

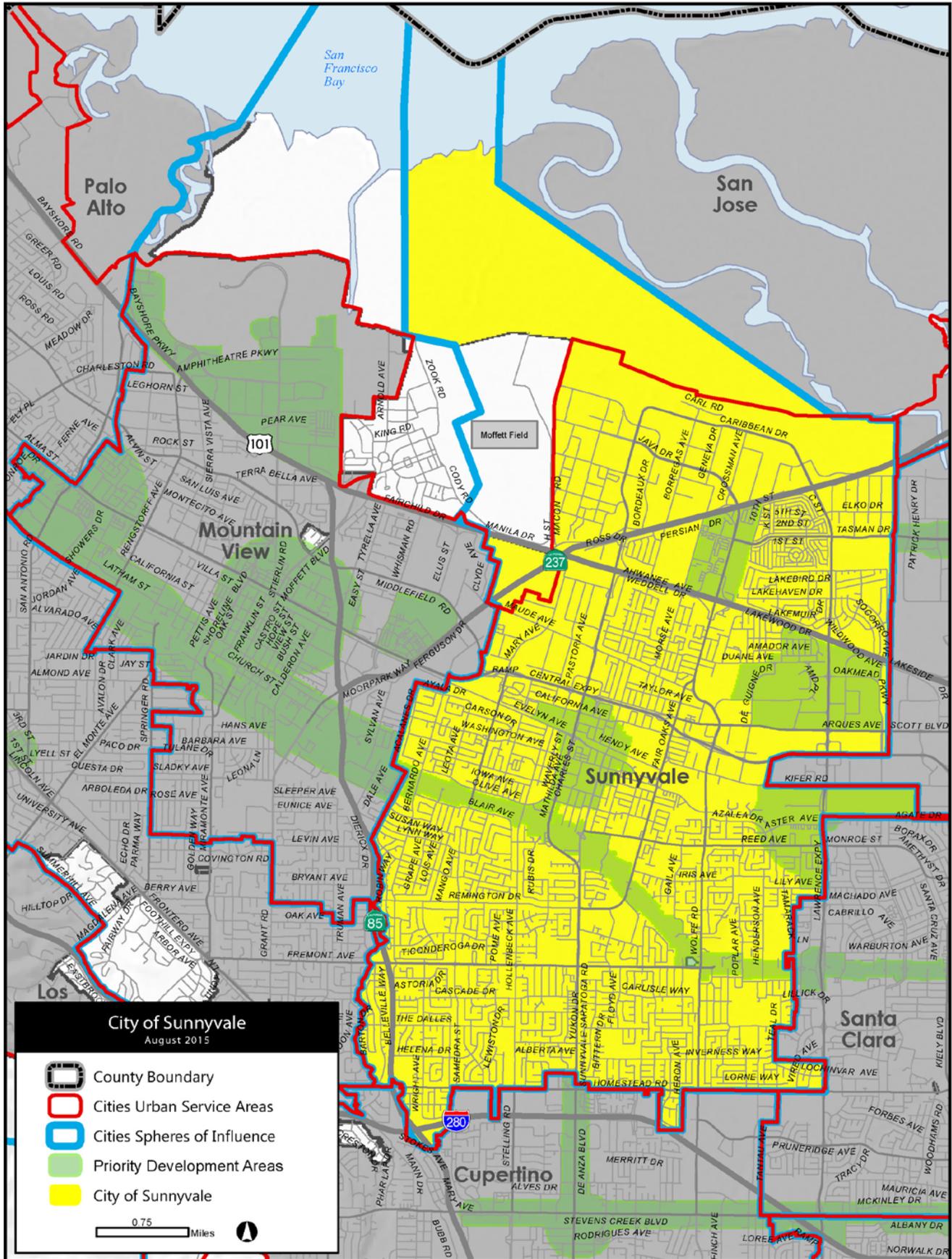
17 City of Sunnyvale



17.1 Agency Overview

The City of Sunnyvale was incorporated in December 1912. According to the California DOF 2015 estimates, the population of Sunnyvale is 148,028. As of 2015, the City's incorporated area spans 22.88 square miles. As of 2015, Sunnyvale's USA spans 19.14 square miles, and its SOI encompasses 24.11 square miles. These boundaries can be seen in Figure 41.

Figure 41. City of Sunnyvale Existing Boundaries



17.1.1 City Staffing

In FY 2014, total City staffing included 871 FTE employees. As shown in Table 193, the greatest number of FTEs is assigned to the public safety function.

~~Table 194.~~ *Table 193. City of Sunnyvale Staffing in Top Three Functions*

| City Staffing by Major Service Function | FY 2014 FTEs |
|---|--------------|
| Public Safety (Police and Fire) | 280.0 |
| Cultural (Recreation) | 100.0 |
| Community Development (Management, Planning, Building, Housing) | 39.0 |

Source: CAFR

17.1.2 Form of Government

Sunnyvale is a charter city that operates under a council-manager form of government. The City Council consists of seven members who are elected at large. Council members serve four-year terms and select a mayor biannually, and a vice mayor annually.

