginning with workday 1 through 90 calendar days of disability. After 90 calendar days of (same occurrence) work-related disability, the disabled employee shall be eligible to apply for Long Term Disability coverage.

(j) If an employee has no available leave hours, pay may be deducted for any hours short of 40 worked in a week. This policy is established pursuant to principles of public accountability.

(k) Employees have the option to cash-out up to 80 hours of PTO once at the end of each payroll calendar year. This cash-out will be allowed as long as the employee maintains a balance of 80 hours in his/her bank. If the employee elects this option, the minimum number of hours that may be cashed-out is 8.

## **14.2 HOLIDAY LEAVE**

### **(a) Holidays**

Employees who were on pay status both before and after each holiday shall be entitled to take leave on each of the following holidays:

New Year's Eve  
New Year's Day  
Martin Luther King Jr. Day  
Presidents' Day  
Memorial Day  
Independence Day

Labor Day  
Thanksgiving Day  
Day after Thanksgiving  
Christmas Eve  
Christmas Day

When a City holiday falls on a Saturday the holiday will be observed on the Friday; when a holiday falls on a Sunday, the holiday will be observed on Monday; or as designated by the City Council.

(b) Floating Holiday

Employees shall be credited with twenty (20) hours of floating holiday leave on the first day of the first pay period in the payroll calendar year.

Newly hired employees shall be credited with a pro-rata share of floating holiday hours, based upon the proportion of the calendar year remaining after their date of hire. Use of floating holiday leave shall be subject to approval in advance by the employee's supervisor.

Employees separating City employment shall have their allotment of floating holiday leave for that year pro-rated based upon their date of separation.

Any employee who has used less than his/her pro-rated allotment for the portion of the calendar year worked, shall have the balance paid to him/her on his/her final paycheck.

Any employee who has used more than his/her pro-rated allotment for the portion of the calendar year worked, shall have the overage offset against any available accrued leave, on his/her final paycheck. The employee may also authorize the deduction from his/her final compensation. If the employee's final paycheck is insufficient to repay the overage, the employee shall reimburse the City immediately.

Unused floating holiday leave at the end of the payroll calendar year may be paid out in cash or rolled over into PTO leave subject to maximum accrual limits specified in this Agreement.

**14.3 Bereavement Leave**

Employees are entitled to bereavement leave where death has occurred to an employee's:

spouse or registered domestic partner, father, step-father, mother, step-mother, son, daughter, brother, sister, grandparents, or grandchildren, or to the father, mother, son, daughter, brother, or sister, grandparents or grandchildren of an employee's spouse or registered domestic partner.

Employees are entitled to bereavement leave in an amount not to exceed 40 work hours per eligible incident immediately upon employment. Except as provided herein, all

bereavement leave must be used within six calendar months of the date of the eligible incident. Employees who are designated as the executor for a qualifying decedent's estate may use bereavement leave beyond the six month limitation. Any use of bereavement leave more than six months after the eligible incident requires the approval of the Human Resources Director.

The City reserves the right to require proof of death from the employee including, but not limited to: death certificates, obituaries, and funeral cards.

**14.4 Jury Leave**

An employee is entitled to jury leave in accordance with State Law and/or City Policy.

**14.5 Military Leave**

Employees assigned to active military duty are entitled to military leave in accordance with the provisions of applicable State and Federal laws and/or City policy.

**14.6 Administrative Leave**

Administrative Leave of forty (40) hours per calendar year is subject to Department Director's approval and to the additional provisions in the Administrative Policy.

**Article 15 ADDITIONAL BENEFITS**

**15.1 Workers' Compensation Benefits**

Workers' Compensation Benefits will be provided as required by law, and in accordance with the provisions of the City's Salary Resolution.

**15.2 Deferred Compensation**

Employees are eligible to participate in a 457 deferred compensation plan approved by the City. A 401 (a) plan is available, and procedures for contribution to such plan will be established by the City. With respect to any employee who enrolls in either of the two deferred compensation plans (457 or 401 (a)), the City shall contribute to such plan on behalf of the employee an amount equal to 2% of the employee's gross pay per pay period. Employees shall not be entitled to receive any or all of such payment except as payment into a deferred compensation account.

**15.3 Tuition Reimbursement**

Employees are eligible for tuition reimbursement as provided in the City's Administrative Policy.

No reduction of City services will result due to the tuition reimbursement program.

**15.4 City-Wide Employee Emergency Leave Relief Fund**

The City-Wide Employee Emergency Leave Relief Fund is available to employees pursuant to the provisions contained in the City's Salary Resolution. Donations are made based on an hour-for-hour conversion.

### **15.5 Direct Deposit**

The City shall make available deposit of all or a portion of an employee's net pay to financial institutions of his or her choice via direct electronic paycheck deposit.

### **15.6 Personal Vehicle Use**

An employee eligible to receive an automobile allowance under the City's administrative policy shall receive \$310 per month.

## **Article 16 WORKING CONDITIONS**

### **16.1 Special Work Schedule**

An employee may request an alternative work schedule based on the guidelines found in the City's Administrative Policy related to Work Schedules.

This policy specifically allows the establishment of alternative work schedules, including flextime schedules. It also requires that the City establish schedules that are attentive to the needs of individual employees while also assuring prompt, efficient and cost effective public service.

A special work schedule implemented according to the above procedure may be terminated at the end of a pay period by the City Manager, the Department Director, or upon request of the employee upon three (3) weeks written notice to each other.

The City agrees to consider the needs and desires of employees requesting a special schedule. If the City denies a request for a special schedule, then the City will give the employee(s) the reasons for the denial in writing.

### **16.2 Reduction-In-Force**

If the City implements a reduction-in-force that affects employees in this Unit, it will be administered pursuant to the City's Administrative Policy related to Reduction-in-Force: that is, SMA members will have the bumping rights to a current or previously held classification in any Unit.

### **16.3 Grievance Procedure**

Any employee covered by the Memorandum of Understanding may file a grievance.

- a) Purpose  
To assure prompt and fair treatment of employee grievances related to employment.
- b) Definition  
A grievance is defined as an alleged violation, misinterpretation or misapplication of the provisions of this Memorandum of Understanding or the City's Administrative Policy.

c) Limitations

A grievant and representative shall be allowed reasonable time during work hours to meet regarding any grievance as provided in this article without loss of pay. It is understood that the grievant and representatives shall:

- (i) provide their supervisor(s) with advance notice and request for such time;
- (ii) that such request will not be arbitrarily denied;
- (iii) that such time shall be charged on the grievant's/representative's timecard to the designated program code, if applicable.

Time limits may be extended by written mutual agreement of the parties.

d) Procedures

Step I

The grievant will first attempt to resolve the grievance through informal discussions with successive levels of supervision beginning with his/her immediate supervisor through his/her department head. These discussions must be initiated within ten (10) work days following knowledge of the incident upon which the grievance is based. Every attempt will be made by the parties to settle the issue at this level.

Step II

If the grievance is not resolved through the informal discussions, the employee may submit a written appeal to his/her department head within ten (10) work days after the informal meeting.

The written appeal must contain in clear, factual, and concise language:

- 1. A brief statement as to the date of the occurrence on which the grievance is based and the facts, as the grievant sees them;
- 2. The rule, regulation or act on which the grievance is based;
- 3. The action the grievant believes will resolve the grievance;
- 4. Signature of the employee.

The department head shall have ten (10) work days following receipt of the appeal to review the matter and prepare a written response. Copies shall go to all parties involved and the Human Resources Department.

Step III

If the grievance is not resolved, the grievant may, and upon approval of the Association, within five (5) work days following receipt of the department head's response, appeal to the City Manager, stating in writing the basis for the appeal. The grievant may, and upon approval of the association, have the option to request advisory arbitration. If advisory arbitration is requested the parties shall mutually agree on an arbitrator or request a list of five arbitrators from the California State Mediation and Conciliation Service. An arbitrator shall then be

selected by the parties by alternately striking names. A hearing before the arbitrator shall be held as soon as practical and the arbitrator shall render a decision which shall be advisory to the City Manager.

The City Manager shall render a written decision to all parties directly involved within fifteen (15) work days following the date of the hearing with the City Manager or the optional advisory arbitration. This decision will be final.

**16.4 Disciplinary Appeal Procedure**

Any employee holding a regular appointment who is suspended, demoted, dismissed or had a salary reduction shall be entitled to be heard before the Personnel Board at a duly constituted meeting in accordance with the provisions contained in the City's Administrative Policy.

**Article 17 ASSOCIATION PROVISIONS**

**17.1 Bulletin Boards**

The Association shall have the use of designated bulletin board space to post material related to Association business.

The City shall determine the placement of bulletin boards and the portion of the board to be made available to the Association.

Any materials posted must be dated and initialed by the Association representative responsible for the posting.

At the time of the posting, a copy of the material must be given to the management representative designated for that bulletin board.

The Association shall remove posted material after it has served its purpose, usually within 30 days.

The Association agrees that nothing of a libelous, obscene, defamatory, or of a partisan political nature, shall be posted.

The Association agrees that this Article provides the right to post materials only on designated bulletin boards.

Any material posted in violation of this Article may be removed by the management representative designated for a particular bulletin board. If material is removed, the City shall notify the Association in writing of the removal and the reasons therefore.

### **17.2 Use of City Facilities and Equipment**

The Association may be granted the use of City facilities subject to the following conditions:

- the meeting is during non-work hours;
- the meeting is for City employees;
- the meeting is not for organizing activities;
- the meeting is not for a membership drive;
- the Association makes a written request at least 24 hours in advance of the day it wants to use the facility, and stating the purpose of the meeting; and space is available.

The parties agree the City has the right to assess reasonable charges for the use of such facilities.

Use of City equipment, other than items normally used in the conduct of such business meetings, such as desks, chairs, and black/whiteboards, is strictly prohibited, the presence of such equipment in approved City facilities notwithstanding.

### **17.3 Use of City E-mail System**

The Association may use the City's e-mail system outside of work hours to post notices and results of elections, appointments of officers, to schedule and post notices of meetings, and to post notices of recreational, social and other organization events.

Per Section 2.24.100 of the Municipal Code, employees may only review and respond to such during non-work times.

### **17.4 Dues Deduction**

Association dues and such other deductions as may be properly requested and lawfully permitted shall be deducted, in accordance with applicable state law, bi-weekly by the City from the salary of each employee who files with the City a written request that such deduction be made on their behalf.

Remittance of the aggregate amount of all deductions made pursuant to this Article shall be made to the Association by the City within thirty (30) days after such deductions are made. As soon as administratively possible, the City shall make such remittance by electronic transfer to the financial institution(s) as designated by the Association.

### **17.5 New Employee Roster/Orientation**

The City shall provide the Association with a list of new Association hires including name, date of hire, classification and work location within one week of start date.

The Association may prepare a new employee information packet which shall be given by the City to employees during the Department of Human Resources orientation of new employees.

**17.6 Release Time When Meeting With The City**

If the President of the Association attends a mutually agreed upon meeting with the City, the President and up to three (3) designated Association Representatives, shall have reasonable release time to attend such meeting. Employees shall notify their supervisor or his/her designee as soon as possible in advance of such meeting. Travel time is included within the reasonable release time.

**17.7 Association/Management Committee**

The parties agree that regular meetings to explore mutual problems and issues will be beneficial to the relationship between the City and the Association. Consequently the parties agree to meet as needed to discuss any issue concerning the rights of either party or the relationship between the City and the Association or the City and employees the Association represents. The purpose of the meetings is to exchange information and to solve problems and issues.

The Association may have up to three (3) representatives attend these meetings. Association representatives shall receive reasonable release time to participate in these meetings.

The specific schedule and agenda shall be mutually agreed by the parties.

**Article 18 RENEGOTIATIONS**

18.1 Negotiations shall begin no later than 120 calendar days prior to the termination date of the agreement.

If either party is unable to meet the timeline, it shall not result in any waiver of rights. The parties shall meet as soon as possible.

It is the intent of both parties to try and reach a successor Agreement prior to the expiration of this Agreement. However, it is by no means a mandatory obligation of the parties to do so.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2014.

CITY OF SUNNYVALE

SUNNYVALE MANAGERS  
ASSOCIATION

\_\_\_\_\_  
Deanna J. Santana, City Manager

\_\_\_\_\_  
Robert Van Heusen, President

\_\_\_\_\_  
Teri Silva, Director of  
Human Resources

\_\_\_\_\_  
Scott Morton, Board Member

# EXHIBIT A

## Classifications Represented by the Sunnyvale Managers Association

<u>Job Code</u>	<u>Classification</u>
0305	Administrative Librarian
0309	Administrative Services Manager: Utility Billing
0217	Affordable Housing Manager
0206	Assistant City Engineer
0259	Assistant Director of Finance
0205	Assistant Director of Public Works/City Engineer
0367	Budget Analyst I
0368	Budget Analyst II
0388	City Property Administrator
0369	Civilian Fire Marshal
0316	Communications Officer
0342	Community Resources Manager
0213	Community Services Manager
0260	Economic Development Manager
0301	Employment Training Manager
0326	Environmental Programs Manager
0361	Finance Manager: Accounting
0380	Fleet Manager
0327	Golf Operations Manager
0302	Head Golf Professional
0202	Housing Officer
0338	Internal Auditor
0390	Laboratory/Pretreatment Manager
0303	Library Circulation Manager
0274	Management Analyst: Employment Development
0276	Management Analyst: Public Safety
0209	Manager of Business Operations
0211	Manager of Job Seeker Services
0332	Manager, Applications Development
0324	Manager, Bureau of Technical Services-Public Safety
0331	Manager, Information Technology Services
0204	Neighborhood Preservation Manager
0329	Operations Manager: Facilities
0330	Parks Manager

<u>Job Code</u>	<u>Classification</u>
0230	Planning Officer
0375	Program Quality and Operations Manager
0245	Public Safety Communications Manager
0246	Public Safety Records Manager
0362	Purchasing Officer
0218	Regulatory Programs Division Manager
0213	Recreation Supervisor
0326	Recycling Manager
0373	Senior Engineer
0374	Senior Environmental Engineer
0339	Senior Internal Auditor
0322	Senior Management Analyst
0275	Solid Waste Programs Division Manager
0353	Street Operations Manager
0210	Superintendent of Building Inspection
0212	Superintendent of Facilities Maintenance
0270	Superintendent of Public Works Operations
0222	Superintendent of Parks and Golf
0216	Superintendent of Community Services
0223	Superintendent of Trees and Landscape
0310	Supervising Librarian
0290	Transportation and Traffic Manager
0363	Treasury Manager
0344	Urban Landscape Manager
0315	Utility Billing Manager
0352	Wastewater Operations Manager
0201	Water and Sewer Systems Division Manager
0351	Water Operations Manager
0295	Water Pollution Control Division Manager
0395	Water Pollution Control Maintenance Manager
0396	Water Pollution Control Operations Manager
0284	Youth and Family Resources Manager

DRAFT 11/19/14 RB

**RESOLUTION NO. \_\_\_\_-14**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SUNNYVALE AMENDING RESOLUTION NO. 190-05, THE CITY'S SALARY RESOLUTION, BY AMENDING THE PAY SCHEDULE AND BENEFITS FOR EMPLOYEES REPRESENTED BY SUNNYVALE MANAGERS ASSOCIATION (SMA)**

WHEREAS, pursuant to the Memorandum of Understanding (MOU) between the City of Sunnyvale and the Sunnyvale Managers Association (SMA) and past practice, amendments to the pay plan schedule and employee benefits must be included in the City's Salary Resolution;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SUNNYVALE THAT:

1. Resolution No. 190-05 is hereby amended by amending the pay rates in Pay Plan Category E, as set forth in Exhibit "A" attached and incorporated by reference.
2. All other provisions of Resolution No. 190-05 shall remain in full force and effect.
3. The Salary Resolution amendments and pay rates noted above shall be effective \_\_\_\_\_, 2014.

Adopted by the City Council of the City of Sunnyvale at a regular meeting held on \_\_\_\_\_, 2014, by the following vote:

AYES:  
NOES:  
ABSTAIN:  
ABSENT:  
RECUSAL:

ATTEST:

APPROVED:

\_\_\_\_\_  
City Clerk  
(SEAL)

\_\_\_\_\_  
Mayor

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney

# **EXHIBIT A**

**City of Sunnyvale  
Salary Table - Regular Full-Time and Part-Time Employees**

Job Code	Job Title	Unit	Pay Categories	Range / Scale	Min. range / Step 1	Step 2	Step 3	Step 4	Step 5	Max. range / Step 6	Effective Date
0305	ADMINISTRATIVE LIBRARIAN	Mgmt-SMA	E	19	112,868					132,786	8/31/2014
0309	ADMINISTRATIVE SERVICES MANAGER: UTILITY BILLING	Mgmt-SMA	E	17	93,273					109,732	8/31/2014
0217	AFFORDABLE HOUSING MANAGER	Mgmt-SMA	E	18	104,682					123,155	8/31/2014
0206	ASSISTANT CITY ENGINEER	Mgmt-SMA	E	19MA	119,702					140,826	8/31/2014
0259	ASSISTANT DIRECTOR OF FINANCE	Mgmt-SMA	E	27	135,000					158,824	8/31/2014
0205	ASSISTANT DIRECTOR OF PUBLIC WORKS/CITY ENGINEER	Mgmt-SMA	E	21	141,583					166,568	8/31/2014
0258	ASSISTANT TO THE DIRECTOR OF PARKS AND RECREATION	Mgmt-SMA	E	18	104,682					123,155	8/31/2014
0367	BUDGET ANALYST I	Mgmt-SMA	E	16	86,370					101,611	8/31/2014
0368	BUDGET ANALYST II	Mgmt-SMA	E	17	93,273					109,732	8/31/2014
0388	CITY PROPERTY ADMINISTRATOR	Mgmt-SMA	E	19	112,868					132,786	8/31/2014
0369	CIVILIAN FIRE MARSHAL	Mgmt-SMA	E	28	129,179					151,975	8/31/2014
0316	COMMUNICATIONS OFFICER	Mgmt-SMA	E	18	104,682					123,155	8/31/2014
0342	COMMUNITY RESOURCES MANAGER	Mgmt-SMA	E	18	104,682					123,155	8/31/2014
0213	COMMUNITY SERVICES MANAGER	Mgmt-SMA	E	17	93,273					109,732	8/31/2014
0260	ECONOMIC DEVELOPMENT MANAGER	Mgmt-SMA	E	19	112,868					132,786	8/31/2014
0301	EMPLOYMENT TRAINING MANAGER	Mgmt-SMA	E	17	93,273					109,732	8/31/2014
0326	ENVIRONMENTAL PROGRAMS MANAGER	Mgmt-SMA	E	18MA	106,537					125,327	8/31/2014
0361	FINANCE MANAGER: ACCOUNTING	Mgmt-SMA	E	19	112,868					132,786	8/31/2014
0380	FLEET MANAGER	Mgmt-SMA	E	18	104,682					123,155	8/31/2014
0327	GOLF OPERATIONS MANAGER	Mgmt-SMA	E	17	93,273					109,732	8/31/2014
0302	HEAD GOLF PROFESSIONAL	Mgmt-SMA	E	15	79,972					94,085	8/31/2014
0202	HOUSING OFFICER	Mgmt-SMA	E	19	112,868					132,786	8/31/2014
0338	INTERNAL AUDITOR	Mgmt-SMA	E	16	86,370					101,611	8/31/2014
0390	LABORATORY/PRETREATMENT MANAGER	Mgmt-SMA	E	18	104,682					123,155	8/31/2014
0303	LIBRARY CIRCULATION MANAGER	Mgmt-SMA	E	15	79,972					94,085	8/31/2014
0274	MANAGEMENT ANALYST: EMPLOYMENT DEVELOPMENT	Mgmt-SMA	E	16	86,370					101,611	8/31/2014
0276	MANAGEMENT ANALYST: PUBLIC SAFETY	Mgmt-SMA	E	16	86,370					101,611	8/31/2014
0209	MANAGER OF BUSINESS OPERATIONS	Mgmt-SMA	E	19	112,868					132,786	8/31/2014
0211	MANAGER OF JOB SEEKER SERVICES	Mgmt-SMA	E	19	112,868					132,786	8/31/2014
0332	MANAGER, APPLICATIONS DEVELOPMENT	Mgmt-SMA	E	20	126,413					148,721	8/31/2014
0324	MANAGER, BUREAU OF TECHNICAL SERVICES - PUBLIC SAFETY	Mgmt-SMA	E	20	126,413					148,721	8/31/2014

