

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

A G E N D A

West Covina City Hall
City Manager's Conference Room, Room 305
1444 West Garvey Avenue, West Covina, CA 91790

**THURSDAY, FEBRUARY 6, 2014
4:00 p.m.**

Carrie A. Sutkin, Chairperson
Luzmaria Chavez, Board Member
Robert R. Coghlan, Board Member
Mike Gregoryk, Board Member
Gerry Hertzberg, Board Member
Mike Lee, Board Member
Nickolas Lewis, Board Member

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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 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, February 6, 2014
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
Gerry Hertzberg, Board Member
Mike Lee, Board Member
Nickolas Lewis, 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 of Minutes (receive and file)

Special meeting minutes of September 26, 2013

B. Department of Finance Correspondence

It is recommended that the Oversight Board to the Successor Agency of the West Covina Redevelopment Agency receive and file this report.

ACTION ON CONSENT CALENDAR

Motion by _____ second by _____
to approve all items listed on the Consent Calendar as presented

except _____

V. BUSINESS ITEM(S)

- A. **Consideration of the Recognized Obligation Payment Scheduled “ROPS” and Successor Agency Administrative Budget Covering the Period of July 1, 2014 through December 31, 2014, and a Repayment Schedule for the Supplemental Educational Revenue Augmentation Fund (SERAF) Advances**

Recommendation

It is recommended that the Oversight Board review and approve Resolution No. OB-0024 approving the Recognized Obligation Payment Schedule “ROPS” and the Successor Agency Administrative Budget for the period of July 1, 2014 through December 31, 2014 and a repayment schedule for the Supplemental Educational Revenue Augmentation Fund (SERAF) advances.

- B. **Request for Report from Chairperson Sutkin to Change Date and Time of Meeting**

Recommendation

It is recommended that the Oversight Board direct staff accordingly.

- C. **Request for Report from Board Member Lee Requesting to Incorporate a Rotation Process for the Chairperson and Vice-Chairperson**

Recommendation

It is recommended that the Oversight Board direct staff accordingly.

VI. BOARD MEMBERS' COMMENTS

VII. 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 Christopher J. Chung, City Manager, either in person in the City Manager's Office at West Covina City Hall, 1444 West Garvey Avenue, West Covina, CA 91790, or by calling via telephone at (626) 939-8401 during regular business hours.

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

MINUTES

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

Special Meeting – Thursday, September 26, 2013

Audio recording of meeting is available upon request from the West Covina City Clerk's Office.

I. CALL TO ORDER:

Meeting was called to order at 2:30 p.m. by Chairperson Sutkin.

Roll Call Chairperson Sutkin, Vice Chairperson Touhey
Board Members Coghlan, Hertzberg, Lee

Absent: Board Members Chavez, Gregoryk

Staff: City Manager/Executive Director Chung, Finance Official McKay,
Oversight Board Secretary Rush, Attorney Harper

Pledge of Allegiance led by Vice Chairperson Touhey.

II. CHANGES TO AGENDA No changes to the agenda.

III. PUBLIC COMMENT No comments offered.

IV. CONSENT CALENDAR

- A. Approval of Minutes (receive and file)**
Regular meeting minutes of June 5, 2013
Regular meeting minutes of August 1, 2013

- B. Department of Finance Asset Transfer Status**
Recommendation is that the Oversight Board to the Successor Agency of the West Covina Redevelopment Agency receives and file this report.

ACTION ON CONSENT CALENDAR

Motion by Touhey and seconded by Gregoryk to approve all items on the consent calendar as presented.

Motion carried 5-0.

Executive Director Chung provided a brief update of the Asset Transfer Status at the request of Chairperson Sutkin. Chung stated that the Department of Finance (DOF) is still reviewing the requested asset transfers. The Successor Agency is still waiting for a determination for the DOF. Until the Successor Agency receives a determination and completion of findings, staff does not recommend moving forward with a Long Term Property Management Plan (LTPMP) as staff will not know which properties to move forward with.

Discussion ensued regarding the completion of finding and timeliness of the LTPMP.

IV. BUSINESS ITEMS:

A. Consideration of the Recognized obligation Payment Schedule “ROPS” and Successor Agency Administrative Budget Covering the Period of January 1, 2014 through June 30, 2014

Brief report was provided by Finance Official McKay. McKay provided a brief review of the new format required by the DOF and the new items added to the schedule. Chairperson Sutkin inquired as to the loans on the schedules which McKay responded stating they are not an outstanding debt item until they are recognized obligation payments. She stated the form is pre populated by the DOF with items previously submitted to the DOF, both with approved debt obligation payments and those not approved.

McKay described new item, items 56 – 68, explaining that many items are estimates so added items are amounts over and above what was previously approved and they must be added as new items.

Discussion ensued regarding the BKK landfill closure agreements which Chung stated is dependent on property transfers. Discussion also included the future of the area and the required clean-up.

Motion by Gregoryk and seconded by Touhey to adopt the following resolution:

RESOLUTION NO. 0B-0023 – A RESOLUTION OF THE SUCCESSOR AGENCY OF THE WEST COVINA REDEVELOPMENT AGENCY APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS) AND SUCCESSOR AGENCY ADMINISTRATIVE BUDGET PURSUANT TO HEALTH AND SAFETY CODE SECTION 34177 FOR THE PERIOD OF JANUARY 1, 2014 THROUGH JUNE 30, 2014

Motion carried 5-0.

V. BOARD MEMBER COMMENTS

Board Member Lee inquired as to whether there are any items that need to be discussed for the next meeting. With no upcoming items to discuss Board Members were advised that they will receive either a cancelation notice or an agenda if necessary.

X. ADJOURNMENT

Motion by Gregoryk and seconded by Lee to adjourn the meeting at 3:22 p.m.

Submitted by

Susan Rush
Oversight Board Secretary

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

AGENDA REPORT
Item No. IV - B
Date: February 6, 2014

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

FROM: Christopher J. Chung, Executive Director

BY: Nita McKay, Director of Finance and Administrative Services

SUBJECT: **DEPARTMENT OF FINANCE CORRESPONDENCE**

RECOMMENDED ACTION:

It is recommended that the Oversight Board to the Successor Agency of the West Covina Redevelopment Agency receive and file this report.

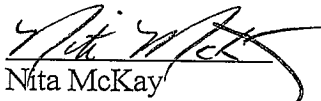
DISCUSSION:

Below (and attached) are the correspondence between the West Covina Successor Agency and the State Department of Finance.

1. 01-31-14 – Email from DOF re: SERAF Loan Payments and/or Deferrals
2. 01-29-14 – Email from DOF re: Loans Between the Former RDA and Sponsoring Entities
3. 01-15-14 – Email from DOF re: ROPS 14-15A Template
4. 01-14-14 – Letter from City Attorney's Office to the DOF re: City of West Covina Governmental Purpose Property Taxes
5. 12-31-13 – Letter from City Attorney's office to DOF re: West Covina Successor Agency ROPS 13-14B
6. 12-17-13 – Email from DOF re: West Covina ROPS 13-14B MC Determination (with attachment)
7. 11-21-13 – Email from City Attorney's office re: West Covina Successor Agency Request to Meet and Confer (ROPS 13-14B)
8. 11-14-13 – Email from DOF re: West Covina ROPS 13-14B Determination (with attachment)
9. 10-04-13 – Email from DOF re: Oversight Board Action Submission
10. 09-30-13 – Email from DOF re: West Covina Final ROPS 13-14B Accepted
11. 09-30-13 – Email from DOF re: West Covina ROPS 13-14B Received
12. 09-26-13 – Email from DOF re: Recent RDA Webpage Updates
13. 08-19-13 – Email from DOF re: RAD-SA Contact Update
14. 08-15-13 – Email from DOF re: ROPS 13-14B Template
15. 07-18-13 – Email from DOF re: Property Tax Residual Distribution to Affected Taxing Entities (with attachments)
16. 07-01-13 – Email from DOF re: ROPS 13-14B

Successor Agency staff will be prepared to discuss these correspondences with the Oversight Board at the meeting.

Prepared By:



Nita McKay

Director of Finance and Administrative Services

- Attachments No. 1: 01-31-14 – Email from DOF re: SERAF Loan Payments and/or Deferrals
- No. 2: 01-29-14 – Email from DOF re: Loans Between the Former RDA and Sponsoring Entities
- No. 3: 01-15-14 – Email from DOF re: ROPS 14-15A Template
- No. 4: 01-14-14 – Letter from City Attorney’s Office to the DOF re: City of West Covina Governmental Purpose Property Taxes
- No. 5: 12-31-13 – Letter from City Attorney’s office to DOF re: West Covina Successor Agency ROPS 13-14B
- No. 6: 12-17-13 – Email from DOF re: West Covina ROPS 13-14B MC Determination (with attachment)
- No. 7: 11-21-13 – Email from City Attorney’s office re: West Covina Successor Agency Request to Meet and Confer (ROPS 13-14B)
- No. 8: 11-14-13 – Email from DOF re: West Covina ROPS 13-14B Determination (with attachment)
- No. 9: 10-04-13 – Email from DOF re: Oversight Board Action Submission
- No. 10: 09-30-13 – Email from DOF re: West Covina Final ROPS 13-14B Accepted
- No. 11: 09-30-13 – Email from DOF re: West Covina ROPS 13-14B Received
- No. 12: 09-26-13 – Email from DOF re: Recent RDA Webpage Updates
- No. 13: 08-19-13 – Email from DOF re: RAD-SA Contact Update
- No. 14: 08-15-13 – Email from DOF re: ROPS 13-14B Template
- No. 15: 07-18-13 – Email from DOF re: Property Tax Residual Distribution to Affected Taxing Entities (with attachments)
- No. 16: 07-01-13 – Email from DOF re: ROPS 13-14B

Nancy Ramos

From: RedevelopmentAdministration@dof.ca.gov
Sent: Friday, January 31, 2014 4:58 PM
Subject: SERAF loan repayments and/or deferrals

Dear Successor Agencies:

On January 29, 2014, Finance e-mailed Successor Agencies providing guidance on former redevelopment agency (RDA)/sponsoring entity loan agreements. This sparked some inquiry related to the Supplemental Educational Revenue Augmentation Fund (SERAF) loan and deferral repayments.

HSC section 34191.4 (b) (2) (B) requires any outstanding amounts borrowed from or owed to the Low and Moderate Income Housing Fund (LMIHF) for purposes of the SERAF to be retired prior to requesting repayment for RDA/sponsoring entity loans. Pursuant to HSC section 34176 (e) (6) (B), the repayments related to SERAF are subject to the same formula restrictions as RDA/sponsoring entity loans. Specifically, the maximum repayment amount authorized each fiscal year shall be equal to one-half of the increase between "the amount distributed" to the taxing entities in that fiscal year and the amount distributed to taxing entities in the 2012-13 base year.

Further, pursuant to HSC section 34171 (d) (1) (G), amounts borrowed from, or payments owing to the LMIHF are enforceable obligations, provided the Agency's Oversight Board approves a repayment schedule. Therefore, a separate OB action is required, approving a repayment schedule for amounts due to the Low and Moderate Income Housing Asset Fund. Additionally, this OB action must be emailed individually to the RDA Administration email inbox at: Redevelopment_Administration@dof.ca.gov.

Since the repayment is restricted to the formula outlined in HSC section 34176 (e) (6) (B), Finance would not oppose to a repayment schedule that indicated the repayment amount for each fiscal year will be equal to the maximum amount allowed pursuant to HSC section 34176 (e) (6) (B).

Sincerely,

Department of Finance
Redevelopment Agency Administration
(916) 445-1546

Nancy Ramos

From: RedevelopmentAdministration@dof.ca.gov
Sent: Wednesday, January 29, 2014 11:34 AM
Subject: Loans between the former RDA and Sponsoring Entities Information

Dear Successor Agencies:

Pursuant to HSC section 34191.4 (b), loan agreements entered into between the former redevelopment agencies (RDAs) and sponsoring entities may be deemed enforceable if the following requirements are met:

- The Agency has received a Finding of Completion.
- The Agency's Oversight Board approves the loan as an enforceable obligation
- The Agency's Oversight Board makes a finding that the loan was for legitimate redevelopment purposes.

HSC section 34191.4 (b) (2) (A) states that the maximum repayment amount authorized each fiscal year shall be equal to one-half of the increase between "the amount distributed" to the taxing entities in that fiscal year and the amount distributed to taxing entities in the 2012-13 base year. Therefore, the 2013-14 residual amounts should be based on the actual amount, not on an estimated amount. Consequently, the 2013-14 amounts will be based on ROPS 13-14A and ROPS 13-14B, and the agency may be able to request funding for the repayment of sponsoring entity loans beginning with ROPS 14-15A.

As a result, many Agency's may be requesting City loans to be repaid in the upcoming ROPS 14-15A period. This e-mail serves as a reminder that pursuant to bullet three above, the Agency's Oversight Board must make a finding that the loan was made for legitimate redevelopment purposes. This OB action should be separate from the OB resolution approving the ROPS and must be approved by Finance before any City/Agency loan repayments will be approved on a ROPS. Additionally, this OB action must be emailed individually to the RDA Administration email inbox at: Redevelopment_Administration@dof.ca.gov.

For more information related to former RDA/Sponsoring Entity loans, please refer to:

http://www.dof.ca.gov/redevelopment/RDA_dissolution_QandA/view.php

Thank you,

Department of Finance
Redevelopment Agency Administration
(916) 445-1546

Nancy Ramos

From: RedevelopmentAdministration@dof.ca.gov
Sent: Wednesday, January 15, 2014 7:29 PM
To: Nita McKay
Cc: Denise Bates
Subject: ROPS 14-15A Template

Dear Successor Agency,

Finance is pleased to announce that your ROPS 14-15A template is available! The Agency must download its template via the Redevelopment Agency Dissolution (RAD) web application. Your login and password will remain the same from last period. A link to the RAD is as follows: <https://rad.dof.ca.gov/rad-sa>.

Further, we will only accept your final completed template and the corresponding Oversight Board (OB) resolution via the RAD App. OB resolutions not related to ROPS 14-15A should not be uploaded in the RAD App and will not be reviewed.

Instructions to access the RAD App and for completing the ROPS template are included in the RAD App and are also posted to our Redevelopment Agency Dissolution webpage.

As we continue our efforts to enhance the RAD App, we sometimes experience unforeseen technical glitches. If you should experience technical difficulties and need assistance, please direct questions to the Redevelopment Inbox: RedevelopmentAdministration@dof.ca.gov. Questions regarding filling out your template can be directed to your assigned analyst. Your patience is greatly appreciated while we continue to use the RAD App for this process.

Your completed template and OB Resolution are due to Finance no later than March 3, 2014.

Thank you,

Department of Finance
Redevelopment Agency Administration

Nancy Ramos

From: Lissette Chappel <LChappel@agclawfirm.com>
Sent: Tuesday, January 14, 2014 5:10 PM
To: justyn.howard@dof.ca.gov; Redevelopment Administration
(RedevelopmentAdministration@dof.ca.gov)
Cc: Christopher Cardinale
Subject: City of West Covina Governmental Purpose Property Transfers
Attachments: Ltr to DOF re Denial of Property Transfers (1.13.14).pdf

Dear Mr. Howard:

Please find the attached correspondence submitted on behalf of the City of West Covina relating to governmental purpose property transfers. Should you have any questions, please do not hesitate to contact our office.

Thank you,

Lissette Chappel
Legal Assistant to Christopher Cardinale
Alvarez-Glasman & Colvin
13181 Crossroads Pkwy. North
Suite 400 - West Tower
City of Industry, CA 91746
tel 562.699.5500 | fax 562.692.2244
www.agclawfirm.com



ALVAREZ-GLASMAN & COLVIN
ATTORNEYS AT LAW

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ALVAREZ-GLASMAN & COLVIN

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City of Industry, CA 91746
Tel: 562.699.5500
Fax: 562.692.2244
www.agclawfirm.com

January 13, 2014

VIA EMAIL < Justyn.Howard@dof.ca.gov >

Justyn Howard
Assistant Program Budget Manager
Department of Finance
915 L Street
Sacramento, CA 95814

Re: Department of Finance Rejection of Governmental Purpose Property Transfers –
City of West Covina – **FINAL ATTEMPT AT INFORMAL RESOLUTION**

Dear Mr. Howard:

The City of West Covina ("City") is in receipt of your December 6, 2013 correspondence, submitted on behalf of the Department of Finance ("DOF"), denying the transfer of certain "governmental purpose" properties from the West Covina Successor Agency ("**Successor Agency**") to the City. This denial – rendered in summary fashion and without explanation or citation to relevant facts or statutory provisions – is inconsistent with the Dissolution Act¹ and authorizations given by DOF to other communities in analogous contexts, and is severely prejudicial to the City and its residents.

This letter is submitted on the City's behalf and will be its last attempt to informally resolve this matter before seeking judicial relief. We sincerely hope DOF voluntarily reconsiders its position in light of the below.

Background

On December 6, 2012, the West Covina Oversight Board ("**Oversight Board**") approved two (2) transfers of properties (the "**Property Transfers**") owned by the former West Covina Redevelopment Agency ("**Agency**"): (1) certain properties serving as free public parking for the Eastland Shopping Center, the Lakes Office Development, and Westfield Plaza² to the City's Parking Authority; and (2) certain properties associated with the BKK landfill site burdened by existing contracts for use as municipal golf course, trails and open space, public roads, water supply, utility infrastructure, protected habitat, and sign easements to the City.³

The Oversight Board's approval was given pursuant to Health & Safety Code⁴ § 34181(a):

¹ Assembly Bill ("AB") 1x26 as amended by AB 1484

² Now simply known as "Plaza West Covina."

³ DOF has been provided substantially supporting documentation on several occasions. To the extent DOF requires additional copies, the City is happy to provide it upon request.

⁴ All subsequent statutory references herein are to California's Health & Safety Code.

"The oversight board shall direct the successor agency to...[d]ispose of all assets and properties of the former redevelopment agency; provided, however, **that the oversight board may instated direct the successor agency to transfer ownership of those assets that were constructed and used for a governmental purpose, such as roads, school buildings, parks, police and fire stations, libraries, and local agency administrative buildings, to the appropriate public jurisdiction pursuant** to any existing agreements relating to the construction or use of such an asset." (Emphasis added.)

On December 13, 2012, the Successor Agency provided email notice to DOF of the Oversight Board's approval of the Property Transfers. On December 17, 2013, DOF confirmed receipt and provided notice that it was initiating a review to the Oversight Board action, and that its review was statutory required to be completed in **40 days**. However 100 days later on March 27, 2013, DOF provided notice that it was denying the Property Transfers and referring the matter back to the Oversight Board reconsideration. DOF provided no explanation for its actions, merely stating: "It has been determined these properties were not constructed and used for governmental purpose."

At the City's request DOF agreed to reconsider, and on May 8, 2013, an informal "meet and discuss" session was held. The City provided substantial documentation supporting the Property Transfers and, in light thereof and attendant discussion, you verbally indicated it was likely that DOF was likely to reverse its determination; at least in part.

DOF subsequently reviewed this matter over the ensuing six (6) months, during which City staff made numerous requests for status updates. Such requests were met with repeated indications that DOF's review would be completed shortly. Finally on December 6, 2013, and coincidentally the same day the City's lawsuit against DOF challenging its "all other fund" due diligence review determination was heard,⁵ the City received notice that DOF was conclusively denying the Property Transfers. Again, no explanation accompanied this determination:

"Based upon our review of additional information and documentation provided on May 8, 2013 and application of the law, Finance maintains our position that these properties are not eligible for transfer to the City of West Covina as 'governmental purpose' properties. As such, the disposition of these properties should be contemplated in the Long-Range Property Management Plan."

For *inter alia* the reasons set forth below, the City continues to believe DOF's denial of the Property Transfers is improper.

DOF Abused Its Discretion in Denying the Property Transfers

DOF's denial of the Property Transfers constitutes an arbitrary and capricious abuse of discretion on two fronts: (1) DOF failed to proceed in the manner required by law, and (2) its determination is not supported by substantial evidence.

⁵ *West Covina Successor Agency, et al v. Matosantos, et al.* (Sac Sup. Ct. Case No. 34-2013-80001479).