17.1.3 Joint Powers Authorities

The City of Sunnyvale is a member of one JPA, as shown in Table 194.

~~Table 195.~~ *Table 194. City of Sunnyvale Joint Powers Authorities by Major Service Function*

| Name of JPA | Major Service Function |
|--|---|
| Silicon Valley Regional Interoperability Authority | Identify, coordinate, and implement public safety communications interoperability |

Source: City website and City staff interviews

17.1.4 Awards and Recognition

The City of Sunnyvale has been the recipient of a number of awards between 2010 and 2015, as shown in Table 195.

~~Table 196.~~ *Table 195. City of Sunnyvale Recent Awards*

| Name of Award | Issuer | Year(s) Received |
|---|---|------------------|
| District IV Award of Excellence for its innovative Camp Pioneer | California Parks and Recreation Society | 2015 |
| Agency Award for Excellence | Northern California Chapter International Public Management Association – Human Resources | 2015 |
| Best Cities for Jobs, #1: San Jose-Sunnyvale-Santa Clara | Forbes Magazine | 2014 |
| 10 Best Cities in California for Young Adults (<i>Sunnyvale #1</i>) | CreditDonkey.com | 2014 |

| Name of Award | Issuer | Year(s) Received |
|---|---|------------------|
| Best Speculative Project Winner Moffett Place, Best Reuse/Rehab Project Winner 435 Indio Way, and Best Mixed-Use Project Finalist Carmel Loft House | Silicon Valley Business Journal | 2014 |
| Most Creative Deal, Onizuka (2013 Structures Awards) | Silicon Valley Business Journal | 2013 |
| Bicycle Friendly Community | League of American Bicyclists | 2012 |
| Distinguished Budget Presentation Award | Government Finance Officers Association | 2012 |
| American City With Top Economic Potential | Financial Times | 2011 |
| Sunnyvale Works! Outstanding Achievement in Innovations Award | Alliance for Innovation | 2011 |

Source: City of Sunnyvale staff

17.2 Growth and Population

17.2.1 Growth and Population Projections

State law requires the ABAG to prepare an SCS that considers how the region will accommodate projected growth over a long period while also reducing the region's generation of GHGs consistent with state goals for GHG reduction. "Plan Bay Area" is this region's SCS, adopted by ABAG and the MTC in July 2013.

The fundamental thrust of Plan Bay Area is to accommodate the majority of growth in PDAs. PDAs include infill areas within a city usually served by transit, such as historic downtowns and underutilized commercial strips. This approach is consistent with and supportive of LAFCO's goals to encourage orderly boundaries, discourage urban sprawl, and preserve agricultural and open space lands. Plan Bay Area includes projections for the region's population, housing, and job growth within existing urbanized areas. These projections demonstrate that the region has the capacity to accommodate expected growth over the next 30 years without sprawling further into undeveloped land on the urban fringe.

Many Bay Area cities use ABAG's projections as the basis for long-range planning. When ABAG prepared Plan Bay Area in 2013, it made projections for population and housing for 2015 for each city in the region. However, some cities believe that the state DOF estimates for population (based on information received on housing development and other current information) are more accurate. While Sunnyvale relies on ABAG population projections, the City also produces its own projections. The City's population projections show fewer people in 2035 than ABAG's estimates. The City's projections, along with ABAG's projections for population, households (occupied housing units) and jobs are shown in Table 196.

~~Table 197.~~ Table 196. City of Sunnyvale Population, Jobs and Housing Projections through 2040

| | 2010 | 2015 | 2020 | 2025 | 2030 | 2035 | 2040 |
|-------------------------|---------|---------|---------|---------|---------|----------------------|---------|
| ABAG | | | | | | | |
| Population | 140,081 | 148,400 | 156,800 | 165,500 | 174,700 | 184,300 ¹ | 194,300 |
| Total Jobs | 74,810 | 80,490 | 86,740 | 88,380 | 90,160 | 92,790 | 95,600 |
| Total Households | 53,384 | 56,560 | 59,840 | 62,970 | 66,290 | 69,490 | 72,800 |

Source: 2010 population from US Census. ABAG data used for 2015 to 2040 projections.

¹ The City of Sunnyvale projects that the 2035 population will be 176,000 in 2035.

According to staff, complying with ADA standards and accommodating various modes of transportation (bicycles and bicycle facilities and sidewalks,) to support the growing population is the City's greatest challenge.

17.2.2 Jobs and Housing

In 2015, according to ABAG estimates, the City has 80,490 jobs within the community and 75,360 employed residents. Within Sunnyvale, there are 1.07 jobs for every employed resident. The U.S. Census American Community Survey 2013 estimates that Sunnyvale has 56,168 housing units; when combined with ABAG's estimate of 80,490 jobs within the City, jobs and housing balance is 1.43.

