

AGENDA

**TEHACHAPI REDEVELOPMENT SUCCESSOR AGENCY
OVERSIGHT COMMITTEE SPECIAL MEETING
TEHACHAPI CITY HALL
115 SOUTH ROBINSON STREET
Thursday, September 24, 2015 - 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 February 12, 2015 - **APPROVE AND FILE**
2. Administrative Budget for the period from January 1, 2016 through June 30, 2016 – **ADOPT A RESOLUTION APPROVING A PROPOSED ADMINISTRATIVE BUDGET FOR THE SIX-MONTH FISCAL PERIOD FROM JANUARY 1, 2016 THROUGH JUNE 30, 2016 AND TAKING CERTAIN RELATED ACTIONS**
3. Approval of Settlement Agreement and Mutual Release between Local Educational Agencies (Kern County Superintendent of Schools and Tehachapi Unified School District) and the Tehachapi Successor Agency for underpaid pass-through payments – **APPROVE THE SETTLEMENT AGREEMENT AND MUTUAL RELEASE WITH KERN COUNTY SUPERINTENDENT OF SCHOOLS AND TEHACHAPI UNIFIED SCHOOL DISTRICT AND ALLOW THE DEMAND TO BE INCLUDED IN ROPS 15-16B**
4. Approval of ROPS 15-16B, January 1, 2016 through June 30, 2016 – **ADOPT A RESOLUTION APPROVING A RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE SIX-MONTH FISCAL PERIOD FROM JANUARY 1, 2016 THROUGH JUNE 30, 2016, AND TAKING CERTAIN RELATED ACTIONS**
5. Determination Letter from Department of Finance – **INFORMATION ONLY**
6. ROPS 14-15B Administrative Charge Invoice – **INFORMATION ONLY**

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, February 12, 2015 – 9:00 A.M.

NOTE: Nu, Gr, Va, Le, Ca, Ga & Ha are abbreviations for Board Members Grimes, Lebsock, Caudle, Garrett, Bray, Wiebe and Hall respectively. For example, Ga/Gr denotes Board Member Garrett 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 Garrett, Lebsock, Bray, Wiebe and Hall

Absent: Board Members Caudle

BUSINESS

1. Appointment of Vice-Chair – **APPOINTED LEBSOCK TO SERVE AS VICE CHAIR OF THE COMMITTEE**
2. Minutes for the Tehachapi Redevelopment Successor Agency Oversight Committee Special meeting on September 25, 2014 - **APPROVED AND FILE**
3. Approval of Loan Agreement between the City of Tehachapi and the Successor Agency to the Tehachapi RDA – **ADOPTED RESOLUTION NO. OB 01-15 APPROVING THE EXECUTION OF A LOAN AGREEMENT FOR FISCAL YEAR 2014-15 ADMINISTRATIVE COSTS BY AND BETWEEN THE CITY AND THE SUCCESSOR AGENCY TO THE TEHACHAPI REDEVELOPMENT AGENCY AND TAKING CERTAIN ACTIONS IN CONNECTION THEREWITH**

Appointed Lebsock To
Serve As Vice Chair Of The
Committee
Ga/Wi Motion Carries
Ab: Ca

Approved & Filed
Ga/Le Motion Carried
Ab: Ca

Adopted Resolution No. Ob
01-15 Approving The
Execution Of A Loan
Agreement For Fiscal Year
2014-15 Administrative
Costs By And Between The
City And The Successor
Agency To The Tehachapi
Redevelopment Agency And
Taking Certain Actions In
Connection Therewith
Le/Wi Motion Carried
Ab: Ca

ACTION TAKEN

1. Administrative Budget for the period from July 1, 2015 through December 31, 2015 – **ADOPTED RESOLUTION NO. OB 02-15 APPROVING A PROPOSED ADMINISTRATIVE BUDGET FOR THE SIX-MONTH FISCAL PERIOD FROM JULY 1, 2015 THROUGH DECEMBER 31, 2015 AND TAKING CERTAIN RELATED ACTIONS**

2. Approval of ROPS 15-16A – **ADOPTED RESOLUTION NO. OB 03-15 APPROVING A RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE SIX-MONTH FISCAL PERIOD FROM JULY 1, 2015 THROUGH DECEMBER 31, 2015, AND TAKING CERTAIN RELATED ACTIONS**

3. Determination letter from the Department of Finance on ROPS 14-15B – **INFORMATION ONLY**

Adopted Resolution No. Ob 02-15 Approving A Proposed Administrative Budget For The Six-Month Fiscal Period From July 1, 2015 Through December 31, 2015 And Taking Certain Related Actions
Ga/Le Motion Carried
Ab: Ca

Adopted Resolution No. Ob 03-15 Approving A Recognized Obligation Payment Schedule For The Six-Month Fiscal Period From July 1, 2015 Through December 31, 2015, And Taking Certain Related Actions
Le/Br Motion Carried
Ab: Ca

ADJOURNMENT

The Committee adjourned at 9:52 a.m. to a Tehachapi Redevelopment Successor Agency Oversight Committee special meeting to be determined at a later date.

ASHLEY WHITMORE
Secretary, Tehachapi Redevelopment
Successor Agency Oversight
Committee

Approved this 24th day
Of September, 2015.

Ed Grimes
Chairman, Tehachapi Redevelopment
Successor Agency Oversight
Committee

TEHACHAPI SUCCESSOR AGENCY OVERSIGHT BOARD REPORTS

MEETING DATE: SEPTEMBER 24, 2015

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

FROM: HANNAH CHUNG, FINANCE DIRECTOR

DATE: SEPTEMBER 21, 2015

SUBJECT: APPROVAL OF ADMINISTRATIVE BUDGET FOR JANUARY 1, 2016 THROUGH JUNE 30, 2016

BACKGROUND: Pursuant to Part 1.85 of Division 24 of the California Health and Safety Code (the "Redevelopment Dissolution Law"), the Successor Agency must prepare a proposed administrative budget and a Recognized Obligation Payment Schedule ("ROPS") for each six-month fiscal period, both of which must be submitted to the Oversight Board for approval. Each proposed administrative budget must include all of the following: (1) estimated amounts for Successor Agency administrative costs for the applicable six-month fiscal period; (2) proposed sources of payment for the administrative costs; and (3) proposals for arrangements for administrative and operations services provided by the City or other entity.