**City of Sunnyvale**  
**Salary Table - Regular Full-Time and Part-Time Employees**

Job Code	Job Title	Unit	Pay Categories	Range / Scale	Min. range / Step 1	Step 2	Step 3	Step 4	Step 5	Max. range / Step 6	Effective Date
0331	MANAGER, INFORMATION TECHNOLOGY SERVICES	Mgmt-SMA	E	20	126,413					148,721	8/31/2014
0204	NEIGHBORHOOD PRESERVATION MANAGER	Mgmt-SMA	E	18	104,682					123,155	8/31/2014
0329	OPERATIONS MANAGER: FACILITIES	Mgmt-SMA	E	17	93,273					109,732	8/31/2014
0330	PARKS MANAGER	Mgmt-SMA	E	17	93,273					109,732	8/31/2014
0230	PLANNING OFFICER	Mgmt-SMA	E	20	126,413					148,721	8/31/2014
0375	PROGRAM QUALITY AND OPERATIONS MANAGER	Mgmt-SMA	E	20	126,413					148,721	8/31/2014
0245	PUBLIC SAFETY COMMUNICATIONS MANAGER	Mgmt-SMA	E	18	104,682					123,155	8/31/2014
0246	PUBLIC SAFETY RECORDS MANAGER	Mgmt-SMA	E	29	82,365					96,900	8/31/2014
0362	PURCHASING OFFICER	Mgmt-SMA	E	19	112,868					132,786	8/31/2014
0218	REGULATORY PROGRAMS DIVISION MANAGER	Mgmt-SMA	E	20	126,413					148,721	8/31/2014
0275	SOLID WASTE PROGRAMS DIVISION MANAGER	Mgmt-SMA	E	20	126,413					148,721	8/31/2014
0373	SR ENGINEER	Mgmt-SMA	E	26	108,329					127,332	8/31/2014
0374	SR ENVIRONMENTAL ENGINEER	Mgmt-SMA	E	26	108,329					127,332	8/31/2014
0339	SR INTERNAL AUDITOR	Mgmt-SMA	E	18	104,682					123,155	8/31/2014
0322	SR MANAGEMENT ANALYST	Mgmt-SMA	E	18	104,682					123,155	8/31/2014
0353	STREET OPERATIONS MANAGER	Mgmt-SMA	E	17	93,273					109,732	8/31/2014
0210	SUPERINTENDENT OF BUILDING INSPECTION	Mgmt-SMA	E	20	126,413					148,721	8/31/2014
0216	SUPERINTENDENT OF COMMUNITY SERVICES	Mgmt-SMA	E	20	126,413					148,721	8/31/2014
0212	SUPERINTENDENT OF FACILITIES MAINTENANCE	Mgmt-SMA	E	19	112,868					132,786	8/31/2014
0222	SUPERINTENDENT OF PARKS AND GOLF	Mgmt-SMA	E	20	126,413					148,721	8/31/2014
0270	SUPERINTENDENT OF PUBLIC WORKS OPERATIONS	Mgmt-SMA	E	20	126,413					148,721	8/31/2014
0223	SUPERINTENDENT OF TREES AND LANDSCAPE	Mgmt-SMA	E	19	112,868					132,786	8/31/2014
0310	SUPERVISING LIBRARIAN	Mgmt-SMA	E	17	93,273					109,732	8/31/2014
0290	TRANSPORTATION AND TRAFFIC MANAGER	Mgmt-SMA	E	20	126,413					148,721	8/31/2014
0363	TREASURY MANAGER	Mgmt-SMA	E	19	112,868					132,786	8/31/2014
0344	URBAN LANDSCAPE MANAGER	Mgmt-SMA	E	17	93,273					109,732	8/31/2014
0315	UTILITY BILLING MANAGER	Mgmt-SMA	E	19	112,868					132,786	8/31/2014
0352	WASTEWATER OPERATIONS MANAGER	Mgmt-SMA	E	17	93,273					109,732	8/31/2014
0201	WATER & SEWER SYSTEMS DIVISION MANAGER	Mgmt-SMA	E	20	126,413					148,721	8/31/2014
0351	WATER OPERATIONS MANAGER	Mgmt-SMA	E	18	104,682					123,155	8/31/2014
0396	WATER POLLUTION CONTROL OPERATIONS MANAGER	Mgmt-SMA	E	19	112,868					132,786	8/31/2014

**City of Sunnyvale**  
**Salary Table - Regular Full-Time and Part-Time Employees**

Job Code	Job Title	Unit	Pay Categories	Range / Scale	Min. range / Step 1	Step 2	Step 3	Step 4	Step 5	Max. range / Step 6	Effective Date
0395	WPC MAINTENANCE MANAGER	Mgmt-SMA	E	18	104,682					123,155	8/31/2014
0295	WPCP DIVISION MANAGER	Mgmt-SMA	E	20	126,413					148,721	8/31/2014
0284	YOUTH AND FAMILY RESOURCES MANAGER	Mgmt-SMA	E	18	104,682					123,155	8/31/2014

Notes

**MGMT-SMA and MGMT-PSMA:**

**Category E**, applies to Represented Classified Management Employees

Pay rates for **Categories D,E, F and K** consist of the annual control point for each classification.

**Revisions:**

Current revision: 08/31/2014

Prior revisions since 2011: 8/17/2014, 7/6/2014, 2/25/2014, 12/22/2013, 12/4/2013, 9/30/2013, 7/7/2013, 6/3/2013, 3/3/2013, 2/6/2013, 12/26/2012, 10/2/2012, 8/27/2012, 5/15/2012, 3/29/2012, 11/21/2011, 10/2/2011

RESOLUTION NO. \_\_\_\_-14

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY  
OF SUNNYVALE FOR PAYING AND REPORTING THE  
VALUE OF EMPLOYER PAID MEMBER  
CONTRIBUTIONS TO THE CALIFORNIA PUBLIC  
EMPLOYEES' RETIREMENT SYSTEM FOR EMPLOYEES  
REPRESENTED BY THE SUNNYVALE MANAGERS  
ASSOCIATION**

WHEREAS, the governing body of the City of Sunnyvale (the City) has the authority to implement Government Code Section 20636(c)(4) pursuant to Section 20691;

WHEREAS, the City has a written labor policy or agreement which specifically provides for the normal member contributions to be paid by the employer, and reported as additional compensation;

WHEREAS, one of the steps in the procedures to implement Section 20691 is the adoption by the City of a Resolution to commence paying and reporting the value of said Employer Paid Member Contributions (EPMC);

WHEREAS, the City has identified the following conditions for the purpose of its election to pay EPMC;

1. This benefit shall apply to all employees of Sunnyvale Managers Association.
2. This benefit shall consist of paying the following percentage of the normal member contributions as EPMC:
  - a) Effective August 31, 2014, for employees who are classic CalPERS members in Tier 1, four percent (4%) employer paid, and reporting the same percent (value) of compensation earnable [excluding Government Code Section 20636(c) (4)] as additional compensation; and
  - b) Effective August 31, 2014, for employees who are classic CalPERS members in Tier 2, four percent (4%) employer paid, and reporting the same percent (value) of compensation earnable [excluding Government Code Section 20636(c)(4)] as additional compensation; and

3. The effective date of this Resolution is \_\_\_\_\_, 2014.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SUNNYVALE THAT it hereby elects to pay and report the value of EPMC as set forth above.

Adopted by the City Council at a regular meeting held on \_\_\_\_\_, 2014, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

RECUSAL:

ATTEST:

APPROVED:

\_\_\_\_\_  
City Clerk  
(SEAL)

\_\_\_\_\_  
Mayor

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney



# City of Sunnyvale

## Agenda Item

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14-1007

Agenda Date: 12/9/2014

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### REPORT TO COUNCIL

#### **SUBJECT**

Introduce Ordinances to Amend the Sunnyvale Municipal Code by Adding Section 2.09.220 to Comply with New State Law for the Payment of Prevailing Wages for Infrastructure Work, and by Modifying Chapter 2.08 to Increase the City Manager's Bid Rejection Threshold

#### **BACKGROUND**

Chapters 2.08 and 2.09 of the Sunnyvale Municipal Code ("SMC") establish the procedures for the purchase of goods and services and for public works contracting, respectively. Recent changes in State law necessitate a modification to Chapter 2.09 to comply with prevailing wage requirements in order for charter cities such as Sunnyvale to be eligible for State funding for construction projects, effective January 1, 2015.

A revision to Chapter 2.08 is also recommended to synchronize the Council and City Manager approval thresholds to award contracts and reject competitive bids or proposals. Currently, the City Manager is the awarding authority for contracts of \$100,000 or less, but only has authority to reject bids or proposals that are \$50,000 or less. Council approval is required to reject bids or proposals greater than \$50,000. When the SMC was last updated in 2008 to increase the City Manager's award authority from \$50,000 to \$100,000, the rejection level was left at \$50,000. This discrepancy between approval and rejection thresholds causes confusion and is inconsistent with the companion section in Chapter 2.09, which sets both approval and rejection amounts for the City Manager at \$100,000 or less.

Though the subject matter is different for each code change, the proposed revisions are recommended under one Report to Council for efficiency purposes.

#### **EXISTING POLICY**

There are no formally adopted written Council policies or SMC provisions relative to prevailing wages, but the City has required prevailing wages on public works construction contracts since at least 1970, and probably much earlier. The most recent documented actions include a 1996 Resolution in support of a specific piece of State legislation whereby Council expressed the City's "... desire to uphold prevailing wage requirements on City public works projects...", and a motion in 2000 following a Study Issue which affirmed the practice, but exempted the City from paying prevailing wages on maintenance and repair projects.

General public works contracting requirements are set forth in Section 1309 of the City Charter, with implementing provisions codified in Chapter 2.09 of the SMC.

Procedures related to the rejection of bids and proposals for good and services are set forth in SMC Section 2.08.140.

**ENVIRONMENTAL REVIEW**

Pursuant to Section 15061(b)(3) of the California Environmental Quality Act (CEQA), the adoption of modifications to SMC Chapters 2.08 and 2.09 is not a project having the potential to cause environmental impacts and is therefore exempt from CEQA review.

**DISCUSSION****New State Law Regarding Prevailing Wages**

The California Labor Code requires that general law cities pay prevailing wages, determined by the Department of Industrial Relations (DIR), to workers in construction trades such as carpenters, electricians, equipment operators, laborers, masons, and surveyors. The prevailing wage is the hourly rate paid on public works projects to a majority of workers engaged in a particular craft or type of work within a given locality, if a majority of such workers are paid at a single rate. If there is no single rate paid to a majority, then the single or modal rate being paid to the greater number of workers prevails. The DIR makes prevailing wage determinations twice annually.

Charter cities such as Sunnyvale could historically exempt themselves from prevailing wage requirements, so long as awarded contracts are within the realm of “municipal affairs” (and not matters of statewide concern), and not funded with State or Federal grants.

Senate Bill 7 (SB7), signed into law in late 2013, will restrict State funding or financial assistance to charter cities for public works construction contracts if the municipalities do not pay prevailing wages on all public works projects, regardless of whether they are purely municipal projects. The new law essentially applies to all contracts awarded after January 1, 2015, regardless of funding source. SB7 is codified in Section 1782 of the Labor Code, which defines public works contracts as construction work greater than \$25,000 or alteration, demolition, maintenance and repair work greater than \$15,000. Under the new law, State funding or financial assistance is defined as direct funding (i.e., grants), loans or loan guarantees, tax credits, and any other type of financial support for a construction project. It does not include revenues that charter cities are entitled to receive without conditions under the California Constitution, such as tax revenue or State subventions like the Motor Vehicle License Fee.

The longstanding, albeit informal City policy, is to pay prevailing wages for public works construction but not for routine maintenance and repair contracts. The SMC defines public works as infrastructure constructed for the use, protection or enjoyment of the public such as buildings, streets and parks. The Code defines maintenance and repair contracts as those intended to preserve and/or restore a public work to a clean, safe and usable condition. These differences are further highlighted in Section 1309 of the City Charter, which specifically differentiates public works construction from maintenance and repair. Specific examples of maintenance and repair include, but are not limited to carpentry, electrical, mowing, painting, plumbing, and pruning.

**Legal Challenge to SB7 and Sunset Provision in Ordinance**

It should be noted that several California charter cities filed a lawsuit in superior court earlier this year seeking to invalidate SB7 on the grounds that it violated the “home rule” authority of charter cities. The court ruled against the cities but the decision may be appealed. In the meantime, charter cities must comply with the law in order to be eligible for State funding. In the event the law is ultimately repealed, an automatic sunset provision is included in the ordinance amendment.

*City Manager's Bid/Proposal Rejection Authority*

The proposed amendment to equalize the City Manager's bid rejection threshold with the awarding threshold is suggested for efficiency purposes. Chapter 2.08 of the SMC, which defines the City's centralized purchasing system for the procurement of goods and services, requires formal competitive bids or proposals for any purchasing transaction estimated to cost more than \$50,000. Such bids or proposals can be accepted by awarding a contract, or rejected if in the best interest of the City. Currently, Chapter 2.08 establishes Council as the awarding authority for contracts of more than \$100,000, and the City Manager as the awarding authority for contracts that are \$100,000 or less. On the other hand, Council approval is required to reject bids or proposals greater than \$50,000 (the level at which formal competitive bidding is required).

In order to maintain consistency and uniformity as to what authority each awarding body can exercise, staff recommends that Council be the awarding and rejecting authority for purchases greater than \$100,000, and the City Manager be the awarding and rejecting authority for purchases \$100,000 or less. This recommended change is consistent with current code requirements for public works construction contracting established in Chapter 2.09.

It should be noted that staff periodically evaluates changes to the purchasing ordinances to ensure that approval levels are appropriately set to reflect market conditions and/or resource impacts. Staff will continue to periodically review each ordinance and recommend changes if/as necessary.

**FISCAL IMPACT**

Over the past year, approximately \$4 million was spent on maintenance/repair work, based on transactions greater than \$15,000 (the contractual level at which prevailing wages would apply as of January 1, 2015). Examples include building maintenance, engine repair and pond sediment removal at the WPCP, landscaping, street tree pruning, and traffic signal repair. This level of expenditure is anticipated to continue.

Since work of this nature is typically bid or contracted based on each job (by lump sum or unit cost) and not on an hourly (time and materials) basis, and some contractors are already paying prevailing wages, it would be extremely difficult to estimate a prospective fiscal impact based on analyzing past expenses. Research studies have estimated cost increases to be between 0% - 35%. It is likely that the cost impact to Sunnyvale lies somewhere in between. Staff will evaluate methods for estimating fiscal impacts and, with experience, work to build these additional costs into the budget going forward. With the rebound of the economy, and a corresponding rise in construction costs due to demand alone, this additional pressure could constrain the City's ability to fund critical or essential maintenance activities.

In addition to increased costs, paying prevailing wages for maintenance and repair contracts will impact staffing resources necessary to track ongoing compliance, which will be done in conjunction with another recently adopted State law, SB854. This law requires contractors and subcontractors to register annually with the Department of Industrial Relations (DIR) in order to bid on public works contracts, and requires local agencies to verify compliance. SB854 will apply to competitive bids issued after March 1, 2015. It is anticipated at this time that additional work will be absorbed with existing staff, but this may be revisited based on actual workload impacts.

Another factor to consider is the potential impact of foregoing State funding or financial assistance if

the City chooses to maintain its current policy of not paying prevailing wages for maintenance and repair contracts. Though the level of direct State funding for construction can vary considerably from year-to-year, the City does receive substantial periodic allocations for infrastructure work such as park building rehabilitation and roadway improvements. For example, the City received more than \$4 million in Proposition 1B local streets and roads funding between 2008 and 2010. Additionally, with the recent passage of Proposition 1 (the statewide Water Bond), the City may become eligible for water supply infrastructure funding in the near future.

### **PUBLIC CONTACT**

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, at the Sunnyvale Senior Center, Community Center and Department of Public Safety; and by making the agenda and report available at the Sunnyvale Public Library, the Office of the City Clerk and on the City's website.

### **ALTERNATIVES**

1. Introduce the Ordinance in Attachment 1 amending Chapter 2.08 of the Sunnyvale Municipal Code (Purchases of Goods and Services) to modify the City Manager's rejection authority for goods and services procurements.
2. Introduce the Ordinance in Attachment 2 adding Section 2.09.220 to Chapter 2.09 of the Sunnyvale Municipal Code (Public Works Contracting) to require the payment of prevailing wages on public works projects.
3. Do not approve the proposed amendments.
4. Direct staff to perform further study.

### **STAFF RECOMMENDATION**

Alternatives 1 and 2: 1) Introduce an Ordinance amending Chapter 2.08 of the Sunnyvale Municipal Code (Purchases of Goods and Services) to modify the City Manager's rejection authority for goods and services procurements, and 2) Introduce an Ordinance adding Section 2.09.220 to Chapter 2.09 of the Sunnyvale Municipal Code (Public Works Contracting) to require the payment of prevailing wages on public works projects.

Staff recommends the revision to Chapter 2.08 of the SMC in order to establish uniformity in the City Manager's awarding and rejecting authority for goods and services procurements. This will match the current authority codified in Chapter 2.09 for public works contracting and lessen confusion as to what level of authority each awarding body has.

Staff further recommends the revision to Chapter 2.09 of the SMC to adopt a prevailing wage ordinance to continue to be eligible for State funding for public works construction contracts. Paying prevailing wages for maintenance and repair contracts will likely add cost to the City, but this will be outweighed by retaining eligibility to receive ongoing State funding. Additionally, if the new law is repealed, an automatic sunset provision is included in the Ordinance, which will immediately invalidate the prevailing wage requirement.

Prepared by: Pete Gonda, Purchasing Officer

Reviewed by: Grace K. Leung, Director of Finance

Reviewed by: Manuel Pineda, Director of Public Works

Reviewed by: Kent Steffens and Robert A. Walker, Assistant City Managers

Approved by: Deanna J. Santana, City Manager

**ATTACHMENTS**

1. Ordinance to Amend Chapter 2.08 of the SMC
2. Ordinance to Add Section 2.09.220 to Chapter 2.09 of the SMC



## ORDINANCE NO. \_\_\_\_-14

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY  
OF SUNNYVALE TO AMEND CHAPTER 2.08 OF TITLE 2  
(ADMINISTRATION AND PERSONNEL) OF THE  
SUNNYVALE MUNICIPAL CODE TO AMEND THE CITY  
MANAGER'S REJECTION AUTHORITY FOR GOODS  
AND SERVICES PROCUREMENTS

WHEREAS, the Municipal Code allows for the City Manager to be the awarding authority for goods and services procurements of one hundred thousand dollars or less; and

WHEREAS, the Municipal Code allows for the City Manager to be the rejecting authority for informal competitive bids or proposals for goods and services of fifty thousand dollars or less; and

WHEREAS, the City of Sunnyvale would like to adopt uniformity in the City Manager's awarding and rejecting authority for goods and services procurements.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SUNNYVALE DOES ORDAIN AS FOLLOWS:

SECTION 1. Chapter 2.08 AMENDED. Section 2.08.140 of Chapter 2.08 (Purchases of Goods and Services) of Title 2 (Administration and Personnel) of the Sunnyvale Municipal Code is hereby amended to read as follows:

**2.08.140. Cancellation of Solicitations; Rejection of bids.**

(a) [Text unchanged]

(b) Rejection of Bids. The city manager may reject, in whole or in part, bids or proposals of one hundred thousand dollars or less received in response to informal competitive bid or proposal solicitations, and the city council may reject, in whole or in part, bids or proposals received in response to formal competitive bid or proposal solicitations The city council may reject, in whole or in part, bids or proposals in excess of one hundred thousand dollars. If all bids are rejected, the city has the discretion to readvertise.

(c) [Text unchanged]

SECTION 2. CEQA - EXEMPTION. The City Council finds, pursuant to Title 14 of the California Code of Regulations, Section 15061(b)(3), that this ordinance is exempt from the requirements of the California Environmental Quality Act (CEQA) in that it is not a project which has the potential for causing a significant effect on the environment.

SECTION 3. CONSTITUTIONALITY; SEVERABILITY. If any section, subsection, sentence, clause or phrase of this ordinance is for any reason held to be invalid, such decision or

decisions shall not affect the validity of the remaining portions of this ordinance. The City Council hereby declares that it would have passed this ordinance, and each section, subsection, sentence, clause and phrase thereof irrespective of the fact that any one or more sections, subsections, sentences, clauses or phrases be declared invalid.

SECTION 4. EFFECTIVE DATE. This ordinance shall be in full force and effect thirty (30) days from and after the date of its adoption.

SECTION 5. POSTING AND PUBLICATION. The City Clerk is directed to cause copies of this ordinance to be posted in three (3) prominent places in the City of Sunnyvale and to cause publication once in The Sun, the official publication of legal notices of the City of Sunnyvale, of a notice setting forth the date of adoption, the title of this ordinance, and a list of places where copies of this ordinance are posted, within fifteen (15) days after adoption of this ordinance.

