

# **AGENDA**

**TEHACHAPI REDEVELOPMENT SUCCESSOR AGENCY  
OVERSIGHT COMMITTEE SPECIAL MEETING  
TEHACHAPI CITY HALL  
115 SOUTH ROBINSON STREET  
Thursday, February 14, 2013 - 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**

## **ROLL CALL**

## **PLEDGE TO FLAG**

## **BUSINESS**

1. Minutes for the Tehachapi Redevelopment Successor Agency Oversight Committee regular meeting on February 6, 2013 - **APPROVE AND FILE**
2. Approval of transmittal of the DDR – other funds and adopt a resolution - **ADOPT THE RESOLUTION, (I) APPROVING THE DUE DILIGENCE REVIEW FOR FUND AND ACCOUNT BALANCES OF THE FORMER TEHACHAPI REDEVELOPMENT AGENCY (THE “OTHER FUNDS DDR”) PURSUANT TO HEALTH AND SAFETY CODE SECTION 34179.5, AS PRESENTED, (II) AUTHORIZING THE SUCCESSOR AGENCY TO RETAIN THE ASSETS AND FUNDS, IF ANY, IDENTIFIED IN SUBPARAGRAPHS (B) TO (E), INCLUSIVE, OF PARAGRAPH (5) OF SUBDIVISION(C) OF SECTION 34179.5, AS DOCUMENTED IN THE OTHER FUNDS DDR (THE “RESTRICTED ASSETS”), AND (III) ORDERING THE TRANSMITTAL OF THE OTHER FUNDS DDR TO THE DEPARTMENT OF FINANCE AND THE COUNTY AUDITOR-CONTROLLER.**
3. Approval of Cooperative agreement

## **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 SPECIAL MEETING

City Hall  
115 South Robinson Street  
Monday, February 6, 2013 – 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 9:00 a.m.	
<u>PLEDGE TO THE FLAG</u>	
Led by Chairman Grimes.	
<u>ROLL CALL</u>	
Present: Chairman Grimes, Vice-Chairman Nunneley, Board Members Garrett, Caudle, Vasquez and Hall	
Absent: Board Member Lebsock	
<u>BUSINESS</u>	
1. Minutes for the Tehachapi Redevelopment Successor Agency Oversight Committee regular meeting on December 10, 2012 - <b>APPROVED AND FILED</b>	Approved & Filed Nu/Ga Motion Carried Ab: Le
2. Receive and review the Due Diligence Review report for the non-housing funds and account balances of the former Tehachapi Redevelopment Agency pursuant to Health And Safety Code Section 34179.5- <b>FINANCE DIRECTOR HANNAH CHUNG GAVE REPORT; ADOPTED RESOLUTION NO. 01-13 ACKNOWLEDGING THE RECEIPT OF THE REVIEW FOR FUND AND ACCOUNT BALANCES OF THE FORMER TEHACHAPI REDEVELOPMENT AGENCY CONDUCTED PURSUANT TO HEALTH AND SAFETY CODE SECTION 34179.5</b>	Adopted Res. No. 01-13 Acknowledging The Receipt Of The Review For Fund & Account Balances Of The Former Tehachapi Redevelopment Agency Conducted Pursuant To Health & Safety Code Section 34179.5 Va/Ha Motion Carried Ab: Le
3. Staff update: Response from Department of Finance Low & Moderated Income Housing Fund Due Diligence Review - <b>FINANCE DIRECTOR HANNAH CHUNG GAVE UPDATE</b>	NAT
4. Staff update: Report on the Meet and Confer with the Department of Finance on January 24, 2013 - <b>FINANCE DIRECTOR HANNAH CHUNG GAVE UPDATE</b>	NAT

**ACTION TAKEN**

**ADJOURNMENT**

The Committee adjourned at 9:20 a.m. to a Tehachapi Redevelopment Successor Agency Oversight Committee special meeting to be held on February 14, 2013.

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

Approved this 14<sup>th</sup> day  
Of February, 2013.

