

**OVERSIGHT BOARD OF THE SUCCESSOR AGENCY
TO THE COVINA REDEVELOPMENT AGENCY
REGULAR MEETING AGENDA**

125 E. College Street, Covina, California
Council Chamber of City Hall
Thursday, April 5, 2012
3:00 p.m.

- As a courtesy to Oversight Board Members, staff and attendees, everyone is asked to silence all pagers, cellular telephones and any other communication devices.
- Any member of the public may address the Oversight Board during both the public comment period and on any scheduled item on the agenda. Comments are limited to a maximum of five minutes per speaker unless, for good cause, the Chairperson amends the time limit. Anyone wishing to speak is requested to submit a yellow Speaker Request Card to the Secretary to the Board; cards are located near the agendas or at the Secretary's desk.
- Please provide 10 copies of any information intended for use at the Oversight Board meeting to the Secretary to the Board prior to the meeting.
- **MEETING ASSISTANCE INFORMATION:** In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Clerk's Office at (626) 384-5430. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.
- **DOCUMENT AVAILABILITY:** Any writings or documents provided to a majority of the Oversight Board regarding any item on this agenda will be made available for public inspection at the City Clerk's Office counter at City Hall located at 125 E. College Street and the reference desk at the Covina Library located at 234 North Second Avenue during normal business hours. In addition, such writings and documents are available in the City Clerk's Office and may be posted on the City's website at www.covinaca.gov.
- Pursuant to Government Code Section 54954.2, no matter shall be acted upon by the Oversight Board unless listed on the agenda, which has been posted not less than 72 hours prior to the meeting.
- If you challenge in court any discussion or action taken concerning an item on this Agenda, you may be limited to raising only those issues you or someone else raised during the meeting or in written correspondence delivered to the City at or prior to the City's consideration of the item at the meeting.
- The Secretary to the Board of the Oversight Board of the Successor Agency to the Covina Redevelopment Agency hereby declares that the agenda for the April 5, 2012 meeting was posted on April 2, 2012 near the front entrance of the City Hall, 125 East College Street, Covina, in accordance with Section 54954.2(a) of the California Government Code.

1. Call to Order
2. Roll Call
3. Pledge of Allegiance
4. Oath of Office
5. Open Meeting - Brown Act Discussion
6. Election of Officers: Chair and Vice Chair
7. Public Comments

To address the Board please complete a yellow speaker request card located at the entrance and give it to the Secretary to the Board. Your name will be called when it is your turn to speak. Those wishing to speak on a LISTED AGENDA ITEM will be heard when that item is addressed. Those wishing to speak on an item NOT ON THE AGENDA will be heard at this time. State Law prohibits the Board Members from taking action on any item not on the agenda. Individual speakers are limited to five minutes each.
8. Presentation regarding AB 1X 26 and Oversight Board duties
9. Consideration of resolution designating the staff contact for Department of Finance
10. Consideration of Recognized Obligation Payment Schedules (“ROPS”)
11. Consideration of resolution approving the Successor Agency Administrative Budget
12. Oversight Board consideration of resolution to direct the Successor Agency to transfer the former Covina Redevelopment Agency’s housing rights and responsibilities and encumbered funds to the Covina Housing Authority
13. Oversight Board consideration of resolution to direct the Successor Agency to transfer the former Covina Redevelopment Agency’s housing assets and properties to the Covina Housing Authority
14. Consideration of resolution providing the time and place for holding the Oversight Board’s regular meetings
15. Adjournment

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

MEETING DATE: April 5, 2012

ITEM NO.: 8

STAFF SOURCE: Robert Neiuber, Deputy Executive Director of the Successor Agency *RN*

ITEM TITLE: Presentation regarding AB 1X 26 and Oversight Board duties

STAFF RECOMMENDATION:

Receive and File

FISCAL IMPACT:

None

BACKGROUND:

An oral presentation will be provided to the Oversight Board.

Redevelopment Agency (RDA) Dissolution Bill (ABx1 26) - On June 29, 2011, the Governor signed ABx1 26 (the RDA Dissolution Bill) into law, adding Parts 1.8 and 1.85 to the Health and Safety Code. On December 29, 2011, the California Supreme Court released its decision in California Redevelopment Association et. al. v. Matosantoas, upholding ABx1 26.

As a result, effective February 1, 2012, all local RDAs and community development agencies were dissolved, and successor agencies, as defined by the law, were required to be appointed to oversee the distribution of tax proceeds that would have been paid to the RDAs. The successor agency is the sponsoring community of the RDA, unless it elects not to serve in that capacity. The City of Covina elected to become the Successor Agency. The successor agencies have various legal requirements imposed on them by ABx1 26, and their actions are subject to the review of oversight boards, which are also created by the new law.

Below is a copy of HEALTH AND SAFETY CODE SECTION 34179-34181 relating to the Oversight Board and its duties under the law.

34179. (a) Each successor agency shall have an oversight board composed of seven members. The members shall elect one of their members as the chairperson and shall report the name of the chairperson and other members to the Department of Finance on or before May 1, 2012.

Members shall be selected as follows:

- (1) One member appointed by the county board of supervisors.
- (2) One member appointed by the mayor for the city that formed the redevelopment agency.

(3) One member appointed by the largest special district, by property tax share, with territory in the territorial jurisdiction of the former redevelopment agency, which is of the type of special district that is eligible to receive property tax revenues pursuant to Section 34188.

(4) One member appointed by the county superintendent of education to represent schools if the superintendent is elected. If the county superintendent of education is appointed, then the appointment made pursuant to this paragraph shall be made by the county board of education.

(5) One member appointed by the Chancellor of the California Community Colleges to represent community college districts in the county.

(6) One member of the public appointed by the county board of supervisors.

(7) One member representing the employees of the former redevelopment agency appointed by the mayor or chair of the board of supervisors, as the case may be, from the recognized employee organization representing the largest number of former redevelopment agency employees employed by the successor agency at that time.

(8) If the county or a joint powers agency formed the redevelopment agency, then the largest city by acreage in the territorial jurisdiction of the former redevelopment agency may select one member. If there are no cities with territory in a project area of the redevelopment agency, the county superintendent of education may appoint an additional member to represent the public.

(9) If there are no special districts of the type that are eligible to receive property tax pursuant to Section 34188, within the territorial jurisdiction of the former redevelopment agency, then the county may appoint one member to represent the public.

(10) Where a redevelopment agency was formed by an entity that is both a charter city and a county, the oversight board shall be composed of seven members selected as follows: three members appointed by the mayor of the city, where such appointment is subject to confirmation by the county board of supervisors, one member appointed by the largest special district, by property tax share, with territory in the territorial jurisdiction of the former redevelopment agency, which is the type of special district that is eligible to receive property tax revenues pursuant to Section 34188, one member appointed by the county superintendent of education to represent schools, one member appointed by the Chancellor of the California Community Colleges to represent community college districts, and one member representing employees of the former redevelopment agency appointed by the mayor of the city where such an appointment is subject to confirmation by the county board of supervisors, to represent the largest number of former redevelopment agency employees employed by the successor agency at that time.

(b) The Governor may appoint individuals to fill any oversight board member position described in subdivision (a) that has not been filled by May 15, 2012, or any member position that remains vacant for more than 60 days.

(c) The oversight board may direct the staff of the successor agency to perform work in furtherance of the oversight board's duties and responsibilities under this part. The successor agency shall pay for all of the costs of meetings of the oversight board and may include such costs in its administrative budget. Oversight board members shall serve without compensation or reimbursement for expenses.

(d) Oversight board members shall have personal immunity from suit for their actions taken within the scope of their responsibilities as oversight board members.

(e) A majority of the total membership of the oversight board shall constitute a quorum for the transaction of business. A majority vote of the total membership of the oversight board is required for the oversight board to take action. The oversight board shall be deemed to be a local

entity for purposes of the Ralph M. Brown Act, the California Public Records Act, and the Political Reform Act of 1974.

(f) All notices required by law for proposed oversight board actions shall also be posted on the successor agency's Internet Web site or the oversight board's Internet Web site.

(g) Each member of an oversight board shall serve at the pleasure of the entity that appointed such member.

(h) The Department of Finance may review an oversight board action taken pursuant to the act adding this part. As such, all oversight board actions shall not be effective for three business days, pending a request for review by the department. Each oversight board shall designate an official to whom the department may make such requests and who shall provide the department with the telephone number and e-mail contact information for the purpose of communicating with the department pursuant to this subdivision. In the event that the department requests a review of a given oversight board action, it shall have 10 days from the date of its request to approve the oversight board action or return it to the oversight board for reconsideration and such oversight board action shall not be effective until approved by the department. In the event that the department returns the oversight board action to the oversight board for reconsideration, the oversight board shall resubmit the modified action for department approval and the modified oversight board action shall not become effective until approved by the department.

(i) Oversight boards shall have fiduciary responsibilities to holders of enforceable obligations and the taxing entities that benefit from distributions of property tax and other revenues pursuant to Section 34188. Further, the provisions of Division 4 (commencing with Section 1000) of the Government Code shall apply to oversight boards. Notwithstanding Section 1099 of the Government Code, or any other law, any individual may simultaneously be appointed to up to five oversight boards and may hold an office in a city, county, city and county, special district, school district, or community college district.

(j) Commencing on and after July 1, 2016, in each county where more than one oversight board was created by operation of the act adding this part, there shall be only one oversight board appointed as follows:

(1) One member may be appointed by the county board of supervisors.

(2) One member may be appointed by the city selection committee established pursuant to Section 50270 of the Government Code. In a city and county, the mayor may appoint one member.

(3) One member may be appointed by the independent special district selection committee established pursuant to Section 56332 of the Government Code, for the types of special districts that are eligible to receive property tax revenues pursuant to Section 34188.

(4) One member may be appointed by the county superintendent of education to represent schools if the superintendent is elected. If the county superintendent of education is appointed, then the appointment made pursuant to this paragraph shall be made by the county board of education.

(5) One member may be appointed by the Chancellor of the California Community Colleges to represent community college districts in the county.

(6) One member of the public may be appointed by the county board of supervisors.

(7) One member may be appointed by the recognized employee organization representing the largest number of successor agency employees in the county.

(k) The Governor may appoint individuals to fill any oversight board member position described in subdivision (j) that has not been filled by July 15, 2016, or any member position that remains vacant for more than 60 days.

(l) Commencing on and after July 1, 2016, in each county where only one oversight board was created by operation of the act adding this part, then there will be no change to the composition of that oversight board as a result of the operation of subdivision (b).

(m) Any oversight board for a given successor agency shall cease to exist when all of the indebtedness of the dissolved redevelopment agency has been repaid.

34180. All of the following successor agency actions shall first be approved by the oversight board:

(a) The establishment of new repayment terms for outstanding loans where the terms have not been specified prior to the date of this part.

(b) Refunding of outstanding bonds or other debt of the former redevelopment agency by successor agencies in order to provide for savings or to finance debt service spikes; provided, however, that no additional debt is created and debt service is not accelerated.

(c) Setting aside of amounts in reserves as required by indentures, trust indentures, or similar documents governing the issuance of outstanding redevelopment agency bonds.

(d) Merging of project areas.

(e) Continuing the acceptance of federal or state grants, or other forms of financial assistance from either public or private sources, where assistance is conditioned upon the provision of matching funds, by the successor entity as successor to the former redevelopment agency, in an amount greater than 5 percent.

(f) (1) If a city, county, or city and county wishes to retain any properties or other assets for future redevelopment activities, funded from its own funds and under its own auspices, it must reach a compensation agreement with the other taxing entities to provide payments to them in proportion to their shares of the base property tax, as determined pursuant to Section 34188, for the value of the property retained.

(2) If no other agreement is reached on valuation of the retained assets, the value will be the fair market value as of the 2011 property tax lien date as determined by the county assessor.

(g) Establishment of the Recognized Obligation Payment Schedule.

(h) A request by the successor agency to enter into an agreement with the city, county, or city and county that formed the redevelopment agency that it is succeeding.

(i) A request by a successor agency or taxing entity to pledge, or to enter into an agreement for the pledge of, property tax revenues pursuant to subdivision (b) of Section 34178.

34181. The oversight board shall direct the successor agency to do all of the following:

(a) Dispose of all assets and properties of the former redevelopment agency that were funded by tax increment revenues of the dissolved redevelopment agency; provided, however, that the oversight board may instead direct the successor agency to transfer ownership of those assets that were constructed and used for a governmental purpose, such as roads, school buildings, parks, and fire stations, to the appropriate public jurisdiction pursuant to any existing agreements relating to the construction or use of such an asset. Any compensation to be provided to the successor agency for the transfer of the asset shall be governed by the agreements relating to the

construction or use of that asset. Disposal shall be done expeditiously and in a manner aimed at maximizing value.

(b) Cease performance in connection with and terminate all existing agreements that do not qualify as enforceable obligations.

(c) Transfer housing responsibilities and all rights, powers, duties, and obligations along with any amounts on deposit in the Low and Moderate Income Housing Fund to the appropriate entity pursuant to Section 34176.

(d) Terminate any agreement, between the dissolved redevelopment agency and any public entity located in the same county, obligating the redevelopment agency to provide funding for any debt service obligations of the public entity or for the construction, or operation of facilities owned or operated by such public entity, in any instance where the oversight board has found that early termination would be in the best interests of the taxing entities.

(e) Determine whether any contracts, agreements, or other arrangements between the dissolved redevelopment agency and any private parties should be terminated or renegotiated to reduce liabilities and increase net revenues to the taxing entities, and present proposed termination or amendment agreements to the oversight board for its approval. The board may approve any amendments to or early termination of such agreements where it finds that amendments or early termination would be in the best interests of the taxing entities.

