

NEWS RELEASE

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Successful redevelopment agency case a win for public education

SAN JOSE, CA – Two Santa Clara County school districts will receive one-time revenue payments to support public education thanks to a recent ruling by the Sacramento Superior Court. The Court ruled that the City of Sunnyvale owes \$13.8 million to other local governments as a result of redevelopment dissolution. Of that amount, Sunnyvale School District is expected to receive about \$3 million of additional revenue and Fremont Union High School District will receive approximately \$2.6 million.

The Santa Clara County Office of Education (SCCOE) and the Fremont Union High School District successfully argued that the City of Sunnyvale owes taxing entities, like school districts, money the city obtained from its redevelopment agency. Redevelopment was funded—dollar-for-dollar—by diverting property taxes away from other local governments, with 66 percent coming from schools. With dissolution, those funds are gradually being restored.

"This is a huge victory for our children, our schools and our communities," said Leon F. Beauchman, President of the Santa Clara County Board of Education. "We certainly appreciate the collaboration and support provided by Santa Clara County's legal counsel."

"I am so pleased the court agreed these funds should be serving our students and I am equally proud of the teamwork and valuable leadership demonstrated by our Board and members of our cabinet," said Superintendent Jon R. Gundry. "This victory personifies our mission of being committed to public school success with our leadership stepping up for the children of Santa Clara County."

All redevelopment agencies in California, including the Redevelopment Agency of the City of Sunnyvale, were legally dissolved on February 1, 2012. The city elected to be its Redevelopment Successor Agency, overseeing the "wind down" of the former Redevelopment Agency.

The plaintiffs argued that the city had withheld the funds in a \$14.2 million reserve, which included interest on the \$13.8 million the city received from the Sunnyvale Redevelopment Agency.

"We stated that taxing entities like schools and the children and families we serve are owed the money and were unfairly impacted when the funds were withheld," said Maribel Medina, general counsel for Santa Clara County Office of Education, who argued the case on behalf of the SCCOE.

"We are thrilled to have had this opportunity to support and advocate for our local schools districts, especially after so many years of cuts to public education," said Micaela Ochoa, chief business officer for the SCCOE.

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