

THE LOS ANGELES COUNTY FIFTH DISTRICT CONSOLIDATED OVERSIGHT BOARD

AGENDA REPORT SUCCESSOR AGENCY TO THE COVINA REDEVELOPMENT AGENCY

| | |
|------------------------|--|
| MEETING DATE: | January 14, 2021 |
| TITLE: | Recognized Obligation Payment Schedule (ROPS 21-22), covering July 1, 2021 through June 30, 2022 |
| PRESENTED BY: | Anita Agramonte, Administrative Services Director |
| RECOMMENDATION: | Adopt Resolution COB 21-01 , approving the Recognized Obligation Payment Schedule (ROPS 21-22) covering July 1, 2021 through June 30, 2022 and direct it to be provided to Department of Finance for consideration and approval |

BACKGROUND:

Pursuant to Health and Safety Code (HSC) Section 34177, the Successor Agency to the Covina Redevelopment Agency ("Successor 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 Successor Agency. Effective July 1, 2018, the Oversight Board to the Successor Agency to the Covina Redevelopment Agency was disbanded and all future Oversight Board matters will be considered by the Consolidated Oversight Board (COB) for Supervisorial District 5, which includes the City of Covina. In order to submit the ROPS to DOF by the required February 1, 2021 date, the COB will need to consider this matter in January 2021.

DISCUSSION:

In order for the Successor Agency to receive sufficient funding to meet its financial obligations, the COB must approve the ROPS. The ROPS must be adopted for each successive annual fiscal period, pursuant to Senate Bill 107, signed on September 22, 2015.

The ROPS 21-22 is attached as part of Attachment A for COB consideration and approval. Upon COB approval, the resolution will be forwarded to DOF for their consideration and approval.

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 A and B-1

- 2013E Tax Allocation Revenue Refunding Bonds
- 2014A Tax Allocation Revenue Refunding Bonds
- Property Disposition Costs

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 DOF. For July 1, 2021 through December 31, 2021 period (ROPS 21-22A), the Successor Agency is projecting expenditures of \$3,254,257 and for January 1, 2022 through June 30, 2022 period (ROPS 21-22B) the request is for \$3,320,085

CEQA (CALIFORNIA ENVIRONMENTAL QUALITY ACT):

The approval of the ROPS by the COB does not commit the COB 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.

Respectfully submitted,



Anita Agramonte
Finance Director

ATTACHMENTS:

Attachment A: Resolution COB 21-01 including Exhibit A (ROPS 21-22 for July 1, 2021 through June 30, 2022)

Recognized Obligation Payment Schedule (ROPS 21-22) - Summary
Filed for the July 1, 2021 through June 30, 2022 Period

Successor Agency: Covina

County: Los Angeles

| Current Period Requested Funding for Enforceable Obligations (ROPS Detail) | 21-22A Total (July - December) | 21-22B Total (January - June) | ROPS 21-22 Total |
|---|---|--|-----------------------------|
| A Enforceable Obligations Funded as Follows (B+C+D) | \$ 2,989,050 | \$ 128,600 | \$ 3,117,650 |
| B Bond Proceeds | 74,643 | - | 74,643 |
| C Reserve Balance | 2,766,864 | - | 2,766,864 |
| D Other Funds | 147,543 | 128,600 | 276,143 |
| E Redevelopment Property Tax Trust Fund (RPTTF) (F+G) | \$ 265,207 | \$ 3,191,485 | \$ 3,456,692 |
| F RPTTF | 265,207 | 3,191,485 | 3,456,692 |
| G Administrative RPTTF | - | - | - |
| H Current Period Enforceable Obligations (A+E) | \$ 3,254,257 | \$ 3,320,085 | \$ 6,574,342 |

Certification of Oversight Board Chairman:

Stephen Dickinson Chair
 Name Title

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.

