



City of Covina/Covina Redevelopment
Agency/Covina Public Finance
Authority/Covina Housing Authority

Mayor Peggy Delach – Mayor Pro Tem John King
Council Members Walt Allen, III – Bob Low – Kevin Stapleton

REGULAR MEETING AGENDA

125 E. College Street, Covina, California
Council Chamber of City Hall

Tuesday, March 1, 2011

6:30 p.m.

- **The City Council/Redevelopment Agency/Public Finance Authority/Housing Authority will meet in closed session from 6:30 p.m.-7:30 p.m.**
- As a courtesy to Council/Agency/Authority 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 Council/Agency/Authority 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 Mayor/Chairperson amends the time limit. Anyone wishing to speak is requested to submit a yellow Speaker Request Card to the City Clerk; cards are located near the agendas or at the City Clerk's desk.
- Please provide 10 copies of any information intended for use at the Council/Agency/Authority meeting to the City Clerk 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. Services such as American Sign Language interpreters, a reader during the meeting, large print copies of the agenda and assisted listening devices are available. 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 Council/Agency/Authority regarding any item on this agenda will be made available for public inspection at the City Clerk counter at City Hall located at 125 E. College Street and the Reference Desk at the Covina Library located at 234 N. 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 <http://www.covinaca.gov/clerk/agendas.htm>.
- Pursuant to Government Code Section 54954.2, no matter shall be acted upon by the City Council/Redevelopment Agency/Public Finance Authority/Covina Housing Authority unless listed on agenda, which has been posted not less than 72 hours prior to 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 Deputy City Clerk of the Covina City Council hereby declares that the agenda for the **March 1, 2011**, meeting was posted on **February 24, 2011** 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.

March 1, 2011

**CITY COUNCIL/REDEVELOPMENT AGENCY/
COVINA PUBLIC FINANCE AUTHORITY/COVINA HOUSING AUTHORITY
JOINT MEETING—CLOSED SESSION
6:30 p.m.**

CALL TO ORDER

ROLL CALL

Council/Agency/Authority Members Allen, Low, Stapleton, Mayor Pro Tem/Vice Chairperson King, Mayor/Chairperson Delach

PUBLIC COMMENTS

The Public is invited to make comment on Closed Session items only at this time. To address the Council/Agency/Authority please complete a yellow Speaker Request card located at the entrance and give it to the City Clerk. Your name will be called when it is your turn to speak. Individual speakers are limited to five minutes each.

The City Council/Redevelopment Agency/Covina Public Finance Authority/Covina Housing Authority will adjourn to Closed Session for the following:

CLOSED SESSION

- A. G.C. §54956.8 – CONFERENCE WITH REAL PROPERTY NEGOTIATOR
Designated Representative: Robert Neiuber, Comm. Development/CRA Deputy Director
Negotiations to include both price and term:
- Greg Bozzani – 626 and 602 South Citrus (APN: 8451-001-911)
- B. G.C. §54956.9(a) – CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
Name of case: NRDC & Baykeeper v. County of Los Angeles et al.

RECESS

**CITY COUNCIL/REDEVELOPMENT AGENCY/
COVINA PUBLIC FINANCE AUTHORITY/COVINA HOUSING AUTHORITY
JOINT MEETING—OPEN SESSION
7:30 p.m.**

CALL TO ORDER

ROLL CALL

Council/Agency/Authority Members Allen, Low, Stapleton, Mayor Pro Tem/Vice Chairperson King, and Mayor/Chairperson Delach

PLEDGE OF ALLEGIANCE

Led by Council Member Low.

INVOCATION

Led by Dr. Patricia Venegas, Covina Police Chaplain.

PRESENTATIONS

- Recognition of the 2011 YWCA Women of Achievement Award Recipient – Dolores "Dee" M. Grammatikas
- Certification of Recognition
- Recognition of the Northview High School Wrestling Team
- Presentation - Golden State Water Company – Benjamin Lewis, District Manager
- Citrus Walk Project Update

PUBLIC COMMENTS

To address the Council/Agency/Authority please complete a yellow Speaker Request card located at the entrance and give it to the City Clerk/Agency/Authority Secretary. 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 Council/Agency/Authority Members from taking action on any item not on the agenda. Individual speakers are limited to five minutes each.

