

AGENDA

**TEHACHAPI REDEVELOPMENT SUCCESSOR AGENCY
OVERSIGHT COMMITTEE SPECIAL MEETING
TEHACHAPI CITY HALL
115 SOUTH ROBINSON STREET
Monday, January 25, 2016 - 3:00 P.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 September 24, 2015 - **APPROVE AND FILE**
2. Approval of Loan Agreement between the City of Tehachapi and the Successor Agency to the Tehachapi RDA - **ADOPT A RESOLUTION APPROVING THE EXECUTION OF A LOAN AGREEMENT FOR FISCAL YEAR 2015-16 ADMINISTRATIVE COSTS BY AND BETWEEN THE CITY AND THE SUCCESSOR AGENCY TO THE TEHACHAPI REDEVELOPMENT AGENCY AND TAKING CERTAIN ACTIONS IN CONNECTION THEREWITH**
3. Administrative Budget for the period from July 1, 2016 through June 30, 2017 – **ADOPT A RESOLUTION APPROVING A PROPOSED ADMINISTRATIVE BUDGET FOR THE FISCAL PERIOD FROM JULY 1, 2016 THROUGH JUNE 30, 2017 AND TAKING CERTAIN RELATED ACTIONS**
4. Approval of ROPS 16-17 – **ADOPT A RESOLUTION APPROVING A RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE FISCAL PERIOD FROM JULY 1, 2016 THROUGH JUNE 30, 2017, AND TAKING CERTAIN RELATED ACTIONS**
5. Determination letter from the Department of Finance on ROPS 15-16B – **INFORMATION ONLY**
6. ROPS 15-16B 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
Thursday, September 24, 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, Caudle and Wiebe

Absent: Board Members Hall, Lebsock and Bray

BUSINESS

1. Minutes for the Tehachapi Redevelopment Successor Agency Oversight Committee Special meeting on February 12, 2015 - **APPROVED AND FILED**
2. Administrative Budget for the period from January 1, 2016 through June 30, 2016 – **ADOPTED RESOLUTION NO. OB 04-15 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 – **ADOPTED RESOLUTION NO. OB 05-15 APPROVING 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**

Approved And Filed
Ca/We Motion Carried
Ab: Ha, Le & Br

Adopted Resolution No. Ob
04-15 Approving A Proposed
Administrative Budget For
The Six-Month Fiscal Period
From January 1, 2016
Through June 30, 2016 And
Taking Certain Related
Actions
Ca/Ga Motion Carried
Ab: Ha, Le & Br

Adopted Resolution No. Ob
05-15 Approving 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
Ca/Ga Motion Carried
Ab: Ha, Le & Br

ACTION TAKEN

- 4. Approval of ROPS 15-16B, January 1, 2016 through June 30, 2016 – **ADOPTED RESOLUTION NO. OB 06-15 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**

Adopted Resolution No. Ob 06-15 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
Ca/We Motion Carried
Ab: Ha, Le & Br

ADJOURNMENT

The Committee adjourned at 9:20 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 25th day of January
~~of~~ 2016.

Ed Grimes
Chairman, Tehachapi Redevelopment
Successor Agency Oversight
Committee

TEHACHAPI SUCCESSOR AGENCY

OVERSIGHT BOARD REPORTS

MEETING DATE: JANUARY 25, 2016 AGENDA SECTION: FINANCE DIRECTOR

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

FROM: HANNAH CHUNG, FINANCE DIRECTOR

DATE: JANUARY 20, 2016

SUBJECT: ADDITIONAL LOAN #3 FROM THE CITY OF TEHACHAPI

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.

Health and Safety Code Section 34171 authorizes the Agency to receive an "administrative cost allowance," in the amount of \$52,000, for the fiscal year commencing July 1, 2015 and ending June 30, 2016. Pursuant to the property tax disbursement under Health and Safety Code Section 34183, the Agency does not expect to receive sufficient funds for its administrative cost allowance. As a result, the City proposes to loan such funds to the Agency.

