

AGENDA

**TEHACHAPI REDEVELOPMENT SUCCESSOR AGENCY
OVERSIGHT COMMITTEE SPECIAL MEETING
TEHACHAPI CITY HALL
115 SOUTH ROBINSON STREET
Wednesday, July 30, 2014 - 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 Special meeting on May 27, 2014 - **APPROVE AND FILE**
2. Approval of revised long-range property management plan - **ADOPT A RESOLUTION APPROVING THE REVISED LONG-RANGE PROPERTY MANAGEMENT PLAN (THE "LRPMP"), FINDING THAT APPROVAL OF THE LRPMP IS NOT A PROJECT PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT, AND DIRECTING THE TRANSMITTAL OF THE RESOLUTION TO THE DEPARTMENT OF FINANCE**
3. Letter from the Department of Finance (DOF) regarding the Recognized Obligation Payment Schedule 14-15A – **ATTACHMENT**

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
Tuesday, May 27, 2014 – 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

CALL TO ORDER

Meeting called to order by Chairman Grimes at 9:05 a.m.

PLEDGE TO THE FLAG

Led by Chairman Grimes

ROLL CALL

Present: Chairman Grimes, Board Members Caudle, Vasquez and Garrett

Absent: Vice-Chairman Nunneley, Board Members Hall and Lebsock

BUSINESS

1. Minutes for the Tehachapi Redevelopment Successor Agency Oversight Committee Special meeting on February 24, 2014 - **APPROVED AND FILED**
2. Approval of long-range property management plan - **ADOPTED RESOLUTION NO. APPROVING THE LONG-RANGE MANAGEMENT PLAN (THE "LRPMP"), FINDING THAT APPROVAL OF THE LRPMP IS NOT A PROJECT PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT, AND DIRECTING THE TRANSMITTAL OF THE RESOLUTION TO THE DEPARTMENT OF FINANCE**

Approved & Filed
Ga/Va Motion Carried
Ab: Nu, Ha & Le

Adopted Resolution No.
Approving The Long-Range
Management Plan (The
"LRPMP"), Finding That
Approval Of The Lrpmp Is
Not A Project Pursuant To
The California
Environmental Quality Act,
And Directing The
Transmittal Of The
Resolution To The
Department Of Finance
Ca/Va Motion Carried
Ab: Nu, Ha & Le

ADJOURNMENT

The Committee adjourned at 9:28 a.m. to a Tehachapi Redevelopment Successor Agency Oversight Committee special meeting to be determined at a later date.

ACTION TAKEN

<p style="text-align: center;">_____ ASHLEY WHITMORE Secretary, Tehachapi Redevelopment Successor Agency Oversight Committee</p> <p>Approved this 30th day Of July, 2014.</p> <p>_____ Ed Grimes Chairman, Tehachapi Redevelopment Successor Agency Oversight Committee</p>	
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BOARD REPORTS

APPROVED

DEPARTMENT HEAD: _____

CITY MANAGER: _____

MEETING DATE: JULY 30, 2014

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

FROM: HANNAH CHUNG, FINANCE DIRECTOR

DATE: JULY 28, 2014

SUBJECT: REVISED LONG-RANGE PROPERTY MANAGEMENT PLAN

BACKGROUND:

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 real properties of the former Tehachapi Redevelopment Agency (the "Agency") transferred to the control of the Successor Agency to the Agency by operation of law.

Pursuant to Health and Safety Code Section 34191.5(b), the Successor Agency must prepare a long-range property management plan (the "LRPMP") that addresses the disposition and use of the real properties of the former Agency. The LRPMP must be submitted to the Oversight Board and the Department of Finance (the "DOF") for approval following the issuance by DOF to the Successor Agency of a finding of completion pursuant to Health and Safety Code Section 34179.7. The DOF issued a finding of completion to the Successor Agency on October 16, 2013.

The Successor Agency prepared and submitted to the Oversight Board a LRPMP dated May 27, 2014 (the "Original LRPMP"). On May 27, 2014, the Oversight Board adopted Resolution No. OB 03-14 approving the Original LRPMP.

The Original LRPMP addressed the disposition and use of the real properties of the former Agency and included the information required pursuant to Health and Safety Code Section 34191.5(c). Pursuant to Section 34191.5(c), the Original LRPMP included an inventory providing specified information, if applicable, about each of the real properties, including, among other things, the date of acquisition, the value on the date of acquisition, the estimated current value, and a history of previous development proposals.