COUNCIL/AGENCY/AUTHORITY COMMENTS

Council/Agency/Authority Members wishing to make any announcements of public interest or to request that specific items be added to future City Council/Redevelopment Agency/Public Finance Authority/Housing Authority Agendas may do so at this time.

CITY MANAGER COMMENTS

CONSENT CALENDAR

All matters listed under consent calendar are considered routine, and will be enacted by one motion. There will be no separate discussion on these items prior to the time the Council/Redevelopment Agency/Public Finance Authority/Housing Authority votes on them, unless a member of the Council/Agency/Authority requests a specific item be removed from the consent calendar for discussion.

CC 1. City Council to approve the Minutes of the February 1, 2011 Regular Meeting of the City Council/Covina Redevelopment Agency/Covina Public Finance Authority.

CC 2. City Council to approve a Professional Services Agreement with Andy de Silva for Project Management Services.

- CC 3. City Council/Redevelopment Agency to adopt **City Resolution No. 11-6934 and Agency Resolution No. 11-658**, approving a transfer of Project Area One and Project Area Two funds to allow the Parks and Recreation Department to plan and carryout Redevelopment Agency outreach events like Thunderfest, the Farmer's Market, and other family oriented events to promote the Redevelopment Project Areas of the City and aid in the elimination of blight during the 2011 calendar year.
- CC 4. Redevelopment Agency to approve a request for rent reduction by PRY Properties, tenant of the property located at 528 South Citrus Avenue, location of Bozzani Volkswagen.

CONTINUED PUBLIC HEARING

CPH 1. City Council to conduct a Continued Public Hearing to consider application Conditional Use Permit 10-008, Variance 10-002 and Negative Declaration related to the wireless communication facility located at 1288 North Bonnie Cove Avenue and determine if the required findings can be justified.

Staff Recommendation:

- a) Conduct the Public Hearing and consider public testimony; and
- b) Continue the Public Hearing to the meeting of April 5, 2011.

CPH 2. City Council to conduct a Continued Public Hearing to consider application Conditional Use Permit 10-010, Variance 10-004 and Negative Declaration related to the wireless communication facility located at 1175 East Garvey Avenue and determine if the required findings can be justified.

Staff Recommendation:

- a) Conduct the Continued Public Hearing and consider public testimony; and
- b) Continue the Public Hearing to the meeting of March 15, 2011.

JOINT PUBLIC HEARING

JPH 1. City Council/Redevelopment Agency/Housing Authority to hold a joint public hearing to consider the Disposition and Development Agreement between the Agency and Maria Mercy Moreno for the property at 147-151 East College Street, Covina.

Staff Recommendation:

- a) Open the public hearing and consider public testimony; and
- b) City of Covina to adopt **City Resolution No. 11-6935**, approving the sale of real property by the Covina Redevelopment Agency pursuant to that certain Disposition and Development Agreement between the Covina Redevelopment Agency and Maria Mercy Moreno; and
- c) Covina Redevelopment Agency to adopt **Agency Resolution No. 11-659**, approving the sale of real property by the Covina Redevelopment Agency pursuant to that certain Disposition and Development Agreement between the Covina Redevelopment Agency and Maria Mercy Moreno, and authorizing assignment of the Disposition and Development Agreement; and
- d) Covina Housing Authority to adopt **Authority Resolution No. 11-002**, accepting assignment of that certain Disposition and Development Agreement between the

Covina Redevelopment Agency and Maria Mercy Moreno for property located at 147-151 East College Street, Covina.

JPH 2. City Council/Redevelopment Agency to conduct a joint public hearing to authorize the transfer of Redevelopment Agency properties described as Assessor Parcel Numbers: 8451-001-912, 8444-021-904, 8431-014-904, 8430-026-900, 8429-009-900, 8447-031-901 and 8445-009-909 from the Agency to the City.

