MEETING DATE: May 2, 2017

TITLE: HUD Section 108 Loan Guarantee Application for the senior citizen portion of the Covina Senior and Community Center in Kelby Park, 815 N. Barranca Avenue, Covina, California.

PRESENTED BY: Brian K. Lee, Director of Community Development

RECOMMENDATION: 1. City Council to open the public hearing and consider public testimony and close the public hearing; and

2. Adopt Resolution CC 17-49, authorizing submission of an application for a Section 108 Loan Guarantee to the United States Department of Housing and Urban Development through the Los Angeles County Community Development Commission for the senior citizen portion of the Covina Senior and Community Center project.

EXECUTIVE SUMMARY:
On January 17, 2017, the City Council considered and authorized the City Manager to prepare a Section 108 Loan Program application to the Community Development Commission of Los Angeles County (CDC) in the amount of approximately $2.5 million, for approval by the City Council. The funds will be used, in conjunction with other funds, to design and build the new Covina Senior and Community Center at Kelby Park, 815 N. Barranca Avenue, Covina. The Center will contain a total of approximately 16,000 square feet of which approximately 7,000 square feet is being dedicated exclusively for senior citizen uses. The Public Hearing and Council approval is the first step in the approval process for the Section 108 application.

BACKGROUND:
The Countywide Section 108 Loan Program is a $30 million pre-approved pool of loan guarantee authority available to participating cities in the Los Angeles Urban County CDBG Program. The Countywide Section 108 Loan Program was established through an application to the U.S. Department of Housing and Urban Development (HUD) that allows the CDC to process loans more quickly than applying directly to HUD for individual project funding. The maximum repayment period is 20 years.

Cities can use Section 108 financing for any eligible community and economic development activity, including the development of infrastructure and public facilities, job creation activities as well as relocation and environmental remediation assistance.
Borrowers must complete a loan application and submit it to the CDC with the following required material:
  1. Published public notice
  2. A public hearing, and
  3. Approval by the governing body to submit the application.

Borrowers must also identify the primary source of repayment and collateral for the loan, in accordance with underwriting guidelines, as well as sign a binding loan agreement following formal adoption by the borrower’s governing body, the Los Angeles County Board of Supervisors, and HUD. HUD regulations require full collateralization of the loan (typically land, but not park land) and this must be approved by CDC’s Credit Committee.

As part of the approval process, the CDC must also publish a 30-day public notice discussing the proposed project, and hold a public hearing to amend the Consolidated Plan prior to loan approval by the Board of Supervisors. Section 108 loans are subject to all applicable federal regulatory requirements.

Borrowers using CDBG funds as the primary source of repayment must sign an amended Reimbursable Contract to set-aside and allow the CDC to drawdown the City’s CDBG funds for the CDC’s repayment requirements to the Fiscal Agent.

According to CDBG regulations, only those portions of the building dedicated exclusively to senior citizen activities are eligible for Federal funding. Forty-three percent of the building square footage will be dedicated space for senior activities. Therefore, forty-three percent of the building costs are eligible for use of CDBG funds. CDBG eligible costs do not include hardscape, landscaping, access road, parking and furniture, fixtures and equipment costs. As a result, the CDBG eligible costs are estimated at approximately $3,000,000. City staff continues to work with the CDC to refine eligible portions of the project construction cost. As the City has not gone out to formal bid on the project, staff suggests the submittal of a Section 108 application for the amount of $2,500,000. The City will not request the draw-down of the Section 108 funds until the City Council has an approved project bid and the construction costs are set. All of the Section 108 funds will go toward eligible design and construction costs pertaining to areas dedicated 100% for senior citizens.

The loan amount will include the estimated HUD and CDC loan underwriting and issuance costs.

**DISCUSSION:**

*Loan Repayment*

The City would repay the loan using CDBG funds. The City’s annual CDBG allocation is approximately $300,000. Approximately $250,000 would be available to service the loan, with the balance of the funds used for public service programs such as Second Start Literacy and senior programs. Any available amounts which exceed the public service cap will be available to fund new initiatives such as the business incubator program. Based on a 20-year payback term at a 5.5% to 6.5% interest rate, the City should be eligible for a loan amount of approximately $2.4 to $2.7 million. The CDC anticipates that the application and funding authorization time period is approximately six to nine months.

*Collateral*

All options for collateral as allowed under the CDC Underwriting Guidelines have been explored: Letter of Credit, cash in an escrow account; use of returned tax increment funds; or properties having a commercial viable use/saleable assets. Based on cost and flexibility, it is recommended that the option to hold cash in an escrow account with a Custodial Agent, entering into a tri-party Escrow Agreement between the Bank and the CDC would be the form of collateral for the Section 108 Loan.
The cash is invested per the City’s investment policy, but investment maturities cannot exceed one year.

The cash used as collateral must be available to make payments to the Fiscal Agent (HUD’s bank) in the event the primary source of repayment is not available. In the event of default, the funds allocated by the City as collateral will be used to make the payment on the debt. Additionally, the Escrow fee cost will be approximately $1,000 per year.

**Use of Funds**

Planned funding for the Covina Senior and Community Center is as follows:

- **Section 108 Loan** $2,500,000
- **County of Los Angeles Grant:** $1,900,000
- **Interfund loan between the City of Covina and a City fund** $3,331,503
- **CDBG allocation** $518,497
- **Total available funding** $8,250,000

**Availability of Funds**

If approved by HUD, Section 108 Loan funds should be available in six to nine months. The estimated annual loan payment would be $250,000, funded from CDBG funds.

**CDBG National Objective/Benefit to Seniors**

The proposed project satisfies the primary national objectives stipulated in the Community Development Block Grant (CDBG) entitlement regulations. The CDBG funds are restricted for use to benefit low- and moderate-income persons under 24 CFR Section 570.208 (a) (2) (i) (A) **Limited Clientele Activities** – presumed to be principally low- and moderate-income persons, specifically senior citizens. In addition to meeting the national objective criteria, the project will also meet the eligible activity criteria outlined in 24 CFR 570.703(l), Acquisition, construction, reconstruction, rehabilitation, or installation of public facilities. Use of CDBG and Section 108 funds for the construction of the facility will require compliance with Federal Davis-Bacon and prevailing wage requirements. Seniors are defined as persons who are fifty-five (55) years or older.

CDBG regulations require the City Council to conduct a noticed public hearing on the Section 108 Loan application in order to obtain public input. A Notice of Public hearing was published in the San Gabriel Valley Examiner on April 13, 2017. The CDC will also in the future publish a public hearing notice and conduct a public hearing to receive public views and comments on the submission of the Section 108 Application for the Covina Senior and Community Center.