[Signature] 1-20-21
 Signature Date

RESOLUTION NO. COB 21-01

A RESOLUTION OF THE LOS ANGELES COUNTY FIFTH SUPERVISORIAL DISTRICT CONSOLIDATED OVERSIGHT BOARD APPROVING A RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS 21-22) OF THE SUCCESSOR AGENCY OF THE COVINA REDEVELOPMENT AGENCY PURSUANT TO HEALTH AND SAFETY CODE SECTION 34177 FOR THE PERIOD JULY 1, 2021, THROUGH JUNE 30, 2022, AND TAKING RELATED ACTIONS

WHEREAS, pursuant to ABx 1 26, enacted on June 28, 2011, and as subsequently amended by AB 1484, SB 341, and SB 107 ("Dissolution Act"), the Covina Redevelopment Agency was dissolved as of February 1, 2012, and the City of Covina elected to serve as the Successor Agency to the former Covina Redevelopment Agency ("Successor Agency");

WHEREAS, pursuant to Health and Safety Code Section 34179 (q), commencing on and after July 1, 2018, the County of Los Angeles, where more than 40 oversight boards were created by the Dissolution Act, shall have five consolidated oversight boards each encompassing the five supervisorial districts;

WHEREAS, the Fifth Supervisorial District Consolidated Oversight Board ("Oversight Board") has jurisdiction over the Successor Agency;

WHEREAS, the Fifth Supervisorial District Consolidated Oversight Board held a regular meeting on January 14, 2021;

WHEREAS, pursuant to Health and Safety Code Section 34177(o), the Successor Agency must prepare a Recognized Obligation Payment Schedule listing the anticipated payments for enforceable obligations to be made by the Successor Agency during the fiscal period from July 1, 2021, through June 30, 2022 ("ROPS 21-22"), and submit ROPS 21-22 to the Oversight Board for approval;

WHEREAS, pursuant to Health and Safety Code Section 34177(1)(2)(C) and Section 34177(o)(1), the Successor Agency must: (i) submit the Oversight Board-approved ROPS 21-22 to the State Department of Finance (the "DOF"), the Office of the State Controller, and the County Auditor-Controller no later than February 1, 2021, and (ii) post a copy of the Oversight Board-approved ROPS 21-22 on the Successor Agency's website; and

WHEREAS, the Successor Agency has prepared ROPS 21-22 covering the period July 1, 2021, through June 30, 2022, and has submitted ROPS 21-22 to the Oversight Board for approval;

NOW THEREFORE, THE LOS ANGELES COUNTY FIFTH SUPERVISORIAL DISTRICT CONSOLIDATED OVERSIGHT BOARD HEREBY RESOLVE AND FIND 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 ROPS 21-22 through adoption of 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 ROPS 21-22. The Oversight Board hereby approves proposed ROPS 21-22, in substantially the form attached to this Resolution as Exhibit A, pursuant to Health and Safety Code Section 34177. Staff of the Successor Agency is hereby authorized and directed to: (i) submit a copy of such approved ROPS 21-22 to the DOF, the Office of the State Controller, and the County Auditor-Controller and (ii) post a copy of the Oversight Board-approved ROPS 21-22 on the Successor Agency's Internet website (being a page on the Internet website of the City of Covina).

Section 4. 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 5. Further Actions. The members of the Oversight Board and the Staff of the Successor Agency are hereby authorized and directed, jointly and severally, to do any and all things which they may deem necessary or advisable to effectuate this Resolution, including requesting additional review by the DOF and an opportunity to meet and confer on any disputed items, and any such actions previously taken by such Oversight Board members or Staff members are hereby ratified and confirmed.