State law requires that ABAG quantify and allocate housing needs to each jurisdiction within the Bay Area. In periodic updates to the general plan's Housing Element, each Bay Area jurisdiction must then demonstrate how it will meet that need over the next planning period. The current Housing Element update cycle is from 2015 to 2023.

As Table 197 shows, the majority of housing units in Sunnyvale are owner-occupied single-family housing units. According to ABAG, between January 1, 2014 and October 31, 2022, the City of Sunnyvale's assigned housing need is 5,452 units. In December 2014, Sunnyvale adopted its 2015-2023 Housing Element and demonstrated that it has sites and housing opportunities available to accommodate 5,849 units, which is 397 units in excess of its assigned regional share of 5,452 units. The City of Sunnyvale's housing element was certified by the State of California's Housing and Community Development Department in January 2015.

~~Table 198.~~ Table 197. City of Sunnyvale Housing Profile

| Housing Statistic | Number |
|---|---------------------|
| Number of total existing housing units | 56,168 |
| Owner-occupied (SFR) housing units | 25,370 |
| Renter-occupied housing units | 28,646 |
| RHNA by income category | 2014 to 2022 |
| Above moderate | 1,974 |
| Moderate | 932 |

| Housing Statistic | Number |
|-------------------|--------------|
| Low | 906 |
| Very Low | 1,640 |
| Total | 5,452 |

Sources: U.S. Census American Community Survey 2013 (number of total housing units); ABAG (housing needs)

17.2.3 Planning and Building

In FY 2014, Sunnyvale issued a total of 5,027 residential and commercial building permits. Total building permit valuation is estimated at \$603,754,563.

The City's total assessed valuation for FY 2014 is approximately \$29.2 billion. This represents an 18% increase from FY 2009.

17.2.4 Priority Development Areas

The City has four planned PDAs and one potential PDA (see section 22.1.4 for complete definition). The first is the Downtown and CalTrain Station, which is 227 net acres. This PDA is categorized as a transit town center and served by bus rapid transit and CalTrain. The second planned PDA, known as the El Camino Real Corridor, is approximately 320 net acres and is categorized as mixed-use corridor, served by bus rapid transit. Sunnyvale recently received a grant from MTC to revise its El Camino Real Corridor specific plan. The third planned PDA, known as East Sunnyvale, is approximately 413 net acres and is categorized as an urban neighborhood. The City is currently evaluating the possibility of expanding the area to convert a large portion of the PDA to an industrial area of medium density. The fourth planned PDA, known as Tasman Crossing, is approximately 150 net acres and is categorized as a transit neighborhood served by VTA's light rail transit system. The City is proposing to rezone the area to convert it from industrial to residential.

The potential PDA, known as the Lawrence Station Transit Village, is approximately 319 net acres and is categorized as a transit neighborhood served by CalTrain. City staff noted that a draft Plan Line has been issued for this PDA is in the planning stages.

17.2.5 Planning for an Aging Population

Sunnyvale staff stated that as the baby boomer population ages, the City anticipates a significant increase in the percentage of senior residents in the City. This population shift was seen recently during City meetings regarding the Lawrence Station Transit Village. Seniors were engaged participants in the process and some voiced their preference for higher density and walkable neighborhoods.

17.3 Boundaries, Islands, and Disadvantaged Unincorporated Communities

17.3.1 Planning Boundaries

The City's USA and municipal boundaries are nearly contiguous with the exception of two unincorporated islands and the Moffett Field/NASA Ames Research Center. The USAs of Sunnyvale and Mountain View bisect Moffett Field and its federal research park. More information about Moffett Field can be found in chapter 18.

Moffett Field is located in the northwestern portion of Sunnyvale. It does not receive municipal services from the City, other than wastewater collection and treatment services that also include a sewer main easement used to serve NASA Ames Research Center.

With the exception of limited sewer service, the City is not currently providing services to the area outside of its city boundaries. Planetary Ventures, LLC (a wholly-owned subsidiary of Google) has entered into a lease agreement with the federal government for portions of Moffett Field that are within the City's USA. However, all municipal-type services are provided to Planetary Ventures by Moffett Field through the lease agreement. The City does not have plans to provide municipal services to that area.

The City has no plans to amend its USA or SOI within the next five years.

17.3.2 Unincorporated Islands

Two small unincorporated islands exist within the City of Sunnyvale's USA. Known as SV02 (4.6 acres) and SV03 (5.3 acres), both pockets are eligible for streamlined annexation. SV02 is located along the City's border with Santa Clara parallel to the CalTrain/Union Pacific railroad tracks and right-of-way. Ongoing discussions regarding SV02 are taking place between Sunnyvale and Santa Clara concerning which jurisdiction should annex the island given its location. However, a change to the common SOI would be needed for the island to be annexed by Santa Clara.