Staff Recommendation:

- a) Open the public hearing and consider public testimony; and
- b) City Council to adopt **City Resolution No. 11-6936**, making certain findings pursuant to California Health and Safety Code Sections 33430 and 33431 in connection with the Covina Redevelopment Agency's transfer of certain public properties within Covina Revitalization Redevelopment Project No. One and project No. Two to the City of Covina; and
- c) Covina Redevelopment Agency to adopt **Resolution No. 11-660**, making certain findings pursuant to California Health and Safety Code Sections 33430 and 33431 in connection with the Covina Redevelopment Agency's transfer of certain public properties within Covina Revitalization Redevelopment Project No. One and Project No. Two to the City of Covina.

JPH 3. City Council/Redevelopment Agency/Housing Authority to authorize the transfer of Redevelopment Agency properties described as Assessor Parcel Numbers 8445-001-918 and 8434-002-904 from the Redevelopment Agency to the Covina Housing Authority.

Staff Recommendation:

- a) Open the public hearing and consider public testimony; and
- b) City Council to adopt **City Resolution No. 11-6937**, approving the transfer of certain real properties owned by Covina Redevelopment Agency within and outside the Covina Revitalization Redevelopment Project No. One and Project No. Two to the Covina Housing Authority pursuant to California Health and Safety Code Sections 33430, 33431, 33445 and 33445.1 and making certain findings with regard thereto; and
- c) Covina Redevelopment Agency to adopt **Agency Resolution No. 11-661**, approving transfer Agency owned real properties within and outside the Covina Revitalization Redevelopment Project No. One and Project No. Two to the Covina Housing Authority pursuant to California Health and Safety Code Sections 33430, 33431, 33445 and 33445.1 and making certain findings with regard thereto; and
- d) Covina Housing Authority to adopt **Authority Resolution No. 11-003**, accepting the transfer of certain real properties owned by the Covina Redevelopment Agency within and outside the Covina Revitalization Redevelopment Project No. One and Project No. Two.

ADJOURNMENT

The Covina City Council/Redevelopment Agency/Covina Public Finance Authority/Covina Housing Authority will adjourn to its next regular meeting, **Tuesday, March 15, 2011** at 6:30 p.m. for closed session and at 7:30 p.m. for open session in the Council Chamber of City Hall, 125 East College Street, Covina, California, 91723.



MINUTES OF THE FEBRUARY 1, 2011 REGULAR MEETING OF THE COVINA CITY COUNCIL/COVINA REDEVELOPMENT AGENCY/COVINA PUBLIC FINANCE AUTHORITY HELD IN THE COUNCIL CHAMBER OF CITY HALL, 125 EAST COLLEGE STREET, COVINA, CALIFORNIA

CALL TO ORDER

Mayor Delach called the City Council/Redevelopment Agency/Public Finance Authority meeting to order at 6:35 p.m. and recessed to closed session.

There was no public comment.

ROLL CALL

Council Members Present: DELACH, ALLEN, KING, LOW, STAPLETON

Council Members Absent: None

Elected Officials Present: City Clerk

Staff Members Present: City Manager, City Attorney, Police Chief, Police Captain, Fire Battalion Chief, Community Development Director/CRA Deputy Director, Finance Director, Parks and Recreation Director, Human Resources Director, Sr. Redevelopment Manager, Sr. Management Analyst, Human Resources Management Analyst, Redevelopment Manager, Deputy City Clerk, Senior Accountant and Accountant

AGENDA POSTING DECLARATION

The Deputy City Clerk of the City of Covina hereby declares that the agenda for the February 1, 2011 regular City Council/Redevelopment Agency/Public Finance Authority meeting was posted on January 27, 2011 near the front entrance of City Hall, 125 East College Street, Covina, in accordance with §54954.2(a) of the California Government Code.

