



May 17, 2013

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

Dear Ms. Chung:

Subject: Recognized Obligation Payment Schedule

This letter supersedes the California Department of Finance's (Finance) Recognized Obligation Payment Schedule (ROPS 13-14A) letter dated April 8, 2013. Pursuant to Health and Safety Code (HSC) section 34177 (m), the City of Tehachapi Successor Agency (Agency) submitted ROPS 13-14A to Finance on February 26, 2013 for the period of July through December 2013. Subsequently, the Agency requested a Meet and Confer session on one or more of the items denied by Finance. The Meet and Confer session was held on April 23, 2013.

Based on a review of additional information and documentation provided to Finance during the Meet and Confer process, Finance has completed its review of the specific item being disputed.

- Item No. 7 – Agency wishes to change the total outstanding debt obligation amount from \$945,420 to \$764,867. Finance accepts this change; the change can be made in ROPS 13-14B.
- The following changes to the Prior Period Payment tab in ROPS 13-14A were requested:
  - Item No. 8 – Bond Trustee Admin Fee. Agency wishes to change the actual payment amount to zero.
  - Item No. 10 – Administrative Expenses. Agency wishes to change the estimated amount from \$125,000 to \$100,000 because the \$25,000 is reported under Low and Moderate Income Housing Fund.

Based on additional information provided, Finance accepts these changes.

- Agency contends that the prior period adjustment of \$234,362 was an error. After further review of information provided by the Kern County Auditor Controller, the prior period adjustment should be zero. This change is reflected in the following table.

Based on our review, we are approving all of the items listed on your ROPS 13-14A at this time.

The Agency's maximum approved Redevelopment Property Tax Trust Fund (RPTTF) distribution for the reporting period is \$535,757 as summarized below:

<b>Approved RPTTF Distribution Amount</b>	
<b>For the period of July through December 2013</b>	
Total RPTTF funding requested for obligations	\$ 410,757
Minus: Six-month total for items denied or reclassified as administrative cost	
Total approved RPTTF for enforceable obligations	\$ 410,757
Plus: Allowable RPTTF distribution for ROPS 13-14A administrative cost	125,000
Minus: ROPS II prior period adjustment	-
<b>Total RPTTF approved for distribution:</b>	<b>\$ 535,757</b>

Pursuant to HSC Section 34186 (a), successor agencies were required to report on the ROPS 13-14A form the estimated obligations and actual payments (prior period adjustments) associated with the July through December 2012 period. The amount of RPTTF approved in the above table includes the prior period adjustment that was self-reported by the Agency. HSC Section 34186 (a) also specifies that the prior period adjustments self-reported by successor agencies are subject to audit by the county auditor-controller (CAC) and the State Controller. Any proposed CAC adjustments were not received in time for inclusion in this letter. Therefore, the amount of RPTTF approved in the above table includes only the prior period adjustment that was self-reported by the Agency.

Please refer to the ROPS 13-14A schedule that was used to calculate the approved RPTTF amount:

[http://www.dof.ca.gov/redevelopment/ROPS/ROPS 13-14A Forms by Successor Agency/](http://www.dof.ca.gov/redevelopment/ROPS/ROPS_13-14A_Forms_by_Successor_Agency/).

This is Finance's final determination related to the enforceable obligations reported on your ROPS for July 1 through December 31, 2013. 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 34177.5 (i). Finance's review of items that have received a Final and Conclusive determination is limited to confirming the scheduled payments as required by the obligation.

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

To the extent proceeds from bonds issued after December 31, 2010 exist and are not encumbered by an enforceable obligation pursuant to 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.

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Please direct inquiries to Chikako Takagi-Galamba, Manager or Mindy Patterson, Lead Analyst at (916) 445-1546.

Sincerely,



STEVE SZALAY  
Local Government Consultant

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