The Redevelopment Dissolution Law is unclear regarding the required timing for the submission of the proposed administrative budget for the period from January 1, 2016 through June 30, 2016 (*i.e.*, the second half of fiscal year 2015-16) ("Administrative Budget 15-16B") to the Oversight Board. However, because the Successor's Agency's administrative expenditures also have to be reflected on the ROPS, Administrative Budget 15-16B and the ROPS for the same period ("ROPS 15-16B") should be consistent.

The Successor Agency is required to submit ROPS 15-16B to the Oversight Board for approval and then submit the Oversight Board-approved ROPS 15-16B to the State Department of Finance, State Controller and the County Auditor-Controller no later than October 5, 2015. Staff has prepared a ROPS 15-16B for the Oversight Board's approval at this meeting as a separate agenda item. Staff recommends that the Board approve Administrative Budget 15-16B on the same date as the Board's approval of ROPS 15-16B.

The Oversight Board must take action by resolution and must provide DOF, by electronic means, written notice and information about the Oversight Board's action.

FISCAL IMPACT: Under the Redevelopment Dissolution Law, an "Administrative Cost Allowance" is paid to the Successor Agency from property tax revenues allocated by the County Auditor-Controller. The Administrative Cost Allowance is defined as an amount, subject to the approval of the Oversight Board, which is up to 3% of the property tax allocated for enforceable obligations from the Redevelopment Property Tax Trust Fund by the County Auditor-Controller. The amount shall not be less than \$250,000 for any fiscal year unless the Oversight Board reduces this amount. The Administrative Cost Allowance is subject to reduction if there are insufficient funds to pay the enforceable obligations as listed on the ROPS.

ENVIRONMENTAL IMPACT: There will be no new environmental impact associated with adoption of the attached Resolution.

RECOMMENDATION: Staff recommends that the Oversight Board for the Successor Agency to the Tehachapi Redevelopment Agency adopt a resolution approving a proposed administrative budget for the six-month fiscal period from January 1, 2016 through June 30, 2016, and taking certain other related actions.

RESOLUTION NO. OB

A RESOLUTION OF THE OVERSIGHT BOARD OF DIRECTORS FOR THE SUCCESSOR AGENCY TO THE TEHACHAPI REDEVELOPMENT AGENCY APPROVING A PROPOSED ADMINISTRATIVE BUDGET FOR THE SIX-MONTH FISCAL PERIOD FROM JANUARY 1, 2016 THROUGH JUNE 30, 2016 AND TAKING CERTAIN RELATED ACTIONS

RECITALS:

A. Pursuant to Health and Safety Code Section 34177(j), the Successor Agency to the Tehachapi Redevelopment Agency (the "Successor Agency") must prepare a proposed administrative budget for each six-month fiscal period (commencing each January 1 and July 1) and submit each proposed administrative budget to the Oversight Board for the Successor Agency (the "Oversight Board") for approval.

B. There has been presented to this Board for approval a proposed administrative budget for the Successor Agency for the six-month fiscal period from January 1, 2016 through June 30, 2016 ("Administrative Budget 15-16B").

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 proposed Administrative Budget 15-16B substantially in the form attached hereto as Exhibit A.

Section 3. The staff of the Successor Agency is hereby directed to provide the State Department of Finance ("DOF") written notice and information regarding the action taken by the Oversight Board in Section 2 of this Resolution. Such notice and information shall be provided by electronic means and in a manner of DOF's choosing.

Section 4. The officers of the Oversight Board and staff 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, APPROVED AND ADOPTED this 24th day of September, 2015.

AYES: _____

NOES: _____

ABSENT: _____

ABSTAIN: _____

Ed Grimes, Chairman
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

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
September 24, 2015.

ASHLEY WHITMORE
Secretary
Oversight Board for the Successor Agency to the
Tehachapi Redevelopment Agency

EXHIBIT A

SUCCESSOR AGENCY TO THE TEHACHAPI REDEVELOPMENT AGENCY

ADMINISTRATIVE BUDGET

for Fiscal Period from January 1, 2016 through June 30, 2016
Presented to Successor Agency Oversight Board on September 24, 2015

Administrative Budget for Six Months:

\$ 30,000

(Not to Exceed \$125,000)

Administrative Budget Expenditures:

Employees' wages and benefits	12,158
Education / Training	490
Legal / Consultant fees	10,000
Audit fees	1,290
Office Use Fee including utilities, equipments, computers, phones, office rent, repair and maintenance etc.	5,000
Other Expenses	1,000
	<u>29,938</u>

Source of Administrative Budget: Redevelopment Property Tax Trust Fund

TEHACHAPI SUCCESSOR AGENCY OVERSIGHT BOARD REPORTS

MEETING DATE: SEPTEMBER 24, 2015

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

FROM: HANNAH CHUNG, FINANCE DIRECTOR

DATE: SEPTEMBER 21, 2015

SUBJECT: SETTLEMENT AGREEMENT WITH KERN COUNTY SUPERINTENDENT OF SCHOOLS AND TEHACHAPI UNIFIED SCHOOL DISTRICT

BACKGROUND:

Kern County Superintendent of Schools and Tehachapi Unified School District, referred to as Local Education Agencies (LEA), submitted demand letters dated June 28 and August 26, 2013 regarding underpaid Pass-Through payments to LEA by the Tehachapi Redevelopment Agency (TRDA) during the period from 2008-09 through 2010-11. Since the Pass-Through calculations for TRDA were done by the County of Kern (County), the TRDA was waiting to hear from the County to see if the calculations truly needed adjustment.

Based on the result of lawsuit against Los Angeles County filed by the Los Angeles County Unified School District, the County performed the analysis of Pass-Through payments. The analysis agreed with the demand from LEA.

The original demand amount from LEA was \$160,861 (\$148,982 for TUSD and \$11,879 for KCSOS). After several negotiations with LEA representatives, the litigation committee for the Successor Agency to the TRDA was able to reduce the demand to \$52,881 (\$48,976 for TUSD and \$3,905 for KCSOS) and finalized the Settlement Agreement and Mutual Release.