Introduced at a regular meeting of the City Council held on \_\_\_\_\_, 2014, and adopted as an ordinance of the City of Sunnyvale at a regular meeting of the City Council held on \_\_\_\_\_, 2014, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

RECUSAL:

ATTEST:

APPROVED:

\_\_\_\_\_  
City Clerk  
Date of Attestation: \_\_\_\_\_

\_\_\_\_\_  
Mayor

(SEAL)

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney

**ORDINANCE NO. \_\_\_\_-14**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SUNNYVALE TO ADD A NEW SECTION TO CHAPTER 2.09 OF TITLE 2 (ADMINISTRATION AND PERSONNEL) OF THE SUNNYVALE MUNICIPAL CODE TO REQUIRE THE PAYMENT OF PREVAILING WAGES ON PUBLIC WORKS PROJECTS**

WHEREAS, Senate Bill 7 ("SB 7") was adopted by the State Legislature on October 13, 2013, and provides that the State will only extend financial assistance to construction projects of charter cities that comply with the prevailing wage law on all municipal construction projects; and

WHEREAS, SB 7 takes effect on January 1, 2015, and bars charter cities from state financial assistance for a period of two (2) years if the city has awarded a public works contract on or after January 1, 2015, without requiring the contractor to comply with the prevailing wage requirements; and

WHEREAS, SB 7 requires contractors on public works projects to be paid the general prevailing rate of per diem wages for work of a similar character in the locality in which the work is performed; and

WHEREAS, in July 2000, the City Council adopted an informal policy exempting the City from paying prevailing wages on maintenance and repair projects, but otherwise requiring the payment of prevailing wages on public works projects; and

WHEREAS, SB 7 requires the payment of prevailing wages on maintenance and repair projects in excess of \$15,000 and all public works construction projects in excess of \$25,000; and

WHEREAS, the City of Sunnyvale would like to remain eligible for state financial assistance for its municipal construction projects by incorporating the prevailing wage requirements of SB 7 into the Sunnyvale Municipal Code.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SUNNYVALE DOES ORDAIN AS FOLLOWS:

SECTION 1. SECTION ADDED. Section 2.09.220 of Chapter 2.09 (Public Works Contracting) of Title 2 (Administration and Personnel) of the

Sunnyvale Municipal Code is hereby added to read as follows:

**2.09.220. Prevailing Wages.**

(a) The City shall comply with state law requiring prevailing wages to be paid on all public works projects within the meaning set forth in Labor Code section 1782, in order to remain eligible for state funding on City construction projects.

(b) If for any reason, Labor Code section 1782 shall be held to be invalid or inapplicable to charter cities by any court of competent jurisdiction or is otherwise repealed, this section shall automatically sunset and be of no further effect thereafter.

**SECTION 2.** CEQA - EXEMPTION. The City Council finds, pursuant to Title 14 of the California Code of Regulations, Section 15061(b)(3), that this ordinance is exempt from the requirements of the California Environmental Quality Act (CEQA) in that it is not a project which has the potential for causing a significant effect on the environment.

**SECTION 3.** CONSTITUTIONALITY; SEVERABILITY. If any section, subsection, sentence, clause or phrase of this ordinance is for any reason held to be invalid, such decision or decisions shall not affect the validity of the remaining portions of this ordinance. The City Council hereby declares that it would have passed this ordinance, and each section, subsection, sentence, clause and phrase thereof irrespective of the fact that any one or more sections, subsections, sentences, clauses or phrases be declared invalid.

**SECTION 4.** EFFECTIVE DATE. This ordinance shall be in full force and effect thirty (30) days from and after the date of its adoption.

**SECTION 5.** POSTING AND PUBLICATION. The City Clerk is directed to cause copies of this ordinance to be posted in three (3) prominent places in the City of Sunnyvale and to cause publication once in The Sun, the official publication of legal notices of the City of Sunnyvale, of a notice setting forth the date of adoption, the title of this ordinance, and a list of places where copies of this ordinance are posted, within fifteen (15) days after adoption of this ordinance.

Introduced at a regular meeting of the City Council held on \_\_\_\_\_, 2014, and adopted as an ordinance of the City of Sunnyvale at a regular meeting of the City Council held on \_\_\_\_\_, 2014, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

RECUSAL:

ATTEST:

APPROVED:

\_\_\_\_\_  
City Clerk  
Date of Attestation: \_\_\_\_\_

\_\_\_\_\_  
Mayor

(SEAL)

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney





# City of Sunnyvale

## Agenda Item

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14-0953

Agenda Date: 12/9/2014

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### REPORT TO COUNCIL

#### SUBJECT

Receive and File the FY 2013/14 Budgetary Year-End Financial Report, Comprehensive Annual Financial Report, and Sunnyvale Financing Authority Financial Report; and Approve Budget Modification No. 26

#### REPORT IN BRIEF

This report is intended to provide the year-end financial condition of the City of Sunnyvale on a budgetary basis for the fiscal year ended June 30, 2014. In addition, the City's audited Comprehensive Annual Financial Report (CAFR) and Sunnyvale Financing Authority Financial Report for FY 2013/14 are being presented for Council's information.

Overall, the City's General Fund ended the year in a more favorable financial position from that estimated in the FY 2014/15 Adopted Budget by approximately \$5.5 million. While this outcome is positive, it is important to note that the FY 2013/14 Adopted Budget anticipated an \$8.5 million drawdown of the Budget Stabilization Fund reserve. While the fund ended more favorably than planned, the Budget Stabilization Fund was still drawn down by over \$3 million.

General Fund revenues finished the year strong, particularly in development related revenues as record high levels of development activity continued. Property Tax, Sales Tax and Transient Occupancy Tax revenues also ended higher than estimated. Most of the development related revenues over projections will be transferred to the new Development Enterprise Fund, created for FY 2014/15.

Expenditures in the General Fund performed better than expected, ending under budget. After accounting for project carryovers, expenditures ended approximately \$1.8 million under what was anticipated in the FY 2014/15 Adopted Budget. Much of this was due to staffing vacancies in both the Department of Public Safety and the Library and Community Services Department. As such, these savings are one-time and are eliminated once the vacancies are filled.

The City's CAFR was independently audited by the firm of Macias Gini & O'Connell (MGO) who rendered an unmodified opinion and found no material weaknesses during the audit of the City's CAFR. Receiving an unmodified opinion is the optimal result from the independent audit.

As part of this report, staff recommends Council approval of Budget Modification No. 26 to close out items from the prior year. This budget modification seeks to carry over unspent Council technology funds from the FY 2013/14 Council operating program budget to FY 2014/15. In addition, because the General Fund's Budget Stabilization Fund ended the year better than estimated, the budget modification proposes to appropriate \$1.5 million from the Budget Stabilization Fund to pay down the City's unfunded pension and retiree medical liabilities.

**BACKGROUND**

Each year, staff provides a report to the Council detailing the year-end financial condition of the City on a budgetary basis. Final results are compared with the most recent projection. As part of developing the recommended Budget for FY 2014/15, the revenue anticipated for FY 2013/14 is updated at the same time, in the February to March timeframe. Staff also typically reviews General Fund operating expenditures to date and estimates expenditure savings for FY 2013/14 in the General Fund twenty-year financial plan, if applicable, to provide the best estimate for the financial position of the fund.

**EXISTING POLICY**

**Council Policy 7.1.1 *Fiscal -Long Range Goals and Financial Policies*, Statement G.1.7:** the City Council shall be provided with periodic summary financial reports, by fund, comparing actual revenues and expenditures to budgeted amounts.

**City Charter, Section 1318, *Independent Audit*,** requires that an independent audit be conducted of the City's financial transactions at the end of each fiscal year.

**ENVIRONMENTAL REVIEW**

N/A

**DISCUSSION****Fiscal Year 2013/14 Year-End Financial Update**

Staff has reviewed the City's year-end financial results. The following is an analysis of the changes between the projected revenues and expenditures estimated in the City Manager's Recommended Budget with the actual year end results.

**General Fund****Revenues**

General Fund revenues for FY 2013/14 are shown in the table below.

## FY 2013/14 General Fund Revenues and Transfers – Estimated vs. Actual

Description	Amended Budget	Actual Revenues	Variance Favorable (Unfavorable)	Percent Variance
<b>Property Taxes</b>	<b>\$49,778,401</b>	<b>\$50,293,385</b>	<b>514,984</b>	<b>1.03%</b>
<b>Sales Taxes:</b>				
Sales and Use Tax - City	29,755,382	30,194,827	439,445	1.48%
Sales and Use Tax - Public Safety	1,402,328	1,480,706	78,378	5.59%
<b>Total Sales Tax</b>	<b>31,157,710</b>	<b>31,675,533</b>	<b>517,823</b>	<b>1.66%</b>
<b>Development Revenues</b>	<b>11,750,800</b>	<b>14,068,459</b>	<b>2,317,659</b>	<b>19.72%</b>
<b>Other Taxes:</b>				
Construction Tax	2,643,589	2,983,677	340,088	12.86%
Business License Tax	1,500,000	1,742,401	242,401	16.16%
Real Property Transfer Tax	1,281,524	1,674,362	392,837	30.65%
<b>Total Other Taxes</b>	<b>5,425,113</b>	<b>6,400,439</b>	<b>975,326</b>	<b>17.98%</b>
<b>Transient Occupancy Tax</b>	<b>10,136,188</b>	<b>10,858,671</b>	<b>722,483</b>	<b>7.13%</b>
<b>Utility Users Tax</b>	<b>6,774,352</b>	<b>6,754,263</b>	<b>(20,089)</b>	<b>-0.30%</b>
<b>Franchises</b>	<b>6,652,483</b>	<b>6,694,336</b>	<b>41,853</b>	<b>0.63%</b>
<b>Rents &amp; Concessions</b>	<b>2,352,431</b>	<b>2,299,405</b>	<b>(53,026)</b>	<b>-2.25%</b>
<b>Federal &amp; Intergovernmental Revenues</b>	<b>1,951,205</b>	<b>1,394,416</b>	<b>(556,789)</b>	<b>-28.54%</b>
<b>State Revenues</b>	<b>457,443</b>	<b>426,748</b>	<b>(30,695)</b>	<b>-6.71%</b>
<b>Permits &amp; Licenses</b>	<b>1,260,530</b>	<b>1,325,188</b>	<b>64,658</b>	<b>5.13%</b>
<b>Fines &amp; Forfeitures</b>	<b>832,699</b>	<b>1,175,046</b>	<b>342,347</b>	<b>41.11%</b>
<b>Service Fees:</b>				
Abandoned Vehicles (AVASA)	190,610	188,809	(1,801)	-0.95%
Community Development Fees	16,819	25,129	8,311	49.41%
Finance Fees	15,336	10,449	(4,887)	-31.86%
Library Fees	12,029	11,805	(224)	-1.86%
Public Safety Fees	1,013,343	1,231,820	218,477	21.56%
Public Works Fees	3,393,287	3,340,222	(53,065)	-1.56%
<b>Total Service Fees</b>	<b>4,641,424</b>	<b>4,808,234</b>	<b>166,810</b>	<b>3.59%</b>
<b>Interest Income</b>	<b>522,746</b>	<b>548,687</b>	<b>25,941</b>	<b>4.96%</b>
<b>Other Revenues:</b>				
Sale of Property	7,414,386	7,527,250	112,864	1.52%
Interfund Revenues	5,657,788	5,657,787	(1)	0.00%
Miscellaneous Revenues	200,634	308,942	108,308	53.98%
Private Grants & Donations	346,365	388,242	41,877	12.09%
<b>Total Other Revenues</b>	<b>13,619,173</b>	<b>13,882,221</b>	<b>263,048</b>	<b>1.93%</b>
<b>Transfers In/In Lieu Fees</b>	<b>11,091,782</b>	<b>10,570,318</b>	<b>(521,465)</b>	<b>-4.70%</b>
<b>Revenue Sub-Total</b>	<b>158,404,481</b>	<b>163,175,349</b>	<b>4,770,868</b>	<b>3.01%</b>
Deferred Transfers In (Project Related)		1,108,187	1,108,187	0.00%
<b>Revenue Total</b>	<b>\$158,404,481</b>	<b>\$164,283,536</b>	<b>5,879,055</b>	<b>3.71%</b>

Total General Fund revenues performed well, exceeding estimates from the FY 2014/15 Budget by \$5.9 million. Approximately \$2.3 million of this amount is attributable to development related fees and permits. The City has now experienced record high levels of revenue for three straight years from this historically volatile revenue category. The \$2.3 million will be transferred to the new Development Enterprise Fund, established for FY 2014/15 to better align development related revenues and expenses. After development related revenue, taxes make up the majority of the revenues that exceeded estimates. While this speaks to the current strong economic recovery in the Silicon Valley, there is also reason for caution as tax revenues have seen significant fluctuations with economic cycles.

Property Tax revenues for FY 2013/14 came in approximately \$515,000 better than what was projected in the Recommended Budget. Overall Property Taxes grew more than \$2.7 million, or 5.7%, over FY 2012/13 revenues. This was the result of new construction, especially in the commercial sector, changes in ownership coupled with increases in residential home values, and the recapture of assessed values from properties that had previously been granted a value reduction. The FY 2014/15 Budget included a 4.3% increase in Property Tax revenue, and current estimates anticipate the City meeting that goal, despite a Consumer Price Index (CPI) increase of only 0.454%.

Final City Sales and Use Tax revenues for FY 2013/14 were approximately \$518,000 over estimates made in the FY 2014/15 Budget. Although this appears on the surface to be positive, in fact Sales Tax has remained flat year over year since FY 2011/12. These results show why the recovery, although appearing strong, has been considered sluggish and uneven. Additionally, this flattening trend underlines the volatility of the City's Sales Tax revenue, and the associated risk it creates for the City's finances as one of the primary sources of revenue to the General Fund. It is currently anticipated that the City will meet its FY 2014/15 sales tax goal which is essentially equal to the FY 2013/14 actual. Staff reviewed forecasting methods for sales tax in the FY 2014/15 Recommended Budget with an eye toward mitigating some of the volatility and built in more conservative growth projections.

Transient Occupancy Tax (TOT) revenues for FY 2013/14 exceeded projections made for the FY 2014/15 Budget by over \$700,000. Typically, because of the heavy amount of business related activity that occurs in the City, TOT revenues tend to lead Sales Tax trends. However TOT remains strong despite moderation in Sales Tax revenue. Both room rates and occupancy rates increased from FY 2012/13 to FY 2013/14. Additionally, with the increase in rate from 9.5% to 10.5% effective January 1, 2014 and the addition of new hotels in the City, the base was strengthened and is anticipated to be stronger going forward. To that end, General Fund Long Term Financial Plan built in additional revenue for three new hotels. However, it is important to note that TOT is volatile and dependent on business activity much like Sales Tax.

All of the taxes in the Other Taxes category came in over projections. Construction Tax, while related to development activity, as a tax remains in the General Fund, ended the year \$340,000 better than planned. Real Property Transfer Tax revenues increased more than \$390,000 over projections made for the Recommended Budget. As a tax on the transfer of interests in real estate, it is driven by the rate of property turnover and changes in valuation. The increase reflects the continued recovery in the real estate market locally. Business License Tax revenue was higher than projections by over \$240,000 as the result of staff's audit efforts and increased business activity.

Utility Users Tax (UUT) revenues for FY 2013/14 came in just shy of what was planned in the FY

2014/15 Recommended Budget, and were up by approximately \$205,000 compared to FY 2012/13 revenues. However, this revenue source continues to decline, primarily due to the gradual shift in the way consumers are using telecommunication devices, as more and more usage is not subject to UUT (e.g. text and data). Staff is working on a Study Issue related to UUT in the current fiscal year for a potential ballot measure in 2016.

Outside of development related revenues and taxes, most revenue categories ended the year with small variances as compared to estimates in the Recommended Budget. Two areas to note are fines and forfeitures and public safety fees. Fines and forfeitures ended just over \$340,000 above estimates primarily due to greater than anticipated parking ticket revenue. With increased enforcement provided by Community Service Officers, the number of parking citations issued increased 20 percent over the previous fiscal year. Public safety fees came in over \$200,000 above projections due to greater than estimated false burglar alarm and fire inspection fees and more Wildland reimbursement for fire services than anticipated. In addition to the underlying increase in the number of fire inspections, fee revenue included revenue for inspections done in late FY 2012/13 that were not billed until FY 2013/14.

Federal and Intergovernmental revenue largely funds specific projects and is received on a reimbursement basis. Therefore, the budget for most of the revenue not received in this category, along with transfers in from other funds, will be carried over into the next fiscal year in conjunction with the unspent budgeted project expenditures.

#### Expenditures

General Fund expenditures for the fiscal year ending June 30, 2014 are shown in the following table.

## FY 2013/2014 General Fund Expenditures and Transfers - Estimated vs. Actual

Description	Amended Budget	Actual Expenditures	Variance Favorable (Unfavorable)	Percent Variance
Equipment	\$ 594,710	\$ 386,159	\$ 208,551	35.07 %
Operations	133,800,785	131,987,506	1,813,279	1.36 %
Projects	10,383,887	7,503,658	2,880,229	27.74 %
Transfers	10,903,112	8,544,865	2,358,247	21.63 %
			-	
<b>Expenditures Subtotal</b>	<b>155,682,494</b>	<b>148,422,188</b>	<b>7,260,306</b>	<b>4.66 %</b>
CAFR adjustment	-	-	-	0.00%
			-	
<b>Total Expenditures</b>	<b>155,682,494</b>	<b>148,422,188</b>	<b>7,260,306</b>	<b>4.66 %</b>
Equipment Carryovers	-	208,551	(208,551)	0.00%
Project Carryovers	-	2,763,823	(2,763,823)	0.00%
Deferred Transfers	-	2,470,805	(2,470,805)	0.00%
CAFR adjustment	-	453	(453)	0.00%
<b>Total Carryovers</b>	<b>-</b>	<b>5,443,632</b>	<b>(5,443,632)</b>	<b>0.00 %</b>
<b>Expenditures Grand Total</b>	<b>\$ 155,682,494</b>	<b>\$153,865,820</b>	<b>\$ 1,816,674</b>	<b>1.17 %</b>

*Includes Recommended Budget amounts plus Budget Modifications*

The details of FY 2013/14 expenditures as compared to the budget are contained in Attachment 1 of this report by fund. It is important to note that the budget values in Attachment 1 represent the Council-appropriated budget amounts for each fund and may not match the amounts for FY 2013/14 in the Recommended Budget. In order to capture the most accurate financial position of each fund heading into the next fiscal year, updated estimates may be included in the 20-year long-term financial plans for the current year. However, Council-appropriated budgets are not modified and individual programs are still held to those budgets as they were approved by Council.

Year-end expenditures are significantly lower than planned primarily as a result of operating savings in two departments, Public Safety and Library and Community Services. In the Department of Public Safety (DPS) approximately \$1.6 million in savings were primarily from personnel costs as the department is currently experiencing a high number of vacancies. This issue is being addressed currently through recruitment and training efforts. A separate report, also being considered by Council tonight, proposes to move additional funding forward from future recruitment projects to address the staffing shortfall. As part of that action, staff is anticipating continued operating savings through FY 2015/16 until the vacancies are filled. These savings will help mitigate the fiscal impacts of accelerating the recruitment expenditures. Library and Community Services (LCS) came in approximately \$1.1 million under budget. Savings were also primarily from staffing vacancies. The FY 2014/15 operating budget for LCS has been reduced and some resources reallocated between programs as the Department's staffing structure was modified to better align resources with needs.

The General Fund also provides funding for numerous capital and infrastructure projects. Due to the long-term nature of capital projects, unspent budget amounts are committed to the next fiscal year for those projects that are still in progress. \$5.4 million is being carried forward to FY 2014/15 to cover expenditures related to projects and equipment. Approximately half of the carryover is for pavement rehabilitation with an assortment of smaller projects making up the balance.

Overall, expenditures in the General Fund ended \$3.3 million under budget. The FY 2013/14 Recommended Budget included an estimated \$1.5 million in savings from operations, resulting in an additional \$1.8 million in savings, as reflected in the table above.

While the financial results of General Fund operations were better than expected, one department, the Public Works Department (DPW), exceeded its appropriation. The variance was small compared to budget at approximately \$142,700, with the total department appropriation at \$18.86 million. This amounted to less than one percent of their budget at 0.76 percent. The variance was largely demand driven and in two programs. First, in the Neighborhood Parks and Open Space Management Program, the overage was related to purchasing water for park irrigation in excess of what was budgeted, due to the drought. The other variance was in the Land Development Engineering Program, where the elevated level of development in the City is driving up costs to process engineering reviews and permits in a timely manner. These costs are covered by development related revenue, and will be accounted for in the new Development Enterprise Fund going forward.

#### General Fund Financial Position

With revenues coming in higher than estimated and more operating expenditure savings than estimated, the final position of the General Fund, as reflected in this Year-End Financial Report, is approximately \$5.5 million more favorable to the City in comparison to the results estimated for the City Manager's Recommended Budget.

