

AGENDA

**TEHACHAPI REDEVELOPMENT SUCCESSOR AGENCY
OVERSIGHT COMMITTEE SPECIAL MEETING
TEHACHAPI CITY HALL
115 SOUTH ROBINSON STREET
Monday, November 13, 2012 - 9:00 A.M.**

Persons desiring disability-related accommodations should contact the City Clerk no later than ten days prior to the need for the accommodation. A copy of any writing that is a public record relating to an open session of this meeting is available at City Hall, 115 South Robinson Street, Tehachapi, California.

CALL TO ORDER

PLEDGE TO FLAG

BUSINESS

1. Minutes for the Tehachapi Redevelopment Successor Agency Oversight Committee regular meeting on August 8, 2012 - **APPROVE AND FILE**
2. Health and Safety Code Section 34167.5 created uncertainty about the transfer of the Property from the former Agency to the City. Therefore, pursuant to the powers granted under Health and Safety Code Section 34181(a), the proposed resolution directs the Successor Agency to execute and deliver to the City a quitclaim deed for the Property to remove any cloud on the City's fee title to the Property - **ADOPT A RESOLUTION DIRECTING THE TRANSFER OF CERTAIN PROPERTY TO THE CITY OF TEHACHAPI FOR GOVERNMENTAL PURPOSES AND DIRECTING THE SUCCESSOR AGENCY TO THE TEHACHAPI REDEVELOPMENT AGENCY TO EXECUTE A QUITCLAIM DEED WITH RESPECT TO SUCH PROPERTY**
3. Amended ROPS No. 3 per request from the State of California, Department of Finance. – **APPROVE AMENDED ROPS NO. 3**
4. The reversed items are: fund transfers of \$685,000 to Water capital project fund and \$626,688 to Sewer capital project fund. Although it is staff's opinion that the fund transfers for water capacity-increase related projects and the new sewer plant project are legitimate transfers since both of the projects were committed to prior to June 28, 2011, the funds were returned to the Successor Agency – **INFORMATION ONLY**
5. Staff updates

COMMITTEE MEMBER ANNOUNCEMENTS OR REPORTS

On their own initiative, a Committee Member may ask a question for clarification, make a brief announcement, provide a reference to staff or other resources for factual information, take action to have staff place a matter of business on a future agenda, request staff to report back at a subsequent meeting concerning any matter, or make a brief report on his or her own activities. (Per Gov't. Code §54954.2(a))

ADJOURNMENT

MINUTES

TEHACHAPI REDEVELOPMENT SUCCESSOR AGENCY OVERSIGHT COMMITTEE REGULAR MEETING

City Hall
115 South Robinson Street
Wednesday, August 8, 2012 – 9:00 A.M.

NOTE: Nu, Gr, Va, Le, Ca, Ga & Ha are abbreviations for Board Members Nunneley, Grimes, Vasquez, Lebsock, Caudle, Garrett and Hall respectively. For example, Nu/Gr denotes Board Member Nunnely made the motion and Board Member Grimes seconded it. The abbreviation Ab means absent, Abd abstained, Ns noes, and NAT no action taken.

ACTION TAKEN

<u>CALL TO ORDER</u>	
Meeting called to order by Chairman Grimes at 9:05 a.m.	
<u>PLEDGE TO THE FLAG</u>	
Led by Chairman Grimes.	
<u>ROLL CALL</u>	
Roll call by Secretary Denise Jones.	
Present: Chairman Grimes, Vice-Chairman Nunneley, Board Members Vasquez, Caudle, Garrett and Hall	
Absent: Board Member Lebsock	
<u>BUSINESS</u>	
1. Minutes for the Tehachapi Redevelopment Successor Agency Oversight Committee regular meeting on May 14, 2012 - APPROVED AND FILED	Approved & Filed Ga/Va
2. Report on result of approval by the Department of Finance on Recognized Obligation Payment Schedule (ROPS) number 1 and 2 – FINANCE DIRECTOR HANNAH CHUNG GAVE REPORT; CHAIRMAN GRIMES CLARIFIED THAT ITEM 9 ON SCHEDULE WILL HAVE TO BE PAID BACK; BOARD MEMBER CAUDLE ASKED IF WHEN NEXT PAYMENT WILL BE RECEIVED AND DISCUSSED ROPS EXPENSES	Information Only
4. Approval of Administrative Budget No. 3 – HANNAH CHUNG GAVE REPORT; APPROVED ADMINISTRATIVE BUDGE NO. 3	Approved Administrative Budge No. 3 Va/Ca
3. Approval of ROPS No. 3. – HANNAH CHUNG GAVE REPORT FROM JANUARY 2013 THROUGH JUNE 2013; APPROVED ROPS NO. 3 AND ADOPTED RESOLUTION OB 02-12	Approved ROPS No. 3 Ca/Nu Adopted Res. No. OB 02-12 Va/Ca