Permissible uses of the properties include the retention of the property for governmental use pursuant to Health and Safety Code Section 34181(a), the retention of the property for future development, the sale of the property, or the use of the property to fulfill an enforceable obligation.

By correspondence dated July 1, 2014, DOF indicated that DOF was denying the Original LRPMP. DOF stated that DOF would work with Successor Agency staff to prepare a revised LRPMP that DOF would approve.

Accordingly, with the assistance of DOF, the Successor Agency has prepared and submitted to the Oversight Board the revised long-range property management plan dated July 14, 2014 and attached hereto as Exhibit A (the "Revised LRPMP"). By correspondence dated July 15, 2014, DOF stated that the Revised LRPMP should be submitted to DOF for its review and approval.

The attached resolution approves the Revised LRPMP as presented by the Successor Agency and directs the staff of the Successor Agency to transmit the resolution to DOF together with written notice and information regarding the action taken by the resolution.

Approval of the LRPMP is not a project for purposes of the California Environmental Quality Act (Pub. Res. Code Section 21000 *et seq.*) and the CEQA Guidelines (14 Cal Code Regs 15000 *et seq.*) because it is an organizational or administrative activity of government that will not result in direct or indirect physical changes in the environment (CEQA Guidelines Section 15378(b)(5)). Further, it can be seen with certainty that there is no possibility that approval of the LRPMP may have a significant effect on the environment, and thus the action is exempt from CEQA (CEQA Guidelines Section 15061(b)(3)).

RECOMMENDATION:

That the Oversight Board adopt the attached resolution pursuant to Health and Safety Code Section 34191.5, (i) approving the Revised Long-Range Property Management Plan (the “Revised LRPMP”) attached as Exhibit A to the resolution, (ii) finding that approval of the Revised LRPMP is not a project pursuant to the California Environmental Quality Act, and (iii) directing the transmittal of the resolution to the Department of Finance.

RESOLUTION NO. OB 04-14

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE TEHACHAPI REDEVELOPMENT AGENCY APPROVING THE REVISED LONG-RANGE PROPERTY MANAGEMENT PLAN PREPARED BY THE SUCCESSOR AGENCY PURSUANT TO HEALTH AND SAFETY CODE SECTION 34191.5, DETERMINING THAT APPROVAL OF THE LONG-RANGE PROPERTY MANAGEMENT PLAN IS EXEMPT FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT, AND TAKING CERTAIN 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 (the "Agency") transferred to the control of the Successor Agency to the Agency (the "Successor Agency") by operation of law.

B. Pursuant to Health and Safety Code Section 34191.5(b), the Successor Agency must prepare a long-range property management plan which addresses the disposition and use of the real properties of the former Agency, and which must be submitted to the Oversight Board of the Successor Agency (the "Oversight Board") and the Department of Finance (the "DOF") for approval following the issuance by DOF to the Successor Agency of a finding of completion pursuant to Health and Safety Code Section 34179.7.

C. Pursuant to Health and Safety Code Section 34179.7, DOF issued a finding of completion to the Successor Agency on October 16, 2013.

D. On May 27, 2014, the Oversight Board adopted Resolution No. OB 03-14 approving the long-range property management plan prepared by the Successor Agency and dated May 27, 2014 (the "LRPMP"), which LRPMP addressed the disposition and use of the real properties of the former Agency and includes the information required pursuant to Health and Safety Code Section 34191.5(c)

E. By correspondence dated July 1, 2014, DOF indicated that DOF was denying the LRPMP. Because time is of the essence, instead of sending a denial letter, DOF stated that DOF would work with Successor Agency staff to prepare a revised LRPMP that DOF would approve.

F. Accordingly, with the assistance of DOF, the Successor Agency has prepared and submitted to the Oversight Board the revised long-range property management plan dated July 14, 2014, and attached hereto as Exhibit A (the "Revised LRPMP").

G. By correspondence dated July 15, 2014, DOF stated that the Revised LRPMP should be submitted to DOF for its review and approval.

H. Pursuant to Health and Safety Code Section 34180(j), the Successor Agency should submit the Revised LRPMP to the Oversight Board for approval and at the same time, the Successor Agency should submit the Revised LRPMP to the County Administrative Officer, the County Auditor-Controller, and DOF.

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 34191.5.

Section 3. The Oversight Board hereby approves the Revised LRPMP as presented by the Successor Agency and attached hereto as Exhibit A.