## FY 2013/14 General Fund Financial Position Year End Results

	Amended Budget	Actual Results	Variance Favorable (Unfavorable)
Beginning Balance	\$100,053,086	\$100,053,086	\$ -
Revenues and Transfers In	158,404,481	163,175,349	4,770,868
Deferred Revenues (Project)	0	1,108,187	1,108,187
<b>Total Revenues</b>	<b>158,404,481</b>	<b>164,283,536</b>	<b>5,879,055</b>
<b><u>Expenditures</u></b>			
Expenditures and Transfers Out	155,682,494	148,422,188	(7,260,306)
Carryovers for Projects and Equipment	0	5,443,632	5,443,632
<b>Total Expenditures</b>	<b>155,682,494</b>	<b>153,865,820</b>	<b>(1,816,674)</b>
<b><u>Reserves</u></b>			
Contingencies	20,070,118	19,811,800	(258,318)
Capital Improvement	15,405,579	15,514,985	109,406
Development Enterprise Fund Reserve	6,019,687	8,337,346	2,317,659
Payment to the State - RDA Dissolution	13,965,842	13,965,842	0
<b>Budget Stabilization Fund</b>	<b>47,313,846</b>	<b>52,840,831</b>	<b>5,526,985</b>

It is important to note that despite these favorable results, the Budget Stabilization Fund was still drawn down by over \$3 million from the FY 2012/13. In other words, the positive results allowed the City to draw down on the Budget Stabilization Fund less than planned but we are still in a position where expenditures are exceeding revenues. Further, the General Fund twenty-year financial plan anticipates continuing to draw down the Budget Stabilization Fund for an additional seven years before beginning to replenish the reserve. This is due to a continued imbalance between revenues and expenditures, where expenditure growth, primarily in personnel costs, exceed revenue growth as we move revenues to a sustainable base.

Given the volatility of the City's major revenue sources, the Budget Stabilization Fund is intended to be drawn down and replenished over time to provide a consistent level of services through economic cycles. However, the planned draw down of this reserve over a sustained period means we are vulnerable to the continuing pressures on our expenditures and revenues and especially to sharp drops in the economy over the next several years.

### Other Funds

In addition to the General Fund, other funds that warrant further discussion are highlighted below:

### Park Dedication, Gas Tax, Capital Projects, and Infrastructure Funds

The Park Dedication, Gas Tax, Capital Projects, and Infrastructure Funds are utilized for funding capital, infrastructure, and special projects, as well as for the maintenance of capital assets, throughout the City. These projects are usually long-term in nature and take several years to complete. As a result, every year many of these projects have unspent appropriations that will be used in the following fiscal year. Revenues for these funds are either transfers into the fund from

other funds or grants and contributions from developers. Many of the grant revenues budgeted for this year were not received as these funds are on a reimbursement basis and will only be available to the City once the expenditures have been incurred. The projected grant revenues, therefore, will also be received in the following year.

Ongoing projects in the Capital Projects Fund had unspent funds of approximately \$22.4 million, of which most is being carried forward to be spent in FY 2014/15. The major ongoing projects utilizing this carryover funding include the Fair Oaks Avenue Overhead Bridge project, the Calabazas Creek Bridge at Old Mt. View-Alviso Rd project, the Mathilda/237/101 Interchange Improvements Study, and the Hendy Avenue Complete Street project.

Ongoing projects funded by Park Dedication Fee revenues had unspent funds of approximately \$9.7 million, of which almost all is being carried forward to be spent in FY 2014/15. The majority of this carryover funding is for the transfer of funds to the Capital Projects Fund for the construction of the new Seven Seas Park. Although complete, the City is still wrapping up construction payments for the park. Revenues in the Park Dedication Fund came in significantly higher than planned. Additionally, the Park Dedication Fee itself was recently increased significantly. With the increase in actual and projected fee revenue, a major update to the capital improvement plan for park and recreation facilities will be proposed with the FY 2015/16 Projects Budget. Project scopes are currently being updated. Additionally, costs are being revised to reflect the most recent bidding environment, which is resulting in higher estimated construction costs due to demand. The fund also includes a set aside for land acquisition. Council policy sets aside 20 percent of the Park Dedication Fee Revenue into a reserve specifically designated for land acquisition. These funds will be used to acquire land for the purpose of constructing parks, open space, trails and other recreational facilities.

### **Water Supply and Distribution Fund**

The Water Supply and Distribution Fund accounts for the operations and expenses of the City's water system. This fund receives the majority of its revenues from user fees collected from the City's water rate payers. During the review of this fund for the FY 2014/15 rate setting process, staff revised revenue estimates to account for projected water sales.

The region experienced an ongoing drought throughout the fiscal year, however significant efforts to promote water conservation did not begin until midway through the fiscal year. As a result of the dry weather, water demand increased slightly during FY 2013/14. Revenues to the fund increased by \$2.8 million over estimates, equal to an eight percent increase, even though rates were increased only five percent. After accounting for unspent project funds, total expenses ended approximately \$650,000 more than planned, largely due to higher than anticipated water purchases to meet the increase in demand, but also due to the aging water system which is experiencing an increasing number of main breaks. With some minor savings in projects, the total fund ended the year \$2.2 million better than planned. Staff continues to watch the position of this fund carefully as fiscal year to date, sales are down, again expressing the same volatility in demand seen in recent years and reflecting the impact of conservation efforts. There is also some uncertainty regarding the City's cost to purchase water should current drought conditions continue through the current wet season.

### **Solid Waste Management and SMaRT Station® Funds**

The Solid Waste Management Fund accounts for the operation of the City's solid waste collection and disposal system. Revenues are received from user fees and from the sale of recyclable materials. This fund's expenses primarily consist of charges for the Sunnyvale Materials Recovery

and Transfer (SMaRT) Station® operations, disposal fees at Kirby Canyon Landfill, and the contractor payment to Bay Counties Waste Services (Specialty Solid Waste and Recycling) for collection of garbage, yard trimmings, and recyclable materials. Revenues in this fund are driven primarily by the volume of garbage collected, and to a lesser extent, curbside recyclables and recyclables diverted from the general waste stream. As measured by weight, quantities were up from the previous year. Fund expenses are driven partially by quantities of garbage, but are largely fixed costs for the collection system and SMaRT Station equipment and infrastructure. Overall, the Solid Waste Management Fund revenues finished FY 2013/14 approximately \$1.06 million better than planned due to the increase in garbage and recyclables collected. Fund expenses, including approximately \$130,000 in unspent project funds being carried over to FY 2014/15, were under budget by approximately \$200,000. The total fund position ended approximately \$1.26 million better than planned. As this fund continues to recover from the recession and is absorbing unexpected increases related to an accounting error made by the City's contractor that affects collection contract costs, continued close monitoring will be required for the next several years to ensure fund stability. In addition, implementation of the City's Zero Waste Policy is anticipated to impact the fund significantly and require substantial increases in solid waste rates.

The SMaRT Station fund accounts for revenues and expenses related to operation of the SMaRT Station by the three partner cities, Sunnyvale, Mountain View and Palo Alto. Each City makes quarterly contributions to the fund on a budgetary basis. At the end of the year, the fund is reconciled and each of the cities either owes more, or receives a refund based on each city's individual use of the facility. The SMaRT Station Fund net position for the year ended approximately \$170,000 less than planned. Revenues exceeded budget due to a recovery in materials markets for recyclables from previous years. However, expenses were also higher than projected by approximately \$1 million, mostly due to increased tonnage to the landfill. As the costs for the SMaRT Station are based on the allocation of tons across the three cities, approximately half of is attributable to Sunnyvale, which is paid for by the Solid Waste Management Fund. For FY 2013/14, Sunnyvale paid an additional \$610,000 to balance out the fund. It is important to note that as increases in tons are driven by increased activity in the economy, revenue to the Solid Waste Management Fund (discussed above) is available to offset the increase in expense.

### **Wastewater Management Fund**

The Wastewater Management Fund accounts for operations of the City's wastewater collection and treatment facilities. User fees account for the bulk of the revenues, with the remainder coming from connection fees and fees from the small area outside the City served by the wastewater system. Total revenues were \$2.3 million higher than projections. The majority (nearly \$1.4 million) was attributable to development related fees and is restricted to the use for capital improvements. The remaining \$900,000 increase was in service fees that came in better than expected in the FY 2013/14 Recommended Budget.

FY 2013/14 Wastewater Management Fund operating expenses ended approximately \$1.3 million lower than expected primarily due to personnel savings resulting from vacancies. Including \$200,000 in project savings, the overall fund position remains in good fiscal condition ending approximately \$3.8 million better than planned after accounting for unspent project costs. However, there are significant capital needs in this fund coming up in the near future, including the replacement of the existing Water Pollution Control Plant (WPCP). As this is the primary cost driver, the excess revenue that is restricted for capital does benefit the fund. Cost estimates for the WPCP project have been included in the long-term financial plan. The project is now underway, and as it progresses debt

financing will be required to fund this very large capital expense. It is anticipated that borrowing will begin in the current fiscal year.

### **Golf and Tennis Operations Fund**

The Golf and Tennis Operations Fund accounts for revenues and expenditures related to the two City-operated golf courses and the tennis center. FY 2013/14 was the second year of this Fund's operation, as starting July 1, 2012, recreation operations were moved into the General Fund and the golf and tennis operations formed a new, self-sustaining enterprise fund. Revenues ended approximately \$83,000 under revised estimates, and operations ended the year approximately \$90,000 under revised projections due to personnel cost reductions, resulting in the fund ending close to plan. It is important to note that this fund is running a very tight fund balance. Therefore increasing revenue and holding expenses to a minimum is critical to the fund's fiscal health going forward.

### **General Services Fund**

The General Services Fund accounts for the expenditures associated with the internal services provided by the City to user departments such as fleet management, building maintenance, technology / communication services, and the print shop. These activities are funded by charging rental rates to the operating programs that use the services. Overall, the General Services Fund finished approximately \$1.2 million better than was projected in the FY 2014/15 Recommended Budget. These savings are attributable to equipment budgeted for replacement in the Information Technology Department, most of which were deferred to future years and therefore do not reflect actual long term savings. The Fleet and Facilities operating programs incurred expenditures greater than budgeted. The overage in the Fleet program was driven by costs in excess of plan due to several unanticipated maintenance needs for two pieces of large equipment. The overage in the Building Services program was driven by electricity costs significantly higher than anticipated. Additionally, there were savings in the fund related to fleet replacement and building equipment due to the deferral of scheduled replacements.

### **Employee Benefits and Liability and Property Insurance Funds**

These two internal service funds provide a mechanism to cover expenditures related to pension costs, insurance plans, workers' compensation costs, leave time, and liability and property insurance while applying the principles of full-cost accounting.

Collections to the Employee Benefits Fund to cover the cost of employee benefits come from the operating departments in the form of an "additive rate" that is charged to every hour an employee works. The Employee Benefits Fund ended FY 2013/14 approximately \$1 million better than estimated in the Recommended Budget due to more additive revenue collected than anticipated. Year-over-year variances in collections, either over-collections or under-collections, are expected, and annual rate adjustments take this into account. Further, reserves in this fund are set to accommodate these year-over-year fluctuations.

Several large claims paid out at the end of the fiscal year and the related litigation costs resulted in the Liability and Property Insurance Fund coming in over budget by approximately \$560,000. Because there can be significant variances in claims expenses year-over-year, staff has budgeted the average with a sufficient reserve level to be drawn down and replenished on a year-to-year basis. For FY 2014/15, a legal contingency has also been budgeted to help absorb the cost overages in any given year.

**Current Fiscal and Economic Environment**

The positive year-end results for FY 2013/14 provide good news but also warrant caution as staff begins development of the FY 2015/16 Recommended Budget. While revenues came in higher than estimated, many of the categories, including development-related, Sales Tax, TOT, and Real Property Transfer Tax, are highly volatile revenue sources with significant fluctuations through economic cycles. As such, a cautious and disciplined approach to budgeting and spending against these elevated levels is necessary.

On the positive side, Property Tax revenues have stayed fairly steady through economic cycles and have shown healthy gains in the taxable base. The FY 2014/15 tax roll closed, growing 6.8% over the prior year. With the continued strong development and healthy residential market, it is expected that the City's property tax base will continue to grow, resulting in a strong revenue performance in the current fiscal year and forward. Staff has included strong growth projections for the next several years but will continue to evaluate the information from the County to see if an increase in the base is warranted.

Just as important as the City's revenue base, several expenditure pressures provide challenges to the General Fund long-term financial plan. As the largest expense category, controlling personnel expenditure growth remains a priority. On the salary side, with the cooperation and leadership of the bargaining units, salary adjustments have held to budgetary assumptions to date. For the Public Safety units, where salary adjustments are based on a survey, the October 2014 survey resulted in a salary increase just over two percent, substantially under the anticipated increase of four percent. These results have been beneficial to keeping the General Fund balanced, but have also built pressure for higher salary adjustments in the future. In fact, a twenty year review of the history of the Public Safety salary survey shows higher salary increases following low years for an annual average increase of 4.1 percent per year. With several labor contracts open for negotiation during 2015, salary adjustments will be a key part of the discussion.

In addition to salary, a key area of rising personnel costs continues to be the cost of benefits. The largest expenditure in this area is for pension benefits. The City, working together with bargaining units, has taken several actions to control the growth of pension costs. However, even with the implementation of reduced benefit second and third tier pension plans for new employees and the additional pick up of employee contribution rates by employees, pension costs continue to rise sharply. Currently, the City is projected to pay \$29.5 million for pensions to CalPERS. That is anticipated to increase to \$41.8 million within 10 years, more than a 40 percent increase in cost. Approximately half of the City's pension cost is payment on the unfunded liability. The City's two plans (Safety and Miscellaneous) are both just under 70 percent funded. Due to these pressures, it is critical that the City continue to make progress in controlling its salary and pension costs.

The City is also experiencing pressures from increasing demand for services including:

- Development Related Demands - the current high level of development also brings with it a demand for services like safety, parks and open space, utilities and more. Staffing the renovated and expanded Fire Station 5, being built to serve the north side of the City, will bring permanent ongoing costs.
- Environmental and Regulatory Demands - increasing regulations in storm water management,

pressure from the drought, and efforts to reduce greenhouse gasses through the implementation of the Climate Action Plan impact costs in many ways across both the General Fund and the Utility Funds

- Demands from aging infrastructure - the City's aging administrative, parks, and utility infrastructure require resources to renovate and bring up to today's standards. Sidewalk repair needs are facing a growing backlog and streets are just coming up to the standards set by Council.
- General Economic Pressure - as the economy has rebounded and demand competition for construction and other services has increased driving up costs. The bidding climate is no longer as favorable as a few years ago and projects are beginning to be bid significantly over engineer's estimates.

To the extent possible, all of these pressures, while manageable, should be taken in context together through the City's budget process. Balancing priorities will be a critical piece of the budget going forward to ensure continued balance and fiscal sustainability.

All revenue sources will be evaluated over the next several months to update current year estimates and develop projections for each year of the twenty-year plan. Setting the right revenue baseline will be a significant factor in determining the City's capacity to maintain the restored service levels it incorporated into the FY 2014/15 Budget while meeting the increasing demands on our services.

A mid-year financial update and more detail on the factors affecting the City's fiscal environment and development of the recommended budget will be presented at the Study and Budget Issues Workshop at the end of January.

### **Comprehensive Annual Financial Report**

City Charter Section 1318 requires that "At the end of each fiscal year, a final audit and report shall be submitted by [a Certified Public Accountant] to the City Council." The City's Comprehensive Annual Financial Report (CAFR) is prepared annually to meet this requirement and is submitted to Council as Attachment 3 to this report.

The CAFR, which is prepared in the format prescribed by the Governmental Accounting Standards Board (GASB), contains several major sections. The Financial Section contains the Management's Discussion and Analysis, the Basic Financial Statements, Required Supplementary Information, and Supplementary Information. All information in the Financial Section has been audited. The CAFR also contains a Statistical Section, which provides additional financial information not subject to audit.

### **FY 2013/14 Audit**

The City's independent audit was performed by the firm of Macias Gini & O'Connell (MGO) who rendered an unmodified opinion on the City's CAFR. Receiving an unmodified opinion is the optimal result from the independent audit. In addition to the opinion on the CAFR, the independent auditors also issue a Report to the City Council that states items they are required to send to Council, as well as identifies any material weaknesses or significant issues found during the audit. The audit found no material weaknesses or significant issues. The report does recommend a change to the methodology that staff uses to account for utility revenues associated with billing cycles that cross fiscal years. The

change is not material so no adjustment was made to the FY 2013/14 numbers, however staff will implement the recommended change for FY 2014/15. The report is provided as Attachment 2.

The report from the auditor also contains information on certain new accounting standards that will apply to the City in coming years. Staff is aware of these GASB statements and will implement and report under the required timeframes.

The most significant upcoming statement is in how the accounting for pensions is done. In June 2012, GASB issued Statement No. 68 - Accounting and Financial Reporting for Pensions. The intent of the statement is to improve the guidance for accounting and reporting on pensions that governments provide their employees. First, it is important to note that in understanding this change in accounting, the underlying facts of the City's pension costs have not changed. The change does not affect how the City budgets for pension expense, nor does it change the credit worthiness of the City.

Among other changes that are fairly technical, the new standard requires that the City's Net Pension Liability be recognized on the basic government financial statements starting with the FY 2014/15 CAFR. It is currently presented in the Notes to the Financial Statements section of the CAFR. The computation of the Net Pension Liability will be the difference between the market value of pension fund assets and benefit obligations as of a specific date. This change will also more clearly show the change in net pension liability year to year, which will improve transparency.

Sunnyvale has been keeping the public and the Council informed of the City's pension liability, proposing and implementing forward thinking funding strategies, working with bargaining units to reduce the cost of pensions for the City, and has made contributions in addition to those required by PERS to pay down the City's unfunded pension liability. The changes made by GASB do not affect the City's strategic approach, nor, as mentioned above, do they change the underlying facts of the City's financial health.

### **Sunnyvale Financing Authority Financial Report**

The Sunnyvale Financing Authority's (Authority) main function is the issuance of debt and the subsequent debt service. The Authority had two outstanding debt issuances during this reporting period, the 2009 Government Center Certificates of Participation and the Solid Waste Revenue Bonds, Series 2007, which has since been refunded under the Solid Waste utility. Therefore, the Solid Waste Bonds will not be reported under the Authority beginning next fiscal year. Because the Sunnyvale Financing Authority is a separate component unit of the City, it also has its own annual financial report. This financial report is presented for Council's information as Attachment 4.

### **FISCAL IMPACT**

The fiscal impact of each fund's results is discussed in detail in the body of this report. As discussed, the General Fund finished FY 2013/14 \$5.5 million more favorable than expected. This resulted in the Budget Stabilization Fund being drawn down less than anticipated for the fiscal year. This is positive news as the General Fund faces many pressures on both the revenue and expenditure side in the next several years. To help address one significant pressure, staff is proposing to appropriate \$1.5 million from the Budget Stabilization Fund to pay down the City's unfunded pension and retiree medical liabilities. As noted earlier, the City's pension plans are just under 70 percent funded with an unfunded liability of approximately \$269 million. In the past several years, the City has worked to pay down this liability more aggressively than CalPERS required and continuing to pay down this liability

is a sound fiscal strategy. Additionally, with the new accounting standard to recognize pension liabilities in the financial statements, additional contributions will positively impact the liability reported on the City's statements. The City also has an unfunded liability of approximately \$76 million related to retiree medical benefits and additional contributions to the retiree medical trust fund also follow the same principles.

In addition to the modifications mentioned above, this report also addresses one clean up item from FY 2013/14. For each term served, each Councilmember is allocated an allowance of \$1,300 to satisfy any technology needs during the duration of the term. This allowance is provided for in the operating budget of the Office of the City Manager. Any amount not expended is carried over into the next fiscal year until exhausted, or until a Councilmember leaves office.

Budget Modification No. 26 has been prepared to appropriate additional funding to the City's pension and retiree medical liabilities, as well as to carry over the remaining Council technology funds.

**Budget Modification No. 26  
FY 2014/15**

	<u>Current</u>	<u>Increase/ (Decrease)</u>	<u>Revised</u>
<b>General Fund</b>			
<u>Expenditures</u>			
FY 2013/14 Budget: 723500 – Conduct Council Business	\$356,517	(\$6,551)	\$349,966
FY 2014/15 Budget: 723500 – Conduct Council Business	\$333,585	\$6,551	\$340,136
Additional Contribution to CalPERS to reduce unfunded pension liability	\$0	\$1,000,000	\$1,000,000
Additional Contribution to OPEB Trust to reduce unfunded retiree medical liability	\$0	\$500,000	\$500,000
<b>General Fund</b>			
<u>Reserves</u>			
Budget Stabilization Fund	\$43,799,757	(\$1,500,000)	\$42,299,757

### **PUBLIC CONTACT**

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, at the Sunnyvale Senior Center, Community Center and Department of Public Safety; and by making the agenda and report available at the Sunnyvale Public Library, the Office of the City Clerk and on the City's website.

### **ALTERNATIVES**

1. Receive and file the budgetary Year-End Financial Report, the audited Comprehensive Annual

- Financial Report, the Report to the City Council issued by the independent auditors, and the Sunnyvale Financing Authority Financial Report and approve Budget Modification No. 26.
2. Other action as determined by Council.

**STAFF RECOMMENDATION**

Alternative 1: Receive and file the budgetary Year-End Financial Report, the audited Comprehensive Annual Financial Report, the Report to the City Council issued by the independent auditors, and the Sunnyvale Financing Authority Financial Report and approve Budget Modification No. 26.