ACTION TAKEN

5. Staff updates

NAT

ADJOURNMENT

The Committee adjourned at 9:43 a.m. to a Tehachapi Redevelopment Successor Agency Oversight Committee regular meeting to be determined at a later date.

DENISE JONES, CMC
Secretary, Tehachapi Redevelopment
Successor Agency Oversight
Committee

Approved this 13th day
Of November, 2012.

ED GRIMES
Chairman, Tehachapi Redevelopment
Successor Agency Oversight
Committee



BOARD REPORTS

APPROVED

DEPARTMENT HEAD: _____

CITY MANAGER: _____

MEETING DATE: NOVEMBER 13, 2012

TO: BOARD OF DIRECTORS OF THE OVERSIGHT COMMITTEE OF THE SUCCESSOR AGENCY TO THE TEHACHAPI REDEVELOPMENT AGENCY

FROM: HANNAH CHUNG, FINANCE DIRECTOR

DATE: OCTOBER 31, 2012

SUBJECT: TRANSFER OF PROPERTY IN USE FOR A GOVERNMENTAL PURPOSE

STATEMENT OF ISSUE

Upon dissolution of the Tehachapi Redevelopment Agency on February 1, 2012 pursuant to AB X1 26, the Successor Agency to the Tehachapi Redevelopment Agency (the "Successor Agency") was constituted and all assets, properties, contracts, leases, books and records, buildings, and equipment of the former Tehachapi Redevelopment Agency (the "Agency") transferred to the control of the Successor Agency by operation of law.

Health and Safety Code Section 34167.5 requires the State Controller to determine whether an asset transfer occurred after January 1, 2011, between the City of Tehachapi (the "City") and the Agency and to order the assets to be returned to the Successor Agency. However, Health and Safety Code Section 34181(a) authorizes the Oversight Board of the Successor Agency to the Tehachapi Redevelopment Agency ("Oversight Board") to direct the Successor Agency to transfer properties funded by tax increment revenues of the dissolved Agency that were constructed and used for a governmental purpose to the appropriate public jurisdiction.

The Agency adopted its Resolution No. 02-11 on March 8, 2011 and transferred to the City title of the parking lot facility located at the northeast corner of Robinson Street and "F" Street, also known as Assessor Parcel No. 040-200-10 (the "Property"). The Property was being used and continues to be used for the governmental purpose of providing parking in the downtown area of the City for the residents, businesses and taxpayers of the City.

DISCUSSION

Health and Safety Code Section 34167.5 created uncertainty about the transfer of the Property from the former Agency to the City. Therefore, pursuant to the powers granted under Health and Safety Code Section 34181(a), the proposed resolution directs the Successor Agency to execute and deliver to the City a quitclaim deed for the Property to remove any cloud on the City's fee title to the Property.

Notice of this proposed action was posted on the Successor Agency's website on October 29, 2012, as required by Health and Safety Code Sections 34179(f) and 34181(f),

FINANCIAL IMPACT

The booked purchase price including the land and improvements is \$303,703.