Section 4. The staff of the Successor Agency is hereby directed to transmit to DOF this Resolution together with written notice and information regarding the action taken by this Resolution. 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 do any and all things which they may deem necessary or advisable to effectuate this Resolution and any such actions previously taken are hereby ratified.

Section 6. This Resolution has been reviewed with respect to the applicability of the California Environmental Quality Act (Public Resources Code Section 21000 *et seq.*) ("CEQA"). Pursuant to the State CEQA Guidelines (14 Cal Code Regs 15000 *et seq.*)(the "Guidelines"), the Oversight Board has determined that the approval of the Revised LRPMP is not a project pursuant to CEQA and is exempt therefrom because it is an organizational or administrative activity of government that will not result in direct or indirect physical changes in the environment (Guidelines Section 15378(b)(5)). Further, it can be seen with certainty that there is no possibility that approval of the Revised LRPMP may have a significant effect on the environment, and thus the action is exempt from CEQA (Guidelines Section 15061(b)(3)). Staff of the Successor Agency is hereby directed to prepare and post a notice of exemption pursuant to Guidelines Section 15062.

PASSED AND ADOPTED this 30th day of July, 2014.

A.

AYES: _____

NOES: _____

ABSENT: _____

ABSTAIN: _____

Ed Grimes, Chair
Oversight Board for the Successor Agency to the
Tehachapi Redevelopment Agency

ATTEST:

Ashley Whitmore, Secretary
Oversight Board for the Successor Agency to the
Tehachapi Redevelopment Agency

EXHIBIT A
Revised Long-Range Property Management Plan

**LONG RANGE
PROPERTY MANAGEMENT PLAN
SUCCESSOR AGENCY TO THE FORMER
CITY OF TEHACHAPI REDEVELOPMENT AGENCY
AMENDED
July 14, 2014**

**115 SOUTH ROBINSON STREET
TEHACHAPI, CA 93561**

SUMMARY OF PROPERTIES OWNED BY THE SUCCESSOR AGENCY

The City of Tehachapi Redevelopment Agency purchased a parcel with three (3) dilapidated and uninhabitable residential structures which represented blight and blighting influence in the City. The property is located right across the street from the City Hall and the Police Department. The purpose of the purchase and reuse of the property was two (2) fold. First, the amelioration of blight and blighting influences and secondly to create more parking opportunities for the employees and visitors of the City Hall and Police Department. The above activity in terms of property purchase and repurposing was consistent with the Tehachapi Redevelopment Plan.

INVENTORY

Former dilapidated houses
201 East F Street
APN 040-200-10
.17 Acres
Zoning C-2

Date of Acquisition and Value

April 12, 2004 \$129,346.

Purpose Property was Acquired

As previously indicated the purchase of the property in question was to repurpose the blighted property into much needed overflow parking facility for the City. There are no fees associated with the use of this parking facility and therefore based on the above there has been no revenue accrued to the City of Tehachapi or the former Tehachapi Redevelopment Agency.

Estimate of the Current Value

\$30,057 based on Kern County Assessed Value

Estimate of Lease, Rental or Other Revenues Generated by the Property

There are no fees associated with the use of this parking facility and therefore there has not been nor will there be any revenue accrued to the Successor Agency or the former Tehachapi Redevelopment Agency.

History of Environmental Contamination or Remediation Efforts

The property in question is not considered a “Brown Field Site”. As a matter of proper due diligence prior to the purchase of the subject parcel the property was evaluated in terms of Phase I environmental review to evaluate the potential for hydrocarbons and other potential contaminations. The former residential property was cleared.

Property’s Potential for Transit-Orientated Development and the Advancement of Planning Objectives of the Successor Agency

The repurposing of the parcel in question as an overflow parking facility for the City service does not lend itself to Transit-Orientated development.

History of Previous Development Proposals and Activities

As previously indicated the parcel supported three (3) dilapidated and uninhabitable residential structures. The property in question has been repurposed for a City related overflow parking opportunity. The parking is managed by the Agency and there is a no fee public parking and as such there is no rental or lease revenue associated with the property in question.

USE OF DISPOSITION OF PROPERTIES

As indicated, the property in question has been repurposed for the use as additional off street parking facility for City governmental use and purposes to be used as originally intended.

