OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE COVINA REDEVELOPMENT AGENCY
AGENDA ITEM COMMENTARY

MEETING DATE: February 23, 2015 **ITEM NO.: 7**

STAFF SOURCE: Dilu de Alwis, Finance Director
Tricia Cole, Finance Manager

ITEM TITLE: Approve Recognized Obligation Payment Schedule (ROPS 15-16A) covering July 1, 2015 through December 31, 2015 and direct it to be provided to the Department of Finance for consideration and approval

---

STAFF RECOMMENDATION
Oversight Board of the Successor Agency to the Covina Redevelopment Agency to adopt **Resolution No. 15-47** approving the Recognized Obligation Payment Schedule (ROPS 15-16A) covering July 1, 2015 through December 31, 2015 and direct it to be provided to Department of Finance for consideration and approval.

FISCAL IMPACT
Once the Successor Agency adopts the ROPS 15-16A and it is approved by the Oversight Committee and the State Department of Finance, then fiscal impact will be the receipt of agency funds necessary for the enforceable obligations to be paid each month.

BACKGROUND
The Recognized Obligation Payment Schedule ("ROPS"), sets forth the enforceable obligations of the Agency. This ROPS covers the period of July 1, 2015 through December 31, 2015.

The current form, ROPS 15-16A, is requesting from the Redevelopment Property Tax Trust Fund (RPTTF) the amount of $125,000.

RELEVANCE TO THE STRATEGIC PLAN
Approving the ROPS 15-16A and the funding for current obligations the Agency is enhancing its financial stability, which is one of the Strategic Plan's three-year goals.

EXHIBITS
1. Resolution No. 15-47.

REVIEW TEAM ONLY
City Attorney: OK per Sigrid Asmundson via e-mail **Finance Director:** _____
City Manager: _____ **Other:** _____

RESOLUTION NO. 15-47

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE COVINA REDEVELOPMENT AGENCY APPROVING AND ADOPTING A RECOGNIZED OBLIGATION PAYMENT SCHEDULE PURSUANT TO HEALTH AND SAFETY CODE SECTION 34177(l) FOR THE PERIOD JULY 1, 2015 TO DECEMBER 31, 2015

WHEREAS, pursuant to Health and Safety Code Section 34173(d), the City of Covina elected to serve as Successor Agency to the dissolved Covina Redevelopment Agency ("Successor Agency"), confirmed by Resolution No. 12-7041 adopted on January 11, 2012; and

WHEREAS, the Oversight Board is the Successor Agency's Oversight Board pursuant to Health and Safety Code Section 34179(a); and

WHEREAS, Health and Safety Code Section 34177(m), added by AB 1484 and effective June 27, 2012, requires that the Successor Agency submit an Oversight Board approved "recognized obligation payment schedule" ("ROPS") for the period July 1, 2015, to December 31, 2015, to the Department of Finance, the State Controller, and the county auditor-controller no later than March 3, 2015; and

WHEREAS, the Successor Agency has prepared a ROPS covering the period July 1, 2015, to December 31, 2015, and has submitted the ROPS to the Oversight Board for approval.

NOW, THEREFORE, THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE COVINA REDEVELOPMENT AGENCY DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. Recitals. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

SECTION 2. CEQA Compliance. The approval of the ROPS through this Resolution does not commit the Oversight Board to any action that may have a significant effect on the environment. As a result, such action does not constitute a project subject to the requirements of the California Environmental Quality Act.

SECTION 3. Approval of the ROPS. The Oversight Board hereby approves and adopts the ROPS, in substantially the form attached to this Resolution as Exhibit A, pursuant to Health and Safety Code Section 34177.

SECTION 4. Implementation. The Oversight Board hereby directs the Successor Agency to submit copies of the ROPS approved by the Oversight Board to the Los Angeles County Auditor-Controller, the State of California Controller and the State of California Department of Finance after the effective date of this Resolution and prior to March 3, 2015, and to post the ROPS on the Successor Agency's website.