ALTERNATIVE ACTION

Continue consideration of transferring the Property

RECOMMENDED ACTION

ADOPT A RESOLUTION DIRECTING THE TRANSFER OF CERTAIN PROPERTY TO THE CITY OF TEHACHAPI FOR GOVERNMENTAL PURPOSES AND DIRECTING THE SUCCESSOR AGENCY TO THE TEHACHAPI REDEVELOPMENT AGENCY TO EXECUTE A QUITCLAIM DEED WITH RESPECT TO SUCH PROPERTY

RESOLUTION NO. _____

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE TEHACHAPI REDEVELOPMENT AGENCY DIRECTING THE TRANSFER OF CERTAIN PROPERTY TO THE CITY OF TEHACHAPI FOR GOVERNMENTAL PURPOSES AND DIRECTING THE SUCCESSOR AGENCY TO THE TEHACHAPI REDEVELOPMENT AGENCY TO EXECUTE A QUITCLAIM DEED WITH RESPECT TO SUCH PROPERTY

RECITALS

A. Pursuant to Health and Safety Code Section 34175(b) and the California Supreme Court's decision in *California Redevelopment Association, et al. v. Ana Matosantos, et al.* (53 Cal.4th 231(2011)), on February 1, 2012, all assets, properties, contracts, leases, books and records, buildings, and equipment of the former Tehachapi Redevelopment Agency (the "Agency") transferred to the control of the Successor Agency to the Tehachapi Redevelopment Agency (the "Successor Agency") by operation of law.

B. Health and Safety Code Section 34167.5 requires the State Controller to determine whether an asset transfer occurred after January 1, 2011, between the City of Tehachapi (the "City") and the Agency and order the assets to be returned to the Successor Agency.

C. Health and Safety Code Section 34181(a) authorizes the Oversight Board of the Successor Agency to the Tehachapi Redevelopment Agency ("Oversight Board") to direct the Successor Agency to transfer properties funded by tax increment revenues of the dissolved Agency that were constructed and used for a governmental purpose to the appropriate public jurisdiction.

D. The Agency adopted its Resolution No. 02-11 on March 8, 2011 thereby transferring from the Agency to the City title of the parking lot facility located at the northeast corner of Robinson Street and "F" Street, also known as Assessor Parcel No. 040-200-10 (the "Property").

E. The Property was being used and continues to be used for the governmental purpose of providing parking in the downtown area of the City for the residents, businesses and taxpayers of the City.

F. The Oversight Board desires to direct the Successor Agency to execute and deliver a quitclaim deed to the City for the Property to remove any cloud on the City's fee title to the Property pursuant to the Oversight Board's powers granted by Health and Safety Code Section 34181(a).

G. Pursuant to Health and Safety Code Sections 34179(f) and 34181(f), notice of this action was posted on the Successor Agency's website on October 29, 2012.

NOW, THEREFORE, THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE TEHACHAPI REDEVELOPMENT AGENCY HEREBY FINDS, DETERMINES, RESOLVES, AND ORDERS AS FOLLOWS:

Section 1. The above recitals are true and correct and are a substantive part of this Resolution.

Section 2. This Resolution is adopted pursuant to Health and Safety Code Sections 34177(e) and 34181(a).

Section 3. The Oversight Board hereby authorizes and directs the Successor Agency to execute and deliver a quitclaim deed to the City for the Property in order to remove any cloud on the City's fee title to the Property.

Section 4. The staff of the Successor Agency is hereby directed to provide DOF written notice and information regarding the action taken by the Oversight Board pursuant to this Resolution. Such notice and information shall be provided by electronic means and in a manner of DOF's choosing.

Section 5. The staff and the Board of the Successor Agency are hereby authorized and directed, jointly and severally, to execute and record such other documents and instruments and to do any and all other things which they may deem necessary or advisable to effectuate this Resolution.

PASSED AND ADOPTED this _____ day of _____, 2012.

AYES: _____

NOES: _____

ABSENT: _____

ABSTAIN: _____

ED GRIMES, Chairman

ATTEST:

DENISE JONES, Secretary

I hereby certify that the foregoing resolution was duly and regularly adopted by the
OVERSIGHT BOARD OF THE SUCCESSOR AGENCY at a special meeting thereof held on
_____.

DENISE JONES, Secretary

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

City of Tehachapi
115 South Robinson Street
Tehachapi, CA 93561
Attn: City Manager

SPACE ABOVE THIS LINE FOR RECORDER'S USE

APN: 040-200-10

QUITCLAIM DEED

This transfer is exempt from Documentary Transfer Tax pursuant to Revenue & Taxation Code Section 11922, and exempt from Recording Fees pursuant to California Government Code Section 6103.