PASSED, APPROVED AND ADOPTED this 14th day of January, 2021, by the following vote:

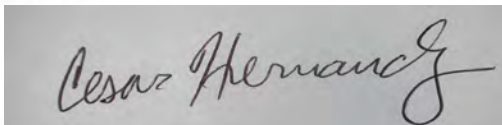
Ayes: Board Members Berry, Koffroth, Vice Chair Dortch and Chair Dickinson

Noes:


Abstain:

Absent: Board Members Bush and Vizcarra

ATTEST:



Cesar Hernandez, Deputy Clerk



Stephen Dickinson, Chair
Fifth Supervisorial District
Consolidated Oversight Board

Covina
Recognized Obligation Payment Schedule (ROPS 21-22) - ROPS Detail
July 1, 2021 through June 30, 2022

| A | B | C | D | E | F | G | H | I | J | K | L | M | N | O | P | Q | R | S | T | U | V | W |
|--------|---|--|--------------------------|----------------------------|--|--|--------------|------------------------------|---------|------------------|-------------------------|-----------------|-------------|-----------|-------------|--------------|-------------------------|-----------------|-------------|-------------|-------------|--------------|
| Item # | Project Name | Obligation Type | Agreement Execution Date | Agreement Termination Date | Payee | Description | Project Area | Total Outstanding Obligation | Retired | ROPS 21-22 Total | ROPS 21-22A (Jul - Dec) | | | | | 21-22A Total | ROPS 21-22B (Jan - Jun) | | | | | 21-22B Total |
| | | | | | | | | | | | Fund Sources | | | | | | Fund Sources | | | | | |
| | | | | | | | | | | | Bond Proceeds | Reserve Balance | Other Funds | RPTTF | Admin RPTTF | | Bond Proceeds | Reserve Balance | Other Funds | RPTTF | Admin RPTTF | |
| | | | | | | | | \$24,641,918 | | \$6,574,342 | \$74,643 | \$2,766,864 | \$147,543 | \$265,207 | \$- | \$3,254,257 | \$- | \$- | \$128,600 | \$3,191,485 | \$- | \$3,320,085 |
| 5 | 2004 Tax Allocation Bonds Series B-1 | Revenue Bonds Issued On or Before 12/31/10 | 11/01/2004 | 12/01/2023 | US Bank | Bond issue to fund housing projects | 1 | 1,163,471 | N | \$388,239 | - | 368,864 | - | - | - | \$368,864 | - | - | - | 19,375 | - | \$19,375 |
| 7 | Fiscal Agent Fees | Fees | 07/01/1997 | 12/01/2023 | US Bank | Fiscal agent fees to maintain bond funds | 1&2 | 2,000 | N | \$1,200 | - | - | - | - | - | \$- | - | - | 1,200 | - | - | \$1,200 |
| 13 | Employee Obligations | Unfunded Liabilities | 09/01/1965 | 06/30/2024 | City of Covina | Retiree Obligations | 1 | 2,900,000 | N | \$35,000 | - | - | - | 17,500 | - | \$17,500 | - | - | - | 17,500 | - | \$17,500 |
| 22 | Maintenance of Agency owned property | Property Maintenance | 01/01/2011 | 06/30/2024 | United Fencing/ Sewer Service/ Insurance | Maintain assets under AB1X 26 | 1&2 | - | N | \$- | - | - | - | - | - | \$- | - | - | - | - | - | \$- |
| 25 | SERAF loan from Housing 2011 | SERAF/ ERAF | 02/16/2010 | 06/30/2024 | Covina Housing Authority | Repayment to housing fund | 1&2 | - | N | \$- | - | - | - | - | - | \$- | - | - | - | - | - | \$- |
| 30 | City Loan | City/County Loan (Prior 06/28/11), Cash exchange | 06/15/2010 | 06/30/2024 | City of Covina | Operating Loan | 1&2 | - | N | \$- | - | - | - | - | - | \$- | - | - | - | - | - | \$- |
| 34 | Tax Allocation Revenue Refunding Bonds Series 2013E | Refunding Bonds Issued After 6/27/12 | 12/18/2013 | 12/01/2023 | US Bank | Refunding bond issue of non-housing projects | 1&2 | 7,342,500 | N | \$2,451,875 | - | 2,335,500 | - | - | - | \$2,335,500 | - | - | - | 116,375 | - | \$116,375 |
| 35 | Tax Allocation Revenue Refunding Bonds Series 2013E | Fees | 12/18/2023 | 12/01/2023 | US Bank | Fiscal agent fees to maintain bond funds | 1&2 | 2,000 | N | \$1,200 | - | - | - | - | - | \$- | - | - | 1,200 | - | - | \$1,200 |
| 36 | Housing Entity Administrative Cost Allowance | Housing Entity Admin Cost | 07/01/2015 | 07/01/2019 | City of Covina | As allowed by AB 471 | 1&2 | 600,000 | N | \$300,000 | - | - | - | 150,000 | - | \$150,000 | - | - | - | 150,000 | - | \$150,000 |