The attached Resolution approves a Loan Agreement for Fiscal Year 2015-16 Administrative Costs between the City and the Successor Agency attached as Exhibit A to the attached Resolution. The 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 loan the cost of such staff, facilities and other resources pursuant to Health and Safety Code Section 34173(h), and for the Successor Agency to repay the City for such loan.

RECOMMENDATION: Staff recommends adoption of Resolution No. _____, approving the Loan Agreement for Fiscal Year 2015-16 Administrative Costs 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 LOAN AGREEMENT FOR FISCAL YEAR 2015-16 ADMINISTRATIVE COSTS BY AND BETWEEN THE CITY AND THE SUCCESSOR AGENCY TO THE TEHACHAPI REDEVELOPMENT AGENCY 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.

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. The Successor Agency will not receive sufficient funds pursuant to Health and Safety Code Section 34183 for an administrative cost allowance in the amount of \$52,000, for the fiscal year commencing July 1, 2015 and ending June 30, 2016.

G. The City desires to loan the Successor Agency \$52,000 pursuant to Health and Safety Code Section 34173(h) for administrative costs incurred during the fiscal year commencing July 1, 2015 and ending June 30, 2016 (the "FY 2015-16 Loan").

H. The City and the Successor Agency desire to enter into an agreement (the "Agreement"), attached hereto as Exhibit A, to provide for an appropriate method for the Successor Agency to repay the FY 2015-16 Loan to the City.

I. 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 Agreement by and between the Successor Agency and the City.

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 12th day of February, 2016.

Ed Grimes, Chairman
Oversight Board of 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
January 25, 2016.

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

EXHIBIT A

Loan Agreement for Fiscal Year 2015-16 Administrative Costs

(see attached)

LOAN AGREEMENT FOR FISCAL YEAR 2015-16 ADMINISTRATIVE COSTS

This LOAN AGREEMENT FOR FISCAL YEAR 2015-16 ADMINISTRATIVE COSTS (this "Agreement") is entered into as of January 19, 2016, 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. The Successor Agency will not receive sufficient funds pursuant to Health and Safety Code Section 34183 for an administrative cost allowance in the amount of \$52,000, for the fiscal year commencing July 1, 2015 and ending June 30, 2016.
- H. Pursuant to Health and Safety Code Section 34173 (h) the City will loan the Successor Agency \$52,000 for administrative costs incurred during the fiscal year commencing July 1, 2015 and ending June 30, 2016.
- I. The City and the Successor Agency desire to enter into this Agreement to acknowledge the foregoing recitals and to provide for an appropriate method for the Successor Agency to repay the loan to the City.

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

Section 1. The City shall make available to the Successor Agency 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.

Section 2. The cost 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 during the fiscal year commencing July 1, 2015 and ending June 30, 2016, in the amount of \$52,000, shall constitute a loan (the "FY 2015-16 Loan") to the Successor Agency by the City to be repaid in accordance with this Agreement. The Parties agree and acknowledge that the FY 2015-16 Loan constitutes a loan under Health and Safety Code Section 34173(h) and the repayment of the FY 2015-16 Loan pursuant to this Agreement constitutes an enforceable obligation of the Successor Agency.

Section 3. The City shall submit an invoice to the Successor Agency for advances by the City to the Successor Agency during the fiscal year commencing July 1, 2015 and ending June 30, 2016, including each of the following: (a) the payroll cost for City staff engaged in Successor Agency activities, including all employee wages, retirement and other benefits based on the time devoted to matters directly related to the administration and operations of the Successor Agency, as evidenced by payroll records; (b) the cost of consultants, legal counsel and other contracts for services devoted to matters directly related to the administration and operations of the Successor Agency; (c) the fair rental value of office space, utilities and equipment made available to the Successor Agency; (d) the cost of supplies, insurance and other services and facilities provided by the City to the Successor Agency; and (e) to the extent not

included in the items described in (a) through (d) above, the dollar amount advanced by the City for any project-related expenses or other enforceable obligations.