Prepared by: Timothy J. Kirby, Assistant Director of Finance

Reviewed by: Grace K. Leung, Director, Finance

Reviewed by: Robert A. Walker, Assistant City Manager

Approved by: Deanna J. Santana, City Manager

**ATTACHMENTS**

1. Schedule of Appropriations by Fund
2. Auditor's Report to the City Council
3. Comprehensive Annual Financial Report\*
4. Sunnyvale Financing Authority Financial Report\*

\*Attachments 3 and 4 available at the City Website:  
[www.cafr.inSunnyvale.com](http://www.cafr.inSunnyvale.com)

*City of Sunnyvale*  
*Year-end Appropriations Budget*  
*Fiscal Year Ending June 30, 2014*

**Fund 35 - General Fund**

Description	Current Budget	Actual Expenditures	Variance Favorable (Unfavorable)
<b>Equipment</b>			
020000 General Equipment	\$ 164,835	\$ -	\$ 164,835
020802 Recreation Equipment	20,748	13,018	7,730
020901 Public Safety Equipment	409,127	373,140	35,987
<b>Total Equipment</b>	<b>594,710</b>	<b>386,159</b>	<b>208,551</b>
<b>Operating Programs</b>			
City Attorney			
750 Comprehensive Legal Services	1,839,243	1,668,382	170,860
Total City Attorney	1,839,243	1,668,382	170,860
City Manager			
723 Office of the City Manager	4,153,145	3,875,763	277,382
Total City Manager	4,153,145	3,875,763	277,382
Community Development			
233 Building Safety	2,966,813	2,959,618	7,196
234 Planning	2,466,161	2,479,749	(13,588)
237 Community Development Department Management	414,037	408,126	5,911
Total Community Development	5,847,012	5,847,493	(481)
Finance			
703 Budget Management	677,382	767,261	(89,879)
704 Purchasing	1,256,691	1,285,751	(29,060)
705 Financial Management and Analysis	808,268	781,547	26,721
706 Accounting and Financial Services	1,787,057	1,629,662	157,395
707 Treasury Services	1,073,702	1,076,927	(3,225)
708 Utility Billing	2,253,114	2,161,444	91,670
Total Finance	7,856,213	7,702,592	153,622
Human Resources			
754 Human Resources	3,576,685	3,409,014	167,670
Total Human Resources	3,576,685	3,409,014	167,670
Library and Community Services			
527 Youth and Family Services	338,055	406,121	(68,067)
620 Library	8,074,706	7,591,740	482,966
626 Arts and Recreation Programs	8,240,695	7,563,003	677,692
Total Library and Community Services	16,653,456	15,560,864	1,092,592
Public Safety			
471 Police Services	27,038,355	25,459,825	1,578,530
472 Fire Services	26,636,206	26,312,558	323,648
473 Community Safety Services	3,555,860	3,843,517	(287,658)
474 Personnel and Training	1,616,379	1,908,234	(291,855)
475 Investigation Services	5,258,630	4,738,551	520,078
476 Communication Services	3,119,392	3,561,632	(442,240)
477 Public Safety Administrative Services	5,554,526	5,475,785	78,742
478 Records Management and Property Services	1,965,845	2,069,135	(103,290)
479 Fire Prevention and Hazardous Material Services	1,770,725	1,552,357	218,367
Total Public Safety	76,515,917	74,921,595	1,594,321
Public Works			
119 Transportation and Traffic Services	1,985,115	1,800,130	184,985
120 Pavement Maintenance, Traffic Signs and Markings	2,932,092	2,882,269	49,823
121 Street Lights	1,082,571	1,099,412	(16,842)
219 Street Tree Services	1,905,048	1,866,801	38,247
222 Concrete Maintenance	391,658	359,766	31,892
267 Neighborhood Parks and Open Space Management	8,720,432	9,050,596	(330,164)
308 Public Works Administration	711,215	699,995	11,220
310 Land Development - Engineering Services	1,130,984	1,242,833	(111,849)
Total Public Works	18,859,116	19,001,803	(142,688)
<b>Total Operating Programs</b>	<b>135,300,785</b>	<b>131,987,506</b>	<b>3,313,279</b>

City of Sunnyvale  
Year-end Appropriations Budget  
Fiscal Year Ending June 30, 2014

## Fund 35 - General Fund

Description	Current Budget	Actual Expenditures	Variance Favorable (Unfavorable)
<b>Transfers Out</b>			
7900 CDBG Fund	291,000	290,951	48
7900 Capital Projects Fund-General Assets	408,776	67,199	341,577
7900 Employee Benefits - Leaves Benefits	310,841	305,864	4,977
7900 General Services Fund - Proj Mgmt Serv	262,411	361,285	(98,874)
7900 General Services Fund Tech & Communication Services	28,722	28,722	(0)
7900 Infrastructure Fund - General Assets	7,065,687	4,934,300	2,131,387
7900 Liability and Property Insurance Fund	834,448	834,448	0
7900 Youth and Neighborhood Services Fund	488,578	418,310	70,269
<b>Total Transfers Out</b>	<b>9,690,463</b>	<b>7,241,080</b>	<b>2,449,383</b>
<b>Lease Payments</b>			
7900 Financial Services	6,960	6,935	25
7900 Lease Expenditure - Principal	460,689	460,689	0
7900 Lease Expenditure - Interest	745,000	745,000	-
<b>Total Lease Payments</b>	<b>1,212,649</b>	<b>1,212,624</b>	<b>25</b>
<b>Non-Departmental Expenditures</b>			
RSA Administrative Cost True-up	-	19,780	(19,780)
Loss Contingency	-	71,381	(71,381)
<b>Total Non-Departmental Expenditures</b>	<b>-</b>	<b>91,161</b>	<b>(91,161)</b>
<b>Projects</b>			
<i>Infrastructure Projects</i>			
830950 Light Emitting Diode (LED) Streetlights Pilot Project	10,000	-	10,000
<i>Outside Group Funding Projects</i>			
803700 Leadership Sunnyvale [GF]	6,000	5,000	1,000
819720 Outside Group Funding Support [GF]	100,000	100,000	-
828880 Community Events Grant Funding	10,000	8,152	1,848
828890 Neighborhood Grants	6,125	4,364	1,761
830630 Dispute Resolution Services	20,000	19,919	81
830790 Enhanced Fitness Programs	19,875	4,890	14,985
<i>Capital Projects</i>			
802150 Utility Undergrounding Cost Sharing	159,355	149,155	10,200
820570 Minor Building Modifications	15,000	-	15,000
830040 Onizuka Site Transition Plan	40,040	19,310	20,730
830940 Biological Constraints and Opportunities Analysis	50,000	-	50,000
<i>Special Projects</i>			
805150 Library Foundation Program Grant	242,362	-	242,362
821010 Maintenance of City Owned Properties - Downtown	16,764	17,018	(255)
825570 239 - 241 Commercial Street Property Maintenance	5,001	4,998	3
825700 General Plan Updates	137,520	9,397	128,123
826280 FY 12-13 #16 Recruitment and Training for Sworn Officers	1,504,983	1,504,952	32
826290 FY 13-14 #18 Recruitment and Training for Sworn Officers	1,931,281	1,811,867	119,414
826620 Town Center Construction - Public Works Services	190,925	-	190,925
827700 Electronic Records Management System	89,819	31,713	58,107
827970 History Museum Utility Reimbursement	1,334	813	521
828690 Land Use & Transportation Study	45,760	25,495	20,265
829210 Raynor Center Assessment	11,840	2,539	9,302
829250 Emergency Management Preparedness Grant - EMPG FY11	1,669	1,669	-
829310 California Environmental Reporting System (CERS) Grant	31,184	783	30,401
829510 Emergency Medical Dispatch First Responder Incentive Funding	159,911	71,430	88,481
829640 Care Management Enhancement	40,000	29,917	10,083
829670 Lawrence Station Area Plan - Phase II	254,716	120,815	133,901
829680 FY 2011/2012 Emergency Management Performance Grant (EMPG)	25,335	25,335	-
829690 Comprehensive School Traffic Study	94,050	-	94,050
829700 Priority Study Issue (DPW 12-05: Downtown Parking Maintenance)	1,977	-	1,977
829710 Satterberg Foundation Grant: eReaders	1,803	60	1,743
829750 Fire Prevention Construction-Related Permitting	439,941	105,701	334,240
829760 Building Permitting	341,379	73,108	268,271
829810 Peery Park Specific Plan and Environmental Impact Report	600,000	265,884	334,116
829830 Raynor Sale Consulting Services	95,136	50,000	45,136
829850 FY 2012/13 Avoid the 13 DUI Enforcement	11,807	841	10,966
829860 Traffic Safe Communities Network Bike Party Enforcement	1,489	1,488	2
829880 Silicon Valley Regional Communication System (SVRCS) Phase I	2,124,103	1,902,736	221,367
829890 2012/2013 OTS Sobriety Checkpoints	7,500	7,500	-
829950 BIA Litigation	26,860	26,860	-
829960 LSTA: Learning Together	2,935	2,935	-
829970 LSTA Printing Old & New	3,293	3,293	-
830520 Financial System Replacement Project	200,000	-	200,000
830550 Council Retreat with Facilitator	29,606	8,606	21,000
830610 Community Solar Array System Study	15,000	10,000	5,000
830660 EMS Patient Care Data System	39,692	2,235	37,457

City of Sunnyvale  
Year-end Appropriations Budget  
Fiscal Year Ending June 30, 2014

## Fund 35 - General Fund

Description	Current Budget	Actual Expenditures	Variance Favorable (Unfavorable)
830670 FY2012/13 Emergency Management Performance Grant (EMPG)	38,780	38,780	-
830680 FFY 2011 SHSGP Training - CESA Conference	1,400	1,077	323
830690 FFY 2011 SHSGP Training - IACA Conference	2,098	1,844	254
830700 FFY 2012 SHSGP Equipment - Special Tactical Emerg. Vehicle	31,320	31,320	-
830710 FY 2013/14 OTS Sobriety Checkpoints	17,500	9,521	7,979
830720 2013 Urban Shield	21,126	18,949	2,177
830730 FFY 2013 JAG	12,383	10,922	1,461
830740 FY 2013/14 Safe Summer Activities	20,000	20,686	(686)
830820 FFY 2013 SHSGP - Blue Card Command	30,000	3,812	26,189
830830 FFY 2013 SHSGP - Emergency Volunteer Pro	63,500	-	63,500
830840 Code It!	11,000	7,898	3,102
830850 FFY 2013 UASI-Training - LE/HM/WMD Ops & Planning	10,000	9,750	250
830860 FY 2013/14 OTS Bicycle and Pedestrian Safety	50,000	23,070	26,930
830870 FY 2013/14 Avoid the 13 DUI Enforcement	16,000	2,410	13,590
830880 Silicon Valley Regional Communication System 2012 AFG	895,409	892,844	2,565
<b>Total Projects</b>	<b>10,383,887</b>	<b>7,503,658</b>	<b>2,880,229</b>
<b>Total Appropriations</b>	<b>157,182,494</b>	<b>148,422,188</b>	<b>8,760,306</b>
Project and Equipment Carryovers	-	2,972,827	(2,972,827)
Deferred Transfers Out	-	2,470,805	(2,470,805)
<b>Total</b>	<b>157,182,494</b>	<b>153,865,820</b>	<b>3,316,674</b>

City of Sunnyvale  
Year-end Appropriations Budget  
Fiscal Year Ending June 30, 2014

Fund 70 - Housing Fund

Description	Current Budget	Actual Expenditures	Variance Favorable (Unfavorable)
<b>Operating Programs</b>			
Community Development			
235 Housing and CDBG Program	\$ 706,419	\$ 608,945	\$ 97,474
Total Community Development	706,419	608,945	97,474
<b>Total Operating Programs</b>	<b>706,419</b>	<b>608,945</b>	<b>97,474</b>
<b>Transfers Out</b>			
7900 General Fund	126,389	65,786	60,603
Total Recurring Non-Departmental Expenditures	126,389	65,786	60,603
<b>Total Transfers Out</b>	<b>126,389</b>	<b>65,786</b>	<b>60,603</b>
<b>Projects</b>			
823750 BMR Compliance Enforcement	10,915	10,898	17
825930 Maintain City-Owned Properties - Downtown/Charles Street	6,610	2,501	4,109
828100 First-Time Homebuyer Loans (81-120% AMI)	662,625	91,250	571,375
828110 Housing Trust Fund (HTFSCC) Contribution	250,000	250,000	-
829530 Armory Affordable Housing Site - Charities Housing	4,050,000	4,010,000	40,000
829540 Armory Affordable Housing Site - MidPen Housing	4,050,000	3,986,751	63,249
829580 Homestead Park (Final Phase)	5,000,000	1,495,824	3,504,176
829980 Habitat for Humanity - Sale of City-Owned Homes (HMF)	880,000	875,699	4,302
830130 Housing Mitigation Fund - Fee Restructure	75,000	18,680	56,320
830140 Onizuka BRAC Closure - Final Pre-Development Costs	30,000	-	30,000
<b>Total Projects</b>	<b>15,015,150</b>	<b>10,741,603</b>	<b>4,273,547</b>
<b>Total Appropriations</b>	<b>15,847,958</b>	<b>11,416,334</b>	<b>4,431,624</b>
Project Carryovers	-	4,269,421	(4,269,421)
Deferred Transfers	-	60,603	(60,603)
<b>Total</b>	<b>15,847,958</b>	<b>15,746,358</b>	<b>101,600</b>

City of Sunnyvale  
Year-end Appropriations Budget  
Fiscal Year Ending June 30, 2014

Fund 71 - HOME Grant Fund

Description	Current Budget	Actual Expenditures	Variance Favorable (Unfavorable)
<b>Operating Programs</b>			
Community Development			
235 Housing and CDBG Program	\$ 102,700	\$ 97,581	\$ 5,120
Total Community Development	102,700	97,581	5,120
<b>Total Operating Programs</b>	<b>102,700</b>	<b>97,581</b>	<b>5,120</b>
<b>Transfers Out</b>			
7900 General Fund	7,659	7,386	273
<b>Total Transfers Out</b>	<b>7,659</b>	<b>7,386</b>	<b>273</b>
<b>Projects</b>			
830150 Armory Studios - Charities Housing	850,000	765,000	85,000
830160 Armory Apartments - MidPen Housing	1,400,000	-	1,400,000
828120 First-Time Homebuyer Loans (up to 80% AMI)	99,685	-	99,685
828750 Tenant Based Rental Assistance (HOME)	636,941	237,888	399,052
829550 MidPen Housing: Garland Plaza Rehab	149,997	150,000	(3)
<b>Total Projects</b>	<b>3,136,623</b>	<b>1,152,888</b>	<b>1,983,734</b>
<b>Total Appropriations</b>	<b>3,246,982</b>	<b>1,257,855</b>	<b>1,989,127</b>
Project Carryovers	-	1,884,053	(1,884,053)
<b>Total</b>	<b>3,246,982</b>	<b>3,141,908</b>	<b>105,074</b>

City of Sunnyvale  
Year-end Appropriations Budget  
Fiscal Year Ending June 30, 2014

Fund 110 - Community Development Block Grant Fund

Description	Current Budget	Actual Expenditures	Variance Favorable (Unfavorable)
<b>Operating Programs</b>			
Community Development			
235 Housing and CDBG Program	\$ 437,583	\$ 412,595	\$ 24,989
Total Community Development	<u>437,583</u>	<u>412,595</u>	<u>24,989</u>
<b>Total Operating Programs</b>	<u>437,583</u>	<u>412,595</u>	<u>24,989</u>
<b>Transfers Out</b>			
7900 General Fund	30,897	29,905	993
<b>Total Transfers Out</b>	<u>30,897</u>	<u>29,905</u>	<u>993</u>
<b>Projects</b>			
803501 CDBG Housing Rehabilitation Revolving Loan Fund	295,833	28,617	267,217
812701 Home Access, Paint, Emergency Repair, and Energy-Efficiency	146,029	38,593	107,437
822911 Columbia Neighborhood Center Facility Expansion	291,000	290,951	49
827221 Family & Children's Services-Columbia Center	1,000	1,000	-
827550 Outside Group Funding Support	204,500	204,500	-
830270 First United Methodist Church [CDBG]	450,297	426,539	23,758
829560 Sunnyvale Workforce Development Program-DST	283,800	262,284	21,516
<b>Total Projects</b>	<u>1,672,459</u>	<u>1,252,483</u>	<u>419,977</u>
<b>Total Appropriations</b>	<u>2,140,940</u>	<u>1,694,982</u>	<u>445,958</u>
Project Carryovers	-	152,711	(152,711)
Deferred Transfers Out	0	993	(993)
<b>Total</b>	<u>2,140,940</u>	<u>1,848,686</u>	<u>292,254</u>

*City of Sunnyvale*  
*Year-end Appropriations Budget*  
*Fiscal Year Ending June 30, 2014*

**Fund 141 - Park Dedication Fund**

<u>Description</u>	<u>Current Budget</u>	<u>Actual Expenditures</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Transfers Out</b>			
7900 General Fund - General Assets	37,976	33,792	\$ 4,184
7900 Capital Projects Fund - General Assets	7,840,858	5,182,124	2,658,734
7900 Infrastructure Fund - General Assets	9,447,097	2,810,414	\$ 6,636,683
7900 Infrastructure Fund - Community Recreation Assets	855,112	142,494	\$ 712,618
7900 Infrastructure Fund - Project Management Services	579,266	694,174	\$ (114,908)
<b>Total Transfers Out</b>	<b>18,760,309</b>	<b>8,862,998</b>	<b>9,897,310</b>
<b>Projects</b>			
821001 Maintenance of City Owned Properties - Adjacent to Parks	24,319	15,257	9,062
<b>Total Projects</b>	<b>24,319</b>	<b>15,257</b>	<b>9,062</b>
<b>Total Appropriations</b>	<b>18,784,627</b>	<b>8,878,255</b>	<b>9,906,372</b>
Project Carryovers	-	9,062	(9,062)
Deferred Transfers Out	-	9,924,125	(9,924,125)
<b>Total</b>	<b>18,784,627</b>	<b>18,811,442</b>	<b>(26,815)</b>

City of Sunnyvale  
Year-end Appropriations Budget  
Fiscal Year Ending June 30, 2014

Fund 175 - Asset Forfeiture Fund

Description	Current Budget	Actual Expenditures	Variance Favorable (Unfavorable)
<b>Operating Programs</b>			
Public Safety			
471 Police Services	\$ 2,244	\$ 2,106	\$ 138
Total Public Safety	<u>2,244</u>	<u>2,106</u>	<u>138</u>
<b>Total Operating Programs</b>	<u><b>2,244</b></u>	<u><b>2,106</b></u>	<u><b>138</b></u>
<b>Transfers Out</b>			
7900 General Fund - General	\$ 103,029	\$ 92,594	10,435
<b>Total Transfers Out</b>	<u><b>103,029</b></u>	<u><b>92,594</b></u>	<u><b>10,435</b></u>
<b>Projects</b>			
819840 Police Services Equipment Acquisition	\$ 68,195	\$ 3,707	64,487
828150 Police Services Equipment - Cell Phones	\$ 44,500	\$ 38,570	5,930
<b>Total Projects</b>	<u><b>112,695</b></u>	<u><b>42,277</b></u>	<u><b>70,417</b></u>
<b>Total Appropriations</b>	<u><b>217,967</b></u>	<u><b>136,978</b></u>	<u><b>80,990</b></u>
Project Carryovers	\$ -	\$ 70,417	(70,417)
<b>Total</b>	<u><b>217,967</b></u>	<u><b>207,395</b></u>	<u><b>10,572</b></u>

City of Sunnyvale  
Year-end Appropriations Budget  
Fiscal Year Ending June 30, 2014

Fund 190 - Police Services Augmentation Fund

Description	Current Budget	Actual Expenditures	Variance Favorable (Unfavorable)
<b>Operating Programs</b>			
Public Safety			
475 Investigation Services	229,693	182,236	47,457
Total Public Safety	<u>229,693</u>	<u>182,236</u>	<u>47,457</u>
<b>Total Operating Programs</b>	<u>229,693</u>	<u>182,236</u>	<u>47,457</u>
<b>Projects</b>			
829420 COPS/SLES Grant Spending Plan	44,903	44,902	0
<b>Total Projects</b>	<u>44,903</u>	<u>44,902</u>	<u>0</u>
<b>Total Appropriations</b>	<u>274,596</u>	<u>227,139</u>	<u>47,457</u>
Project Carryovers	-	0	(0)
<b>Total</b>	<u>274,596</u>	<u>227,139</u>	<u>47,457</u>

City of Sunnyvale  
Year-end Appropriations Budget  
Fiscal Year Ending June 30, 2014

Fund 210 - Employment Development Fund

Description	Current Budget	Actual Expenditures	Variance Favorable (Unfavorable)
<b>Operating Programs</b>			
Employment Development			
510 Employment Development	\$ 7,347,157	\$ 6,917,787	\$ 429,370
Total Employment Development	<u>7,347,157</u>	<u>6,917,787</u>	<u>429,370</u>
<b>Total Operating Programs</b>	<u>7,347,157</u>	<u>6,917,787</u>	<u>429,370</u>
<b>Transfers Out</b>			
7900 General Fund - General	345,265	326,080	19,185
<b>Total Transfers Out</b>	<u>345,265</u>	<u>326,080</u>	<u>19,185</u>
<b>Total Appropriations</b>	<u>7,692,422</u>	<u>7,243,867</u>	<u>448,555</u>
<b>Total</b>	<u>7,692,422</u>	<u>7,243,867</u>	<u>448,555</u>