SV03 is comprised of a residential development in the heart of the City and is referred to as Butcher's Corner. In 2013, the Sunnyvale City Council initiated the annexation process for this island. However, due to a change in ownership in the property and concerns regarding the future redevelopment of the site, the City Council deferred completion of the annexation process. Plans have been submitted to build a mixed-use residential and commercial development. The City would have to complete the annexation process and rezone the property before any project on this site can be approved by the City Council. An Environmental Impact Report (EIR) is underway, with a draft report to be completed in October 2015. Should the City move forward with annexation of SV03, staff has indicated the City would be able to provide municipal services to this area. [The City Council is scheduled to consider the annexation of SV03 in October 2015.](#)

Maps of each city's unincorporated islands are included in Attachment B.

17.3.3 Disadvantaged Unincorporated Communities (DUCs)

No disadvantaged unincorporated communities were identified within the City of Sunnyvale.

17.4 City Services

In Sunnyvale core municipal services are delivered by City staff. The primary service provider for the major municipal services discussed in this report is summarized in Table 198.

Unless specifically noted, the City of Sunnyvale did not anticipate difficulty in continuing to provide services or maintain infrastructure or facilities related to service delivery in the following areas.

Table 199-Table 198. City of Sunnyvale Service Delivery Model by Major Service Function

| Major Service Function | Primary Service Provider | Non-City Service Provider, if applicable |
|--------------------------------|--------------------------|---|
| Animal Control | City | |
| Law Enforcement | City | |
| Library | City | |
| Parks and Recreation | City | |
| Planning/Building | City | |
| Solid Waste | Franchise Agreement | Specialty Solid Waste and Recycling |
| Streets | City | |
| Stormwater | City | |
| Utilities | | |
| Electricity | Franchise Agreement | Pacific Gas and Electric |
| Gas | Franchise Agreement | Pacific Gas and Electric |
| Telephone, High-speed Internet | Franchise Agreement | AT&T, Comcast (<u>State-Issued Franchise</u>) |
| Wastewater | City | |

Source: City website and City Staff interviews

In the past five years the City has not stopped or started providing any municipal services. Given the expected population growth for the City of Sunnyvale, City staff does not anticipate any difficulty providing municipal services to its community.

A summary of key service level statistics is compiled as part of Attachment A to this report.

17.4.1 Animal Control

The City of Sunnyvale's Public Safety Department is the service provider for animal control. In FY 2014 total City expenditures for this function were approximately \$747,000. Service level statistics are included in Attachment A.

17.4.2 Law Enforcement

The City of Sunnyvale's Public Safety Department provides integrated police, fire and emergency medical services under one department. The City's sworn public safety officers are cross-trained in all three areas. The department operates one police station within the City and provides dispatch services. While the Public Safety Department employs a total of ~~197~~204 sworn public safety officers, there are a total of 84 sworn officers related to police services. During FY 2014, there were 38,133 calls for service. The City reports that response time for Priority One calls averaged 4 minutes and 39 seconds.

In FY 2014, total City expenditures on this function were \$25,461,932. Approximately 18% of the City's General Fund is dedicated to law enforcement.

~~Sunnyvale shares specialized SWAT team services with other cities.~~

Sunnyvale provides assistance to regional SWAT teams in Santa Clara County, and provides its armored vehicle and mobile emergency operations centers as a resource for other agencies to use within the County upon request.

17.4.3 Library

The City is the service provider for library services within the City of Sunnyvale. There is one facility located within the City. Annual print circulation exceeds 2.7 million, and nearly 36,000 digital books are available for download to library patrons.

17.4.4 Lighting

Lighting within the City is provided and maintained by the City. A summary of lighting infrastructure is provided in Attachment A.

17.4.5 Parks and Recreation

The City is the primary service provider for parks and recreation. As part of a citywide reorganization effort in 2011, the parks function moved to the Public Works Department, while recreation programs moved to the library. FY 2014 total expenditures for parks were approximately \$9 million. FY 2014 total expenditures for cultural services (including recreation) were approximately \$16 million. The City has 21 parks and a total of 329 park acres. In addition, 477 acres of open space owned by the City are publicly accessible. The City reports ~~2.25~~2.29 park acres per 1,000 population, which falls below their goal of 5.34 park acres per 1,000 population.

The City operates two community centers, one senior center, two golf courses, and four swimming pools.

17.4.6 Solid Waste

~~The City of Sunnyvale has a franchise agreement for solid waste collection and disposal, and recycling services through with Bay Counties Waste Services, Inc. (doing business as Specialty Solid Waste and Recycling-).~~ In FY 2014, City expenditures for ~~public~~providing solid waste

collection, recycling, transfer, and landfill disposal services to Sunnyvale were \$61,194,56842,685,786.