EXHIBITS



**LONG RANGE
PROPERTY MANAGEMENT PLAN
SUCCESSOR AGENCY TO THE FORMER
CITY OF TEHACHAPI REDEVELOPMENT AGENCY
MAY 27, 2014**

**115 SOUTH ROBINSON STREET
TEHACHAPI, CA 93561**

SUMMARY OF PROPERTIES OWNED BY THE SUCCESSOR AGENCY

The City of Tehachapi Redevelopment Agency purchased a parcel within the Downtown Business District that supported three (3) dilapidated and uninhabitable residential structures. The property in its former condition prior to the Agency's purchase represented blight and blighting influence in the Downtown Business District which is located within the Tehachapi Redevelopment Project area. Therefore, the purpose of the purchase and reuse of the property was two (2) fold. First, the amelioration of blight and blighting influences and secondly to create more off street parking in the Downtown Business District in order to support the businesses located therein. The above activity in terms of property purchase and repurposing was consistent with the Tehachapi Redevelopment Plan.

INVENTORY

Former dilapidated houses
201 East F Street
APN 040-200-10
.17 Acres
Zoning C-2

Date of Acquisition and Value

April 12, 2004 \$129,346.

Purpose Property was Acquired

As previously indicated the purchase of the property in question was to repurpose the blighted property into much needed off-street Downtown parking opportunities in support of businesses located within the Downtown Business District. There are no fees associated with the use of this parking facility and therefore based on the above there has been no revenue accrued to the City of Tehachapi or the former Tehachapi Redevelopment Agency.

Estimate of the Current Value

\$30,057 based on Kern County Assessed Value

Estimate of Lease, Rental or Other Revenues Generated by the Property

There are no fees associated with the use of this parking facility and therefore there has not been nor will there be any revenue accrued to the Successor Agency or the former Tehachapi Redevelopment Agency.

History of Environmental Contamination or Remediation Efforts

As previously indicated the Agency purchased the Downtown property for the purpose of ameliorating blight and blighting influences in addition to the establishment of additional much needed Downtown Parking opportunities to enhance the long term viability of the Downtown Business District. The property in question is not considered a "Brown Field Site". As a matter of proper due diligence prior to the purchase of the subject parcel the property was evaluated in terms of Phase I environmental review to evaluate the potential for hydrocarbons and other potential contaminations. The former residential property was cleared.

Property's Potential for Transit-Orientated Development and the Advancement of Planning Objectives of the Successor Agency

The repurposing of the parcel in question as a Downtown Parking facility does not lend itself to Transit-Orientated development per-se. However, Tehachapi possesses a significant commuter employee base and in this regard the parking lot lends itself to a defacto park and ride opportunity for informal car and van pools. In terms of the advancement of Planning Objectives one of the economic development and redevelopment goals of the City is the revitalization of the Downtown Business District. The enhancement of parking opportunities in the Downtown advances these goals.

History of Previous Development Proposals and Activities

As previously indicated the parcel supported three (3) dilapidated and uninhabitable residential structure. The property in question has been repurposed for a Downtown parking opportunity. The parking is managed by the Agency and there is a no fee public parking and as such there is no rental or lease revenue associated with the property in question.

USE OF DISPOSITION OF PROPERTIES

As indicated the property in question has been repurposed for the use of a parking facility within the Downtown Business District. The Agency intends to convey this property to the City for governmental use as public parking to enhance the long term viability of the Downtown Business District.

EXHIBITS



April 3, 2014

Ms. Hannah Chung, Finance Director
City of Tehachapi
115 South 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 14-15A) to the California Department of Finance (Finance) on February 24, 2014 for the period of July through December 2014. Finance has completed its review of your ROPS 14-15A, 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 does not qualify as enforceable obligation for the reason specified:

- Item No. 7 – Cooperative Agreement between the Agency and City of Tehachapi in the amount of \$214,194 is partially denied. It is our understanding; the amount requested includes a \$320 Prior Period Adjustment. Therefore, the \$320 is not an enforceable obligation and not eligible for RPTTF funding.

The administrative costs claimed are within the fiscal year administrative cap pursuant to HSC section 34171 (d). However, Finance notes the oversight board has approved an amount that appears excessive, given the number and nature of the other obligations listed in the ROPS. HSC section 34179 (i) requires the oversight board to exercise a fiduciary duty to the taxing entities. Therefore, Finance encourages the oversight board to apply adequate oversight when evaluating the administrative resources required to successfully wind-down the Agency.