CONVENED THE MEETING AND RECESSED TO CLOSED SESSION

A. G.C. §54956.8 – CONFERENCE WITH REAL PROPERTY NEGOTIATOR

Designated Representative: Robert Neuber, Comm. Development/CRA Deputy Director

Negotiations to include both price and term:

- Enterprise–Vacant Land south side of Puente Street at Third Avenue (APN: 8444-021-904)
- The Olson Company – 322 North Citrus Avenue (APN: 8430-027-017)

B. G.C. §54957 – PUBLIC EMPLOYEE PERFORMANCE EVALUATION

Title: City Manager

City Attorney Marco Martinez announced that the City/Agency/Authority met in closed session with all members present. City Attorney Marco Martinez reported there was no reportable action with respect to the items.

CONVENE THE MEETING

The City Council/Redevelopment Agency/Public Finance Authority meeting reconvened at 7:35 p.m.

PLEDGE OF ALLEGIANCE

Mayor Delach led the pledge of allegiance.

INVOCATION

Covina Police Chaplain Dave Truax gave the invocation.

PRESENTATIONS

Mayor Delach invited Covina Valley Unified School District Superintendent Dr. Catherine Nichols and Sierra Vista Middle School Assistant Principal Tanina Barbagallo to the lectern to assist with recognizing the students who won the second annual Middle School Reading Competition.

Peter Rodriguez, Director of Community & Government Relations of the Upper San Gabriel Valley Water District presented a PowerPoint presentation on providing quality water. City Council requested follow-up information regarding if there are future water reclamation projects for Covina.

PUBLIC COMMENTS

Dora Gomez of Covina Assembly of God expressed her appreciation to Council and staff for attending the December 11, 2010 Community Christmas Party. This year the Church fed over 1,000 citizens and gave out over 700 gifts.

COUNCIL/AGENCY COMMENTS

Council Member Stapleton inquired about the relocating of the water payment drop-off box, to which City Manager Daryl Parrish responded the drop-off box was moved to City Yard at 534 North Barranca and staff is looking to have a new drop-off box installed at City Hall.

Council Member Stapleton noted the upcoming holidays in February and wished everyone a happy Valentine's Day.

Council Member Allen expressed gratitude to Sr. Redevelopment Manager Nuala Gasser in overseeing the January 25, 2011 homeless count.

Council Member Low stated that the San Gabriel YWCA announced that Dolores "Dee" M. Grammatikas would be receiving the Women of Achievement award in May of this year. Council Member Low stated that Dee has been a dedicated City employee and now a dedicated volunteer at the Library.

Mayor Delach stated the Covina Chamber of Commerce installation dinner was held last Thursday and Bill McIntyre, Jr. received the Citizen of the Year Award. Mayor Delach stated

that the incoming Chairman of the Covina Chamber of Commerce welcomed businesses from the City of West Covina to join their organization.

Mayor Delach gave a reminder of the upcoming meeting to discuss the Covina Park Master Plan Community Review, which will take place on Thursday, February 3, 2011 at 7:15 p.m. at the Joslyn Center. Future meetings will be posted on the City's web site, www.covinaca.gov.

Mayor Delach announced Lifeguard and Instructor Camps registration is now open with camps beginning Saturday, March 19 through May 14, 2011. For additional information, contact the Parks and Recreation Department at (626) 384-5340.

Mayor Delach stated a small business/entrepreneur workshop would be held on Wednesday, February 16, 2011 from 7:30-9:30 a.m. at Covina Bowl. For additional information, contact the Covina Redevelopment Agency at (626) 384-5440. Pre-registration is strongly recommended.

CITY MANAGER COMMENTS

City Manager Daryl Parrish reported on the special meeting held on Tuesday, January 25, 2011. He thanked the attorneys and staff who worked over the weekend to complete the reports.

CONSENT CALENDAR

On a motion by Mayor Pro Tem King, seconded by Council Member Stapleton, the City Council/Redevelopment Agency/Public Finance Authority approved Consent Calendar items CC1, CC2, and CC3. **Motion carried 5-0.**

CC 1. City Council to adopt **Resolution No. 11-6924**, approving the Memorandum of Understanding between the City of Covina and the American Federation of State, County and Municipal Employees.