In CY 2013, Sunnyvale disposed of 93,920 tons of solid waste. Sunnyvale offers ~~green waste separate collection~~ and ~~composting of yard trimmings disposal~~ and recycling of mixed paper, ~~cardboard, bottles, cans and other recyclable materials from residences and businesses.~~ The City recently ~~launched a pilot program~~ began offering separate collection and composting of food waste disposal to commercial and institutional customers and is conducting a pilot program testing residential customers food waste collection methods. In 2013, the City's amount of pounds of solid waste disposed per person per day was 3.5 for its general population, meeting the state's goal for the community of 5.0 pounds. ~~The pounds of solid~~ Solid waste per person per day for employees in the community was 6.3 pounds, meeting the state's goal for the community of 8.3 pounds. There is one solid waste disposal facility located in Sunnyvale.

The one solid waste disposal facility located in Sunnyvale, the Sunnyvale Materials Recovery and Transfer Station (SMaRT Station®), serves the cities of Mountain View, Palo Alto, and Sunnyvale. The station is owned by the City of Sunnyvale and operated by a private company under a contract with the City. FY 2014 expenditures for operating the SMaRT Station and disposing of its residues at the Kirby Canyon Landfill were \$28,481,922, which were fully reimbursed by the three cities served by the facility. During FY 2014, the facility diverted from landfill disposal 36,407 tons (19.2%) of the mixed solid waste received from the three cities. Including source-separated materials received there, the SMaRT Station shipped 89,345 tons to compost and recycling markets (36.8% of all materials received) and returned \$2,715,000 in revenues to the cities.

17.4.7 Streets

The City of Sunnyvale maintains ~~283260~~ miles of roadways, which translates to ~~638637~~ lane miles. The number of miles of sidewalk maintained and FY 2014 street-related expenditures were not available at the time of the Cities Service Review. Street sweeping is provided by city staff. The City maintains approximately 37,000 street trees. The City's pavement condition index (PCI) is ~~7276~~, which falls below its PCI goal of 80.

17.4.8 Stormwater

The City's stormwater system is managed and maintained by the City's Environmental Services Department. Sunnyvale participates in the SCVURPPP along with several other cities and the County to address water pollution on a regional basis (more information on SCVURPPP is included in the Shared Services chapter of this document). SCVURPPP members share a common NPDES permit, allowing member agencies to discharge stormwater into the San Francisco Bay (see the Shared Services chapter for more information). The City reports that it is compliant with NPDES standards.

City staff noted concerns about meeting the stormwater system's funding needs in the future given the new state and federal regulations coming into effect. Overall, staff noted that Sunnyvale's stormwater system is in good condition. ~~The five pump stations are in the process~~

~~of being renovated and the City is also installing trash collection devices (including about 100 catch basins and recently installed two water basin base-sized trash capture devices).~~ plans to install an additional 100 catch basins within the system, and plans to rehabilitate two stormwater pump stations in the near future. The biggest challenges to the stormwater system are dealing with trash, polychlorinated biphenyls (PCBs), and mercury. City staff expressed concern that the PCBs and mercury are expensive to manage, and it is challenging to acquire sufficient funding for these operations.

17.4.9 Utilities

PG&E is the electricity and gas provider within Sunnyvale. While PG&E did not respond to requests to identify the total number of PG&E gas and electric meters in the City of Sunnyvale, there are 53,346 electricity customers and 56,427 gas customers within the Sunnyvale city limits. The City did not indicate concerns about PG&E's ability to serve the existing population or its future demand for energy and natural gas. City staff noted that Sunnyvale is partnering with Cupertino, Mountain View, Monte Sereno and unincorporated areas of the County to discuss the possibility of becoming a CCA under the provisions of AB 118 to allow them to pool electricity demand of their residential, business and municipal accounts to purchase or develop power on their behalf.

Telecommunications providers (telephone, high speed internet and land-based video/cable services) serving Sunnyvale are AT&T and Comcast. Sunnyvale indicated no concerns about the availability or reliability of telecommunications services, including high-speed internet.

17.4.10 Wastewater

The City of Sunnyvale provides wastewater collection and treatment services for all customers within its municipal boundaries, and has 283 miles of sewer lines. The City provides wastewater treatment services for parts of Cupertino as well as the portion of Moffett Field that is within the Sunnyvale municipal boundary, but collection in that area is handled by Moffett Field.

Sunnyvale operates the Donald M. Somers Water Pollution Control Plant, a wastewater treatment plant. According to staff, Sunnyvale has analyzed whether the City could offer wastewater treatment services to other jurisdictions, but determined that the treatment plant is currently at capacity. Of the neighboring cities, it would be most logical to serve Cupertino. However, Cupertino currently receives wastewater services from San Jose, and Sunnyvale could not offer competitive rates.