SECTION 5. Severability. If any provision of this Resolution or the application of any such provision to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this Resolution that can be given effect without the invalid provision or application, and to this end the provisions of this Resolution are severable. The Oversight Board declares that the Oversight Board would have adopted this Resolution irrespective of the invalidity of any particular portion of this Resolution.

SECTION 6. Certification. The City Clerk of the City of Covina, acting on behalf of the Oversight Board as its Secretary, shall certify to the adoption of this Resolution.

SECTION 7. Effective Date. Pursuant to Health and Safety Code Section 34179(h), all actions taken by the Oversight Board may be reviewed by the State of California Department of Finance, and, therefore, this Resolution shall not be effective for five (5) business days, pending a request for review by the State of California Department of Finance.

PASSED, APPROVED AND ADOPTED this 23th day of February, 2015.

_____
Kevin Stapleton
Oversight Board Chairperson

ATTEST:

_____
Cyndie Petersen
Oversight Board Secretary

CERTIFICATION

I, Cyndie Petersen, Secretary to the Oversight Board of the Successor Agency to the Covina Redevelopment Agency, hereby certify that Resolution No. 15-47 was adopted by the Oversight Board of the Successor Agency to the Covina Redevelopment Agency held this 23rd day of February, 2015, and was approved and passed by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

_____

Cyndie Petersen
Oversight Board Secretary

EXHIBIT A

RECOGNIZED OBLIGATION PAYMENT SCHEDULE

[Attached behind this page]

Recognized Obligation Payment Schedule (ROPS 15-16A) - Summary

Filed for the July 1, 2015 through December 31, 2015 Period

Name of Successor Agency: **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):**	**$ 10,262,113**
B	Bond Proceeds Funding (ROPS Detail)	8,961,515
C	Reserve Balance Funding (ROPS Detail)	-
D	Other Funding (ROPS Detail)	1,300,598
E	**Enforceable Obligations Funded with RPTTF Funding (F+G):**	**$ 125,000**
F	Non-Administrative Costs (ROPS Detail)	-
G	Administrative Costs (ROPS Detail)	125,000
H	**Current Period Enforceable Obligations (A+E):**	**$ 10,387,113**

	Successor Agency Self-Reported Prior Period Adjustment to Current Period RPTTF Requested Funding	
I	Enforceable Obligations funded with RPTTF (E):	125,000
J	Less Prior Period Adjustment (Report of Prior Period Adjustments Column S)	(22,770)
K	**Adjusted Current Period RPTTF Requested Funding (I-J)**	**$ 102,230**

	County Auditor Controller Reported Prior Period Adjustment to Current Period RPTTF Requested Funding	
L	Enforceable Obligations funded with RPTTF (E):	125,000
M	Less Prior Period Adjustment (Report of Prior Period Adjustments Column AA)	-
N	**Adjusted Current Period RPTTF Requested Funding (L-M)**	**125,000**

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 15-16A) - 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. For tips on how to complete the Report of Cash Balances Form, see https://rad.dof.ca.gov/rad-sa/pdf/Cash_Balance_Agency_Tips_Sheet.pdf.