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ED GRIMES  
Chairman, Tehachapi Redevelopment  
Successor Agency Oversight  
Committee



# BOARD REPORTS

APPROVED

DEPARTMENT HEAD: \_\_\_\_\_

CITY MANAGER: \_\_\_\_\_

MEETING DATE: FEBRUARY 14, 2013

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

**FROM: HANNAH CHUNG, FINANCE DIRECTOR**

**DATE: FEBRUARY 11, 2013**

**SUBJECT: DUE DILIGENCE REVIEW – OTHER FUNDS**

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## Discussion

Pursuant to Health and Safety Code Section 34179.5, each successor agency must employ a licensed accountant, approved by the county auditor-controller and with experience and expertise in local government accounting, to conduct two due diligence reviews, the Low and Moderate Income Housing Fund due diligence review (the "LMIHF DDR") and the Other funds DDR, to determine the unobligated balances available for transfer to taxing entities.

Pursuant to Section 34179.6, the Other Funds DDR must be completed and transmitted to the oversight board by December 15, 2012. However, a filing extension to February 18, 2013, was granted by the Department of Finance for this Successor Agency

The Other funds DDR is a review of the cash and cash equivalents, as of June 30, 2012, in the successor agency's funds and accounts, other than the Low and Moderate Income Housing Fund, to determine the amount available for disbursement to taxing entities. In summary, such amount is determined to be the total value of assets and cash and cash equivalents in all funds and accounts of the former redevelopment agency, excluding the Low and Moderate Income Housing Fund, minus the following Restricted Assets: (1) restricted funds, (2) assets that are not cash or cash equivalents, (3) amounts that are legally or contractually dedicated or restricted for the funding of an enforceable obligation, and (4) amounts that are needed to satisfy obligations that will be put on the Recognized Obligation Payment Schedule ("ROPS") for the current fiscal year. Also, the amount determined to be available for allocation to taxing entities includes the value of assets, cash and cash equivalents transferred after January 1, 2011 through June 30, 2012 by the former redevelopment agency or the successor agency to the city, another public agency or private person if an enforceable obligation to make that transfer did not exist. The Other Funds DDR documents the Restricted Assets and provides the respective amounts, sources and purposes for which the Restricted Assets should be retained.

Health and Safety Code Section 34179.6 requires each successor agency to submit the Other Funds DDR to the oversight board for the oversight board's review and approval.

After receipt of the Other Funds DDR, the oversight board must convene a public comment session to take place at least five business days before the oversight board holds the approval vote. The

oversight board also must consider any opinions offered by the county auditor-controller on the review results submitted by the successor agency.

The oversight board must review, approve, and transmit the Other Funds DDR to the State Department of Finance ("DOF") and the county auditor-controller. The oversight board may adjust any amount provided in the review to reflect additional information and analysis. The review and approval must occur in public sessions. The oversight board may request from the successor agency any materials it deems necessary to assist in its review and approval of the Other Funds DDR.

Section 34179.6 empowers the oversight board to authorize a successor agency to retain the Restricted Assets.

The DOF must complete its review of the Other Funds DDR no later than April 1, 2013, and must notify the oversight board and the successor agency of its decision to overturn any decision of the oversight board to authorize a successor agency to retain Restricted Assets. The DOF must provide the oversight board and the successor agency an explanation of its basis for overturning or modifying any findings, determinations, or authorizations of the oversight board. The successor agency then has the option to meet and confer with DOF to discuss any modifications.

By April 20, 2013, the county auditor-controller must provide DOF a report specifying the amount submitted by each successor agency, and specifically noting any successor agency that failed to remit the full required amount.

Upon full payment of the amounts determined pursuant to the LMIHF DDR and the Other Funds DDR, payment of the "surplus" tax revenues due on July 12, 2012, if any, and payment of any unpaid or underpaid pass through payments owed for fiscal year 2011-12, DOF will issue to the successor agency, within five business days, a finding of completion of the requirements of Section 34179.6.

Teaman, Ramirez & Smith, Inc., Certified Public Accountants and Consultants were retained by the Successor Agency to conduct the Other Funds DDR.

The Oversight Board held the required public comment session regarding the Other Funds DDR on February 6, 2013.

### **Recommendation**

That the Oversight Board adopt the attached resolution, (i) approving the due diligence review for fund and account balances of the former Tehachapi Redevelopment Agency (the "Other Funds DDR") pursuant to Health and Safety Code Section 34179.5, as presented, (ii) authorizing the Successor Agency to retain the assets and funds, if any, identified in subparagraphs (B) to (E), inclusive, of paragraph (5) of subdivision(c) of Section 34179.5, as documented in the Other Funds DDR (the "Restricted Assets"), and (iii) ordering the transmittal of the Other Funds DDR to the Department of Finance and the county auditor-controller.