In the City of Sunnyvale, the majority of sludge is treated and processed (converted to biosolids) and used as alternate daily cover for landfills. Some of the biosolids are sent to the Central Valley for agricultural application. Recycled water is ~~not available~~ currently being provided to approximately 100 customers within the City. However, staff noted that Sunnyvale is looking at a potential recycled potable water project with the Santa Clara Valley Water District, and is considering the possibility of connecting to Palo Alto's recycled water system.

17.5 Financial Information

The following section provides key financial data points related to Sunnyvale's municipal operations based on the most recent audited financial statements available from FY 2014. Select information is provided from FY 2009 for trend and comparative information.

In FY 2014, Sunnyvale's total citywide expenditures exceeded \$186.8 million. Approximately 76% (\$142.7 million) of these expenditures constituted General Fund expenditures.

17.5.1 Revenues and Expenditures

The City's primary source of revenue is property tax. Since FY 2009 property tax revenue increased by \$8 million (or 19%) to \$50 million, which now includes the excess property tax increment previously collected by the City's former redevelopment agency that was dissolved by the state in 2012. Sales tax revenue in Sunnyvale in FY 2014 has increased by \$5.1 million (20.4%) since FY 2009 (see Table 199).

~~Table 200~~ Table 199. City of Sunnyvale Tax Revenues

| Tax Revenue Type | FY 2009 | FY 2014 |
|-------------------|--------------|--------------|
| Property Tax | \$42,259,090 | \$50,293,385 |
| Sales Tax | \$25,071,916 | \$30,194,827 |
| Utility Users Tax | \$6,841,270 | \$6,754,263 |

Source: CAFR

A summary of the City's General Fund revenues and expenditures is shown in Table 200.

~~Table 201~~ Table 200. City of Sunnyvale Major Sources of General Fund Revenues and Expenditures

| | FY 2009 | FY 2014 |
|--|---------------|---------------|
| Total General Fund Revenues | \$109,869,197 | \$140,789,778 |
| Total General Fund Expenditures | \$125,271,577 | \$142,747,859 |
| Top Four Sources of General Fund Revenues | | |
| Property Tax | \$42,259,090 | \$50,293,385 |
| Sales and Use Tax | \$26,201,085 | \$31,672,368 |
| Other Taxes | \$15,531,152 | \$24,013,373 |
| Service Fees | \$3,667,359 | \$10,504,265 |
| Top Four Sources of General Fund Expenditures | | |
| Public Safety | \$73,238,514 | \$80,895,877 |
| Planning and Management | \$18,794,474 | \$17,746,454 |
| Community Development | \$17,553,584 | \$17,433,815 |
| Cultural and Recreation | \$7,806,611 | \$15,208,678 |

Source: CAFR

17.5.2 Debt

A summary of the City's obligations, debt, and liabilities is provided in Table 201.

Table 202-Table 201. City of Sunnyvale Obligations, Debt and Liabilities

| Obligations, Debt and Liabilities | FY 2009 | FY 2014 |
|---|--------------|---------------|
| General Bonded Debt | \$28,900,000 | \$22,195,000 |
| Ratio of Direct Debt (General Bonded Debt) to Net Assessed Valuation | 0.1% | 0.1% |
| Ratio of Combined Debt (Direct and Overlapping Debt) to Net Assessed Valuation | 2.6% | 2.7% |
| Unfunded pension liability | Not provided | \$267,931,611 |

Source: CAFR

17.5.3 Reserves

Sunnyvale's unassigned General Fund reserve levels have increased since FY 2009. Such increases are a positive indicator of economic recovery from the Great Recession and proactive fiscal management practices employed by the City (see Table 202).

Table 203-Table 202. City of Sunnyvale Reserves

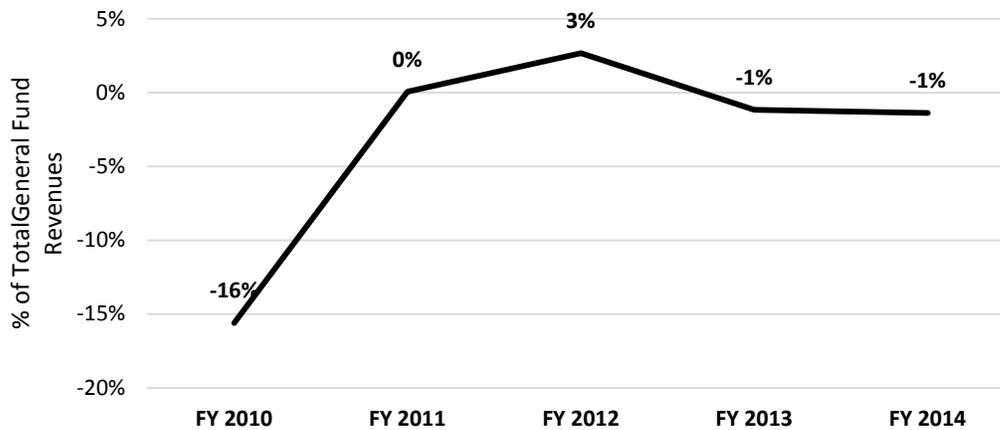
| Line Item | FY 2009 | FY 2014 |
|---|--------------|--------------|
| Unassigned General Fund Reserve Levels | \$41,865,102 | \$52,867,915 |
| Economic Uncertainty Reserve Fund (separate from General Fund Reserve) | \$23,862,684 | \$20,250,188 |