A	B	C	D	E	F	G	H	I
		Fund Sources						
		Bond Proceeds		Reserve Balance		Other	RPTTF	
	Cash Balance Information by ROPS Period	Bonds Issued on or before 12/31/10	Bonds Issued on or after 01/01/11	Prior ROPS period balances and DDR RPTTF balances retained	Prior ROPS RPTTF distributed as reserve for future period(s)	Rent, Grants, Interest, Etc.	Non-Admin and Admin	Comments
ROPS 14-15A Actuals (07/01/14 - 12/31/14)								
1	**Beginning Available Cash Balance (Actual 07/01/14)**	6,915,432	802,651			1,177,553		
2	**Revenue/Income (Actual 12/31/14)** RPTTF amounts should tie to the ROPS 14-15A distribution from the County Auditor-Controller during June 2014	221,085	8,532,760			968,528	3,938,967	Col (D) Bonds refunded during December with defeasance occurring in January.
3	**Expenditures for ROPS 14-15A Enforceable Obligations (Actual 12/31/14)** RPTTF amounts, H3 plus H4 should equal total reported actual expenditures in the Report of PPA, Columns L and Q	32,026				1,428,923	3,915,315	
4	**Retention of Available Cash Balance (Actual 12/31/14)** RPTTF amount retained should only include the amounts distributed as reserve for future period(s)	7,104,491	9,335,411					
5	**ROPS 14-15A RPTTF Prior Period Adjustment** RPTTF amount should tie to the self-reported ROPS 14-15A PPA in the Report of PPA, Column S	No entry required					22,770	
6	**Ending Actual Available Cash Balance** **C to G = (1 + 2 - 3 - 4), H = (1 + 2 - 3 - 4 - 5)**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 717,158**	**$ 882**	
ROPS 14-15B Estimate (01/01/15 - 06/30/15)								
7	**Beginning Available Cash Balance (Actual 01/01/15)** **(C, D, E, G = 4 + 6, F = H4 + F4 + F6, and H = 5 + 6)**	**$ 7,104,491**	**$ 9,335,411**	**$ -**	**$ -**	**$ 717,158**	**$ 23,652**	
8	**Revenue/Income (Estimate 06/30/15)** RPTTF amounts should tie to the ROPS 14-15B distribution from the County Auditor-Controller during January 2015						1,973,653	
9	**Expenditures for ROPS 14-15B Enforceable Obligations (Estimate 06/30/15)**	6,795,952	7,523,385				1,973,653	Col (D) Bonds refunded during December with defeasance occurring in January.
10	**Retention of Available Cash Balance (Estimate 06/30/15)** RPTTF amount retained should only include the amounts distributed as reserve for future period(s)	308,539	1,812,026					
11	**Ending Estimated Available Cash Balance (7 + 8 - 9 -10)**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 717,158**	**$ 23,652**	

Recognized Obligation Payment Schedule (ROPS 15-16A) - ROPS Detail
July 1, 2015 through December 31, 2015
(Report Amounts in Whole Dollars)