EXHIBITS:

None

REVIEW TEAM ONLY	
SA Attorney: _____	Finance Director: <u></u>
Executive Director: <u></u>	Other: _____

4-0

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

MEETING DATE: April 5, 2012

ITEM NO.: 9

STAFF SOURCE: Robert Neiuber, Deputy Executive Director of the Successor Agency *rw*

ITEM TITLE: Consideration of resolution designating the staff contact for Department of Finance

STAFF RECOMMENDATION:

Approve Resolution No. 12-04 designating the staff contact for Department of Finance

FISCAL IMPACT:

None

BACKGROUND:

Staff is requesting that the Oversight Board approve the resolution designating Robert Neiuber, the Deputy Executive Director of the Successor Agency as the staff contact for the Department of Finance.

EXHIBITS:

A. Oversight Board Resolution 12-04

REVIEW TEAM ONLY	
SA Attorney: _____	Finance Director: <u><i>rw</i></u>
Executive Director: <u><i>φ</i></u>	Other: _____

RESOLUTION NO. 12-04

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE DISSOLVED REDEVELOPMENT AGENCY OF THE CITY OF COVINA, DESIGNATING AN OFFICIAL WHO THE STATE OF CALIFORNIA DEPARTMENT OF FINANCE MAY CONTACT PURSUANT TO HEALTH AND SAFETY CODE SECTION 34179(h)

WHEREAS, pursuant to Health and Safety Code section 34173(d), the City of Covina (“RDA Successor Agency”) is the successor agency to the dissolved Redevelopment Agency of the City of Covina (“Agency”), confirmed by Resolution No. 12-7041 adopted on January 11, 2012; and

WHEREAS, Health and Safety Code section 34179(a) provides that each successor agency shall have an oversight board composed of seven members; and

WHEREAS, the Oversight Board is the RDA Successor Agency’s oversight board pursuant to Health and Safety Code section 34179(a); and

WHEREAS, Health and Safety Code section 34179(h) provides that each oversight board shall designate an official (“Oversight Board Contact”) to whom the State of California Department of Finance (“DOF”) may make requests regarding review of oversight board actions.

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

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

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

Section 3. **Designation of Oversight Board Contact.** The Oversight Board hereby designates Robert Neiuber, as the Oversight Board Contact pursuant to Health and Safety Code Section 34179(h).

Section 4. **Implementation.** The Oversight Board Contact is hereby directed to identify himself/herself to the DOF and provide the DOF with the Oversight Board Contact’s telephone number and e-mail contact information pursuant to Health and Safety Code section 34179(h).

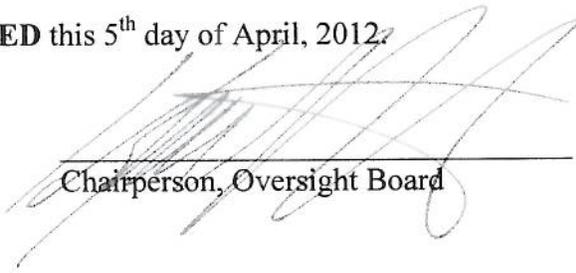
Section 5. **Severability.** If any provision of this Resolution or the application of any such provision to any person or circumstance is held invalid, such invalidity shall not affect other

provisions or applications of this Resolution that can be given effect without the invalid provision or application, and to this end the provisions of this Resolution are severable. The Oversight Board declares that the Oversight Board would have adopted this Resolution irrespective of the invalidity of any particular portion of this Resolution.

Section 6. Certification. The Oversight Board Secretary, shall certify to the adoption of this Resolution.

Section 7. Effective Date. Pursuant to Health and Safety Code section 34179(h), all actions taken by the Oversight Board may be reviewed by the State of California Department of Finance, and, therefore, this Resolution shall not be effective for three (3) business days, pending a request for review by the State of California Department of Finance.

PASSED, APPROVED AND ADOPTED this 5th day of April, 2012.



Chairperson, Oversight Board

ATTEST:



Oversight Board Secretary

CERTIFICATION

I, Cynthia Petersen, Secretary to the Oversight Board of the Successor Agency to the Covina Redevelopment Agency, hereby certify that Resolution No. 12-04 was adopted by the Oversight Board of the Successor Agency to the Covina Redevelopment Agency held this 5th day of April, 2012, and was approved and passed by the following vote:

AYES: HALL, RIVERA, ROSSI, STAPLETON

NOES: NONE

ABSTAIN: NONE

ABSENT: NONE



Cynthia Petersen
Oversight Board Secretary

4-0 vote

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

MEETING DATE: April 5, 2012

ITEM NO.: 10

STAFF SOURCE: Robert Neiuber, Deputy Executive Director of the Successor Agency *pd*

ITEM TITLE: Consideration of Recognized Obligation Payment Schedules (“ROPSs”)

STAFF RECOMMENDATION:

Oversight Board of the Successor Agency to the Covina Redevelopment Agency review and approve the Consideration of Recognized Obligation Payment Schedules (“ROPSs”) covering January 1, 2012, through June 30, 2012, and July 1, 2012 through December 31, 2012, and direct that they be provided to the State Department of Finance approval.

FISCAL IMPACT:

The January 1, 2012, through June 30, 2012 ROPS reflects a total of 7,114,090.29 of tax increment, bond proceeds and land proceeds funds. The July 1, 2012 through December 31, 2012, reflects a total of \$3,987,193.50 of tax increment, bond proceeds and land proceeds funds. The funds for the ROPS should come from the Redevelopment Property Tax Trust Fund (RPTTF) which is maintained by the County and designated bond funds. Should sufficient funding from the RPTTF not be available, staff is also asking for approval to use unallocated Successor Agency tax increment funds and/or land proceeds funds.

BACKGROUND:

At their March 20, 2012, meeting, the Successor Agency Board adopted the ROPSs covering January 1, 2012, through June 30, 2012, and July 1, 2012 through December 31, 2012, for the Successor Agency and directed that they be sent to the Oversight Board for consideration and approval and then be sent on to the State Department of Finance for their approval.

The two ROPSs reflect changes requested by Los Angeles County Auditor Controller regarding bond payments and sets forth amounts for programmatic costs based on the latest information from the State Department of Finance. The ROPSs also reflects long term employee costs such as retiree medical and pension costs.

The successor document to the Enforceable Obligation Payment Schedule (EOPS), the Recognized Obligation Payment Schedule (“ROPS”), was intended to set forth the enforceable obligations of the Agency and be operative on January 1, 2012, after the expiration of the EOPS under Health and Safety Code section 34177(1)(3). However, as a result of the Litigation, the Supreme Court extended the operative date of the ROPS to May 1, 2012. Health and Safety Code section 34177(a)(1), enacted by AB 1X 26, provides that until an ROPS becomes operative, only payments required pursuant to the EOPS shall be made, even after the redevelopment agency is dissolved. Therefore, the revised EOPS budget is effective from January 1, 2012 through April

30, 2012 and the ROPS assuming is it approved by the oversight committee and the State Department of Finance becomes effective May 1, 2012.

An updated ROPS is required for every six-months of operation of the Successor Agency. The approved ROPS determines the funding that the Successor Agency will get from the RPTTF to pay its enforceable obligations. The Successor Agency Board is requesting that the Oversight Board consider and approve the ROPS for the period of January 1, 2012 through June 30, 2012 even though the EOPS is in effect until the ROPS is adopted and the ROPS for July 1, 2012, through December 31, 2012 and have staff send the approved ROPSs to the State Department of Finance for their approval.

The funds for the ROPSs should be provided to the Successor Agency by the County of Los Angeles as part of their required distribution of assets from the RPTTF. As the County of Los Angeles has informed the Successor Agency that they will not be making any additional RPTTF payments covering the period of February 1, 2012, through June 30, 2012, and that the June RPTTF payment for July1, 2012 through December 31, 2012, would only reflect February through May receipts, the Successor Agency has requested that alternatively, funding for the ROPSs could come from appropriate bond proceeds, and available unallocated Successor Agency tax increment funds or land proceeds funds..

EXHIBITS:

- A. ROPS for January 1, 2012, through June 30, 2012
- B. ROPS for July 1, 2012, through December 31, 2012

REVIEW TEAM ONLY	
SA Attorney: _____	Finance Director: <u></u>
Executive Director: <u></u>	Other: _____

RECOGNIZED OBLIGATION PAYMENT SCHEDULE

Per AB 26 - Section 34171 and 34177

Project Name / Debt Obligation	Project Area	Payee	Description	Payment Source	Jan	Feb	Mar	Apr	May	Jun	Total
1) 1997 Tax Allocation Bonds Series A	PA2	Bank of New York	Bond issue to fund non-housing projects	Redevelopment Property	0.00				33,230.00		\$ 33,230.00
2) 1997 Tax Allocation Bonds Series B	PA1	Bank of New York	Bond issue to fund non-housing projects	Redevelopment Property	0.00				74,550.00		\$ 74,550.00
3) 2002 Tax Allocation Bonds Series A	PA1	Bank of New York	Bond issue to fund non-housing projects	Redevelopment Property	0.00				57,798.00		\$ 57,798.00
4) 2004 Tax Allocation Bonds Series A	PA1	Bank of New York	Bond issue to fund non-housing projects	Redevelopment Property	0.00				278,348.00		\$ 278,348.00
5) 2004 Tax Allocation Bonds Series B-1	Hsg	Bank of New York	Bond issue to fund housing projects	Redevelopment Property	0.00				90,439.00		\$ 90,439.00
6) Note Payable 626 S Citrus Avenue	PA1	US Bank	Property purchased for redevelopment	Redevelopment Property	12,160.25	12,160.25	12,160.25	12,160.25	12,160.25	12,160.25	\$ 72,961.50
7) Lease Payable 611 S Citrus	PA1	Al-Sal Oil	Property lease	Redevelopment Property	7,333.33	7,333.33	7,333.33	7,333.33	7,333.33	7,333.33	\$ 43,999.98
8) Lease Payable RJS Financial	PA1	RJS Financial	Property lease	Redevelopment Property	249,200.00	49,840.00	49,840.00	49,840.00	49,840.00	49,840.00	\$ 498,400.00
9) Shoppers Lane	PA1	Gentry Brothers, Inc	Public Improvements	Bond Proceeds	53,284.00						\$ 53,284.00
10) 200 W Rowland	Hsg	Covina Gardens KBS L.P.	Low-Mod housing renovations	Bond Proceeds	58,494.00	100,000.00	500,000.00	500,000.00	500,000.00	500,000.00	\$ 2,158,494.00
11) Habitat - 436 E Cypress	Hsg	Habitat for Humanity	Grant for building of affordable home	Bond Proceeds	6,596.56	6,596.56	6,596.56				\$ 20,149.69
12) Heritage Plaza	PA2	MG Enterprises	Park Construction	Bond/Land Proceeds	377,355.74	377,355.74					\$ 754,711.48
13) Heritage Plaza	PA2	Willdan	Project management	Bond Proceeds	8,988.00						\$ 8,988.00
14) Heritage Plaza	PA2	Willdan	Project design	Bond Proceeds							\$ -
15) Heritage Plaza	PA2	Willdan	Special Inspection	Bond Proceeds	30,000.00						\$ 30,000.00
16) Badillo Heights	PA2	Steve Eide	Litigation - settlement	Bond Proceeds	15,000.00						\$ 15,000.00
17) Fiscal Agent Fees	ALL	Bank of New York	Fiscal agent fees to maintain bond funds	Redevelopment Property	13,500.00					10,000.00	\$ 23,500.00
18) Arbitrage Calculations	ALL	Willdan	Calculations required by law	Redevelopment Property	2,000.00						\$ 2,000.00
19) Land Exchange Agreement	PA1	Covina Valley USD	Equipment removal and site preparation	Redevelopment Property		50,000.00					\$ 50,000.00
20) Vocational Facility	PA1	Covina Valley USD	Build new educational facility	Bond Proceeds						1,300,000.00	\$ 1,300,000.00
21) Transitional House	Hsg	CCLA & others	Low/moderate transitional housing	Bond Proceeds	4,353.61	4,353.61	8,653.61	4,353.61	4,353.61	4,353.61	\$ 30,621.66
22) Low-Mod Housing Program	Hsg	City of Covina/Covina Hou	Low/moderate transitional housing	Low/Mod Income Housing	40,037.50	40,037.50					\$ 80,075.00
23) Neighborhood Preservation Services	Hsg	City of Covina	low/mod programs, admin, consultant, emp	Low/Mod Income Housing	16,728.33	16,728.33					\$ 33,456.66
24) Employee Obligations	PA1	City of Covina	Neighborhood Preservation Employee Cost	Redevelopment Property	44,342.50	44,342.50	112,707.00	6,500.00	6,500.00	6,500.00	\$ 220,892.00
25) City Services and Overhead	PA1	City of Covina	Retiree Obligations	Redevelopment Property	148,370.00						\$ 148,370.00
26) Redevelopment Programs	ALL	Petroleum Environmental	Administration, overhead, etc	Redevelopment Property	48,478.33						\$ 48,478.33
27) Rental Subsidy Program	Hsg	City of Covina/Covina Hou	Programs, capital proj, consultants, marketing	Low/Mod Income Housing	0.00						\$ -
28) Hospital Project	PA1	City of Covina	Low-Moderate housing rental subsidy	Low/Mod Income Housing	0.00						\$ -
29) DPAP	Hsg	City of Covina	Citrus Valley Health Partners Intercommunity	Low/Mod Income Housing	0.00						\$ -
30) Continuing Disclosure	ALL	HDL	Downpayment assistance program	Low/Mod Income Housing	0.00						\$ -
			Required calculations for bonds	Redevelopment Property Tax Trust Fund			3,150.00			3,150.00	\$ 3,150.00
Totals - This Page					\$ 1,136,222.15	\$ 709,107.82	\$ 700,640.75	\$ 580,187.19	\$ 1,114,552.19	\$ 1,893,337.19	\$ 6,134,047.29
Totals - Page 2					\$ -	\$ 97,500.00	\$ 62,750.00	\$ 62,750.00	\$ 47,500.00	\$ 63,500.00	\$ 334,000.00
Totals - Other Obligations					\$ 617,023.00	\$ -	\$ -	\$ -	\$ 29,020.00	\$ -	\$ 646,043.00
Grand total - All Pages					\$ 1,753,245.15	\$ 806,607.82	\$ 763,390.75	\$ 642,937.19	\$ 1,191,072.19	\$ 1,956,837.19	\$ 7,114,090.29