Adoption of the Resolution will authorize the City Manager to submit the Section 108 Loan Guarantee application, amendments, and loan documents and to provide such additional information as may be required.

**FISCAL IMPACT:**

The Section 108 funds will be paid from future federal CDBG funds, allocated annually through the CDC in participation with the Los Angeles Urban County, and the pledge of other City funds as needed to provide loan collateral. The bank Acceptance cost ($500) as well as the annual cost ($1,000) for the Escrow account may be paid from the General Fund.

**CEQA (CALIFORNIA ENVIRONMENTAL QUALITY ACT):**

N/A
Respectfully submitted,

Brian K. Lee
Director of Community Development

ATTACHMENTS:
A: Resolution 17-49
B: Section 108 Loan Guarantee application
RESOLUTION CC 17-49

A RESOLUTION OF THE COVINA CITY COUNCIL AUTHORIZING SUBMISSION OF AN APPLICATION FOR A SECTION 108 LOAN GUARANTEE TO THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT THROUGH THE LOS ANGELES COUNTY COMMUNITY DEVELOPMENT COMMISSION FOR THE SENIOR CITIZEN PORTION OF THE COVINA SENIOR AND COMMUNITY CENTER PROJECT

WHEREAS, the City Council of the City of Covina recognizes that an acute demand for a senior and community center currently exists in the City of Covina; and

WHEREAS, with intensive community participation, the City Council has selected a site for the Covina Senior and Community Center in Kelby Park, located at 815 N. Barranca Avenue, Covina, California, Assessor Parcel Number 8430-015-900; and

WHEREAS, the project consists of the design and construction of approximately 16,000 square feet of new Covina Senior and Community Center; and

WHEREAS, local sources of funds are inadequate to carry out the design and construction of the Covina Senior and Community Center; and

WHEREAS, the Section 108 Loan Guarantee Program, offered by the U.S. Department of Housing & Urban Development (HUD), is designed to provide a portion of the funds for development of public facilities; and

WHEREAS, the City of Covina, a municipal corporation within the State of California possesses legal authority to apply for Federal Assistance under the Housing and Community Development Act of 1974, as amended; and

WHEREAS, the City has entered into a Cooperation Agreement with the County of Los Angeles to join the Urban County for purposes including applying for Community Development Block Grant funds; and

WHEREAS, the portion of the Covina Senior and Community Center funded by CDBG funds will serve low- and moderate-income individuals under 24 CFR Section 570.208(a)(2)(i)(A); and,

WHEREAS, under the Section 108 Loan Guarantee Program, the City can borrow whatever amount it can demonstrate a capacity to repay and can take up to 20 years to repay the principal and interest; and,

WHEREAS, the City is responsible for submitting a Section 108 Loan Guarantee application to HUD, through the Los Angeles County Community Development Commission, and assumes all responsibility for administration and repayment of the loan; and,
WHEREAS, the City is requesting $2,500,000 in Section 108 Loan Guarantee funds; and

WHEREAS, the beneficiaries of the requested Section 108 Loan Guarantee funds will be the senior residents of the City of Covina; and

WHEREAS, the proposed Senior and Community Center qualifies for a Class 2 Categorical Exemption under Section 15302 (Replacement or Reconstruction) of the Guidelines for the Implementation of the California Environmental Quality Act. See 14 C.C.R. Sec. 15302. Projects subject to Class 2 exemptions consist of the replacement or reconstruction of existing structures and facilities where the new structures will be located on the same site as the structures replaced and will have substantially the same purpose and capacity as the structures replaced.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF COVINA does hereby resolve as follows:

SECTION 1. As part of its financing plan for the design and construction of the Community and Senior Center, the City approves submitting a Section 108 Loan Guarantee Application to the United States Department of Housing and Urban Development through the County of Los Angeles Community Development Commission to assist in funding the proposed project.

SECTION 2. Before submission of the application, the City certifies that it has:

(A) Furnished citizens with information required by Section 570.704(a)(2)(i) of Title 1 of the Housing and Community Development Act of 1974, as amended;

(B) Held at least one public hearing on May 2, 2017, to obtain the views of citizens on community development needs; and

(C) Prepared its application in accordance with Section 570.704(a)(1)(iv) of Title 1 of the Housing and Community Development Act of 1974, as amended, and made the application available to the public.

SECTION 3. The City is following a detailed citizen participation plan which meets the requirements described in Section 570.704(a)(2) of Title 1 of the Housing and Community Development Act of 1974, as amended.

SECTION 4. The City has and will continue to affirmatively further fair housing, and the guaranteed loan funds will be administered in accordance with:

(A) Title VI of the Civil Rights Act of 1964; (Public Law 88-352, 42 USC 2000 et seq); and

(B) The Fair Housing Act (42 U.S.C. 3601-20).

SECTION 5. The City will expend, in the aggregate, at least 70 percent of all CDBG funds, as defined in Section 570.303(e) of Title1 of the Housing and Community Development
Act of 1974, as amended, during the one, two, or three consecutive years specified by the City for its CDBG program on activities which benefit low- and moderate-income persons, as described in criteria in Section 570.208(a) of the Act.

SECTION 6. The City will comply with the requirements governing displacement and relocation concerning real property acquisition, and the replacement of low and moderate income housing described in Section 570.606.

SECTION 7. The City will comply with the requirements of Section 570.200(c)(2) with regard to the use of special assessments to recover the capital costs of activities assisted with guaranteed loan funds.

SECTION 8. The City has and will continue to comply with other provisions of the Act and with other applicable federal, state and local laws.

SECTION 9. The City has and will continue to certify regarding debarment, suspension, and other responsibility as follows:

(1) The prospective recipients of the Section 108 Loan Guarantee funds and all of their contractors will certify to the best of their knowledge and belief, that they:

(a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;

(b) Have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for fraud or any criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract in violation of Federal or State antitrust statutes, or embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

(c) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (1) (b) of this certification; and

(d) Have not within a three-year period preceding this application/proposal had one or more public transaction (Federal, State, or local) terminated for cause or default.

SECTION 10. Certification of Efforts to Obtain Other Financing

The City hereby assures and certifies, with respect to its application for a loan guarantee pursuant to Section 108 of the Housing and Community Development Act of 1974, as amended, that it has made efforts to obtain financing for the activities described herein without the use of such guarantee, that it will maintain documentation of such efforts for the term of the loan guarantee, and that it cannot complete such financing consistent with the timely execution of the program plans without such Section 108 assistance.
SECTION 11. Certification regarding lobbying.