Section 4. Within a reasonable time after the City submits an invoice to the Successor Agency pursuant to this Agreement, the Successor Agency shall pay to the City the amount of the invoice from available funds of the Successor Agency, as such funds become available, until paid in full. Beginning July 1, 2015, the unpaid balance of the FY 2015-16 Loan may bear interest at the rate of the prevailing earnings rate of the Local Agency Investment Fund, until paid in full.

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 shall be effective upon the date it is approved or deemed approved by the State Department of Finance following the prerequisite approval by 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 AGENCY

By _____
Chair

ATTEST:

Secretary

CITY OF TEHACHAPI

By _____
Mayor

ATTEST:

City Clerk

TEHACHAPI SUCCESSOR AGENCY OVERSIGHT BOARD REPORTS

MEETING DATE: JANUARY 25, 2016

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

FROM: HANNAH CHUNG, FINANCE DIRECTOR

DATE: JANUARY 20, 2016

SUBJECT: APPROVAL OF ADMINISTRATIVE BUDGET FOR JULY 1, 2016 THROUGH JUNE 30, 2017

Executive Summary

Pursuant to 34177(j) of the California Health and Safety Code ("HSC"), the Successor Agency is required to prepare a proposed administrative budget for each fiscal period, which must be submitted to the Oversight Board for approval.

Background

The Successor Agency is required to prepare a proposed administrative budget for each six-month fiscal period, 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 of Tehachapi (the "City") or other entity.

HSC Section 34177 is unclear regarding the required timing for the submission of the proposed administrative budgets to the Oversight Board. However, because the Successor's Agency's administrative expenditures also have to be reflected on the Successor Agency's Recognized Obligation Payment Schedules ("ROPS"), the administrative budgets should be consistent.

Previously, the Successor Agency was required to prepare a ROPS for each six-month fiscal period (from July 1 through December 31, and from January 1 through June 30, respectively). SB 107, which was enacted in September 2015, amended HSC Section 34177, to provide that, beginning with fiscal year 2016-17, the Successor Agency must prepare a ROPS annually (instead of twice a year). HSC Section 34177(o) provides that the Successor Agency must submit an Oversight Board-approved ROPS for fiscal year 2016-17 ("ROPS 16-17") to the State Department of Finance ("DOF") and the County Auditor-Controller no later February 1, 2016. The proposed ROPS 16-17 is being presented to the Oversight Board for consideration and approval pursuant to a separate resolution. Staff recommends that the Oversight Board approve Administrative Budget 16-17A and Administrative Budget 16-17B on the same date as the Oversight Board's approval of ROPS 16-17.

Pursuant to HSC Section 34179(h)(1), which was added by SB 107, Oversight Board resolutions approving the Successor Agency's administrative budgets are no longer required to be submitted to the DOF for approval. Therefore, Resolution No. 16-__ will become effective immediately upon adoption.

Fiscal Impact

Under HSC Section 34171(b), the "Administrative Cost Allowance" is the maximum amount of administrative costs that may be paid by the Successor Agency from property tax revenues allocated by the County Auditor-Controller (i.e., disbursements from Redevelopment Property Tax Trust Fund). The Successor Agency's annual administrative costs (except for administrative costs paid from bond proceeds or grant funds) must not exceed 50 percent of the total RPTTF moneys distributed to pay enforceable obligations in the preceding fiscal year (which latter amount to be reduced by the Successor Agency's Administrative Cost Allowance and loan repayments made to the City for loans re-established pursuant to HSC Section 34191.4 (the "City Loans") during the preceding fiscal year). Subject to the foregoing, commencing July 1, 2016, and for each fiscal year thereafter, the Administrative Cost Allowance is the greater of: (i) \$250,000 fiscal year, or (ii) 3 percent of the actual property tax distributed to the Successor Agency by the County auditor-controller in the preceding fiscal year for payment of approved enforceable obligations, reduced by the Successor Agency's administrative cost allowance and repayments made to the City Loans during the preceding fiscal year.