RECOGNIZED OBLIGATION PAYMENT SCHEDULE

Per AB 26 - Section 34171 and 34177

Project Name / Debt Obligation	Project Area	Payee	Description	Payment Source	Month						Total	
					Jan	Feb	Mar	Apr	May	Jun		
31) Consulting & Legal Services	ALL	BB&K, Robert Neuber, N	Legal and consulting for oversight and windo	Redevelopment Property Tax Trust Fund		40,000.00	40,000.00	40,000.00	40,000.00	40,000.00	40,000.00	\$ 200,000.00
32) Investment sales	ALL	Wells Fargo, H Beck, Inc.	loss on liquidation of investments	Redevelopment Property Tax Trust Fund		50,000.00						\$ 50,000.00
33) Audit Fees	ALL		Required audit services	Redevelopment Property Tax Trust Fund							16,000.00	\$ 16,000.00
34) Heritage Park	PA2	City of Covina	Direct program administration	Bond/Land Proceeds			15,250.00					\$ 15,250.00
35) Transitional House	Hsg	City of Covina	Direct program administration	Bond/Land Proceeds		4,500.00	4,500.00	4,500.00	4,500.00	4,500.00	4,500.00	\$ 22,500.00
36) 200 West Rowland	Hsg	City of Covina	Direct program administration	Bond/Land Proceeds		2,250.00	2,250.00	2,250.00	2,250.00	2,250.00	2,250.00	\$ 11,250.00
37) Habitat - 436 E Cypress	Hsg	City of Covina	Direct program administration	Bond/Land Proceeds		750.00	750.00	750.00	750.00	750.00	750.00	\$ 3,750.00
38)												\$ -
39)												\$ -
40)												\$ -
41)												\$ -
42)												\$ -
43)												\$ -
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62)												\$ -
63)												\$ -
64)												\$ -
65)												\$ -
66)												\$ -
67)												\$ -
68)												\$ -
69)												\$ -
70)												\$ -
Totals - This Page					\$ -	\$ 97,500.00	\$ 62,750.00	\$ 62,750.00	\$ 62,750.00	\$ 47,500.00	\$ 63,500.00	\$ 334,000.00

RECOGNIZED OTHER OBLIGATION PAYMENT SCHEDULE
 Per AB 26 - Section 34171 and 34177

Project Name / Debt Obligation	Project Area	Payee	Description	Payment Source	Month						Total	
					Jan	Feb	Mar	Apr	May	Jun		
1) Housing Set Aside Deferral 1995	PA1	Housing Fund	Repayment for housing fund	Redevelopment Property	44,000.00							\$ 44,000.00
2) SERAF loan from Housing 2010	PA1	Housing Fund	Repayment for housing fund	Redevelopment Property	0.00							\$ -
3) SERAF loan from Housing 2011	PA1	Housing Fund	Repayment for housing fund	Redevelopment Property	0.00							\$ -
4) SB211 Statutory Tax Sharing	PA1	various taxing entities	Payments per CRL 33607.5 & .7	Redevelopment Property	372,000.00							\$ 372,000.00
5) Statutory Payments	PA1	Los Angeles County	Payments per CRL 33607.5 & .7	Redevelopment Property	101,690.00							\$ 101,690.00
6) Statutory Payments	PA2	Los Angeles County	Payments per CRL 33676	Redevelopment Property	13,946.00							\$ 13,946.00
7) Statutory Payments	PA2	various taxing entities	Payments per CRL 33676	Redevelopment Property	0.00							\$ -
8) SB211 Statutory Tax Sharing	PA2	various taxing entities	Payments per CRL 33607.5 & .7	Redevelopment Property	85,000.00							\$ 85,000.00
9) Property Tax Administration	ALL	Los Angeles County	Property Tax Administration	Redevelopment Property	387.00							\$ 387.00
10) Maintenance of Agency owned prop	ALL	Andy Gump/United	Maintain assets under AB1X 26	Redevelopment Property	0.00				10,000.00			\$ 10,000.00
11) Rental Covenants	Hsg	ULL/Covina Housing Autho	Monitor affordable housing compliance	Bond/Land Proceeds	0.00				6,500.00			\$ 6,500.00
12) For Sale Covenants	Hsg	Covina Housing Authority	Monitor affordable housing compliance	Bond/Land Proceeds	0.00				12,520.00			\$ 12,520.00
13)												\$ -
14)												\$ -
15)												\$ -
16)												\$ -
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18)												\$ -
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21)												\$ -
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23)												\$ -
24)												\$ -
25)												\$ -
26)												\$ -
27)												\$ -
28)												\$ -
Totals - Other Obligations					\$ 617,023.00	\$ -	\$ -	\$ -	\$ 29,020.00	\$ -	\$ -	\$ 646,043.00

RECOGNIZED OBLIGATION PAYMENT SCHEDULE

Per AB 26 - Section 34171 and 34177

Project Name / Debt Obligation	Project Area	Payee	Description	Payment Source	Jul	Aug	Sep	Oct	Nov	Dec	Total
1) 1997 Tax Allocation Bonds Series A	PA2	Bank of New York	Bond issue to fund non-housing projects	Redevelopment Property Tax Trust Fund					113,231.00		\$ 113,231.00
2) 1997 Tax Allocation Bonds Series B	PA1	Bank of New York	Bond issue to fund non-housing projects	Redevelopment Property Tax Trust Fund					424,550.00		\$ 424,550.00
3) 2002 Tax Allocation Bonds Series A	PA1	Bank of New York	Bond issue to fund non-housing projects	Redevelopment Property Tax Trust Fund					382,798.00		\$ 382,798.00
4) 2004 Tax Allocation Bonds Series A	PA1	Bank of New York	Bond issue to fund non-housing projects	Redevelopment Property Tax Trust Fund					1,843,348.00		\$ 1,843,348.00
5) 2004 Tax Allocation Bonds Series B-1	Hsg	Bank of New York	Bond issue to fund non-housing projects	Redevelopment Property Tax Trust Fund					305,439.00		\$ 305,439.00
6) Note Payable 628 S Citrus Avenue	PA1	US Bank	Property purchased for redevelopment	Redevelopment Property	12,160.25	12,160.25	12,160.25	12,160.25	12,160.25	12,160.25	\$ 72,961.50
7) Lease Payable 611 S Citrus	PA1	Al-Sai Oil	Property lease	Redevelopment Property	7,333.33	7,333.33	7,333.33	7,333.33	7,333.33	7,333.33	\$ 44,000.00
8) Lease Payable RJS Financial	PA1	RJS Financial	Property lease	Redevelopment Property	48,840.00	48,840.00	48,840.00	48,840.00	48,840.00	48,840.00	\$ 299,040.00
9) Fiscal Agent Fees	ALL	Bank of New York	Fiscal agent fees to maintain bond funds	Redevelopment Property	10,000.00						\$ 10,000.00
10) Arbitrage Calculations	ALL	Widened	Calculations required by law	Redevelopment Property	2,000.00						\$ 2,000.00
11) Employee Obligations	PA1	City of Covina	Rentals Obligations	Bond/Land Proceeds	6,500.00	6,500.00	6,500.00	6,500.00	6,500.00	6,500.00	\$ 39,000.00
12) Transitional House	Hsg	City of Covina	Direct program administration	Bond/Land Proceeds	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	\$ 18,000.00
13) 200 West Rowland	Hsg	City of Covina	Direct program administration	Bond/Land Proceeds	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	\$ 12,000.00
14) Continuing Disclosure	ALL	HDL	Required calculations for bonds	Redevelopment Property Tax Trust Fund							\$ 6,300.00
15) 200 W Rowland	Hsg	Covina Gardens KBS L.P.	Low-Med housing renovations	Bond Proceeds	341,508.00						\$ 341,508.00
16)											\$ -
17)											\$ -
18)											\$ -
19)											\$ -
20)											\$ -
21)											\$ -
22)											\$ -
23)											\$ -
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25)											\$ -
26)											\$ -
27)											\$ -
28)											\$ -
29)											\$ -
30)											\$ -
Totals - This Page					\$ 434,339.58	\$ 80,833.58	\$ 83,983.58	\$ 80,833.58	\$ 3,150,199.58	\$ 83,983.60	\$ 3,814,173.50
Totals - Other Obligations										\$ 73,020.00	\$ 73,020.00
Grand Total - All Pages					\$ 434,339.58	\$ 80,833.58	\$ 83,983.58	\$ 80,833.58	\$ 3,150,199.58	\$ 157,003.60	\$ 3,987,193.50

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

MEETING DATE: April 5, 2012

ITEM NO.: 11

STAFF SOURCE: Robert Neiuber, Deputy Executive Director of the Successor Agency 

ITEM TITLE: Consideration of resolution approving the Successor Agency Administrative Budget

STAFF RECOMMENDATION:

Review and the Successor Agency Administrative Budget covering February 1, 2012, through June 30, 2012, approve Resolution No. 12-05 approving the Successor Agency Administrative Budget, and direct it be provided to the State Department of Finance approval.

FISCAL IMPACT:

\$250,000 of tax increment funds from the Redevelopment Property Tax Trust Fund (RPTTF) or from available unallocated Successor Agency tax increment funds.

BACKGROUND:

The Successor Agency Board adopted the administrative budget for the Successor Agency and directed that it be sent to the Oversight Board for consideration and approval at their March 20, 2012 meeting.

Under the requirements of Health and Safety Code 34171 (the "Code"), the Successor Agency (Agency) should adopt an Administrative Budget for administrative costs of the Agency. According to the Code, the budget should be based on an administrative cost allowance will be either a percentage of the former tax increment owing as reflected on the ROPs or \$250,000, whichever is greater. The Code provides that:

The following terms shall have the following meanings:

(a) "Administrative budget" means the budget for administrative costs of the successor agencies as provided in Section 34177.

(b) "Administrative cost allowance" means an amount that, subject to the approval of the oversight board, is payable from property tax revenues of up to 5 percent of the property tax allocated to the successor agency for the 2011-12 fiscal year and up to 3 percent of the property tax allocated to the Redevelopment Obligation Retirement Fund money that is allocated to the successor agency for each fiscal year thereafter; provided, however, that the amount shall not be less than two hundred fifty thousand dollars (\$250,000) for any fiscal year or such

lesser amount as agreed to by the successor agency. However, the allowance amount shall exclude any administrative costs that can be paid from bond proceeds or from sources other than property tax.

The proposed Administrative Budget reflects personnel costs for employees carrying out the Administrative functions of the Agency to be \$130,000 and operating costs of \$142,000 covering such things as legal costs, audit services, appraisals, office supplies, meeting costs, and city staff support (See exhibit A). The Successor Agency is asking the Oversight Board to approve the Administrative Budget of \$272,000, which exceeds the allowed Administrative Code Allowance of \$250,000, and direct the Administrative Budget be provided to the State Department of Finance for review. Staff will work to reduce operating costs for the Successor Agency in an effort to remain within the constraints of the Administrative Costs Allowance.

The funds for the Administrative Budget should be provided to the Successor Agency by the County of Los Angeles as part of their required distribution of assets from the RPTTF. As the County of Los Angeles has informed the Successor Agency that they will not be making any additional RPTTF payments covering the period of February 1, 2012, through June 30, 2012, the Successor Agency has requested that alternatively, funding for the administrative budget could come from available unallocated Successor Agency tax increment funds. The use of funds in this manner was discussed with the Los Angeles County Auditor Controller and the State Department of Finance at the Los Angeles County Town Hall Meeting on Redevelopment Agency Dissolution.

EXHIBITS:

- A. Successor Agency Budget February 1, 2012, through June 30, 2012
- B. Oversight Board Resolution 12-05

REVIEW TEAM ONLY	
SA Attorney: _____	Finance Director: _____
Executive Director: _____	Other: _____

Successor Agency Administrative Budget

Administrative Costs Allowance \$250,000

Personnel Costs \$130,000 Provides for full-time Redevelopment Manager, Senior Administrative Technician, part-time Deputy Executive Director, and partial costs of a Sr. Management Analyst during the 5 months during initial wind down period

Operating Costs \$142,000

Legal Fees	\$60,000
Support (payroll/Finance/HR/ Clerk)	\$20,000
Consultants (appraisals, arbitrage)	\$25,000
Meeting Costs	\$3,000
Photocopy	\$1,000
Postage	\$500
Office Supplies	\$1,500
Telephone	\$1,000
Auditing	\$20,000
Office Space	\$10,000
	<u>\$142,000</u>

Total \$272,000

We will reduce Operating costs to meet Administrative Cost Allowance restraint

RESOLUTION NO. 12-05

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE DISSOLVED REDEVELOPMENT AGENCY OF THE CITY OF COVINA, APPROVING THE SUCCESSOR AGENCY'S ADMINISTRATIVE BUDGET PURSUANT TO HEALTH AND SAFETY CODE SECTION 34177(j)

WHEREAS, pursuant to Health and Safety Code section 34173(d), the City of Covina ("RDA Successor Agency") is the successor agency to the dissolved Redevelopment Agency of the City of Covina ("Agency"), confirmed by Resolution No. 12-7041 adopted on January 11, 2012; and

WHEREAS, Health and Safety Code section 34179(a) provides that each successor agency shall have an oversight board composed of seven members; and

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

WHEREAS, Health and Safety Code section 34177(j) requires the RDA Successor Agency to prepare a proposed administrative budget ("Administrative Budget") and submit it to the Oversight Board for the Oversight Board's approval; and

WHEREAS, the RDA Successor Agency has submitted the Administrative Budget to the Oversight Board.

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

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

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

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

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

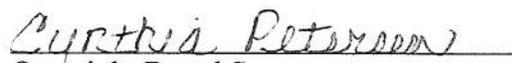
Section 6. Effective Date. Pursuant to Health and Safety Code section 34179(h), all actions taken by the Oversight Board may be reviewed by the State of California Department of Finance, and, therefore, this Resolution shall not be effective for three (3) business days, pending a request for review by the State of California Department of Finance.

