

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

**REGULAR MEETING
AGENDA**

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

**THURSDAY, JANUARY 19, 2017
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*.

REGULAR MEETING
AGENDA
Thursday, January 19, 2017
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 Administrative Budget and a Recognized Obligation Payment Schedule “ROPS” Pursuant to Health and Safety Code Section 34179.7 (O)(1), for the Period of July 1, 2017 through June 30, 2018 for the Successor Agency to the Former West Covina Redevelopment Agency

Recommendation

It is staff’s recommendation that the Oversight Board to the Successor Agency of the Former West Covina Redevelopment Agency adopt the following resolution:

RESOLUTION NO. OB-0051 – A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE FORMER WEST COVINA REDEVELOPMENT AGENCY, APPROVING AND AUTHORIZING THE

TRANSMITTAL OF AN ADMINISTRATIVE BUDGET AND A RECOGNIZED OBLIGATION PAYMENT SCHEDULE "ROPS" FOR THE PERIOD OF JULY 1, 2017 THROUGH JUNE 30, 2018 FOR THE SUCCESSOR AGENCY TO THE FORMER 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.



AGENDA STAFF REPORT

City of West Covina | Office of the City Manager

DATE: January 19, 2017

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

FROM: Chris Freeland
City Manager

SUBJECT: APPROVAL AND TRANSMITTAL OF AN ADMINISTRATIVE BUDGET AND A RECOGNIZED OBLIGATION PAYMENT SCHEDULE “ROPS” PURSUANT TO HEALTH AND SAFETY CODE SECTION 34179.7(O)(1), FOR THE PERIOD OF JULY 1, 2017 THROUGH JUNE 30, 2018 FOR THE SUCCESSOR AGENCY TO THE FORMER WEST COVINA REDEVELOPMENT AGENCY

RECOMMENDATION:

It is staff's recommendation that the Oversight Board to the Successor Agency of the Former West Covina Redevelopment Agency, adopt the following resolution:

RESOLUTION NO. OB-0051 – A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE FORMER WEST COVINA REDEVELOPMENT AGENCY APPROVING AND AUTHORIZING THE TRANSMITTAL OF AN ADMINISTRATIVE BUDGET AND A RECOGNIZED OBLIGATION PAYMENT SCHEDULE “ROPS” FOR THE PERIOD OF JULY 1, 2017 THROUGH JUNE 30, 2018 FOR THE SUCCESSOR AGENCY TO THE FORMER WEST COVINA REDEVELOPMENT AGENCY

BACKGROUND:

In accordance with Health and Safety Code Section 34179.7(O)(1), the Successor Agency is required to file a Recognized Obligation Payment Schedule (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.

DISCUSSION:

The ROPS schedule (Attachment No. 1 – Exhibit A) lists all amounts that will be paid for the period of July 1, 2017 through June 30, 2018. Once the ROPS is approved by the Oversight Board, it then must be forwarded to the State Department of Finance (DOF) by February 1, 2017. DOF holds final approval authority of the items listed on the ROPS and directs the Los Angeles County Auditor-Controller to distribute tax increment funds to the Successor Agency. Many of the obligations listed on the ROPS are estimates, i.e. variable rate debt service payments, litigation, etc.

The Oversight Board is also required to adopt an administrative budget for each annual period. Attachment No. 1 – Exhibit B to this report is the administrative budget for the Successor Agency for the period of July 1, 2017 through June 30, 2018. This budget is to be funded by the administrative allowance, which is 3% of the enforceable obligations, after loan payments, or \$250,000 annually; whichever is greater. The City will absorb any administrative costs above this administrative allowance. These administrative costs can also be found in the ROPS (Attachment No. 1 – Exhibit A) line item nos. 12, 20, 21, 54 and 91.

The total amount of funding requested for enforceable obligations from the Redevelopment Property Tax Trust Fund (RPTTF) on ROPS 17-18 is \$10,666,925 and includes many of the same items that have been previously approved by DOF.

Other new items added to the Recognized Obligation Payment Schedule include:

Item #134 – Project Management Costs – Various Vendors \$72,535. These costs pertain to the maintenance of the Successor Agency assets located at the BKK site. The maintenance costs include emergency repairs required for the retention basin on the top deck of the BKK landfill site and fencing repairs along the parcel to ensure site security. The Successor Agency has received letters from the Local Enforcement Agency (LEA) and the Department of Toxic Substances Control (DTSC) of the BKK landfill regarding the necessity to repair the retention basin and fence.

Item # 135 – Property Disposition – Various Vendors \$745,000. These items pertain to the disposition of the six agency properties listed for sale in the approved Long Range Property Management Plan (LRPMP) at the BKK site. Project disposition costs include but are not limited to legal fees, consultant(s), environmental reports/studies, title, etc. As a result of the

environmental issues surrounding the BKK landfill, the Successor Agency will need to prepare/conduct the necessary environmental reports/studies in order to sell the properties.

Items #136-139 – Various Tax Allocation and Housing Set Aside Bonds – US Bank \$2,097,835. These items have been added to request a reserve for the September 1, 2018, debt service payment on the outstanding bonds to be set aside from ROPS period 17-18B RPTTF. This will provide for the Successor Agency’s compliance with the bond indentures and preserve the priority lien of the bonds on the RPTTF. Once the refunding of the outstanding bonds occurs, such amounts will be transferred and used as a reserve for the 2017 Refunding Bonds.