As to the former, DOF's summary denial rendered without explanation or citation to specific facts is procedurally inadequate; regardless of whether the ultimate determination was correct. Though administrative agency decisions need not be extensive, conclusory findings made without reference to specific facts constitutes a failure to proceed in the manner required by law.⁶ At a minimum, decision-making agencies must apprise affected parties of the basis for its decision in a manner illustrating the analytical route traveled by the agency to reach it.⁷ This is particularly true here, as the Dissolution Act expressly requires DOF to explain the reason for its actions; a mandate DOF has ignored. (H&S Code § 34179(h) ["The department ***shall*** provide notice to the successor agency...***as to the reasons for its actions***" (emphasis added).].)

In addition to the foregoing, DOF's decision constitutes an abuse of discretion for lack of supporting evidence. The existing and contractually mandated future uses of the at issue properties all serve legitimate "governmental purposes" within the meaning of the Dissolution Act: free public parking,⁸ landfill remediation,⁹ public parks (including public golf courses),¹⁰ trails and open space,¹¹ public roads,¹² utility infrastructure, and protected habitats.¹³ The City is confident a court will agree; particularly because DOF has offered no explanation for why it believes differently.

DOF appears to be applying a narrow interpretation of the phrase "governmental purpose," despite the fact the Dissolution Act contemplates a broad range of qualifying properties. The Dissolution Act defines "governmental purpose" with reference to a non-exhaustive list of example land uses, and nothing in the definition requires a land use to be expressly listed in the

⁶ *Environmental Protection Information Center v. California Dept. of Forestry and Fire Protection* (2008) 44 Cal.4th 459, 517; *West Chandler Blvd. Neighborhood Ass'n v. City of Los Angeles* (2011) 198 Cal.App.4th 1506, 1522.

⁷ *Village of Laguna Beach, Inc. v. Board of Supervisors* (1982) 134 Cal.App.3d 1022, 1035; *Great Oaks Water Co. v. Santa Clara Valley Water Dist.* (2009) 170 Cal.App.4th 956, 971.

⁸ Public parking places have long been recognized as a legitimate governmental use of property that furthers legitimate public interests, in that they relieve congestion and reduce traffic hazards. (*City of Whittier v. Dixon* (1944) 24 Cal.2d 664, 667; *City of Anaheim v. Michel* (1968) 259 Cal.App.2d 835, 838-39.) Indeed, it's well-recognized that lack of parking and resulting parking overflow from inadequate parking sites is a strong deterrent to economic development and business expansion, as it causes inaccessibility, congestion, and lost business. (See e.g. *Friends of Mammoth v. Town of Mammoth Lakes Redevelopment Agency* (2000) 82 Cal.App.4th 511, 557; see also Streets & Highways Code § 32501 ["The supplying of additional parking facilities within and the performance of all undertakings incidental or advantageous thereto are public uses and purposes for purposes for which public moneys may be spent and private property acquired, and are governmental functions].)

⁹ According to the California Department of Toxic Substances Control: "California recognizes that cleaning up brownfield properties frees previously unavailable land for productive reuse, while taking development pressures off undeveloped open land, thereby improving and protecting the environment." (www.dtsc.ca.gov/sitecleanup/brownfields/).

¹⁰ H&S Code § 34181(a) (public parks included in examples of "governmental purpose" properties).

¹¹ H&S Code § 34181(a) (open space and trails analogous to "parks" which are included in examples of "governmental purpose" properties).

¹² H&S Code § 34181(a) (roads included in examples of governmental purpose properties).

¹³ Government has a public trust obligation to protect the State's natural resources. (See, e.g. *Environmental Protection Information Center v. California Dept. of Forestry and Fire Protection* (2008) 44 Cal.4th 459, 515.)

text to qualify,¹⁴ Significantly, absent an express definition of the phrase, which is not provided, "governmental purpose" must be construed in its usual, ordinary, and common sense meaning; which is extremely broad and contemplates anything that is within the public's interest.¹⁵ DOF's attempt to apply a narrow meaning to the term is inappropriate, though not unsurprising given its own self-interest in ensuring maximum funds are reallocated for the State's benefit; regardless of the consequences on a local level.

Specifically with respect to the public parking properties, DOF approvals to other communities undermine its denial in this case. For example, DOF approved the transfer of public parking structures to the cities of Santa Monica and Santa Barbra upon a finding the structures served adjacent public shopping plazas and were part of an assessment district. Relatedly here, the parking facilities at issue: (1) are included in the Community Facility District, in which an annual special tax is assessed on property owners to pay for debt service on bonds issued to improve the area; (2) were constructed and/or improved with proceeds from City-issued bonds for which the City is still paying; (3) were originally owned by the City's parking authority, (4) serve public shopping and business centers; (5) are utilized for general public parking and park-and-ride facilities; and (6) are burdened by existing contracts, bond documents, and restrictive easements that limit their use to public parking and implicate third party contract rights. There is simply no basis for DOF to deny the Property Transfers in light of past approvals given to other communities in analogous contexts.

In sum; DOF's denial of the Property Transfers constitutes an abuse of discretion, is not supported by a plain reading of the law, and should be revised.

DOF Waived Its Ability to Object to the Property Transfers

Aside from the foregoing, DOF's attempt to deny the Property Transfers is inoperative, as DOF failed to object during its self-imposed 40 day review window, or the 60 day review window supported by a fair reading of the Dissolution Act.

Noted above, in its initial response to notice of the Property Transfers, DOF indicated it was statutorily required to respond within 40 days. The City duly waited for DOF to respond within this time period and, when it did not do so, the Oversight Board's approval was presumed conclusive, and the City made subsequent plans and representations to interested third-parties accordingly. The City was surprised, to put it mildly, when DOF objected to the Property Transfers 100 days after commencing its review without any intervening contact with the City. On these facts, DOF is estopped from objecting to the Property Transfers now.¹⁶

¹⁴ See, e.g. *Valladares v. Stone* (1990) 218 Cal.App.3d 362, 369; *In re Marriage of Perry* (1998) 61 Cal.App.4th 295, 509; *People v. Arias* (2008) 45 Cal.4th 169, 180 (Where specific words follow general words in a statute, the general term is defined with reference to things that are similar to those which are enumerated specifically).

¹⁵ The definition of governmental purpose is essentially the product of legislative determinations, which neither abstractly nor historically are capable of complete definition. (See, e.g. *Community Memorial Hospital v. County of Ventura* (1996) 50 Cal.App.4th 199, 206.)

¹⁶ *Fullerton Union High School Dist. v. Riles* (1983) 139 Cal.App.3d 369, 378.

Furthermore, DOF's 100 day review period is not supported by the text of the Dissolution Act. Rather, a more fitting reading of Health & Safety Code section 34181(f) is that DOF's review of property transfers is limited to 60 days:

"The [oversight board] actions [approving governmental purpose property transfers] shall be subject to review by the Department of Finance pursuant to Section 34179, except that the department may extend its review period by up to 60 days. If the department does not object to an action subject to this section, and if no action challenging an action is commenced within 60 days of the approval of the action by the oversight board, the action of the oversight board shall be considered final and can be relied on as conclusive by any person." (Emphasis added.)

DOF's position that it has 100 days to review property transfers, based on a disjointed reading of Sections 34179(h) and 34181(f), creates an unworkable statute of limitations, in that members of the public have sixty (60) days to challenge the oversight board approval in court, yet DOF has 100 days to administratively object. This interpretation is nonsensical and creates unnecessary uncertainty as to the status of title. A more sound reading of Section 34181(f) is that an oversight board's approval of a property transfer is conclusive 60 days following notice to DOF. Here, DOF failed to within this statutory window and thus waived its right to do so.

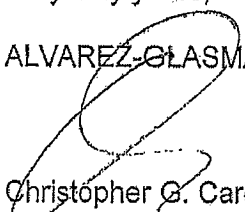
This is a potentially explosive issue for DOF, as it has routinely applied the incorrect 100 day review period to numerous property transfers, and thus has waived its administrative right to object in each case. Avoiding an adverse ruling on this issue gives DOF another incentive to reconsider its denial of the Property Transfers at issue herein.

Concluding Remarks

The Successor Agency appreciates Finance's attention to this matter, and hopes it chooses to reconsider short of being compelled to do so. To that end, the City remains ready and willing to answer any additional questions DOF has on these matters, and anticipates DOF's prompt response hereto.

Very truly yours,

ALVAREZ-GLASMAN & COLVIN


Christopher G. Cardinale
Deputy City Attorney

cc: Department of Finance < Redevelopment_Administration@dof.ca.gov >
West Covina Oversight Board
City Council of the City of West Covina
Chris Chung, City Manager
Arnold M. Alvarez-Glasman, City Attorney

Nancy Ramos

From: Leanne Flashberg <LFlashberg@agclawfirm.com>
Sent: Tuesday, December 31, 2013 2:11 PM
To: justyn.howard@dof.ca.gov; redevelopment_administration@dof.ca.gov
Cc: Chris Chung; Mike Lee; Nita McKay; Christopher Cardinale; Lissette Chappel; Arnold Glasman; Monique Lozano
Subject: West Covina Successor Agency ROPS 13-14B
Attachments: WC Dept of Finance ROPS Determination Ltr 123113.pdf

Dear Mr. Howard:

The attached correspondence is being submitted on behalf of the West Covina Successor Agency.

Sincerely,

Leanne Flashberg, Legal Assistant
Alvarez-Glasman & Colvin
13181 Crossroads Parkway North
Suite 400 - West Tower
City of Industry, California 91746
tel 562.699.5500 | fax 562.692.2244
lflashberg@agclawfirm.com

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ALVAREZ-GLASMAN & COLVIN

ATTORNEYS AT LAW

13181 Crossroads Parkway North
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City of Industry, CA 91746
Tel: 562.699.5500
Fax: 562.692.2244
www.agclawfirm.com

December 31, 2013

VIA EMAIL

Justyn Howard
Assistant Program Budget Manager
Department of Finance
915 L Street
Sacramento, CA 95814
Email < Justyn.Howard@dof.ca.gov >

Re: Department of Finance ROPS 13-14B Determination for West Covina Successor Agency – **FINAL ATTEMPT AT INFORMAL RESOLUTION**

Dear Mr. Howard:

The West Covina Successor Agency ("**Successor Agency**") is in receipt of the Department of Finance's ("**DOF**") ROPS 13-14B determination, which applies the erroneous "prior period reconciliation" recommended by the Los Angeles County Auditor-Controller ("**CAC**"). This determination proposes to reduce the Successor Agency's ROPS 13-14B funding by approximately \$1.8 million (hereinafter "**Funding Adjustment**"); a reduction which will prevent the Successor Agency from being able to perform its enforceable obligations, implicates third-party contract rights, and raises serious impairment of contracts issues. If DOF does not revise this determination, the Successor Agency will be forced to consider judicial intervention.

As described in detail during the "meet-and-confer," the proposed Funding Adjustment stems from payments made by the Successor Agency on various litigation matters¹ during the ROPS I and II periods. DOF initially denied these items (or more specifically, classified them as "administrative costs") based on ambiguities in Assembly Bill ("**AB**") 1x26. As such, the Successor Agency was denied funding for each during ROPS I and II, which the City's general fund was required to backfill to ensure all the Successor Agency's enforceable obligations were paid.

Thereafter, in light of the clarifying provisions of AB 1484, DOF instructed the Successor Agency to resubmit these items for reconsideration on ROPS III. During the ensuing review, DOF approved each as an enforceable obligation, and approved funding therefore in an amount equal to (1) that due on each during the ROPS III period on each item, and (2) an amount equal to that paid during the ROPS I and II periods which the City had paid on the Successor Agency's behalf ("**Prior Period Reimbursement**"). This Prior Period Reimbursement "made amends" for DOF's erroneous ROPS I and II determinations.

¹ The adjustment relates to Items 31 through 39 on ROPS 13-14B.

Justyn Howard
Assistant Program Budget Manager
Re: Department of Finance ROPS 13-14B Determination for West Covina Successor Agency
FINAL ATTEMPT AT INFORMAL RESOLUTION
December 31, 2013
Page 2 of 2

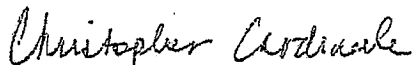
Unfortunately, it is also the basis for the CAC's proposed ROPS III Funding Adjustment. Namely, the CAC has taken the position that, because the Prior Period Reimbursement does not reflect amounts actually incurred by the Successor Agency during ROPS III, that the Successor Agency was "overfunded" during that period. Put differently, the CAC's proposed Funding Adjustment fails to account for DOF's retroactive approval and funding for items it improperly denied in past periods. This is directly contradictory to DOF's ROPS III submission instructions and approval, fails to recognize the Successor Agency expended the funds as reimbursement to the City for expenses incurred on the Successor Agency's behalf, results in significant underfunding to the Successor Agency during ROPS 13-14B, and constitutes a gross abuse of discretion. The Successor Agency is confident a court will agree.

Concluding Remarks

We sincerely hope the foregoing provides clarity on these issues, and DOF revises its determination accordingly to approve an additional \$1.8 million in RPTTF monies for the ROPS 13-14B period. The Successor Agency has no desire to commence litigation against DOF to correct the clear errors described above, but it will not hesitate to do so if they are not remedied.

Very truly yours,

ALVAREZ-GLASMAN & COLVIN



Christopher G. Cardinale
Deputy City Attorney

cc: Department of Finance < Redevelopment_Administration@dof.ca.gov >
Christopher Chung, City Manager
Nita McKay, Finance Director
Arnold Alvarez-Glasman, City Attorney

Nancy Ramos

From: Redevelopment Administration <RedevelopmentAdministration@dof.ca.gov>
Sent: Tuesday, December 17, 2013 11:36 PM
To: Nita McKay; Denise Bates; kburns@auditor.lacounty.gov; RDA-SDsupport@sco.ca.gov
Subject: West Covina ROPS 13-14B MC Determination
Attachments: West_Covina_ROPS_13-14B_MC_Determination.pdf

Pursuant to Health and Safety Code Section 34177 (m), you submitted a Recognized Obligation Payment Schedule (ROPS 13-14B) to the California Department of Finance (Finance). See the attached letter for Finance's determination. You subsequently requested a meet and confer on Finance's determination. Please see the attached letter for Finance's determination based on the meet and confer session.

Department of Finance
Redevelopment Agency Administration



December 17, 2013

Ms. Nita McKay, Director of Finance and Administrative Services
City of West Covina
1444 West Garvey Avenue
West Covina, CA 91790

Dear Ms. McKay:

Subject: Recognized Obligation Payment Schedule

This letter supersedes the California Department of Finance's (Finance) Recognized Obligation Payment Schedule (ROPS) letter dated November 14, 2013. Pursuant to Health and Safety Code (HSC) section 34177 (m), the City of West Covina Successor Agency (Agency) submitted a Recognized Obligation Payment Schedule (ROPS 13-14B) to Finance on September 30, 2013, for the period of January through June 2014. Finance issued a ROPS determination letter on November 8, 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 December 3, 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 items being disputed.

- Item No. 13 – City Cooperative Agreement in the amount of \$500,000. Finance continues to deny this item. Finance initially denied the item as it is our understanding the cooperative agreement is for the advance and reimbursement of administrative costs, enforceable obligations, and project related expenses. However, it was not evident this item is tied to a specific enforceable obligation(s). During the Meet and Confer process, the Agency contended these costs are to reimburse the City of West Covina (City) for the advance of City-owned facilities, resources, and funds. However, no additional information was provided to demonstrate these costs are associated with specific enforceable obligations listed on the ROPS or that the Agency received insufficient distributions from the Redevelopment Property Tax Trust Fund (RPTTF) to pay approved enforceable obligations that would have necessitated a loan. Although this item is denied, we note that the items to be paid under the Cooperative Agreement appear to be eligible for funding using the Agency's administrative cost allowance. Therefore, the Agency is permitted to utilize its administrative cost allowance (listed on the ROPS as Item No. 12) for reimbursement of administrative costs incurred by the City on behalf of the Agency. However, this item is not an enforceable obligation and is not eligible for funding from RPTTF outside the administrative cost cap.

To the extent the City has loaned funds to fund specific enforceable obligations due to insufficient RPTTF funding, those items should be listed on a subsequent ROPS for Finance's review and approval.

- Item No. 49 – Litigation in the amount of \$375,000. The Agency requested \$200,000 in the 6-month period during ROPS 13-14B. Finance continues to deny this item. During the ROPS 13-14A Meet and Confer process, Finance requested previous invoices to establish the basis for the Agency's estimated litigation costs; however, the requested documentation was not provided to support the amount claimed. During the Meet and Confer process, the Agency still has not provided any documents to support the amount requested or documents showing the cost is related to litigation in which the Agency is named as a party. Therefore, this item is not eligible for RPTTF funding on this ROPS.
- Item No. 52 – ROPS I Redevelopment Obligation Retirement Fund (RORF) reserve totaling \$1,453,446. Finance continues to deny this item. Only enforceable obligations as defined by HSC section 34171 (d) can be placed on the ROPS. It is our understanding this amount was a RPTTF reduction adjusted by the Los Angeles County Auditor Controller (CAC) pursuant to HSC code section 34186 (a). HSC section 34186 (a) requires the CAC to adjust the RPTTF distributions for differences between actual payments and past estimated obligations. As a result, the CAC adjusted the ROPS III distribution by \$1,453,446 to account for excess tax increment provided to the Agency for the ROPS I period.

During the Meet and Confer, the Agency contended that Item No. 52 is a legally binding and enforceable agreement to pay the retirement benefit obligations. However, unfunded pension liabilities and retirement benefits were listed as Item Nos. 50 and 51, respectively, and not denied by Finance. Therefore, Finance's original determination stands and this item is not an enforceable obligation and not eligible for RPTTF funding.

- Pursuant to HSC section 34186 (a), successor agencies were required to report on the ROPS 13-14B form the estimated obligations and actual payments (prior period adjustments) associated with the January through June 2013 period. 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. The amount of RPTTF approved in the below table includes the prior period adjustment resulting from the CAC's audit of the Agency's self-reported prior period adjustment. During the Meet and Confer process, the Agency disputed the CAC's reported prior period adjustment. Subsequent documentation to support actual expenditures was provided to the CAC. This documentation compelled a reduction in the prior period adjustment to \$1,873,410 as updated in the summary table below.

In addition, per Finance's letter dated November 14, 2013, we continue to deny the following item not contested by the Agency during the Meet and Confer:

- Claimed administrative costs exceed the allowance by \$59,597. HSC section 34171 (b) limits fiscal year 13-14 administrative expenses to three percent of property tax allocated to the successor agency or \$250,000, whichever is greater. As a result, the Agency is eligible for \$309,088 in administrative expenses. The Los Angeles Auditor Controller's Office distributed \$216,233 for the January through June 13-14A period, thus leaving a balance of \$92,855 available for the July through December 13-14B period. Although

\$152,452 is claimed for administrative cost, only \$92,855 is available pursuant to the cap. Therefore, \$59,597 of excess administrative cost is not allowed.

During our review, which may have included obtaining financial records, Finance determined the Agency possesses funds that are required to be used prior to requesting RPTTF. Pursuant to HSC section 34177 (l) (1) (E), RPTTF may be used as a funding source, but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation. The Agency clarified that funds received on ROPS 13-14A have not been expended and are being requested again.

Therefore, the funding source for the following item is being reclassified to the funding source and in the amount specified below:

- Item No. 22 – Property Management Plan in the amount of 300,000. The Agency requests \$300,000 of RPTTF; however Finance is reclassifying \$300,000 to reserve funding. This item was determined to be an enforceable obligation for the ROPS 13-14B period. However, the Agency clarified they received the same amount on ROPS 13-14A and those funds have not been expended and can be used to fund the obligation on ROPS 13-14B. Therefore, Finance is approving the use of reserves in the amount of \$300,000, for Item No. 22.