The SUCCESSOR AGENCY TO THE TEHACHAPI REDEVELOPMENT AGENCY does hereby REMISE, RELEASE AND FOREVER QUITCLAIM to the CITY OF TEHACHAPI, a municipal corporation, all of its right, title and interest in, under and to that certain real property located in the County of Kern, State of California, more particularly described on Exhibit "A" attached hereto, and all improvements and fixtures located thereon.

IN WITNESS WHEREOF, the undersigned has executed this Quitclaim Deed as of the date set forth below.

Dated: _____, 2012

SUCCESSOR AGENCY TO THE TEHACHAPI
REDEVELOPMENT AGENCY

By: _____
Chair

ATTEST:

Secretary

State of California)
County of Kern)

On _____, before me, _____,
(insert name and title of the officer)

Notary Public, personally appeared _____,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the same
in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument
the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that
the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____

(Seal)

EXHIBIT "A"

Legal Description

THAT CERTAIN REAL PROPERTY LOCATED IN THE CITY OF TEHACHAPI, COUNTY OF KERN, STATE OF CALIFORNIA DESCRIBED AS FOLLOWS:

THE SOUTH HALF OF LOTS 29, 30, 31 AND 32 IN BLOCK 52 OF THE TOWN OF TEHACHAPI, COUNTY OF KERN, STATE OF CALIFORNIA, AS PER MAP RECORDED OCTOBER 8, 1892 IN BOOK 1 PAGE 5 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY

CERTIFICATE OF ACCEPTANCE

This is to certify that interests in real property conveyed by that certain Quitclaim Deed dated in _____, 2012, from the SUCCESSOR AGENCY TO THE TEHACHAPI REDEVELOPMENT AGENCY to the CITY OF TEHACHAPI, a municipal corporation (the "Grantee"), is hereby accepted by the undersigned officer on behalf of the City of Tehachapi pursuant to the authority conferred by the City Council of the City of Tehachapi on _____, 2012, and the Grantee consents to recordation thereof by its duly authorized officer.

Dated: _____, 2012

Mayor



DEPARTMENT OF
FINANCE

EDMUND G. BROWN JR. • GOVERNOR
915 L STREET ■ SACRAMENTO CA ■ 95814-3706 ■ WWW.DOF.CA.GOV

ROPS 3

September 21, 2012

Ms. Hannah Chung, Finance Director
City of Tehachapi
115 S. Robinson Street
Tehachapi, CA 93561

Dear Ms. Chung:

Subject: Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (m), the City of Tehachapi Successor Agency (Agency) submitted a Recognized Obligation Payment Schedule (ROPS III) to the California Department of Finance (Finance) on August 9, 2012 for the period of January through June 2013. Finance has completed its review of your ROPS III, which may have included obtaining clarification for various items.

HSC section 34171 (d) defines enforceable obligations. Based on a sample of line items reviewed and application of the law, the following do not qualify as enforceable obligation(s):

- Item No. 6 - Passthrough payments in the amount of \$23.1 million. Per HSC section 34183 (a) (1), the county auditor-controller will make the required passthrough payments starting with the July through December 2012 ROPS. Therefore, this item is not an enforceable obligation and not eligible for funding on this ROPS.
- Item No. 3 - Although enforceable, trustee fees in the amount of \$1,280 are considered a general administrative expense and have been reclassified.