Item #140 – 2017 Tax Allocation Refunding Bonds – Since the Successor Agency is refinancing several of its outstanding bonds, line item # 140 has been added for the 2017 Refunding Bonds as a placeholder for these payments once the bonds are issued.

LEGAL REVIEW:

The Oversight Board Counsel has reviewed and approved this staff report, 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 of Los Angeles as their funding source.

If the administrative costs exceed the administrative allowance, the excess expenditures will be absorbed by the City.

Prepared by:

Reviewed and Approved by:



Christa Buhagiar
Finance Director

Approved via email

Paulina Morales
Economic Development & Housing
Manager

ATTACHMENTS:

Attachment No. 1 – Resolution No. OB-0051

Exhibit A – Recognized Obligation Payment Schedule (ROPS 17-18)

Exhibit B – Successor Agency Administrative Budget for July 1, 2017 through June 30, 2018

RESOLUTION NO. OB-0051

A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE FORMER WEST COVINA REDEVELOPMENT AGENCY APPROVING AND AUTHORIZING THE TRANSMITTAL OF AN ADMINISTRATIVE BUDGET AND A RECOGNIZED OBLIGATION PAYMENT SCHEDULE "ROPS" FOR THE PERIOD OF JULY 1, 2017 THROUGH JUNE 30, 2018 FOR THE SUCCESSOR AGENCY TO THE FORMER 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 34179.7 (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, the West Covina City Council, acting as Successor Agency to the former West Covina Redevelopment Agency, reserves the right to appeal any determination of the State of California Department 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 to the former West Covina Redevelopment Agency, intends to comply with the state-mandated obligations established hereunder; and

WHEREAS, on January 17, 2017 the West Covina City Council, acting as Successor Agency to the former West Covina Redevelopment Agency, approved ROPS 17-18; and

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

NOW, THEREFORE, BE IT RESOLVED by the Oversight Board to the Successor Agency to the former 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 Recognized Obligation Payment Schedule “ROPS” attached hereto as Exhibit “A” is approved and the Executive Director is authorized to transmit the same to the Los Angeles County Auditor-Controller, the California State Controller and the State of California Department of Finance in accordance with Health and Safety Code Section 34177 subject to all reservations of rights and contingencies set forth above.

SECTION 3. The Administrative Budget for the Successor Agency for the annual period of July 1, 2017 – June 30, 2018, attached hereto as Exhibit “B” is approved and the Executive Director is authorized to transmit the same to the Los Angeles County Auditor-Controller, the California State Controller and the State of California Department of Finance in accordance with Health and Safety Code Section 34177 subject to all reservations of rights and contingencies set forth above.

SECTION 4. 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 any other reasonable acts in furtherance of approval of the Recognized Obligation Payment Schedule and Administrative Budgets.

SECTION 5. The Secretary shall certify as to the passage and adoption of this Resolution, and it shall thereupon take effect and be in full force.

APPROVED AND ADOPTED at a regularly scheduled meeting held on this 19th day of January, 2017.

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

ATTEST:

Rosalia Butler, Secretary
Oversight Board to the Successor Agency to
the former West Covina Redevelopment
Agency

Recognized Obligation Payment Schedule (ROPS 17-18) - Summary

Filed for the July 1, 2017 through June 30, 2018 Period

Successor Agency: West Covina
 County: Los Angeles

	17-18A Total (July - December)	17-18B Total (January - June)	ROPS 17-18 Total
A Enforceable Obligations Funded as Follows (B+C+D):	\$ 7,250,542	\$ 583,200	\$ 7,833,742
B Bond Proceeds	-	-	-
C Reserve Balance	-	-	-
D Other Funds	7,250,542	583,200	7,833,742
E Redevelopment Property Tax Trust Fund (RPTTF) (F+G):	\$ 4,711,342	\$ 6,238,157	\$ 10,949,499
F RPTTF	4,570,055	6,096,870	10,666,925
G Administrative RPTTF	141,287	141,287	282,574
H Current Period Enforceable Obligations (A+E):	\$ 11,961,884	\$ 6,821,357	\$ 18,783,241

Certification of Oversight Board Chairman:
 Pursuant to Section 34177 (o) of the Health and Safety code, I
 hereby certify that the above is a true and accurate Recognized
 Obligation Payment Schedule for the above named successor
 agency.

 Name Title
 /s/ _____
 Signature Date

SUCCESSOR AGENCY TO THE FORMER WEST COVINA REDEVELOPMENT AGENCY
 ADMINISTRATIVE BUDGET
 July 1, 2017 to June 30, 2018

	<u>Annual Amount</u>	<u>July - Dec 2017</u>	<u>Jan - June 2018</u>
Salaries & Benefits	\$ 146,274	\$ 72,137	\$ 74,137
Maintenance & Operations			
Consultants	40,000	20,000	20,000
Legal Fees	46,000	24,000	22,000
Phone	2,000	1,000	1,000
Cell Phone	1,000	500	500
Supplies	7,300	3,650	3,650
Meetings	5,000	2,500	2,500
Overhead	30,000	15,000	15,000
Liability Insurance	5,000	2,500	2,500
Subtotal			
Total Budget	<u>\$ 282,574</u>	<u>\$ 141,287</u>	<u>\$ 141,287</u>