Except for the items denied in whole or in part as enforceable obligations or for the items that have been reclassified, Finance is not objecting to the remaining items listed on your ROPS 13-14B. The Agency's maximum approved RPTTF distribution for the reporting period is \$2,340,060 as summarized below:

Approved RPTTF Distribution Amount For the period of January through June 2014	
Total RPTTF requested for non-administrative obligations	4,695,615
Total RPTTF requested for administrative obligations	152,452
Total RPTTF requested for obligations	\$ 4,848,067
Total RPTTF requested for non-administrative obligations	4,695,615
<u>Denied Items</u>	
Item No. 13	(75,000)
Item No. 49	(200,000)
	(275,000)
<u>Reclassified Items</u>	
Item No. 22	(300,000)
Total RPTTF approved for non-administrative obligations	4,120,615
Total RPTTF for administrative obligations	152,452
Total RPTTF allowable for administrative obligations (see Admin Cost Cap table)	92,855
Total RPTTF approved for obligations	4,213,470
ROPS III prior period adjustment	(1,873,410)
Total RPTTF approved for distribution	\$ 2,340,060

Administrative Cost Cap Calculation	
Total RPTTF for 13-14A (July through December 2013)	6,182,309
Total RPTTF for 13-14B (January through June 2014)	4,120,615
Total RPTTF for fiscal year 2013-14	10,302,924
Allowable administrative cost for fiscal year 2013-14 (Greater of 3% or \$250,000)	309,088
Administrative allowance for 13-14A (July through December 2013)	216,233
Allowable RPTTF distribution for administrative cost for ROPS 13-14B	92,855

Pursuant to HSC section 34177 (I) (1) (E), agencies are required to use all available funding sources prior to RPTTF for payment of enforceable obligations. Beginning with the ROPS 13-14B period, Finance required successor agencies to identify fund balances for various types of funds in its possession. During our ROPS 13-14B review, Finance requested financial records to support the fund balances reported by the Agency; however, Finance was unable to reconcile the financial records to the amounts reported. As a result, Finance will continue to work with the Agency after the ROPS 13-14B review period to properly identify the Agency's fund balances. If it is determined the Agency possesses fund balances that are available to pay approved obligations, the Agency should request the use of these fund balances prior to requesting RPTTF in ROPS 14-15A.

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

[http://www.dof.ca.gov/redevelopment/ROPS/ROPS 13-14B Forms by Successor Agency/](http://www.dof.ca.gov/redevelopment/ROPS/ROPS%2013-14B%20Forms%20by%20Successor%20Agency/).

This is Finance's final determination related to the enforceable obligations reported on your ROPS for January 1 through June 30, 2014. This determination applies only to items where 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 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 section 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.

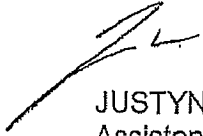
The amount available from the RPTTF is the same as the amount of property tax increment that was available prior to enactment of ABx1 26 and AB 1484. This amount is not and never was an unlimited funding source. Therefore, as a practical matter, the ability to fund the items on the ROPS with property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

Ms. Nifa McKay
December 17, 2013
Page 5

Please direct inquiries to Evelyn Suess, Dispute Resolution Supervisor, or Danielle Brandon, Analyst, at (916) 445-1546.

Sincerely,



JUSTYN HOWARD
Assistant Program Budget Manager

cc: Ms. Denise Bates, Accounting Manager, City of West Covina
Ms. Kristina Burns, Manager, Los Angeles County Department of Auditor-Controller
California State Controller's Office

Nancy Ramos

From: Monique Lozano <MLozano@agclawfirm.com>
Sent: Thursday, November 21, 2013 5:06 PM
To: Redevelopment_Administration@dof.ca.gov
Cc: Chris Chung; Mike Lee; Chris Freeland; Denise Bates; Nita McKay; Arnold Glasman; Christopher Cardinale; Lissette Chappel
Subject: West Covina Successor Agency Request to Meet and Confer (ROPS 13-14B)
Attachments: WC Meet_and_Confer_Request_Form-fillable (ROPS 13-14B_11-21-13).pdf; WC M&C Attachments A - D.pdf

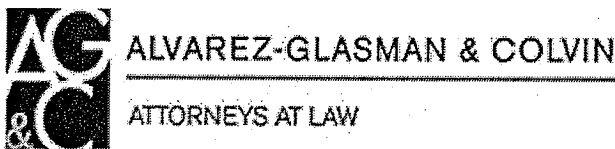
Finance:

On behalf of the West Covina Successor Agency, this office is submitting the attached Meet and Confer Request pertaining to Finance's determination on the Successor Agency's ROPS 13-14B. Attachments in support are submitted herewith. We are requesting an in-person meet and confer session.

Please contact Arnold Alvarez-Glasman should you have any questions or concerns.

Thank you.

Monique Lozano
Alvarez-Glasman & Colvin
13181 Crossroads Parkway North
Suite 400 - West Tower
City of Industry, CA 91746
tel 562.699.5500 | fax 562.692.2244
www.agclawfirm.com



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MEET AND CONFER REQUEST FORM

Instructions: Please fill out this form in its entirety to initiate a Meet and Confer session. Additional supporting documents may be included with the submittal of this form—as justification for the disputed item(s). 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] Request to Meet and Confer”. Upon receipt and determination that the request is valid and complete, the Department of Finance (Finance) will contact the requesting agency within ten business days to schedule a date and time for the Meet and Confer session.

To be valid, all Meet and Confer requests must be specifically related to a determination made by Finance and submitted within the required statutory time frame. The requirements are as follows:

- **Housing Asset Transfer** Meet and Confer requests must be made within five business days of the date of Finance’s determination letter per HSC Section 34176 (a) (2).
- **Due Diligence Review** Meet and Confer requests must be made within five business days of the date of Finance’s determination letter, and no later than **November 16, 2012** for the Low and Moderate Income Housing Fund due diligence review per HSC Section 34179.6 (e).
- **Recognized Obligation Payment Schedule (ROPS)** Meet and Confer requests must be made within five business days of the date of Finance’s determination letter per HSC Section 34177 (m).

Agencies should become familiar with the Meet and Confer Guidelines located on Finance’s website. Failure to follow these guidelines could result in termination of the Meet and Confer session. Questions related to the Meet and Confer process should be directed to Finance’s Dispute Resolution Coordinator at (916) 445-1546 or by email to Redevelopment_Administration@dof.ca.gov.

AGENCY (SELECT ONE):

Successor Agency Housing Entity

AGENCY NAME: West Covina Successor Agency

TYPE OF MEET AND CONFER REQUESTED (SELECT ONE):

Housing Assets Transfers Due Diligence Reviews ROPS Period 13-14B

DATE OF FINANCE’S DETERMINATION LETTER: November 14, 2013

REQUESTED FORMAT OF MEET AND CONFER SESSION (SELECT ONE):

Meeting at Finance

Conference Call

DETAIL OF REQUEST

A. Summary of Disputed Issue(s) *(Must be specific.)*

The West Covina Successor Agency ("Successor Agency") disputes the following determinations made by the Department of Finance ("Finance") in connection with its review of the Successor Agency's ROPS 13-14B:

: Item 13 is a Cooperative Agreement approved by the West Covina Oversight Board ("Oversight Board"), and pursuant to which the City of West Covina ("City") has advanced City-owned facilities, resources, and funds to the Successor Agency and Oversight Board. This Item is an enforceable obligation pursuant to Sections 34173(h), 34177.3(b), and 34171(d)(1)(F);

: Item 49 represents anticipated and existing attorneys' fees incurred by the Successor Agency in finalizing a settlement agreement for litigation involving the BKK Landfill Site that is owned by the former CDC, and is an enforceable obligation pursuant to Sections 34171(b), 37171(d)(1)(F), and 34177.3(b).

: Item 52 represents an amount reserved for an adjustment to Redevelopment Obligation Retirement Fund, and as such is an enforceable obligation pursuant to Section 34171(d)(1)(E).

: The Successor Agency disputes the amount of \$4,324,136 for the ROPS III prior period adjustment. The Los Angeles County Auditor Contorller (CAC) incorrectly calculated this amount. In spite of the Successor Agency providing an Expenditure Detail Report (EDR) (Attachment "D") justifying the amount, the Successor Agency contends that the ROPS III Prior Period adjustment should be \$1,469,745. Accordingly the total RPTTF distribution should be \$3,263,070.

B. Background/History *(Provide relevant background/history, if applicable.)*

The Successor Agency submitted its Oversight Board-approved ROPS 13-14B to the Department of Finance ("Finance") on September 30, 2013. (Attachment "A" [Resolution No. OB-0023 and ROPS 13-14B].) On November 14, 2013, the Department of Finance provided its determination on items appearing on the Successor Agency's ROPs 13-14B. (Attachment "B" [November 14 Finance Determination].) Finance failed to provide sufficient funding for Item 1, and denied funding completely for the following items:

: Item No. 13 – Cooperative Agreement between the City and the Successor Agency (\$500,000);

: Item No. 49 – Anticipated and Existing Litigation (\$375,000);

and,

: Item No. 52 - ROPS I Redevelopment Obligation Retirement Fund (RORF) (\$1,453,446).

C. Justification (*Provide additional attachments to this form, as necessary.*)

Finance's determination on the Successor Agency's ROPS 13-14B is improper for the following reasons:

- City – CDC Cooperative Agreement (Item No. 13)

The Dissolution Act expressly authorizes cities to "loan or grant funds to a successor agency for administrative costs, enforceable obligations, or project-related expenses at the city's discretion," and such amounts constitute "enforceable obligations" if approved by the Oversight Board. (§ 34173(h).) Further, successor agencies are authorized to create enforceable obligations to conduct the work of winding down the former redevelopment agency (§ 34177.3(b)), and contracts or agreements necessary for the administration and operation of the successor agency are enforceable obligations (§ 34171(d)(1)(F)).

Pursuant to these authorities, the Successor Agency and City entered into a Cooperative Agreement, dated August 21, 2012 ("Cooperative Agreement"), pursuant to which the City agreed to make available its staff, facilities, services, and other resources to the Successor Agency and Oversight Board. (Attachment "C" [Resolution No. OB 0013 (Recitals) and Cooperative Agreement, §§ 1, 2].) In addition, the City agreed to advance funds to the Successor Agency and Oversight Board as necessary to fund their respective administrative costs, as well as any funds necessary to pay approved enforceable obligations. (Ibid.) Finance did not request a review of the Oversight Board action approving the Cooperative Agreement within five (5) days thereof, and such it is conclusively deemed enforceable. (§ 34179(h) [Finance may request a review of Oversight Board action within five (5) days' notice thereof].)

Item 13 on the Successor Agency's ROPS 13-14B (\$75,000) represent funds and the value of facilities, resources, and other services advanced by the City to the Successor Agency and Oversight Board during the ROPS III payment period. Because RPTTF monies are only allocated twice per year pursuant to an inflexible statutory scheme, insufficient "cash flow" exists to support Successor Agency and Oversight Board functions without the City's advancement of these funds and valuable resources. Critically, the Oversight Board recognized the receipt of these funds and services, and approved of the same, by its approval of the Cooperative Agreement and the funding requested for this Item on ROPS 13-14B. As such, the amounts identified in Item 13 constitute an "enforceable obligation." (§§ 34173(h) [cities may loan or grant funds to a successor agency for administrative costs and enforceable obligations, and such amounts constitute "enforceable obligations" if approved by the Oversight Board]; 34177.3(b) [successor agencies may create enforceable obligations necessary to wind down the redevelopment agency]; 34171(d)(1)(F) [contracts necessary for the administration of successor agencies are enforceable obligations].)

Finance objects to the Cooperative Agreement because "it is not evident that this item is tied to a specific enforceable obligation or administrative expense." (Attachment "B".) But Finance misinterprets the Dissolution Act and the purpose of Cooperative Agreement; as the Cooperative Agreement itself is an enforceable obligation that memorializes the costs of facilities, resources, services, and funds absorbed or advanced by the City to the Successor Agency / Oversight Board during the ROPS III payment period. The Dissolution Act clearly contemplated that a fluid exchange of funds and resources between cities and their respective successor agencies and oversight boards is required to efficiently accomplish the "winding down" process of redevelopment agencies (§§ 34173(h), 34177.3(b)), and the Cooperative Agreement accomplishes this objective. Finance's refusal to recognize this Item was in error.

- Anticipated and Existing Litigation (Item No. 49)

Item 49 represents anticipated and existing attorneys' fees incurred by the Successor Agency in finalizing a settlement agreement for litigation involving the BKK Landfill Site that is owned by the former CDC. The Dissolution Act expressly excludes litigation costs associated with assets or obligations of the former CDC from the definition of "administrative costs" (§ 34171(b)), and such costs are unquestionably enforceable obligations (§ 34171(d)(1)(E) [contracts or agreements necessary for the administration and operation of the successor agency, in accordance with this part]; § 34177.3(b) [successor agency may create enforceable obligations to conduct the work of winding down the redevelopment agency, including hiring staff, acquiring necessary professional administrative services and legal counsel]).

Finance denied this item based upon its understanding that this litigation was settled in March, 2013. This understanding is incorrect. Though the litigation is nearing settlement, no settlement has been finalized and resolution

of the case is subject to the judge dismissing the action. As such, the litigation is still ongoing and the Successor Agency is still incurring costs associated therewith. Any representation made by Successor Agency staff to the contrary was incorrect and made without authority, and the Successor Agency is not bound by any such representation. (See, Foxen v. City of Santa Barbara (1913) 166 Cal. 77, 82; Burchett v. City of Newport Beach (1995) 33 Cal.App.4th 1472, 1479 ["No government, whether state or local, is bound to any extent by an officer acts in excess of his or her authority"].)

Furthermore, because the amounts requested under this Item include attorneys' fees that are anticipated to be incurred during the ROPS 13-14B period, in the event the full value of these fees are not incurred, such excess funds will be recoverable by the State in ROPS 13-14B via the ROPS "true up" process. (See § 34186(a).) Denying funding for this Item when litigation is still active, however, will result in the underfunding of an enforceable obligation.

• ROPS I Redevelopment Obligation Retirement Fund (Item No. 52)

Item 52 represents an amount reserved for an adjustment to Redevelopment Obligation Retirement Fund, and pursuant to Section 34171(d)(1)(E), an enforceable obligation is any legally binding and enforceable agreement or contract. The obligation of the Successor Agency to pay the retirement benefit obligations identified at Item 52 is a legally binding and enforceable agreement.

The adjustment to the ROPS III prior period adjustment is warranted due to the CAC's denial of the EDR. The CAC has requested additional information, such as cancelled checks, or bank statements which report the amount of money paid during the prior period adjustment for ROPS III. The Successor Agency reserves the right to supplement this Meet and Confer request form to augment the record and provide cancelled checks, bank statements and other supporting documents to substantiate the error in calculation by the CAC.

CONCLUDING REMARKS

In consideration of the foregoing, the Successor Agency respectfully requests that Finance revise its ROPS 13-14B determination. Failure to do so will result in a RPTTF allocation that is insufficient to fund all enforceable obligations of the former CDC, in direct violation of the Dissolution Act.

Agency Contact Information

Name:	Name:
Title:	Title:
Phone:	Phone:
Email:	Email:
Date:	Date:

Department of Finance Local Government Unit Use Only

REQUEST TO MEET AND CONFER DATE: APPROVED DENIED

REQUEST APPROVED/DENIED BY: _____ DATE: _____

MEET AND CONFER DATE/TIME/LOCATION: _____

MEET AND CONFER SESSION CONFIRMED: YES DATE CONFIRMED: _____

DENIAL NOTICE PROVIDED: YES DATE AGENCY NOTIFIED: _____

Nancy Ramos

From: Redevelopment Administration <RedevelopmentAdministration@dof.ca.gov>
Sent: Thursday, November 14, 2013 8:36 AM
To: Nita McKay; Denise Bates; kburns@auditor.lacounty.gov; RDA-SDsupport@sco.ca.gov
Subject: West Covina ROPS 13-14B
Attachments: West_Covina_ROPS_13-14B.pdf

Pursuant to Health and Safety Code Section 34177 (m), you submitted a Recognized Obligation Payment Schedule (ROPS 13-14B) to the California Department of Finance (Finance). See the attached letter for Finance's determination.

Department of Finance
Redevelopment Agency Administration



November 14, 2013

Ms. Nita McKay, Director of Finance and Administrative Services
City of West Covina
1444 West Garvey Avenue
West Covina, CA 91790

Dear Ms. McKay:

Subject: Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (m), the City of West Covina Successor Agency (Agency) submitted a Recognized Obligation Payment Schedule (ROPS 13-14B) to the California Department of Finance (Finance) on September 30, 2013 for the period of January through June 2014. Finance has completed its review of your ROPS 13-14B, which may have included obtaining clarification for various items.

HSC section 34171 (d) defines enforceable obligations. Based on a sample of line items reviewed and application of the law, the following do not qualify as enforceable obligation for the reasons specified:

- Item No. 13 – City Cooperative Agreement in the amount of \$500,000. Finance continues to deny this item. It is our understanding the cooperative agreement is for the advance and reimbursement of administrative costs, enforceable obligations and project related expenses. However, it is not evident this item is tied to a specific enforceable obligation(s) or for administrative expenses. Therefore, this item is not an enforceable obligation and not eligible for RPTTF funding.
- Item No. 49 – Litigation in the amount of \$375,000. The Agency requested \$200,000 in the 6-month period during ROPS 13-14B. During the ROPS 13-14A meet and confer process, the Agency stated the litigation was close to reaching a settlement. Litigation is generally considered an enforceable obligation outside the cap; however, no documentation was provided to support the amount claimed. Therefore, this item is not eligible for RPTTF funding on this ROPS.
- Item No. 52 – ROPS I Redevelopment Obligation Retirement Fund (RORF) reserve in the amount of \$1,453,446 is not an enforceable obligation. Finance continues to deny this item. Only enforceable obligations as defined by HSC section 34171 (d) can be placed on the ROPS.

It is our understanding this amount was a RPTTF reduction adjusted by the Los Angeles County Auditor Controller (CAC) pursuant to HSC code section 34186 (a). HSC section 34186 (a) requires the CAC to adjust the RPTTF distributions for differences between actual payments and past estimated obligations. As a result, the CAC adjusted the ROPS III distribution by \$1,453,446 to account for excess tax increment provided to the

Agency for the ROPS I period. Therefore, this item is not an enforceable obligation and not eligible for funding on the ROPS.

- Claimed administrative costs exceed the allowance by \$59,597. HSC section 34171 (b) limits fiscal year 13-14 administrative expenses to three percent of property tax allocated to the successor agency or \$250,000, whichever is greater. As a result, the Agency is eligible for \$309,088 in administrative expenses. The Los Angeles Auditor Controller's Office distributed \$216,233 for the January through June 13-14A period, thus leaving a balance of \$92,855 available for the July through December 13-14B period. Although \$152,452 is claimed for administrative cost, only \$92,855 is available pursuant to the cap. Therefore, \$59,597 of excess administrative cost is not allowed.

During our review, which may have included obtaining financial records, Finance determined the Agency possesses funds that are required to be used prior to requesting RPTTF. Pursuant to HSC section 34177 (l) (1) (E), RPTTF may be used as a funding source, but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation. The Agency clarified that funds received on ROPS 13-14A have not been expended and are being requested again.

Therefore, the funding source for the following item is being reclassified to the funding source and in the amount specified below:

- Item No. 22 – Property Management Plan in the amount of 300,000. The Agency requests \$300,000 of RPTTF; however Finance is reclassifying \$300,000 to reserve funding. This item was determined to be an enforceable obligation for the ROPS 13-14B period. However, the Agency clarified they received the same amount on ROPS 13-14A and those funds have not been expended and can be used to fund the obligation on ROPS 13-14B. Therefore, Finance is approving the use of reserves in the amount of \$300,000, for Item No. 22.

Pursuant to HSC Section 34186 (a), successor agencies were required to report on the ROPS 13-14B form the estimated obligations and actual payments (prior period adjustments) associated with the January through June 2013 period. 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. The amount of RPTTF approved in the below table includes the prior period adjustment resulting from the CAC's audit of the Agency's self-reported prior period adjustment.