	D	E	F	G	H	I	J	K	L	M	N	O	P
								Funding Source					
								Non-Redevelopment Property Tax Trust Fund (Non-RPTTF)			RPTTF		
n Type	Contract/Agreement Execution Date	Contract/Agreement Termination Date	Payee	Description/Project Scope	Project Area	Total Outstanding Debt or Obligation	Retired	Bond Proceeds	Reserve Balance	Other Funds	Non-Admin	Admin	Six-Month Total
						$ 53,114,606		$ 8,961,515	$ -	$ 1,300,598	$ -	$ 125,000	$ 10,387,113
onds	7/1/1997	12/1/2022	Bank of New York	Bond issue to fund non-housing	2		Y						$ -
onds or Before	11/1/2004	12/1/2023	Bank of New York	Bond issue to fund non-housing projects	1		Y						$ -
onds or Before	11/1/2004	12/1/2023	Bank of New York	Bond issue to fund housing projects	1	3,497,131	N	324,509					$ 324,509
	7/1/1997	12/1/2023	Bank of New York	Fiscal agent feees to maintain bond funds	1&2	72,500	N			2,250			$ 2,250
	7/1/1997	12/1/2023	HDL	Required calculations to comply with bond covenants	1&2	55,000	N			7,200			$ 7,200
	7/1/1997	12/1/2023	Willdan	Required calculations to comply with federal law	1&2	25,000	N			6,000			$ 6,000
Loans	7/19/1995	8/1/2015	US Bank	Property purchased for redevelopment	1	24,000	N			24,003			$ 24,003
Loans	4/1/2010	6/30/2017	RJS Financial	Property lease	1	879,120	N			299,040			$ 299,040
iabilities	9/1/1965	6/30/2024	City of Covina	Retiree Obligations	1	3,000,000	N			23,000			$ 23,000
ous	2/1/2005	6/30/2024	CCLA	Low-moderate transitional housing	1&2	200,000	N	27,000					$ 27,000
nagement	2/1/2005	6/30/2024	City of Covina	Direct program administration	1&2	162,000	N	18,000					$ 18,000
ous	11/1/2004	6/30/2024	Property Owner/Developer	Affordable Housing Development	1&2	620,236	N	620,236					$ 620,236
ts	1/1/2011	6/30/2024	City of Covina	Salaries and benefits payments for agency employees			Y						$ -
ts	1/1/2011	6/30/2024	MGO	Audit services for required reports			Y						$ -
ts	1/1/2011	6/30/2024	City of Covina	Office space and support personnel			Y						$ -
	1/1/2011	6/30/2024	BBK	legal services for successor agency issues	1&2		Y						$ -
ce	1/1/2011	6/30/2024	Andy Gump/United	Maintain assets under AB1X 26	1&2	52,500	N			7,500			$ 7,500
													$ 46,780
													$ 362,871
													$ 74,709
													$ 370,245
ent/Infrastr	2/1/2002	6/30/2024	Property Owner/Developer	Bond Proceeds project	1	1,003,673	N	1,003,673					$ 1,003,673
ent/Infrastr	11/1/2004	6/30/2024	Property Owner/Developer	Bond Proceeds project	1	5,156,072	N	5,156,072					$ 5,156,072
ued After	12/18/2013	12/1/2023	US Bank	Refunding bond issue of non-housing projects		15,924,500	N	550,250					$ 550,250
	12/18/2023	12/1/2023	US Bank	Fiscal agent feees to maintain bond funds		27,000	N			1,000			$ 1,000
													$ 75,000
ued After	12/23/2014	12/15/2023	Bank of New York	Refunding bond issue of non-housing projects		7,743,125	N	1,261,775					$ 1,261,775
	12/23/2014	12/15/2023	Bank of New York	Fiscal agent feees to maintain bond funds		27,000	N			1,000			$ 1,000
ts	1/1/2011	6/30/2024	City of Covina	Administration		8,000,000	N					125,000	$ 125,000
							N						$ -
							N						$ -

Recognized Obligation Payment Schedule (ROPS 15-16A) - Report of Prior Period Adjustments
Reported for the ROPS 14-15A (July 1, 2014 through December 31, 2014) Period Pursuant to Health and Safety Code (HSC) section 34186 (a)
(Report Amounts in Whole Dollars)

od Adjustments (PPA): Pursuant to HSC Section 34186 (a), SAs are required to report the differences between their actual available funding and their actual expenditures for the ROPS 14-15A (July through December 2014) period. The amount of e ROPS 15-16A (July through December 2015) period will be offset by the SA's self-reported ROPS 14-15A prior period adjustment. HSC Section 34186 (a) also specifies that the prior period adjustments self-reported by SAs are subject to audit by the