FISCAL IMPACT:

The \$52,881 from the available Redevelopment Property Tax Trust Fund will be paid after satisfying the listed items first:

1. Debt services for 2005 and 2007 bonds
2. Fees for the trustee for the bonds
3. Fees fulfilling disclosure obligations for the bonds

4. Replenishment of any debt service reserve for the bonds
5. Reserves to fund projected shortfall for debt service for the bonds for the ROPS period commencing July, 2016.

ENVIRONMENTAL IMPACT: There will be no new environmental impact associated with adoption of the attached Resolution.

RECOMMENDATION: Staff recommends that the Oversight Board for the Successor Agency to the Tehachapi Redevelopment Agency approve the "Settlement Agreement and Mutual Release" with KCSOS and TUSD and allow the demand to be included in ROPS 15-16B.

SETTLEMENT AGREEMENT AND MUTUAL RELEASE

This Settlement Agreement and Mutual Release ("Settlement Agreement") is dated as of the 31 day of August, 2015, by and between the following parties:

1. Kern County Superintendent of Schools, a California public education entity ("KCSOS"); and
2. Tehachapi Unified School District, a California public school district ("TUSD"); and
3. Tehachapi Successor Agency ("Tehachapi SA") to the former Tehachapi Redevelopment Agency ("Tehachapi RDA").

KCSOS and TUSD may be referred to herein as the local educational agencies ("LEA's"). KCSOS, TUSD and Tehachapi SA may be referred to herein individually as a "Party" or collectively as the "Parties."

RECITALS

WHEREAS, the LEA's asserted that provisions of the Health and Safety Code required the former Tehachapi RDA to make pass-through payments pursuant to AB 1290 ("Pass-through Payments") to the LEA's as local taxing entities within the former Tehachapi RDA project areas; and

WHEREAS, pursuant to ABX1 26, on February 1, 2012, the Tehachapi RDA was dissolved, and the Tehachapi SA was created by law to wind-down the operations and business of the former Tehachapi RDA; and

WHEREAS, in June, 2013, KCSOS, through its consultant Public Economics, Inc. made, on behalf of itself and TUSD, an initial request to the Tehachapi SA for unpaid Pass-through Payments for fiscal years 2008/2009 thru 2010/2011 ("Pre-Dissolution Pass-through Payments"); and

WHEREAS, KCSOS and TUSD filed in Kern County Superior Court a Verified Petition for Writ of Mandate and Complaint for Declaratory Relief and Breach of Contract against Tehachapi SA on or about June 29, 2015 (Case No. BCV 15-100357 NFT); and

WHEREAS, to avoid protracted and costly litigation, the Parties have been working cooperatively to identify and reach an amicable, full and final settlement relating to the amount of these Pre-Dissolution Pass-through Payments that have been alleged to remain due and owing to the LEA's.

WHEREAS, the Parties maintain that these Pre-Dissolution Pass-through Payments constitute enforceable obligations of the Tehachapi SA per Health and Safety Code Section 34171(d)(1)(C), since (i) they are "obligations imposed by State law" for years prior to dissolution of the Tehachapi RDA, and (ii) they are not "pass-through payments that are made by the county auditor-controller pursuant to Health and Safety Code Section 34183," which payments are exclusively for years after dissolution of the Tehachapi RDA, and per Health and Safety Code Section 34171(d)(1)(D), since they are obligations pursuant to a settlement in order to avoid a potential judgment entered by a competent court of law that may involve a larger amount of both Pre-Dissolution Pass-Through Payments and legal costs, and per Health and Safety Code Section 34171(d)(1)(F), since they represent an agreement concerning litigation expenses related to settlements.

TERMS OF SETTLEMENT

NOW, THEREFORE, in consideration of the promises and covenants contained herein, the Parties agree as follows:

1. **Contingencies:** Except as otherwise set forth herein, the parties acknowledge and agree that no term of this Settlement Agreement shall be binding on any Party to the Agreement unless and until all of the following contingencies are met: (a) each Party's governing board duly approves this Settlement Agreement, (b) the Oversight Board to the Tehachapi SA ("Tehachapi OB") duly approves this Settlement Agreement by resolution and submits such resolution to the State Department of Finance ("DOF"), and (c) DOF has not requested review or reconsideration of approval by the Tehachapi OB of the foregoing action, or if the DOF has requested review or reconsideration of approval by the Tehachapi OB of the foregoing action, such reviewed or reconsidered approval by the Tehachapi OB has been finally approved by the DOF. If DOF issues a final decision disapproving the Settlement Agreement, the Tehachapi Successor Agency shall not have any further duty with respect to this Settlement Agreement, and this Settlement Agreement shall be null and void.
2. **Settlement of Claims:** The Parties hereby agree to resolve all disputes related to the amount of Pre-Dissolution Pass-through Payments due to the LEA's in the total amount of Fifty-Two Thousand Eight Hundred Eighty-One Dollars and 00/100 Cents (\$52,881.00) as follows:
 - a) **KCSOS Obligation.** The Tehachapi SA shall pay solely from funds it receives from the Real Property Tax Trust Fund ("RPTTF") in accordance with Subsection c of this Section 2, the sum of Three Thousand Nine Hundred Five Dollars and 00/100 Cents (\$3,905.00) in full satisfaction of the Pre-Dissolution Pass-through Payment to KCSOS (the "KCSOS Obligation").