Recommendation

That the Oversight Board adopt Resolution No. OB ____ approving the Successor Agency's Administrative Budgets for the six-month periods from July 1, 2016 through December 31, 2016 ("Administrative Budget 16-17A") and from January 1, 2017 through June 30, 2017 ("Administrative Budget 16-17B").

RESOLUTION NO. _____

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SUCCESSOR AGENCY TO THE TEHACHAPI REDEVELOPMENT AGENCY APPROVING PROPOSED ADMINISTRATIVE BUDGETS FOR THE SIX-MONTH FISCAL PERIODS FROM JULY 1, 2016 THROUGH DECEMBER 31, 2016 AND FROM JANUARY 1, 2017 THROUGH JUNE 30, 2017, 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 of the Successor Agency (the "Oversight Board") for approval.

B. Each proposed administrative budget shall include all of the following: (1) estimated amounts for Successor Agency administrative costs for the upcoming six-month fiscal period; (2) proposed sources of payment for the costs identified in (1); and (3) proposals for arrangements for administrative and operations services provided by the City of Tehachapi or another entity.

C. Pursuant to Health and Safety Code Section 34177(k), the Successor Agency is required to provide administrative cost estimates, from its approved administrative budget that are to be paid from property tax revenues deposited in the Redevelopment Property Tax Trust Fund, to the County Auditor-Controller for each six-month fiscal period.

D. There has been presented to this Board for approval, the Successor Agency's proposed administrative budgets for the six-month fiscal periods from July 1, 2016 through December 31, 2016 ("Administrative Budget 16-17A") and from January 1, 2017 through June 30, 2017 ("Administrative Budget 16-17B," together with Administrative Budget 16-17A, the "Administrative Budgets").

NOW, THEREFORE, THE BOARD OF DIRECTORS 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. Administrative Budget 16-17A, substantially in the form attached hereto as Exhibit A, is hereby approved.

Section 3. Administrative Budget 16-17B, substantially in the form attached hereto as Exhibit B, is hereby approved.

Section 4. The Executive Director of the Successor Agency, in consultation with the Successor Agency's legal counsel, may modify the Administrative Budgets as the Executive Director or the Successor Agency's legal counsel deems necessary or advisable.

Section 5. Staff is hereby authorized and directed to submit the proposed Administrative Budgets to the Oversight Board for approval.

Section 6. The officers and other staff members 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 the Administrative Budgets and any such actions previously taken are hereby ratified and confirmed.

PASSED, APPROVED AND ADOPTED this ____ day of January, 2016.

AYES:

NOES:

ABSENT:

ABSTAIN:

Ed Grimes, Chair

ATTEST:

Ashley Whitmore, Secretary
Successor Agency To The
Tehachapi Redevelopment Agency

EXHIBIT A

**SUCCESSOR AGENCY TO THE TEHACHAPI REDEVELOPMENT AGENCY
ADMINISTRATIVE BUDGET 16-17A
(July 1, 2016 through December 31, 2016)**

EXHIBIT A

SUCCESSOR AGENCY TO THE TEHACHAPI REDEVELOPMENT AGENCY

ADMINISTRATIVE BUDGET

for Fiscal Period from July 1, 2016 through December 31, 2016
Presented to Successor Agency Oversight Board on January 25, 2016

Administrative Budget for Six Months:	\$	14,000
		<u>14,000</u>
		(Not to Exceed \$125,000)
Administrative Budget Expenditures:		
Employees' wages and benefits		3,851
Education / Training		490
Legal / Consultant fees		5,000
Audit fees		1,000
Office Use Fee including utilities, equipments, computers, phones, office rent, repair and maintenance etc.		2,500
Other Expenses		500
		<u>13,341</u>
		<u>13,341</u>