Except for the items denied in whole or in part as enforceable obligations or for the items that have been reclassified, Finance is not objecting to the remaining items listed on your ROPS 13-14B. If you disagree with the determination with respect to any items on your ROPS 13-14B, you may request a Meet and Confer within five business days of the date of this letter. The Meet and Confer process and guidelines are available at Finance's website below:

http://www.dof.ca.gov/redevelopment/meet_and_confer/

The Agency's maximum approved RPTTF distribution for the reporting period is \$0 as summarized below:

Approved RPTTF Distribution Amount For the period of January through June 2014	
Total RPTTF requested for non-administrative obligations	4,695,615
Total RPTTF requested for administrative obligations	152,452
Total RPTTF requested for obligations	\$ 4,848,067
Total RPTTF requested for non-administrative obligations	4,695,615
Denied Items	
Item No. 13	(75,000)
Item No. 49	(200,000)
	<u>(275,000)</u>
Reclassified Items	
Item No. 22	(300,000)
	<u>(300,000)</u>
Total RPTTF approved for non-administrative obligations	4,120,615
Total RPTTF for administrative obligations	152,452
Total RPTTF allowable for administrative obligations (see Admin Cost Cap table below)	92,855
Total RPTTF approved for obligations	4,213,470
ROPS III prior period adjustment	(4,324,136)
Total RPTTF approved for distribution	\$ (110,666)

Administrative Cost Cap Calculation	
Total RPTTF for 13-14A (July through December 2013)	6,182,309
Total RPTTF for 13-14B (January through June 2014)	4,120,615
Total RPTTF for fiscal year 2013-14	10,302,924
Allowable administrative cost for fiscal year 2013-14 (Greater of 3% or \$250,000)	309,088
Administrative allowance for 13-14A (July through December 2013)	216,233
Allowable RPTTF distribution for administrative cost for ROPS 13-14B	92,855

Pursuant to HSC section 34177 (I) (1) (E), agencies are required to use all available funding sources prior to RPTTF for payment of enforceable obligations. Beginning with the ROPS 13-14B period, Finance required successor agencies to identify fund balances for various types of funds in its possession. During our ROPS 13-14B review, Finance requested financial records to support the fund balances reported by the Agency; however, Finance was unable to reconcile the financial records to the amounts reported. As a result, Finance will continue to work with the Agency after the ROPS 13-14B review period to properly identify the Agency's fund balances. If it is determined the Agency possesses fund balances that are available to pay approved obligations, the Agency should request the use of these fund balances prior to requesting RPTTF in ROPS 14-15A.

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

http://www.dof.ca.gov/redevelopment/ROPS/ROPS_13-14B_Forms_by_Successor_Agency/.

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, 2014. This determination applies only to items where 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 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 (j). 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 HSC section 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.

Please direct inquiries to Kylie Le, Supervisor or Michael Barr, Lead Analyst at (916) 445-1546.

Sincerely,



JUSTYN HOWARD
Assistant Program Budget Manager

cc: Ms. Denise Bates, Accounting Manager, City of West Covina
Ms. Kristina Burns, Manager, Los Angeles County Department of Auditor-Controller
California State Controller's Office

Nancy Ramos

From: Redevelopment Administration <RedevelopmentAdministration@dof.ca.gov>
Sent: Friday, October 04, 2013 1:49 PM
To: Redevelopment Administration
Subject: Oversight Board Action Submission

Dear Successor Agencies,

The Redevelopment Administration Dissolution Web Application (RAD app) was developed solely for the purpose of submitting Recognized Obligation Payment Schedules (ROPS) and the accompanying oversight board resolutions which approve ROPS. Therefore, if the agency used the RAD app to submit an oversight board resolution that authorizes multiple activities or activities which are not related to the ROPS approval, such resolutions are not valid or effective. As such, the agency must resubmit these oversight board resolutions (one activity per resolution) to Finance's Redevelopment Administration email address:

RedevelopmentAdministration@dof.ca.gov.

Finance will not review any oversight action not related to the ROPS submitted through the RAD app. It is the agency's responsibility to determine if they sent an oversight resolution with multiple activities and to resubmit it to the Redevelopment Administration email address.

Please further note, per Health and Safety Code section 34179 (h), notification regarding oversight board actions be provided in a manner of Finance's choosing. Approved oversight board resolutions, that have been signed, must be e-mailed individually (one resolution per email) to Finance. Additionally, the subject line should be clear as to what is being submitted and what the resolution is approving. Once a signed resolution is received in the proper format, Finance will initiate its review of the oversight board resolution.

Thank you,

Local Government Unit
Department of Finance

Nancy Ramos

From: RedevelopmentAdministration@dof.ca.gov
Sent: Monday, September 30, 2013 3:54 PM
To: Nita McKay
Cc: Denise Bates
Subject: West Covina Final ROPS 13-14B Accepted

Thank you for submitting your ROPS 13-14B through the Redevelopment Agency Dissolution Web Application (RAD App). This email serves as notice that Finance has accepted your 13-14B submittal as received on September 30, 2013.

As a reminder, the ROPS submitted through the RAD App was only received by Finance. In accordance with HSC section 34177 (1)(2)(C), agencies should separately e-mail a copy of the Excel ROPS and OB resolution to the County Auditor-Controller and the State Controller's Office. A copy of the ROPS should also be posted on agency websites.

Sincerely, Department of Finance Local Government Unit

Nancy Ramos

From: RedevelopmentAdministration@dof.ca.gov
Sent: Monday, September 30, 2013 3:02 PM
To: Nita McKay
Cc: Denise Bates
Subject: West Covina ROPS 13-14B Received

Thank you for submitting your ROPS 13-14B through the Redevelopment Agency Dissolution Web Application (RAD App). A notification e-mail has been sent to Finance's Redevelopment Administration inbox. Once Finance reviews the submitted ROPS documents for completion, the Agency will receive a separate e-mail notification accepting or rejecting the final ROPS. If rejected, the Agency will have to resubmit the required ROPS documents through the RAD App again.

Beginning with ROPS 13-14B, agencies must use the RAD App for ROPS submission. No other means of submission will be accepted. ROPS submitted through the RAD App will only be received by Finance. In accordance with HSC section 34177 (1)(2)(C), agencies should separately e-mail a copy of the Excel ROPS and OB resolution to the County Auditor-Controller and the State Controller's Office. A copy of the ROPS should also be posted on agency websites.

Sincerely,
Department of Finance
Local Government Unit

Nancy Ramos

From: Redevelopment Administration <RedevelopmentAdministration@dof.ca.gov>
Sent: Thursday, September 26, 2013 1:07 PM
Cc: Whitaker, Jennifer
Subject: Recent RDA Webpage Updates

Dear Successor Agencies,

Finance periodically updates the RDA webpage with new information. Here's a summary of the recent updates. Our website can be located at <http://www.dof.ca.gov/redevelopment/>.

What's New On Our Site

Finance adds links to new items for a given date. Links on this page cover materials added to the site this month and the prior month. Please check back to this site often for the latest information and guidelines.

September 24, 2013

[ROPS 13-14B Frequently Asked Questions](#)

Provides the list of questions that are most frequently asked by successor agencies in filling out ROPS 13-14B.

September 19, 2013

[Long Range Property Management Plan Review FAQ](#)

Additional questions and responses have been added.

August 15, 2013

[ROPS 13-14B Instructions](#)

Provides information related to the ROPS required to be submitted to the Department of Finance.

[Unfunded Obligations](#)

Provides guidelines on how to report unfunded obligations on the ROPS.

Thank you,

Department of Finance
Redevelopment Agency Administration

Nancy Ramos

From: RedevelopmentAdministration@dof.ca.gov
Sent: Monday, August 19, 2013 6:40 PM
To: Nita McKay
Cc: Denise Bates
Subject: RAD-SA Contact Update

Dear Successor Agency,

The RAD system primary or secondary contact information for West Covina has been updated as follows.

PRIMARY

Name: Ms. Nita McKay
Address: 1444 West Garvey Avenue, 1444 West Garvey Avenue, West Covina, CA 91790
Phone: 626-939-8449
Email: nita.mckay@westcovina.org

SECONDARY

Name: Ms. Denise Bates
Phone: 626-939-8463
Email: denise.bates@westcovina.org

Please contact Finance at Redevelopment_Administration@dof.ca.gov if you or another authorized user did not perform these updates.

Nancy Ramos

From: RedevelopmentAdministration@dof.ca.gov
Sent: Thursday, August 15, 2013 3:42 PM
To: Thomas Bachman
Subject: ROPS 13-14B Template

Dear Successor Agency:

Finance is pleased to announce that your ROPS 13-14B template is available! Finance is continuing its efforts to streamline the ROPS submission process. As such, we have created a new web-based application known as Redevelopment Agency Dissolution (RAD) web application. Your login, password, and link to the RAD are below.

Your completed template and OB Resolution are due to Finance no later than October 1, 2013.

Please note: Finance will not e-mail the ROPS template to agencies and agencies will no longer email the completed template to Finance. The Agency must access the RAD App to obtain the template. Further, the Agency must upload the completed template and OB Resolution via the RAD App.

As with any new system, we may encounter some technical difficulties with the RAD App. Your patience is greatly appreciated while this new process is being implemented. Please direct any questions to the Redevelopment Inbox: RedevelopmentAdministration@dof.ca.gov.

Thank you,

Department of Finance
Redevelopment Agency Administration

Site: <https://rad.dof.ca.gov/rad-sa>

Login: west0384

Password: V2ikgd89tc5T

Nancy Ramos

From: Redevelopment Administration <RedevelopmentAdministration@dof.ca.gov>
Sent: Thursday, July 18, 2013 5:03 PM
Subject: Property Tax Residual Distribution to Affected Taxing Entities
Attachments: ATE_Residuals as of 7.17.2013.xls; Letter Regarding Residual Payments.pdf

Redevelopment Agency Dissolution Partners and Successor Agencies:

Please see the attached letter and Excel spreadsheet.

Thank you,

Department of Finance
Redevelopment Agency Administration

Stanislaus	Riverbank	-	-	-	-	-	-	-	-	-
Stanislaus	Stanislaus County	15,162,872	1,520,641	1,400,429	1,239,718	6,395,497	1,188,695	1,241,841	2,526,168	
Stanislaus	Stanislaus/Ceres	1,359,523	92	169,568	114,586	655,412	107,955	95,276	216,633	
Stanislaus	Turlock	1,001,062	99,508	114,154	25,904	444,414	76,899	66,406	173,777	
Stanislaus	Waterford	635,285	51,734	66,156	67,872	271,477	42,906	35,706	99,434	
Stanislaus County Total		28,050,498	1,312,858	3,305,952	1,885,165	12,721,002	2,177,355	1,845,227	4,802,939	
Sutter	Live Oak	-	-	-	-	-	-	-	-	
Sutter	Yuba City	2,439,796	493,351	369,580	110,926	833,983	165,645	31,754	434,557	
Sutter County Total		2,439,796	493,351	369,580	110,926	833,983	165,645	31,754	434,557	
Tulare	Dinuba	-	-	-	-	-	-	-	-	
Tulare	Exeter	1,320,189	205,470	280,555	52,382	416,296	58,022	26,791	280,673	
Tulare	Farmersville	625,344	70,539	103,258	34,956	251,733	26,983	12,461	125,414	
Tulare	Lindsay	409,508	50,388	83,747	35,804	121,718	21,093	9,740	87,018	
Tulare	Porterville	534,938	83,232	98,346	17,315	175,012	40,506	13,076	127,451	
Tulare	Tulare	3,494,396	549,137	442,674	252,298	966,758	147,915	68,302	1,067,312	
Tulare	Tulare County	10,431,757	-	2,841,112	846,980	3,577,390	647,911	274,024	2,244,340	
Tulare	Visalia	7,204,130	949,647	769,090	402,917	2,499,196	405,840	185,810	1,991,631	
Tulare	Woodlake	1,270,377	196,032	219,433	97,465	391,084	58,289	26,914	281,160	
Tulare County Total		25,290,639	2,084,445	4,838,215	1,740,117	8,399,186	1,406,560	617,118	6,204,999	
Tuolumne	Sonora	934,408	116,990	211,792	16,054	394,986	63,796	13,138	117,652	
Tuolumne County Total		934,408	116,990	211,792	16,054	394,986	63,796	13,138	117,652	
Ventura	Camarillo	3,255,531	214,853	955,027	323,085	990,316	180,101	80,772	511,378	
Ventura	Fillmore	1,603,187	294,192	449,524	39,229	527,293	88,306	38,796	165,847	
Ventura	Moorpark	(239,644)	(48,271)	6,899	254	(169,557)	(29,444)	475	-	
Ventura	Ojai	2,588,969	302,369	740,945	137,549	865,980	132,331	57,722	352,072	
Ventura	Oxnard	24,432,565	4,575,313	5,509,184	471,076	8,158,985	1,330,738	457,042	3,930,227	
Ventura	Port Hueneme	8,624,400	1,359,555	3,424,284	271,592	2,098,802	442,296	175,075	852,796	
Ventura	San Buenaventura	1,566,534	270,365	355,263	37,027	555,979	88,958	22,225	236,717	
Ventura	Santa Paula	2,289,363	957,763	(602,039)	52,711	1,049,886	68,568	90,394	672,081	
Ventura	Simi Valley	22,059,090	2,292,719	7,078,464	1,776,866	7,151,101	1,139,441	302,454	2,318,045	
Ventura	Thousand Oaks	11,576,775	813,271	4,768,477	879,862	4,187,804	721,427	205,934	-	
Ventura	Ventura County	614,790	-	225,436	13,452	226,317	37,904	16,660	95,021	
Ventura County Total		78,371,558	11,032,128	22,911,464	4,002,703	25,642,905	4,200,624	1,447,548	9,134,185	
Yolo	Davis	2,659,208	639,072	-	26,224	1,019,958	126,549	84,622	762,783	
Yolo	West Sacramento	16,844,092	8,387,374	296,109	184,906	4,348,024	701,774	1,160,298	1,765,607	
Yolo	Winters	-	-	-	-	-	-	-	-	
Yolo	Woodland	343,062	-	31,956	7,181	105,584	22,056	10,095	86,656	
Yolo County Total		19,846,362	9,105,980	328,065	218,311	5,473,566	850,379	1,255,015	2,615,046	
Yuba	Marysville	-	-	-	-	-	-	-	-	
Yuba	Yuba County	-	-	-	-	-	-	-	-	
Yuba County Total		47,885	-	17,935	10,898	14,304	2,841	1,907	-	

This summary includes the total actual residual payments to affected taxing entities (ATEs), as reported by the county auditor-controllers (CACs) in each county, as a result of redevelopment agency dissolution.



DEPARTMENT OF
FINANCE
OFFICE OF THE DIRECTOR

EDMUND G. BROWN JR. • GOVERNOR

STATE CAPITOL ■ ROOM 1.145 ■ SACRAMENTO CA ■ 95814-4998 ■ WWW.DOF.CA.GOV

July 18, 2013

Redevelopment Agency Dissolution Partners and Successor Agencies:

This letter is to notify you that a summary of the residual payments made to the affected taxing entities (ATEs) as a result of redevelopment agency dissolution has been posted to the California Department of Finance's (Finance) website. The ATE residual payment summary can be found on Finance's website at: <http://www.dof.ca.gov/redevelopment/>.

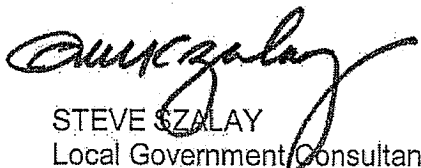
Please note the ATE residual payment summary includes all residual payments that have been reported by the county auditor-controllers (CACs) to Finance as of July 17, 2013. The summary includes residual payments, made by the CACs, associated with Recognized Obligation Payment Schedules (ROPS) 1 through 13-14A, the Low and Moderate Income Housing Fund (LMIHF) and Other Funds and Accounts (OFA) Due Diligence Reviews (DDR), and the Long-Range Property Management Plans. Also note the summary does not include all residuals payments that have been made to the ATEs at a specific point in time as there is commonly a delay between when the residual payments are made to the ATEs and when they are reported to Finance. The summary will be periodically updated as reports are received from the CACs.

For reference, all funds remitted by Successor Agencies to the CACs in accordance with the LMIHF and OFA DDRs are distributed to the ATEs. Funding distributed by the CACs to the ATEs in accordance with the biannual ROPS is based on the following methodology for each ROPS period:

Redevelopment Property Tax Trust Fund (RPTTF) Deposits
Minus Administrative and Pass-through Distributions
Minus Successor Agency Enforceable Obligations
Equals ATE Residual Payments - to the extent that there is remaining RPTTF

Please direct inquiries to Chris Hill, Principal Program Budget Analyst, at (916) 322-2263.

Sincerely,


STEVE SZALAY
Local Government Consultant

Nancy Ramos

From: Redevelopment Administration <RedevelopmentAdministration@dof.ca.gov>
Sent: Monday, July 01, 2013 2:45 PM
Cc: Local Government
Subject: ROPS 13-14B Template Update

Dear Successor Agencies:

Finance plans to have the ROPS 13-14B template available on or before August 15, 2013, and it is due on October 1, 2013. Finance is continuing to streamline the ROPS process by creating a new web-based application. Finance will no longer e-mail the ROPS template to agencies and agencies will no longer email the completed template to Finance. Instead, agencies will be notified when the template is available for use on our newly created Redevelopment Agency Dissolution Web Application or *RAD App*. Prior to August 15, 2013, the primary and secondary agency contacts will receive an email with the RAD App web address, user name, password, and instructions.

Agencies will download their pre-populated ROPS template from the RAD App. Once completed and approved by the oversight board (OB), the template will be uploaded to the RAD App with a signed OB resolution. Further instructions and guidance will be provided regarding the downloading and uploading processes. Stay tuned....

The ROPS 13-14B template is primarily the same, with a few enhancements as noted below:

- *ROPS Detail Form*: Two new columns have been added.
 - Obligation Type column: Requires the Agency to choose from a drop-down list and identify the obligation type on the ROPS form.
 - Retired column: Allows the Agency to identify an obligation that has been retired or paid-off on the ROPS form, instead of the Notes Tab form.
- *Prior Period Adjustments Form*: The form now includes a new section for completion by the CAC in its review of the prior period adjustments form.
- *Report of Fund Balances Form*: This new form has been added, requiring the Agency to report the fund balances for each funding source in accordance with HSC section 34177(l).

Again, further instructions and guidance will be available before the template is ready for use. Our goal is to make the ROPS reporting process more streamlined and convenient. Your patience is greatly appreciated while this new process is being implemented.

Thank you,

Department of Finance
Redevelopment Agency Administration

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

AGENDA REPORT

Item No. V-A

Date: February 6, 2014

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

FROM: Christopher J. Chung, Executive Director

BY: Nita McKay, Director of Finance & Administrative Services

SUBJECT: **CONSIDERATION OF THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE "ROPS" AND SUCCESSOR AGENCY ADMINISTRATIVE BUDGET COVERING THE PERIOD OF JULY 1, 2014 THROUGH DECEMBER 31, 2014, AND A REPAYMENT SCHEDULE FOR THE SUPPLEMENTAL EDUCATIONAL REVENUE AUGMENTATION FUND (SERAF) ADVANCES**

RECOMMENDATION:

It is recommended that the Oversight Board review and approve Resolution No. OB-0024 approving the Recognized Obligation Payment Schedule "ROPS" and the Successor Agency Administrative Budget for the period of July 1, 2014 through December 31, 2014, and a repayment schedule for the Supplemental Educational Revenue Augmentation Fund (SERAF) advances.

PURPOSE:

Assembly Bills 1X 26 ("AB 26") and 1484 ("AB 1484") require the preparation of the Recognized Obligation Payment Schedule (ROPS) for a six (6) month period. Included within the ROPS is the Successor Agency Administrative Budget for the same six-month period. The ROPS lists enforceable obligations of the Successor Agency and must be approved by the Oversight Board, and thereafter submitted to the Los Angeles County Auditor Controller, the State Controller, and the State Department of Finance (DOF) by March 1, 2014.

DISCUSSION:

Staff will provide an overview of the ROPS, which includes the Successor Agency Administrative Budget of \$226,664 covering the period of July 1, 2014 through December 31,


Administrative Budget of \$226,664 covering the period of July 1, 2014 through December 31, 2014. The Department of Finance has continually made changes to the reporting format and this submittal contains the latest version. Items listed on prior ROPS and not approved by DOF are included on ROPS 14-15A with no dollar amounts associated with the individual line items. These items may become enforceable obligations in the future if certain criteria are met.

Additionally, this is the first reporting period where the Supplemental Educational Revenue Augmentation Fund (SERAF) advances from the Successor Agency Housing Fund can be placed on the ROPS as an enforceable obligation. The Oversight Board is required to approve a SERAF Repayment Schedule (Attachment No. 4) based on the calculation detailed in AB 1484.

The ROPS 14-15A contains not only the summary schedule and the report of prior period adjustments, but the newly required Report of Cash Balances, reconciling ROPS 13-14A and ROPS 13-14B balances of the Successor Agency's funds.

The total amount of funding requested for enforceable obligations from RPTTF on ROPS 14-15A is \$7,782,130 and includes many of the same items that have been previously approved by DOF.