- b) TUSD Obligation. The Tehachapi SA shall pay solely from funds it receives from the RPTTF in accordance with Subsection c of this Section 2, the sum of Forty-Eight Thousand Nine Hundred Seventy-Six Dollars and 00/100 Cents (\$48,976.00) in full satisfaction of the Pre-Dissolution Pass-through Payment to TUSD (the "TUSD Obligation" and with the KCSOS Obligation, the "LEA Obligations").
- c) RPTTF. Following the Parties' approval of this Settlement Agreement, the Tehachapi SA shall submit to the Tehachapi OB and the DOF, a Recognized Obligation Payment Schedule ("ROPS 15-16B") for the ROPS period commencing January 1, 2016 (the "ROPS 15-16B Period"). ROPS 15-16B shall include the LEA Obligations. The Parties acknowledge and agree that payments for the LEA Obligations: (a) shall be limited to RPTTF monies received via ROPS 15-16B, as approved by DOF, (or if RPTTF monies received via ROPS 15-16B are insufficient, limited to RPTTF monies received via subsequent ROPS, until the LEA Obligations are paid in full), and (b) shall, without the necessity of further action by the Tehachapi SA, be junior and subordinate to the following items on ROPS 15-16B: (i) debt service for bonds ("Bonds") secured by a pledge of tax increment revenues derived from the project area of the Tehachapi RDA, (ii) fees for the trustee for the Bonds, (iii) fees for fulfilling disclosure obligations for the Bonds, (iv) replenishment of any debt service reserve for the Bonds, and (v) reserves to fund projected shortfall for debt service for the Bonds for the ROPS period commencing July 1, 2016.
- d) Dismissal of Action. No later than five calendar days after the Tehachapi SA has submitted documentation to KCSOS and TUSD that ROPS 15-16B, which includes the LEA Obligations, has become valid pursuant to Health and Safety Code section 34177(l)(2), KCSOS and TUSD shall dismiss with prejudice as to the Tehachapi SA the Verified Petition for Writ of Mandate and Complaint for Declaratory Relief and Breach of Contract in the case entitled *Kern County Superintendent of Schools, et al. v. Successor Agency to the Dissolved Arvin Redevelopment Agency, et al* (Kern County Superior Court Case No. BCV 15-100357 NFT), filed on or about June 29, 2015 ("the writ action"). Tehachapi SA agrees to support and advocate for approval of this Settlement Agreement and ROPS 15-16B (and subsequent ROPS, if necessary) with the Tehachapi OB. If, however, the Tehachapi O B does not approve the LEA Obligations on ROPS 15/16B, KCSOS and TUSD shall dismiss the writ action with prejudice as to the Tehachapi SA no later than five days after the Tehachapi O B's action disapproving the LEA Obligations.

- e) If DOF initially disapproves of the LEA Obligations on ROPS 15/16B, or on any future ROPS as the case may be, Tehachapi SA shall timely request a meet and confer session with DOF. Tehachapi SA shall notify KCSOS and TUSD of DOF's initial disapproval, of the meet and confer request, and of the meet and confer date, time, and location, and shall invite KCSOS and TUSD to participate in the meet and confer session. Tehachapi SA shall urge DOF in the meet and confer session to approve the LEA Obligations. If, following the meet and confer session, DOF issues a final decision disapproving the LEA Obligations, Tehachapi SA shall not have any further duty with respect to this Settlement Agreement.

3. **Release and Waiver of Claims:**

- a) Excepting the obligations arising out of this Settlement Agreement, each Party, on behalf of itself, and all present or former Board members, officers, employees, agents, attorneys and representatives, successors and assigns, and each of them (the "Party Representatives"), does hereby fully and finally settle, release, relieve, acquit and forever discharge all other Parties and their Party Representatives from any and all claims, claims for indemnification or contribution, complaints, causes of action, demands, liabilities, losses, or damages, including attorneys' fees and costs, experts' and consultants' fees and costs, whether asserted, or that could have been asserted, known or unknown, which the Party or Party Representatives may now or hereafter have against any other Party and their Party Representatives, arising out of or in any way related to the matters herein.

- b) Each of the Parties hereto acknowledges that it is familiar with Section 1542 of the California Civil Code which provides as follows:

A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.

- c) Except as provided for specifically in this Settlement Agreement, the Parties waive and relinquish any and all rights and benefits which they may have under, or which may be conferred upon them by the provisions of Section 1542 of the California Civil Code, to the fullest extent that they may lawfully waive such rights or benefits pertaining to the subject matter of this Settlement Agreement. In

connection with such waiver and relinquishment, the Parties hereby acknowledge that they are aware that they or their attorneys may hereafter discover claims or facts in addition to or different from those which they now know or believe to exist with respect to the subject matter of this Settlement Agreement, but that it is the intention of each of the Parties to this Settlement Agreement to hereby fully, finally and forever waive said claims, whether known or unknown, suspected or unsuspected, which concern, arise out of, or are in any way connected with the matters set forth in this Settlement Agreement.


KCSOS


TUSD


Tehachapi SA

- d) Except for proceedings to enforce the terms of this Settlement Agreement and proceedings related to matters not released by this Settlement Agreement, the Parties covenant and agree that at no time subsequent to the date of their respective executions of this Settlement Agreement will they file or maintain or cause or knowingly permit the filing or maintenance of, in any state, federal or foreign court, or before any local, state, federal or foreign administrative agency, or any other tribunal, any charge, claim, or action of any kind, nature or character whatsoever, known or unknown, which they may now have, or have ever had, or which they may later discover, against another Party or Parties, which is based in whole or in part on any act, omission or event relating to the matters herein. The Parties agree that this Settlement Agreement shall constitute a full and complete defense to, and may be used as a basis for a permanent injunction against, any action, suit, or other proceeding which may be instituted, prosecuted, or attempted by any of them in breach of this Settlement Agreement. Any damages suffered by any of the Parties by reason of any breach of the provisions of this Settlement Agreement by any of the other Parties shall be recoverable including attorneys' fees and costs reasonably incurred in instituting, prosecuting or defending any action, grievance, or proceeding resulting from said breach of this Settlement Agreement.

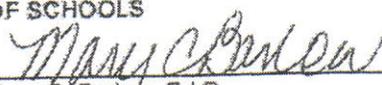
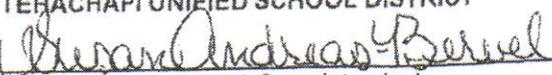
- 4 **No Admission of Liability:** This Settlement Agreement embodies a compromise of disputed issues and is made in good faith. The Parties understand that no Party hereto admits any negligence, breach of contract, or any wrongdoing in connection with the matters herein referred to, and that the compromise embodied in this Settlement Agreement is not an admission of any fault, liability, or culpability by any Party.