PASSED, APPROVED AND ADOPTED this 5th day of April, 2012.



Oversight Board Chairperson

ATTEST:



Oversight Board Secretary

CERTIFICATION

I, Cynthia Petersen, Secretary to the Oversight Board of the Successor Agency to the Covina Redevelopment Agency, hereby certify that Resolution No. 12-05 was adopted by the Oversight Board of the Successor Agency to the Covina Redevelopment Agency held this 5th day of April, 2012, and was approved and passed by the following vote:

AYES: HALL, RIVERA, ROSSI, STAPLETON
NOES: NONE
ABSTAIN: NONE
ABSENT: NONE



Cynthia Petersen
Oversight Board Secretary

EXHIBIT A

SUCCESSOR AGENCY'S ADMINISTRATIVE BUDGET

[Attached behind this page]

Successor Agency Administrative Budget

Administrative Costs Allowance \$250,000

Personnel Costs \$130,000 Provides for full-time Redevelopment Manager, Senior Administrative Technician, part-time Deputy Executive Director, and partial costs of a Sr. Management Analyst during the 5 months during initial wind down period

Operating Costs \$142,000

Legal Fees	\$60,000
Support (payroll/Finance/HR/ Clerk)	\$20,000
Consultants (appraisals, arbitrage)	\$25,000
Meeting Costs	\$3,000
Photocopy	\$1,000
Postage	\$500
Office Supplies	\$1,500
Telephone	\$1,000
Auditing	\$20,000
Office Space	\$10,000
	<u>\$142,000</u>

Total \$272,000

We will reduce Operating costs to meet Administrative Cost Allowance restraint

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

MEETING DATE: April 5, 2012

ITEM NO.: 12

STAFF SOURCE: Robert Neuber, Deputy Executive Director of the Successor Agency 

ITEM TITLE: Oversight Board consideration of resolution to direct the Successor Agency to transfer the former Covina Redevelopment Agency's housing rights and responsibilities and encumbered funds to the Covina Housing Authority

STAFF RECOMMENDATION:

- a. Adopt Oversight Board Resolution No. 12-01 directing the Successor Agency to transfer housing responsibilities and all rights, powers, duties and obligations associated with the housing activities of the Covina Redevelopment Agency ("Agency"), along with the transfer of encumbered low and moderate income housing funds designated for housing projects on the Recognized Obligation Payment Schedule (ROPS) to the Covina Housing Authority ("Authority") pursuant to Health and Safety Code Sections 34176, 34177 and 34181; and
- b. Submit the approved recommendation to the State Department of Finance for review.

FISCAL IMPACT:

None

BACKGROUND

Approval of transfer of housing responsibilities

As specified in AB 1X 26, Section 34181(c) of the Health and Safety Code requires that the oversight board direct the successor agency to "*Transfer housing responsibilities and all rights, powers, duties and obligations along with any amounts on deposit in the Low and Moderate Income Housing Fund to the appropriate entity pursuant to Section 34176*".

On January 30, 2012, the City Council approved City Resolution 12-7045 pursuant to Health and Safety Code Section 34176, electing not to retain the housing assets and functions of the Agency, and transferring all rights, powers, assets, liabilities, duties and obligations associated with the housing activities of the Agency to the Authority. On March 20, 2012, by Authority Resolution 12-001, the Authority accepted the housing assets and functions of the dissolved Covina Redevelopment Agency ("Agency").

On March 20, 2012, the Successor Agency approved Successor Agency Resolution No. 12-002, requesting that the Oversight Board approve the Authority as the entity to receive all housing responsibilities and all rights, powers, duties and obligations of the dissolved Agency and to carry them out for the City of Covina under Health and Safety Code Section 34181(c). A copy of Successor Agency Resolution No. 12-002 is attached as Exhibit A. A copy of Successor

Agency Resolution 12-004 is attached as Exhibit B. Resolution 12-004 modifies the list of housing assets shown on Exhibit A to Resolution 12-002, and is considered for approval on the April 3, 2012 meeting agenda.

Approval of transfer of Housing Fund monies

Pursuant to Health and Safety Code Section 34177(d), the Successor Agency is required to remit only the unencumbered balances of Agency funds to the county-auditor controller, including the unencumbered balance of the Low and Moderate Income Housing Fund ("Housing Fund"). Pursuant to Health and Safety Code Section 34177(l), the Successor Agency has submitted, for Oversight Board approval, a recognized obligation payment schedule ("ROPS") setting forth the debts and obligations of the dissolved Agency, including debts and obligations related to housing projects to be paid from the Housing Fund.

Health and Safety Code Section 34181(c) provides that the Oversight Board will direct the Successor Agency transfer "*any amounts on deposit in the Low and Moderate Income Housing fund to the appropriate entity pursuant to Section 34176.*"

Successor Agency Resolution No. 12-002 requests that the Oversight Board approve the transfer of Housing Fund monies encumbered for housing projects set forth in the ROPS to the Authority for the Authority to be able to carry out such housing projects. The encumbered Housing Fund monies and housing projects set forth in the ROPS are listed in Exhibit B attached hereto.

EXHIBITS

- A. Successor Agency Resolution No. 12-002 approved March 20, 2012
- B. Successor Agency Resolution No. 12-004, meeting of April 3, 2012
- C. Encumbered Funds and Housing Projects in the ROPS
- D. Oversight Board Resolution 12-01

REVIEW TEAM ONLY	
SA Attorney: _____	Finance Director: _____ 
Executive Director: _____ 	Other: _____

Exhibit A

Successor Agency Resolution No. 12-002

RESOLUTION NO. 12-002

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COVINA, CALIFORNIA, SERVING AS THE SUCCESSOR AGENCY TO THE DISSOLVED COVINA REDEVELOPMENT AGENCY, RECOMMENDING THE FOLLOWING TO THE OVERSIGHT BOARD: DESIGNATION OF HOUSING ASSETS AND FUNCTIONS TO BE TRANSFERRED TO THE COVINA HOUSING AUTHORITY AND TRANSFER OF ENCUMBERED LOW AND MODERATE INCOME HOUSING FUNDS DESIGNATED FOR HOUSING PROJECTS TO THE COVINA HOUSING AUTHORITY

WHEREAS, pursuant to Health and Safety Code section 34173(d), the City of Covina (“RDA Successor Agency”) is the successor agency to the dissolved Covina Redevelopment Agency (“Agency”), confirmed by Resolution No. 12-7041 adopted on January 11, 2012; and

WHEREAS, pursuant to Health and Safety Code section 34176, the City of Covina, as the entity that authorized the creation of the Agency, elected not to retain the housing assets and functions previously performed by the Agency, and instead elected to transfer all rights, powers, assets, liabilities, duties and obligations associated with the housing activities of the Agency, excluding any amounts on deposit in the Low and Moderate Income Housing Fund, to the Covina Housing Authority (“Authority”), as provided in Resolution No. 12-7045 adopted on January 30, 2012; and

WHEREAS, pursuant to Health and Safety Code section 34177(g), the RDA Successor Agency is required to effectuate the transfer of housing functions and assets to the appropriate entity designated pursuant to Health and Safety Code section 34176; and

WHEREAS, a list of all Agency housing assets recommended to be transferred by the RDA Successor Agency to the Authority is attached to this Resolution as Exhibit A, including the transfer of two properties owned by the Agency (147-151 E. College Street, and real property used as transitional housing for homeless women and children) to the Authority, as accepted by the Authority through Resolution No. 11-003, dated March 1, 2011, which transfers of ownership were recorded on March 11, 2011; and

WHEREAS, pursuant to Health and Safety Code section 34177(d), the RDA Successor Agency is required to remit only the unencumbered balances of Agency funds to the county-auditor controller, including the unencumbered balance of the Low and Moderate Income Housing Fund (“Housing Fund”); and

WHEREAS, pursuant to Health and Safety Code section 34177(l), the RDA Successor Agency has submitted, for Oversight Board approval, a Recognized Obligation Payment Schedule (“ROPS”) setting forth the debts and obligations of the dissolved Agency which need to be paid, including debts and obligations related to housing projects to be paid from the Housing Fund; and

WHEREAS, the RDA Successor Agency desires to transfer funds from the Housing Fund encumbered for housing projects set forth in the ROPS, to the Authority for the Authority to be able to carry out such housing projects, which are provided in Exhibit B attached to this Resolution; and

WHEREAS, pursuant to Health and Safety Code section 34181(c), the RDA Successor Agency's oversight board ("Oversight Board") is to direct the RDA Successor Agency to transfer housing responsibilities and all rights, powers, duties and obligations along with any amounts on deposit in the Low and Moderate Income Housing Fund to the appropriate entity pursuant to Health and Safety Code section 34176;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF COVINA, SERVING AS THE SUCCESSOR AGENCY TO THE COVINA REDEVELOPMENT AGENCY, DOES HEREBY RESOLVE AS FOLLOWS:

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

Section 2. CEQA Compliance. The recommendation to transfer housing assets and functions and encumbered Housing Fund monies through this Resolution does not commit the RDA Successor Agency 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. The City Clerk, acting on behalf of the RDA Successor Agency, is authorized and directed to file a Notice of Exemption with the appropriate official of the County of Riverside, California, within five (5) days following the date of adoption of this Resolution.

Section 3. Designation and Transfer of Housing Assets and Functions. The RDA Successor Agency hereby approves and recommends to the Oversight Board the designation of the assets set forth in Exhibit A attached to this Resolution as the housing assets of the dissolved Agency to be transferred to the Authority, along with the transfer of all rights, powers, liabilities, duties and obligations associated with the housing activities of the dissolved Agency, to the Authority pursuant to Health and Safety Code sections 34176, 34177 and 34181.

Section 4. Transfer of Encumbered Funds from the Housing Fund for Housing Projects. The RDA Successor Agency hereby approves and recommends to the Oversight Board the transfer of the encumbered funds from the Housing Fund designated for housing projects set forth in the ROPS, all as provided in Exhibit B attached to this Resolution, to the Authority, pursuant to Health and Safety Code section 34181.

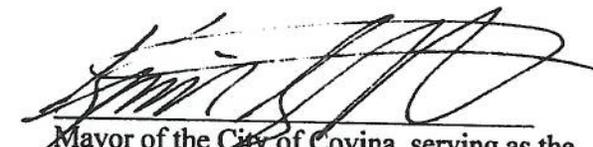
Section 5. Implementation. The City Manager, acting on behalf of the RDA Successor Agency, is hereby authorized and directed to take any action necessary to carry out the purposes of this Resolution and comply with applicable law, including taking any actions necessary to inform the Oversight Board of the recommended housing assets and Housing Fund monies for transfer and the transfer of all rights, powers, assets, liabilities, duties and obligations associated with the housing activities of the dissolved Agency and monies from the Housing Fund.

Section 6. 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 RDA Successor Agency declares that the RDA Successor Agency would have adopted this Resolution irrespective of the invalidity of any particular portion of this Resolution.

Section 7. Certification. The City Clerk, acting on behalf of the RDA Successor Agency, shall certify to the adoption of this Resolution.

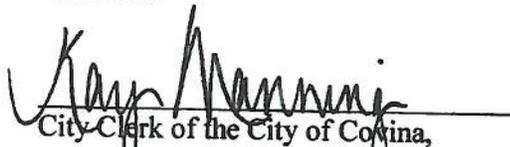
Section 8. Effective Date. This Resolution shall become effective immediately upon its adoption.

PASSED, APPROVED AND ADOPTED THIS 20th day of March, 2012.



Mayor of the City of Covina, serving as the
successor agency to the dissolved Covina
Redevelopment Agency

ATTEST:



City Clerk of the City of Covina,
serving as the successor agency to the
dissolved Covina Redevelopment Agency

APPROVED AS TO FORM;



Agency Counsel

CERTIFICATION

I, Catherine M. LaCroix, Deputy City Clerk of the City of Covina, serving as the successor agency to the dissolved Covina Redevelopment Agency, hereby CERTIFY that the above referenced Resolution No. 12-002 was adopted by the City of Covina, serving as the successor agency to the dissolved Covina Redevelopment Agency, at a regular meeting held this 20th day of March, 2012, and was approved and passed by the following vote:

AYES: ALLEN, DELACH, KING, LOW, STAPLETON

NOES: NONE

ABSTAIN: NONE

ABSENT: NONE



Catherine M. LaCroix
Deputy City Clerk of the City Covina,
serving as the successor agency to the
dissolved Covina Redevelopment Agency

EXHIBIT A

To Resolution 12-002

HOUSING ASSETS OF THE DISSOLVED COVINA REDEVELOPMENT AGENCY

[Attached behind this page]

Housing Account Receivables

Receivable	Description	Potential Receivable Value	Due Date
Down Payment Assistance Program	Forgivable loans to home buyers in the Vintage Walk 1 project (6 loans)	\$180,000	Original Date: 2006 Program provided for grants to be forgiven after 20 years. Dates and amount receivable will vary. CONTINUING MONITORING REQUIRED
Single Family Rehabilitation Program	Deferred loans to homeowners who make improvements	\$54,054	Due on sale of property, date unknown. Typically not paid back for many years.
200 W. Rowland St	Residual Loan to purchase affordability covenants and to rehabilitate the property.	\$4,742,000	Original Date: June 17, 2010 Note is due on or before June 17, 2065 CONTINUING MONITORING REQUIRED
Habitat for Humanity 436 E Cypress St	Note for value of property	N/A	Original Date: August 19, 2011 Note will automatically terminate on Feb. 19, 2013, contingent on sale to qualified buyer. CONTINUED MONITORING REQUIRED
Transitional House	Home for homeless women and children	\$425,000	The residence is in use as affordable housing for homeless women and children where they can live rent-free for a period of time.
147-151 E College	Property was purchased with housing funds for housing purpose	\$715,000	Upon sale

Additional properties to be monitored annually

Village Green Apts , 152 E Covina Blvd, Covina CA 91722
 Smith Family Trust Apts, 227 N Citrus Ave, Covina CA 91723
 Cienega Gardens Apts, 1211 N. Lyman, Covina CA 91724
 Las Palmas Apts, 777 W. Covina Blvd, Covina CA 91722
 Vista Pointe Apts, 1400 N Grand Ave, Covina CA 91724
 YWCA Wings domestic violence home, confidential location