CC 2. City Council to adopt **Resolution No. 11-6925**, amending the Fiscal Year 2010-2011 Public Works Department, Environmental Budget to reflect a change in account numbering for the Industrial Waste Program.

CC 3. City Council/Redevelopment Agency to approve a Right of Entry Agreement with the Olson Company to perform soil remediation work on a portion of the Olson Citrus Walk project site located at 326 N. Citrus Avenue and authorized the Executive Director to execute said agreement.

CONTINUED PUBLIC HEARING

CPH 1. Public Hearing was before City Council to consider application Conditional Use Permit 10-008, Variance 10-002 and Negative Declaration related to the wireless communication facility located at 1288 North Bonnie Cove Avenue and determine if the required findings can be justified.

At 8:36 p.m., Mayor Delach continued the public hearing. There was a brief discussion regarding the lack of community meetings.

Community Development Director/CRA Deputy Director Robert Neiuber reported that Amit Patel of Aspen Associates Telecom, representing T-Mobile, requested an extension to the meeting of March 1, 2011 in order to have additional time to achieve the community goals and provide cell tower alternatives for the site. The City Council requested that T-Mobile notify residents outside of the 300-radius and inform City Council of the community meeting dates.

Waltraut Enguidanos spoke in opposition and stated the generator for the proposed cell tower would be placed directly behind her residence; she expressed a concern regarding the noise level. Ms. Enguidanos stated that the generator would also be taller than her fence and she has a concern regarding a decrease in property value.

Enrique Enguidanos spoke in opposition and expressed the same concerns of Waltraut Enguidanos.

Kirk Jeffries stated that he feels there are other sites that are more suitable for a new cell tower.

Pak Kouch thanked City Council for allowing the residents to express their concerns regarding the proposed cell tower.

Chilin Huang spoke in opposition and stated that in Taiwan, he was an EPA director and he understands the negative impact of placing a cell tower close to residential yards. Mr. Huang expressed a concern regarding the children's health and safety and noted that there was a day care center in the neighborhood.

Linda Chiang expressed appreciation to Council for allowing the residents to voice their opinion about the proposed project. Ms. Chiang stated she has a concern with the noise generated by the cell tower equipment.

Chris Hoeg referenced that the neighborhood has been to two public meetings to voice their concerns. He spoke on the noticeable noise level from other cell sites he visited. Mr. Hoeg also expressed a concern regarding potential environmental impacts.

Brian Martz spoke in opposition and stated a concern regarding the cell tower location in close proximity to the residents. Mr. Martz displayed photographs taken from his residence and noted that his view would be obstructed with the proposed cell tower and feels it would lower the value of his home.

Thomas Philip spoke in opposition of the cell tower and noted similar feelings of his neighbors. Mr. Philip expressed a concern regarding the cell tower equipment and his children's safety.

At 8:56 p.m., on a motion made by Council Member Stapleton, seconded by Council Member Allen, the City Council continued the public hearing to the meeting of March 1, 2011. **Motion carried 5-0.**

CPH 1. Public Hearing was before City Council to consider application to consider Conditional Use Permit 10-010, Variance 10-004 and Negative Declaration related to the wireless communication facility located at 1175 East Garvey Avenue and determine if the required findings can be justified.

At 8:57 p.m., Mayor Delach continued the public hearing. There were no speakers. On a motion made by Council Member Stapleton, seconded by Council Member Allen, the City Council continued the public hearing to the meeting of March 1, 2011. **Motion carried 5-0.**

NEW BUSINESS

NB 1. City Council and Redevelopment Agency to receive and file the Audit Report and Annual Financial and Compliance Report for Covina Redevelopment Agency for Fiscal Year ended June 30, 2010.