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

**A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE TEHACHAPI REDEVELOPMENT AGENCY APPROVING THE DUE DILIGENCE REVIEW FOR FUND AND ACCOUNT BALANCES OF THE FORMER TEHACHAPI REDEVELOPMENT AGENCY CONDUCTED PURSUANT TO HEALTH AND SAFETY CODE SECTION 34179.5 AND TAKING CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH**

**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 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 34179.5 requires the Successor Agency to employ a licensed accountant, approved by the county auditor-controller, to conduct a due diligence review to determine the unobligated balances available for transfer to taxing entities.

C. Pursuant to Health and Safety Code Section 34179.6, on December 10, 2012, the Oversight Board of the Successor Agency (the "Oversight Board") approved the results of the due diligence review conducted pursuant to Section 34179.5 for the Low and Moderate Income Housing Fund (the "LMIHF") and specifically the amount of cash and cash equivalents determined to be available for allocation to taxing entities.

D. Health and Safety Code Section 34179.6 also requires the Successor Agency to submit to the Oversight Board for the Oversight Board's review and approval the results of the due diligence review conducted pursuant to Section 34179.5 for all other fund and account balances of the former Tehachapi Redevelopment Agency, excluding the LMIHF, and specifically the amount of cash and cash equivalents determined to be available for allocation to taxing entities (the "Other Funds DDR").

E. Pursuant to Health and Safety Code Sections 34179.6 and 34180(j), the Successor Agency submitted to the Oversight Board, the county administrative officer, the county auditor-controller, the State Controller and the Department of Finance ("DOF") the Other Funds DDR and a copy of the Recognized Obligation Payment Schedule ("ROPS").

F. Pursuant to Health and Safety Code Section 34179.6(b), upon receipt of the Other Funds DDR, and at least five business days before the Oversight Board considers the approval of the Other Funds DDR, the Oversight Board must hold a public comment session (the "Public Comment Session") at which time the public has an opportunity to hear and be heard on the

results of the Other Funds DDR and at which time the Oversight Board shall consider the opinions, if any, offered by the county auditor-controller on the results of the Other Funds DDR.

G. On February 6, 2013, the Oversight Board held the Public Comment Session pursuant to Health and Safety Code Section 34179.6 (b).

H. Pursuant to Health and Safety Code Section 34179.6(c), the Oversight Board must review, approve and transmit to DOF and the county auditor-controller, the determination of the amount of cash and cash equivalents available for disbursement to taxing entities as determined according to the method provided in Section 34179.5. Section 34179.6 (c) provides that the Oversight Board may adjust any amount provided in the Other Funds DDR to reflect additional information and analysis.

I. Section 34179.6(c) empowers the Oversight Board to authorize the Successor Agency to retain assets or funds identified in subparagraphs (B) to (E), inclusive, of paragraph (5) of subdivision(c) of Section 34179.5. If the Oversight Board makes this authorization, the Oversight Board must identify to DOF the amount of funds authorized for retention, the source of those funds, and the purposes for which those funds are being retained. The determination and authorization to retain funds and assets shall be subject to the review and approval of DOF pursuant to Health and Safety Code Section 34179.6(d).

J. Pursuant to Health and Safety Code Section 34179.6(c), the Oversight Board desires to approve the Other Funds DDR and to authorize the Successor Agency to retain the assets and funds, if any, identified pursuant to subparagraphs (B) to (E), inclusive, of paragraph (5) of subdivision(c) of Section 34179.5, as documented in the Other Funds DDR.

**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 Section 34179.6(c).

Section 3. The Oversight Board hereby approves the Other Funds DDR as presented and on file with the Secretary.

Section 4. The staff of the Successor Agency is hereby directed to transmit to DOF and the county auditor-controller written notice and information regarding the actions taken by this Resolution and specifically the determination of the amount of cash and cash equivalents that are available for disbursement to taxing entities as determined according to the method provided in Health and Safety Code Section 34179.5. Such notice to DOF 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 such documents and instruments and to do any and all other things which they may deem necessary or advisable to effectuate this Resolution and any such actions previously taken are hereby ratified.