EXHIBIT A, Page 1 of 1

To Resolution No. 12-002

EXHIBIT B

To Resolution 12-002

ENCUMBERED FUNDS AND HOUSING PROJECTS SET FORTH IN THE ROPS

[Attached behind this page]

ENCUMBERED FUNDS & HOUSING PROJECTS SET FORTH IN THE ROPS

Project	Amount	Funding Source
200 W Rowland	2,500,000.00	Bond Funds
Habitat - 436 E Cypress	50,000.00	Redevelopment Property Tax Increment
Transitional House	40,500.00	Land Proceeds Fund
200 West Rowland	23,250.00	Land Proceeds Fund
Habitat - 436 E Cypress	3,750.00	Land Proceeds Fund
Rental Covenants	70,320.00	Land Proceeds Fund
For Sale Covenants	250,400.00	Land Proceeds Fund
TOTAL	<u><u>2,938,220.00</u></u>	

Exhibit B

Successor Agency Resolution No. 12-004

RESOLUTION NO. 12-004

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COVINA,
CALIFORNIA, SERVING AS THE SUCCESSOR AGENCY TO THE DISSOLVED
COVINA REDEVELOPMENT AGENCY, RECOMMENDING THE FOLLOWING TO
THE OVERSIGHT BOARD: DESIGNATION OF HOUSING ASSETS AND
FUNCTIONS AS AMENDED TO BE TRANSFERRED TO THE COVINA HOUSING
AUTHORITY**

WHEREAS, pursuant to Health and Safety Code section 34173(d), the City of Covina (“RDA Successor Agency”) is the successor agency to the dissolved Covina Redevelopment Agency (“Agency”), confirmed by Resolution No. 12-7041 adopted on January 11, 2012; and

WHEREAS, pursuant to Health and Safety Code section 34176, the City of Covina, as the entity that authorized the creation of the Agency, elected not to retain the housing assets and functions previously performed by the Agency, and instead elected to transfer all rights, powers, assets, liabilities, duties and obligations associated with the housing activities of the Agency, excluding any amounts on deposit in the Low and Moderate Income Housing Fund, to the Covina Housing Authority (“Authority”), as provided in Resolution No. 12-7045 adopted on January 30, 2012; and

WHEREAS, pursuant to Health and Safety Code Section 34176, on March 20, 2012, the Authority adopted Resolution No. 12-001 accepting the transfer of all rights, powers, assets, liabilities, duties, and obligations associated with the housing activities of the Covina Redevelopment Agency , including encumbered Low and Moderate Income Housing Funds, from the Covina Redevelopment Agency; and

WHEREAS, pursuant to Health and Safety Code section 34177(g), the RDA Successor Agency is required to effectuate the transfer of housing functions and assets to the appropriate entity designated pursuant to Health and Safety Code section 34176 as provided in Resolution No. 12-002 adopted on March 20, 2012; and

WHEREAS, it is necessary to amend the list of all Agency housing assets to include agreements, notes or loan agreements, and deeds of trust; and

WHEREAS, an amended list of all Agency housing assets recommended to be transferred by the RDA Successor Agency to the Authority is attached to this Resolution as Exhibit A, and

WHEREAS, pursuant to Health and Safety Code section 34181(c), the RDA Successor Agency’s oversight board (“Oversight Board”) is to direct the RDA Successor Agency to transfer housing responsibilities and all rights, powers, duties and obligations along with any amounts on deposit in the Low and Moderate Income Housing Fund to the appropriate entity pursuant to Health and Safety Code section 34176 as provided in Resolution No. 12-002 adopted on March 20, 2012, as well as the assets attached as Exhibit A.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF COVINA, SERVING AS THE SUCCESSOR AGENCY TO THE COVINA REDEVELOPMENT AGENCY, DOES HEREBY RESOLVE AS FOLLOWS:

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

Section 2. CEQA Compliance. The recommendation to transfer housing assets and functions and encumbered Housing Fund monies through this Resolution does not commit the RDA Successor Agency 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. The City Clerk, acting on behalf of the RDA Successor Agency, is authorized and directed to file a Notice of Exemption with the appropriate official of the County of Riverside, California, within five (5) days following the date of adoption of this Resolution.

Section 3. Designation and Transfer of Housing Assets and Functions. The RDA Successor Agency hereby approves and recommends to the Oversight Board the designation of the assets set forth in Exhibit A attached to this Resolution as the amended housing assets of the dissolved Agency to be transferred to the Authority, along with the transfer of all rights, powers, liabilities, duties and obligations associated with the housing activities of the dissolved Agency, to the Authority pursuant to Health and Safety Code sections 34176, 34177 and 34181.

Section 4. Implementation. The City Manager, acting on behalf of the RDA Successor Agency, is hereby authorized and directed to take any action necessary to carry out the purposes of this Resolution and comply with applicable law, including taking any actions necessary to inform the Oversight Board of the recommended housing assets and Housing Fund monies for transfer and the transfer of all rights, powers, assets, liabilities, duties and obligations associated with the housing activities of the dissolved Agency and monies from the Housing Fund.

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

Section 6. Certification. The City Clerk, acting on behalf of the RDA Successor Agency, shall certify to the adoption of this Resolution.

Section 7. Effective Date. This Resolution shall become effective immediately upon its adoption.

PASSED, APPROVED AND ADOPTED THIS 3rd day of April, 2012.

Kevin Stapleton, Mayor of the City of
Covina, serving as the successor agency to
the dissolved Covina Redevelopment
Agency

ATTEST:

Catherine M. LaCroix
City Clerk of the City of Covina,
serving as the successor agency to the
dissolved Covina Redevelopment Agency

EXHIBIT A

HOUSING ASSETS OF THE DISSOLVED COVINA REDEVELOPMENT AGENCY

[Attached behind this page]

Housing Account Receivables

Receivable	Description	Potential Receivable Value	Due Date
Down Payment Assistance Program Loan Agreements and Loan Notes and Deeds of Trust	Forgivable loans to home buyers in the Vintage Walk 1 project (6 loans)	\$180,000	Original Date: 2006 Program provided for grants to be forgiven after 20 years. Dates and amount receivable will vary. CONTINUING MONITORING REQUIRED
Single Family Rehabilitation Program Agreements and Notes And Deeds of Trust to secure note	Deferred loans to homeowners who make improvements	\$54,054	Due on sale of property, date unknown. Typically not paid back for many years.
200 W. Rowland St Participation Loan Agreement, Residual Receipts Note, Deed of Trust and Security Agreement, Declaration of Conditions, Covenants and Restrictions,	Residual Loan to purchase affordability covenants and to rehabilitate the property.	\$4,742,000	Original Date: June 17, 2010 Note is due on or before June 17, 2065 CONTINUING MONITORING REQUIRED
Habitat for Humanity 436 E Cypress St Grant Deed Declaration of CC&Rs, Developer Promissory Note Developer Deed of Trust Buyer's contingent Promissory Note, Buyers Deed of Trust Notice of Affordability Restrictions	Documents which have been signed and which are to be signed under the DDA related to affordability. Note for value of property	N/A	Original Date: August 19, 2011 The Developer Promissory Note will automatically terminate on Feb. 19, 2013, contingent on sale to qualified buyer. Buyer's documents will terminate 45 years after execution. CONTINUED MONITORING REQUIRED
Transitional House and contents including furniture, fixtures and appliances	Home for homeless women and children	\$425,000	The residence is in use as affordable housing for homeless women and children where they can live rent-free for a period of time.
147-151 E College	Property was purchased with housing funds for housing purpose	\$715,000	Upon sale
Misc. Agreements Regulatory Agreements/Declaration of Restrictive Covenants/Rehabilitation Agreements/Participation Agreements/Disposition Agreements	Agreements with developers and property owners to provide affordable housing	N/A	Varies
Misc. Agreements Affordability Agreements, Loan Agreements and Declaration of	Agreements with home buyers to maintain housing affordability covenants	N/A	2051, 2052, 2057 and 2058 and later

Conditions, Covenants and Restrictions and Right of First Refusal to Purchase			
Contingent Notes- Vintage Walk 1	Notes with affordable homebuyers for value of the property between market rate and sales price at time of sale	\$1,200,000*	*This value is for six affordable homes and their market value in 2006. Because of the change in the housing market, the contingent notes are being revised to reflect today's housing values in order that the homeowners can refinance to lower interest rates and increase affordability. If six homeowners revise their contingent notes, revised value will be approximately \$150,000 to \$210,000. Due date: 2051 and 2052
Contingent Notes Vintage Walk 2 (3) Citrus Walk (8)	Notes with affordable homebuyers for value of the property between market rate and sales price at time of sale	TBD	The eleven homes are in the process of being built and sold. The value will be based on the difference between a market rate appraised value and affordable sales price. Due date: 2057 and 2058
Deed of Trust	Recorded agreement to secure notes on affordable properties with property owners	N/A	Varies
Joint Powers Agreements	Entered into to effectuate affordable housing projects and programs	N/A	None
Notice of Affordability Restrictions	Filed with County Recorder as to affordability requirements for properties	N/A	Varies

Additional properties to be monitored annually

- Village Green Apts , 152 E Covina Blvd, Covina CA 91722
- Smith Family Trust Apts, 227 N Citrus Ave, Covina CA 91723
- Cienega Gardens Apts, 1211 N. Lyman, Covina CA 91724
- Las Palmas Apts, 777 W. Covina Blvd, Covina CA 91722
- Vista Pointe Apts, 1400 N Grand Ave, Covina CA 91724
- YWCA Wings domestic violence home, confidential location

CERTIFICATION

I, Catherine M. LaCroix, Deputy City Clerk of the City of Covina, serving as the successor agency to the dissolved Covina Redevelopment Agency, hereby CERTIFY that the above referenced resolution was adopted by the City of Covina, serving as the successor agency to the dissolved Covina Redevelopment Agency, at a regular meeting held this 3rd day of April, 2012, and was approved and passed by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Catherine M. LaCroix
City Clerk of the City Covina, serving as the
successor agency to the dissolved Covina
Redevelopment Agency

EXHIBIT C

Encumbered Funds and Housing Projects set forth in the ROPS

(Attached behind this page)

EXHIBIT C

ENCUMBERED FUNDS & HOUSING PROJECTS SET FORTH IN THE ROPS

Project	Amount	Funding Source
200 W Rowland	2,500,000.00	Bond Funds
Habitat - 436 E Cypress	50,000.00	Redevelopment Property Tax Increment
Transitional House	40,500.00	Land Proceeds Fund
200 West Rowland	23,250.00	Land Proceeds Fund
Habitat - 436 E Cypress	3,750.00	Land Proceeds Fund
Rental Covenants	70,320.00	Land Proceeds Fund
For Sale Covenants	250,400.00	Land Proceeds Fund
TOTAL	<u><u>2,938,220.00</u></u>	

EXHIBIT D

Oversight Board Resolution No. 12-01

(Attached behind this page)

RESOLUTION NO. 12-01

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE COVINA REDEVELOPMENT AGENCY, DIRECTING THE SUCCESSOR AGENCY TO TRANSFER HOUSING RESPONSIBILITIES AND ALL RIGHTS, POWERS, DUTIES AND OBLIGATIONS ASSOCIATED WITH THE HOUSING ACTIVITIES OF THE COVINA REDEVELOPMENT AGENCY, ALONG WITH THE TRANSFER OF ENCUMBERED LOW AND MODERATE INCOME HOUSING FUNDS DESIGNATED FOR HOUSING PROJECTS ON THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS) TO THE COVINA HOUSING AUTHORITY PURSUANT TO HEALTH AND SAFETY CODE SECTIONS 34176, 34177 AND 34181

WHEREAS, pursuant to Health and Safety Code section 34173(d), the City of Covina (“RDA Successor Agency”) is the successor agency to the dissolved Covina Redevelopment Agency (“Agency”), confirmed by Resolution No. 12-7041 adopted on January 11, 2012; and

WHEREAS, pursuant to Health and Safety Code section 34176, the City of Covina, as the entity that authorized the creation of the Agency, elected not to retain the housing assets and functions previously performed by the Agency, and instead elected to transfer all rights, powers, assets, liabilities, duties and obligations associated with the housing activities of the Agency, excluding any amounts on deposit in the Low and Moderate Income Housing Fund, to the Covina Housing Authority (“Authority”), as provided in Resolution No. 12-7045 adopted on January 30, 2012; and

WHEREAS, pursuant to Health and Safety Code Section 34176, on March 20, 2012, the Authority adopted Resolution No. 12-001 accepting the transfer of all rights, powers, assets, liabilities, duties, and obligations associated with the housing activities of the Covina Redevelopment Agency , including encumbered Low and Moderate Income Housing Funds, from the Covina Redevelopment Agency; and

WHEREAS, pursuant to Health and Safety Code section 34177(g), the RDA Successor Agency is required to effectuate the transfer of housing functions and assets to the appropriate entity designated pursuant to Health and Safety Code section 34176; and

WHEREAS, pursuant to Health and Safety Code section 34177(d), the RDA Successor Agency is required to remit only the unencumbered balances of Agency funds to the county-auditor controller, including the unencumbered balance of the Low and Moderate Income Housing Fund (“Housing Fund”); and

WHEREAS, pursuant to Health and Safety Code section 34177(l), the RDA Successor Agency has submitted, for Oversight Board approval, a Recognized Obligation Payment Schedule (“ROPS”) setting forth the debts and obligations of the dissolved Agency which need to be paid, including debts and obligations related to housing projects to be paid from the Housing Fund; and

WHEREAS, the RDA Successor Agency desires to transfer funds from the Housing Fund encumbered for housing projects set forth in the ROPS, to the Authority for the Authority to be able to carry out such housing projects, which are provided in Exhibit A attached to this Resolution; and

WHEREAS, pursuant to Health and Safety Code section 34181(c), the RDA Successor Agency's oversight board ("Oversight Board") is to direct the RDA Successor Agency to transfer housing responsibilities and all rights, powers, duties and obligations along with any amounts on deposit in the Low and Moderate Income Housing Fund to the appropriate entity pursuant to Health and Safety Code section 34176;

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

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

Section 2. **CEQA Compliance.** The recommendation to transfer housing assets and functions and encumbered Housing Fund monies through this Resolution does not commit the RDA Successor Agency 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. The City Clerk, acting on behalf of the Oversight Board, is authorized and directed to file a Notice of Exemption with the appropriate official of the County of Los Angeles, California, within five (5) days following the date of adoption of this Resolution.