Katherine Beseau, Jean Horimoto and Lita Hendranata of Macias Gini & O'Connell presented Finance Director Dilu De Alwis with the 2009 Governmental Finance Officers Association award. Finance Director Dilu De Alwis thanked the Finance Department staff for their hard work on the Comprehensive Annual Financial Report (CAFR).

Council Member Stapleton read an excerpt from the CAFR and stated that the City is doing a good job overall with some areas to improve upon. Council Member Stapleton added that he is impressed on the status of the City.

On a motion made by Mayor Pro Tem King, seconded by Council Member Low, the City Council received and filed the Audit Report and Annual Financial and Compliance Report for Covina Redevelopment Agency for Fiscal Year ended June 30, 2010. **Motion carried 5-0.**

NB 2. City Council to adopt **Resolution No. 11-6880**, in opposition to the State of California Administration's proposal to abolish redevelopment agencies in California.

City Manager Parrish stated this general resolution is a follow-up to the special meeting held on January 25, 2011.

On a motion made by Mayor Delach seconded by Council Member Stapleton, the City Council adopted **Resolution No. 11-6880**, in opposition to the State of California Administration's proposal to abolish redevelopment agencies in California. **Motion carried 4-1, with Council Member Low voting no.**

NB 3. Covina Housing Authority to adopt **Authority Resolution 11-001**, approving the Financial Assistance and Cooperation Agreement by and between the Housing Authority, the City and the Covina Redevelopment Agency and encumbering the funds pursuant thereto.

Mayor Delach stated New Business Item 3 would be removed from the agenda to be brought back to the February 15, 2011 meeting.

ADJOURNMENT

At 9:19 p.m., Mayor Delach adjourned the Covina City Council/Redevelopment Agency/Covina Public Finance Authority meeting. The next meeting of the City Council/Redevelopment Agency/Public Finance Authority meeting is scheduled for Tuesday, February 15, 2011 at 6:30 p.m. for closed session followed by open session at 7:30 p.m. in the Council Chamber of City Hall, 125 East College Street, Covina, California, 91723.

Catherine M. LaCroix
Deputy City Clerk/Agency Secretary

Approved this 1st day of March, 2011.

Peggy Delach, Mayor/Chairperson

CITY OF COVINA
AGENDA ITEM COMMENTARY

MEETING DATE: March 1, 2011

ITEM NO. CC 2

STAFF SOURCE: Dilu de Alwis, Finance Director

ITEM TITLE: Contract for MUNIS Project Management Services with Andy de Silva

STAFF RECOMMENDATION:

Approve a professional services contract with Andy de Silva, for MUNIS software conversion project management services effective April 1, 2011 for an amount not to exceed \$75,000.

FISCAL IMPACT:

Funds are budgeted in Management Information Systems Professional & Technical account number 7200-6250-5105-0000. This is an Internal Services Fund account and not General Fund.

BACKGROUND:

On January 18, 2011 the City Council approved a contract to subscribe to Tyler Technologies MUNIS Enterprise Resource software package. The project which kicked off on February 15th and 16th is a vital resource for City staff as well as residents and businesses when all phases are implemented.

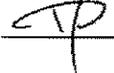
Managing the implementation of this software with a proven experienced project manager is critical to its success. Andy de Silva has been under contract during the Request for Qualification, Software Demonstration, Evaluation, Selection and Contract Negotiation phases. He was an integral part of assuring that the City of Covina's needs were met through each of these phases and will continue to be the lead in bringing this project to fruition.

RELEVENCE TO STRATEGIC PLAN:

Use of state-of-the-art technology will assist the City of Covina's staff to enhance financial stability through timely reporting, customer service and increased productivity.

EXHIBITS:

A. Agreement – Andy de Silva

REVIEW TEAM ONLY	
City Attorney: 	Finance Director: 
City Manager: 	Other: _____

CITY OF COVINA
PROFESSIONAL SERVICES AGREEMENT
WITH ANDY DE SILVA
FOR SOFTWARE PROJECT MANAGEMENT SERVICES

1. PARTIES AND DATE.

This Agreement is made and entered into this 1st day of March, by and between the City of Covina, a California municipal corporation with its principal place of business at 125 E. College Street, Covina California 91723 ("City") and Andy de Silva ("Contractor"). City and Contractor are sometimes individually referred to as "Party" and collectively as "Parties."