5. **Attorneys' Fees:** Except in any proceeding to enforce this Settlement Agreement, each Party shall bear its own fees and costs.
6. **Enforcement of Settlement:** In any proceeding to enforce any rights and/or construe any obligations under this Settlement Agreement, the prevailing party in such proceeding shall be entitled to recover its reasonable attorneys' fees and costs incurred, including compensation paid to experts.
7. **Authority:** Subject to the provisions of Paragraph 2. (c), above, recognizing the need for approval by the Tehachapi OB and DOF, each Party represents and warrants that it has full power and authority to enter into and perform this Settlement Agreement and that the person executing this Settlement Agreement on behalf of that Party has been properly authorized and empowered to enter into this Settlement Agreement and bind that Party hereto.
8. **Interpretation:** This Settlement Agreement shall be interpreted and enforced in accordance with the laws of the State of California, provided that no provision of this Settlement Agreement shall be interpreted for or against a Party because that Party or Parties' legal representative drafted such provision, and that this Settlement Agreement shall be construed as if jointly prepared by the Parties.
9. **Independent Counsel:** Each of the Parties to this Settlement Agreement warrants that it has, through its representatives, carefully read and understood the terms and conditions of this Settlement Agreement, and that it has not relied upon the representations or advice of any other Party or any attorney not its own.
10. **Drafting of Agreement By All The Parties:** This Settlement Agreement shall be deemed to have been prepared by all the Parties to the Agreement.
11. **Amendments:** No modification, waiver, or amendment to this Settlement Agreement shall be valid unless the same is in writing and executed by the Party against which the enforcement of such modification, waiver or amendment is or may be sought.
12. **Counterparts:** This Settlement Agreement may be executed in one or more counterparts, each of which shall be deemed an original. A facsimile or electronic signature shall be deemed to be the equivalent of the actual original signature. All counterparts so executed shall constitute one Settlement Agreement binding all the Parties hereto.
13. **Severability:** The Parties agree that should any provision of this

Settlement Agreement, or any portion of any provision, be declared or determined by any court of competent jurisdiction to be illegal, invalid or unenforceable, the remainder of the provision and the Settlement Agreement shall nonetheless remain binding in effect, unless this would result in a substantial failure of consideration.

14. **Waiver:** Except as may be provided expressly in writing by each Party, no action or want of action on the part of any Party hereto at any time to exercise any rights or remedies conferred upon it under this Settlement Agreement shall be, or shall be asserted to be, a waiver on the part of any such Party of any of its rights or remedies hereunder.
15. **Performance of Settlement:** The Parties agree to perform any further acts and execute and deliver any further documents that may reasonably be necessary to carry out the provisions of this Settlement Agreement. The LEA's shall be responsible for all costs, including attorneys' fees incurred by the Tehachapi SA related to any meet and confer process with DOF or any litigation, arising out of the inclusion of the LEA Obligations on ROPS 15-16B.
16. **Indemnity and Hold Harmless:** LEAs agree to and shall defend, indemnify and hold harmless the Tehachapi SA and the City of Tehachapi and each agency's officers, agents and employees, from any and all claims; demands; liabilities; costs and expenses including, but not limited to, attorney's fees; damages; causes of action; and judgments, in any manner arising out of this Settlement Agreement. The LEAs obligations pursuant to this paragraph are joint and several obligations of the LEAs. The Tehachapi SA or the City of Tehachapi may, in its discretion, participate in the defense of any such legal action.
17. **No Assignment:** The Parties expressly warrant that they have not assigned or transferred any claims to any other individuals or entities.
18. **Binding Effect:** This Settlement Agreement shall be binding upon and inure to the benefit of the Parties and their assigns, agents, brokers, attorneys, representatives, affiliates, successors, predecessors, divisions, employees, or any other related person or entity, known or unknown, acting by, through or in concert with them.
19. **Entire Agreement:** There are no representations, warranties, agreements, arrangements, or undertakings, oral or written, between or among the Parties hereto relating to the subject matter of this Settlement Agreement which are not fully expressed herein. This Settlement Agreement shall be interpreted according to its own terms, as defined in this Settlement Agreement or otherwise according to their ordinary meaning without any parole evidence. This is an integrated Settlement Agreement.

IN WITNESS HEREOF the Parties have caused this Settlement Agreement to be executed on the day and year first written above.

<p>Approved as to form:  SCHOOLS LEGAL SERVICE Christopher P. Burger Attorneys for the LEA's</p>	<p>KERN COUNTY SUPERINTENDENT OF SCHOOLS  Mary C. Barlow, Ed.D. Associate Superintendent of Schools</p> <p>TEHACHAPI UNIFIED SCHOOL DISTRICT  Susan Andreas-Bervel, Superintendent</p>
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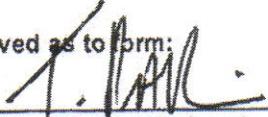
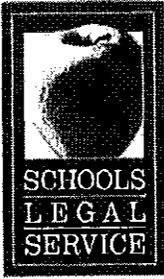
<p>Approved as to form:  Richards, Watson & Gershon T. Peter Pierce Attorneys for the Tehachapi Successor Agency</p>	<p>TEHACHAPI SUCCESSOR AGENCY  Print Name  Signature</p>
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EXHIBIT "A"

BREAKDOWN OF PAYMENTS TO LEAs

LEA	AMOUNT DUE
KCSOS	\$ 3,905
TUSD	\$ 48,976
Total	\$ 52,881



Schools Legal Service is a joint powers entity providing legal and collective bargaining services to California public education agencies since 1976.

Grant Herndon
General Counsel

Stacy L. Inman
Assistant General Counsel

William A. Hornback
Christopher P. Burger
Alan B. Harris
Kathleen R. LaMay
Melissa H. Brown
Timothy L. Salazar
Kelly A. Griffin-Lazerson
Darren J. Bogié
Counsel

Daryl Valdez
Bargaining Specialist

June 12, 2015

Trisha A. Ortiz, Esq.
Special Counsel, Tehachapi SA
Richards | Watson | Gershon
44 Montgomery Street, Suite 3800
San Francisco, California 94104-4811
[Via E-mail and First-Class Mail]

Re: Tehachapi Successor Agency
Pre-dissolution Underpayments to Kern County LEAs

Dear Ms. Ortiz:

As you know, this office represents the Kern County Superintendent of Schools and the Kern County K-12 LEAs in connection with the above-referenced matter. You may recall that in October 2014 we, and representatives of our respective clients, met in Bakersfield at the Kern County Superintendent of Schools office to discuss this matter, without resolution.