Prepared By:



Nita McKay

Director of Finance & Administrative Services

Attachments: Attachment 1 – Resolution OB-0024

Attachment 2 – ROPS 14-15A July 1, 2014 through December 31, 2014 Schedules

Attachment 3 – Administrative Budget for July 1, 2014 through December 31, 2014

Attachment 4 – SERAF Repayment Schedule

RESOLUTION NO. OB-_____

A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY OF THE WEST COVINA REDEVELOPMENT AGENCY APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS) AND SUCCESSOR AGENCY ADMINISTRATIVE BUDGET PURSUANT TO HEALTH AND SAFETY CODE SECTION 34177 FOR THE PERIOD OF JULY 1, 2014 THROUGH DECEMBER 31, 2014, AND A REPAYMENT SCHEDULE FOR THE SUPPLEMENTAL EDUCATIONAL REVENUE AUGMENTATION FUND (SERAF) ADVANCES

WHEREAS, Health and Safety Code Section 34177 provides that before each six-month fiscal period, successor agencies to former redevelopment agencies must prepare a Recognized Obligation Payment Schedule (“ROPS”) for the enforceable obligations of the former redevelopment agency in accordance with the requirements of Section 34177;

WHEREAS, California Health and Safety Code Section 34177(j)(1) provides that a successor agency must prepare an administrative budget for every six-month fiscal period;

WHEREAS, the ROPS identifies each enforceable obligation on which payments will be required during the period of July 1, 2014 through December 31, 2014, and identifies the minimum payment amounts and due dates of payments required by each such enforceable obligation.

WHEREAS, the Oversight Board to the Successor Agency of the West Covina Redevelopment Agency desires to adopt this Resolution approving a ROPS and related Administrative Budget in accordance with Health and Safety Code Section 34177 for the six-month period of July 1, 2014 through December 31, 2014.

NOW, THEREFORE, the Oversight Board to the Successor Agency of the West Covina Redevelopment Agency hereby resolves:

SECTION 1. The above recitals are true and correct and are a substantive part of this Resolution.

SECTION 2. This Resolution is adopted pursuant to Health and Safety Code Section 34177.

SECTION 3. The Board hereby approves the ROPS substantially in the form attached as Attachment 2 and Administrative Budget substantially in the form attached as Attachment 3 to this Resolution and incorporated herein by reference. The Executive Director of the Successor Agency, in consultation with the Successor Agency's legal counsel, may modify the ROPS and Administrative Budget as the Executive Director or the Successor Agency's legal counsel deems necessary or advisable.

SECTION 4. The Repayment Schedule for the SERAF Advances from the Housing Successor Agency is attached and has been calculated per AB 1484 and is hereby approved and the Executive Director is authorized to transmit the same to the Los Angeles County Auditor-Controller, the State Controller and the State Department of Finance.

SECTION 5. The officers and 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, submitting the ROPS and Administrative Budget to the State Department of Finance, the State Controller's Office and the County Auditor-Controller and posting the ROPS and Administrative Budget on the City website, and any such actions previously taken by such officers and staff are hereby ratified and confirmed.

SECTION 6. The Oversight Board Secretary shall certify to the adoption of this Resolution.

APPROVED AND ADOPTED on this 6th day of February, 2014.

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

ATTEST

Susan Rush, Secretary
Oversight Board to the Successor Agency
of the West Covina Redevelopment Agency

I HEREBY CERTIFY that the foregoing resolution was duly adopted by the Oversight Board to the Successor Agency of the West Covina Redevelopment Agency at its regular meeting held on the 6th day of February by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Susan Rush, Secretary
Oversight Board to the Successor Agency
of the West Covina Redevelopment Agency

Recognized Obligation Payment Schedule (ROPS 14-15A) - Summary

Filed for the July 1, 2014 through December 31, 2014 Period

Name of Successor Agency: West Covina
 Name of County: Los Angeles

Current Period Requested Funding for Outstanding Debt or Obligation	Six-Month Total
A Enforceable Obligations Funded with Non-Redevelopment Property Tax Trust Fund (RPTTF) Funding Sources (B+C+D):	\$ 4,511,033
B Bond Proceeds Funding (ROPS Detail)	-
C Reserve Balance Funding (ROPS Detail)	-
D Other Funding (ROPS Detail)	4,511,033
E Enforceable Obligations Funded with RPTTF Funding (F+G):	\$ 7,782,130
F Non-Administrative Costs (ROPS Detail)	7,555,466
G Administrative Costs (ROPS Detail)	226,664
H Current Period Enforceable Obligations (A+E):	\$ 12,293,163

Successor Agency Self-Reported Prior Period Adjustment to Current Period RPTTF Requested Funding

I Enforceable Obligations funded with RPTTF (E):	7,782,130
J Less Prior Period Adjustment (Report of Prior Period Adjustments Column S)	(1,643,410)
K Adjusted Current Period RPTTF Requested Funding (I-J)	\$ 6,138,720

County Auditor Controller Reported Prior Period Adjustment to Current Period RPTTF Requested Funding

L Enforceable Obligations funded with RPTTF (E):	7,782,130
M Less Prior Period Adjustment (Report of Prior Period Adjustments Column AA)	-
N Adjusted Current Period RPTTF Requested Funding (L-M)	7,782,130

Certification of Oversight Board Chairman:
 Pursuant to Section 34177(m) 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 agency.

Name	Title
/s/	
Signature	Date

Recognized Obligation Payment Schedule (ROPS) 14-15A - Report of Cash Balances
(Report Amounts in Whole Dollars)

Pursuant to Health and Safety Code section 34177(l), Redevelopment Property Tax Trust Fund (RPTTF) may be listed as a source of payment on the ROPS, but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation.

A	B	C	D	E	F	G	H	I	
Cash Balance Information by ROPS Period		Fund Sources						Comments	
		Bond Proceeds		Reserve Balance		Other	RPTTF		
		Bonds Issued on or before 12/31/10	Bonds Issued on or after 01/01/11	Prior ROPS period balances and DDR balances retained	Prior ROPS RPTTF distributed as reserve for next bond payment	Rent, Grants, Interest, Etc.	Non-Admin and Admin		
ROPS 13-14A Actuals (07/01/13 - 12/31/13)									
1	Beginning Available Cash Balance (Actual 07/01/13) Note that for the RPTTF, 1 + 2 should tie to columns J and O in the Report of Prior Period Adjustments (PPAs)	7,390,049		6,210,089		1,231,003	(1,616,028)		
2	Revenue/Income (Actual 12/31/13) Note that the RPTTF amounts should tie to the ROPS 13-14A distribution from the County Auditor-Controller during June 2013	2,099				1,740,704	5,819,099		
3	Expenditures for ROPS 13-14A Enforceable Obligations (Actual 12/31/13) Note that for the RPTTF, 3 + 4 should tie to columns L and Q in the Report of PPAs					4,240,500	4,905,300		
4	Retention of Available Cash Balance (Actual 12/31/13) Note that the RPTTF amount should only include the retention of reserves for debt service approved in ROPS 13-14A								
5	ROPS 13-14A RPTTF Prior Period Adjustment Note that the RPTTF amount should tie to column S in the Report of PPAs.	No entry required						1,643,410	
6	Ending Actual Available Cash Balance C to G = (1 + 2 - 3 - 4), H = (1 + 2 - 3 - 4 - 5)	\$ 7,392,148	\$ -	\$ 6,210,089	\$ -	\$ (1,268,793)	\$ (702,229)		
ROPS 13-14B Estimate (01/01/14 - 06/30/14)									
7	Beginning Available Cash Balance (Actual 01/01/14) (C, D, E, G = 4 + 6, F = H4 + F4 + F6, and H = 5 + 6)	\$ 7,392,148	\$ -	\$ 6,210,089	\$ -	\$ (1,268,793)	\$ 941,181		
8	Revenue/Income (Estimate 06/30/14) Note that the RPTTF amounts should tie to the ROPS 13-14B distribution from the County Auditor-Controller during January 2014					987,409	2,340,060		
9	Expenditures for 13-14B Enforceable Obligations (Estimate 06/30/14)					987,409	4,885,267		
10	Retention of Available Cash Balance (Estimate 06/30/14) Note that the RPTTF amounts may include the retention of reserves for debt service approved in ROPS 13-14B								
11	Ending Estimated Available Cash Balance (7 + 8 - 9 - 10)	\$ 7,392,148	\$ -	\$ 6,210,089	\$ -	\$ (1,268,793)	\$ (1,604,026)		

Recognized Obligation Payment Schedule (ROPS) 14-15A - ROPS Detail
July 1, 2014 through December 31, 2014
 (Report Amounts in Whole Dollars)

A Item #	B Project Name / Debt Obligation	C Obligation Type	D Contract/Agreement Execution Date	E Contract/Agreement Termination Date	F Payee	G Description/Project Scope	H Project Area	I Total Outstanding Debt or Obligation	J Retired	K Funding Source					P Six-Month Total		
										L Non-Redevelopment Property Tax Trust Fund (Non-RPTTF)						M RPTTF	
										K Bond Proceeds	L Reserve Balance	M Other Funds	N Non-Admin	O Admin		M Other Funds	N Non-Admin
1	1999 Tax Allocation Bonds	Bonds Issued On or Before 12/31/10	11/1/1999	11/1/2029	US Bank	Fund capital projects in Merged Area	Merged	\$ 298,945,516	N	\$	\$	\$ 4,511,033	\$ 7,555,466	\$ 226,664	\$ 12,293,163		
2	2002 Tax Allocation Bonds	Bonds Issued On or Before 12/31/10	6/1/2002	9/1/2022	US Bank	Refund outstanding 1993 bonds	Merged	4,843,683	N				204,500		\$ 204,500		
3	2006 Lease Revenues Bonds	Revenue Bonds Issued On or Before 12/31/10	9/19/2006	6/1/2036	City of West Covina	Reimburse City for BLD Debt Service	Merg/Citywide	10,183,464	N				799,576		\$ 799,576		
4	1998 Housing Set Aside Bonds	Bonds Issued On or Before 12/31/10	4/1/1998	9/1/2025	US Bank	Acquisition and rehab of a housing project	Merged	27,420,559	N				467,608		\$ 467,608		
5	2001 Housing Set Aside Bonds	Bonds Issued On or Before 12/31/10	12/1/2001	9/1/2030	US Bank	Development of a senior housing project	Merged	5,193,233	N				336,004		\$ 336,004		
6	SERAF 2010 Housing Loan	SERAF/ERAF	2/16/2010	6/30/2015	Housing Successor Agency	Repay SERAF to the housing fund	Merged	9,829,432	N				605,478		\$ 605,478		
7	SERAF 2011 Housing Loan	SERAF/ERAF	1/18/2011	6/30/2016	Housing Successor Agency	Repay SERAF to the housing fund	Merged	4,080,817	N				233,596		\$ 233,596		
8	DDA - The Lakes	OPA/DDA/Construction	6/26/1987	6/30/2038	Gateway Crescent, LLC	Allocated bond costs & maintenance for park structure	Merged	1,130,000	N				190,000		\$ 190,000		
9	CFD Tax Increment Pledge	OPA/DDA/Construction	6/26/1989	9/1/2022	Fashion Plaza CFD	Tax increment pledged to CFD	Merged	12,977,095	N				739,500		\$ 739,500		
10	CSS - CFD	Remediation	10/19/2004	10/19/2054	Coastal Sage Scurb CFD	CFD Assessment	Merged	4,619,224	N				37,417		\$ 37,417		
11	Repay County Loan	Third-Party Loans	6/19/1990	8/20/2021	County of Los Angeles	Repay Loan of Deferred Tax Increment	Merged	10,956,970	N				1,702,014		\$ 1,702,014		
12	SA Administrative Budget	Admin Costs	1/1/2014	6/30/2015	SA staff, Various	Operations for both project areas	Merged	16,155,854	N				-	226,664	\$ 226,664		
13	City Cooperative Agreement	City/County Loans On or Before 6/27/11	8/23/2012	6/30/2015	City of West Covina	Reimbursement of advanced SA expenses	Merged	500,000	N				-	226,664	\$ 226,664		
14	Anticipated/Existing Litigation	Litigation	3/16/2006	6/30/2015	Squire Sanders & Dempsey	Enforcement of judgments/obligations	Merged	800,000	N				270,000		\$ 270,000		
15	Anticipated/Existing Litigation	Litigation	7/18/2000	6/30/2015	Alvarez-Glasman Colvin	Enforcement of judgments/obligations	Merged	120,000	N				37,500		\$ 37,500		
16	Anticipated/Existing Litigation	Litigation	10/22/2012	6/30/2015	Eminent Domain Law Group	RDA property litigation	Merged	200,000	N				5,000		\$ 5,000		
17	Anticipated/Existing Litigation	Litigation	4/25/2007	6/30/2015	Hunsucker Goldstien	RDA property litigation	Merged	50,000	N				5,000		\$ 5,000		
18	Project Administrative Costs	Project Management Costs	1/1/2014	6/30/2015	Various	Project specific related costs	Merged	-	N				-		\$ -		
19	AB 1484 Auditing Fees	Dissolution Audits	9/10/2012	6/30/2015	White Nelson Diehl Evans	AB 1484 Auditing Fees	Merged	232,500	N				15,000		\$ 15,000		
20	Oversight Board Legal Services	Legal	10/4/2012	6/30/2015	Harper & Burns	Oversight Board Legal Services	Merged	-	N				-		\$ -		
21	Successor Agency Legal Services	Legal	7/18/2000	6/30/2015	Alvarez-Glasman Colvin	Successor Agency Legal Services	Merged	-	N				-		\$ -		
22	Property Management Plan	Professional Services	1/1/2014	6/30/2015	TBD	Long-Range Property Management Plan per AB 1484	Merged	300,000	N				300,000		\$ 300,000		
23	City Note - Administration	City/County Loans On or Before 6/27/11	8/9/1971	6/30/2025	City of West Covina	Repay City for admin & construction	Merged		N						\$ -		
24	City Note - GIP	City/County Loans On or Before 6/27/11	2/28/1972	6/30/2025	City of West Covina	Repay City for capital projects	Merged		N						\$ -		
25	City Note Revolving	City/County Loans On or Before 6/27/11	12/16/1985	6/30/2025	City of West Covina	Repay City for revolving credit	Merged		N						\$ -		
26	Sales Tax Reimbursement	City/County Loans On or Before 6/27/11	7/25/2005	6/30/2025	City of West Covina	Reimburse City for CFD Sales Tax	Merged		N						\$ -		
27	Golf Course Agreement	OPA/DDA/Construction	6/21/2011	6/30/2015	Various	Golf Course Implementation Agreement	Merged		N						\$ -		
28	1996 CFD Refunding Bonds	Bonds Issued On or Before 12/31/10	7/1/1996	9/1/2022	US Bank	Fund Fashion Plaza Improvements	Merged	39,767,250	N			3,253,950			\$ 3,253,950		
29	1988 Lease Rev Refunding Bonds	Revenue Bonds Issued On or Before 12/31/10	8/1/1988	8/1/2018	Wells Fargo Bank	Fund Lakes Parking Project	Merged	3,254,841	N			507,083			\$ 507,083		
30	OPA - CFD	OPA/DDA/Construction	6/26/1989	9/1/2022	Westfield Corporation	CFD admin and developer repayment	Merged	95,473,569	N			750,000			\$ 750,000		
31	Anticipated/Existing Litigation	Litigation	3/16/2006	6/30/2015	Squire Sanders & Dempsey	Enforcement of judgments/obligations Feb-Jun 2012	Merged	587,509	N				587,509		\$ 587,509		
32	Anticipated/Existing Litigation	Litigation	3/16/2006	6/30/2015	Squire Sanders & Dempsey	Enforcement of judgments/obligations Jul-Dec 2012	Merged	172,343	N				172,343		\$ 172,343		
33	Anticipated/Existing Litigation	Litigation	3/16/2006	6/30/2015	Alvarez-Glasman Colvin	Enforcement of judgments/obligations Feb-Jun 2012	Merged	22,204	N				22,204		\$ 22,204		

Recognized Obligation Payment Schedule (ROPS) 14-15A - ROPS Detail
 July 1, 2014 through December 31, 2014
 (Report Amounts in Whole Dollars)

A Item #	B Project Name / Debt Obligation	C Obligation Type	D Contract/Agreement Execution Date	E Contract/Agreement Termination Date	F Payee	G Description/Project Scope	H Project Area	I Total Outstanding Debt or Obligation	J Retired	K Funding Source				O Six-Month Total
										L Non-Redevelopment Property Tax Trust Fund (Non-RPTTF)			M RPTTF	
										K Bond Proceeds	L Reserve Balance	M Other Funds	N Non-Admin	
34	Anticipated/Existing Litigation	Litigation	3/16/2006	6/30/2015	Alvarez-Glasman Colvin	Enforcement of judgments/obligations Jul-Dec 2012	Merged	17,602	N				17,602	\$ 17,602
35	Anticipated/Existing Litigation	Litigation	10/22/2012	6/30/2015	Eminent Domain Law Group	RDA property litigation: Feb-Jun 2012	Merged	7,946	N				7,946	\$ 7,946
36	Anticipated/Existing Litigation	Litigation	10/22/2012	6/30/2015	Eminent Domain Law Group	RDA property litigation: Jul-Dec 2012	Merged	13,182	N				13,182	\$ 13,182
37	Anticipated/Existing Litigation	Litigation	4/25/2007	6/30/2015	Hunsucker Goldstien	RDA property litigation: Feb-Jun 2012	Merged	429	N				429	\$ 429
38	Anticipated/Existing Litigation	Litigation	4/25/2007	6/30/2015	Hunsucker Goldstien	RDA property litigation: Jul-Dec 2012	Merged	150	N				150	\$ 150
39	Successor Agency Legal Services	Legal	7/18/2000	6/30/2015	Alvarez-Glasman Colvin	Successor Agency Legal Services: Feb-Jun 2012	Merged	-	N				-	\$ -
40	Successor Agency Legal Services	Legal	7/18/2000	6/30/2015	Alvarez-Glasman Colvin	Successor Agency Legal Services: Jul-Dec 2012	Merged	-	N				-	\$ -
41	City Note - Administration	City/County Loans On or Before 6/27/11	8/9/1971	6/30/2025	City of West Covina	Repay City for admin & construction Feb-Jun 2012	Merged		N					
42	City Note - Administration	City/County Loans On or Before 6/27/11	8/9/1971	6/30/2025	City of West Covina	Repay City for admin & construction Jul-Dec 2012	Merged		N					
43	City Note - CIP	City/County Loans On or Before 6/27/11	2/28/1972	6/30/2025	City of West Covina	Repay City for capital projects: Feb-Jun 2012	Merged		N					
44	City Note - CIP	City/County Loans On or Before 6/27/11	2/28/1972	6/30/2025	City of West Covina	Repay City for capital projects: Jul-Dec 2012	Merged		N					
45	1998 - 2006 Bonds	Professional Services	4/1/1998	9/1/2030	US Bank	Bond Fiscal Agent Fees	Merged	16,000	N				8,000	\$ 8,000
46	1998 - 2006 Bonds	Professional Services	4/1/1998	9/1/2030	Wells Fargo Bank	Bond Letter of Credit Fees	Merged	58,080	N				29,040	\$ 29,040
47	1998 - 2006 Bonds	Professional Services	11/1/1999	11/1/2029	Wells Fargo Bank	Bond Remarketing Fees	Merged	4,800	N				2,400	\$ 2,400
48	1998 - 2006 Bonds	Professional Services	11/1/1999	11/1/2029	Standard and Poors	Bond Credit Agency Surveillance Fees	Merged	4,000	N				2,000	\$ 2,000
49	Anticipated/Existing Litigation	Litigation	5/1/2007	6/30/2015	Law Office of Robert Gokool	RDA property litigation - BKK's slip failure	Merged	375,000	N					
50	Unfunded Pension Liabilities	Unfunded Liabilities	7/1/1966	6/30/2015	CalPERS	Payment for unfunded pension obligations	Merged	1,252,503	N				44,732	\$ 44,732
51	Retirement Benefits	Unfunded Liabilities	9/19/2001	6/30/2015	Former employee	Payment for retirement obligations	Merged	1,171,797	N				13,327	\$ 13,327
52	ROPS 11 ROPF Reserve	Reserves	1/1/2014	6/30/2015	City of West Covina	Adjustment to Redevelopment Obligations Retirement Fund	Merged		N					
53	Outstanding Pass Through Obligations	Miscellaneous	1/1/2014	6/30/2015	Various taxing entities	Outstanding Pass Through Obligations to taxing entities	Merged	-	N				-	\$ -
54	Contractual Services ROPS/Property Plan	Professional Services	3/6/2013	6/30/2015	Gonsalves and Sons	Consultant for ROPS and property management plan	Merged	36,000	N				18,000	\$ 18,000
55	BKK Landfill Closure Agreements	Remediation	4/17/2001	6/30/2015	Various	Landfill closure mitigation to approved recreation use	Merged	45,578,311	N				-	\$ -
56	Contractual Services ROPS/Property Plan	Professional Services	3/6/2013	6/30/2015	Gonsalves and Sons	Consultant for ROPS and property management plan Jan-Jun 2013	Merged	-	N				-	\$ -
57	Public Notices	Property Dispositions	1/1/2014	6/30/2015	SVG Newspaper	Notices of Proposed Property Transfer Jul 2012-Jun 2013	Merged	-	N				-	\$ -
58	Special Assessments on RDA-owned parcels	Project Management Costs	1/1/2014	6/30/2015	City of West Covina	Citywide Lighting & Landscape Maintenance District #2 Jul 2012-Jun 2013	Merged	-	N				-	\$ -
59	Retirement Benefits	Unfunded Liabilities	9/19/2001	6/30/2015	Former employee	Payment for retirement obligations Feb 2012-Jun 2013	Merged	-	N				-	\$ -
60	Special Assessments on RDA-owned parcels	Project Management Costs	1/1/2014	6/30/2015	City of West Covina	Citywide Lighting & Landscape Maint District #2	Merged	10,880	N				5,440	\$ 5,440
61	AB 1484 Auditing Fees	Dissolution Audits	9/10/2012	6/30/2015	White Nelson Diehl Evans	AB 1484 Auditing Fees Jul-Dec 2012	Merged	5,000	N				5,000	\$ 5,000
62	Anticipated/Existing Litigation	Litigation	6/1/2013	6/30/2015	Blank Rome LLP	Enforcement of judgments/obligations (assisting Squire Sanders)	Merged	60,000	N				120,000	\$ 120,000
63	Anticipated/Existing Litigation	Litigation	6/1/2013	6/30/2015	Blank Rome LLP	Enforcement of judgments/obligations Jan-Jun 2013	Merged	-	N				-	\$ -