**PASSED AND ADOPTED** this 14th day of February, 2013

AYES: \_\_\_\_\_

NOES: \_\_\_\_\_

ABSENT: \_\_\_\_\_

ABSTAIN: \_\_\_\_\_

\_\_\_\_\_  
ED GRIMES, Chairman

ATTEST:

\_\_\_\_\_  
DENISE JONES, CMC  
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 February 14, 2013.

\_\_\_\_\_  
DENISE JONES, CMC  
Secretary

**RESOLUTION NO. OB 01-13**

**A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE TEHACHAPI REDEVELOPMENT AGENCY ACKNOWLEDGING THE RECEIPT OF THE REVIEW FOR FUND AND ACCOUNT BALANCES OF THE FORMER TEHACHAPI REDEVELOPMENT AGENCY CONDUCTED PURSUANT TO HEALTH AND SAFETY CODE SECTION 34179.5**

**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 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 34179.5 requires the Successor Agency to employ a licensed accountant, approved by the county auditor-controller, to conduct a due diligence review to determine the unobligated balances available for transfer to taxing entities.

C. Pursuant to Health and Safety Code Section 34179.6, on December 10, 2012, the Oversight Board of the Successor Agency (the "Oversight Board") approved the results of the due diligence review conducted pursuant to Section 34179.5 for the Low and Moderate Income Housing Fund (the "LMIHF") and specifically the amount of cash and cash equivalents determined to be available for allocation to taxing entities.

D. Health and Safety Code Section 34179.6 also requires the Successor Agency to submit to the Oversight Board for the Oversight Board's review and approval the results of the due diligence review conducted pursuant to Section 34179.5 for all of the other fund and account balances of the former Tehachapi Redevelopment Agency, excluding the LMIHF, and specifically the amount of cash and cash equivalents determined to be available for allocation to taxing entities (the "Other Funds DDR").

E. Pursuant to Health and Safety Code Sections 34179.6 and 34180(j), the Successor Agency submitted to the Oversight Board, the county administrative officer, the county auditor-controller, the State Controller and the Department of Finance ("DOF") the Other Funds DDR and a copy of the Recognized Obligation Payment Schedule ("ROPS").

F. Pursuant to Health and Safety Code Section 34179.6(b), upon receipt of the Other Funds DDR, and at least five business days before the Oversight Board considers the approval of the Other Funds DDR, the Oversight Board must hold a public comment session (the "Public Comment Session") at which time the public has an opportunity to hear and be heard on the results of the Other Funds DDR and at which time the Oversight Board shall consider the opinions, if any, offered by the county auditor-controller on the results of the Other Funds DDR.

G. On the date of this Resolution, the Oversight Board has held the Public Comment Session pursuant to Health and Safety Code Section 34179.6(b).

**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. The Oversight Board hereby acknowledges receipt of the Other Funds DDR.

Section 3. The staff and the Board of the Successor Agency are hereby authorized and directed, jointly and severally, to do any and all things which they may deem necessary or advisable to effectuate this Resolution.

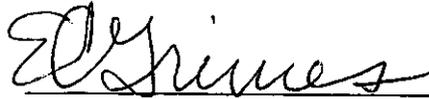
**PASSED AND ADOPTED** this 6<sup>th</sup> day of February, 2013.

AYES: Grimes, Garrett, Vasquez, Nunneley, Caudle & Hall

NOES: \_\_\_\_\_

ABSENT: Lebsock

ABSTAIN: \_\_\_\_\_

  
ED GRIMES, Chairman

ATTEST:

  
DENISE JONES, CMC  
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 February 6, 2013.

  
DENISE JONES, CMC  
Secretary



# BOARD REPORTS

APPROVED

DEPARTMENT HEAD: \_\_\_\_\_

CITY MANAGER: \_\_\_\_\_

MEETING DATE: FEBRUARY 14, 2013

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

**FROM: HANNAH CHUNG, FINANCE DIRECTOR**

**DATE: FEBRUARY 11, 2013**

**SUBJECT: COOPERATIVE AGREEMENT**

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**BACKGROUND:** Upon dissolution of the Tehachapi Redevelopment Agency on February 1, 2012 pursuant to Part 1.85 of the Community Redevelopment Law (“Part 1.85”), the Successor Agency to the Tehachapi Redevelopment Agency was constituted and is governed by a board of directors consisting of the members of the City Council. The Successor Agency is required to undertake a number of actions pursuant to Part 1.85, including winding down the affairs of the former Tehachapi Redevelopment Agency (“Agency”) pursuant to Health and Safety Code Section 34177(h).