Source of Administrative Budget: Redevelopment Property Tax Trust Fund

EXHIBIT B

**SUCCESSOR AGENCY TO THE TEHACHAPI REDEVELOPMENT AGENCY
ADMINISTRATIVE BUDGET 16-17B
(January 1, 2017 through June 30, 2017)**

EXHIBIT B

SUCCESSOR AGENCY TO THE TEHACHAPI REDEVELOPMENT AGENCY

ADMINISTRATIVE BUDGET

for Fiscal Period from January 1, 2017 through June 30, 2017
Presented to Successor Agency Oversight Board on January 25, 2016

Administrative Budget for Six Months:	\$	15,000
		<u>15,000</u>
		(Not to Exceed \$125,000)
Administrative Budget Expenditures:		
Employees' wages and benefits		6,620
Education / Training		490
Legal / Consultant fees		3,000
Audit fees		1,000
Office Use Fee including utilities, equipments, computers, phones, office rent, repair and maintenance etc.		2,500
Other Expenses		500
		<u>14,110</u>
		<u>14,110</u>

Source of Administrative Budget: Redevelopment Property Tax Trust Fund

TEHACHAPI SUCCESSOR AGENCY OVERSIGHT BOARD REPORTS

MEETING DATE: JANUARY 25, 2016

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

FROM: HANNAH CHUNG, FINANCE DIRECTOR

DATE: January 20, 2016

SUBJECT: APPROVAL OF ROPS 16-17 FOR JULY 1, 2016 THROUGH JUNE 31, 2017

Executive Summary

Pursuant to Section 34177 of the Health and Safety Code ("HSC"), in order to make payments on enforceable obligations, the Successor Agency must prepare a Recognized Obligation Payment Schedule ("ROPS") for specified fiscal periods. Previously, the Successor Agency was required to prepare a ROPS for each six-month fiscal period (from July 1 through December 31, and from January 1 through June 30, respectively). Due to a change in law in 2015, the Successor Agency is now required to prepare only one ROPS per fiscal year. All ROPS must be approved by the Oversight Board and submitted to the State Department of Finance ("DOF") for review.

Background

Pursuant to HSC Section 34177, the Successor Agency must prepare a ROPS listing the anticipated payments for enforceable obligations to be made during each specified fiscal period. Previously, each ROPS covered a six-month period (commencing January 1 and July 1, respectively). SB 107, which was enacted in September 2015, amended HSC Section 34177, to provide that, beginning with fiscal year 2016-17, the Successor Agency must prepare a ROPS annually (instead of twice a year).

All ROPS must be approved by the Oversight Board. Furthermore, each Oversight Board-approved ROPS must be submitted to the DOF for review. HSC Section 34177 also requires the Successor Agency to submit an Oversight Board-approved ROPS to the DOF and to the County Auditor-Controller no later than February 1, 2016. A copy of the Oversight Board-approved ROPS must be posted on the Successor Agency's website.

The DOF may eliminate or modify any item 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 ROPS 16-17 no later than April 15, 2016. 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 16-17 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. The County Auditor-Controller must provide notice of its objections to the DOF, the Successor Agency and the Oversight Board at least 60 days before disbursements from the Redevelopment Property Tax Trust Fund ("RPTTF") are required to be made.

The County Auditor-Controller is required to make RPTTF disbursements to the Successor Agency pursuant to the DOF-approved ROPS 16-17 on June 1, 2016 (to cover enforceable obligation payments from July 1, 2016 through December 31, 2016) and January 2, 2017 (to cover enforceable obligation payments from January 1, 2017 through June 30, 2017).

Penalties for Failure to Make Timely Submission

If the Successor Agency does not submit an Oversight Board-approved ROPS 16-17 by February 1, 2016, the City of Tehachapi will be subject to a civil penalty of \$10,000 per day for every day that ROPS 16-17 is not submitted to the DOF.