E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S
-RPTTF Expenditures				RPTTF Expenditures										
Reserve Balance		Other Funds		Non-Admin					Admin					Net SA Non-Admin and Admin PPA (Amount Used to Offset ROPS 15-16A Requested RPTTF)
horized	Actual	Authorized	Actual	Authorized	Available RPTTF (ROPS 14-15A distributed + all other available as of 07/1/14)	Net Lesser of Authorized / Available	Actual	Difference (If K is less than L, the difference is zero)	Authorized	Available RPTTF (ROPS 14-15A distributed + all other available as of 07/1/14)	Net Lesser of Authorized / Available	Actual	Difference (If total actual exceeds total authorized, the total difference is zero)	Net Difference (M+R)
-	$ -	$ 1,428,923	$ 1,428,923	$ 3,827,664	$ 3,794,621	$ 3,793,739	$ 3,783,554	$ 10,185	$ 144,346	$ 144,346	$ 144,346	$ 131,761	$ 12,585	$ 22,770
-		147,644	147,644	118,772	118,772	$ 118,772	118,772	$ -						$ -
-		-		-		$ -		$ -						$ -
-		-		-		$ -		$ -						$ -
-		882,262	882,262	1,906,424	1,906,424	$ 1,906,424	1,906,424	$ -						$ -
-		399,017	399,017	315,055	315,055	$ 315,055	315,055	$ -						$ -
-		-		7,500	2,008	$ 2,008	2,008	$ -						$ -
-		-		8,000	6,930	$ 6,930	6,930	$ -						$ -
-		-		2,500	-	$ -	-	$ -						$ -
-		-		72,122	72,146	$ 72,122	72,028	$ 94						$ 94
-		-		243,600	238,686	$ 238,686	238,686	$ -						$ -
-		-		299,040	299,040	$ 299,040	299,040	$ -						$ -
-		-		39,000	19,051	$ 19,051	19,051	$ -						$ -
-		-		-		$ -		$ -						$ -
-		-		-		$ -		$ -						$ -
-		-		-		$ -		$ -						$ -
-		-		-		$ -		$ -						$ -
-		-		-		$ -		$ -						$ -
-		-		-		$ -		$ -						$ -
-		-		-		$ -		$ -						$ -
-		-		-		$ -		$ -						$ -

Recognized Obligation Payment Schedule (ROPS 15-16A) - Report of Prior Period Adjustments
Reported for the ROPS 14-15A (July 1, 2014 through December 31, 2014) Period Pursuant to Health and Safety Code (HSC) section 34186 (a)
(Report Amounts in Whole Dollars)

od Adjustments (PPA): Pursuant to HSC Section 34186 (a), SAs are required to report the differences between their actual available funding and their actual expenditures for the ROPS 14-15A (July through December 2014) period. The amount of e ROPS 15-16A (July through December 2015) period will be offset by the SA's self-reported ROPS 14-15A prior period adjustment. HSC Section 34186 (a) also specifies that the prior period adjustments self-reported by SAs are subject to audit by the

E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S
-RPTTF Expenditures				RPTTF Expenditures										
Reserve Balance		Other Funds		Non-Admin					Admin					Net SA Non-Admin and Admin PPA (Amount Used to Offset ROPS 15-16A Requested RPTTF)
orized	Actual	Authorized	Actual	Authorized	Available RPTTF (ROPS 14-15A distributed + all other available as of 07/1/14)	Net Lesser of Authorized / Available	Actual	Difference (If K is less than L, the difference is zero)	Authorized	Available RPTTF (ROPS 14-15A distributed + all other available as of 07/1/14)	Net Lesser of Authorized / Available	Actual	Difference (If total actual exceeds total authorized, the total difference is zero)	Net Difference (M+R)
-	$ -	$ 1,428,923	$ 1,428,923	$ 3,827,664	$ 3,794,621	$ 3,793,739	$ 3,783,554	$ 10,185	$ 144,346	$ 144,346	$ 144,346	$ 131,761	$ 12,585	$ 22,770
-		-		10,000	10,858	$ 10,000	2,909	$ 7,091						$ 7,091
-		-		-		$ -		$ -						$ -
-		-		-		$ -		$ -						$ -
-		-		-		$ -		$ -						$ -
-		-		-		$ -		$ -						$ -
-		-		-		$ -		$ -						$ -
-		-		-		$ -		$ -						$ -
-		-		-		$ -		$ -						$ -
-		-		802,651	802,651	$ 802,651	802,651	$ -						$ -
-		-		3,000	3,000	$ 3,000		$ 3,000						$ 3,000
-		-		-		$ -		$ -						$ -