

**OVERSIGHT BOARD TO THE SUCCESSOR AGENCY
OF THE WEST COVINA
REDEVELOPMENT AGENCY**

**SPECIAL MEETING
AGENDA**

West Covina City Hall
City Hall Council Chambers
1444 West Garvey Avenue, West Covina, CA 91790

**THURSDAY, SEPTEMBER 22, 2016
4:00 p.m.**

Carrie A. Sutkin, Chairperson
Luzmaria Chavez, Board Member
Robert R. Coghlan, Board Member
Mike Gregoryk, Board Member
Kelly McDonald, Board Member
David Stewart, Board Member
Fredrick Sykes, Board Member

AMERICANS WITH DISABILITIES ACT

The Board complies with the Americans with Disabilities Act (ADA). If you will need special assistance at Board Meetings, please call (626) 939-8433 (voice) or (626) 960-4422 (TTY) from 8 to 5 Monday through Thursday, at least 48 hours prior to the meeting to make arrangements.

AGENDA MATERIAL

Agenda material is available for review at the West Covina City Clerk's Office, Room 317 in City Hall, 1444 W. Garvey Avenue South and at www.westcovina.org. Any writings or documents regarding any item on this agenda not exempt from public disclosure, provided to a majority of the Oversight Board that is distributed less than 72 hours, before the meeting, will be made available for public inspection in the City Clerk's Office, Room 317 of City Hall during normal business hours.

PUBLIC COMMENT

Any member of the public may address the Board on items within the Board's subject matter jurisdiction during Public Comments. The Board may not take action on matters not listed on the posted agenda. If you would like to address the Board, please complete a Speaker Card and submit to the Board Secretary. All comments are limited to five (5) minutes per speaker. All speakers shall observe decorum and order as specified in the *Rules of Procedure of the Oversight Board to the Successor Agency of the West Covina Redevelopment Agency*.

SPECIAL MEETING
AGENDA
Thursday, September 22, 2016
4:00 p.m.

I. CALL TO ORDER

A. Roll Call

Carrie A. Sutkin, Chairperson
Luzmaria Chavez, Board member
Robert R. Coghlan, Board Member
Mike Gregoryk, Board member
Kelly McDonald, Board Member
David Stewart, Board Member
Fredrick Sykes, Board Member

B. Pledge of Allegiance

II. CHANGES TO THE AGENDA

III. PUBLIC COMMENT

This is the time set aside for public comments. Please step forward to the podium and state your name and city of residence for the record when recognized by the Chairperson. Comments are limited to five (5) minutes per speaker.

IV. CONSENT CALENDAR

All matters listed on the CONSENT CALENDAR are considered to be routine and can be acted on by one roll call vote. There will be no separate discussion of these items unless members of the Oversight Board request a specific item to be removed from the Consent Calendar for separate discussion or action.

A. Approval and Transmittal of an Amended Recognized Obligation Payment Schedule “ROPS” Pursuant to Health and Safety Code Section 34177(O)(1)(E), for the Period of January 1, 2017 through June 30, 2017, for the Successor Agency of the West Covina Redevelopment Agency

Recommendation

It is recommended that the Oversight Board to the Successor Agency of the Former West Covina Redevelopment Agency adopt the following resolution:

RESOLUTION NO. OB-0049 – A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE FORMER WEST COVINA REDEVELOPMENT AGENCY, APPROVING AND AUTHORIZING THE TRANSMITTAL OF AN AMENDED RECOGNIZED OBLIGATION PAYMENT

SCHEDULE "ROPS" FOR THE PERIOD OF JANUARY 1, 2017 THROUGH JUNE 30, 2017 FOR THE SUCCESSOR AGENCY OF THE WEST COVINA REDEVELOPMENT AGENCY

V. BOARD MEMBERS' COMMENTS

VI. ADJOURNMENT

Copies of staff reports or other written documentation, *if any*, relating to each item of business described above are on file in the West Covina City Hall, City Clerk's Office, 1444 West Garvey Avenue, West Covina CA 91790, and are available for public inspection upon request during regular business hours of 8:00 a.m. to 5:30 p.m., Monday through Thursday.