To the best of its knowledge and belief, the City certifies:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, entering into any cooperative agreement, or the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan or cooperative agreement;

2. If any funds, other than Federally appropriated funds, have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, including the County and any Supervisor of the County, Member of Congress, or employee of a Member of Congress, pursuant to Section 1 above, the City will complete and submit to the County, Standard Form LLL, entitled "Disclosure Form to Report Lobbying;" and

3. The City will require that the language of paragraph (1) of this Section be included in the award documents for all sub-awards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

SECTION 12. Certification regarding drug-free workplace requirements.

To the best of its knowledge and belief, the City certifies it will continue to provide a drug-free workplace by:

1. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the City’s workplace and specifying the actions that will be taken against employees for violation of such prohibition;

2. Establishing an ongoing drug-free awareness program to inform employees about:

   (a) The dangers of drug abuse in the workplace;

   (b) The City’s policy of maintaining a drug-free workplace,

   (c) Any available drug counseling, rehabilitation, and employee assistance programs; and

   (d) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace.

3. Making it a requirement that each employee engaged in the federally-assisted project be given a copy of the statement required by paragraph 1;
4. Notifying the employee in the statement required by paragraph 1 that, as a condition of employment under the federal assistance, the employee will:

   (a) Abide by the terms of the statement; and

   (b) Notify the employer, in writing, of his/her conviction for a violation of any criminal drug statute occurring in the workplace no later than five calendar days after such conviction.

5. Notifying the County, in writing, within ten calendar days after receiving a notice under subparagraph 4(b) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every past officer or other designee on whose federally-assisted activity the convicted employee was working, unless the Federal agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;

6. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph 4(b), with respect to any employee who is so convicted:

   (a) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended and any other applicable Federal and State laws; or

   (b) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency.

7. Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs 1, 2, 3, 4, 5, and 6 above.

SECTION 13. The City Manager or his designee is hereby designated and directed as the authorized representative of the City to submit the Section 108 Loan Guarantee application and amendments and certification thereto and all understandings and assurances contained therein, to act in connection with the application to provide such additional information as may be required, and is authorized to execute such documents as may be required in order to implement and amend the application and issue debt obligations pursuant thereto, following approval of the City Attorney.

SECTION 14. The City Clerk shall certify to the passage and adoption of this resolution and shall enter the same in the Book of Original Resolutions.
APPROVED and PASSED this 2nd day of May, 2017.

City of Covina, California

BY: __________________________

JORGE A. MARQUEZ, Mayor

ATTEST:

______________________________

SHARON F. CLARK, Chief Deputy City Clerk

APPROVED AS TO FORM:

______________________________

CANDICE K. LEE, City Attorney

CERTIFICATION

I, Sharon F. Clark, Chief Deputy City Clerk of the City of Covina, do hereby certify that Resolution CC 17-49 was duly adopted by the City Council of the City of Covina at a regular meeting held on the 2nd day of May, 2017, by the following vote:

AYES: COUNCIL MEMBERS:
NOES: COUNCIL MEMBERS:
ABSTAIN: COUNCIL MEMBERS:
ABSENT: COUNCIL MEMBERS:

Dated: ________________________

______________________________

SHARON F. CLARK,
Chief Deputy City Clerk
APPLICATION FOR A
SECTION 108 LOAN GUARANTEE
FOR
COVINA SENIOR AND COMMUNITY CENTER

SUBMITTED TO
COMMUNITY DEVELOPMENT COMMISSION
COUNTY OF LOS ANGELES

MAY 2017

Submitted by City of Covina
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LOAN REQUEST

The requested Section 108 Loan funds would be utilized to finance the construction of a portion of the proposed City of Covina Senior and Community Center (the “Center”). Pursuant to the provisions of CDBG guidelines, the Section 108 loan funds would only be used to finance the construction of those portions of the proposed “Center” that would be 100% utilized for senior citizen activities. No non-senior citizen activities or use would be allowed in the portions of the Center that would be constructed using the Section 108 loan proceeds. The remainder of the financing for the proposed the Center would be from other funding sources the City of Covina has secured.

The City of Covina, through the Community Development Commission of the County of Los Angeles, is requesting $2,500,000 in Section 108 Loan Guarantee funds from the Federal Department of Housing and Urban Development (HUD) for the construction of a new senior and community center in Kelby Park. This amount includes a 1.5 percent fee (1.5%) for underwriting and issuance costs charged by HUD, a one percent (1%) underwriting fee charged by the Community Development Commission and the Letter of Credit fees. The City will repay the $2,500,000 in Section 108 Loan Guarantee authority it is requesting, both principal and interest, over the maximum permitted term of 20 years. Assuming an interest rate of six percent (6.0%), the annual loan payment is estimated to be $200,000, as shown on the loan repayment schedule presented in Attachment A. The City will commit future Community Development Block Grant (CDBG) funds for repayment of the loan.

The City is aware that the interest rate for the Section 108 Loan Guarantee funds will be established at the time HUD sells the securities, and just prior to the City execution of the notes with HUD.

Collateral

The City is aware that, due to the loan amount and amortization period it is requesting, security beyond the pledge of future CDBG funds may be required.

If additional collateral is required by HUD, the City of Covina proposes to deposit cash in U.S. Bank, the Custodial Agent, and enter into a tri-party Escrow Agreement between the bank, the City of Covina and the Community Development Commission. The cash will be invested per the City’s investment policy, but investment maturities will not exceed one year, and the cash will be available to make payments to the Fiscal Agent (HUD’s bank) in the event the primary source of repayment is not available. City will pay for the Escrow fees.
PROJECT BACKGROUND AND HISTORY

Name and Type of Project

The City of Covina is located on the easterly side of the San Gabriel Valley, approximately 25 miles west of downtown Los Angeles (See Figure 1).

This project is known as the Covina Senior and Community Center (Center) and is located in Kelby Park, at 815 N. Barranca Avenue, Covina, California, Assessor’s Parcel Number 8430-015-900 (see Figure 2). It involves the design, siting and construction of a new recreational facility of community-wide importance. The improvements that are envisioned will entail design, grading and construction and build-out activities.

Figure 1—City Vicinity Map

City Vicinity Map
Figure 2 Assessor Parcel Map
Need for the Project

The new Center will provide a central facility to provide services and programs, and will replace a prior senior center which, due to the problems inherent in the construction, is vacant and will be demolished in mid-2017.

The Center will house programs for active senior residents, including daily nutrition, case management services, information and referral, special events, seminars, clinics, food give-a-ways, and more, Monday through Friday. Based on participation at the prior senior center, it is anticipated that over 200 seniors will participate daily in the various programs and events offered. General recreation programming will take place in the non-senior portions of the new Center.

The programs and services previously available at the prior center have, due to necessity, been spread to many facilities in the area, which has been a great source of dissatisfaction to many people in the community, especially seniors.