The Legislature adopted AB 1484 on June 27, 2012, significantly amending Part 1.85, including Health and Safety Code Section 34173(h) to authorize the City to loan or grant funds to the Successor Agency for administrative costs, enforceable obligations, or project-related expenses at the City’s discretion and to specify that an enforceable obligation shall be deemed to be created for repayment of such loans. Pursuant to Health and Safety Code Sections 34178(a) and 34180(h), with the approval of the oversight board, the Successor Agency may enter into agreements with the City.

As was typical in past years, the Agency had negative cash balance after making its bond debt service payments on November 30, 2011. Prior to the adoption of Part 1.85, this negative cash balance would have been temporary, existing only until the next receipt of tax increment. Part 1.85 significantly changed the distribution of tax revenues. The Agency did not receive funds sufficient to either remedy the negative cash balance or pay for obligations outlined in Recognized Obligation Payment Schedule (ROPS) I and ROPS II by the California State Department of Finance. As a result, the City advanced to the Agency funds in the amount of \$770,524.91 to eliminate the negative cash balance.

The attached Resolution approves a Cooperative Agreement for Advance and Reimbursement of Administrative, Overhead and Other Expenses between the City and the Successor Agency attached as Exhibit A to the attached Resolution. The Cooperative Agreement provides for the Successor Agency to use the City’s staff, facilities, and other resources for the administration and operations of the Successor Agency, for the City to make loans pursuant to Health and Safety Code Section 34173(h), and for the Successor Agency to reimburse the City for such loans and advances, including the advance for \$770,524.91. The Agreement must be approved by the Oversight Board.

**RECOMMENDATION:** Staff recommends that the Oversight Board for the Successor Agency to the Tehachapi Redevelopment Agency adopt a resolution, approving the Cooperative Agreement for Advance and Reimbursement of Administrative, Overhead, and Other Expenses between the City and the Successor Agency, and taking certain other actions.

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

**A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE TEHACHAPI REDEVELOPMENT AGENCY APPROVING THE EXECUTION OF A COOPERATIVE AGREEMENT FOR ADVANCE AND REIMBURSEMENT OF ADMINISTRATIVE, OVERHEAD AND OTHER EXPENSES BY AND BETWEEN THE SUCCESSOR AGENCY TO THE TEHACHAPI REDEVELOPMENT AGENCY AND THE CITY OF TEHACHAPI; AND TAKING CERTAIN ACTIONS IN CONNECTION THEREWITH**

**RECITALS:**

A. Pursuant to Part 1.85 of the Community Redevelopment Law (commencing with Health and Safety Code Section 34170) (“Part 1.85”), the Successor Agency to the Tehachapi Redevelopment Agency (“Successor Agency”) is required to undertake a number of actions related to winding down the affairs of the former Redevelopment Agency pursuant to Health and Safety Code Section 34177(h).

B. In connection with the administration and operations of the Successor Agency, the Successor Agency is and will be utilizing the staff, facilities, and other resources of the City. The City Manager of the City serves as Executive Director of the Successor Agency, the Finance Director of the City serves as Finance Officer of the Successor Agency, and City staff serves as Secretary to the Successor Agency. Planning, finance, engineering, public works, and other City departments devote and are expected to devote substantial time with respect to the administration and operations of the Successor Agency, including gathering information relating to the Redevelopment Agency’s enforceable obligations, conferring with public officials representing governmental agencies, and undertaking other activities in connection with administration and operations of the Successor Agency.

C. By providing and making available to the Successor Agency the staff, facilities, services, and other resources of the City, including, without limitation, consultants, legal counsel, office space, equipment, supplies, and insurance, necessary to the administration and operations of the Successor Agency, the City has advanced and will continue to advance the cost of the foregoing to the Successor Agency. The City and the Successor Agency desire to enter into an agreement to provide for an appropriate method of reimbursement of such advances by the Successor Agency to the City.