Section 3. **Designation and Transfer of Housing Functions.** The Oversight Board hereby directs the Successor Agency to transfer housing responsibilities and all rights, powers, duties and obligations associated with the housing activities of the dissolved Agency, to the Authority pursuant to Health and Safety Code sections 34176, 34177 and 34181.

Section 4. **Transfer of Encumbered Funds from the Housing Fund for Housing Projects.** The Oversight Board hereby directs the Successor Agency to transfer the encumbered funds from the Housing Fund designated for housing projects set forth in the ROPS as provided in Exhibit A attached to this Resolution, to the Authority, pursuant to Health and Safety Code section 34181.

Section 5. **Implementation.** The Executive Director of the RDA Successor Agency, or his designee, is hereby authorized and directed to take any action necessary to carry out the purposes of this Resolution and comply with applicable law.

Section 6. **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 7. Certification. The City Clerk, acting on behalf of the Oversight Board, shall certify to the adoption of this Resolution.

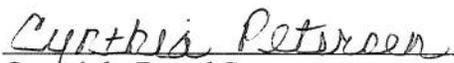
Section 8. Effective Date. This Resolution shall become effective immediately upon its adoption.

PASSED, APPROVED AND ADOPTED this 5th day of April, 2012.



Chairperson, Oversight Board

ATTEST:


Oversight Board Secretary

CERTIFICATION

I, Cynthia Petersen, Secretary to the Oversight Board of the Successor Agency to the Covina Redevelopment Agency, hereby certify that Resolution No. 12-01 was adopted by the Oversight Board of the Successor Agency to the Covina Redevelopment Agency held this 5th day of April, 2012, and was approved and passed by the following vote:

AYES: HALL, RIVERA, ROSSI, STAPLETON

NOES: NONE

ABSTAIN: NONE

ABSENT: NONE


Cynthia Petersen
Oversight Board Secretary

**EXHIBIT A
TO RESOLUTION 12-01**

ENCUMBERED FUNDS AND HOUSING PROJECTS SET FORTH IN THE ROPS

[Attached behind this page]

EXHIBIT A to RESOLUTION 12-01

ENCUMBERED FUNDS & HOUSING PROJECTS SET FORTH IN THE ROPS

Project	Amount	Funding Source
200 W Rowland	2,500,000.00	Bond Funds
Habitat - 436 E Cypress	50,000.00	Redevelopment Property Tax Increment
Transitional House	40,500.00	Land Proceeds Fund
200 West Rowland	23,250.00	Land Proceeds Fund
Habitat - 436 E Cypress	3,750.00	Land Proceeds Fund
Rental Covenants	70,320.00	Land Proceeds Fund
For Sale Covenants	250,400.00	Land Proceeds Fund
TOTAL	<u>2,938,220.00</u>	

Ross
River
4-5

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

MEETING DATE: April 5, 2012

ITEM NO.: 13

STAFF SOURCE: Robert Neiuber, Deputy Executive Director of the Successor Agency *N*

ITEM TITLE: Oversight Board consideration of resolution to direct the Successor Agency to transfer the former Covina Redevelopment Agency's housing assets and properties to the Covina Housing Authority

STAFF RECOMMENDATION:

- a. Adopt Oversight Board Resolution No. **12-02** directing the Successor Agency to the Covina Redevelopment Agency to transfer ownership of the housing assets and properties of the former Covina Redevelopment Agency to the Covina Housing Authority pursuant to Health and Safety Code Sections 34177 and 34181; and
- b. Submit the approved recommendation to the State Department of Finance for review.

FISCAL IMPACT:

None

BACKGROUND:

Under Health and Safety Code Section 34177(e), the Successor Agency is charged with disposing the "*assets and properties of the former redevelopment agency as directed by the oversight board; provided, however, that the oversight board may instead direct the successor agency to transfer ownership of certain assets pursuant to subdivision (a) of Section 34181*". Under Section 34181(a), properties that are used for a governmental purpose may be transferred to the appropriate jurisdiction.

Disposition of housing assets

On March 20, 2012, the Successor Agency approved Successor Agency Resolution No. **12-002** requesting that the Oversight Board approve the Covina Housing Authority ("Authority") as the entity to receive the housing assets of the dissolved Agency under Health and Safety Code Sections 34177(e) and 34181(a). A copy of Successor Agency Resolution No. 12-002 is attached as Exhibit A. On April 3, 2012, the housing assets were considered for amendment by Successor Agency Resolution No. 12-004. A copy of Successor Agency Resolution No. 12-004 is attached as Exhibit B. The complete list of housing assets are listed in Exhibit C attached to this Agenda Item Commentary.

Disposition of housing properties

In March 2011, a property located at 147-151 E. College Street and another property used as transitional housing for homeless women and children ("Transitional House"), both owned by the Agency, were transferred to the newly created Housing Authority, subject to the resolutions authorizing the transfers. Both properties were acquired years earlier with Low and Moderate Income Housing Funds. On March 1, 2011, by Resolution No. 11-003, the Authority accepted the transfer of the two properties. The transfers of ownership were recorded on March 11, 2011.

Both properties were housing assets and the City had determined that for efficiency purposes all housing assets should be retained and projects implemented by the Authority.

Although staff believes these assets were lawfully transferred by the Agency to the Authority, AB 26 purports to invalidate those transfers. As such, in an abundance of caution, the Successor Agency and Oversight Board are being asked to direct and consent to this previous transfer of properties.

On March 20, 2012, the Successor Agency approved Successor Agency Resolution No. **12-002** requesting that the Oversight Board approve the transfer of the following two housing properties to the Covina Housing Authority under Section 34181(a):

1. 147-151 E. College Street, Covina, CA
2. Transitional House

EXHIBITS:

- A. Successor Agency Resolution No. 12-002, approved March 20, 2012
- B. Successor Agency Resolution No. 12-004, meeting of April 3, 2012
- C. Listing of Housing Assets
- D. Oversight Board Resolution 12-02

REVIEW TEAM ONLY	
SA Attorney: _____	Finance Director: _____ 
Executive Director: _____ 	Other: _____

Exhibit A

Successor Agency Resolution 12-002

(Attached behind this page)

RESOLUTION NO. 12-002

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COVINA, CALIFORNIA, SERVING AS THE SUCCESSOR AGENCY TO THE DISSOLVED COVINA REDEVELOPMENT AGENCY, RECOMMENDING THE FOLLOWING TO THE OVERSIGHT BOARD: DESIGNATION OF HOUSING ASSETS AND FUNCTIONS TO BE TRANSFERRED TO THE COVINA HOUSING AUTHORITY AND TRANSFER OF ENCUMBERED LOW AND MODERATE INCOME HOUSING FUNDS DESIGNATED FOR HOUSING PROJECTS TO THE COVINA HOUSING AUTHORITY

WHEREAS, pursuant to Health and Safety Code section 34173(d), the City of Covina (“RDA Successor Agency”) is the successor agency to the dissolved Covina Redevelopment Agency (“Agency”), confirmed by Resolution No. 12-7041 adopted on January 11, 2012; and

WHEREAS, pursuant to Health and Safety Code section 34176, the City of Covina, as the entity that authorized the creation of the Agency, elected not to retain the housing assets and functions previously performed by the Agency, and instead elected to transfer all rights, powers, assets, liabilities, duties and obligations associated with the housing activities of the Agency, excluding any amounts on deposit in the Low and Moderate Income Housing Fund, to the Covina Housing Authority (“Authority”), as provided in Resolution No. 12-7045 adopted on January 30, 2012; and

WHEREAS, pursuant to Health and Safety Code section 34177(g), the RDA Successor Agency is required to effectuate the transfer of housing functions and assets to the appropriate entity designated pursuant to Health and Safety Code section 34176; and

WHEREAS, a list of all Agency housing assets recommended to be transferred by the RDA Successor Agency to the Authority is attached to this Resolution as Exhibit A, including the transfer of two properties owned by the Agency (147-151 E. College Street, and real property used as transitional housing for homeless women and children) to the Authority, as accepted by the Authority through Resolution No. 11-003, dated March 1, 2011, which transfers of ownership were recorded on March 11, 2011; and

WHEREAS, pursuant to Health and Safety Code section 34177(d), the RDA Successor Agency is required to remit only the unencumbered balances of Agency funds to the county-auditor controller, including the unencumbered balance of the Low and Moderate Income Housing Fund (“Housing Fund”); and

WHEREAS, pursuant to Health and Safety Code section 34177(l), the RDA Successor Agency has submitted, for Oversight Board approval, a Recognized Obligation Payment Schedule (“ROPS”) setting forth the debts and obligations of the dissolved Agency which need to be paid, including debts and obligations related to housing projects to be paid from the Housing Fund; and

WHEREAS, the RDA Successor Agency desires to transfer funds from the Housing Fund encumbered for housing projects set forth in the ROPS, to the Authority for the Authority to be able to carry out such housing projects, which are provided in Exhibit B attached to this Resolution; and

WHEREAS, pursuant to Health and Safety Code section 34181(c), the RDA Successor Agency's oversight board ("Oversight Board") is to direct the RDA Successor Agency to transfer housing responsibilities and all rights, powers, duties and obligations along with any amounts on deposit in the Low and Moderate Income Housing Fund to the appropriate entity pursuant to Health and Safety Code section 34176;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF COVINA, SERVING AS THE SUCCESSOR AGENCY TO THE COVINA REDEVELOPMENT AGENCY, DOES HEREBY RESOLVE AS FOLLOWS:

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

Section 2. CEQA Compliance. The recommendation to transfer housing assets and functions and encumbered Housing Fund monies through this Resolution does not commit the RDA Successor Agency 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. The City Clerk, acting on behalf of the RDA Successor Agency, is authorized and directed to file a Notice of Exemption with the appropriate official of the County of Riverside, California, within five (5) days following the date of adoption of this Resolution.

Section 3. Designation and Transfer of Housing Assets and Functions. The RDA Successor Agency hereby approves and recommends to the Oversight Board the designation of the assets set forth in Exhibit A attached to this Resolution as the housing assets of the dissolved Agency to be transferred to the Authority, along with the transfer of all rights, powers, liabilities, duties and obligations associated with the housing activities of the dissolved Agency, to the Authority pursuant to Health and Safety Code sections 34176, 34177 and 34181.

Section 4. Transfer of Encumbered Funds from the Housing Fund for Housing Projects. The RDA Successor Agency hereby approves and recommends to the Oversight Board the transfer of the encumbered funds from the Housing Fund designated for housing projects set forth in the ROPS, all as provided in Exhibit B attached to this Resolution, to the Authority, pursuant to Health and Safety Code section 34181.

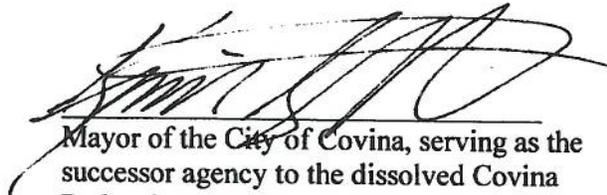
Section 5. Implementation. The City Manager, acting on behalf of the RDA Successor Agency, is hereby authorized and directed to take any action necessary to carry out the purposes of this Resolution and comply with applicable law, including taking any actions necessary to inform the Oversight Board of the recommended housing assets and Housing Fund monies for transfer and the transfer of all rights, powers, assets, liabilities, duties and obligations associated with the housing activities of the dissolved Agency and monies from the Housing Fund.

Section 6. 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 RDA Successor Agency declares that the RDA Successor Agency would have adopted this Resolution irrespective of the invalidity of any particular portion of this Resolution.

Section 7. Certification. The City Clerk, acting on behalf of the RDA Successor Agency, shall certify to the adoption of this Resolution.

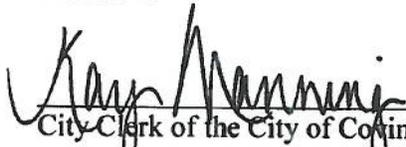
Section 8. Effective Date. This Resolution shall become effective immediately upon its adoption.

PASSED, APPROVED AND ADOPTED THIS 20th day of March, 2012.