Source: CAFR

17.5.4 Financial Health Indicators

Using select indicators from the League of California Cities' Financial Health Diagnostic Tool, the City of Sunnyvale is in positive fiscal health. While the City has only had one year of annual surplus in the General Fund in the past five years, the City's General Fund surplus has increased by 15 percentage points since FY 2010, an indicator of improving fiscal health. The trend of the City's General Fund deficit/surplus is shown in Figure 42.

Figure 42. City of Sunnyvale Gross Annual General Fund Deficit/Surplus by year from FY 2010 to FY 2014



Source: CAFR

The City has budgeted an operating surplus in its General Fund for FY 2015. The City is anticipating the potential one-time payment of \$14 million from General Fund reserves in FY 2016 to the state for its pending litigation concerning the dissolution of its former redevelopment agency, but otherwise has a five-year financial plan that provides for maintaining a healthy level of General Fund reserves over that period. The City has generally been conservative in its budget estimations, and actual performance typically exceeds budgeted forecasts.

Table 203 shows the City’s General Fund Fiscal Indicators. Not included in the FY 2015 operational surplus/deficit is a transfer from the General Fund of \$9.7 million to fund capital projects, which if recurring in nature, would impact the General Fund’s long-term fiscal health. The City’s liquidity ratio indicates the necessary cash to fund its liabilities. General Fund reserves of 37.3% greatly exceed the GFOA-recommended minimum reserve of 17% (or two months) of annual operating expenditures.

~~Table 204.~~ Table 203. City of Sunnyvale General Fund Fiscal Indicators

| Fiscal Year | Indicator | Value |
|-------------|--|-------|
| FY 2015 | Net Operating Deficit/Surplus | 4.3% |
| FY 2014 | Liquidity Ratio ¹ | 4.4 |
| FY 2014 | Fund Balance as percent of Expenditures ² | 37.3% |

Source: CAFR, City Finance Staff

¹ Calculated by combining cash and short-term investments and then dividing by current liabilities

² Unreserved (unassigned and assigned) General Fund Reserves as a percent of annual operating expenditures

17.5.5 Financial Reporting

The City’s CAFR is prepared in a timely manner and audited by an independent CPA. See Table 204.

~~Table 205-Table 204.~~ City of Sunnyvale Financial Reporting

| Financial Reporting Indicator | Status |
|--|--------|
| Unqualified opinion from independent CPA | Yes |
| Publication of CAFR within six months of fiscal year | Yes |

17.6 Service Review Determinations

LAFCO is required to prepare a written statement of determination with respect to six key areas as specified by Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000. Using criteria described in section 2.4, the following determinations are provided for the City of Sunnyvale.

1. GROWTH AND POPULATION PROJECTIONS

As of 2015, the City of Sunnyvale serves 148,028 residents within its 22.88 square mile incorporated area. ABAG projects that the City's population will grow steadily by approximately 1.1% per year, leading to a population of 194,300 in 2040.

Two unincorporated islands exist within the City of Sunnyvale, which comprise a total of 9.9 acres. Because they are smaller than 150 acres, both of these islands are eligible for streamlined annexation.

The City has identified sufficient housing opportunities to meet its RHNA of 5,452 housing units between 2014 and 2022. The City does not anticipate that growth patterns will expand beyond Sunnyvale's existing USA. Two planned PDAs and three potential PDAs exist within the City for infill development.

The City's most recent general plan was adopted in July 2011.

The City's existing boundaries accommodate the level of growth projected by ABAG in Plan Bay Area.

2. LOCATION AND CHARACTERISTICS OF ANY DISADVANTAGED UNINCORPORATED COMMUNITIES WITHIN OR CONTIGUOUS TO THE SPHERE OF INFLUENCE

No DUCs were identified within the City of Sunnyvale's SOI.

3. PRESENT AND PLANNED CAPACITY OF PUBLIC FACILITIES, ADEQUACY OF PUBLIC SERVICES, AND INFRASTRUCTURE NEEDS OR DEFICIENCIES, INCLUDING THOSE RELATED TO SEWERS, WATER AND FIRE IN ANY DUCS WITHIN OR CONTIGUOUS TO THE SOI

City staff noted that, given new regulations coming into effect, the City is concerned about unfunded state mandates related to stormwater infrastructure

maintenance. As a result of these regulations, the City anticipates future costs to address its aging stormwater system and related deferred maintenance.