D. Pursuant to Health and Safety Code Section 34171(d)(1)(F), contracts or agreements necessary for the administration or operation of the Successor Agency are enforceable obligations.

E. Pursuant to Health and Safety Code Section 34173(h), the City may loan or grant funds to the Successor Agency for administrative costs, enforceable obligations, or project-

related expenses at the City’s discretion and to specify that an enforceable obligation shall be deemed to be created for repayment of such loans.

F. Pursuant to Health and Safety Code Sections 34178(a) and 34180(h), the Successor Agency may enter into agreements with the City with the approval of the Oversight Board of the Successor Agency (the “Oversight Board”).

**NOW, THEREFORE, THE OVERSIGHT BOARD FOR 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. The Oversight Board hereby approves the Cooperative Agreement for Advance and Reimbursement of Administrative, Overhead and other Expenses by and between the Successor Agency and the City attached hereto as Exhibit A and incorporated herein by reference (the “Agreement”).

Section 3. The staff and the Board of the Successor Agency are hereby authorized and directed, jointly and severally, to do any and all things which they may deem necessary or advisable to effectuate this Resolution, and any such actions previously taken by such officers and staff are hereby ratified and confirmed.

**PASSED AND ADOPTED** this 14<sup>th</sup> day of February, 2013.

AYES: \_\_\_\_\_

NOES: \_\_\_\_\_

ABSENT: \_\_\_\_\_

ABSTAIN: \_\_\_\_\_

\_\_\_\_\_  
ED GRIMES, Chairman

ATTEST:

\_\_\_\_\_  
DENISE JONES, CMC  
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 February 14, 2013.

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DENISE JONES, CMC  
Secretary

**COOPERATIVE AGREEMENT FOR ADVANCE AND REIMBURSEMENT OF  
ADMINISTRATIVE, OVERHEAD AND OTHER EXPENSES**

This COOPERATIVE AGREEMENT FOR ADVANCE AND REIMBURSEMENT OF ADMINISTRATIVE, OVERHEAD AND OTHER EXPENSES (this “Agreement”) is entered into as of February 1, 2013, by and between the City of Tehachapi (the “City”) and the Successor Agency to the Tehachapi Redevelopment Agency (the “Successor Agency”).

RECITALS:

- A. The Successor Agency is required to undertake a number of actions pursuant to Part 1.85 of the Community Redevelopment Law (commencing with Health and Safety Code Section 34170) (“Part 1.85”), including winding down the affairs of the former Tehachapi Redevelopment Agency (“Agency”) pursuant to Health and Safety Code Section 34177(h).
- B. The Legislature adopted AB 1484 on June 27, 2012, significantly amending Part 1.85, including Health and Safety Code Section 34173(h) to authorize the City to loan or grant funds to the Successor Agency for administrative costs, enforceable obligations, or project-related expenses at the City’s discretion and to specify that an enforceable obligation shall be deemed to be created for repayment of such loans.
- C. Pursuant to Health and Safety Code Sections 34178(a) and 34180(h), with the approval of the oversight board, the Successor Agency may enter into agreements with the City.
- D. In connection with the administration and operations of the Successor Agency, the Successor Agency is and will be utilizing the staff, facilities, and other resources of the City.
- E. The City Manager of the City serves as Executive Director of the Successor Agency, the Finance Director of the City serves as Finance Officer of the Successor Agency, and City staff serves as Secretary to the Successor Agency. Planning, finance, engineering, public works, and other City departments devote and are expected to devote substantial time with respect to the administration and operations of the Successor Agency, including gathering information relating to the Agency’s enforceable obligations, conferring with public officials representing governmental agencies, and undertaking other activities in connection with winding down the affairs of the Agency.

- F. By providing and making available to the Successor Agency the staff, facilities, services, and other resources of the City, including, without limitation, consultants, legal counsel, office space, equipment, supplies, and insurance, necessary to the administration and operations of the Successor Agency, the City has advanced and will continue to advance the cost of the foregoing to the Successor Agency.
- G. As was typical in past years, the Agency had a negative cash balance on account of making its bond debt service payments on November 30, 2011. Prior to the adoption of Part 1.85, this negative cash balance would have been temporary, existing only until the next receipt of tax increment. Part 1.85 significantly changed the distribution of tax revenues. The Agency did not receive funds sufficient to either remedy the negative cash balance or pay for obligations outlined in Recognized Obligation Payment Schedule (ROPS) I and ROPS II as approved by the California State Department of Finance. As a result, the City loaned to the Successor Agency funds in the amount of \$770,524.91 (the "City Loan") to pay for enforceable obligations of the Successor Agency.
- H. The City and the Successor Agency desire to enter into this Agreement to acknowledge the foregoing recitals and to provide for an appropriate method of reimbursement of such advances by the Successor Agency to the City.