Community Involvement

The City of Covina has performed a very robust citizen outreach and participation program as part of the Covina Senior and Community Center project. Numerous City Council study session meetings have been held as well as individual public workshops. Attachment A details the special City Council Study Sessions, User Meetings, City Council Meetings, and the three Community Workshops which were held February 22, March 21, and April 11, 2016, as well as Administrative Actions related to grants, professional services, lead paint, mold and asbestos investigation, and engineering and soils testing.

Relationship to Other Plans/Programs

The proposed project is consistent with, and will implement, several provisions of the City of Covina General Plan, and the Covina Park System Master Plan. Briefly, these are as follows:

Covina General Plan:

- Rehabilitation and renovation of existing parks and facilities should generally take precedence over the establishment of new parks and facilities. (Covina General Plan – Natural Resources and Open Space Element; page D-22)
- Covina will continue to pay particular attention to the open space/recreational needs of young people and seniors (emphasis added), who presently and will
likely continue to comprise the majority of park users in the community. (Covina General Plan – Natural Resources and Open Space Element; page D-23)

- Continuing efforts to enhance existing parks and recreational facilities to improve overall park use, safety, and appearance. (Covina General Plan – Natural Resources and Open Space Element; page D-26)

- Paying particular attention to the recreational needs of the City’s less mobile segments, such as young people and senior citizens (emphasis added). (Covina General Plan – Natural Resources and Open Space Element; page D-26)

- Continue to upgrade, enhance, redesign, and/or replace existing parks and recreation areas and appurtenant facilities and amenities to improve overall park use, safety, and/or appearance as well as to maintain community image and vitality, wherever possible. (Covina General Plan – Natural Resources and Open Space Element; page D-35)

- Covina is in need of many park improvements. The City will continue to upgrade, enhance, and/or redesign parks and recreation facilities and appurtenant amenities to improve overall park use, safety, and/or appearance. (Covina General Plan – Natural Resources and Open Space Element; page D-45)

**Covina Park System Master Plan:**

The City of Covina adopted the Covina Park System Master Plan in March 5, 1996. The Covina Park System Master Plan includes an inventory of the existing Covina park resources, as well as goals and objectives for future park development. The Covina Park System Master Plan addresses the senior citizen’s Center in regards to the existing 1996 facility to be expanded and modified to address the ongoing needs of the users, which are the senior citizens of Covina.

The proposed Covina Senior and Community Center project would entail the replacement of the existing building used for senior citizen activities with a new, purpose-built facility that would address many of the infrastructure and deferred maintenance concerns addressed in the 1996 Covina Park System Master Plan document. The proposed project is consistent with the goals of the Covina Park System Master Plan.
Figure 3—Project Vicinity Map

Project Vicinity Map
PROJECT DESCRIPTION
The Covina Senior and Community Center project is envisioned to be approximately 16,000 square feet, equipped with a reception area, multi-purpose rooms, warming kitchen, and staff offices. There will be an emphasis on maximizing use of the facility by designing spaces for multi-use and flexible sizing, transparency and flow between indoors and outdoors and between program activities and circulation, the suffusion of daylight throughout the Center, and the maintenance, durability and sustainability of the facility. See Figure 4 for more specific information on the major spaces in the project.
Figure 5—Draft Space Program

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<th>Major Spaces</th>
<th>AREA (SF)</th>
<th>APPOX SIZE</th>
<th>SPACES</th>
<th>TOTAL AREA</th>
<th>COUNT</th>
<th>PARKING</th>
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<td>Service Offices</td>
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<tr>
<td>Conference Room / Small Class Room</td>
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<td>Restrooms</td>
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<td>11 x 26</td>
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<td>Large Multi-Purpose Room - Divisible by 3</td>
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<td>50 x 70</td>
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<td>3500</td>
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<td>Performance Platform - Stage</td>
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<td>500</td>
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<td>Warming Kitchen</td>
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<td>Multi-Purpose Room #1 - Divisible by 2</td>
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<td>1</td>
<td>2,000</td>
<td>30-40</td>
<td>13</td>
</tr>
<tr>
<td>Large Multi-Purpose Storage</td>
<td>160</td>
<td>10 x 16</td>
<td>1</td>
<td>160</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Multi-Purpose Room #2</td>
<td>1920</td>
<td>48 x 40</td>
<td>1</td>
<td>1,920</td>
<td>140</td>
<td>50</td>
</tr>
<tr>
<td>Storage (MP # 2 )</td>
<td>100</td>
<td>10 x 100</td>
<td>1</td>
<td>100</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Billiards / Sports Room</td>
<td>750</td>
<td>25 x 30</td>
<td>1</td>
<td>750</td>
<td>15</td>
<td>8</td>
</tr>
<tr>
<td>Center Sub-Total</td>
<td></td>
<td></td>
<td></td>
<td>11,087</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Circulation</td>
<td>0.30</td>
<td></td>
<td></td>
<td>3,326</td>
<td>179</td>
<td></td>
</tr>
<tr>
<td>Center Net Total</td>
<td></td>
<td></td>
<td></td>
<td>14,413</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| TOTAL NET SQUARE FEET                        | 14,413    |            |        | 1,441      |       |         |
| Structure, wall, T/E[0.10]                   |           |            |        | 1,854      |       |         |
| TOTAL GROSS SQUARE FEET                      |           |            |        |            |       |         |

On February 21, 2017, the Covina City Council approved the design-build project delivery method for the Center project, and authorized a Request for Proposals for Project and Construction Management Services for the Center Design-Build Project within Kelby Park. The Scope of Services for the Project and Construction Manager role includes:

- Design-Build Team Selection
- Management of the pre-construction phase of the project
- Management of the Construction Phase
- One Year Warranty oversight
- CDBG and Section 108 funding compliance

On April 18, 2017, the firm of gkkworks Construction Services was awarded the contract for construction management services for the Covina Senior and Community Center Design-Build Project within Kelby Park. The preliminary project schedule is as follows:

<table>
<thead>
<tr>
<th>Project Phase</th>
<th>Duration (tentative)</th>
<th>Completion (tentative)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Design-Build Team Selection</td>
<td>3 months</td>
<td>Summer 2017</td>
</tr>
<tr>
<td>Pre-Construction</td>
<td>7 months</td>
<td>Spring 2018</td>
</tr>
<tr>
<td>Construction</td>
<td>10 months</td>
<td>Spring 2018 to Winter 2019</td>
</tr>
<tr>
<td>Warranty Phase</td>
<td>12 months</td>
<td>Winter 2019 to Winter 2020</td>
</tr>
</tbody>
</table>
PROJECT ELIGIBILITY AND COMPLIANCE WITH NATIONAL OBJECTIVES

The construction of the proposed improvements at Kelby Park is an eligible activity under 24 CFR Section 570.201(c), entitled Public Facilities and Improvements. The facilities at the park will not house, or be used for, the general conduct of government.