Recognized Obligation Payment Schedule 14-15A - Notes

July 1, 2014 through December 31, 2014

Item #	Notes/Comments
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13	Ongoing
14	Ongoing
15	Ongoing
16	Ongoing
17	Ongoing
18	
19	Ongoing
20	Ongoing
21	Ongoing
22	
23	Pending Finding of Completion. Amount outstanding \$12,859,463
24	Pending Finding of Completion. Amount outstanding \$ 2,252,898
25	Pending Finding of Completion. Amount outstanding \$ 4,824,791
26	Pending Finding of Completion. Amount outstanding \$22,856,769
27	Ongoing
28	
29	
30	

Recognized Obligation Payment Schedule 14-15A - Notes

July 1, 2014 through December 31, 2014

Item #	Notes/Comments
31	For ROPS III, DOF approved \$595,533 for project specific legal fees by Squire Sanders. \$587,509 was spent by the Successor Agency and reported on the ROPS III true up schedule. The CAC reduced the ROPS 13-14B distribution by 1,873,410 which included all of the \$587,509 expended by the Successor Agency for this enforceable obligation for February 2012 through June 2012.
32	For ROPS III, DOF approved \$600,000 for project specific legal fees by Squire Sanders. 172,343 was spent by the Successor Agency and reported on the ROPS III true up schedule. The CAC reduced the ROPS 13-14B distribution by 1,873,410 which included all of the \$172,343 expended by the Successor Agency for this enforceable obligation for July through December 2012.
33	For ROPS III, DOF approved \$22,204 for project specific legal fees by Alvarez Glasman & Colvin. \$22,204 was spent by the Successor Agency and reported on the ROPS III true up schedule. The CAC reduced the ROPS 13-14B distribution by 1,873,410 which included all of the \$22,204 expended by the Successor Agency for this enforceable obligation for February through June 2012.
34	For ROPS III, DOF approved \$35,000 for project specific legal fees by Alvarez Glasman & Colvin. \$17,602 was spent by the Successor Agency and reported on the ROPS III true up schedule. The CAC reduced the ROPS 13-14B distribution by 1,873,410 which included all of the \$17,602 expended by the Successor Agency for this enforceable obligation.
35	For ROPS III, DOF approved \$7,946 for project specific legal fees by Ca Eminent Domain Law Group. \$7,946 was spent by the Successor Agency and reported on the ROPS III true up schedule. The CAC reduced the ROPS 13-14B distribution by 1,873,410 which included all of the \$7,946 expended by the Successor Agency for this enforceable obligation for February through June 2012.
36	For ROPS III, DOF approved \$50,000 for project specific legal fees by Ca Eminent Domain Law Group. \$13,182 was spent by the Successor Agency and reported on the ROPS III true up schedule. The CAC reduced the ROPS 13-14B distribution by 1,873,410 which included all \$50,000 approved by DOF for this line item. The correct true up adjustment should have been \$36,818, not \$50,000. \$13,182 should be restored to the Successor Agency
37	For ROPS III, DOF approved \$7,161 for project specific legal fees by Hunsucker Goodstein. \$429 was spent by the Successor Agency and reported on the ROPS III true up schedule. The CAC reduced the ROPS 13-14B distribution by 1,873,410 which included all \$7,161 approved by DOF for this line item. The correct true up adjustment should have been \$6,732, not \$7,161. \$429 should be restored to the Successor Agency
38	For ROPS III, DOF approved \$25,000 for project specific legal fees by Hunsucker Goodstein. \$150 was spent by the Successor Agency and reported on the ROPS III true up schedule. The CAC reduced the ROPS 13-14B distribution by 1,873,410 which included all \$25,000 approved by DOF for this line item. The correct true up adjustment should have been \$24,850, not \$25,000. \$150 should be restored to the Successor Agency
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45	Fiscal Agent Fees for multiple bonds approved as enforceable obligations. Amounts previously included with individual bond issue on lines 1,2,4, & 5.
46	Letter of Credit Fees for multiple bonds approved as enforceable obligation. Amounts previously included with individual bond issue on lines 1,2,4 & 5.
47	Remarketing Fees for 1999 bonds approved as enforceable obligation. Amounts previously included with individual bond issue on line 1.

Recognized Obligation Payment Schedule 14-15A - Notes

July 1, 2014 through December 31, 2014

Item #	Notes/Comments
48	Rating Agency Fees for 1999 bonds approved as enforceable obligation. Amounts previously included with individual bond issue on line 1.
49	Ongoing. Litigation costs related to slope failures caused by construction defects on a detention basin on land owned by the former redevelopment agency at the BKK Landfill site.
50	Ongoing. Liability for unfunded pension obligations of former redevelopment agency employees
51	Ongoing. Liability for unfunded retirement obligations of former redevelopment agency employee
52	Amount deducted as the adjustment to the ROPS III funding for the ROPS I period. This amount was also listed on the Non-housing DDR as an amount that must be retained by the Successor Agency in order to pay ROPS III enforceable obligations.
53	These are outstanding pass through obligations to other taxing entities for periods that occurred prior to June 30, 2011.
54	Ongoing. Consultant to assist the Successor Agency with the ROPS and Property Management Plan processes.
55	Ongoing. Future services to perform the contractual obligations of the Successor Agency in relation to closing the BKK Landfill.
56	Ongoing
57	Ongoing
58	Ongoing
59	Ongoing
60	Ongoing. Special Assessments on RDA-owned parcels.
61	Funding of ROPS III True Up by CAC was reduced by \$5,000 (part of the \$1,873,410 CAC adjustment). See check #266016.
62	Ongoing. Assisting Squire Sanders and Dempsey. See line #32.
63	Ongoing
64	Ongoing
65	The DOF approved amount for line 8 on ROPS III was \$60,000; however, actual expenditures were \$82,403. This is requesting RPTTF funding for the difference of \$22,403. It was included on ROPS 13-14B and approved by DOF, but the CAC included this amount in their true up adjustment of \$1,873,410 thereby negating the approval and funding by DOF
66	The DOF approved amount for line 14 on ROPS III was \$600,000; however, actual expenditures were \$1,026,509. This is requesting RPTTF funding for the difference of \$426,509. It was included on ROPS 13-14B and approved by DOF, but the CAC included this amount in their true up adjustment of \$1,873,410 thereby negating the approval and funding by DOF.
67	For ROPS 13-14A, DOF approved project specific legal fees by Alvarez Glasman & Colvin. Alvarez Glasman & Colvin staff attorney working on the project transferred law practice to Blank Rome LLP. This is requesting RPTTF funding for the costs incurred with Blank Rome LLP.
68	Agreement amended on 10/11/2012.
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SUCCESSOR AGENCY TO THE WEST COVINA REDEVELOPMENT AGENCY
 ADMINISTRATIVE BUDGET
 July 1, 2014 to December 31, 2014

	Annual Amount	July - December 2014
Salaries & Benefits	240,915	132,509
Maintenance & Operations		
Consultants	40,000	27,500
Legal Fees	30,000	15,000
Phone	908	454
Cell Phone	800	440
Supplies	4,911	3,661
Meetings	6,200	6,200
Overhead	65,000	32,500
Liability Insurance	16,800	8,400
	<hr/>	<hr/>
Subtotal		
Total Budget	<u>405,534</u>	<u>226,664</u>

Successor Agency to the West Covina Redevelopment Agency
 Supplemental Educational Revenue Augmentation Fund
 Payment Schedule

Due Date	2010		2011	
	Payment	Balance	Payment	Balance
		4,080,817		944,377
08/01/14	233,595	3,847,223	54,058	890,319
02/01/15	233,595	3,613,628	54,058	836,261
08/01/15	238,266	3,375,362	55,139	781,122
02/01/16	238,266	3,137,095	55,139	725,983
08/01/16	243,032	2,894,064	56,242	669,741
02/01/17	243,032	2,651,032	56,242	613,499
08/01/17	247,892	2,403,139	57,367	556,132
02/01/18	247,892	2,155,247	57,367	498,765
08/01/18	252,850	1,902,397	58,514	440,251
02/01/19	252,850	1,649,547	58,514	381,737
08/01/19	257,907	1,391,639	59,684	322,053
02/01/20	257,907	1,133,732	59,684	262,368
08/01/20	263,065	870,667	60,878	201,490
02/01/21	263,065	607,602	60,878	140,612
08/01/21	268,327	339,275	62,096	78,516
02/01/22	268,327	70,948	62,096	16,421
08/01/22	70,672	-	16,355	-

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

AGENDA REPORT
Item No. V - B
Date: February 6, 2014

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

FROM: Christopher J. Chung, Executive Director

BY: Paulina Morales, Project Manager

SUBJECT: REQUEST FOR REPORT FROM CHAIRPERSON SUTKIN TO CHANGE DATE AND TIME OF MEETING

RECOMMENDED ACTION:

It is recommended that the Oversight Board direct staff accordingly.

DISCUSSION:

Chairperson Sutkin is seeking Oversight Board's consensus to instruct the Successor Agency staff to prepare and bring back a report to amend Resolution No. OB-0002 to change the date, time, and location of the Oversight Board meetings. Pursuant to Article I, Section b of the Oversight Board's Rules of Procedure (Attachment No. 1), requests by Board Members must be approved by a majority vote of the Board to direct the Executive Director to prepare the requested matter and subsequently place the matter on a future Agenda for discussion and consideration.

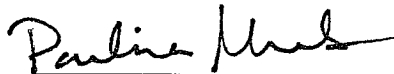
On April 19, 2012 the Oversight Board adopted Resolution No. OB-0002 (Attachment No. 2) establishing the date, time, and location of the Oversight Board meetings. The established date, time and location of the meetings are the first Thursday of the month at 4:00 p.m. held at West Covina City Hall (1444 West Garvey Avenue South).

Should the Oversight Board wish to consider the requested amendment to Resolution No. OB-0002 this item will be brought back for consideration.

Options:

- 1) Direct staff to prepare and bring back a report on the topic of changing the date, time and location of the meetings; or,
- 2) Do not direct staff to prepare and bring back a report.

Prepared By:


Paulina Morales
Project Manager

Attachment:

1. Resolution No. OB-0004 - Rules of Procedure of the Oversight Board to the Successor Agency of the West Covina Redevelopment Agency
2. Resolution No. OB-0002 - Date, time, and Location of Meetings

Attachment 1

RESOLUTION NO. OB-0004

A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY OF THE WEST COVINA REDEVELOPMENT AGENCY APPROVING RULES OF PROCEDURE AND TAKING CERTAIN ACTIONS IN CONNECTION THEREWITH

WHEREAS, Assembly Bill X1 26 (ABX1 26) provides that successor agencies be designated as successor entities to the former redevelopment agencies, and provides that, with certain exceptions, all authority, rights, powers, duties and obligations previously vested with the former redevelopment agencies, under Community Redevelopment Law, are vested in the successor agencies; and,

WHEREAS, On January 10, 2012, in accordance with Health and Safety Code Section 34173, the City Council of the City of West Covina adopted Resolution 2012-1 electing to be the successor agency to the City of West Covina; and,

WHEREAS, ABX1 26 provides that each successor agency shall have an oversight board; and,

WHEREAS, On April 19, 2012, the Oversight Board to the Successor Agency of the City of West Covina Redevelopment Agency was formally formed.

NOW THEREFORE, THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE WEST COVINA REDEVELOPMENT AGENCY HEREBY RESOLVES:

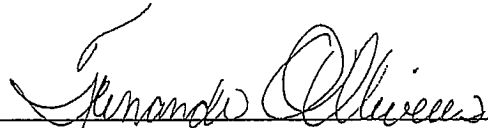
SECTION 1. The above recitals are true and correct and are a substantive part of this Resolution.

SECTION 2. The Board hereby adopts the Rules of Procedure substantially in the form attached as Exhibit A to this Resolution and incorporated herein by reference.

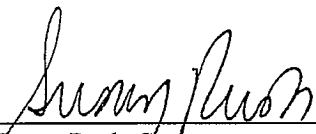
SECTION 3. The officers and staff of the Successor Agency are hereby authorized and directed, jointly and severally, to do any and all things which they may deem necessary or advisable to effectuate this Resolution, and any such actions previously taken by such officers and staff are hereby ratified and confirmed.

SECTION 4. The Successor Agency Secretary shall certify to the adoption of this resolution.

APPROVED AND ADOPTED on this 19th day of April, 2012.

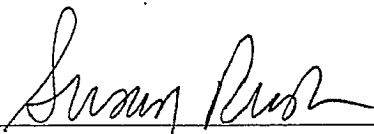

Fernando Oliveros, Chairperson
Oversight Board to the Successor Agency
of the West Covina Redevelopment Agency

ATTEST


Susan Rush, Secretary
Oversight Board to the Successor Agency
of the West Covina Redevelopment Agency

I HEREBY CERTIFY that the foregoing resolution was duly adopted by the Oversight Board to the Successor Agency of the West Covina Redevelopment Agency at a special meeting held on the 19th day of April by the following vote:

AYES: Escobedo, Gregoryk, Lee, Morales, Touhey, Oliveros
NOES: None
ABSENT: Bastin
ABSTAIN: None


Susan Rush, Secretary
Oversight Board to the Successor Agency
of the West Covina Redevelopment Agency

RULES OF PROCEDURE OF THE
OVERSIGHT BOARD TO THE SUCCESSOR AGENCY
OF THE WEST COVINA REDEVELOPMENT AGENCY

ARTICLE 1 - MEETINGS

Section 1. Regular Meetings

The day, time and location of the regular meetings of the Oversight Board shall be determined by the Oversight Board and approved by resolution. The meetings will be held at the West Covina City Hall, 1444 West Garvey Avenue, West Covina, California. In the event a regular meeting falls on a legal holiday, said meeting shall be held on the next business day unless otherwise determined by the Oversight Board.

Section 2. Special Meetings

The Chairperson of the Oversight Board may, when he or she deems it necessary, and shall, upon the written request of four members of the Oversight Board, call a special meeting of the Oversight Board for the purpose of transacting the business designated in the call. The means and method for calling such special meeting shall be as set forth in the Ralph M. Brown Act, California Government Code Section 54950 et seq., as it now exists or may hereafter be amended (the "Brown Act").

Section 3. Adjourned Meetings

The board members may adjourn any meeting to a time and place specified in the order of adjournment. When an order of adjournment of any meeting fails to state an hour at which the adjourned meeting is to be held, it shall be held at the hour specified for regular meetings. In adjourning any meeting, there shall be compliance with all procedures of the Brown Act.

Section 4. Quorum

Four (4) board members of the Oversight Board shall constitute a quorum for the purpose of conducting its business and exercising its powers and for all other purposes, but a smaller number may adjourn from time to time until a quorum is obtained. Every official act of the Oversight Board shall be adopted by four affirmative votes except in situations where the law requires a greater number of votes.

Section 5. Order of Business

(a) Agenda: The order of business of each meeting shall be as contained in the Agenda prepared by the Oversight Board Secretary. The Agenda shall be a listing by topic of the subjects which shall be taken up for consideration in the following order:

- (i) Call to Order
- (ii) Changes to Agenda
- (iii) Public Comment
- (iv) Consent Agenda
- (v) Business Item(s)

- (vi) Study Session
- (vii) Board Members' Comments
- (viii) Closed Session
- (ix) Adjournment

All resolutions shall be in writing and designated by number, reference to which shall be inscribed in the minutes and an approved copy of each resolution filed in the official book of resolutions of the Oversight Board.

(b) Preparation of Agenda: The Executive Director of the Successor Agency or his designee shall be responsible for the preparation of the Agenda. The Executive Director shall have the ability to place items on the agenda deemed necessary for consideration by the Oversight Board.

Any requests by Oversight Board Members for reports, studies or investigations that are not readily available must be placed on the Oversight Board Agenda as items of business and must be approved by a majority vote of the Oversight Board. Such Board Member's request can either be made directly to the Executive Director or at an Oversight Board meeting under "Board Members' Comments" section of the Agenda. Upon receiving a request, the Executive Director, or his designee shall prepare and place on a future agenda, a staff report stating the request made by the Board Member for Oversight Board consideration. If approved by majority vote, the Executive Director shall then prepare the requested matter (i.e. report, study or investigation) and if necessary or requested, subsequently place the matter on a future Agenda for discussion and consideration.

(c) Delivery of Agenda: The Agenda and related staff reports will ordinarily be delivered to the board members via e-mail 72 hours prior to a regular scheduled meeting and 24 hours prior to a special meeting.

The Agenda and staff reports shall also be available to the general public at the time it is delivered to the board members.

(d) Roll Call: Before proceeding with the business of the Oversight Board, the Oversight Board Secretary shall call the roll of the board members and the names of those present shall be entered in the minutes. The order of roll call shall be alphabetical with the Chairperson called last.

(e) Approval of Minutes: From time to time, the Oversight Board shall approve minutes of the previous meeting or meetings.

(f) Public Comment: Pursuant to Government Code 54954.3, each agenda for a regular meeting shall provide an item entitled "Public Comment." The purpose of such item shall be to provide an opportunity for members of the public to directly address the Oversight Board on items of interest to the public that are within the subject matter jurisdiction of the Oversight Board. In order to assure that the intent of Government Code 54954.3 is carried out, five (5) minutes is the amount of time allocated for each individual speaker. The time limit may be extended or limited by the chairperson to assure the efficient conduct of business.

(g) Consent Agenda: Items of routine nature, non-controversial, and approval of minutes shall be placed on the consent agenda. All items may be approved by one blanket

motion upon unanimous consent. Prior to review of the consent agenda, any board member may request that any item be withdrawn from the consent agenda for separate consideration.

(h) Call to Order: The meeting of the Oversight Board shall be called to order by the Chairperson, or in his/her absence, by the Vice Chairperson. The person calling meetings to order shall be referred to as the "Presiding Officer." In the absence of both the Chairperson and the Vice Chairperson, the meeting shall be called to order by the secretary to the Oversight Board and the Board shall select a Temporary Chairperson, who shall serve as the Presiding Officer for the meeting.

(i) Participation of Presiding Officer: The Presiding Officer may move, second, and debate, subject only to such limitations of debate as are imposed on all board members, and he or she shall not be deprived of any of the rights and privileges of a board member by reason of his or her acting as Presiding Officer. However, the Presiding Officer is primarily responsible for the conduct of the meeting.

(j) Question to be Stated: The Presiding Officer shall verbally restate each question immediately prior to calling for the vote. Following the vote, the Presiding Officer shall verbally announce whether the question carried or was defeated. The Presiding Officer may also publicly state the effect of the vote for the benefit of the audience before proceeding to the next item of business.