Should any person have a question concerning any of the above agenda items prior to the meeting described herein, he or she may contact Paulina Morales, Economic Development & Housing Manager, either in person in the Community Economic Development Division Office at West Covina City Hall, 1444 West Garvey Avenue, West Covina, CA 91790, or by calling via telephone at (626) 939-8417 during regular business hours.

**OVERSIGHT BOARD TO THE SUCCESSOR AGENCY
OF THE WEST COVINA REDEVELOPMENT AGENCY**

AGENDA REPORT
Item No. IVA
Date: September 22, 2016

TO: Chairperson and Board Members of the Oversight Board to the Successor Agency of the West Covina Redevelopment Agency

FROM: Chris Freeland, Executive Director

BY: Christa Buhagiar, Finance Director

SUBJECT: APPROVAL AND TRANSMITTAL OF AN AMENDED RECOGNIZED OBLIGATION PAYMENT SCHEDULE "ROPS" PURSUANT TO HEALTH AND SAFETY CODE SECTION 34177(O)(1)(E), FOR THE PERIOD OF JANUARY 1, 2017, THROUGH JUNE 30, 2017, FOR THE SUCCESSOR AGENCY OF THE WEST COVINA REDEVELOPMENT AGENCY

RECOMMENDED ACTION:

It is recommended that the Oversight Board to the Successor Agency of the West Covina Redevelopment Agency, adopt the following resolutions:

RESOLUTION NO. OB-0049 - A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY OF THE WEST COVINA REDEVELOPMENT AGENCY APPROVING AND AUTHORIZING THE TRANSMITTAL OF AN AMENDED RECOGNIZED OBLIGATION PAYMENT SCHEDULE "ROPS" FOR THE PERIOD OF JANUARY 1, 2017, THROUGH JUNE 30, 2017, FOR THE SUCCESSOR AGENCY OF THE WEST COVINA REDEVELOPMENT AGENCY

DISCUSSION:

In accordance with Health and Safety Code Section 34177(O)(1), the Successor Agency is required to file a ROPS annually in order to receive a distribution of property tax increment dollars with which to fund the obligations of the former Redevelopment Agency. These obligations include bond debt service payments, amounts due under existing agreements with commercial property owners, repayment of amounts borrowed from the Housing Fund to fund property tax shifts mandated by the State, cost of litigation to protect assets of the former Redevelopment Agency, repayment of loans to the City, and administrative costs of the Successor Agency to wind down the affairs of the former Redevelopment Agency. While many of these listed items are not necessarily debt, they are considered obligations for purposes of this mandated report and must be listed on this report if they are to be funded with distributions of future tax increment dollars. These items are not debt obligations of the City of West Covina.

The West Covina Successor Agency submitted the approved ROPS 16-17 to the Department of Finance (DOF) and on April 14, 2016, the Successor Agency received the DOF's determination letter. Pursuant to SB107, that was the first annual ROPS submittal.

Pursuant to HSC section 34177.7 (o) (1) (E), once per Recognized Obligation Payment Schedule period, and no later than October 1, a successor agency may submit one amendment to the Recognized Obligation Payment Schedule approved by the department pursuant to this subdivision, if the oversight board makes a finding that a revision is necessary for the payment of approved enforceable obligations during the second one-half of the Recognized Obligation Payment Schedule period, which shall be defined as January 1 to June 30, inclusive.

The total amount of funding approved for enforceable obligations from the Redevelopment Property Tax Trust Fund (RPTTF) on ROPS 16-17 was \$12,234,251 and included many of the same items that have been previously approved by DOF.

The attached Amended ROPS 16-17B (Attachment No. 2) includes revised numbers for the following:

Item #11 – Repay County Loan – An increase of \$199,356 is being requested to cover the total invoice amount due of \$1,699,355.14. Staff originally estimated \$1,500,000 since the past two years had not exceed that amount.

Item #80 – Reimbursement for Litigation Expenses – An increase of \$24,880.65 is being requested to reimburse the City of West Covina for litigation expenses incurred during February 2012 – December 2012. Staff has been working with DOF to receive reimbursement for these expenses and DOF has informed staff to add them on approved ROPS line items to seek the reimbursement.

LEGAL REVIEW:

The Successor Agency Counsel has reviewed and approved this report, the resolution and the Recognized Obligation Payment Schedule.