The proposed project meets the CDBG national objective of activities benefitting low-and moderate-income persons under 24 CFR Section 570.208 (a) (2) (i) (A), a limited clientele activity. The portion of the facility that serves seniors will be restricted to use by elderly persons. Records will be kept to demonstrate compliance under this subcategory, showing that the activity funded with Section 108 funds is designed to be used exclusively by a segment of the population presumed by HUD to be Low-Mod income persons.

PROJECT COSTS AND PROPOSED USE OF SECTION 108 PROCEEDS

The overall total project cost of the proposed City of Covina Senior and Community Center is estimated at $8.25 million. The requested $2.5 million in Section 108 loan would finance the design and construction of that portion of the proposed Center intended to be utilized for 100% senior citizen programming and activities. The proposed Center is anticipated to be approximately 16,000 square feet in total floor area. The requested $2.5 million Section 108 loan is estimated to fund the design and construction of approximately 7,000 square feet* of the envisioned 16,000 square foot Covina Senior and Community Center.

(* the estimated 7,000 square foot amount is based upon a scenario of the cost of construction of approximately $350/square foot.)

Project costs consist of hard construction and soft costs. The hard construction costs are preliminary estimates that will be finalized when the City goes to bid in a design/bid process. The soft costs include architectural and engineering (A/E) costs associated with the preparation of final plans and specifications, and the costs for professional services for construction management, inspection and monitoring for compliance with prevailing wage requirements of the Davis-Bacon and Related Acts, and other federal labor standards requirements.

The Section 108 funds will be used to pay for design and hard construction costs and a part of contingency costs as well as the HUD and CDC fees.
AVAILABILITY OF OTHER FUNDING SOURCES

The City of Covina intends on financing the balance of the Center as follows:

- County of Los Angeles Grant: $1,900,000
- Interfund loan between the City of Covina and a City fund $3,331,503
- CDBG allocation $ 518,497

The City cannot allocate any additional local funding to the project without seriously jeopardizing basic City operations and other high priority projects. Without the requested Section 108 loan assistance, the implementation of this much-needed project could be delayed for years, and possibly never be carried out.

RELOCATION, DISPLACEMENT AND ACQUISITION REQUIREMENT COMPLIANCE

The proposed Center will be built in a City-owned public park, the same location as the former Joslyn Senior Center, which has been vacated and is being demolished. No relocation, displacement, or acquisition is required. The proposed project will not require the acquisition of housing units or the relocation of any low- and moderate-income persons.

CERTIFICATIONS

The City of Covina City Council conducted a public hearing on May 2, 2017, regarding the proposed Section 108 Loan Guarantee application, and authorized the submittal of this application along with the adopted resolution, which includes the required certifications. The resolution, notice of public hearing, and minutes of the public hearing are presented in Attachment D.
ATTACHMENT A

PROJECT CHRONOLOGY
### Project Chronology

**Covina Senior and Community Center**

<table>
<thead>
<tr>
<th>Date</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>September 15, 2015</td>
<td>City Council received and filed the Joslyn Center update, authorized the City Manager to issue a Request for Proposal (RFP) to provide community and internal outreach to ascertain facility-user needs and Department of Parks and Recreation programming needs, in addition to obtaining City Council input in the design process for the Covina Senior and Community Center Project, and directed the Departments of Parks and Recreation and Human Resources to identify temporary locations to accommodate Joslyn Center programming requirements and initiate negotiations with property owners.</td>
</tr>
<tr>
<td>November 10, 2015</td>
<td>The Department of Public Works issued the RFP to Provide Planning, Programming, Architectural, and Engineering Services for the Initial Phase of the Covina Senior and Community Center Project to 18 firms with significant expertise in the design of municipal senior centers and recreational facilities and proven track records with both design-build and design-bid-build project delivery models. Consulting services for the initial phase of the project include completion of user and programmatic needs assessments, community and internal engagement, site evaluation and recommendation, visioning and conceptual designs, cost estimates, and project timelines. The RFP was also posted on the City’s website. By 4:00 p.m. on December 3, 2015, the City of Covina City Clerk’s Office had received responses from seven firms.</td>
</tr>
<tr>
<td>December 15, 2015</td>
<td>The Department of Parks &amp; Recreation reviewed and discussed options for the relocation of senior programming from the Joslyn Center to another facility, including the Valleydale Park Community Center and a possible co-sponsorship agreement with Los Angeles County for Valleydale Community Center.</td>
</tr>
<tr>
<td>Date</td>
<td>Action</td>
</tr>
<tr>
<td>----------------------</td>
<td>-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>January 19, 2016</td>
<td>The City Council, in a separate action, adopted Resolution No. 16-7452, authorizing the allocation of the Forty Second Year Community Development Block Grant (CDBG) funds for FY 2016-2017. This action includes $416,188 in funding for the Covina Senior and Community Center Project - Phase II. Funds will be released by Los Angeles County Community Development Commission once the design phase is complete.</td>
</tr>
<tr>
<td>City Council Meeting</td>
<td></td>
</tr>
<tr>
<td>January 19, 2016</td>
<td>The City Council authorized the City Manager to execute a Professional Services Agreement with Gonzalez Goodale Architects (GGA) to Provide Planning, Programming, Architectural, and Engineering Services for the Initial Phase of the Covina Senior and Community Center Project in an amount not-to-exceed $100,000; adopted Resolution No. 16-7454 appropriating $500,000 in available Special General Fund - Rule 20A Swap balance for the Initial Phase of the Covina Senior and Community Center Project, topographic survey and soils geologic analysis, and seed money for subsequent phases of the project; and directed City staff to pursue placement of the Covina Senior and Community Center in Covina Park.</td>
</tr>
<tr>
<td>City Council Meeting</td>
<td></td>
</tr>
<tr>
<td>February 8, 2016</td>
<td>The Department of Public Works issued RFPs to members of the City of Covina’s On-Call Engineering Services Bench for 1) the Covina Community and Senior Center Geotechnical Soils Investigation at Covina Park and 2) Covina Community and Senior Center Boundary and Topographic Survey at Covina Park. Following the review of the proposals received in the City of Covina City Clerk’s Office by 4:00 p.m. on February 18, 2016, David T. Hamilton &amp; Associates, Inc. was identified as the top rated proposer for the Soils Investigation and Civiltec Engineering, Inc. for the Boundary and Topographic Survey. Neither Agreement was executed due to the subsequent change in site location.</td>
</tr>
<tr>
<td>Administrative Action</td>
<td></td>
</tr>
<tr>
<td>February 16, 2016</td>
<td>Representatives from GGA updated the City Council on the initial Client Team Meeting held with City staff on January 26, 2016 and reviewed a working draft of the Community Participation Workshop #1 presentation, scheduled for February 22, 2016, from 9:00 a.m. to 11:00 a.m. at the Joslyn Center. During the Study Session, Gonzalez Goodale Architects also reviewed and received feedback from the City Council on the following: 1. Draft Project Guiding Principles; 2. The facility program; and 3. Initial site utilization/location studies.</td>
</tr>
<tr>
<td>City Council Study Session</td>
<td></td>
</tr>
</tbody>
</table>