City of Sunnyvale  
Year-end Appropriations Budget  
Fiscal Year Ending June 30, 2014

Fund 245 - Parking District Fund

Description	Current Budget	Actual Expenditures	Variance Favorable (Unfavorable)
<b>Operating Programs</b>			
Public Works			
256 Downtown Parking Lot Maintenance	\$ 64,668	\$ 40,369	\$ 24,299
267 Neighborhood Parks and Open Space Management	80,774	64,939	15,835
310 Land Development - Engineering Services	10,068	12,392	(2,324)
Total Public Works	155,510	117,700	37,810
<b>Total Operating Programs</b>	<b>155,510</b>	<b>117,700</b>	<b>37,810</b>
<b>Transfers Out</b>			
7900 General Fund - General	12,680	12,680	0
<b>Total Transfers Out</b>	<b>12,680</b>	<b>12,680</b>	<b>0</b>
<b>Projects</b>			
827570 Downtown Parking District Major Maintenance	202,026	135,551	66,475
<b>Total Projects</b>	<b>202,026</b>	<b>135,551</b>	<b>66,475</b>
<b>Total Appropriations</b>	<b>370,216</b>	<b>265,931</b>	<b>104,285</b>
Project Carryovers	-	66,475	(66,475)
<b>Total</b>	<b>370,216</b>	<b>332,406</b>	<b>37,810</b>

City of Sunnyvale  
Year-end Appropriations Budget  
Fiscal Year Ending June 30, 2014

Fund 255 - CFD 3 Estates at Sunnyvale

Description	Current Budget	Actual Expenditures	Variance Favorable (Unfavorable)
<b>Operating Program</b>			
Public Works			
361 Storm Water Collection System	\$ 22,423	\$ 17,386	\$ 5,037
Total Public Works	<u>22,423</u>	<u>17,386</u>	<u>5,037</u>
<b>Total Operating Programs</b>	<u>22,423</u>	<u>17,386</u>	<u>5,037</u>
<b>Transfers Out</b>			
7900 General Fund - General	1,172	1,172	0
<b>Total Transfers Out</b>	<u>1,172</u>	<u>1,172</u>	<u>0</u>
<b>Projects</b>			
830030 Formation of Community Facilities District No. 3	49,445	-	49,445
<b>Total Non-Departmental</b>	<u>49,445</u>	<u>-</u>	<u>49,445</u>
<b>Total Appropriations</b>	<u>73,040</u>	<u>18,558</u>	<u>54,482</u>
Deferred Transfers Out	-	49,445	(49,445)
<b>Total</b>	<u>73,040</u>	<u>68,003</u>	<u>5,037</u>

City of Sunnyvale  
Year-end Appropriations Budget  
Fiscal Year Ending June 30, 2014

Fund 280 - Gas Tax Fund

Description	Current Budget	Actual Expenditures	Variance Favorable (Unfavorable)
<b>Operating Program</b>			
Public Works			
120 Pavement, Traffic Signs and Markings, Street Sweeping, Street Lights, and Roadside Easements	\$ 2,025,000	\$ 1,990,544	\$ 34,456
Total Public Works	<u>2,025,000</u>	<u>1,990,544</u>	<u>34,456</u>
<b>Total Operating Programs</b>	<u>2,025,000</u>	<u>1,990,544</u>	<u>34,456</u>
<b>Transfers Out</b>			
7900 General Services Fund - Project Management Service	168,533	152,842	15,691
7900 Capital Projects Fund - Gas Tax Funded	2,655,352	179,393	2,475,959
7900 Infrastructure Fund - General Assets	2,538,522	2,297,263	241,259
<b>Total Transfers Out</b>	<u>5,362,407</u>	<u>2,629,498</u>	<u>2,732,909</u>
<b>Projects</b>			
802500 City Share of Development Costs - Streets	10,200	1,500	8,700
816050 Minor Repair of City Bridges and Culverts	5,000	-	5,000
827690 Evaluation of Bridges and Levees	200,000	-	200,000
<b>Total Projects</b>	<u>215,200</u>	<u>1,500</u>	<u>213,700</u>
<b>Total Appropriations</b>	<u>7,602,607</u>	<u>4,621,542</u>	<u>2,981,065</u>
Project Carryovers	-	208,700	(208,700)
Deferred Transfers Out	-	2,426,134	(2,426,134)
<b>Total</b>	<u>7,602,607</u>	<u>7,256,377</u>	<u>346,230</u>

City of Sunnyvale  
Year-end Appropriations Budget  
Fiscal Year Ending June 30, 2014

Fund 285 - Transportation Development Act (TDA) Fund

Description	Current Budget	Actual Expenditures	Variance Favorable (Unfavorable)
<b>Transfers Out</b>			
7900 Capital Projects Fund - General Assets	\$ 600,575	\$ 60,704	\$ 539,871
<b>Total Transfers Out</b>	<b>600,575</b>	<b>60,704</b>	<b>539,871</b>
<b>Total Appropriations</b>	<b>600,575</b>	<b>60,704</b>	<b>539,871</b>
Deferred Transfers Out	-	465,787	(465,787)
<b>Total</b>	<b>600,575</b>	<b>526,491</b>	<b>74,084</b>

City of Sunnyvale  
Year-end Appropriations Budget  
Fiscal Year Ending June 30, 2014

Fund 290 - VRF Local Road Improvement Fund

Description	Current Budget	Actual Expenditures	Variance Favorable (Unfavorable)
<b>Transfers Out</b>			
7900 Infrastructure Fund - General Assets	\$ 871,788	\$ 871,788	\$ -
<b>Total Transfers Out</b>	<u>871,788</u>	<u>871,788</u>	<u>-</u>
<b>Total Appropriations</b>	<u>871,788</u>	<u>871,788</u>	<u>-</u>
<b>Total</b>	<u>871,788</u>	<u>871,788</u>	<u>-</u>

City of Sunnyvale  
Year-end Appropriations Budget  
Fiscal Year Ending June 30, 2014

Fund 295 - Youth and Neighborhood Services Fund

Description	Current Budget	Actual Expenditures	Variance Favorable (Unfavorable)
<b>Operating Programs</b>			
Library and Community Services			
527 Youth and Family Services	\$ 739,515	\$ 631,344	\$ 108,171
Total City Manager	<u>739,515</u>	<u>631,344</u>	<u>108,171</u>
<b>Total Operating Programs</b>	<u>739,515</u>	<u>631,344</u>	<u>108,171</u>
<b>Projects</b>			
830750 Covered California Grant Funded Outreach	11,510	10,209	\$ 1,301
<b>Total Projects</b>	<u>11,510</u>	<u>10,209</u>	<u>1,301</u>
<b>Total Appropriations</b>	<u>751,025</u>	<u>641,553</u>	<u>109,472</u>
<b>Total</b>	<u>751,025</u>	<u>641,553</u>	<u>109,472</u>

City of Sunnyvale  
Year-end Appropriations Budget  
Fiscal Year Ending June 30, 2014

Fund 315 - Redevelopment Agency Fund

Description	Current Budget	Actual Expenditures	Variance Favorable (Unfavorable)
<b>Operating Programs</b>			
Finance			
705 Financial Management and Analysis	\$ 160,586	\$ 117,747	\$ 42,839
707 Treasury Services	-	479	(479)
Total Finance	<u>160,586</u>	<u>118,226</u>	<u>42,361</u>
Office of the City Manager			
723 Office of the City Manager	-	2,442	(2,442)
Total Finance	<u>-</u>	<u>2,442</u>	<u>(2,442)</u>
City Attorney			
750 Comprehensive Legal Services	66,509	48,754	17,755
Total City Attorney	<u>66,509</u>	<u>48,754</u>	<u>17,755</u>
<b>Total Operating Programs</b>	<u><b>227,095</b></u>	<u><b>169,422</b></u>	<u><b>57,673</b></u>
<b>Transfers Out</b>			
7900 General Fund - General	22,905	22,905	0
7900 1992 RDA Central Core Project Bonds	604,551	604,771	(220)
<b>Total Transfers Out</b>	<u><b>627,456</b></u>	<u><b>627,676</b></u>	<u><b>(220)</b></u>
<b>Projects</b>			
814952 Redevelopment Dissolution	30,036	-	30,036
824571 Project Management for Town Center Development Agreement	65,551	21,370	44,180
826701 Town Center Investigation/Remediation of Hazmat (ADDOPA)	1,611,205	295,358	1,315,847
<b>Total Projects</b>	<u><b>1,706,791</b></u>	<u><b>316,728</b></u>	<u><b>1,390,063</b></u>
<b>Total Appropriations</b>	<u><b>2,561,342</b></u>	<u><b>1,113,825</b></u>	<u><b>1,447,517</b></u>
Project Carryovers	-	1,390,062	(1,390,062)
<b>Total</b>	<u><b>2,561,342</b></u>	<u><b>2,503,887</b></u>	<u><b>57,455</b></u>

City of Sunnyvale  
Year-end Appropriations Budget  
Fiscal Year Ending June 30, 2014

Fund 330 - Governmental Funds - City Debt Service

Description	Current Budget	Actual Expenditures	Variance Favorable (Unfavorable)
<b>Debt Service</b>			
011551 2009 Government Center COP Debt Service	\$ 1,067,369	\$ 724,498	\$ 342,871
<b>Total Debt Service</b>	<u>1,067,369</u>	<u>724,498</u>	<u>342,871</u>
<b>Total Appropriations</b>	<u>1,067,369</u>	<u>724,498</u>	<u>342,871</u>
<b>Total</b>	<u>1,067,369</u>	<u>724,498</u>	<u>342,871</u>

City of Sunnyvale  
Year-end Appropriations Budget  
Fiscal Year Ending June 30, 2014

Fund 335 - Redevelopment Agency Debt Service Fund

Description	Current Budget	Actual Expenditures	Variance Favorable (Unfavorable)
<b>Debt Service</b>			
011900 2003 Central Core Tax Alloc Refund Bonds	\$ 604,551	\$ 606,259	\$ (1,708)
<b>Total Debt Service</b>	<b>604,551</b>	<b>606,259</b>	<b>(1,708)</b>

City of Sunnyvale  
Year-end Appropriations Budget  
Fiscal Year Ending June 30, 2014

Fund 385 - Capital Projects Fund

Description	Current Budget	Actual Expenditures	Variance Favorable (Unfavorable)
<b>Transfers Out</b>			
7900 General Fund - General	12,853	12,853	\$ (0)
7900 Capital Projects Fund - Gas Tax Funded	157,204	5,866	151,338
7900 Capital Projects Fund - General Assets	1,226,095	354,522	871,573
7900 Capital Project Fund-Traffic Impact Fees	2,000,000	245,637	1,754,363
<b>Total Transfers Out</b>	<b>3,396,152</b>	<b>618,877</b>	<b>2,777,274</b>
<b>Projects</b>			
Subfund 100 - General Assets			
808352 Seven Seas Park Development	6,863,612	4,928,369	1,935,243
825610 Fair Oaks Avenue Overhead Bridge	3,253,640	885,816	2,367,824
826730 Underground Overhead Utilities	232,367	3,754	228,614
826780 Downtown-Related Construction Mitigation	15,957	-	15,957
828161 Residential and School Area Sidewalks	199,441	125,656	73,785
828610 Concrete Reconstruction	63,296	63,296	-
828620 Light Emitting Diode (LED) Streetlight Retrofit	3,976	-	3,976
828900 Hendy Avenue Complete Street Project	2,404,878	375,012	2,029,866
828910 Sunnyvale Avenue/Old San Francisco Road Left Turn Project	551,398	500,502	50,896
829200 Stevens Creek Trail Feasibility Study	72,447	46,889	25,559
829270 Remington Drive/Bernardo Ave Traffic Signal	636,216	530,954	105,262
829300 West Channel Trail Conceptual Design Study	91,200	-	91,200
829320 Downtown Streetscape Improvements Phase II	702,498	671,234	31,264
829370 Safe Routes to School and Neighborhood Guided Bike Routes	818,037	96,229	721,808
829440 Land Acquisition Due Diligence	9,412	8,000	1,412
829570 Orchard Gardens Park Expansion	868,950	146,871	722,079
829590 Duane Avenue Bicycle Lanes	94,203	-	94,203
829720 Mathilda Avenue Bicycle Lanes	100,000	1,084	98,916
829730 Wildwood Avenue Bicycle Lanes	30,000	-	30,000
829910 Mathilda Avenue/Maude Avenue Safety Improvements	343,550	24,438	319,112
829920 Sunnyvale-Saratoga Road/Fremont Avenue Safety Improvements	308,550	24,438	284,112
829990 Citywide Traffic Signal Communications Repairs	35,000	26,278	8,722
830000 Adaptive Traffic Control Timing Optimization	40,000	40,000	-
830010 ITS Citywide Enhancements	126,492	28,469	98,024
830020 Fair Oaks Avenue Signal Interconnection	150,000	131,534	18,466
830100 Moffett Park Drive Bike Facilities	50,000	-	50,000
830110 Sunnyvale-Saratoga Road Pedestrian Safety Signal	10,000	-	10,000
830120 Pay Parking in Downtown Area	95,000	150	94,850
830500 Landfill Hills Recreational Master Plan	110,000	98,884	11,116
830760 Mary Avenue Bicycle Lanes	772,150	2,206	769,944
830770 El Camino Real Bicycle Lanes	15,000	-	15,000
830780 Remington Drive/Manet Drive Pedestrian Improvements	27,000	-	27,000
<b>Total Subfund 100 - General Assets</b>	<b>19,094,271</b>	<b>8,760,063</b>	<b>10,334,209</b>
Project Carryovers	-	10,163,173	(10,163,173)
<b>Total Subfund 100 - General Assets</b>	<b>19,094,271</b>	<b>18,923,235</b>	<b>171,036</b>

City of Sunnyvale  
Year-end Appropriations Budget  
Fiscal Year Ending June 30, 2014

Fund 385 - Capital Projects Fund

Description	Current Budget	Actual Expenditures	Variance Favorable (Unfavorable)
Subfund 600 - Gas Tax			
822710 Mathilda Avenue Railroad Overpass Improvements	2,939,758	528,043	2,411,716
826850 Calabazas Creek Bridge at Old Mt. View-Alviso Rd	4,584,832	91,926	4,492,906
829040 School Transportation Demand Management Project	48,782	16,308	32,474
Total Subfund 600 - Gas Tax	7,573,373	636,277	6,937,096
Project Carryovers	-	4,925,380	(4,925,380)
Total Subfund 600 - Gas Tax	7,573,373	5,561,657	2,011,716
Subfund 950 - Traffic Mitigation Projects			
816000 Future Traffic Signal Construction/Modification	584,209	9,335	574,874
Total Subfund 950 - Traffic Mitigation Projects	584,209	9,335	574,874
Project Carryovers	-	574,874	(574,874)
Total Subfund 950 - Traffic Mitigation Projects	584,209	584,209	-
Subfund 960 - Transportation Impact Fees			
826890 Mathilda/SR 237/US 101 Interchange Improvements Study Report	4,000,000	245,637	3,754,363
825530 Computerized Transportation Model Update	2,822	2,700	122
Total Subfund 960 - Transportation Impact	4,002,822	248,337	3,754,485
Project Carryovers	-	3,754,363	(3,754,363)
Total Subfund 960 - Transportation Impact	4,002,822	4,002,700	122
<b>Total Projects</b>	<b>31,254,676</b>	<b>9,654,011</b>	<b>21,600,664</b>
<b>Total Appropriations</b>	<b>34,650,827</b>	<b>10,272,888</b>	<b>24,377,939</b>
Total Project Carryovers	-	19,417,790	(19,417,790)
Total Deferred Transfers Out	-	2,612,439	(2,612,439)
<b>Total</b>	<b>34,650,827</b>	<b>32,303,118</b>	<b>2,347,709</b>

City of Sunnyvale  
Year-end Appropriations Budget  
Fiscal Year Ending June 30, 2014

Fund 460 - Water Supply and Distribution Fund

Description	Current Budget	Actual Expenditures	Variance Favorable (Unfavorable)
<b>Debt Service</b>			
011703 Water Bonds 2001 Series A	\$ -	\$ 1,943	(1,943)
011705 2010 Water Revenue Bonds	1,879,250	1,879,250	-
011603 Government Center COP	78,985	53,137	25,848
<b>Total Debt Service</b>	<b>1,958,235</b>	<b>1,934,330</b>	<b>23,905</b>
<b>Operating Programs</b>			
Environmental Services			
360 Water Resources	27,251,916	28,099,225	(847,309)
366 Regulatory Programs	18,008	3,077	14,931
7900 Loan Repayment to General Fund	351,700	351,700	-
<b>Total Environmental Services</b>	<b>27,621,624</b>	<b>28,454,002</b>	<b>(832,378)</b>
<b>Total Operating Programs</b>	<b>27,621,624</b>	<b>28,454,002</b>	<b>(832,378)</b>
<b>Transfers Out</b>			
7900 General Services Fund - Project Management Services	465,858	360,796	105,062
7900 General Fund - General	2,738,988	2,643,525	95,463
7900 Transfers Out-Utilities Fund - Sewer	29,166	9,480	19,686
7900 Transfers Out-Employee Benefits - Leaves Benefit	33,790	33,790	-
7900 Transfers Out-Gen Serv Fund - Fleet Serv	32,500	32,500	-
7900 Infrastructure Fund - General Assets	13,395	7,375	6,020
7900 Liability and Property Insurance Fund	226,929	226,929	-
<b>Total Transfers Out</b>	<b>3,540,626</b>	<b>3,314,395</b>	<b>226,231</b>
<b>Projects</b>			
806351 Water Meters and Flow Devices for New Developments	80,000	77,470	2,530
815203 Replacement of Water/Sewer Supervisory Control System	80,410	(29,267)	109,676
819771 Utility Maintenance Management System	63,221	63,221	0
824281 Leak Detection and Condition Assessment Program	100,000	-	100,000
825231 Cleaning of Water Tanks	18,000	-	18,000
825241 Equipment Replacement at Six (6) Hetch-Hetchy Connections	44,708	265	44,443
825271 Well House Emergency Generator - Ortega Well	118,627	105,755	12,871
825301 Pressure Reducing Valve Replacement & Relocation for SCADA	160,868	159,402	1,466
825391 Wolfe/Evelyn Plant Mechanical Reconstruction	254,330	-	254,330
825451 City-wide Water Line Replacement	3,471,294	1,608,327	1,862,967
825501 Wright Ave Water Plant Mechanical Reconstruction	197,963	162,176	35,787
827180 Automation of Water Meter Reading	234,624	96,067	138,557
828970 Raynor Well Rehabilitation	237,349	52,599	184,750
829060 Rehabilitation of Cathodic Protection on RW System	792,210	10,344	781,866
829450 Recycled Water Inter-connect	300,000	219,443	80,557
829460 Recycled Water Feasibility Study	30,803	-	30,803
829820 Potable Water System Design Study	31,777	16,142	15,634
830170 Refurbishment of Water Tanks	161,215	2	161,213
<b>Total Projects</b>	<b>6,377,399</b>	<b>2,541,946</b>	<b>3,835,453</b>
<b>Total Appropriations</b>	<b>39,497,884</b>	<b>36,244,672</b>	<b>3,253,211</b>
Project Carryovers	-	3,599,512	(3,599,512)
Total Deferred Transfers Out	-	116,038	(116,038)
<b>Total</b>	<b>39,497,884</b>	<b>39,960,222</b>	<b>(462,339)</b>

City of Sunnyvale  
Year-end Appropriations Budget  
Fiscal Year Ending June 30, 2014

Fund 465 - Wastewater Management Fund

Description	Current Budget	Actual Expenditures	Variance Favorable (Unfavorable)
<b>Debt Service</b>			
011704 Wastewater Bonds 2001 Series A	\$ -	\$ 1,943	\$ (1,943)
011706 2010 Wastewater Revenue Bonds	2,858,725	2,858,725	-
011604 Government Center COP	54,222	36,478	17,744
<b>Total Debt Service</b>	<b>2,912,947</b>	<b>2,897,146</b>	<b>15,801</b>
<b>Operating Programs</b>			
<b>Environmental Services</b>			
361 Storm Water Collection System	433,556	377,999	55,557
362 Sanitary Sewer Collection System	2,040,443	2,005,325	35,118
365 Wastewater Management	10,153,625	10,016,540	137,085
366 Regulatory Programs	2,111,947	1,921,136	190,811
367 Wastewater Collection Systems	-	1,007	(1,007)
799 Non-Programmatic	2,488,193	2,488,193	-
<b>Total Environmental Services</b>	<b>17,227,763</b>	<b>16,810,200</b>	<b>417,563</b>
<b>City Attorney</b>			
750 Comprehensive Legal Services	30,894	27,371	3,523
<b>Total City Attorney</b>	<b>30,894</b>	<b>27,371</b>	<b>3,523</b>
<b>Total Operating Programs</b>	<b>17,258,657</b>	<b>16,837,571</b>	<b>421,086</b>
<b>Transfers Out</b>			
7900 Liability and Property Insurance Fund	230,664	230,664	-
7900 General Fund	2,553,722	2,458,259	95,463
7900 Utilities Fund - Water	191,866	127,277	64,589
7900 Utilities Fund - Refuse	12,155	1,935	10,220
7900 Capital Projects Fund - General Assets	375,892	40,667	335,225
7900 Infrastructure Fund - General Assets	32,782	3,729	29,053
7900 Gen Services Fund - Fleet Serv	292,500	292,500	-
7900 Employee Benefits - Leaves Benefit	72,519	72,519	-
7900 General Services Fund - Project Management Services	1,056,597	888,049	168,548
7900 Gas Tax	50,000	-	50,000
<b>Total Transfers Out</b>	<b>4,868,697</b>	<b>4,115,599</b>	<b>753,098</b>
<b>Equipment</b>			
20201 Wastewater Equipment	267,159	219,551	47,608
<b>Total Equipment</b>	<b>267,159</b>	<b>219,551</b>	<b>47,608</b>