On April 13, 2015 the Kern County Auditor-Controller, Mary Bedard, corresponded with the Tehachapi Successor Agency and provided the SA with underpaid pass-through amounts for our clients, and others, in accordance with the LAUSD decision. A copy of Ms. Bedard's letter is attached hereto.

According to Ms. Bedard's calculations, our clients are due pre-dissolution underpaid pass-through payments for FYs 2008-09, 2009-10 and 2010-11 in the following amounts:

\$148,981.86	Tehachapi Unified School District
\$ 11,879.19	Kern County Superintendent of Schools
\$160,861.05	Total

Ms. Bedard's letter further stated, in part, "We have been informed by the California Department of Finance that these amounts may be included on the Successor Agency's ROPS as an enforceable obligation."

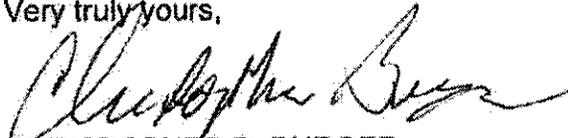
Trisha A. Ortiz, Esq.
June 12, 2015
Page 2

Please consider this letter as our clients' formal request that the amounts above respectively allocated to the Tehachapi Unified School District and the Kern County Superintendent of Schools, in the total amount of \$160,861.05, be added to the Tehachapi SA's next ROPS as enforceable obligations and paid thereafter as money is available from the RPTTF. This office does not represent the Kern Community College District who, presumably, will be in touch with you under separate cover regarding this issue.

Within 10 days of your receipt of this letter, please respond in writing whether the Tehachapi SA will agree to place this claim before its Oversight Board for a vote to include the above amounts on the SA's next ROPS.

Please feel free to contact me should you need further information or wish to discuss this matter further.

Very truly yours,



CHRISTOPHER P. BURGER

CPB/rf
Attachment

cc: Mary Barlow, Associate Superintendent, KCSOS
Susan Andreas-Bervel, Superintendent, Tehachapi USD



Mary B. Bedard, CPA
Auditor-Controller-County Clerk

KERN COUNTY AUDITOR-CONTROLLER-COUNTY CLERK
1115 Truxtun Avenue, 1st and 2nd Floor • Bakersfield, CA 93301-4639

April 13, 2015

Tehachapi Successor Agency
Attn: Mr. Greg Garrett, City Manager
115 S. Robinson St.
Tehachapi, CA 93561

Dear Mr. Garrett:

My office has completed our analysis of the impact of the implementation of the LAUSD Court decision on the pass-through payments for the former Tehachapi Redevelopment Agency. For FYs 2008-09, 2009-10, and 2010-11 the additional pass-through amounts in accordance with the Court decision are:

\$148,981.86	Tehachapi Unified School District
\$ 36,037.00	Kern Community College District
<u>\$ 11,879.19</u>	Kern County Superintendent of Schools
\$196,898.05	Total

See attached for details of the calculation.

This calculation was performed as a courtesy and is an analysis only. This office is not making adjustments for the tax years listed above. We have been informed by the California Department of Finance that these amounts may be included on the Successor Agency's ROPS as an enforceable obligation. This office makes no recommendation or legal representation that such an action is appropriate. We recommend you consult with counsel and/or contact the California Department of Finance for an opinion.

Following the dissolution of the former RDA the statutory authority to pay pass-throughs was assigned to the County Auditor-Controller. Therefore, my office is making the necessary adjustments to pass-through payments beginning with FY 2011-12 in order to comply with the LAUSD Court decision.

If you have any questions please contact Janelle Austin, Senior Accountant, at (661) 868-3513.

Sincerely,

Mary B. Bedard, CPA
Auditor-Controller-County Clerk

Attachment

cc: Mary Barlow, Associate Superintendent, Kern County Superintendent of Schools ✓
Susan Andreas-Berfel, Superintendent, Tehachapi Unified School District
Tom Burke, Chief Financial Officer, Kern Community College District

Tehachapi Successor Agency

		<u>Revised</u> <u>Pass-through</u> <u>08-09</u>	<u>Revised</u> <u>Pass-through</u> <u>09-10</u>	<u>Revised</u> <u>Pass-through</u> <u>10-11</u>	<u>Total</u> <u>Revised</u> <u>Pass-through</u>	<u>Pass-Through</u> <u>Previously Paid</u>	<u>Difference</u>
82090	TEHACHAPI UNIFIED	\$134,926.03	\$135,489.71	\$133,478.44	\$403,893.17	\$254,911.31	\$148,981.86
84038	KERN JT COMM COLL	\$32,636.82	\$32,773.41	\$32,286.91	\$97,697.14	\$61,660.14	\$36,037.00
88010	EDUCATION	\$10,758.35	\$10,803.39	\$10,643.03	\$32,204.77	\$20,325.58	\$11,879.19
		\$178,320.20	\$179,066.50	\$176,408.37	\$633,795.08	\$336,897.03	\$196,898.05

Prepared by Kern County Auditor-Controller-County Clerk

TEHACHAPI SUCCESSOR AGENCY OVERSIGHT BOARD REPORTS

MEETING DATE: September 24, 2015

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

FROM: HANNAH CHUNG, FINANCE DIRECTOR

DATE: SEPTEMBER 17, 2015

SUBJECT: APPROVAL OF ROPS FOR JANUARY 1, 2016 THROUGH JUNE 31, 2016

BACKGROUND: Pursuant to Part 1.85 of Division 24 of the California Health and Safety Code (the "Redevelopment Dissolution Law"), the Successor Agency must prepare a Recognized Obligation Payment Schedule ("ROPS") for each six-month fiscal period (commencing each January 1 and July 1), listing the payments to be made by the Successor Agency during such period. All ROPS must be approved by the Oversight Board. Furthermore, each Oversight Board-approved ROPS must be submitted to the State Department of Finance ("DOF") for review.