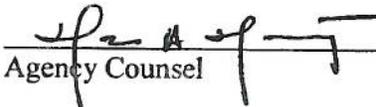
Mayor of the City of Covina, serving as the
successor agency to the dissolved Covina
Redevelopment Agency

ATTEST:



City Clerk of the City of Covina,
serving as the successor agency to the
dissolved Covina Redevelopment Agency

APPROVED AS TO FORM;



Agency Counsel

CERTIFICATION

I, Catherine M. LaCroix, Deputy City Clerk of the City of Covina, serving as the successor agency to the dissolved Covina Redevelopment Agency, hereby CERTIFY that the above referenced Resolution No. 12-002 was adopted by the City of Covina, serving as the successor agency to the dissolved Covina Redevelopment Agency, at a regular meeting held this 20th day of March, 2012, and was approved and passed by the following vote:

AYES: ALLEN, DELACH, KING, LOW, STAPLETON

NOES: NONE

ABSTAIN: NONE

ABSENT: NONE



Catherine M. LaCroix
Deputy City Clerk of the City Covina,
serving as the successor agency to the
dissolved Covina Redevelopment Agency

EXHIBIT A

To Resolution 12-002

HOUSING ASSETS OF THE DISSOLVED COVINA REDEVELOPMENT AGENCY

[Attached behind this page]

Housing Account Receivables

Receivable	Description	Potential Receivable Value	Due Date
Down Payment Assistance Program	Forgivable loans to home buyers in the Vintage Walk 1 project (6 loans)	\$180,000	Original Date: 2006 Program provided for grants to be forgiven after 20 years. Dates and amount receivable will vary. CONTINUING MONITORING REQUIRED
Single Family Rehabilitation Program	Deferred loans to homeowners who make improvements	\$54,054	Due on sale of property, date unknown. Typically not paid back for many years.
200 W. Rowland St	Residual Loan to purchase affordability covenants and to rehabilitate the property.	\$4,742,000	Original Date: June 17, 2010 Note is due on or before June 17, 2065 CONTINUING MONITORING REQUIRED
Habitat for Humanity 436 E Cypress St	Note for value of property	N/A	Original Date: August 19, 2011 Note will automatically terminate on Feb. 19, 2013, contingent on sale to qualified buyer. CONTINUED MONITORING REQUIRED
Transitional House	Home for homeless women and children	\$425,000	The residence is in use as affordable housing for homeless women and children where they can live rent-free for a period of time.
147-151 E College	Property was purchased with housing funds for housing purpose	\$715,000	Upon sale

Additional properties to be monitored annually

Village Green Apts , 152 E Covina Blvd, Covina CA 91722
 Smith Family Trust Apts, 227 N Citrus Ave, Covina CA 91723
 Cienega Gardens Apts, 1211 N. Lyman, Covina CA 91724
 Las Palmas Apts, 777 W. Covina Blvd, Covina CA 91722
 Vista Pointe Apts, 1400 N Grand Ave, Covina CA 91724
 YWCA Wings domestic violence home, confidential location

EXHIBIT A, Page 1 of 1

To Resolution No. 12-002

EXHIBIT B

To Resolution 12-002

ENCUMBERED FUNDS AND HOUSING PROJECTS SET FORTH IN THE ROPS

[Attached behind this page]

ENCUMBERED FUNDS & HOUSING PROJECTS SET FORTH IN THE ROPS

Project	Amount	Funding Source
200 W Rowland	2,500,000.00	Bond Funds
Habitat - 436 E Cypress	50,000.00	Redevelopment Property Tax Increment
Transitional House	40,500.00	Land Proceeds Fund
200 West Rowland	23,250.00	Land Proceeds Fund
Habitat - 436 E Cypress	3,750.00	Land Proceeds Fund
Rental Covenants	70,320.00	Land Proceeds Fund
For Sale Covenants	250,400.00	Land Proceeds Fund
TOTAL	<u>2,938,220.00</u>	

Exhibit B, Page 1 of 1
To Resolution No. 12-002

Exhibit B

Successor Agency Resolution 12-004

(Attached behind this page)

RESOLUTION NO. 12-004

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COVINA,
CALIFORNIA, SERVING AS THE SUCCESSOR AGENCY TO THE DISSOLVED
COVINA REDEVELOPMENT AGENCY, RECOMMENDING THE FOLLOWING TO
THE OVERSIGHT BOARD: DESIGNATION OF HOUSING ASSETS AND
FUNCTIONS AS AMENDED TO BE TRANSFERRED TO THE COVINA HOUSING
AUTHORITY**

WHEREAS, pursuant to Health and Safety Code section 34173(d), the City of Covina (“RDA Successor Agency”) is the successor agency to the dissolved Covina Redevelopment Agency (“Agency”), confirmed by Resolution No. 12-7041 adopted on January 11, 2012; and

WHEREAS, pursuant to Health and Safety Code section 34176, the City of Covina, as the entity that authorized the creation of the Agency, elected not to retain the housing assets and functions previously performed by the Agency, and instead elected to transfer all rights, powers, assets, liabilities, duties and obligations associated with the housing activities of the Agency, excluding any amounts on deposit in the Low and Moderate Income Housing Fund, to the Covina Housing Authority (“Authority”), as provided in Resolution No. 12-7045 adopted on January 30, 2012; and

WHEREAS, pursuant to Health and Safety Code Section 34176, on March 20, 2012, the Authority adopted Resolution No. 12-001 accepting the transfer of all rights, powers, assets, liabilities, duties, and obligations associated with the housing activities of the Covina Redevelopment Agency, including encumbered Low and Moderate Income Housing Funds, from the Covina Redevelopment Agency; and

WHEREAS, pursuant to Health and Safety Code section 34177(g), the RDA Successor Agency is required to effectuate the transfer of housing functions and assets to the appropriate entity designated pursuant to Health and Safety Code section 34176 as provided in Resolution No. 12-002 adopted on March 20, 2012; and

WHEREAS, it is necessary to amend the list of all Agency housing assets to include agreements, notes or loan agreements, and deeds of trust; and

WHEREAS, an amended list of all Agency housing assets recommended to be transferred by the RDA Successor Agency to the Authority is attached to this Resolution as Exhibit A, and

WHEREAS, pursuant to Health and Safety Code section 34181(c), the RDA Successor Agency’s oversight board (“Oversight Board”) is to direct the RDA Successor Agency to transfer housing responsibilities and all rights, powers, duties and obligations along with any amounts on deposit in the Low and Moderate Income Housing Fund to the appropriate entity pursuant to Health and Safety Code section 34176 as provided in Resolution No. 12-002 adopted on March 20, 2012, as well as the assets attached as Exhibit A.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF COVINA, SERVING AS THE SUCCESSOR AGENCY TO THE COVINA REDEVELOPMENT AGENCY, DOES HEREBY RESOLVE AS FOLLOWS:

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

Section 2. CEQA Compliance. The recommendation to transfer housing assets and functions and encumbered Housing Fund monies through this Resolution does not commit the RDA Successor Agency 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. The City Clerk, acting on behalf of the RDA Successor Agency, is authorized and directed to file a Notice of Exemption with the appropriate official of the County of Riverside, California, within five (5) days following the date of adoption of this Resolution.

Section 3. Designation and Transfer of Housing Assets and Functions. The RDA Successor Agency hereby approves and recommends to the Oversight Board the designation of the assets set forth in Exhibit A attached to this Resolution as the amended housing assets of the dissolved Agency to be transferred to the Authority, along with the transfer of all rights, powers, liabilities, duties and obligations associated with the housing activities of the dissolved Agency, to the Authority pursuant to Health and Safety Code sections 34176, 34177 and 34181.

Section 4. Implementation. The City Manager, acting on behalf of the RDA Successor Agency, is hereby authorized and directed to take any action necessary to carry out the purposes of this Resolution and comply with applicable law, including taking any actions necessary to inform the Oversight Board of the recommended housing assets and Housing Fund monies for transfer and the transfer of all rights, powers, assets, liabilities, duties and obligations associated with the housing activities of the dissolved Agency and monies from the Housing Fund.

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

Section 6. Certification. The City Clerk, acting on behalf of the RDA Successor Agency, shall certify to the adoption of this Resolution.

Section 7. Effective Date. This Resolution shall become effective immediately upon its adoption.

PASSED, APPROVED AND ADOPTED THIS 3rd day of April, 2012.

Kevin Stapleton, Mayor of the City of
Covina, serving as the successor agency to
the dissolved Covina Redevelopment
Agency

ATTEST:

Catherine M. LaCroix
City Clerk of the City of Covina,
serving as the successor agency to the
dissolved Covina Redevelopment Agency

EXHIBIT A

HOUSING ASSETS OF THE DISSOLVED COVINA REDEVELOPMENT AGENCY

[Attached behind this page]

Housing Account Receivables

Receivable	Description	Potential Receivable Value	Due Date
Down Payment Assistance Program Loan Agreements and Loan Notes and Deeds of Trust	Forgivable loans to home buyers in the Vintage Walk 1 project (6 loans)	\$180,000	Original Date: 2006 Program provided for grants to be forgiven after 20 years. Dates and amount receivable will vary. CONTINUING MONITORING REQUIRED
Single Family Rehabilitation Program Agreements and Notes And Deeds of Trust to secure note	Deferred loans to homeowners who make improvements	\$54,054	Due on sale of property, date unknown. Typically not paid back for many years.
200 W. Rowland St Participation Loan Agreement, Residual Receipts Note, Deed of Trust and Security Agreement, Declaration of Conditions, Covenants and Restrictions,	Residual Loan to purchase affordability covenants and to rehabilitate the property.	\$4,742,000	Original Date: June 17, 2010 Note is due on or before June 17, 2065 CONTINUING MONITORING REQUIRED
Habitat for Humanity 436 E Cypress St Grant Deed Declaration of CC&Rs, Developer Promissory Note Developer Deed of Trust Buyer's contingent Promissory Note, Buyers Deed of Trust Notice of Affordability Restrictions	Documents which have been signed and which are to be signed under the DDA related to affordability. Note for value of property	N/A	Original Date: August 19, 2011 The Developer Promissory Note will automatically terminate on Feb. 19, 2013, contingent on sale to qualified buyer. Buyer's documents will terminate 45 years after execution. CONTINUED MONITORING REQUIRED
Transitional House and contents including furniture, fixtures and appliances	Home for homeless women and children	\$425,000	The residence is in use as affordable housing for homeless women and children where they can live rent-free for a period of time.
147-151 E College	Property was purchased with housing funds for housing purpose	\$715,000	Upon sale
Misc. Agreements Regulatory Agreements/Declaration of Restrictive Covenants/Rehabilitation Agreements/Participation Agreements/Disposition Agreements	Agreements with developers and property owners to provide affordable housing	N/A	Varies
Misc. Agreements Affordability Agreements, Loan Agreements and Declaration of	Agreements with home buyers to maintain housing affordability covenants	N/A	2051, 2052, 2057 and 2058 and later

Conditions, Covenants and Restrictions and Right of First Refusal to Purchase			
Contingent Notes- Vintage Walk 1	Notes with affordable homebuyers for value of the property between market rate and sales price at time of sale	\$1,200,000*	*This value is for six affordable homes and their market value in 2006. Because of the change in the housing market, the contingent notes are being revised to reflect today's housing values in order that the homeowners can refinance to lower interest rates and increase affordability. If six homeowners revise their contingent notes, revised value will be approximately \$150,000 to \$210,000. Due date: 2051 and 2052
Contingent Notes Vintage Walk 2 (3) Citrus Walk (8)	Notes with affordable homebuyers for value of the property between market rate and sales price at time of sale	TBD	The eleven homes are in the process of being built and sold. The value will be based on the difference between a market rate appraised value and affordable sales price. Due date: 2057 and 2058
Deed of Trust	Recorded agreement to secure notes on affordable properties with property owners	N/A	Varies
Joint Powers Agreements	Entered into to effectuate affordable housing projects and programs	N/A	None
Notice of Affordability Restrictions	Filed with County Recorder as to affordability requirements for properties	N/A	Varies

Additional properties to be monitored annually

Village Green Apts , 152 E Covina Blvd, Covina CA 91722
Smith Family Trust Apts, 227 N Citrus Ave, Covina CA 91723
Cienega Gardens Apts, 1211 N. Lyman, Covina CA 91724
Las Palmas Apts, 777 W. Covina Blvd, Covina CA 91722
Vista Pointe Apts, 1400 N Grand Ave, Covina CA 91724
YWCA Wings domestic violence home, confidential location

CERTIFICATION

I, Catherine M. LaCroix, Deputy City Clerk of the City of Covina, serving as the successor agency to the dissolved Covina Redevelopment Agency, hereby CERTIFY that the above referenced resolution was adopted by the City of Covina, serving as the successor agency to the dissolved Covina Redevelopment Agency, at a regular meeting held this 3rd day of April, 2012, and was approved and passed by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Catherine M. LaCroix
City Clerk of the City Covina, serving as the
successor agency to the dissolved Covina
Redevelopment Agency

Exhibit C

Listing of Housing Assets

(Attached behind this page)

Housing Account Receivables

Receivable	Description	Potential Receivable Value	Due Date
Down Payment Assistance Program Loan Agreements and Loan Notes and Deeds of Trust	Forgivable loans to home buyers in the Vintage Walk 1 project (6 loans)	\$180,000	Original Date: 2006 Program provided for grants to be forgiven after 20 years. Dates and amount receivable will vary. CONTINUING MONITORING REQUIRED
Single Family Rehabilitation Program Agreements and Notes And Deeds of Trust to secure note	Deferred loans to homeowners who make improvements	\$54,054	Due on sale of property, date unknown. Typically not paid back for many years.
200 W. Rowland St Participation Loan Agreement, Residual Receipts Note, Deed of Trust and Security Agreement, Declaration of Conditions, Covenants and Restrictions,	Residual Loan to purchase affordability covenants and to rehabilitate the property.	\$4,742,000	Original Date: June 17, 2010 Note is due on or before June 17, 2065 CONTINUING MONITORING REQUIRED
Habitat for Humanity 436 E Cypress St Grant Deed Declaration of CC&Rs, Developer Promissory Note Developer Deed of Trust Buyer's contingent Promissory Note, Buyers Deed of Trust Notice of Affordability Restrictions	Documents which have been signed and which are to be signed under the DDA related to affordability. Note for value of property	N/A	Original Date: August 19, 2011 The Developer Promissory Note will automatically terminate on Feb. 19, 2013, contingent on sale to qualified buyer. Buyer's documents will terminate 45 years after execution. CONTINUED MONITORING REQUIRED
Transitional House and contents including furniture, fixtures and appliances	Home for homeless women and children	\$425,000	The residence is in use as affordable housing for homeless women and children where they can live rent-free for a period of time.
147-151 E College	Property was purchased with housing funds for housing purpose	\$715,000	Upon sale
Misc. Agreements Regulatory Agreements/Declaration of Restrictive Covenants/Rehabilitation Agreements/Participation Agreements/Disposition Agreements	Agreements with developers and property owners to provide affordable housing	N/A	Varies
Misc. Agreements Affordability Agreements, Loan Agreements and	Agreements with home buyers to maintain housing affordability	N/A	2051, 2052, 2057 and 2058 and later