City of Sunnyvale  
Year-end Appropriations Budget  
Fiscal Year Ending June 30, 2014

Fund 465 - Wastewater Management Fund

Description	Current Budget	Actual Expenditures	Variance Favorable (Unfavorable)
<b>Projects</b>			
<i>Infrastructure Projects</i>			
805253 Sewer Emergency Repair and Replacement	50,000	49,932	68
822752 Storm Pump Station Number 1 Rehabilitation	150,000	1,158	148,843
824771 Primary Process Design and Construction	1,470,459	608,658	861,800
825141 Air Flotation Tanks Rehabilitation	2,333,037	1,723,831	609,206
825331 Replacement/Repair/Rehabilitation of Sanitary Sewer System	2,497,002	2,219,699	277,303
825751 Sewer Lift Stations Rebuild	172,000	44,273	127,727
827020 Emergency Flow Management Infrastructure	300,000	72,897	227,103
827050 Wastewater Master Plan	361,412	186,917	174,495
827090 Construction of a New Water Pollution Control Plant	613,400	83,532	529,868
828960 Mode 1 Study	24,836	-	24,836
829070 Lawrence Expressway Sanitary Sewer Rehabilitation	50,000	-	50,000
830190 Repairs to the Primary Process	150,000	89,174	60,826
830200 Repairs to the Secondary Process	50,000	18,905	31,095
830210 Repairs to the Power Generation Facility	300,000	298,103	1,897
830220 Repairs to the Tertiary Process	350,000	296,309	53,691
830240 WPCP Program Management	600,000	403,415	196,585
830250 WPCP Master Plan	3,000,000	2,857,677	142,323
<i>Capital Projects</i>			
822762 Storm Pump Station Number 2 Rehabilitation	390,000	79,172	310,828
824301 Rehabilitation of Digesters	3,398,555	1,118,273	2,280,282
825521 Pond Sediment Removal	1,952,523	1,916,537	35,986
829080 Storm System Trash Reduction Programs and Devices	110,000	84,945	25,054
829100 Sanitary Sewer Siphon Cleaning and Assessment	50,000	-	50,000
829430 WPCP Chlorine Conversion	568,913	107,574	461,339
830230 Laboratory Information Management System (LIMS)	250,000	-	250,000
830260 Sanitary Sewer Salinity Reduction Study	50,000	-	50,000
830620 Power Purchase Agreements for Alternative Energy	50,000	28,440	21,560
<i>Special Projects</i>			
824341 Wastewater Cost of Service Study	25,000	-	25,000
825961 SCVURPPP Contracting and Fiscal Agent	50,000	26,573	23,427
<b>Total Projects</b>	<b>19,367,135</b>	<b>12,315,993</b>	<b>7,051,142</b>
<b>Total Appropriations</b>	<b>44,674,595</b>	<b>36,385,860</b>	<b>8,288,735</b>
Project Carryovers	-	6,946,251	(6,946,251)
Deferred Transfers Out	-	307,885	(307,885)
<b>Total</b>	<b>44,674,595</b>	<b>43,639,996</b>	<b>1,034,599</b>

**City of Sunnyvale**  
**Year-end Appropriations Budget**  
**Fiscal Year Ending June 30, 2014**

**Fund 485 - Solid Waste Management Fund**

<b>Description</b>	<b>Current Budget</b>	<b>Actual Expenditures</b>	<b>Variance Favorable (Unfavorable)</b>
<b>Debt Service</b>			
011605 2001 Government Center COP Dbt Srv Fund	\$ 80,266	\$ 53,999	\$ 26,267
011803 SV Share of Solid Waste Revenue	1,626,909	1,602,580	24,329
<b>Total Debt Service</b>	<b>1,707,175</b>	<b>1,656,579</b>	<b>50,596</b>
<b>Operating Programs</b>			
Environmental Services			
363 Solid Waste Management	33,320,606	34,051,255	(730,649)
366 Regulatory Programs	11,715	2,106	9,609
799 Non-Programmatic	3,559,802	3,559,801	1
<b>Total Environmental Services</b>	<b>36,892,123</b>	<b>37,613,162</b>	<b>(721,039)</b>
City Attorney			
750 Comprehensive Legal Services	1,061	-	1,061
<b>Total City Attorney</b>	<b>1,061</b>	<b>-</b>	<b>1,061</b>
<b>Total Operating Programs</b>	<b>36,893,184</b>	<b>37,613,162</b>	<b>(719,978)</b>
<b>Transfers Out</b>			
7900 General Services Fund - Project Management Services	48,103	58,260	(10,157)
7900 General Fund - General	2,408,137	2,383,137	25,000
7900 Transfers Out-Utilities Fund - Sewer	14,479	9,480	4,999
7900 Transfers Out-Employee Benefits - Leaves Benefit	8,930	8,930	-
7900 Transfers Out-Gen Serv Fund - Fleet Serv	108,000	108,000	-
7900 Liability and Property Insurance Fund	6,874	6,874	-
<b>Total Transfers Out</b>	<b>2,594,523</b>	<b>2,574,681</b>	<b>19,842</b>
<b>Projects</b>			
801351 Sunnyvale Contribution to SMaRT Station Equipment Rep. Fund	107,658	107,656	2
821181 Contribution to SMaRT Station Operations Contract RFP	88,186	63,658	24,528
824261 Solid Waste Cost of Service Study	45,900	20,000	25,900
825911 Landfill Gas Flare and Blowers Replacement	746,625	646,051	100,574
828980 CEQA for Single-Use Bag Ordinance	24,311	3,871	20,440
829610 CalRecycle Grant for Baylands Park	-	128	(128)
830180 Landfill Post-Closure Erosion Prevention	80,000	-	80,000
<b>Total Projects</b>	<b>1,092,680</b>	<b>841,364</b>	<b>251,316</b>
<b>Total Appropriations</b>	<b>42,287,562</b>	<b>42,685,786</b>	<b>(398,224)</b>
Project Carryovers	-	106,900	(106,900)
Deferred Transfers Out	-	30,000	(30,000)
<b>Total</b>	<b>42,287,562</b>	<b>42,822,686</b>	<b>(535,124)</b>

City of Sunnyvale  
Year-end Appropriations Budget  
Fiscal Year Ending June 30, 2014

Fund 490 - SMaRT Station Fund

Description	Current Budget	Actual Expenditures	Variance Favorable (Unfavorable)
<b>Debt Service</b>			
11801 Solid Waste Bonds Series 2003	\$ 1,945,700	\$ 1,950,010	\$ (4,310)
11805 Solid Waste Bonds Series 2007	759,677	761,327	(1,650)
<b>Total Debt Service</b>	<b>2,705,377</b>	<b>2,711,337</b>	<b>(5,960)</b>
<b>Operating Programs</b>			
Environmental Services			
364 SMaRT Station	25,764,647	26,580,960	(816,313)
<b>Total Environmental Services</b>	<b>25,764,647</b>	<b>26,580,960</b>	<b>(816,313)</b>
750 Comprehensive Legal Services	5,933	-	5,933
<b>Total City Attorney</b>	<b>5,933</b>	<b>-</b>	<b>5,933</b>
<b>Total Operating Programs</b>	<b>25,770,580</b>	<b>26,580,960</b>	<b>(810,380)</b>
<b>Projects</b>			
811250 SMaRT Station Equipment Replacement	1,118,508	19,176	1,099,332
821170 SMaRT Station Operations Contract RFP	172,236	123,189	49,047
<b>Total Projects</b>	<b>1,290,744</b>	<b>142,365</b>	<b>1,148,379</b>
<b>Total Appropriations</b>	<b>29,766,701</b>	<b>29,434,662</b>	<b>332,039</b>
Project Carryovers	-	1,099,332	(1,099,332)
<b>Total</b>	<b>29,766,701</b>	<b>30,533,994</b>	<b>(767,293)</b>

City of Sunnyvale  
Year-end Appropriations Budget  
Fiscal Year Ending June 30, 2014

Fund 525 - Golf and Tennis Operations Fund

Description	Current Budget	Actual Expenditures	Variance Favorable (Unfavorable)
<b>Operating Programs</b>			
Community Services			
647 Golf Course Operations	\$ 3,495,391	\$ 3,359,160	\$ 136,231
Total Community Services	<u>3,495,391</u>	<u>3,359,160</u>	<u>136,231</u>
<b>Total Operating Programs</b>	<u><b>3,495,391</b></u>	<u><b>3,359,160</b></u>	<u><b>136,231</b></u>
<b>Transfers Out</b>			
7900 Liability and Property Insurance Fund	29,334	29,334	-
7900 General Fund	374,148	374,148	-
7900 Employee Benefits - Leaves Benefit	12,294	12,294	-
<b>Total Transfers Out</b>	<u><b>415,777</b></u>	<u><b>415,777</b></u>	<u><b>-</b></u>
<b>Total Appropriations</b>	<u><b>3,911,168</b></u>	<u><b>3,774,937</b></u>	<u><b>136,231</b></u>
<b>Total</b>	<u><b>3,911,168</b></u>	<u><b>3,774,937</b></u>	<u><b>136,231</b></u>

*City of Sunnyvale*  
*Year-end Appropriations Budget*  
*Fiscal Year Ending June 30, 2014*

**Fund 595 - General Services Fund**

<b>Description</b>	<b>Current Budget</b>	<b>Actual Expenditures</b>	<b>Variance Favorable (Unfavorable)</b>
<b>Equipment</b>			
20600 Furniture	\$ 212,999	\$ 118,709	\$ 94,290
20700 Fleet Equipment	1,989,232	1,343,025	646,207
21300 Equipment Building Maintenance	159,700	-	159,700
21600 Information Processing Hardware	1,794,506	933,877	860,629
21601 Information Processing Software/ HR/Payroll System	437,898	117,499	320,399
21603 Communications and Office Equipment	81,630	55,005	26,626
21604 Telecommunications Equipment	-	4	(4)
21605 Office Equipment	14,001	135	13,866
21610 KSUN Equipment	42,077	(0)	42,077
21612 Payroll HRIS	53,177	600	52,577
<b>Total Equipment</b>	<b>4,785,220</b>	<b>2,568,854</b>	<b>2,216,366</b>
<b>Operating Programs</b>			
<b>Finance</b>			
706 Accounting and Financial Services	49,885	39,185	10,701
<b>Total Finance</b>	<b>49,885</b>	<b>39,185</b>	<b>10,701</b>
<b>Information Technology</b>			
746 Software Application Services and Support	2,723,570	2,502,619	220,951
747 IT Infrastructure Services and Support	2,395,144	2,407,359	(12,215)
749 Information Technology Department Management and Support Services	1,438,527	1,232,197	206,330
<b>Total Information Technology</b>	<b>6,557,241</b>	<b>6,142,176</b>	<b>415,065</b>
<b>City Manager</b>			
748 Print, Copy, Binder and Mail Services and Support	582,792	578,959	3,832
<b>Total City Manager</b>	<b>582,792</b>	<b>578,959</b>	<b>3,832</b>
<b>Public Works</b>			
309 Capital Project Management and Environmental Sustainability	2,722,442	2,574,295	148,148
709 Facilities Services	3,973,019	4,063,227	(90,208)
763 Provision of Vehicles and Motorized Equipment	3,208,246	3,263,320	(55,075)
<b>Total Public Works</b>	<b>9,903,707</b>	<b>9,900,842</b>	<b>2,865</b>
799 Non-Programmatic	755,887.06	755,887.00	0
<b>Total Operating Programs</b>	<b>17,849,512</b>	<b>17,417,049</b>	<b>432,463</b>
<b>Transfers Out</b>			
7900 Sunnyvale Office Center	103,772	103,772	0
7900 General Fund	2,329,376	2,099,289	230,087
7900 Infrastructure Fund - General Assets	94,575	58,055	36,520
7900 2009 Government Center COP	853,895	574,452	279,443
<b>Total Transfers Out</b>	<b>3,381,618</b>	<b>2,835,568</b>	<b>546,050</b>

City of Sunnyvale  
Year-end Appropriations Budget  
Fiscal Year Ending June 30, 2014

Fund 595 - General Services Fund

Description	Current Budget	Actual Expenditures	Variance Favorable (Unfavorable)
<b>Projects</b>			
824980 Sunnyvale Office Center Site Improvements	20,000.00	16,978.91	3,021
830530 Capital Improvement Program Management System	40,000.00	-	40,000
830540 Replace Customer Relationship Manager System	100,000.00	-	100,000
<b>Total Projects</b>	<b>160,000</b>	<b>16,979</b>	<b>143,021</b>
<b>Total Appropriations</b>	<b>26,176,350</b>	<b>22,838,451</b>	<b>3,337,899</b>
Equipment Carryovers	-	1,880,628	(1,880,628)
Deferred Transfers Out	-	232,986	(232,986)
<b>Total</b>	<b>26,176,350</b>	<b>24,952,065</b>	<b>1,224,285</b>

*City of Sunnyvale*  
*Year-end Appropriations Budget*  
*Fiscal Year Ending June 30, 2014*

**Fund 610 - Infrastructure Fund**

<b>Description</b>	<b>Current Budget</b>	<b>Actual Expenditures</b>	<b>Variance Favorable (Unfavorable)</b>
<b>Transfers Out</b>			
7900 General Services Fund - Project Management Services	\$ 92,940	\$ 98,074	\$ (5,133)
7900 Capital Projects Fund - General Assets	497,135	136,501	360,634
<b>Total Transfers Out</b>	<b>590,075</b>	<b>234,575</b>	<b>355,501</b>
<b>Projects</b>			
Subfund 100 - General Assets			
818100 Public Safety Buildings - Roofs	529,826	24,638	505,188
818550 Park Buildings - Rehabilitation	1,844,575	1,550,444	294,131
818600 Senior Center Buildings - Rehabilitation	150,000	6,358	143,642
818700 Corporation Yard Buildings - Rehabilitation	45,439	14,383	31,056
819610 Public Safety Buildings - HVAC	35,500	19,523	15,977
820120 Repaint Street Light Poles	133,118	3,105	130,013
820130 Routine Resurfacing of City Owned Parking Lots	88,900	23,816	65,084
820180 Traffic Signal Controller Replacement	305,556	91,207	214,350
820190 Traffic Signal Hardware & Wiring	1,315,872	96,910	1,218,963
820200 Traffic Signal Light Emitting Diode (LED) Array Replacements	61,541	18,124	43,417
820240 Park Tennis/Basketball Court Reconstruction	220,000	9,852	210,148
820270 Playground Equipment Replacement	727,187	500,419	226,768
820280 Park Furniture and Fixtures Replacement	103,909	103,421	488
825290 Pavement Rehabilitation	7,146,716	5,279,156	1,867,561
825340 Street Lights Conduit Replacement	10,000	1,168	8,832
825730 Pedestrian Lighted Crosswalk Maintenance and Replacement	45,824	-	45,824
825740 Battery Backup System for Traffic Signals Maintenance	83,608	67,970	15,639
825850 Swim Pools Infrastructure	250,678	44,293	206,385
828030 Annual Slurry Seal of City Streets	207,160	199,760	7,400
828290 Repair/Replace Parks Parking Lot Drainage & Surfacing	105,060	-	105,060
829140 Fire Station Electrical Systems and Roll Up Door Replacement	132,000	-	132,000
829150 Swim Buildings Infrastructure	1,500	957	543
829190 Community Center Comprehensive Infrastructure	3,887,507	17,805	3,869,702
829400 Sidewalk, Curb and Gutter Replacement	1,363,023	709,965	653,058
829520 Theatre Stage Lighting	341,677	320,301	21,376
829740 Street Tree Trimming	316,225	316,225	-
830280 Sunnyvale Baylands Park Infrastructure	200,000	-	200,000
830370 Lakewood Park Renovation and Enhancement	750,000	-	750,000
830490 Fremont Pool Infrastructure Improvements	275,600	-	275,600
830560 Fremont Pool House Infrastructure Improvements	800,000	240,088	559,912
830800 Las Palmas Dog Park Improvements	115,000	6,932	108,068
<b>Total Subfund 100 - General Assets</b>	<b>21,593,003</b>	<b>9,666,819</b>	<b>11,926,184</b>
<b>Project Carryovers</b>	<b>-</b>	<b>11,664,040</b>	<b>(11,664,040)</b>
<b>Total Subfund 100 - General Assets</b>	<b>21,593,003</b>	<b>21,330,859</b>	<b>262,144</b>

*City of Sunnyvale*  
*Year-end Appropriations Budget*  
*Fiscal Year Ending June 30, 2014*

**Fund 610 - Infrastructure Fund**

<b>Description</b>	<b>Current Budget</b>	<b>Actual Expenditures</b>	<b>Variance Favorable (Unfavorable)</b>
Subfund 500 - Golf and Tennis			
827160 Tennis Center Court Rehabilitation	23,460	-	23,460
828390 Sunken Gardens Golf Course Clubhouse Paving	54,711	-	54,711
828400 Golf Buildings Renovations	326,455	110,041	216,414
828420 Tennis Center Building Infrastructure	50,000	-	50,000
829160 Golf Course Tree Trimming and Removal	200,486	32,453	168,033
Total Subfund 500 - Golf and Tennis	655,112	142,494	512,618
Project Carryovers	-	512,618	(512,618)
Total Subfund 500 - Golf and Tennis	655,112	655,112	(0)
<b>Total Projects</b>	<b>22,248,115</b>	<b>9,809,313</b>	<b>12,438,802</b>
<b>Total Appropriations</b>	<b>22,838,191</b>	<b>10,043,887</b>	<b>12,794,303</b>
Total Project Carryovers	-	12,176,659	(12,176,659)
Total Deferred Transfers Out	-	360,634	(360,634)
<b>Total</b>	<b>22,838,191</b>	<b>22,581,180</b>	<b>257,010</b>

City of Sunnyvale  
Year-end Appropriations Budget  
Fiscal Year Ending June 30, 2014

Fund 640 - Employee Benefits Fund

Description	Current Budget	Actual Expenditures	Variance Favorable (Unfavorable)
<b>Operating Programs</b>			
Human Resources			
781 Employee Leave Benefits - Leave Earned	\$ 13,519,911	\$ 13,361,872	\$ 158,039
784 Retirement, Insurances, and Taxes	52,702,702	51,367,414	1,335,288
785 Workers' Compensation Program	3,701,442	3,226,096	475,346
Total Human Resources	69,924,055	67,955,382	1,968,673
<b>Total Operating Programs</b>	69,924,055	67,955,382	1,968,673
<b>Total Appropriations</b>	69,924,055	67,955,382	1,968,673
<b>Total</b>	69,924,055	67,955,382	1,968,673

*City of Sunnyvale*  
*Year-end Appropriations Budget*  
*Fiscal Year Ending June 30, 2014*

**Fund 645 - Liability and Property Insurance Fund**

<b>Description</b>	<b>Current Budget</b>	<b>Actual Expenditures</b>	<b>Variance Favorable (Unfavorable)</b>
<b>Operating Programs</b>			
City Attorney			
750 Comprehensive Legal Services	\$ 82,325	\$ 313,134	\$ (230,809)
Total City Attorney	<u>82,325</u>	<u>313,134</u>	<u>(230,809)</u>
Human Resources			
754 Human Resources	115,614	120,355	(4,741)
787 City Liability and Property Insurance and Claim Costs	1,044,590	1,372,992	(328,402)
Total Human Resources	<u>1,160,204</u>	<u>1,493,347</u>	<u>(333,143)</u>
<b>Total Operating Programs</b>	<u><b>1,242,529</b></u>	<u><b>1,806,481</b></u>	<u><b>(563,952)</b></u>
<b>Total Appropriations</b>	<u><b>1,242,529</b></u>	<u><b>1,806,481</b></u>	<u><b>(563,952)</b></u>
<b>Total</b>	<u><b>1,242,529</b></u>	<u><b>1,806,481</b></u>	<u><b>(563,952)</b></u>

City of Sunnyvale  
Year-end Appropriations Budget  
Fiscal Year Ending June 30, 2014

Fund 727 - Fremont Pool Permanent Fund

Description	Current Budget	Actual Expenditures	Variance Favorable (Unfavorable)
<b>Transfers Out</b>			
7900 General Fund - General	\$ 7,339	\$ 5,372	\$ 1,968
<b>Total Transfers Out</b>	<u>7,339</u>	<u>5,372</u>	<u>1,968</u>
<b>Total Appropriations</b>	<u>7,339</u>	<u>5,372</u>	<u>1,968</u>
<b>Total</b>	<u>7,339</u>	<u>5,372</u>	<u>1,968</u>

City of Sunnyvale  
Year-end Appropriations Budget  
Fiscal Year Ending June 30, 2014

Fund 730 - Swirsky Youth Opportunity Fund

Description	Current Budget	Actual Expenditures	Variance Favorable (Unfavorable)
<b>Transfers Out</b>			
7900 General Fund - General	\$ 3,864	\$ 2,828	\$ 1,035
<b>Total Transfers Out</b>	<u>3,864</u>	<u>2,828</u>	<u>1,035</u>
<b>Total Appropriations</b>	<u>3,864</u>	<u>2,828</u>	<u>1,035</u>
<b>Total</b>	<u>3,864</u>	<u>2,828</u>	<u>1,035</u>



**CITY OF SUNNYVALE**

Report to the City Council

For the Year Ended June 30, 2014



**Certified Public Accountants.**

**CITY OF SUNNYVALE**  
**Report to the City Council**  
**For the Year Ended June 30, 2014**

*Table of Contents*

	<i>Page(s)</i>
Transmittal Letter.....	i
Required Communications.....	1
Status of Prior Year Recommendations .....	4
Summary of Uncorrected Financial Statement Adjustments .....	5

Sacramento

Oakland

LA/Century City

Newport Beach

San Diego

Seattle

Honorable Mayor and the Members of  
the City Council of the City of Sunnyvale  
Sunnyvale, California

In planning and performing our audit of the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Sunnyvale, California (City) as of and for the year ended June 30, 2014, in accordance with auditing standards generally accepted in the United States of America, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, and U.S. Office of Management and Budget (OMB) Circular A-133, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated June 16, 2014. Professional standards also require that we communicate to you other information related to our audit as discussed in the accompanying Required Communications section.