(k) Maintenance of Order: The Presiding Officer is responsible for the maintenance of order and decorum at all times. No person is allowed to speak who has not first been recognized by the Presiding Officer. All questions and remarks shall be addressed to the Presiding Officer.

Section 6. Rules, Decorum and Order

(a) Points of Order: The Presiding Officer shall determine all Points of Order subject to the right of any member to appeal to the Oversight Board. If any appeal is taken, the question shall be, "Shall the decision of the Presiding Officer be sustained?" in which event a majority vote shall govern and conclusively determine such question of order.

(b) Decorum and Order - Board members:

(i) Any board member desiring to speak shall address the Presiding Officer and, upon recognition by the Presiding Officer, shall confine himself or herself to the question under debate.

(ii) A board member, once recognized, shall not be interrupted while speaking unless called to order by the Presiding Officer; unless a Point of Order is raised by another board member; or unless the speaker chooses to yield to questions from another board member.

(iii) Any board member called to order while he or she is speaking shall cease speaking immediately until the question of order is determined. If ruled to be in order, he or she shall be permitted to proceed. If ruled to be not in order, he or she shall remain silent or shall alter his or her remarks so as to comply with rules of the Oversight Board.

(iv) Board members shall accord the utmost courtesy to each other, to city or Oversight Board employees, and to the public appearing before the Oversight Board and shall refrain at all times from rude and derogatory remarks, reflections as to integrity, abusive comments and statements as to motives and personalities.

(v) Any board member may move to require the Presiding Officer to enforce the rules and the affirmative vote of a majority of the Oversight Board shall require him or her to so act.

(vi) Except where specifically authorized by Oversight Board action, no board member shall make any statement or give the appearance or indicate in any way that he or she is representing the Oversight Board.

(c) Decorum and Order - Employees: Members of the administrative staff of the Oversight Board shall observe the same rules of procedure and decorum applicable to board members. The Executive Director shall ensure that all Oversight Board employees observe such decorum. Any staff members, including the Executive Director, desiring to address the Oversight Board or members of the public shall first be recognized by the Presiding Officer. All remarks shall be addressed to the Presiding Officer and not to any one individual board member or member of the public.

(d) Decorum and Order - Public: Members of the public attending Oversight Board meetings shall observe the same rules of order and decorum applicable to the Oversight Board. Any person making impertinent and slanderous remarks or who becomes boisterous while addressing the Oversight Board or while attending the Oversight Board meeting shall be removed from the room and such person may be barred from further audience before the Oversight Board. Unauthorized remarks from the audience, stamping of feet, whistles, yells and similar demonstrations shall not be permitted by the Presiding Officer, who may direct the sergeant-of-arms to remove such offenders from the room. Aggravated cases shall be prosecuted on appropriate complaint signed by the Presiding Officer.

(e) Enforcement of Decorum: As set forth in Government Code Section 54957.9, in the event that any meeting is willfully interrupted by a group or groups of persons so as to render the orderly conduct of such meeting unfeasible and order cannot be restored by the removal of individuals who are willfully interrupting the meeting, the board members may order the meeting room cleared and continue in session. Only matters appearing on the agenda may be considered in such a session. Duly accredited representatives of the press or other news media, except those participating in the disturbance, shall be allowed to attend any session held pursuant to this section. Nothing in this section shall prohibit the Oversight Board from establishing a procedure for readmitting an individual or individuals not responsible for willfully disturbing the orderly conduct of the meeting.

(f) Conflict of Interest: All board members are subject to the provisions of California Law, such as Chapter 7, Title 9, of the California Government Code, relative to conflicts of interest, and to conflicts of interest codes adopted by the Oversight Board.

(g) Limitation of Debate: No board member normally should speak more than once upon any one subject until every other board member choosing to speak thereon has spoken. No member shall speak for a longer time than five minutes each time he has the floor, without approval of a majority vote of the Oversight Board.

(h) Dissents and Protests: Any board member shall have the right to express dissent from or protest to any action of the Oversight Board and have the reason entered in the minutes. If such dissent or protest is desired to be entered in the minutes, this should be made clear by language such as, "I would like the minutes to show that I am opposed to this action for the following reasons . . ."

(i) Procedures In Absence of Rules: In the absence of a rule herein to govern a point or procedure, Robert's Rules of Order, Newly Revised, shall be used as a guide.

(j) Rulings of Presiding Officer Final Unless Overruled: In presiding over Oversight Board meetings, the Presiding Officer shall decide all questions of interpretation of these rules, points of order or other questions of procedure requiring rulings. Any such decision or ruling shall be final unless overridden or suspended by a majority vote of the board members present and voting.

Section 7. Addressing the Oversight Board

(a) Manner of Addressing the Oversight Board: Any member of the public desiring to address the Oversight Board shall proceed to the podium and wait to be recognized by the Presiding Officer. After being recognized, he shall state his name and address for the record.

All remarks and questions shall be addressed to the Presiding Officer and not to any individual board member, staff member or other person. No person shall enter into any discussion without being recognized by the Presiding Officer.

(b) Time Limitation: For time limitation applicable to public comment, see Article I, Section (5). This limitation shall not apply to any staff presentation.

(c) Addressing the Oversight Board After Motion Is Made: After a motion has been made, no member of the public shall address the Oversight Board without first securing permission by a majority vote of the Oversight Board

(d) Limitations Regarding Public Comments and Reports: The making of oral communications to the Oversight Board by any member of the public during the "Public Comments" portion of the agenda shall be subject to the following limitations:

At any time, before or after the oral communication is commenced, the Presiding Officer may if he or she deems it preferable, direct that the communication be made instead either to the Executive Director or other appropriate staff member during regular business hours, or in writing for subsequent submittal to board members.

(e) Persons Authorized to be Within Platform: No person except Oversight Board Officials shall be permitted behind the Oversight Board dais without permission or consent of the Presiding Officer.

Section 8. Motions

(a) Processing of Motions: When a motion is made and seconded, it shall be stated by the Presiding Officer before debate. A motion so stated shall not be withdrawn by the mover without the consent of the person seconding it.

(b) Motions Out of Order: The Presiding Officer may at any time, by majority consent of the board members, permit a board member to introduce a resolution or motion out of the regular agenda order.

(c) Division of Question: If the question contains two or more divisional propositions, the Presiding Officer may, and upon request of a board member shall (unless appealed), divide the same.

(d) Precedence of Motions: When a motion is before the Oversight Board, no motion shall be entertained except the following, which shall have precedence in the following order:

Adjourn
Fix hour of adjournment
Table
Limit or terminate discussion
Amend
Postpone

(e) Motion to Adjourn: (not debatable) A motion to adjourn shall be in order at any time, except as follows:

- When repeated without intervening business or discussion.
- When made as an interruption of a board member while speaking.
- When discussion has been ended, and vote on a motion is pending, and
- While a vote is being taken.

(f) Motion to Fix Hour of Adjournment: Such a motion shall be to set a definite time at which to adjourn and shall be debatable and shall be amendable by unanimous vote.

(g) Motion to Table: A motion to table shall be used to temporarily by-pass the subject. A motion to table shall be undebatable and shall preclude all amendments or debate of the subject under consideration. If the motion shall prevail, the matter may be "taken from the table" at any time prior to the end of the next regular meeting.

(h) Motion to Limit or Terminate Discussion: Such a motion shall be used to limit or close debate on, or further amendment to, the main motion and shall be undebatable. If the motion fails, debate shall be reopened; if the motion passes, a vote shall be taken on the main motion.

(i) Motion to Amend: A motion to amend shall be discussed only as to the amendment. A motion to amend an amendment is possible but no additional motions to further amendments may be made. Any amendment shall relate to the original motion and not introduce a different matter. Amendments shall be voted first, then the main motion as amended. Alternatively, the original maker of the main motion may agree to revise the original motion and if the second agrees to second the revised motion, the Oversight Board may vote on the main motion as revised.

Section 9. Voting Procedure

(a) Voting Procedure: In acting upon every motion, the vote shall be taken by audible vote or if requested by roll call. The vote on each motion shall then be entered in full upon the record. If the vote is by roll call, the order of voting shall be alphabetical with the Chairperson voting last. The Secretary shall call the names of all members seated when a roll call vote is ordered or required. Members shall respond 'aye,' no' or 'abstain.'

Any action or motion of the board shall require four affirmative votes. Any member may change his or her vote before the next order of business.

(b) Failure to Vote: A board member who abstains due to reasons of conflict shall, for purpose of the item under consideration, be considered as if absent. A board member abstaining for reasons other than conflict shall be counted as present for purposes of a quorum and such abstentions are not counted as an affirmative vote.

A board member who leaves the dais solely to avoid participating in a specific item shall, in absence of a conflict, be counted as if they were present but abstaining and such abstentions shall not be counted as an affirmative vote.

(c) Reconsideration: Any board member who voted with the majority may move a reconsideration of any action at the same meeting. If the motion to reconsider passes, then the original item may be reconsidered at that time or agendaized for the next meeting which meets any applicable noticing requirements. After a motion for reconsideration has once been acted upon, no other motion for reconsideration thereof shall be made without unanimous consent of the Oversight Board.

Section 10 Resolutions

(a) Definitions: The Actions of the Oversight Board will take one of three forms: "resolution," "minute order," and "motion" (thereafter recorded by minute entry). Resolutions, in addition to being referenced in the minutes, will be recorded by a separate document, numbered in sequence and preserved in a separate set of books. Such "resolutions" are used for various reasons, such as when specifically required by law, when needed as a separate evidentiary document to be transmitted to another governmental agency, or where the frequency of future reference back to its contents warrants a separate document (with the additional "whereas" explanatory material it often recites) to facilitate such future reference and research.

A "minute order" as used locally denotes an Oversight Board action which is recorded simply by an item entry in the minutes of the meeting at which it was accomplished, and no separate document is made to memorialize it. However, sequential numbering shall be assigned to each motion to facilitate indexing.

(b) Resolutions Prepared In Advance: Where a resolution has been prepared in advance, the procedure shall be: motion, second, discussion, vote pursuant to methods prescribed above, and result declared. It shall not be necessary to read a resolution in full or by title except to identify it. Any member may require that the resolution be read in full.

(c) Resolutions Not Prepared In Advance: Where a resolution has not been prepared in advance, the procedure shall be to instruct the Executive Director of the Successor Agency to prepare a resolution for presentation at the next Oversight Board meeting.

(d) Urgency Resolutions: In matters of urgency, a resolution may be presented verbally in motion form together with instructions for written preparation for later execution. After the resolution has been verbally stated, the voting procedure described above shall be followed.

ARTICLE II - MISCELLANEOUS

Section 11. Amendments to Rules of Procedure

The Rules of Procedure of the Oversight Board may be amended by the Oversight Board at any regular or special meeting by a vote of the majority of the Oversight Board members, provided that no such amendment shall be adopted unless at least seven days' written notice thereof has been previously given to all board members of the Oversight Board. Such notice shall identify the section or sections of the Rules of Procedure proposed to be amended.

Section 12. Rules Directory

To the extent not required by State laws, these rules of procedure shall be considered directory only; and compliance herewith shall not be considered mandatory or jurisdictional.

Attachment 2

RESOLUTION NO. OB-0002

A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY OF THE WEST COVINA REDEVELOPMENT AGENCY ESTABLISHING THE DATE, TIME AND LOCATION OF OVERSIGHT BOARD MEETINGS

WHEREAS, the Oversight Board to the Successor Agency of the West Covina Redevelopment Agency ("Oversight Board") has met and conferred to determine a date, time and location for Oversight Board meetings.

NOW THEREFORE, THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE WEST COVINA REDEVELOPMENT AGENCY HEREBY RESOLVES:


SECTION 1. The Oversight Board will meet on the first Thursday of the month at 4:00 p.m. beginning Thursday, May 3, 2012 and the meetings shall be open to the public. Meetings may be adjourned by the presiding officer or by the Secretary if a quorum is not present.

SECTION 2. The location of the Oversight Board meetings shall be at West Covina City Hall, 1444 W. Garvey Avenue, West Covina California.

SECTION 3. Special meetings may be called by the Chairperson or by four (4) board members, and notice thereof shall be provided in accordance with the Brown Act.

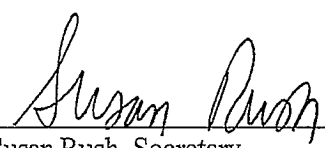
SECTION 4. The Successor Agency Secretary shall certify to the adoption of this Resolution.

APPROVED AND ADOPTED on this 19th day of April, 2012.



Fernando Oliveros, Chairperson
Oversight Board to the Successor Agency
of the West Covina Redevelopment Agency

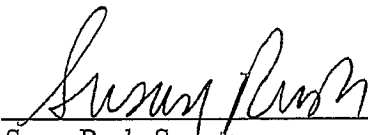
ATTEST



Susan Rush, Secretary
Oversight Board to the Successor Agency
of the West Covina Redevelopment Agency

I HEREBY CERTIFY that the foregoing resolution was duly adopted by the Oversight Board to the Successor Agency of the West Covina Redevelopment Agency at a special meeting held on the 19th day of April by the following vote:

AYES: Escobedo, Gregoryk, Lee, Morales, Touhey, Oliveros
NOES: None
ABSENT: Bastin
ABSTAIN: None



Susan Rush, Secretary
Oversight Board to the Successor Agency
of the West Covina Redevelopment Agency

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

AGENDA REPORT
Item No. V - C
Date: February 6, 2014

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

FROM: Christopher J. Chung, Executive Director

BY: Paulina Morales, Project Manager

SUBJECT: **REQUEST FOR REPORT FROM BOARD MEMBER LEE REQUESTING TO INCORPORATE A ROTATION PROCESS FOR THE CHAIRPERSON AND VICE-CHAIRPERSON**

RECOMMENDED ACTION:

It is recommended that the Oversight Board direct staff accordingly.

DISCUSSION:

Board Member Lee is seeking the Oversight Board's consensus to instruct the Successor Agency to prepare and bring back a report to amend Resolution No. OB-0003 and the Board's Bylaws to include a process for the rotation of the Chairperson and Vice-Chairperson. Pursuant to the Oversight Board's Rules of Procedure (Attachment No. 1), requests by Board Members must be approved by a majority vote of the Board to direct the Executive Director to prepare the requested matter and subsequently place the matter on a future Agenda for discussion and consideration.

On April 19, 2012 the Oversight Board adopted Resolution No. OB-0003 (Attachment No. 2) establishing the Board's Bylaws. Under the Bylaws, selection of the chairperson and vice-chairperson are as follows:

ARTICLE II - OFFICERS

Section 1. Officers and Officials

The members shall elect one of their members as the chairperson and select one of their members as the vice chairperson.

Section 2. Chairperson

The Chairperson of the Oversight Board shall preside at all meetings of the Oversight Board.

Section 3. Vice-Chairperson

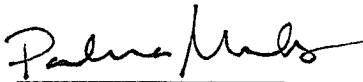
The Vice-Chairperson shall perform the duties of the Chairperson in the absence or incapacity of the Chairperson.

The adopted Bylaws of the Oversight Board do not include terms for the selected officers or a rotation process for the chairperson and vice-chairperson. Should the Oversight Board wish to consider the requested amendment to the Bylaws this item will be brought back for consideration. It is important to note that a 7-day written notice to all Board members is required prior to making any amendments to the Bylaws.

Options:

- 1) Direct staff to prepare and bring back a report on the topic of incorporating a rotation process for the chairperson and vice-chairperson; or,
- 2) Do not direct staff to prepare and bring back a report.

Prepared By:



Paulina Morales
Project Manager

Attachment:

1. Resolution No. OB-0004 – Rules of Procedure of the Oversight Board to the Successor Agency of the West Covina Redevelopment Agency
2. Resolution No. OB-0003 - Bylaws

Attachment 1

RESOLUTION NO. OB-0004

A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY OF THE WEST COVINA REDEVELOPMENT AGENCY APPROVING RULES OF PROCEDURE AND TAKING CERTAIN ACTIONS IN CONNECTION THEREWITH

WHEREAS, Assembly Bill X1 26 (ABX1 26) provides that successor agencies be designated as successor entities to the former redevelopment agencies, and provides that, with certain exceptions, all authority, rights, powers, duties and obligations previously vested with the former redevelopment agencies, under Community Redevelopment Law, are vested in the successor agencies; and,

WHEREAS, On January 10, 2012, in accordance with Health and Safety Code Section 34173, the City Council of the City of West Covina adopted Resolution 2012-1 electing to be the successor agency to the City of West Covina; and,

WHEREAS, ABX1 26 provides that each successor agency shall have an oversight board; and,

WHEREAS, On April 19, 2012, the Oversight Board to the Successor Agency of the City of West Covina Redevelopment Agency was formally formed.

NOW THEREFORE, THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE WEST COVINA REDEVELOPMENT AGENCY HEREBY RESOLVES:

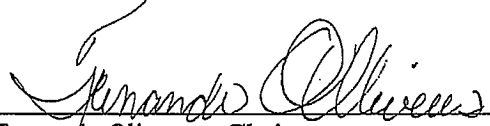
SECTION 1. The above recitals are true and correct and are a substantive part of this Resolution.

SECTION 2. The Board hereby adopts the Rules of Procedure substantially in the form attached as Exhibit A to this Resolution and incorporated herein by reference.

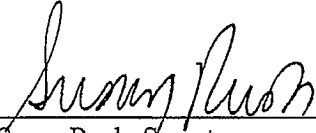
SECTION 3. The officers and staff of the Successor Agency are hereby authorized and directed, jointly and severally, to do any and all things which they may deem necessary or advisable to effectuate this Resolution, and any such actions previously taken by such officers and staff are hereby ratified and confirmed.

SECTION 4. The Successor Agency Secretary shall certify to the adoption of this resolution.

APPROVED AND ADOPTED on this 19th day of April, 2012.

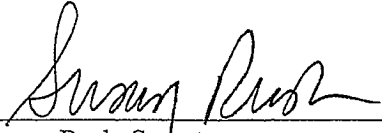

Fernando Oliveros, Chairperson
Oversight Board to the Successor Agency
of the West Covina Redevelopment Agency

ATTEST


Susan Rush, Secretary
Oversight Board to the Successor Agency
of the West Covina Redevelopment Agency

I HEREBY CERTIFY that the foregoing resolution was duly adopted by the Oversight Board to the Successor Agency of the West Covina Redevelopment Agency at a special meeting held on the 19th day of April by the following vote:

AYES: Escobedo, Gregoryk, Lee, Morales, Touhey, Oliveros
NOES: None
ABSENT: Bastin
ABSTAIN: None


Susan Rush, Secretary
Oversight Board to the Successor Agency
of the West Covina Redevelopment Agency

RULES OF PROCEDURE OF THE
OVERSIGHT BOARD TO THE SUCCESSOR AGENCY
OF THE WEST COVINA REDEVELOPMENT AGENCY

ARTICLE 1 - MEETINGS

Section 1. Regular Meetings

The day, time and location of the regular meetings of the Oversight Board shall be determined by the Oversight Board and approved by resolution. The meetings will be held at the West Covina City Hall, 1444 West Garvey Avenue, West Covina, California. In the event a regular meeting falls on a legal holiday, said meeting shall be held on the next business day unless otherwise determined by the Oversight Board.

Section 2. Special Meetings

The Chairperson of the Oversight Board may, when he or she deems it necessary, and shall, upon the written request of four members of the Oversight Board, call a special meeting of the Oversight Board for the purpose of transacting the business designated in the call. The means and method for calling such special meeting shall be as set forth in the Ralph M. Brown Act, California Government Code Section 54950 et seq., as it now exists or may hereafter be amended (the "Brown Act").

Section 3. Adjourned Meetings

The board members may adjourn any meeting to a time and place specified in the order of adjournment. When an order of adjournment of any meeting fails to state an hour at which the adjourned meeting is to be held, it shall be held at the hour specified for regular meetings. In adjourning any meeting, there shall be compliance with all procedures of the Brown Act.

Section 4. Quorum

Four (4) board members of the Oversight Board shall constitute a quorum for the purpose of conducting its business and exercising its powers and for all other purposes, but a smaller number may adjourn from time to time until a quorum is obtained. Every official act of the Oversight Board shall be adopted by four affirmative votes except in situations where the law requires a greater number of votes.