In addition, Finance noted the following:

- Item Nos. 8 and 9 – The Agency requested \$771,493 to replenish its bond reserves held with the fiscal agent. Our review indicates the Agency used its bond reserves held with the fiscal agent to make debt service payments during the ROPS 13-14A period. Our review also indicates that the Agency used its RPTTF distribution to pay administrative costs and \$344,155 to the City related to Item No. 7. As a reminder, HSC section 34183 (a) (2) explicitly requires that RPTTF be used to make debt service payments first, followed by all other obligations and that bond reserves held with the

fiscal agent can only be drawn down for debt service payments to the extent no other funding is available.

While the replenishment of reserves held with the fiscal agent is not denied for the current ROPS, the additional \$771,493 requested to be held in reserve along with the amounts required for the current ROPS period should be transferred upon receipt to the bond trustee(s). The amounts approved for debt service payments on this ROPS are restricted for that purpose and are not authorized to be used for other ROPS items. Any requests to fund these debt service items again in the ROPS 14-15B period will be denied unless insufficient RPTTF was received to satisfy the approved debt service obligations.

Pursuant to HSC section 34186 (a), successor agencies were required to report on the ROPS 14-15A form the estimated obligations and actual payments (prior period adjustments) associated with the July through December 2013 period. The amount of RPTTF approved in the table below includes the prior period adjustment self-reported by the Agency. HSC section 34186 (a) also specifies prior period adjustments self-reported by successor agencies are subject to audit by the county auditor-controller (CAC) and the State Controller. Any proposed CAC adjustments were not received in time for inclusion in this letter. Therefore, the amount of RPTTF approved in the table below only includes the prior period adjustment self-reported by the Agency.

Except for the items denied in whole or in part as enforceable obligations, Finance is not objecting to the remaining items listed on your ROPS 14-15A. If you disagree with the determination with respect to any items on your ROPS 14-15A, 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 RPTTF distribution for the reporting period is \$1,351,654 as summarized below:

Approved RPTTF Distribution	
For the period of July through December 2014	
Total RPTTF requested for non-administrative obligations	1,226,974
Total RPTTF requested for administrative obligations	125,000
Total RPTTF requested for obligations	\$ 1,351,974
Total RPTTF requested for non-administrative obligations	1,226,974
<u>Denied Items</u>	
Item No. 8	(320)
	(320)
Total RPTTF authorized for non-administrative obligations	\$ 1,226,654
Total RPTTF authorized for administrative obligations	\$ 125,000
Total RPTTF authorized for obligations	\$ 1,351,654
ROPS 13-14A prior period adjustment	0
Total RPTTF approved for distribution	\$ 1,351,654

Pursuant to HSC section 34177 (l) (1) (E), agencies are required to use all available funding sources prior to RPTTF for payment of enforceable obligations. During the ROPS 14-15A review, Finance requested financial records to support the fund balances reported by the Agency; however, Finance was unable to reconcile the financial records to the amounts reported. As a result, Finance will continue to work with the Agency after the ROPS 14-15A review period to properly identify the Agency's fund balances. If it is determined the Agency possesses fund balances that are available to pay approved obligations, the Agency should request the use of these fund balances prior to requesting RPTTF in ROPS 14-15B.

Please refer to the ROPS 14-15A schedule that was used to calculate the approved RPTTF amount:

<http://www.dof.ca.gov/redevelopment/ROPS>

Absent a Meet and Confer, this is Finance's final determination related to the enforceable obligations reported on your ROPS for July 1 through December 31, 2014. This determination only applies to items where funding was requested for the six-month period. Finance's determination is effective for this time period only and should not be conclusively relied upon for future periods. All items listed on a future ROPS are subject to a subsequent review and may be denied even if it was or was not denied on this ROPS or a preceding ROPS. The only exception is for those items that have received a Final and Conclusive determination from Finance pursuant to HSC section 34177.5 (i). Finance's review of items that have received a Final and Conclusive determination is limited to confirming the scheduled payments as required by the obligation.

The amount available from the RPTTF is the same as the amount of 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.

Ms. Hannah Chung

April 3, 2014

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To the extent proceeds from bonds issued after December 31, 2010 exist and are not encumbered by an enforceable obligation pursuant to HSC section 34171 (d), HSC section 34191.4 (c) (2) (B) requires these proceeds be used to defease the bonds or to purchase those same outstanding bonds on the open market for cancellation.

Please direct inquiries to Kylie Oltmann, Supervisor or Veronica Green, Lead Analyst at (916) 445-1546.

Sincerely,



JUSTYN HOWARD
Assistant Program Budget Manager

cc: Ms. Daisy Wee, Accounting Officer, City of Tehachapi
Ms. Mary B Bedard, Auditor-Controller, Kern County
California State Controller's Office