The City of Sunnyvale does not anticipate obstacles to maintaining existing service levels or meeting infrastructure needs in the next five years, given the growth and population increases projected.

The City's number of park acres per 1,000 population of 2.25.29 is slightly below the goal of 5.34 that it has established. The City's Pavement Condition Index of 76 in 2014 is currently below the goal index of 80 that it has established.

4. FINANCIAL ABILITY OF AGENCY TO PROVIDE SERVICES

Sunnyvale's General Fund has operated at or near break-even over the past four years after a 16% operating deficit in FY 2010. The City is anticipating the potential one-time payment of \$14 million from General Fund reserves in FY 2016 to the state for its pending litigation concerning the dissolution of its former redevelopment agency, but otherwise has a five-year financial plan that provides for maintaining a healthy level of General Fund reserves over that period. Sunnyvale's General Fund reserves of 37.3% exceed the minimum reserve threshold of two months of operating expenditures (17%) as recommended by the GFOA, indicative of the City's ability to meet future service needs in the event of an economic downturn. In addition, the City's liquidity ratio of 4:1 indicates the necessary cash to fund its short-term obligations with sufficient cash flow.

The City of Sunnyvale has sufficient financial resources to accommodate infrastructure expansion, improvements or replacement based on the agency's capital improvement plans. One area of potential concern is stormwater, as discussed under Determination Three.

The City prepared its CAFR in a timely manner, which was audited by an independent CPA with an unqualified opinion.

5. STATUS AND OPPORTUNITIES FOR SHARED FACILITIES

The City of Sunnyvale is engaged in service sharing agreements as identified in Table 205-~~below~~.

~~Table 206~~ Table 205. Summary of Shared Services in the City of Sunnyvale

| Service Area | Type of Sharing Arrangement | Partnering Entity |
|--|---------------------------------------|---------------------|
| Law Enforcement – Radio Communications | JPA | SVRIA |
| Law Enforcement – Operations | MOA | City of Santa Clara |
| Stormwater | MOU | SCVURPPP |
| Wastewater Treatment | Services Agreement with Moffett Field | City of Sunnyvale |

Further opportunities to share services were identified in the area of electric utility service by establishing a community choice aggregation with other cities in the County as well as the County itself.

6. ACCOUNTABILITY FOR COMMUNITY SERVICE NEEDS, INCLUDING GOVERNMENTAL STRUCTURE AND OPERATIONAL EFFICIENCIES

Sunnyvale provides comprehensive information about core municipal operations on its website, including public hearing notices, agendas, and minutes for the City Council and its various advisory commissions and committees; annual budget; CAFR; general plan; and various master plans.

Through the publication of these documents, the City of Sunnyvale promotes accountability for its community service needs.

17.7 Sphere of Influence Recommendations and Determinations

SOI BOUNDARY RECOMMENDATION

The City’s existing SOI boundary is coterminous with the City limits to the east, south, and west. However, the northern portion of the City’s SOI boundary extends nearly 2 miles into the San Francisco Bay. The western portion of the City’s SOI boundary includes approximately half of Moffett Field. The City of Sunnyvale is substantially bounded by the City of Santa Clara to the east; by the City of Cupertino to the south; and by the Cities of Los Altos and Mountain View to the west.

Since the existing Sunnyvale SOI is coterminous with the City limits and fully bounded by other cities and no further outward expansion is possible, it is recommended that LAFCO reaffirm the existing SOI for the City of Sunnyvale.

SOI DETERMINATIONS FOR THE CITY OF SUNNYVALE

Government Code §56425(e) requires written determinations with respect to the following four factors to update an agency's SOI. Based upon the information contained within Sunnyvale's service review profile in this chapter, the following determinations are provided to update the City's existing SOI

1. The Present and Planned Land Uses in the Area, Including Agricultural and Open-Space Lands

The Sunnyvale SOI is coterminous with the boundaries of the City. Planned land uses in the City are consistent with existing land uses.

2. The Present and Probable Need for Public Facilities and Services in the Area

The need for a full range of public facilities and services is expected to grow modestly in the future.

3. Services that the Agency Provides or is Authorized to Provide

The present capacity of public facilities appears to be adequate. However, Sunnyvale is still in the process of addressing the impacts that state mandates will have related to stormwater infrastructure maintenance on budgetary and operational resources, as indicated in the City's service review determination #3 above.

4. The Existence of Any Social or Economic Communities of Interest in the Area if the Commission Determines That They are Relevant to the Agency

There exist social and economic conditions that cause interaction and interdependence between the City and the areas within its SOI boundary.

5. For Those Cities that Provide Public Facilities or Services Related to Sewers, Water or Fire Protection, the Present and Probable Need For Those Public Facilities and Services in Any DUCs within the Existing SOI

Not applicable.