Deadlines for ROPS Submission and Review

The Redevelopment Dissolution Law does not specify a deadline for the Successor Agency to submit the ROPS for January 1, 2016 through June 31, 2016 ("ROPS 15-16B") to the Oversight Board for approval. However, the Successor Agency must submit an Oversight Board-approved ROPS 15-16B to the DOF, the Office of the State Controller and the County Auditor-Controller no later than **October 5, 2015**. The Successor Agency must submit the ROPS to the DOF electronically in the manner of DOF's choosing. A copy of the Oversight Board-approved ROPS must be posted on the Successor Agency's website.

The DOF may eliminate or modify any items on the ROPS before approving the ROPS. The DOF must make its determination regarding the enforceable obligations and the amount and funding source for each enforceable obligation listed on a ROPS no later than 45 days after the ROPS is submitted. Within five business days of the DOF's determination, the Successor Agency may request to "meet and confer" with the DOF on disputed items. The meet and confer period may vary, but an untimely submission of ROPS 15-16B may result in a meet and confer period of less than 30 days.

The County Auditor-Controller may object to the inclusion of any item on the ROPS that is not demonstrated to be an enforceable obligation and may object to the funding source proposed for any item.

Penalties for Failure to Make Timely Submission

If the Successor Agency does not submit an Oversight Board-approved ROPS by October 5, 2015, the City of Tehachapi will be subject to a civil penalty of \$10,000 per day for every day that the ROPS is not submitted to the DOF. The penalty is to be paid to the County Auditor-Controller for distribution to the taxing entities. If the Successor Agency does not timely submit a ROPS, creditors of the successor agency, the DOF, and affected taxing entities may request a writ of mandate to require the Successor Agency to immediately perform this duty. Additionally, if the Successor Agency does not submit a ROPS within 10 days of October 5th, the Successor Agency's administrative cost allowance for that period will be reduced by 25 percent.

If the Successor Agency fails to submit an Oversight Board-approved ROPS to the DOF within five business days of "the date upon which the ROPS is to be used to determine the amount of property tax allocations", the DOF may determine whether the County Auditor-Controller should distribute any of property tax revenues to the taxing entities, or whether any amount should be withheld for enforceable obligations pending approval of the ROPS. It is not clear what is "the date upon which the ROPS is to be used to determine the amount of property tax allocations."

FISCAL IMPACT: The preparation and submittal of ROPS 15-16B is for the purpose of allowing the Successor Agency to pay its enforceable obligations for the period from January 1, 2016 to June 31, 2016.

ENVIRONMENTAL IMPACT: There will be no new environmental impact associated with adoption of the attached Resolution.

RECOMMENDATION: Staff recommends that the Oversight Board for the Successor Agency to the Tehachapi Redevelopment Agency adopt a resolution approving the Recognized Obligation Payment Schedule for the six-month fiscal period from January 1, 2016 through June 31, 2016 and taking certain related actions.

RESOLUTION NO. OB

A RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE TEHACHAPI REDEVELOPMENT AGENCY APPROVING A RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE SIX-MONTH FISCAL PERIOD FROM JANUARY 1, 2016 THROUGH JUNE 30, 2016, AND TAKING CERTAIN RELATED ACTIONS

RECITALS:

A. Pursuant to Health and Safety Code Section 34177(l), the Successor Agency to the Tehachapi Redevelopment Agency (the "Successor Agency") must prepare a proposed Recognized Obligation Payment Schedule ("ROPS") before each six-month fiscal period (commencing each January 1 and July 1) and submit each proposed ROPS to the Oversight Board for the Successor Agency (the "Oversight Board") for approval.

B. Pursuant to Health and Safety Code Section 34177(l)(2)(C) and (m), the Successor Agency must (1) submit the Oversight Board-approved ROPS for the six-month fiscal period from January 1, 2016 through June 30, 2016 ("ROPS 15-16B"), to the DOF, the Office of the State Controller, and the County Auditor-Controller no later than October 3, 2014; and (2) post a copy of the Oversight Board-approved ROPS 15-16B on the Successor Agency's website.

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 proposed ROPS 15-16B, substantially in the form attached hereto as Exhibit A. Staff of the Successor Agency is hereby authorized and directed to submit a copy of Oversight Board-approved ROPS 15-16B to the DOF, the Office of the State Controller, and the County Auditor-Controller and to post a copy of the Oversight Board-approved ROPS 15-16B on the Successor Agency's Internet website (being a page on the Internet website of the City of Tehachapi).

Section 3. The officers of the Oversight Board and the staff 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, including requesting additional review by the DOF and an opportunity to meet and

confer on any disputed items, and any such actions previously taken by such officers and staff are hereby ratified and confirmed.

PASSED, APPROVED AND ADOPTED this 24th day of September, 2015.

AYES: _____

NOES: _____

ABSENT: _____

ABSTAIN: _____

Ed Grimes, Chairman
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

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 September 24, 2015.

ASHLEY WHITMORE
Secretary
Oversight Board for the Successor Agency to the
Tehachapi Redevelopment Agency

Tenachapi Recognized Obligation Payment Schedule (ROPS 15-16B) - ROPS Detail
 January 1, 2016 through June 30, 2016
 (Report Amounts in Whole Dollars)