ATTACHMENT B, Page 15 of 27
<table>
<thead>
<tr>
<th>Date</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>February 16, 2016</td>
<td>The City Council adopted Resolution No. 16-7463, authorizing the termination of the Forty-First Year CDBG Project 600525-15, Economic Development and approved the new Covina Senior and Community Center construction project (Phase I). This action approved $202,309 in funding for the design phase of the project, effective through June 30, 2017.</td>
</tr>
<tr>
<td>February 22, 2016</td>
<td>The City and GGA hosted Community Workshop #1. Approximately 100 persons attended the workshop. Following the presentation of the items listed above, attendees offered numerous comments, largely focused on the concern of the possible placement of the new facility in Covina Park.</td>
</tr>
<tr>
<td>February 23, 2016</td>
<td>Amy Hall-McGrade, Parks &amp; Recreation Director, and department staff engaged users of the Joslyn Center to gain a thorough understanding of their needs and expectations for the Covina Senior and Community Center. Joslyn Center users expressed the desire for windows, fresh air, and access to outside spaces, wide hallways, large restrooms, a design that fosters intergenerational exposure, and possible space for weight equipment and billiards, among other items.</td>
</tr>
<tr>
<td>March 1, 2016</td>
<td>City staff and GGA representatives presented an update on the following:</td>
</tr>
<tr>
<td>City Council Study</td>
<td>1. Community engagement efforts;</td>
</tr>
<tr>
<td>Session</td>
<td>2. Concept of increasing open space in Covina Park, should the facility be placed there, by eliminating/consolidating obsolete uses and moving softball activities to a refurbished Kelby Park;</td>
</tr>
<tr>
<td></td>
<td>3. How the City plans to address current parking deficiency and provide sufficient parking to support the new facility, if placed in Covina Park; and</td>
</tr>
<tr>
<td></td>
<td>4. Comparative architectural vernaculars consistent with Adams Park neighborhood that could be reflected in the new facility, should it be placed in Covina Park.</td>
</tr>
<tr>
<td></td>
<td><strong>Extensive public comment was received at the March 1, 2016 City Council Study Session. The majority of the input expressed dissatisfaction with the possible placement of the Covina Senior and Community Center in Covina Park and suggested possible alternative sites, including the Covina Woman's Club and other parcels. Public comments of a similar nature were made at the March 1, 2016 City Council Meeting.</strong></td>
</tr>
</tbody>
</table>
March 1, 2016  
City Council Meeting  
The City Manager pulled Item CC 8 from the City Council Agenda – Proposed Professional Services Agreement with Civiltec Engineering, Inc. for Preparation of the Covina Senior and Community Center Boundary and Topographic Survey – pending re-evaluation of the site selection for the new facility.

March 21, 2016  
Community Workshop #2  
Multiple City department directors presented information on project chronology, site location alternatives, project funding, the draft space program for the new facility, and answered questions from the community. The majority of the City’s presentation focused on the systematic assessment of eight possible sites for placement of the Covina Senior and Community Center, including (in alphabetical order):

1. Badillo Street/Downtown (135 E. Badillo Street);
2. Brunswick Bowling Alley (1060 W. San Bernardino Avenue);
3. Civic Center/State Building (233 N. Second Avenue);
4. Covina Park (303 S. Fourth Avenue);
5. Covina Woman’s Club (128 S. San Jose Avenue);
6. Hollenbeck Park (1250 N. Hollenbeck Avenue);
7. Kelby Park (815 N. Barranca Avenue); and

Uniform criteria used to assess each of the possible site locations, included (in alphabetical order):

1. Adjacent land uses;
2. Economic impacts;
3. Environmental review (CEQA);
4. Location;
5. Lot size;
6. Other site consideration;
7. Parking;
8. Project funding;
9. Property ownership; and
10. Traffic safety.

