



September 12, 2014

Ms. Teresa Binkley, Finance Director
City of Taft
209 East Kern Street
Taft, CA 93268

Dear Ms. Binkley:

Subject: Finding of Completion

The California Department of Finance (Finance) has completed the Finding of Completion for the City of Taft Successor Agency.

Finance has completed its review of your documentation, which may have included reviewing supporting documentation submitted to substantiate payment or obtaining confirmation from the county auditor-controller. Pursuant to Health and Safety Code (HSC) section 34179.7, we are pleased to inform you that Finance has verified that the Agency has made full payment of the amounts determined under HSC section 34179.6, subdivisions (d) or (e) and HSC section 34183.5.

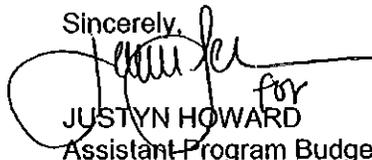
This letter serves as notification that a Finding of Completion has been granted. The Agency may now do the following:

- Place loan agreements between the former redevelopment agency and sponsoring entity on the ROPS, as an enforceable obligation, provided the oversight board makes a finding that the loan was for legitimate redevelopment purposes per HSC section 34191.4 (b) (1). Loan repayments will be governed by criteria in HSC section 34191.4 (a) (2).
- Utilize proceeds derived from bonds issued prior to January 1, 2011 in a manner consistent with the original bond covenants per HSC section 34191.4 (c).

Additionally, the Agency is required to submit a Long-Range Property Management Plan to Finance for review and approval, per HSC section 34191.5 (b), within six months from the date of this letter.

Please direct inquiries to Derk Symons, Staff Finance Budget Analyst, or Chris Hill, Principal Program Budget Analyst, at (916) 445-1546.

Sincerely,


JUSTYN HOWARD
Assistant Program Budget Manager

cc: Mr. Craig Jones, City Manager, City of Taft
Ms. Mary B Bedard, Auditor-Controller, Kern County
California State Controller's Office



FINDING OF COMPLETION VERIFICATION REQUEST FORM

Instructions: Please fill out this form in its entirety to request the Department of Finance (Finance) to provide a finding of completion determination. Upon completion, email a PDF version of this document (including any attachments) to:

Redevelopment_Administration@dof.ca.gov

The subject line should state "[Agency Name] Finding of Completion Determination Request". Finance will contact the requesting agency upon receipt for any additional information that may be necessary. Questions related to the finding of completion determination process should be directed to (916) 445-1546 or by email to Redevelopment_Administration@dof.ca.gov.

Pursuant to Health and Safety Code (HSC) Section 34179.7, Finance will issue a finding of completion to the successor agency, within five business days, once the following conditions have been met and verified:

- The successor agency has paid the full amount as determined during the July True-Up process or has paid the full amount upon a final judicial determination of the amounts due and confirmation that those amounts have been paid to the county auditor-controller.
- The successor agency has paid the full amount as determined during the due diligence reviews or has paid a final judicial determination and the county auditor-controller has reported those payments to Finance.

Per HSC 34179.6 (g), the county auditor-controller only provides Finance a report specifying the amount submitted by each successor agency on or around December 1, 2012 and April 20, 2013. Therefore, if an entity wishes to obtain a finding of completion prior to these dates, the successor agency should provide Finance the necessary supporting documentation to substantiate the amounts paid. Without this documentation, Finance has no ability to determine that the successor agency has paid the full amount previously described prior to the county auditor-controller report, and will thus be incapable of issuing a finding of completion prior to the receipt of those reports.

If the payments described previously were submitted subsequent to April 20, 2013, then the successor agency should provide Finance the necessary supporting documentation to substantiate the amounts paid. Without this documentation, Finance has no ability to determine that the successor has paid the full amounts due, and will thus be incapable of issuing a finding of completion.