Item #	Project Name / Debt Obligation	Obligation Type	Contract/Agreement Execution Date	Contract/Agreement Termination Date	Payee	Description/Project Scope	Project Area	Total Outstanding Debt or Obligation	Retired	K	L	M	N	O	P
1	2005 Tax Allocation Revenue Bonds	Bonds issued On or Before 12/31/10	12/12/2005	12/12/2035	Bank of New York	Bonds issue to fund RDA projects	Tenachapi RDA	85,933,700	N						
2	2007 Tax Allocation Revenue Bonds	Bonds issued On or Before 12/31/10	12/19/2007	12/12/2037	Bank of New York	Bonds issue to fund RDA projects	Tenachapi RDA	7,855,000	N						
3	Bonds Trustee Fees 2005 & 2007	Fees	2/28/2038	2/28/2038	Bank of New York	Trustee Fee	Tenachapi RDA	80,800	N						
4	Annual Disclosure	Fees	12/21/2005	12/21/2005	Urban Futures	2005 & 2007 Tax Revenue Bonds - RDA	Tenachapi RDA	87,700	N						
5	Administrative Expense	Admin Costs	2/1/2012	6/30/2015	City of Tenachapi	Admin of Successor Agency - RDA	Tenachapi RDA	30,000	N						
6	Cooperative Agreement between City & Successor Agency	City/County Loans After 6/27/11	2/14/2013	12/6/2044	City of Tenachapi	City of Successor Agency to pay for enforceable obligations, administrative costs and project related costs, as authorized by §341.73(h)	Tenachapi RDA	214,194	N						
8	Replenishment of 2005 Tax Allocation Revenue Bonds Reserve with Trustee	Reserves	12/1/2013	6/1/2035	City of Tenachapi - Bank of New York 2005 Revenue Bond Reserve Account	Replenishment of 2005 Bonds Reserve with Trustee	Tenachapi RDA	251,954	N						
9	Replenishment of 2007 Tax Allocation Revenue Bonds Reserve with Trustee	Reserves	12/1/2013	6/1/2037	City of Tenachapi - Bank of New York 2007 Revenue Bond Reserve Account	Replenishment of 2007 Bonds Reserve with Trustee	Tenachapi RDA	249,990	N						
10	Reserve 2005 and 2007 Tax Allocation Revenue Bonds debt services on 4/21/2016	Bonds issued On or Before 12/31/10	1/1/2015	12/1/2018	Bank of New York	RPTIF Reserve for projected debt service shortages in ROPS 16-17A period.	Tenachapi RDA	366,257	N						
11	Bond Proceeds Projects	Bonds issued On or Before 12/31/10	8/18/2014	12/6/2044	City of Tenachapi	Bond Proceeds Projects	Tenachapi RDA		N						
12	Cooperative Agreement between City & Successor Agency	City/County Loans After 6/27/11	2/2/2015	12/6/2044	City of Tenachapi	Additional Loan - ROPS 14-15A & 14-15B unpaid admin fee	Tenachapi RDA	225,000	N						
13	Ken County Superintendent of Schools	Remediation	8/31/2015	12/6/2044	Ken County Superintendent of Schools	Unpaid Pass-through Payment for FY 09/09 thru 2010/11	Tenachapi RDA	3,905	N						
14	Tenachapi Unified School District	Remediation	8/31/2015	12/6/2044	Tenachapi Unified School District	Unpaid Pass-through Payment for FY 09/09 thru 2010/11	Tenachapi RDA	48,976	N						
15									N						
16									N						



March 23, 2015

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 15-16A) to the California Department of Finance (Finance) on February 12, 2015 for the period of July 1 through December 31, 2015. Finance has completed its review of your ROPS 15-16A, which may have included obtaining clarification for various items.

Based on our review, we are approving all of the items listed on your ROPS 15-16A at this time.

However, Finance noted the following:

- Item No. 12 - Cooperative Agreement in the amount of \$225,000. It is our understanding; the Agency is requesting payment for a city loan. However, the Agency erroneously requested funding for this line item under Admin RPTTF. Since the amount requested is for an administrative cost shortfall for the prior fiscal year and the shortfall was already funded through the city loan, the \$225,000 was reclassified to Non-Admin RPTTF. The adjustment does not affect the total amount of RPTTF requested.

Pursuant to HSC section 34186 (a), successor agencies were required to report on the ROPS 15-16A form the estimated obligations and actual payments (prior period adjustments) associated with the July through December 2014 period. 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. Proposed CAC adjustments were not received in time for inclusion in this letter; therefore, the amount of RPTTF approved in the table below only reflects the prior period adjustment self-reported by the Agency.

The Agency's maximum approved RPTTF distribution for the reporting period is \$1,814,699 as summarized in the Approved RPTTF Distribution table below:

Approved RPTTF Distribution	
For the period of July through December 2015	
Total RPTTF requested for non-administrative obligations	1,567,699
Total RPTTF requested for administrative obligations	247,000
Total RPTTF requested for obligations on ROPS	\$ 1,814,699
RPTTF adjustment to non-administrative obligations	225,000
RPTTF adjustment to administrative obligations	(225,000)
Total RPTTF adjustments	\$ 0
Total RPTTF authorized for non-administrative obligations	1,792,699
Total RPTTF authorized for administrative obligations	22,000
Total RPTTF authorized for obligations	\$ 1,814,699
ROPS 14-15A prior period adjustment	0
Total RPTTF approved for distribution	\$ 1,814,699

Please refer to the ROPS 15-16A 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, 2015. 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 the 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 agency in the RPTTF.

Pursuant to HSC section 34177 (a) (3), only those payments listed on an approved ROPS may be made by the successor agency from the funds specified in the ROPS. However, if the Agency needs to make payments for approved obligations from another funding source, HSC section 34177 (a) (4) requires the Agency to first obtain oversight board approval.

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.

Ms. Hannah Chung
March 23, 2015
Page 3

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

Sincerely,



JUSTYN HOWARD
Program Budget Manager

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

SUCCESSOR AGENCY TO THE TEHACHAPI REDEVELOPMENT AGENCY

ADMINISTRATIVE CHARGE INVOICE

for Fiscal Period from January 1, 2015 through June 30, 2015

Administrative Charge for Six Months:	\$ 100,000
	(Not to Exceed \$125,000)
Administrative Actual Expenditures:	
Employees' wages and benefits	70,341
Education / Training	556
Legal / Consultant fees	3,255
Audit fees	4,300
Bank Fee - Trustee (Extra Ordinary Matters)	800
Office supplies	1,000
Office Use Fee including utilities, equipments, computers, phones, office rent, repair and maintenance etc.	10,000
Other expenses / Contingency	
	<u>90,252</u>

Source of Administrative Budget: Redevelopment Property Tax Trust Fund