| A | B | C | D | E | F | G | H | I | J | K | L | M | N | O | P | Q | R | S | T | U | V | W |
|--------|---|--------------------------------------|--------------------------|----------------------------|----------------|---|--------------|------------------------------|---------|------------------|-------------------------|-----------------|-------------|--------|-------------|--------------|-------------------------|-----------------|-------------|-----------|-------------|--------------|
| Item # | Project Name | Obligation Type | Agreement Execution Date | Agreement Termination Date | Payee | Description | Project Area | Total Outstanding Obligation | Retired | ROPS 21-22 Total | ROPS 21-22A (Jul - Dec) | | | | | 21-22A Total | ROPS 21-22B (Jan - Jun) | | | | | 21-22B Total |
| | | | | | | | | | | | Fund Sources | | | | | | Fund Sources | | | | | |
| | | | | | | | | | | | Bond Proceeds | Reserve Balance | Other Funds | RPTTF | Admin RPTTF | | Bond Proceeds | Reserve Balance | Other Funds | RPTTF | Admin RPTTF | |
| 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 | 267,000 | N | \$137,375 | - | 62,500 | - | 70,250 | - | \$132,750 | - | - | - | 4,625 | - | \$4,625 |
| 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 | 2,000 | N | \$1,200 | - | - | - | - | - | \$- | - | - | 1,200 | - | - | \$1,200 |
| 39 | Administration | Admin Costs | 07/01/2017 | 06/30/2018 | City of Covina | Administration | 1&2 | 6,500,000 | N | \$250,000 | - | - | 125,000 | - | - | \$125,000 | - | - | 125,000 | - | - | \$125,000 |
| 40 | 2004 Tax Allocation Bonds Series B-1 | Reserves | 11/01/2004 | 12/01/2023 | US Bank | Bond issue to fund housing projects | 1 | 764,804 | N | \$379,735 | - | - | - | - | - | \$- | - | - | - | 379,735 | - | \$379,735 |
| 41 | Tax Allocation Revenue Refunding Bonds Series 2013E | Reserves | 12/18/2013 | 12/01/2023 | US Bank | Refunding bond issue of non-housing projects | 1&2 | 4,831,000 | N | \$2,386,375 | - | - | - | - | - | \$- | - | - | - | 2,386,375 | - | \$2,386,375 |
| 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 | 92,500 | N | \$67,500 | - | - | - | - | - | \$- | - | - | - | 67,500 | - | \$67,500 |
| 44 | LRPMP Property Disposition | Property Dispositions | 07/01/2017 | 06/30/2018 | Various | Costs for Property Disposition | 1&2 | 100,000 | N | \$100,000 | - | - | 22,543 | 27,457 | - | \$50,000 | - | - | - | 50,000 | - | \$50,000 |
| 47 | Housing Bonds (previous ROPS line 14-17) | Bond Funded Project - Housing | 03/22/2016 | 06/30/2018 | City of Covina | Transfer of Interest Accrued subsequent to ROPS 16-17 | | 7,664 | N | \$7,664 | 7,664 | - | - | - | - | \$7,664 | - | - | - | - | - | \$- |
| 48 | Bond Project -Non Housing (previous ROPS line 32) | Bond Funded Project - 2011 | 03/22/2016 | 06/30/2018 | City of Covina | Transfer of Interest Accrued subsequent to ROPS 16-17 | | 66,411 | N | \$66,411 | 66,411 | - | - | - | - | \$66,411 | - | - | - | - | - | \$- |
| 49 | Bond Project -Non Housing (previous ROPS line 31) | Bond Funded Project - Pre-2011 | 03/22/2016 | 06/30/2024 | City of Covina | Transfer of Interest Accrued subsequent to ROPS 16-17 | | 568 | N | \$568 | 568 | - | - | - | - | \$568 | - | - | - | - | - | \$- |