Approximately 100 residents attended the workshop with many participating in the public comment period. Residents expressed concern with the possible placement of the facility in Covina Park, provided input on the alternative sites presented, and conveyed the need to move the project ahead swiftly regardless of site location.
<table>
<thead>
<tr>
<th>Date</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>April 5, 2016</td>
<td>The City Council received an update on the eight site location alternatives for the Covina Senior and Community Center listed above, each evaluated based on the criteria listed above. Following public input and discussion, the City Council unanimously moved to exclude four site locations from ongoing Covina Senior and Community Center project consideration: 1. Badillo Street/Downtown; 2. Brunswick Bowling Alley; 3. Covina Park; and 4. K-Mart.</td>
</tr>
<tr>
<td>City Council Meeting</td>
<td></td>
</tr>
<tr>
<td>April 11, 2016</td>
<td>City staff presented an update and received public comment on the four current site location alternatives, facility requirements, and the draft space plan.</td>
</tr>
<tr>
<td>Community Workshop #3</td>
<td></td>
</tr>
<tr>
<td>August 18, 2016</td>
<td>The City issued an RFP for preparation of the Joslyn Center Lead Paint, Mold, and Asbestos Investigation. The City issued the RFP to four firms with expertise in the completion of comprehensive building investigations to determine the presence, location, and quantity of lead paint, mold, and asbestos. The RFP was also posted on the City’s website. By 4:00 p.m. on September 15, 2016, the City of Covina City Clerk’s Office had received responses from two firms.</td>
</tr>
<tr>
<td>Date</td>
<td>Action</td>
</tr>
<tr>
<td>----------------------</td>
<td>--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>September 7, 2016</td>
<td>Interim City Manager submitted $1.9 million in funding requests to Los Angeles County for the Covina Senior and Community Center project, at the request of Michael D. Antonovich, Los Angeles County Board of Supervisors, Fifth District. The letter requests $1.0 million in new funding plus the reallocation of two previously approved grants in the amount of $900,000, bringing the City of Covina's total funding request to $1.9 million.</td>
</tr>
<tr>
<td>September 14, 2016</td>
<td>Given the limited time available to formally submit the funding request to the Board of Supervisors for final approval prior to the departure of Supervisor Antonovich in November, the Interim City Manager identified Kelby Park as the site location for the Covina Senior and Community Center. The County indicated that a specific site had to be included in the City's funding request. Since the City owns and controls the Kelby Park site, City staff determined the best alternative was to identify Kelby Park as the location for the new center in the City's application.</td>
</tr>
<tr>
<td>Administrative</td>
<td></td>
</tr>
<tr>
<td>Action</td>
<td></td>
</tr>
<tr>
<td>September 20, 2016</td>
<td>City staff presented a comprehensive assessment of four recommended site alternatives, including (in alphabetical order):</td>
</tr>
<tr>
<td>City Council Study</td>
<td>1. Covina iTec;</td>
</tr>
<tr>
<td>Session</td>
<td>2. Covina Woman's Club;</td>
</tr>
<tr>
<td></td>
<td>3. Inter-Community Hospital partnership; and</td>
</tr>
<tr>
<td></td>
<td>City staff also outlined potential deal points associated with a partnership with the Covina Woman's Club and provided updates on the agreement with GGA, available project funding, and financing options. Following the presentation, the City Council and members of the public provided input on the site location alternatives presented by City staff. All parties emphasized the imperativeness of moving this critical project ahead as expeditiously as possible.</td>
</tr>
<tr>
<td>Date</td>
<td>Action</td>
</tr>
<tr>
<td>--------------------</td>
<td>--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>October 4, 2016</td>
<td>The City Council directed City staff to pursue the placement of the Covina Senior and Community Center in Kelby Park and at the site of the Covina Woman’s Club and adopted Resolution No. 16-7533 authorizing the application for $1.9 million in grant funds from the Los Angeles County Regional Park and Open Space District for Fifth Supervisorial District Competitive Excess Funding for the Covina Senior and Community Center Project.</td>
</tr>
<tr>
<td>City Council Meeting</td>
<td>The City Council also approved and authorized the Interim City Manager to execute on the City Council’s behalf, in substantial form, the First Amendment to the Agreement between the City of Covina and GGA to (1) extend the term of the agreement through June 30, 2017, (2) amend the scope of work to (a) reflect the placement of the Covina Senior and Community Center at a location to be designated by the City Council and (b) prepare a General Building and Site Analysis of the Covina Woman’s Club, (3) increase the total compensation by $20,000 to a not-to-exceed amount of $120,000, and (4) include provisions required for compliance with federal law and CDBG requirements, subject to the City Attorney's review and approval as to form.</td>
</tr>
<tr>
<td>October 18, 2016</td>
<td>Los Angeles County Board of Supervisors approved a $1.9 million grant for the Covina Senior and Community Center proposed to be constructed in Kelby Park, including $1.0 million in new funding through the Los Angeles County Regional Park and Open Space District for Fifth Supervisorial District Competitive Excess Funding, plus $900,000 in dollars that were available to Kelby Park through the Fifth Supervisorial District pursuant to the Los Angeles County Safe Neighborhood Parks Proposition of 1996.</td>
</tr>
<tr>
<td>Administrative Action</td>
<td>Interim City Manager authorized Agreement with Stearns, Conrad and Schmidt, Consulting Engineers Inc. (SCS Engineers) for Preparation of Joslyn Center Lead Paint, Mold, and Asbestos Investigation. Once the results of the lead paint, mold, and asbestos investigation are available, the City will prepare and advertise the Joslyn Center Demolition Project for bid.</td>
</tr>
<tr>
<td>October 19, 2016</td>
<td>SCS Engineers completed building survey at Joslyn Center, consisting of lead paint, mold, and asbestos investigations. Draft report expected the week of December 19, 2016.</td>
</tr>
<tr>
<td>Date</td>
<td>Action</td>
</tr>
<tr>
<td>--------------------</td>
<td>--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>December 20, 2016 City Council Meeting</td>
<td>The City Council received and filed the Covina Woman’s Club Physical Assessment for Adaptation to Covina Senior and Community Center Report, prepared by GGA and directed staff to proceed with Kelby Park as the final site for the placement of the Covina Senior and Community Center. The City Council also directed staff to present funding options and next steps to the City Council at the January 17, 2017 City Council meeting.</td>
</tr>
<tr>
<td>December 24, 2016 Administrative Action</td>
<td>SCS Engineers submitted Lead Paint, Mold, and Asbestos Investigation Report to City, providing the necessary information for the City to develop specifications for the demolition of the Joslyn Center and advertise the project for bid.</td>
</tr>
<tr>
<td>January 17, 2017 City Council Meeting</td>
<td>The City Council authorized the City Manager to prepare a Section 108 Loan Program application to the Community Development Commission of Los Angeles in the amount of approximately $2.5 million for approval by the City Council and directed the City Manager to explore the feasibility of an interfund loan from one or more City funds to the General Fund to fund the balance of the project cost, subject to approval of borrowing agreement by the City Council. The City Council also directed City staff to return to the City Council with additional information regarding a design-build project delivery model for the project instead of utilization of the design-bid-build method and timing for a master plan of the Kelby Park site.</td>
</tr>
<tr>
<td>February 7, 2017 City Council Meeting</td>
<td>The City Council authorized the City Manager to execute Professional Services Agreement with Civiltec Engineering, Inc. for preparation of Covina Senior and Community Center Boundary and Topographic Survey at Kelby Park in an amount not-to-exceed $45,247. The project will be completed within 30 calendar days of the issuance of the Notice to Proceed.</td>
</tr>
<tr>
<td>Date</td>
<td>Action</td>
</tr>
<tr>
<td>--------------------</td>
<td>----------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>February 7, 2017</td>
<td>The Department of Public Works has worked with the City Attorney to prepare a Professional Services Agreement with David T. Hamilton &amp; Associates in an amount not-to-exceed $9,200 for the provision of Geotechnical Engineering and Soils Testing for the Covina Senior and Community Project in Kelby Park. Since the cost for these services is an amount not-to-exceed $9,200, City Council approval of the agreement is not required. Once the agreement has been executed and insurance provided by David T. Hamilton &amp; Associates, the agreement will be presented to the City Attorney for approval as to form and the City Manager for execution. The work will follow a similar schedule as the boundary and topographic survey.</td>
</tr>
<tr>
<td>February 21, 2017</td>
<td>The City Council directed the City Manager to utilize the design-build project delivery method, as permissible to local agencies under SB 785 (Design Build Law for Local Agencies), for the Covina Senior and Community Center Project; and authorized the City Manager to issue a Request for Proposals (RFP) for Project and Construction Management Services for the Covina Senior and Community Center Design-Build Project within Kelby Park in accordance with Covina Municipal Code (CMC) Section 2.20.175 (Purchase – Professional and Specialized Services).</td>
</tr>
<tr>
<td>February 28, 2017</td>
<td>The City Engineer issued the Notice to Proceed for the Covina Senior and Community Center Boundary and Topographic Survey at Kelby Park to Civiltec Engineering, Inc. The completion date for the required services is March 30, 2017. The City Engineer issued the Notice to Proceed for Geotechnical Engineering and Soils Testing for the Covina Senior and Community Project in Kelby Park to David T. Hamilton &amp; Associates. The completion date for the required services is March 30, 2017.</td>
</tr>
</tbody>
</table>
March 1, 2017  
Administrative Action  
The Department of Public Works issued the RFP to provide Construction Management Services for the Covina Senior and Community Center Design-Build Project within Kelby Park. The RFP was issued to 18 firms with extensive experience in the provision of construction management services for local agency design-build projects, with specific expertise with the construction of new park and recreation facilities, and delivery of projects on time or ahead of schedule and within budget. The RFP was also posted on the City website.

