



## SUCCESSOR AGENCY TO THE COVINA REDEVELOPMENT AGENCY

# AGENDA REPORT

ITEM NO. CC 5

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**MEETING DATE:** February 6, 2018

**TITLE:** Recognized Obligation Payment Schedule (ROPS 18-19), covering July 1, 2018 through June 30, 2019

**PRESENTED BY:** Anita Agramonte, Finance Director

**RECOMMENDATION:** Receive and File Resolution No. 18-60 of the Oversight Board of the Successor Agency to the Covina Redevelopment Agency approving the Recognized Obligation Payment Schedule (ROPS 18-19) covering July 1, 2018 through June 30, 2019.

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### **EXECUTIVE SUMMARY:**

Pursuant to Health and Safety Code (HSC) section 34177, and recently adopted Senate Bill 107, the Successor Agency to the Covina Redevelopment Agency is required to submit an annual ROPS for the upcoming fiscal year to the California State Department of Finance (DOF) for approval in order to obtain sufficient funds to meet authorized financial obligations of the Agency.

### **BACKGROUND:**

Senate Bill 107, signed on September 22, 2015, provides that the ROPS for the fiscal year must be approved by the Oversight Board and submitted to the Department of Finance no later than February 1 each year, commencing February 1, 2016. Prior to the passage of Senate Bill 107, two six-month ROPS were requested to be submitted each year.

### **DISCUSSION:**

The due date to file the ROPS 18-19 with the DOF is on or before February 1, 2018. In order for the Successor Agency to the Covina Redevelopment Agency to receive sufficient funding to meet its financial obligations, the Oversight Board to the Successor Agency to the Covina Redevelopment Agency must approve the ROPS prior to submission. The ROPS must be adopted for each successive annual fiscal period. The ROPS 18-19 was approved by the Oversight board on January 30, 2018 and submitted to the DOF prior to the February 1, 2018 submission deadline.

The ROPS schedule includes Redevelopment Property Tax Trust Fund (RPTTF) line items for debt service payments including, but not limited to, the debts listed below:

- 2004 Tax Allocation Bonds Series B-1
- 2013E Tax Allocation Revenue Refunding Bonds
- 2014A Tax Allocation Revenue Refunding Bonds
- SERAF Loans from Housing

- City Loan

The FY 2016-17 ROPS included a line item allowing \$20,000 in costs for property disposition. It is estimated that costs will actually be close to \$55,000 to allow for services to provide legal descriptions, preliminary title reports, field surveys, property lines and encroachments needed in order to complete the property transfers. The FY 2018-19 ROPS Resolution No. 18-60 attached provides approval for the expenditure of the additional \$35,000 related to the parcels listed above and reimbursement for the costs incurred in FY 2017-18 is requested to be authorized along with the 2018-19 ROPS.

**FISCAL IMPACT:**

In order for the Successor Agency to meet its financial obligations during this period, an approved ROPS must be filed with the Los Angeles County Auditor-Controller, the State of California Controller and the State of California Department of Finance by February 1, 2018. For July 1, 2018 through December 31, 2019 period (ROPS 18-19A) the Successor Agency is requesting \$2,850,871 and for January 1, 2019 through June 30, 2019 period (ROPS 18-19B) the request is for \$3,145,391.

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

Not Applicable.

Respectfully submitted,



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Anita Agramonte  
Finance Director

**ATTACHMENTS:**

Attachment A: Resolution No. 18-60 including Exhibit A – ROPS (18-19) for July 1, 2018 through June 30, 2019

**RESOLUTION NO. 18-60**

**A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE COVINA REDEVELOPMENT AGENCY APPROVING A RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS 18-19) PURSUANT TO HEALTH AND SAFETY CODE SECTION 34177 FOR THE PERIOD JULY 1, 2018 THROUGH JUNE 30, 2019**

**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(l) provides that the ROPS (i) shall be reviewed and certified by the Los Angeles County Auditor-Controller (“County Auditor-Controller”); (ii) submitted to and duly approved by the Oversight Board; (iii) posted on the Successor Agency’s website; and (iv) submitted to the County Auditor-Controller, the State Controller and the State Department of Finance (“Department of Finance”);

**WHEREAS**, the Successor Agency has prepared a ROPS covering the period July 1, 2018 through June 30, 2019, 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:**

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

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.