The penalty will be paid to the County Auditor-Controller for distribution to the taxing entities. If the Successor Agency does not timely submit ROPS 16-17, 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 ROPS 16-17 within 10 days of the February 1, 2016 deadline, the Successor Agency's maximum administrative cost 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 order the County Auditor-Controller to withhold a scheduled RPTTF disbursement to the Successor Agency pending the DOF's review of the related 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." Possibly, it is referring to October 1 and April 1, the dates by which the County Auditor-Controller must prepare estimates for the upcoming RPTTF disbursements on January 2 and June 1, respectively, and provide the estimates to the DOF, the Successor Agency and the taxing entities.) In conjunction with such a withholding, the DOF may order the County Auditor-Controller to disburse to the taxing entities money from the RPTTF that the DOF determines to be in excess of the amount needed for enforceable obligations.

Fiscal Impact

The preparation and submittal of ROPS 16-17 is for the purpose of allowing the Successor Agency to pay its enforceable obligations for the period from July 1, 2016 to June 30, 2017.

Recommendation

That the Oversight Board adopt Resolution No. OB ____ approving the Recognized Obligation Payment Schedule for the annual period from July 1, 2016 through June 30, 2017 ("ROPS 16-17").

RESOLUTION NO. OB_____

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE TEHACHAPI REDEVELOPMENT AGENCY APPROVING A RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE FISCAL PERIOD FROM JULY 1, 2016 THROUGH JUNE 30, 2017, PURSUANT TO HEALTH AND SAFETY CODE SECTION 34177 AND TAKING CERTAIN RELATED ACTIONS

RECITALS:

A. Pursuant to Health and Safety Code Section 34177(o), the Successor Agency to the Tehachapi Redevelopment Agency (the "Successor Agency") must prepare a Recognized Obligation Payment Schedule listing the anticipated payments for enforceable obligations to be made by the Successor Agency during the fiscal period from July 1, 2016 through June 30, 2017 ("ROPS 16-17") and submit ROPS 16-17 to the oversight board of the Successor Agency (the "Oversight Board") for approval.

B. Pursuant to Health and Safety Code Section 34177(l)(2)(C) and Section 34177(o)(1), the Successor Agency must: (i) submit the Oversight Board-approved ROPS 16-17 to the DOF, the Office of the State Controller, and the County Auditor-Controller no later than February 1, 2016, and (ii) post a copy of the Oversight Board-approved ROPS 16-17 on the Successor Agency's website.

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 approves the proposed ROPS 16-17, substantially in the form attached hereto as Exhibit A. Staff of the Successor Agency is hereby authorized and directed to: (i) submit a copy of Oversight Board-approved ROPS 16-17 to the DOF, the Office of the State Controller, and the County Auditor-Controller and (ii) post a copy of the Oversight Board-approved 16-17 on the Successor Agency's Internet website (being a page on the Internet website of the City of Tehachapi).

Section 3. 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 but not limited to requesting additional review by the DOF and an opportunity to meet and confer on any disputed items, and making adjustments to ROPS 16-17 pursuant to the DOF's instructions, and any such actions previously taken are hereby ratified and confirmed.

PASSED, APPROVED AND ADOPTED this 25th day of January, 2016.

AYES:

NOES:

ABSENT:

ABSTAIN:

Ed Grimes, Chair

ATTEST:

Ashley Whitmore, Secretary
Oversight Board Of Successor Agency To The
Tehachapi Redevelopment Agency

EXHIBIT A

**SUCCESSOR AGENCY TO THE TEHACHAPI REDEVELOPMENT AGENCY
RECOGNIZED OBLIGATION PAYMENT SCHEDULE
(July 1, 2016 – June 30, 2017)**



October 22, 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) (1) (A), the City of Tehachapi Successor Agency (Agency) submitted a Recognized Obligation Payment Schedule for the period January 1 through June 30, 2016 (ROPS 15-16B) to the California Department of Finance (Finance) on September 24, 2015. Finance has completed its review of the ROPS 15-16B.