FISCAL IMPACT:

The City, as Successor Agency, cannot receive or spend any funds unless the amounts are listed on a Recognized Obligation Payment Schedule. This schedule identifies all outstanding obligations that must be satisfied before the Agency can be dissolved. The obligations listed on this schedule will receive property tax allocations distributed by the County as their funding source.

Prepared by:



Christa Buhagiar
Finance Director



Paulina Morales
Economic Development & Housing Manager

ATTACHMENTS:

Attachment No. 1 – Resolution No. OB-0049

Exhibit A – Amended Recognized Obligation Payment Schedule (ROPS 16-17B)

RESOLUTION NO. OB - 0049

A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY OF THE WEST COVINA REDEVELOPMENT AGENCY APPROVING AND AUTHORIZING THE TRANSMITTAL OF AN AMENDED RECOGNIZED OBLIGATION PAYMENT SCHEDULE “ROPS” FOR THE PERIOD OF JANUARY 1, 2017, THROUGH JUNE 30, 2017, FOR THE SUCCESSOR AGENCY OF THE WEST COVINA REDEVELOPMENT AGENCY

WHEREAS, as part of the 2011-12 State budget bill, the California Legislature has enacted and the Governor has signed, companion bills AB1X 26 and AB1X 27, requiring that each redevelopment agency be dissolved unless the community that created it enacts a resolution committing it to making certain payments; and

WHEREAS, on December 29, 2011, the California Supreme Court upheld AB1X 26, which dissolved all of the redevelopment agencies in the State of California as of February 1, 2012, and struck down AB1X 27; and

WHEREAS, at a meeting of January 10, 2012, the City of West Covina took action to designate itself as the Successor Agency to the former West Covina Redevelopment Agency; and

WHEREAS, Pursuant to Health and Safety Code Section 34177 (o) (1), commencing with the ROPS covering the period from July 1, 2016 to June 30, 2017 and thereafter, agencies shall submit an Oversight Board approved annual ROPS to Finance and the County Auditor-Controller by February 1, 2016 and each February 1 thereafter; and

WHEREAS, Pursuant to Health and Safety Code Section 34177 (o) (1) (E), once per ROPS period, and no later than October 1, a successor agency may submit one amendment to the ROPS approved by the Department of Finance.

WHEREAS, the West Covina City Council, acting as Successor Agency of the West Covina Redevelopment Agency, reserves the right to appeal any determination of the California Director of Finance or other entity regarding the propriety of this resolution as well as any future determinations; and

WHEREAS, the West Covina City Council, acting as Successor Agency of the West Covina Redevelopment Agency, intends to comply with the state-mandated obligations established hereunder; and

WHEREAS, all other legal prerequisites to the adoption of this resolution have occurred.

NOW, THEREFORE, BE IT RESOLVED by the West Covina City Council, acting as Successor Agency of the West Covina Redevelopment Agency, as follows:

SECTION 1. The foregoing Recitals are incorporated into this Resolution by this reference, and constitute a material part of this Resolution.

SECTION 2. The Amended Recognized Obligation Payment Schedule “ROPS” attached hereto as Exhibit “A” is approved and the Executive Director is authorized to submit the Amended ROPS to the Oversight Board for approval and transmit the same to the Los Angeles County Auditor-Controller, the State Controller and the State Department of Finance in accordance with Health and Safety Code Section 34177 (o) (1) (E) subject to all reservations of rights and contingencies set forth above.

SECTION 3. The Executive Director or designee is authorized to take all actions necessary to implement this Resolution, including without limitation, the posting of this Resolution and the Recognized Obligation Payment Schedule on the City’s website, and the provision of notice of adoption of this Resolution and such Schedule to the County Auditor-Controller, the State Controller and the State Department of Finance.

SECTION 4. The Secretary shall certify as to the passage and adoption of this Resolution, and it shall thereupon take effect and be in full force.

PASSED, APPROVED AND ADOPTED at a regularly scheduled meeting held on this 22nd day of September, 2016.

Carrie A. Sutkin, Chairperson
Oversight Board to the Successor
Agency to the former West Covina
Redevelopment Agency

APPROVED AS TO FORM:

ATTEST:

John Harper
Successor Agency Counsel

Rosalia Conde, Secretary
Oversight Board to the Successor
Agency of the West Covina
Redevelopment Agency