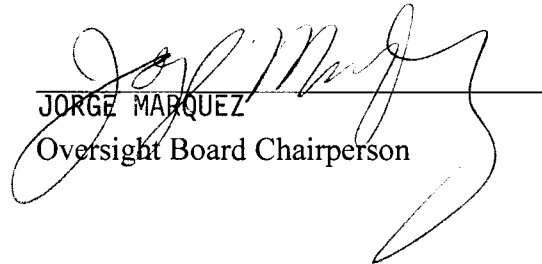
Approval of the ROPS. The Oversight Board hereby approves and adopts the ROPS, in substantially the form attached to this Resolution as Exhibit A, pursuant to Health and Safety Code Section 34177.

Implementation. The Oversight Board hereby directs the Successor Agency to submit copies of the ROPS approved by the Oversight Board to the County Auditor-Controller, the State Controller and the State Department of Finance prior to February 1, 2018, and to post the ROPS on the Successor Agency’s website.


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.

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

**PASSED, APPROVED AND ADOPTED** this 30<sup>th</sup> day of January.

  
\_\_\_\_\_  
JORGE MARQUEZ  
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. 18-60 was adopted by the Oversight Board of the Successor Agency to the Covina Redevelopment Agency at a special meeting held this 30<sup>th</sup> day of January 2018, and was approved and passed by the following vote:

AYES: FONSECA, MARQUEZ, MCENTIRE, SANDT, VARGAS  
NOES: NONE  
ABSTAIN: NONE  
ABSENT: HALL, VIZCARRA

  
Cyndie Petersen  
Oversight Board Secretary

**EXHIBIT A**

**RECOGNIZED OBLIGATION PAYMENT SCHEDULE**

**[Attached behind this page]**

## Recognized Obligation Payment Schedule (ROPS 18-19) - Summary


Filed for the July 1, 2018 through June 30, 2019 Period

Successor Agency: Covina  
 County: Los Angeles

Current Period Requested Funding for Enforceable Obligations (ROPS Detail)	18-19A Total (July - December)	18-19B Total (January - June)	ROPS 18-19 Total
<b>A Enforceable Obligations Funded as Follows (B+C+D):</b>	<b>\$ 2,079,402</b>	<b>\$ -</b>	<b>\$ 2,079,402</b>
B Bond Proceeds	-	-	-
C Reserve Balance	1,834,182	-	1,834,182
D Other Funds	245,220	-	245,220
<b>E Redevelopment Property Tax Trust Fund (RPTTF) (F+G):</b>	<b>\$ 2,605,651</b>	<b>\$ 3,145,390</b>	<b>\$ 5,751,041</b>
F RPTTF	2,480,651	3,020,390	5,501,041
CG ∞ Administrative RPTTF	125,000	125,000	250,000
<b>H Current Period Enforceable Obligations (A+E):</b>	<b>\$ 4,685,053</b>	<b>\$ 3,145,390</b>	<b>\$ 7,830,443</b>

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

Jorge Marquez, Chairman

Name \_\_\_\_\_ Title \_\_\_\_\_  
 /s/  \_\_\_\_\_ Date 1-30-18  
 Signature \_\_\_\_\_ Date

Covina Recognized Obligation Payment Schedule (ROPS 18-19) - ROPS Detail

July 1, 2018 through June 30, 2019

(Report Amounts in Whole Dollars)