Documentation may include copies of checks or warrants, evidence of wire transfers, bank statements, written confirmation of payment from the county auditor-controller, and/or a final judicial determination order. If the successor agency is unable to provide sufficient evidence to demonstrate payment, Finance reserves the right to waive review of this request until receipt of the report from the county auditor-controller in April 2013.

GENERAL INFORMATION:

Successor Agency Name: Taft

Date of Request: September 8, 2014

DETAIL OF REQUEST

July True-Up Process or Final Judicial Determination - Email attached

Amount Due: 0

Amount Paid: 0

Payment Date: N/A

Low and Moderate Income Housing Funds Due Diligence Review or Final Judicial Determination

Finance Determination Letter or Final Judicial Determination Date: February 21, 2014

Amount Due: \$585,049

Amount Paid: \$585,049

Payment Date: May 23, 2014

"Other Funds" Due Diligence Review or Final Judicial Determination

Finance Determination Letter or Final Judicial Determination Date: February 14, 2014

Amount Due: 0.00

Amount Paid: N/A

Payment Date: N/A

Agency Contact Information

Name: Teresa Binkley

Name: Craig Jones

Title: Finance Director

Title: City Manager

Phone: 661-763-1350 ext. 18

Phone: 661-763-1222

Email: tbinkley@cityoftaft.org

Email: cjones@cityoftaft.org

Date: September 8, 2014

Date: September 8, 2014

Department of Finance Local Government Unit Use Only

DETERMINATION OF FINDING OF COMPLETION STATUS: APPROVED DENIED

APPROVED/DENIED BY: _____ DATE: _____

APPROVAL OR DENIAL LETTER PROVIDED: YES DATE AGENCY NOTIFIED: _____

Teresa Binkley

From: Janelle Austin <AustinJ@co.kern.ca.us>
Sent: Wednesday, July 11, 2012 5:08 PM
To: Teresa Binkley
Cc: Mary Bedard
Subject: AB 1484

Teresa,

Recently notification pursuant to AB 1484 was sent out regarding a payment that "may" need to be made to the Auditor Controller from the Successor Agencies for a possible overpayment. This repayment does not affect your agency. Please let me know if you have any questions.

Janelle Austin
Senior Accountant, Special Accounting
Kern County Auditor-Controller-County Clerk
1115 Truxtun Avenue, Bakersfield, CA
661.868.3513 austinj@co.kern.ca.us



February 21, 2014

Ms. Teresa Binkley, Finance Director
City of Taft
209 East Kern Street
Taft, CA 93268

Dear Ms. Binkley:

Subject: Low and Moderate Income Housing Fund Due Diligence Review

This letter supersedes Finance's original LMIHF DDR determination letter dated December 27, 2013. Pursuant to Health and Safety Code (HSC) section 34179.6 (c), the City Taft Successor Agency (Agency) submitted an oversight board approved Low and Moderate Income Housing Fund (LMIHF) Due Diligence Review (DDR) to the California Department of Finance (Finance) on December 2, 2013. Finance issued a LMIHF DDR determination letter on December 27, 2013. Subsequently, the Agency requested a Meet and Confer session on one or more items adjusted by Finance. The Meet and Confer Session was held on January 23, 2014.

Based on a review of additional or clarifying information provided to Finance during the Meet and Confer process, Finance continues to believe the adjustment made to the DDR's stated balance of LMIHF available for distribution to the taxing entities is appropriate. HSC section 34179.6 (d) authorizes Finance to make these adjustments. We maintain the adjustment continues to be necessary for the reasons noted:

- The Agency contends the retention of \$583,703 in LMIHF balances is needed for debt service payments on the 1998 Revenue Bond. However, the Agency has been requesting and receiving Redevelopment Property Tax Trust Fund (RPTTF) for this enforceable obligation. Therefore, the Agency's request to restrict \$583,703 continues to be denied. In addition, based upon additional information provided, it is our understanding the \$583,703 requested to be retained is also included in the \$585,049 (\$583,703 + \$1,346 interest receivable) requested in Procedure 9.
- The Agency contends the retention of \$585,049 in LMIHF balances is necessary for the purpose of satisfying future obligations. During the Meet and Confer process, the Agency provided a cash flow analysis showing future revenues would not meet future bond debt service payments. However, the cash flow analysis failed to recognize the probable increase in future property tax revenues. Finance recalculated the cash flow analysis using a conservative two percent annual increase in tax revenues. As a result of the recalculation, the Agency would have sufficient tax revenue for future debt service payments and no need to retain current balances in the amount of \$585,049.

However, should the Agency experience a cash flow shortage when obligations are due, HSC provides successor agencies with various methods to address short term cash flow issues. These may include requesting a loan from the city pursuant to HSC section 34173 (h), or requesting the accumulation of reserves on the ROPS when a future balloon or uneven payment is expected. In addition, pursuant to HSC section 34183 (b), pass-through obligations could be subordinated should debt service be jeopardized. The Agency should seek counsel from their oversight board to determine the solution most appropriate for their situation. Since the Agency has alternatives to address short term cash flow shortages, Finance maintains it is not necessary for Agency to retain the requested funds.

The Agency's LMIHF balance available for distribution to the affected taxing entities continues to be \$585,049 (see table below).

LMIHF Balances Available For Distribution To Taxing Entities	
Available Balance per DDR:	\$ (583,703)
Finance Adjustments	
Add:	
Requested restricted balance not supported:	\$ 583,703
Requested retained balance not supported:	585,049
Total LMIHF available to be distributed:	\$ 585,049

Pursuant to HSC section 34167.5 and 34178.8, the California State Controller's Office (Controller) has the authority to claw back assets that were inappropriately transferred to the city, county, or any other public agency. Determinations outlined in this letter and Finance's Housing Assets Transfer letter dated August 25, 2012 do not in any way eliminate the Controller's authority.

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

Sincerely,



JUSTYN HOWARD
Assistant Program Budget Manager

cc: Mr. Craig Jones, City Manager, City of Taft
Ms. Mary B Bedard, Auditor-Controller, Kern County
California State Controller's Office

DO NOT ACCEPT UNLESS THIS CHECK IS PRINTED WITH A COLOR BACKGROUND CONTAINS A VOID PANTOGRAPH INK REPRINT TO FACE AND CHECK NUMBER IS A DATA MATRIX ON THE REVERSE SIDE

14-103002

Vendor Number: 2835 Check Date: 05/23/2014 Check Number: 077527

Laft
208 East Kern Street
Yuba, California 93268

\$585,049.00

Pay ****585,049 DOLLARS AND NO CENTS

To The Order Of: KERN COUNTY AUDITOR-CONTROLLER
AUDITOR-CONTROLLER COUNTY CLERK
1116 TRUXTON AVE., 2ND FLOOR
BAKERSFIELD CA 93301-4839

Approved By: *[Signature]*
Audited By: *[Signature]*

WestAmerica Bank

⑆077527⑆ ⑆2144021A⑆ 0284954773⑆



PAID TO THE ORDER OF
KERN COUNTY
TREASURER-TX COLLECTOR
By: Mary E. Baward, CPA
Auditor-Commer County Clerk

By: *[Signature]*
Title: *[Signature]*

City of Taft, CA. – Accounts Payable

Invoice Date	Invoice Number	P.O. No.	Voucher	Invoice Description	Net Invoice Amount
05/21/14 ✓	052114 ✓			67467-07352 66466 Reclassified	585,049.00 ✓
Vendor No.	Vendor Name	Check No.	Check Date	Check Amount	
2835	KERN COUNTY AUDITOR-CONTROLLER	077527	05/23/2014	\$585,049.00	

For [Signature]

www.businessstation.com 01/17/10/2008