We have also provided a status of prior year recommendations made by us. In addition, we would like to thank City management and staff for the courtesy and cooperation extended to us during the course of our engagement.

This communication is intended solely for the information and use of the Mayor and City Council, management and others within the organization, and is not intended to be and should not be used by anyone other than these specified parties.

*Macias Gini & O'Connell LLP*

Walnut Creek, California  
December 3, 2014

**CITY OF SUNNYVALE**  
**Report to the City Council**  
**For the Year Ended June 30, 2014**

**REQUIRED COMMUNICATIONS**

**Significant Audit Results**

***Qualitative Aspects of Accounting Practices***

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 to the City's basic financial statements. The City implemented two new Governmental Accounting Standards Board (GASB) pronouncements, consisting of GASB Statement No. 66, *Technical Corrections – 2012 – An Amendment of GASB Statements No. 10 and No. 62*; and GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The most sensitive estimates affecting the financial statements were:

- *Fair value of investments.* The City's investments are generally carried at fair value, which is defined as the amount that the City could reasonably expect to receive for an investment in a current sale between a willing buyer and a willing seller and is generally measured by quoted market prices.
- *Estimated allowance for losses on notes and loans receivable.* The allowance for losses on notes and loans receivable was based on management's estimate regarding the likelihood of collectability.
- *Useful life estimates for capital assets.* The estimated useful lives of capital assets were based on management's estimate of the economic lives of capital assets.
- *Accrued landfill postclosure care costs.* The City has estimated the postclosure care costs of the Sunnyvale Landfill based on what it would cost to perform all currently mandated closure and postclosure care. Actual postclosure care costs may be different due to inflation variances, changes in technology, or changes in State or federal regulations.
- *Actuarial data of the pension plan and other postemployment benefits plans.* The actuarial data for the pension and other postemployment benefits plans, including the funded status and required contributions of the plans, are based on actuarial calculations performed by the City's independent actuaries, which incorporate actuarial methods and assumptions.
- *Claims loss reserve.* The City is exposed to a variety of risks of loss due to general liability, workers' compensation and other claims, and records an estimate of these losses based on actuarial studies performed by third-party actuaries. These studies are prepared based on the City's prior claims history, which is used as a basis for extrapolating losses for known and incurred but not reported claims. Actual loss experience may vary from these estimates.

We evaluated the key factors and assumptions used to develop the accounting estimates described above in determining that they are reasonable in relation to the City's basic financial statements taken as a whole.

**CITY OF SUNNYVALE**  
**Report to the City Council**  
**For the Year Ended June 30, 2014**

**REQUIRED COMMUNICATIONS (Continued)**

Certain financial statements disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were the disclosure of the City's Retirement Plan in Note 15, the Other Postemployment Benefits in Note 16 and the Redevelopment Successor Agency Trust in Note 20. The financial statement disclosures are neutral, consistent, and clear.

***Difficulties Encountered in Performing the Audit***

We encountered no difficulties in dealing with management in performing and completing our audit.

***Corrected and Uncorrected Misstatements***

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. The attached Summary of Uncorrected Financial Statement Adjustments summarizes the uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

***Disagreements with Management***

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

***Management Representations***

We have requested certain representations from management that are included in the management representation letter dated December 3, 2014.

***Management Consultations with Other Independent Accountants***

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

***Other Audit Findings or Issues***

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

**CITY OF SUNNYVALE**  
**Report to the City Council**  
**For the Year Ended June 30, 2014**

**REQUIRED COMMUNICATIONS (Continued)**

**Other Matters**

We applied certain limited procedures to the management's discussion and analysis, the budgetary comparison schedules, and information on the modified approach for City streets infrastructure capital assets, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the combining fund financial statements and schedules, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the introductory and statistical sections, which accompany the financial statements but are not RSI. We did not audit or perform other procedures on this other information and we do not express an opinion or provide any assurance on it.

**CITY OF SUNNYVALE**  
**Report to the City Council**  
**For the Year Ended June 30, 2014**

**STATUS OF PRIOR YEAR RECOMMENDATIONS**

**Item 2013-01: Significant Deficiency**  
**Improve Internal Control Over Financial Reporting**

During the fiscal year 2013 audit, the City identified a billing error in which a vendor has under-billed the City for water purchases for the year ended June 30, 2012. The City entered into a settlement with the vendor in which the City agreed to pay \$1,110,506 for the under-billed amount. The City recorded a prior period adjustment and adjusted the June 30, 2012 net position and liabilities balances for the Water Supply and Distribution major enterprise fund.

We recommend that the City continue to re-evaluate its internal control over financial reporting and monitor the effect of these changes to ensure that the procedures are designed appropriately and are operating effectively.

*Status of Recommendation:*  
Implemented.

**Item 2013-02: Other Comment #2**  
**New Pension Accounting Standards**

The City will be subject to the provisions of this statement beginning with the fiscal year ending June 30, 2015. GASB Statement No. 68 replaces the requirements of GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, and GASB Statement No. 50, *Pension Disclosures*, as they relate to pensions that are administered through trusts or similar arrangements meeting certain criteria. GASB Statement No. 68 changes the existing framework for accounting and financial reporting of pension costs and obligations of defined benefit pension plans and enhances note disclosures and required supplementary information for both defined benefit and defined contribution pension plans. It is likely that these new accounting and reporting standards will dramatically change the City's financial statements and disclosures and may result in the recognition of net pension liability.

We recommend the City develop a thorough implementation plan that addresses the unique and complex aspects of these new pension accounting and reporting standards will have on the City's financial statements next year.

*Status of Recommendation:*  
In progress. Application of GASB Statement No. 68 is effective for the City's fiscal year ending June 30, 2015. The City is analyzing its accounting practices to determine the potential impact on the City's financial statements.

**CITY OF SUNNYVALE**  
**Report to the City Council**  
**For the Year Ended June 30, 2014**

**SUMMARY OF UNCORRECTED FINANCIAL STATEMENT ADJUSTMENTS**

Adjustment Description	Debit	Credit
<b><u>Current Year Proposed and Unrecorded Adjustment #1</u></b>		
<b><i>Water Supply and Distribution Enterprise Fund</i></b>		
Revenue: Charges For Services	\$ 576,422	
Assets: Receivables, Net		\$ 576,422
<b><i>Wastewater Management Enterprise Fund</i></b>		
Revenue: Charges For Services	\$ 351,643	
Assets: Receivables, Net		\$ 351,643
<b><i>Solid Waste Management Enterprise Fund</i></b>		
Revenue: Charges For Services	\$ 478,183	
Assets: Receivables, Net		\$ 478,183

To reduce revenue accruals for the estimated unbilled portion of utility charges as of June 30, 2014. The City used a simplified estimation technique that caused an immaterial overstatement of accrued revenue.

Note: The three enterprise funds listed above are reported as part of the business-type activities on the government-wide financial statements.



# City of Sunnyvale

## Agenda Item

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**14-0103**

**Agenda Date:** 12/9/2014

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Tentative Council Meeting Agenda Calendar





# City of Sunnyvale

## Tentative Council Meeting Agenda Calendar

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### Tuesday, December 16, 2014 - City Council

#### **Closed Session**

- 14-0497** 5:45 P.M. SPECIAL COUNCIL MEETING (Closed Session)  
Closed Session held pursuant to California Government Code Section  
54957: PUBLIC EMPLOYEE PERFORMANCE EVALUATION  
Title: City Attorney

#### **Study Session**

- 14-0627** 6:45 P.M. SPECIAL COUNCIL MEETING (Study Session)  
Discussion of Upcoming Selection of 2015 Vice Mayor  
Location: West Conference Room

#### **Public Hearings/General Business**

- 14-0286** Approve Design Guidelines for multi-family residential projects to address size, bulk and scale; Find that the project is exempt under CEQA pursuant to Guideline 15061(b)(3). (Study Issue original title: City Policies Governing Housing Density)
- 14-0594** Approval of a Funding Agreement with the Santa Clara Valley Water District for CEQA Review and Design Costs to Retain a Membrane Bioreactor Option at the Water Pollution Control Plant, Approval of an Amendment to an Existing Contract with Carollo Engineers for the Additional Services, and Approval of Budget Modification No. 32
- 14-0790** Adopt Resolution to Amend the General Plan by Adopting the 2015-2023 Housing Element  
CEQA Review: Negative Declaration

### Tuesday, January 6, 2015 - City Council

#### **Study Session**

- 14-0752** 5:45 P.M. SPECIAL COUNCIL MEETING (Study Session)  
School Enrollment Rate and Projections  
Location: Council Chambers

#### **Public Hearings/General Business**

- 15-0001** Select Vice Mayor for 2015
- 15-0002** Approve the 2015 City Council Meeting Calendar

- 
- |                |  |
|----------------|--|
| <b>15-0003</b> | Annual Public Hearing - Discussion of Potential Council Study Issues and Budget Issues for Calendar Year 2015                          |
| <b>15-0004</b> | City Council 2015 Appointments to Intergovernmental and Internal Assignments, Council Subcommittees, and Community Member Appointments |
| <b>15-0005</b> | 2015 Seating Arrangements for City Council   |
| <b>15-0008</b> | Approve the Proposed 2015 Priority Issues and Short and Long-term Legislative Advocacy Positions (LAPs)                                |

**Tuesday, January 13, 2015 - City Council**

**Special Order of the Day**

- |                |  |
|----------------|--|
| <b>15-0006</b> | SPECIAL ORDER OF THE DAY - Recognition of Outgoing Vice Mayor                |
| <b>15-0007</b> | SPECIAL ORDER OF THE DAY - Ceremonial Oath of Office for Incoming Vice Mayor |

**Public Hearings/General Business**

- |                |   |
|----------------|---|
| <b>14-1098</b> | Revise Council Policy 7.1.5 to Authorize City Manager to Appropriate Grants up to \$100,000 |
|----------------|---|

**Friday, January 30, 2015 - City Council**

**Study Session**

- |                |  |
|----------------|--|
| <b>15-0009</b> | 8:30 A.M. SPECIAL COUNCIL MEETING<br>Study Issues/Budget Issues Workshop |
|----------------|--|

**Tuesday, February 10, 2015 - City Council**

**Study Session**

- |                |   |
|----------------|---|
| <b>15-0010</b> | 5 P.M. SPECIAL COUNCIL MEETING (Study Session)<br>Board and Commission Interviews (as necessary)              |
| <b>14-0845</b> | 6 P.M. SPECIAL COUNCIL MEETING (Study Session)<br>Discussion and Possible Action on Rental Housing Impact Fee |

**Public Hearings/General Business**

- |                |   |
|----------------|---|
| <b>14-0195</b> | 2015 Quarterly Consideration of General Plan Amendment Initiation Request (Tentative) |
| <b>14-0272</b> | Community Choice Aggregation (Study Issue)  |

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**14-1072** Proposal for Future Service Level of Care Management Program at the Senior Center

**Tuesday, February 24, 2015 - City Council**

**Study Session**

**14-1090** 5 P.M. SPECIAL COUNCIL MEETING (Joint Study Session with Planning Commission)  
Review Draft Lawrence Station Area Plan

**15-0014** 6 P.M. SPECIAL COUNCIL MEETING (Joint Study Session with Planning Commission)  
Peery Park Specific Plan

**Public Hearings/General Business**

**14-0270** Use of Gas-powered Leaf Blowers (Study Issue)

**14-0288** Introduce an Ordinance to Amend Chapter 19.46 (Parking) of Title 19 of the Sunnyvale Municipal Code to include Modifications based on the Tandem and Stacker Parking Study Issue (2014-7435)

**15-0011** Board and Commission Appointments

**15-0012** Adoption of Council-ranked Study Issue Presentation Dates for 2015

**Date to be Determined - City Council**

**Study Session**

**14-0398** SPECIAL COUNCIL MEETING (Study Session)  
Citywide Traffic/Transportation Update

**Public Hearings/General Business**

**14-0027** Toolkit for Commercial/Residential Mixed Use Development (Study Issue)  
(Tentatively scheduled for 3/24/15)

**14-0030** Peery Park Project Description and Preliminary Plan Concepts (tentatively scheduled for April 28, 2015)

**14-0031** Ecodistrict Feasibility and Incentives (Study Issues)

**14-0032** Community and Operational Greenhouse Gas Inventory (Study Issue)

**14-0034** Protecting Burrowing Owl Habitat on City Facilities (Study Issue)

**14-0035** Pilot Bicycle Boulevard Project on East-West and North-South Routes

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(Study Issue)

- 14-0273** Optimization of Wolfe Road for Neighborhood and Commuters via Reconfiguration and Signalization (Study Issue)
- 14-0277** Review of Park Use Policies and Related User Fees (Study Issue)  
(Tentatively scheduled for March 2015)
- 14-0429** Resolution Forming Homestead Road Underground Utility District - Public Hearing
- 14-0846** Discussion and Possible Action on Rental Housing Impact Fee (Tentatively to be scheduled March 2015)
- 14-0988** Expand Smoking Regulations to Prohibit Smoking Near Doorways and Outdoor Areas of Retail and Commercial Businesses (Study Issue - Fall/Winter 2015 Proposed)



# City of Sunnyvale

## Agenda Item

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**14-1099**

**Agenda Date:** 12/9/2014

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Study Session Summary of November 11, 2014 - El Camino Real Bus Rapid Transit





# City of Sunnyvale

## Meeting Minutes City Council

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Tuesday, November 11, 2014

5:15 PM

Special Meeting - Joint Study Session  
(Audio only)

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### **5:15 P.M. SPECIAL COUNCIL MEETING (Joint Study Session with Planning Commission and Bicycle and Pedestrian Advisory Commission)**

#### **1 Call to Order in the Sunnyvale Community Center Community Room, 550 E. Remington Drive**

Vice Mayor Jim David called the meeting to order at 5:40 p.m.

#### **2 Roll Call**

**Present:** 7 - Mayor Jim Griffith  
Vice Mayor Jim Davis  
Councilmember David Whittum  
Councilmember Pat Meyering  
Councilmember Tara Martin-Milius  
Councilmember Glenn Hendricks  
Councilmember Gustav Larsson

#### **City Staff Present:**

City Manager, Deanna J. Santana  
Assistant City Manager, Robert A. Walker  
Assistant City Manager, Kent Steffens  
City Attorney, Joan Borger  
Director of Public Works, Manuel Pineda  
Director of Community Development, Hanson Hom  
Planning Officer, Trudi Ryan  
Economic Development Manager, Connie Verceles  
Associate Planner, Rosemarie Zulueta  
Traffic Engineer, Carla Ochoa

#### **Visitors/Guests Present:**

Approximately 60 members of the public  
Sue Harrison, Planning Commission  
Larry Klein, Planning Commission  
Russell Melton, Planning Commission

John Cordes, Bicycle and Pedestrian Advisory Commission  
Kevin Jackson, Bicycle and Pedestrian Advisory Commission  
Richard Kolber, Bicycle and Pedestrian Advisory Commission

### **3 Public Comment**

### **4 Study Session**

#### [14-0668](#) El Camino Real Bus Rapid Transit

##### Study Session Summary:

John Ristow, Director of Planning and Program Development for the Valley Transportation Authority (VTA) presented on the proposed El Camino Bus Rapid Transit (BRT) project and Environmental Impact Report (EIR) using a PowerPoint slide presentation.

Councilmembers asked questions, made comments, and requested additional information; summarized below (some comments were made by more than one Councilmember and are only listed once).

- How accurate is the transportation model and how are the results validated
- What happens to the cars that are currently using the road
- Are bike lanes continuous
- Is the City of Santa Clara going to support dedicated lanes
- Will bike lanes be continuous through intersection
- A number of questions and discussion on travel time
- What is the regional perspective and how does this fit with possible North-South Sunnyvale Transit connections
- Need bus occupancy data for current users
- What is the VTA board decision criteria
- What is the best project for the City, not just the transit agency

##### Planning Commission, BPAC and Public Comment:

- Focus on the North-South transit connections
- Does the model take into account future use patterns
- How do different decisions from different Cities affect the project
- Is the modeling taking into account U-turn increase
- The road is complete gridlock and the project will make it worse
- The dedicated lane does not serve the majority
- No employees on el Camino ride transit
- The travel time analysis seems inaccurate
- The presentation is not objective – only supports dedicated lanes
- The dedicated lanes project is visionary

- Dedicated lanes are exciting
- Need to keep parking on EL Camino
- What is the existing and future traffic flow
- North South issues need to be addressed
- Should be constructed in two phases
- Project costs do not make sense – too long to break even
- Dedicated lane is not the answer

## **5 Adjourn Special Meeting**

6:45 PM





# City of Sunnyvale

## Agenda Item

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**14-0822**

**Agenda Date:** 12/9/2014

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Study Session Summary of November 25, 2014 - Discussion of Council 2015 Intergovernmental Relations Assignments





# City of Sunnyvale

## Meeting Minutes City Council

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Tuesday, November 25, 2014

6:00 PM

Special Meeting - Study Session (Audio  
Only)

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### **6 P.M. SPECIAL COUNCIL MEETING (Study Session)**

#### **1 Call to Order in the West Conference Room (Open to the Public)**

Vice Mayor Jim Davis called the meeting to order at 6:03 p.m.

#### **2 Roll Call**

**Present:** 7 - Mayor Jim Griffith  
Vice Mayor Jim Davis  
Councilmember David Whittum  
Councilmember Pat Meyering  
Councilmember Tara Martin-Milius  
Councilmember Glenn Hendricks  
Councilmember Gustav Larsson

#### **3 Public Comment**

None

#### **4 Study Session**

[14-0478](#) Discussion of Council 2015 Intergovernmental Relations  
Assignments

##### Study Session Summary:

Councilmembers discussed a variety of Intergovernmental assignments, including 2014 assignments they expressed interest in keeping, new assignments they are pursuing for 2015, and 2014 assignments that are ending. The Council also discussed options for City representation on the various Standing Subcommittees to Discuss Issues of Mutual Interest with Local School Districts.

Senior Management Analyst, Yvette Blackford stated that the Mayor has reappointed all 2014 Mayoral appointments for 2015 and that any proposed changes to Council-appointed assignments would be presented for Council consideration and action on January 6.

#### **5 Adjourn Special Meeting**

Vice Mayor Jim Davis adjourned the meeting at 6:18 p.m.



# City of Sunnyvale

## Agenda Item

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**14-1047**

**Agenda Date:** 12/9/2014

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Information/Action Items



**2014 INFORMATION/ACTION ITEMS**  
**COUNCIL DIRECTIONS TO STAFF**

No.	Date Assigned	Directive/Action Required	Dept	Due Date	Date Completed
1.	2/25/14	Schedule Rule 20A Resolution for future Council agenda	DPW	TBD	
2.	11/25/14	Discuss with the City Manager the notion of a study session with, or presentation by, the VTA regarding north/south transit improvements	DPW	12/18/14	

**NEW STUDY/BUDGET ISSUES  
SPONSORED BY COUNCIL IN 2014**

No.	Date Requested	Study Issue Title	Requested By	Dept	Issue Paper Approved by City Manager
		No new Council-sponsored study/budget issues.			