A	B	C	D	E	F	G	H	I	J	K	18-19A (July - December)					Q	18-19B (January - June)					W					
											L	M	N	O	P		Fund Sources										
																	R	S	T	U	V		Fund Sources				
																							18-19A Total	Proceeds	Reserve	Other Funds	RPTTF
Item #	Project Name/Debt Obligation	Obligation Type	Contract/Agreement Execution Date	Contract/Agreement Termination Date	Payee	Description/Project Scope	Project Area	Total Outstanding Debt or Obligation	Retired	ROPS 18-19 Total	Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	18-19A Total	Proceeds	Reserve	Other Funds	RPTTF	Admin RPTTF	18-19B Total					
5	2004 Tax Allocation Bonds Series B-1	Revenue Bonds Issued On or	11/1/2004	12/1/2023	US Bank	Bond issue to fund housing projects	1	\$ 32,514,290	N	\$ 7,830,443	\$ -	\$ 1,834,182	\$ 245,220	\$ 2,480,651	\$ 125,000	\$ 4,695,053	\$ -	\$ -	\$ -	\$ 3,020,390	\$ 125,000	\$ 3,145,390					
7	Fiscal Agent Fees	Fees	7/1/1997	12/1/2023	US Bank	Fiscal agent fees to maintain bond funds	1&2	1,978,323	N	\$ 389,077		343,432				\$ 343,432				45,645		\$ 45,645					
9	Arbitrage Calculations	Fees	7/1/1997	12/1/2023	Willdan	Required calculations to comply with federal law	1&2		Y	\$ -						\$ -				1,200		\$ 1,200					
13	Employee Obligations	Unfunded Liabilities	9/1/1965	6/30/2024	City of Covina	Retiree Obligations	1	2,900,000	N	\$ 35,000				17,500		\$ 17,500				17,500		\$ 17,500					
17	Housing Development	Bond Funded Project - Housing	11/1/2004	6/30/2024	Property Owner/Developer	Affordable Housing Development	1&2		Y	\$ -						\$ -						\$ -					
22	Maintenance of Agency owned property	Property Maintenance	1/1/2011	6/30/2024	United Fencing/Sewer Service/Insurance	Maintain assets under AB1X 26	1&2	22,500	N	\$ 15,000				7,500		\$ 7,500				7,500		\$ 7,500					
24	SERAF loan from Housing 2010	SERAF/ERAF	2/16/2010	6/30/2024	Covina Housing Authority	Repayment to housing fund	1&2	987,279	N	\$ 987,279			245,220	742,059		\$ 987,279						\$ -					
26	SERAF loan from Housing 2011	SERAF/ERAF	2/16/2010	6/30/2024	Covina Housing Authority	Repayment to housing fund	1&2	448,251	N	\$ -						\$ -						\$ -					
30	City Loan	City/County Loan (Prior 05/28/11), Cash exchange	6/15/2010	6/30/2024	City of Covina	Operating Loan	1&2	2,256,587	N	\$ 531,467				531,467		\$ 531,467						\$ -					
34	Tax Allocation Revenue Refunding Bonds Series 2013E	Refunding Bonds Issued After 6/27/12	12/18/2013	12/1/2023	US Bank	Refunding bond issue of non-housing projects	1&2	10,810,125	N	\$ 792,875		573,250				\$ 573,250				219,625		\$ 219,625					
35	Tax Allocation Revenue Refunding Bonds Series 2013E	Fees	12/18/2023	12/1/2023	US Bank	Fiscal agent fees to maintain bond funds	1&2	8,000	N	\$ 1,200						\$ -				1,200		\$ 1,200					
36	Housing Entity Administrative Cost Allowance	Admin Costs	7/1/2015	7/1/2019	City of Covina	As allowed by AB 471	1&2	600,000	N	\$ 150,000				150,000		\$ 150,000						\$ -					
37	Tax Allocation Revenue Refunding Bonds Series 2014A	Refunding Bonds Issued After 6/27/12	12/23/2014	12/15/2023	US Bank	Refunding bond issue of non-housing projects	1&2	2,463,625	N	\$ 1,908,375		917,500		977,125		\$ 1,894,025				13,750		\$ 13,750					
38	Tax Allocation Revenue Refunding Bonds Series 2014A	Fees	12/23/2014	12/15/2023	US Bank	Fiscal agent fees to maintain bond funds	1&2	8,000	N	\$ 1,200						\$ -				1,200		\$ 1,200					
39	Administration	Admin Costs	7/1/2017	6/30/2018	City of Covina	Administration	1&2	7,250,000	N	\$ 250,000					125,000	\$ 125,000					125,000	\$ 125,000					
40	2004 Tax Allocation Bonds Series B-1	Reserves	11/1/2004	12/1/2023	US Bank	Bond issue to fund housing projects	1	350,645	N	\$ 350,645						\$ -				350,645		\$ 350,645					
41	Tax Allocation Revenue Refunding Bonds Series 2013E	Reserves	12/18/2013	12/1/2023	US Bank	Refunding bond issue of non-housing projects	1&2	2,284,625	N	\$ 2,284,625						\$ -				2,284,625		\$ 2,284,625					
42	Tax Allocation Revenue Refunding Bonds Series 2014A	Reserves	12/23/2014	12/15/2023	US Bank	Refunding bond issue of non-housing projects	1&2	57,500	N	\$ 57,500						\$ -				57,500		\$ 57,500					
43	LRPMP Property Disposition	Property Dispositions	7/1/2017	6/30/2018	City of Covina	Unfunded 16-17 Legal Costs for Property Disposition			Y	\$ -						\$ -						\$ -					
44	LRPMP Property Disposition	Property Dispositions	7/1/2017	6/30/2018	Various	Costs for Property Disposition		40,000	N	\$ 40,000				20,000		\$ 20,000				20,000		\$ 20,000					
45	Reimbursement for Overpayment	Miscellaneous	7/1/2017	6/30/2018	City of Covina	Overpayment of DDR Amount			Y	\$ -						\$ -						\$ -					
46	ROPS 17-18 Unfunded Property Disposition Cost	Property Dispositions	7/1/2017	6/30/2018	Various	Costs for Property Disposition		35,000	N	\$ 35,000				35,000		\$ 35,000						\$ -					
47									N	\$ -						\$ -						\$ -					
48									N	\$ -						\$ -						\$ -					
49									N	\$ -						\$ -						\$ -					
50									N	\$ -						\$ -						\$ -					
51									N	\$ -						\$ -						\$ -					
52									N	\$ -						\$ -						\$ -					
53									N	\$ -						\$ -						\$ -					
54									N	\$ -						\$ -						\$ -					
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56									N	\$ -						\$ -						\$ -					
57									N	\$ -						\$ -						\$ -					
58									N	\$ -						\$ -						\$ -					
59									N	\$ -						\$ -						\$ -					