Declaration of Conditions, Covenants and Restrictions and Right of First Refusal to Purchase	covenants		
Contingent Notes- Vintage Walk 1	Notes with affordable homebuyers for value of the property between market rate and sales price at time of sale	\$1,200,000*	*This value is for six affordable homes and their market value in 2006. Because of the change in the housing market, the contingent notes are being revised to reflect today's housing values in order that the homeowners can refinance to lower interest rates and increase affordability. If six homeowners revise their contingent notes, revised value will be approximately \$150,000 to \$210,000. Due date: 2051 and 2052
Contingent Notes Vintage Walk 2 (3) Citrus Walk (8)	Notes with affordable homebuyers for value of the property between market rate and sales price at time of sale	TBD	The eleven homes are in the process of being built and sold. The value will be based on the difference between a market rate appraised value and affordable sales price. Due date: 2057 and 2058
Deed of Trust	Recorded agreement to secure notes on affordable properties with property owners	N/A	Varies
Joint Powers Agreements	Entered into to effectuate affordable housing projects and programs	N/A	None
Notice of Affordability Restrictions	Filed with County Recorder as to affordability requirements for properties	N/A	Varies

Additional properties to be monitored annually

- Village Green Apts , 152 E Covina Blvd, Covina CA 91722
- Smith Family Trust Apts, 227 N Citrus Ave, Covina CA 91723
- Cienega Gardens Apts, 1211 N. Lyman, Covina CA 91724
- Las Palmas Apts, 777 W. Covina Blvd, Covina CA 91722
- Vista Pointe Apts, 1400 N Grand Ave, Covina CA 91724
- YWCA Wings domestic violence home, confidential location

Exhibit D

Oversight Board Resolution 12-02

(Attached behind this page)

RESOLUTION NO. 12-02

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE COVINA REDEVELOPMENT AGENCY, DIRECTING THE SUCCESSOR AGENCY TO TRANSFER OWNERSHIP OF THE HOUSING ASSETS AND PROPERTIES OF THE FORMER COVINA REDEVELOPMENT AGENCY TO THE COVINA HOUSING AUTHORITY PURSUANT TO HEALTH AND SAFETY CODE SECTIONS 34177 AND 34181

WHEREAS, pursuant to Health and Safety Code section 34173(d), the City of Covina (“RDA Successor Agency”) is the successor agency to the dissolved Covina Redevelopment Agency (“Agency”), confirmed by Resolution No. 12-7041 adopted on January 11, 2012; and

WHEREAS, pursuant to Health and Safety Code section 34176, the City of Covina, as the entity that authorized the creation of the Agency, elected not to retain the housing assets and functions previously performed by the Agency, and instead elected to transfer all rights, powers, assets, liabilities, duties and obligations associated with the housing activities of the Agency, excluding any amounts on deposit in the Low and Moderate Income Housing Fund, to the Covina Housing Authority (“Authority”), as provided in Resolution No. 12-7045 adopted on January 30, 2012; and

WHEREAS, pursuant to Health and Safety Code Section 34176, on March 20, 2012, the Authority adopted Resolution No. 12-001 accepting the transfer of all rights, powers, assets, liabilities, duties, and obligations associated with the housing activities of the Covina Redevelopment Agency , including encumbered Low and Moderate Income Housing Funds, from the Covina Redevelopment Agency; and

WHEREAS, pursuant to Health and Safety Code section 34177(g), the RDA Successor Agency is required to effectuate the transfer of housing functions and assets to the appropriate entity designated pursuant to Health and Safety Code section 34176; and

WHEREAS, the transfer of housing functions is addressed by Oversight Board Resolution 12-01 under separate consideration; and

WHEREAS, a list of all Agency housing assets recommended to be transferred by the RDA Successor Agency to the Authority is attached to this Resolution as Exhibit A, including the transfer of two properties owned by the Agency (147-151 E. College Street, and real property used as transitional housing for homeless women and children) to the Authority, as accepted by the Authority through Resolution No. 11-003, dated March 1, 2011, which transfers of ownership were recorded on March 11, 2011.

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

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

Section 2. CEQA Compliance. The recommendation to transfer housing assets and properties 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. The City Clerk, acting on behalf of the Oversight Board, is authorized and directed to file a Notice of Exemption with the appropriate official of the County of Los Angeles, California, within five (5) days following the date of adoption of this Resolution.

Section 3. Designation and Transfer of Housing Assets and Functions. The Oversight Board hereby directs the Successor Agency to transfer the assets set forth in Exhibit A attached to this Resolution as the housing assets and properties of the dissolved Agency to be transferred to the Authority, pursuant to Health and Safety Code sections 34176, 34177 and 34181.

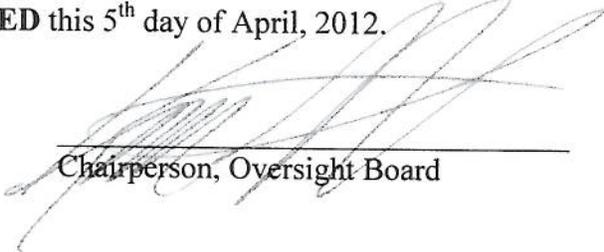
Section 4. Implementation. The City Manager, acting on behalf of the RDA Successor Agency, is hereby authorized and directed to take any action necessary to carry out the purposes of this Resolution and comply with applicable law.

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

Section 6. Certification. The City Clerk, acting on behalf of the Oversight Board, shall certify to the adoption of this Resolution.

Section 7. Effective Date. This Resolution shall become effective immediately upon its adoption.

PASSED, APPROVED AND ADOPTED this 5th day of April, 2012.



Chairperson, Oversight Board

ATTEST:



Oversight Board Secretary

CERTIFICATION

I, Cynthia Petersen, Secretary to the Oversight Board of the Successor Agency to the Covina Redevelopment Agency, hereby certify that Resolution No. 12-02 was adopted by the Oversight Board of the Successor Agency to the Covina Redevelopment Agency held this 5th day of April, 2012, and was approved and passed by the following vote:

AYES: HALL, RIVERA, ROSSI, STAPLETON

NOES: NONE

ABSTAIN: NONE

ABSENT: NONE


Cynthia Petersen
Oversight Board Secretary

EXHIBIT A

HOUSING ASSETS OF THE DISSOLVED COVINA REDEVELOPMENT AGENCY

[Attached behind this page]

Housing Account Receivables

Receivable	Description	Potential Receivable Value	Due Date
Down Payment Assistance Program Loan Agreements and Loan Notes and Deeds of Trust	Forgivable loans to home buyers in the Vintage Walk 1 project (6 loans)	\$180,000	Original Date: 2006 Program provided for grants to be forgiven after 20 years. Dates and amount receivable will vary. CONTINUING MONITORING REQUIRED
Single Family Rehabilitation Program Agreements and Notes And Deeds of Trust to secure note	Deferred loans to homeowners who make improvements	\$54,054	Due on sale of property, date unknown. Typically not paid back for many years.
200 W. Rowland St Participation Loan Agreement, Residual Receipts Note, Deed of Trust and Security Agreement, Declaration of Conditions, Covenants and Restrictions,	Residual Loan to purchase affordability covenants and to rehabilitate the property.	\$4,742,000	Original Date: June 17, 2010 Note is due on or before June 17, 2065 CONTINUING MONITORING REQUIRED
Habitat for Humanity 436 E Cypress St Grant Deed Declaration of CC&Rs, Developer Promissory Note Developer Deed of Trust Buyer's contingent Promissory Note, Buyers Deed of Trust Notice of Affordability Restrictions	Documents which have been signed and which are to be signed under the DDA related to affordability. Note for value of property	N/A	Original Date: August 19, 2011 The Developer Promissory Note will automatically terminate on Feb. 19, 2013, contingent on sale to qualified buyer. Buyer's documents will terminate 45 years after execution. CONTINUED MONITORING REQUIRED
Transitional House and contents including furniture, fixtures and appliances	Home for homeless women and children	\$425,000	The residence is in use as affordable housing for homeless women and children where they can live rent-free for a period of time.
147-151 E College	Property was purchased with housing funds for housing purpose	\$715,000	Upon sale
Misc. Agreements Regulatory Agreements/Declaration of Restrictive Covenants/Rehabilitation Agreements/Participation Agreements/Disposition Agreements	Agreements with developers and property owners to provide affordable housing	N/A	Varies
Misc. Agreements Affordability Agreements, Loan Agreements and Declaration of	Agreements with home buyers to maintain housing affordability covenants	N/A	2051, 2052, 2057 and 2058 and later

Conditions, Covenants and Restrictions and Right of First Refusal to Purchase			
Contingent Notes- Vintage Walk 1	Notes with affordable homebuyers for value of the property between market rate and sales price at time of sale	\$1,200,000*	*This value is for six affordable homes and their market value in 2006. Because of the change in the housing market, the contingent notes are being revised to reflect today's housing values in order that the homeowners can refinance to lower interest rates and increase affordability. If six homeowners revise their contingent notes, revised value will be approximately \$150,000 to \$210,000. Due date: 2051 and 2052
Contingent Notes Vintage Walk 2 (3) Citrus Walk (8)	Notes with affordable homebuyers for value of the property between market rate and sales price at time of sale	TBD	The eleven homes are in the process of being built and sold. The value will be based on the difference between a market rate appraised value and affordable sales price. Due date: 2057 and 2058
Deed of Trust	Recorded agreement to secure notes on affordable properties with property owners	N/A	Varies
Joint Powers Agreements	Entered into to effectuate affordable housing projects and programs	N/A	None
Notice of Affordability Restrictions	Filed with County Recorder as to affordability requirements for properties	N/A	Varies

Additional properties to be monitored annually

Village Green Apts , 152 E Covina Blvd, Covina CA 91722
 Smith Family Trust Apts, 227 N Citrus Ave, Covina CA 91723
 Cienega Gardens Apts, 1211 N. Lyman, Covina CA 91724
 Las Palmas Apts, 777 W. Covina Blvd, Covina CA 91722
 Vista Pointe Apts, 1400 N Grand Ave, Covina CA 91724
 YWCA Wings domestic violence home, confidential location

3rd Thurs
April 19
Oct 18

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

MEETING DATE: April 5, 2012

ITEM NO.: 14

STAFF SOURCE: Robert Neiuber, Deputy Executive Director of the Successor Agency

ITEM TITLE: Consideration of Resolution providing the time and place for holding the Oversight Board's regular meetings

STAFF RECOMMENDATION:

Approve Resolution No. 12-03 providing the time and place for holding the Oversight Board's regular meetings

FISCAL IMPACT:

None

BACKGROUND:

Staff is requesting that the Oversight Board designate the Third Thursday of April and October at 3:00 PM in the City Council Chamber of the City of Covina located at 125 East College Street in Covina California as the regular meetings of the Oversight Board.

Staff would ask the Oversight Board Chair to set times and locations for Special Meetings of the Oversight Board should they be needed in accordance with the Brown Act.

EXHIBITS:

A. Oversight Board Resolution 12-03

REVIEW TEAM ONLY	
SA Attorney: _____	Finance Director: _____
Executive Director: _____	Other: _____

RESOLUTION NO. 12-03

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF COVINA PROVIDING THE TIME AND PLACE FOR HOLDING THE OVERSIGHT BOARD'S REGULAR MEETINGS

WHEREAS, pursuant to Health and Safety Code section 34173(d), the City of Covina ("RDA Successor Agency") is the successor agency to the Redevelopment Agency of the City of Covina ("Agency"), confirmed by Resolution No. 12-7041 adopted on January 11, 2012; and

WHEREAS, Health and Safety Code section 34179(a) provides that each successor agency shall have an oversight board composed of seven members; and

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

WHEREAS, pursuant to Health and Safety Code section 34179(e), the Oversight Board is deemed to be a local entity for purposes of the Ralph M. Brown Act (Gov. Code, § 54950 et seq.); and

WHEREAS, pursuant to Government Code section 54954(a), the Oversight Board desires to provide, by resolution, for the conduct of business by the Oversight Board, the time and place for holding regular meetings.

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

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

Section 2. **CEQA Compliance.** The designation of the time and place for holding the Oversight Board's regular meetings through this Resolution does not commit the Oversight Board to any action that may have a significant effect on the environment. As a result, such action does not constitute a project subject to the requirements of the California Environmental Quality Act.

Section 3. **Designation of Meeting Time and Place.** Pursuant to Government Code section 54954(a), the Oversight Board hereby provides that the Oversight Board's regular meetings shall be held on the third Thursday of April and October, at 3:00 PM, and such meetings shall be held at the City of Covina City Hall, Council Chambers, located at 125 East College Street, Covina, California.

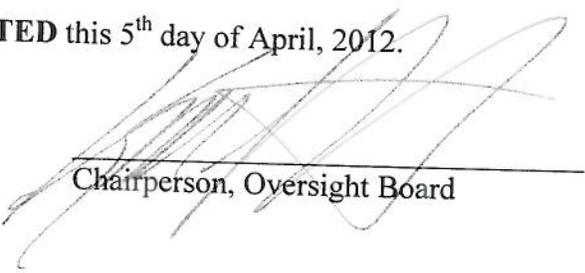
Section 4. **Severability.** If any provision of this Resolution or the application of any such provision to any person or circumstance is held invalid, such invalidity shall not affect other

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

Section 6. Effective Date. Pursuant to Health and Safety Code section 34179(h), all actions taken by the Oversight Board may be reviewed by the State of California Department of Finance, and, therefore, this Resolution shall not be effective for three (3) business days, pending a request for review by the State of California Department of Finance.

PASSED, APPROVED AND ADOPTED this 5th day of April, 2012.



Chairperson, Oversight Board

ATTEST:

Cynthia Petersen
Oversight Board Secretary

CERTIFICATION

I, Cynthia Petersen, Secretary to the Oversight Board of the Successor Agency to the Covina Redevelopment Agency, hereby certify that Resolution No. 12-03 was adopted by the Oversight Board of the Successor Agency to the Covina Redevelopment Agency held this 5th day of April, 2012, and was approved and passed by the following vote:

AYES: HALL, RIVERA, ROSSI, STAPLETON

NOES: NONE

ABSTAIN: NONE

ABSENT: NONE

Cynthia Petersen
Cynthia Petersen
Oversight Board Secretary