Covina
Recognized Obligation Payment Schedule (ROPS 21-22) - Report of Cash Balances
July 1, 2018 through June 30, 2019
(Report Amounts in Whole Dollars)

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

| A | B | C | D | E | F | G | H |
|---|---|--|---|--|---------------------------------|------------------------|---|
| | | Fund Sources | | | | | |
| | | Bond Proceeds | | Reserve Balance | Other Funds | RPTTF | |
| | ROPS 18-19 Cash Balances (07/01/18 - 06/30/19) | Bonds issued on or before 12/31/10 | Bonds issued on or after 01/01/11 | Prior ROPS RPTTF and Reserve Balances retained for future period(s) | Rent, grants, interest, etc. | Non-Admin and Admin | Comments |
| 1 | Beginning Available Cash Balance (Actual 07/01/18) RPTTF amount should exclude "A" period distribution amount. | 37,534 | 38,607 | 1,834,182 | 1,338,820 | 25,130 | Col. C includes \$1,652 Trustee Int. from 16-17, not displayed in last year's balance. Col. F includes \$245,220 to be used as other funds in 18-19, not included in prev year's ending balance. |
| 2 | Revenue/Income (Actual 06/30/19) RPTTF amount should tie to the ROPS 18-19 total distribution from the County Auditor-Controller | 81,834 | 50,692 | | 303,079 | 5,494,821 | Col C includes actual interest from 19-20 and estimate interest from 20-21 in order to zero out bond funds. Otherwise Interest would perpetually accrue during 2 years between Identifying funds and actual transfer. |
| 3 | Expenditures for ROPS 18-19 Enforceable Obligations (Actual 06/30/19) | - | | 1,834,182 | 272,155 | 2,785,054 | |
| 4 | Retention of Available Cash Balance (Actual 06/30/19) RPTTF amount retained should only include the amounts distributed as reserve for future period(s) | 44,725 | 89,299 | | 1,093,601 | 2,692,770 | |

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

| A | B | C | D | E | F | G | H |
|----------|---|--|---|--|---------------------------------|------------------------|--|
| | | Fund Sources | | | | | |
| | | Bond Proceeds | | Reserve Balance | Other Funds | RPTTF | |
| | ROPS 18-19 Cash Balances (07/01/18 - 06/30/19) | Bonds issued on or before 12/31/10 | Bonds issued on or after 01/01/11 | Prior ROPS RPTTF and Reserve Balances retained for future period(s) | Rent, grants, interest, etc. | Non-Admin and Admin | Comments |
| 5 | ROPS 18-19 RPTTF Prior Period Adjustment RPTTF amount should tie to the Agency's ROPS 18-19 PPA form submitted to the CAC | | | No entry required | | 25,130 | |
| 6 | Ending Actual Available Cash Balance (06/30/19) C to F = (1 + 2 - 3 - 4), G = (1 + 2 - 3 - 4 - 5) | \$74,643 | \$- | \$- | \$276,143 | \$16,997 | Column C. See Line 2. Only actual 20-21 Interest will be calculated into transfer, if under budget. Otherwise, budgeted amount will be transferred. |

Covina
Recognized Obligation Payment Schedule (ROPS 21-22) - Notes
July 1, 2021 through June 30, 2022

| Item # | Notes/Comments |
|--------|----------------|
| 5 | |
| 7 | |
| 13 | |
| 22 | |
| 25 | |
| 30 | |
| 34 | |
| 35 | |
| 36 | |
| 37 | |
| 38 | |
| 39 | |
| 40 | |
| 41 | |
| 42 | |
| 44 | |
| 47 | |
| 48 | |
| 49 | |