NOW, THEREFORE, THE PARTIES DO HEREBY AGREE AS FOLLOWS:

Section 1. The City shall make available to the Successor Agency: (a) its staff, facilities, services, and other resources, including, without limitation, consultants, legal counsel, office space, equipment, supplies, and insurance, necessary to the administration and operations of the Successor Agency and the Successor Agency shall have access to the foregoing staff, facilities, services, and other resources of the City, and (b) funds for administrative costs, enforceable obligations, or project-related expenses.

Section 2. The value of the City staff, including all employee retirement and other benefits, facilities, services, and other resources of the City, including, without limitation, office space, equipment, supplies, and insurance, necessary to the administration and operations of the Successor Agency made, and to be made, available to the Successor Agency for each six-month fiscal period beginning with the fiscal period commencing on January 1, 2013 and ending on June 30, 2013, determined in accordance with Section 3 hereof, shall constitute an advance to

the Successor Agency by the City for each six-month fiscal period, to be repaid in accordance with Section 4 of this Agreement.

Section 3. Following the end of each six-month fiscal period, beginning with the fiscal period commencing on January 1, 2013 and ending on June 30, 2013, the Finance Director shall prepare and present to the Successor Agency: (i) an invoice for immediately preceding six-month fiscal period for (A) the value of City staff, including all employee retirement and other benefits, based on time records prepared by City staff, which shall describe the time devoted exclusively to matters directly related to the administration and operations of the Successor Agency, (B) the value of consultants and legal counsel based on invoices for services devoted exclusively to matters directly related to the administration and operations of the Successor Agency, (C) the fair rental value of office space and equipment made available to the Successor Agency, and (D) the value of supplies, insurance and other services and facilities provided by the City to the Successor Agency; and (ii) an invoice for any outstanding loans or advances, including any loan to the Successor Agency for administrative costs, enforceable obligations, or project-related expenses, and the City Loan, pursuant to Health and Safety Code Section 34173(h), or any outstanding advances described in clause (i) above.

Section 4. Within a reasonable time after the City submits an invoice to the Successor Agency pursuant to Section 3, the Successor Agency shall pay to the City the amount of the invoice from available funds of the Successor Agency. In the event that insufficient funds are available to the Successor Agency, any unpaid amounts shall be carried over to the next six-month fiscal period and shall be included on the invoice presented to the Successor Agency pursuant to clause (ii) of Section 3 of this Agreement.

Section 5. The parties hereto agree to take all appropriate steps and execute any documents which may reasonably be necessary or convenient to implement the intent of this Agreement.

Section 6. Each party shall maintain books and records regarding its duties pursuant to this Agreement. Such books and records shall be available for inspection by the officers and agents of the other party at all reasonable times.

Section 7. This Agreement is made in the State of California under the Constitution and laws of the State of California, and is to be so construed.

Section 8. This Agreement will become effective upon approval of the Oversight Board to the Successor Agency.

Section 9. This Agreement may be amended at any time, and from time to time, by an agreement executed by both parties to this Agreement and approved by the Oversight Board to the Successor Agency.

SUCCESSOR AGENCY TO THE TEHACHAPI  
REDEVELOPMENT

By \_\_\_\_\_  
Philip Smith  
Chair

ATTEST:

\_\_\_\_\_  
Julie Drimakis, CMC  
Secretary

CITY OF TEHACHAPI

By \_\_\_\_\_  
Philip Smith  
Mayor

ATTEST:

\_\_\_\_\_  
Julie Drimakis, CMC  
City Clerk

APPROVED:

\_\_\_\_\_  
Ed Grimes, Chairman  
Oversight Board to the Successor  
Agency to the Tehachapi  
Redevelopment Agency

\_\_\_\_\_  
Date