Section 5. Order of Business

(a) Agenda: The order of business of each meeting shall be as contained in the Agenda prepared by the Oversight Board Secretary. The Agenda shall be a listing by topic of the subjects which shall be taken up for consideration in the following order:

- (i) Call to Order
- (ii) Changes to Agenda
- (iii) Public Comment
- (iv) Consent Agenda
- (v) Business Item(s)

- (vi) Study Session
- (vii) Board Members' Comments
- (viii) Closed Session
- (ix) Adjournment

All resolutions shall be in writing and designated by number, reference to which shall be inscribed in the minutes and an approved copy of each resolution filed in the official book of resolutions of the Oversight Board.

(b) Preparation of Agenda: The Executive Director of the Successor Agency or his designee shall be responsible for the preparation of the Agenda. The Executive Director shall have the ability to place items on the agenda deemed necessary for consideration by the Oversight Board.

Any requests by Oversight Board Members for reports, studies or investigations that are not readily available must be placed on the Oversight Board Agenda as items of business and must be approved by a majority vote of the Oversight Board. Such Board Member's request can either be made directly to the Executive Director or at an Oversight Board meeting under "Board Members' Comments" section of the Agenda. Upon receiving a request, the Executive Director, or his designee shall prepare and place on a future agenda, a staff report stating the request made by the Board Member for Oversight Board consideration. If approved by majority vote, the Executive Director shall then prepare the requested matter (i.e. report, study or investigation) and if necessary or requested, subsequently place the matter on a future Agenda for discussion and consideration.

(c) Delivery of Agenda: The Agenda and related staff reports will ordinarily be delivered to the board members via e-mail 72 hours prior to a regular scheduled meeting and 24 hours prior to a special meeting.

The Agenda and staff reports shall also be available to the general public at the time it is delivered to the board members.

(d) Roll Call: Before proceeding with the business of the Oversight Board, the Oversight Board Secretary shall call the roll of the board members and the names of those present shall be entered in the minutes. The order of roll call shall be alphabetical with the Chairperson called last.

(e) Approval of Minutes: From time to time, the Oversight Board shall approve minutes of the previous meeting or meetings.

(f) Public Comment: Pursuant to Government Code 54954.3, each agenda for a regular meeting shall provide an item entitled "Public Comment." The purpose of such item shall be to provide an opportunity for members of the public to directly address the Oversight Board on items of interest to the public that are within the subject matter jurisdiction of the Oversight Board. In order to assure that the intent of Government Code 54954.3 is carried out, five (5) minutes is the amount of time allocated for each individual speaker. The time limit may be extended or limited by the chairperson to assure the efficient conduct of business.

(g) Consent Agenda: Items of routine nature, non-controversial, and approval of minutes shall be placed on the consent agenda. All items may be approved by one blanket

motion upon unanimous consent. Prior to review of the consent agenda, any board member may request that any item be withdrawn from the consent agenda for separate consideration.

(h) Call to Order: The meeting of the Oversight Board shall be called to order by the Chairperson, or in his/her absence, by the Vice Chairperson. The person calling meetings to order shall be referred to as the "Presiding Officer." In the absence of both the Chairperson and the Vice Chairperson, the meeting shall be called to order by the secretary to the Oversight Board and the Board shall select a Temporary Chairperson, who shall serve as the Presiding Officer for the meeting.

(i) Participation of Presiding Officer: The Presiding Officer may move, second, and debate, subject only to such limitations of debate as are imposed on all board members, and he or she shall not be deprived of any of the rights and privileges of a board member by reason of his or her acting as Presiding Officer. However, the Presiding Officer is primarily responsible for the conduct of the meeting.

(j) Question to be Stated: The Presiding Officer shall verbally restate each question immediately prior to calling for the vote. Following the vote, the Presiding Officer shall verbally announce whether the question carried or was defeated. The Presiding Officer may also publicly state the effect of the vote for the benefit of the audience before proceeding to the next item of business.

(k) Maintenance of Order: The Presiding Officer is responsible for the maintenance of order and decorum at all times. No person is allowed to speak who has not first been recognized by the Presiding Officer. All questions and remarks shall be addressed to the Presiding Officer.

Section 6. Rules, Decorum and Order

(a) Points of Order: The Presiding Officer shall determine all Points of Order subject to the right of any member to appeal to the Oversight Board. If any appeal is taken, the question shall be, "Shall the decision of the Presiding Officer be sustained?" in which event a majority vote shall govern and conclusively determine such question of order.

(b) Decorum and Order - Board members:

(i) Any board member desiring to speak shall address the Presiding Officer and, upon recognition by the Presiding Officer, shall confine himself or herself to the question under debate.

(ii) A board member, once recognized, shall not be interrupted while speaking unless called to order by the Presiding Officer; unless a Point of Order is raised by another board member; or unless the speaker chooses to yield to questions from another board member.

(iii) Any board member called to order while he or she is speaking shall cease speaking immediately until the question of order is determined. If ruled to be in order, he or she shall be permitted to proceed. If ruled to be not in order, he or she shall remain silent or shall alter his or her remarks so as to comply with rules of the Oversight Board.

(iv) Board members shall accord the utmost courtesy to each other, to city or Oversight Board employees, and to the public appearing before the Oversight Board and shall refrain at all times from rude and derogatory remarks, reflections as to integrity, abusive comments and statements as to motives and personalities.

(v) Any board member may move to require the Presiding Officer to enforce the rules and the affirmative vote of a majority of the Oversight Board shall require him or her to so act.

(vi) Except where specifically authorized by Oversight Board action, no board member shall make any statement or give the appearance or indicate in any way that he or she is representing the Oversight Board.

(c) Decorum and Order - Employees: Members of the administrative staff of the Oversight Board shall observe the same rules of procedure and decorum applicable to board members. The Executive Director shall ensure that all Oversight Board employees observe such decorum. Any staff members, including the Executive Director, desiring to address the Oversight Board or members of the public shall first be recognized by the Presiding Officer. All remarks shall be addressed to the Presiding Officer and not to any one individual board member or member of the public.

(d) Decorum and Order - Public: Members of the public attending Oversight Board meetings shall observe the same rules of order and decorum applicable to the Oversight Board. Any person making impertinent and slanderous remarks or who becomes boisterous while addressing the Oversight Board or while attending the Oversight Board meeting shall be removed from the room and such person may be barred from further audience before the Oversight Board. Unauthorized remarks from the audience, stamping of feet, whistles, yells and similar demonstrations shall not be permitted by the Presiding Officer, who may direct the sergeant-of-arms to remove such offenders from the room. Aggravated cases shall be prosecuted on appropriate complaint signed by the Presiding Officer.

(e) Enforcement of Decorum: As set forth in Government Code Section 54957.9, in the event that any meeting is willfully interrupted by a group or groups of persons so as to render the orderly conduct of such meeting unfeasible and order cannot be restored by the removal of individuals who are willfully interrupting the meeting, the board members may order the meeting room cleared and continue in session. Only matters appearing on the agenda may be considered in such a session. Duly accredited representatives of the press or other news media, except those participating in the disturbance, shall be allowed to attend any session held pursuant to this section. Nothing in this section shall prohibit the Oversight Board from establishing a procedure for readmitting an individual or individuals not responsible for willfully disturbing the orderly conduct of the meeting.

(f) Conflict of Interest: All board members are subject to the provisions of California Law, such as Chapter 7, Title 9, of the California Government Code, relative to conflicts of interest, and to conflicts of interest codes adopted by the Oversight Board.

(g) Limitation of Debate: No board member normally should speak more than once upon any one subject until every other board member choosing to speak thereon has spoken. No member shall speak for a longer time than five minutes each time he has the floor, without approval of a majority vote of the Oversight Board.

(h) Dissents and Protests: Any board member shall have the right to express dissent from or protest to any action of the Oversight Board and have the reason entered in the minutes. If such dissent or protest is desired to be entered in the minutes, this should be made clear by language such as, "I would like the minutes to show that I am opposed to this action for the following reasons . . ."

(i) Procedures In Absence of Rules: In the absence of a rule herein to govern a point or procedure, Robert's Rules of Order, Newly Revised, shall be used as a guide.

(j) Rulings of Presiding Officer Final Unless Overruled: In presiding over Oversight Board meetings, the Presiding Officer shall decide all questions of interpretation of these rules, points of order or other questions of procedure requiring rulings. Any such decision or ruling shall be final unless overridden or suspended by a majority vote of the board members present and voting.

Section 7. Addressing the Oversight Board

(a) Manner of Addressing the Oversight Board: Any member of the public desiring to address the Oversight Board shall proceed to the podium and wait to be recognized by the Presiding Officer. After being recognized, he shall state his name and address for the record.

All remarks and questions shall be addressed to the Presiding Officer and not to any individual board member, staff member or other person. No person shall enter into any discussion without being recognized by the Presiding Officer.

(b) Time Limitation: For time limitation applicable to public comment, see Article I, Section (5). This limitation shall not apply to any staff presentation.

(c) Addressing the Oversight Board After Motion Is Made: After a motion has been made, no member of the public shall address the Oversight Board without first securing permission by a majority vote of the Oversight Board

(d) Limitations Regarding Public Comments and Reports: The making of oral communications to the Oversight Board by any member of the public during the "Public Comments" portion of the agenda shall be subject to the following limitations:

At any time, before or after the oral communication is commenced, the Presiding Officer may if he or she deems it preferable, direct that the communication be made instead either to the Executive Director or other appropriate staff member during regular business hours, or in writing for subsequent submittal to board members.

(e) Persons Authorized to be Within Platform: No person except Oversight Board Officials shall be permitted behind the Oversight Board dais without permission or consent of the Presiding Officer.

Section 8. Motions

(a) Processing of Motions: When a motion is made and seconded, it shall be stated by the Presiding Officer before debate. A motion so stated shall not be withdrawn by the mover without the consent of the person seconding it.

(b) Motions Out of Order: The Presiding Officer may at any time, by majority consent of the board members, permit a board member to introduce a resolution or motion out of the regular agenda order.

(c) Division of Question: If the question contains two or more divisional propositions, the Presiding Officer may, and upon request of a board member shall (unless appealed), divide the same.

(d) Precedence of Motions: When a motion is before the Oversight Board, no motion shall be entertained except the following, which shall have precedence in the following order:

Adjourn
Fix hour of adjournment
Table
Limit or terminate discussion
Amend
Postpone

(e) Motion to Adjourn: (not debatable) A motion to adjourn shall be in order at any time, except as follows:

- When repeated without intervening business or discussion.
- When made as an interruption of a board member while speaking.
- When discussion has been ended, and vote on a motion is pending, and
- While a vote is being taken.

(f) Motion to Fix Hour of Adjournment: Such a motion shall be to set a definite time at which to adjourn and shall be debatable and shall be amendable by unanimous vote.

(g) Motion to Table: A motion to table shall be used to temporarily by-pass the subject. A motion to table shall be undebatable and shall preclude all amendments or debate of the subject under consideration. If the motion shall prevail, the matter may be "taken from the table" at any time prior to the end of the next regular meeting.

(h) Motion to Limit or Terminate Discussion: Such a motion shall be used to limit or close debate on, or further amendment to, the main motion and shall be undebatable. If the motion fails, debate shall be reopened; if the motion passes, a vote shall be taken on the main motion.

(i) Motion to Amend: A motion to amend shall be discussed only as to the amendment. A motion to amend an amendment is possible but no additional motions to further amendments may be made. Any amendment shall relate to the original motion and not introduce a different matter. Amendments shall be voted first, then the main motion as amended. Alternatively, the original maker of the main motion may agree to revise the original motion and if the second agrees to second the revised motion, the Oversight Board may vote on the main motion as revised.

Section 9. Voting Procedure

(a) Voting Procedure: In acting upon every motion, the vote shall be taken by audible vote or if requested by roll call. The vote on each motion shall then be entered in full upon the record. If the vote is by roll call, the order of voting shall be alphabetical with the Chairperson voting last. The Secretary shall call the names of all members seated when a roll call vote is ordered or required. Members shall respond 'aye,' 'no' or 'abstain.'

Any action or motion of the board shall require four affirmative votes. Any member may change his or her vote before the next order of business.

(b) Failure to Vote: A board member who abstains due to reasons of conflict shall, for purpose of the item under consideration, be considered as if absent. A board member abstaining for reasons other than conflict shall be counted as present for purposes of a quorum and such abstentions are not counted as an affirmative vote.

A board member who leaves the dais solely to avoid participating in a specific item shall, in absence of a conflict, be counted as if they were present but abstaining and such abstentions shall not be counted as an affirmative vote.

(c) Reconsideration: Any board member who voted with the majority may move a reconsideration of any action at the same meeting. If the motion to reconsider passes, then the original item may be reconsidered at that time or agendized for the next meeting which meets any applicable noticing requirements. After a motion for reconsideration has once been acted upon, no other motion for reconsideration thereof shall be made without unanimous consent of the Oversight Board.

Section 10 Resolutions

(a) Definitions: The Actions of the Oversight Board will take one of three forms: "resolution," "minute order," and "motion" (thereafter recorded by minute entry). Resolutions, in addition to being referenced in the minutes, will be recorded by a separate document, numbered in sequence and preserved in a separate set of books. Such "resolutions" are used for various reasons, such as when specifically required by law, when needed as a separate evidentiary document to be transmitted to another governmental agency, or where the frequency of future reference back to its contents warrants a separate document (with the additional "whereas" explanatory material it often recites) to facilitate such future reference and research.

A "minute order" as used locally denotes an Oversight Board action which is recorded simply by an item entry in the minutes of the meeting at which it was accomplished, and no separate document is made to memorialize it. However, sequential numbering shall be assigned to each motion to facilitate indexing.

(b) Resolutions Prepared In Advance: Where a resolution has been prepared in advance, the procedure shall be: motion, second, discussion, vote pursuant to methods prescribed above, and result declared. It shall not be necessary to read a resolution in full or by title except to identify it. Any member may require that the resolution be read in full.

(c) Resolutions Not Prepared In Advance: Where a resolution has not been prepared in advance, the procedure shall be to instruct the Executive Director of the Successor Agency to prepare a resolution for presentation at the next Oversight Board meeting.

(d) Urgency Resolutions: In matters of urgency, a resolution may be presented verbally in motion form together with instructions for written preparation for later execution. After the resolution has been verbally stated, the voting procedure described above shall be followed.

ARTICLE II - MISCELLANEOUS

Section 11. Amendments to Rules of Procedure

The Rules of Procedure of the Oversight Board may be amended by the Oversight Board at any regular or special meeting by a vote of the majority of the Oversight Board members, provided that no such amendment shall be adopted unless at least seven days' written notice thereof has been previously given to all board members of the Oversight Board. Such notice shall identify the section or sections of the Rules of Procedure proposed to be amended.

Section 12. Rules Directory

To the extent not required by State laws, these rules of procedure shall be considered directory only; and compliance herewith shall not be considered mandatory or jurisdictional.

Attachment 2

RESOLUTION NO. OB-0003

A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY OF THE WEST COVINA REDEVELOPMENT AGENCY APPROVING BYLAWS AND TAKING CERTAIN ACTIONS IN CONNECTION THEREWITH

WHEREAS, Assembly Bill X1 26 (ABX1 26) provides that successor agencies be designated as successor entities to the former redevelopment agencies, and provides that, with certain exceptions, all authority, rights, powers, duties and obligations previously vested with the former redevelopment agencies, under Community Redevelopment Law, are vested in the successor agencies; and

WHEREAS, On January 10, 2012, in accordance with Health and Safety Code Section 34173, the City Council of the City of West Covina adopted Resolution 2012-1 electing to be the successor agency to the City of West Covina; and

WHEREAS, ABX1 26 provides that each successor agency shall have an oversight board; and,

WHEREAS, On April 19, 2012, the Oversight Board for the Successor Agency to the City of West Covina Redevelopment Agency was formally formed.

NOW THEREFORE, THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE WEST COVINA REDEVELOPMENT AGENCY HEREBY RESOLVES:


SECTION 1. The above recitals are true and correct and are a substantive part of this Resolution.

SECTION 2. The Board hereby adopts the Bylaws substantially in the form attached as Exhibit A to this Resolution and incorporated herein by reference.

SECTION 3. The officers and 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, and any such actions previously taken by such officers and staff are hereby ratified and confirmed.

SECTION 4. The Oversight Board Secretary shall certify to the adoption of this resolution.

APPROVED AND ADOPTED on this 19th day of April, 2012.



Fernando Oliveros, Chairperson
Oversight Board to the Successor Agency
of the West Covina Redevelopment Agency

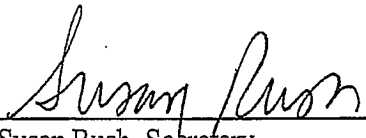
ATTEST



Susan Rush, Secretary
Oversight Board to the Successor Agency
of the West Covina Redevelopment Agency

I HEREBY CERTIFY that the foregoing resolution was duly adopted by the Oversight Board to the Successor Agency of the West Covina Redevelopment Agency at a special meeting held on the 19th day of April by the following vote:

AYES: Escobedo, Gregoryk, Lee, Morales, Touhey, Oliveros
NOES: None
ABSENT: Bastin
ABSTAIN: None



Susan Rush, Secretary
Oversight Board to the Successor Agency
of the West Covina Redevelopment Agency

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

ARTICLE I - THE OVERSIGHT BOARD

Section 1. Name of Authority

The official name shall be the "Oversight Board of the Successor Agency to the West Covina Redevelopment Agency" (herein referred to as "Oversight Board").

Section 2. Oversight Board Members

The Oversight Board shall be composed of seven members. All Oversight Board members shall be selected pursuant to the guidelines set forth in the California Health and Safety Code 34179.

Section 3. Place of Meeting

The office and regular place of meeting of the Oversight Board shall be at the West Covina City Hall, 1444 West Garvey Avenue, West Covina, CA.

Section 4. Powers

The Oversight Board shall be vested with all the rights, powers, duties, privileges, and immunities established by the California Health and Safety Code Sections 34179, 34180, and 34181.

ARTICLE II - OFFICERS

Section 1. Officers and Officials

The members shall elect one of their members as the chairperson and select one of their members as the vice chairperson.

Other officials acting as its staff shall be the Executive Director of the Successor Agency, Secretary, Finance Director, Community Development Commission Director, Police Chief and such other employees of the Successor Agency/and or City of West Covina as deemed necessary by the Executive Director of the Successor Agency.

Section 2. Chairperson

The Chairperson of the Oversight Board shall preside at all meetings of the Oversight Board.

Section 3. Vice-Chairperson

The Vice-Chairperson shall perform the duties of the Chairperson in the absence or incapacity of the Chairperson.

Section 4. Executive Director

The City Manager of the City of West Covina shall serve as the Executive Director of the Successor Agency. The Executive Director shall have general supervision of the administration of its business and affairs of the Oversight Board.

Section 5. Secretary

The Assistant City Clerk or her designee shall act as the Secretary of the Oversight Board. The Secretary shall keep the records of the Oversight Board, shall act as secretary at meetings of the Oversight Board, shall record all votes, keep a record of the proceedings of the Oversight Board in a journal of proceedings to be kept for such purpose and shall perform all duties incident to the office. The Secretary shall maintain a record of all official proceedings of the Oversight Board and its programs. In the absence of the Secretary, the Executive Director to the Successor Agency shall appoint a member of the staff to act as Secretary.

Section 6. Finance Director

The Finance Director shall be the Finance Official of the Oversight Board. The Finance Director shall prepare all budgets and financial report statements as required by law for the Oversight Board.

Section 7. Community Development Commission Director

The Community Development Commission Director shall be the Designated Staff of the Oversight Board and shall be the contact person for the Oversight Board members.

Section 8. Police Chief

The Police Chief or his designee shall be sergeant of arms of the Oversight Board.

Section 9. Vacancies

When a seat of the Oversight Board becomes vacant, the position will be filled by a member appointed by the agency who originally appointed the former member. Such appointments are to take place within 60 days of the creation of the vacancy or pursuant to California Health and Safety Code Section 34179.

Section 10. Compensations

Oversight Board member shall serve without compensation or reimbursement for expenses.

ARTICLE III - MISCELLANEOUS

Section 11. Amendments to Bylaws

The Bylaws of the Oversight Board may be amended by the Oversight Board at any regular or special meeting by a vote of the majority of the Oversight Board members, provided that no such amendment shall be adopted unless at least seven days' written notice thereof has been previously given to all board members of the Oversight Board. Such notice shall identify the section or sections of the Bylaws proposed to be amended.