Following the review of the proposals received in the City of Covina City Clerk’s Office by 2:00 p.m. on March 15, 2017, gkkworks Construction Services (gkkworks) was identified as the top rated proposer. Following the proposal evaluation, the review committee interviewed the two top rated firms on March 27, 2017. The purpose of the interviews was to meet key personnel from each firm and gain a better understanding of how each of the firms would work and fit with the community and City staff. The interviews were not scored and reaffirmed the proposal ratings.

April 18, 2017 
City Council Meeting  
The Department of Public Works is seeking City Council authorization for the City Manager to execute a professional services agreement with gkkworks for the provision of construction management services for the Covina Senior and Community Center Design-Build Project within Kelby Park, in an amount not-to-exceed $467,546.
Preliminary Budget Estimate
Covina Senior and Community Center Design-Build Project within Kelby Park
March 30, 2017

1. Construction Management Services $467,546
   (experienced construction manager to facilitate the design-build
   construction process for the Covina Senior and Community Center)

2. Covina Senior and Community Center Building $5,600,000
   (construction of approximately 16,000 square foot facility, including
   lobby/reception area, classrooms, multi-purpose rooms, warming
   kitchen, offices, restrooms, and storage with emphasis on multi-use
   spaces, transparency and flow between indoors and outdoors, suffusion
   of daylight throughout the facility, and sustainability.

3. Site Improvements $1,000,000
   (parking improvements, landscaping, courtyards, storm drainage, etc.
   for approximately 2 acres, as identified during the design-build process)

4. Project Costs $1,182,454
   (design, testing, fees, inspection, etc.)

Estimated Project Total $8,250,000

Revenue Sources

County of Los Angeles Grant $1,900,000
Interfund loan between the City of Covina and a City fund $3,331,503
CDBG allocation $ 518,497
Section 108 Loan Guarantee $2,500,000
Total $8,250,000
ATTACHMENT D

CERTIFICATIONS
# Public Notice Certification Form

**Mtg Date:** 5/2/17

**Notice Title:** Notice of PH Section 108 Loan Application

**Originator’s Name:** Nuala Gasser  
**Dept:** Housing

<table>
<thead>
<tr>
<th>Notice Type</th>
<th>Adjournment</th>
<th>Agenda (Special/Regular)</th>
<th>Cancellation</th>
<th>Public Notice</th>
</tr>
</thead>
<tbody>
<tr>
<td>Election</td>
<td></td>
<td>Public Hearing</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**NOTICE LOGGED IN**

- **DATE:** 4/17/17  
  **INITIAL:** CA  
- **DATE:** 4/17/17  
  **INITIAL:** GA

**MAILING**

- **DATE:**  
  **INITIAL:**  
- **DATE:**  
  **INITIAL:**  
- **DATE:**  
  **INITIAL:**  

**POSTED**

- **DATE:** 4/17/17  
  **INITIAL:** GA  
- **DATE:** 4/17/17  
  **INITIAL:** GA

**PUBLICATION**

- **DATE:** 4/13/17  
  **INITIAL:** GA  
- **DATE:** 4/16/17  
  **INITIAL:** GA

**Emailed to Newspaper:**  
**Date:** 4/10/17

**CERTIFICATION**

I hereby affirm that public notice has been provided as legally required.

**Sharon F. Clark**  
**Date:** 5/4/17

**Department Signature Head/Authorized**  
**Date:**  

(Print Department Head/Authorized)
CITY OF COVINA

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN THAT THE City of Covina intends to apply to the U.S. Department of Housing and Urban Development, through the Los Angeles County Community Development Commission, for a loan under the Section 108 Loan Guarantee Program, to design and construct the Covina Senior and Community Center in Kelby Park, at 815 N. Barranca Avenue, Covina. The City will be requesting $2,500,000 in Section 108 funds for this improvement. These funds will be used in conjunction with Los Angeles County Regional Park and Open Space District Grant funds and City funds that will be allocated for this purpose.

The City of Covina City Council will be conducting a Public Hearing on the proposed Section 108 Loan Guarantee application at its regularly-scheduled meeting on May 2, 2017. All interested parties are invited to attend the 7:30 p.m. meeting, which will be held in the Covina Council Chamber located at 125 E. College Street, Covina, CA 91723.

Additional details concerning any of the above information may be obtained by contacting the City of Covina Community Development Department at (626) 384-5442. A copy of the proposed Section 108 Loan Guarantee application is available for review during normal business hours in the Community Development Department at City Hall.

/s/ Sharon F. Clark, Chief Deputy City Clerk

Publish in the San Gabriel Valley Examiner on April 13, 2017.
STATE OF CALIFORNIA  
County of Los Angeles

I am a citizen of the United States and a resident of the county aforesaid. I am over the age of eighteen years, I am not a party to the above-entitled matter. I am the principal clerk of the Publisher of the SAN GABRIEL VALLEY EXAMINER, an adjudicated newspaper of general circulation printed and published weekly in the City of Glendora, County of Los Angeles. The SAN GABRIEL VALLEY EXAMINER has been adjudged a newspaper of general circulation by the Superior Court of the County of Los Angeles, State of California, under the date of July 19, 1999, case Number KS 005341. The notice, of which the annexed is a true printed copy, has been published in each regular and entitled issue of said newspaper and not any supplement thereof on the following dates to wit:

APRIL 13, 2017

I declare under penalty of perjury that the foregoing is true and correct.

Executed in the City of Glendora,  
Los Angeles County, California  
this 27 day of APRIL 2017.

Eugene A. Moses  
(Signature)