**Covina Recognized Obligation Payment Schedule (ROPS 18-19) - Report of Cash Balances**  
**July 1, 2015 through June 30, 2016**  
**(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 [Cash Balance Tips Sheet](#)

A	B	C	D	E	F	G	H	I	
		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 RPTTF balances retained	Prior ROPS RPTTF distributed as reserve for future period(s)	Rent, grants, interest, etc.	Non-Admin and Admin		
<b>Cash Balance Information for ROPS 15-16 Actuals (07/01/15 - 06/30/16)</b>									
1	Beginning Available Cash Balance (Actual 07/01/15)								
2	Revenue/Income (Actual 06/30/16) RPTTF amounts should tie to the ROPS 15-16 total distribution from the County Auditor-Controller during January 2016 and June 2016.	6,455,917	25		2,136,534	744,171	80,588		
3	Expenditures for ROPS 15-16 Enforceable Obligations (Actual 06/30/16)	31,511	9,512		-	2,740,831	2,826,876	Column G includes \$2,000,000 Loan paid back from City to Successor Agency	
4	Retention of Available Cash Balance (Actual 06/30/16) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)	21,689	-		2,136,534	793,641	1,143,482	Column G includes \$446,141 allowed as "Other" funds in 17/18A, and \$2,000,000 loan payment from the City which was returned to LA County in July 2016 to be disbursed to the taxing entities	
5	ROPS 15-16 RPTTF Balances Remaining	6,465,739	9,537		-	2,446,141	1,737,047		
		No entry required							
6	Ending Actual Available Cash Balance (06/30/16) C to G = (1 + 2 - 3 - 4), H = (1 + 2 - 3 - 4 - 5)								
		\$ -	\$ -	\$ -	\$ -	\$ 245,220	\$ 26,935		

**Covina Recognized Obligation Payment Schedule (ROPS 18-19) - Notes July 1, 2018 through June 30, 2019**

<b>Item #</b>	<b>Notes/Comments</b>
24	Corrected beginning balance of SERAF Loan (reduced by \$99)
44	Staff, legal, appraisal costs relating to LRPMP property disposition
46	Legal costs incurred in 2017-18 relating to LRPMP properties not requested on ROPS 17-18