Based on our review, Finance is approving all of the items listed on the ROPS 15-16B at this time.

In addition, Finance noted the following:

- Item Nos. 8 and 9 – Replenishment of 2005 and 2007 Bond Reserve totaling \$501,944. The Agency inadvertently requested the incorrect amounts for these line items. Per discussion with the Agency staff and review of documentation provided, the \$251,954 requested for the six-month period for Item No. 8 should be \$253,828, and for Item No. 9, the \$249,990 requested for the six-month period should be \$251,864. As a result, the total Redevelopment Property Tax Trust Fund (RPTTF) funding requested for enforceable obligations has been increased by \$3,748.

Pursuant to HSC section 34186 (a) (1), the Agency was required to report on the ROPS 15-16B form the estimated obligations versus actual payments (prior period adjustment) associated with the January through June 2015 period (ROPS 14-15B). HSC section 34186 (a) (1) also specifies the prior period adjustment self-reported by the Agency is subject to review by the county auditor-controller (CAC). 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 Agency's self-reported prior period adjustment.

The Agency's maximum approved RPTTF distribution for the reporting period is \$1,775,533 as summarized in the Approved RPTTF Distribution table below:

Approved RPTTF Distribution	
For the period of January through June 2016	
Total RPTTF requested for non-administrative obligations	1,741,785
Total RPTTF requested for administrative obligations	30,000
Total RPTTF requested for obligations on ROPS 15-16B	\$ 1,771,785
RPTTF adjustment to non-administrative obligations	3,748
Total RPTTF adjustments	\$ 3,748
Total RPTTF authorized for non-administrative obligations	1,745,533
Total RPTTF authorized for administrative obligations	30,000
Total RPTTF authorized for obligations	\$ 1,775,533
ROPS 14-15B prior period adjustment	0
Total RPTTF approved for distribution	\$ 1,775,533

On the ROPS 15-16B form, the Agency reported cash balances and activity for the period January 1 through December 31, 2015. Finance will perform a review of the Agency's self-reported cash balances on an ongoing basis. Please be prepared to submit financial records and bridging documents to support the cash balances reported upon request. If it is determined the Agency possesses cash balances that are available to pay approved obligations, HSC section 34177 (l) (1) (E) requires these balances be used prior to requesting RPTTF.

Please refer to the ROPS 15-16B schedule used to calculate the total RPTTF approved for distribution:

<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 January 1 through June 30, 2016. This determination only applies to items when 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 ROPS periods. All items listed on a future ROPS are subject to review and may be denied even if it was not denied on this ROPS or a preceding ROPS. The only exception is for items that have received a Final and Conclusive determination from Finance pursuant to HSC section 34177.5 (l). Finance's review of Final and Conclusive items 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 available prior to the enactment of the redevelopment dissolution statutes. 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.

Ms. Hannah Chung
October 22, 2015
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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 B. Bedard, Auditor-Controller, Kern County

EXHIBIT A

SUCCESSOR AGENCY TO THE TEHACHAPI REDEVELOPMENT AGENCY

ADMINISTRATIVE CHARGE INVOICE
ROPS 15-16B

for Fiscal Period from January 1, 2016 through June 30, 2016
Presented to Successor Agency Oversight Board on January 25, 2016

Administrative Charge for Six Months:

\$ 30,000

(Not to Exceed \$125,000)

Administrative Budget Expenditures:

Employees' wages and benefits	12,508
Education / Training	490
Legal / Consultant fees	10,000
Audit fees	2,000
Office Use Fee including utilities, equipments, computers, phones, office rent, repair and maintenance etc.	5,000
Other Expenses	1,000
	<u>30,998</u>

Source of Administrative Budget: Redevelopment Property Tax Trust Fund