Except for item(s) denied in whole or in part as enforceable obligation(s) as noted above, Finance is approving the remaining items listed in your ROPS III. If you disagree with the determination with respect to any items on your ROPS III, you may request a Meet and Confer within five business days of the date of this letter. The Meet and Confer process and guidelines are available at Finance's website below:

http://www.dof.ca.gov/redevelopment/meet_and_confer/

The Agency's maximum approved Redevelopment Property Tax Trust Fund (RPTTF) distribution for the reporting period is: \$450,594 as summarized below:

Approved RPTTF Distribution Amount	
For the period of January through June 2013	
Total RPTTF funding requested for obligations	\$ 325,594
Less: Six-month total for item(s) denied or reclassified as administrative cost	
Item No. 3 - Reclassified as administrative cost	1,280
Total approved RPTTF for enforceable obligations	\$ 324,314
Plus: Allowable RPTTF distribution for administrative cost for ROPS III	126,280
Total RPTTF approved:	\$ 450,594

Pursuant to HSC section 34186 (a), successor agencies were required to report on the ROPS III form the estimated obligations and actual payments associated with the January through June 2012 period. The amount of RPTTF approved in the above table will be adjusted by the county auditor-controller to account for differences between actual payments and past estimated obligations. Additionally, these estimates and accounts are subject to audit by the county-auditor controller and the State Controller.

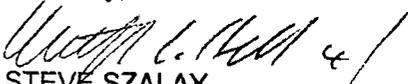
Please refer to the ROPS III schedule that was used to calculate the approved RPTTF amount: [http://www.dof.ca.gov/redevelopment/ROPS/ROPS III Forms by Successor Agency/](http://www.dof.ca.gov/redevelopment/ROPS/ROPS%20III%20Forms%20by%20Successor%20Agency/).

All items listed on a future ROPS are subject to a subsequent review. An item included on a future ROPS may be denied even if it was not questioned from the preceding ROPS.

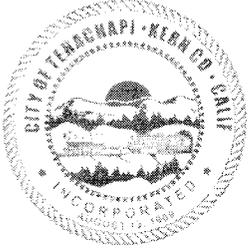
The amount available from the RPTTF is the same as the property tax increment that was available prior to enactment of ABx1 26 and AB 1484. This amount is not and never was an unlimited funding source. Therefore, as a practical matter, the ability to fund the items on the ROPS with property tax is limited to the amount of funding available to the successor agency in the RPTTF.

Please direct inquiries to Kylie Le, Supervisor or Brian Dunham, Lead Analyst at (916) 445-1546.

Sincerely,


STEVE SZALAY
Local Government Consultant

cc: Ms. Daisy Wee, Accounting Officer, City of Tehachapi
Ms. Ann K. Barnett, Kern County Auditor-Controller



BOARD REPORTS

APPROVED

DEPARTMENT HEAD: _____

CITY MANAGER: _____

MEETING DATE: NOVEMBER 13, 2012

TO: BOARD OF DIRECTORS OF THE OVERSIGHT COMMITTEE OF THE SUCCESSOR AGENCY TO THE TEHACHAPI REDEVELOPMENT AGENCY

FROM: Hannah Chung, Finance Director

DATE: November 1, 2012

SUBJECT: REVERSE RDA ASSET TRANSFERS

BACKGROUND

Pursuant to Health and Safety Code Section 34167.5, the California State Controller's Office has ordered agencies to reverse any RDA asset transfers that have occurred after January 1, 2011 between the city or county, or city and county that created a redevelopment agency or any other public agency, and the redevelopment agency. A letter that we received from the Controller's Office states that "If your city, county or agency, directly or indirectly, received any assets from a redevelopment agency after January 1, 2011, your city, county, or agency is hereby ordered to immediately reverse the transfer and return the applicable assets to the successor agency of the relevant redevelopment... this order is applied in all situations except if your city, county, or agency has, prior to June 28, 2011, contractually committed to a third party for an expenditure or encumbrance of a specific asset."

Out of five asset transfers made by the City in March, 2011, two fund transfers for capital projects have been reversed back to the Successor Agency Fund. However, three asset transfers will not be reversed. Two of those five transfers are budget items and the transfers could have been done any time after July 1, 2010. Furthermore, one real estate asset, Robinson Street and "F" Street Public Parking Lot, transfer will not be reversed as explained in the first agenda item for this meeting.

The reversed items are: fund transfers of \$685,000 to Water capital project fund and \$626,688 to Sewer capital project fund. Although it is staff's opinion that the fund transfers for water capacity-increase related projects and the new sewer plant project are legitimate transfers since both of the projects were committed to prior to June 28, 2011, the funds were returned to the Successor Agency.

RECOMMENDATION

Information Only.