2. RECITALS.

2.1 Contractor.

Contractor desires to perform and assume responsibility for the provision of certain professional services required by City on the terms and conditions set forth in this Agreement. Contractor represents that it has demonstrated competence and experience in providing information/communication services to public clients, and is familiar with the goals and plans of City.

2.2 Purpose.

City desires to engage Contractor to provide the software project management services as described in exhibit A attached.

and to perform those tasks as required by said position, as more particularly set forth in the Agreement ("Services").

3. TERMS.

3.1 Scope of Services and Term.

3.1.1 General Scope of Services. Contractor promises and agrees to furnish to City all labor, services, and incidental and customary work necessary to provide the Services. All Services shall be subject to, and performed in accordance with, this Agreement and all applicable local, state and federal laws, rules and regulations.

3.1.2 Term. The term of this Agreement shall commence on the effective date of this Agreement and shall continue until September 30, 2012 unless earlier terminated as provided herein. Contractor shall complete the Services within the term of this Agreement, and shall meet any other established schedules and deadlines.

3.2 Responsibilities of Contractor.

3.2.1 Control and Payment of Subordinates; Independent Contractor. The Services shall be performed by Contractor or under its supervision. Contractor will determine the means, methods and details of performing the Services subject to the requirements of this Agreement. City retains Contractor on an independent contractor basis and not as an employee. Any additional personnel retained by Contractor and performing the Services under this Agreement on behalf of Contractor shall also not be employees of City and shall at all times be under Contractor's exclusive direction and control. Contractor shall pay all wages, salaries, and other amounts due such personnel in connection with their performance of Services under this Agreement and as required by law. Contractor shall be responsible for all reports and obligations respecting such additional personnel, including, but not limited to: social security taxes, income tax withholding, unemployment insurance, disability insurance, and workers' compensation insurance. Contractor shall not subcontract any of the Services provided herein unless authorized in writing by City's Representative.

3.2.2 Schedule of Services. Contractor shall perform the Services expeditiously, within the term of this Agreement, and in accordance with any milestones or time schedules established by City. Contractor represents that it has the professional and technical expertise required to perform the Services in conformance with such conditions.

3.2.3 Conformance to Applicable Requirements. All work prepared by Contractor shall be subject to the approval of City.

3.2.4 Substitution of Key Personnel. Contractor has represented to City that certain key personnel will perform and coordinate the Services under this Agreement. Should one or more of such personnel become unavailable, Contractor may substitute other personnel of at least equal competence upon written approval of City. In the event that City and Contractor cannot agree as to the substitution of key personnel, City shall be entitled to terminate this Agreement for cause. As discussed below, any personnel who fail or refuse to perform the Services in a manner acceptable to the City, or who are determined by the City to be uncooperative, incompetent, a threat to the adequate or timely completion of the Services shall be promptly removed by the Contractor at the request of the City. The key personnel for performance of this Agreement is as follows: Andy de Silva.

3.2.5 City's Representative. The City hereby designates Dilu de Alwis, Finance Director, or his or her designee, to act as its representative for the performance of this Agreement ("City's Representative"). City's Representative shall have the power to act on behalf of the City for all purposes under this Contract. Contractor shall not accept direction or orders from any person other than the City's Representative or his or her designee.

3.2.6 Contractor's Representative. Contractor hereby designates Andy de Silva to act as its representative for the performance of this Agreement ("Contractor's

Representative"). Contractor's Representative shall have full authority to represent and act on behalf of the Contractor for all purposes under this Agreement. The Contractor's Representative shall supervise and direct the Services, using his best skill and attention, and shall be responsible for all means, methods, techniques, sequences and procedures and for the satisfactory coordination of all portions of the Services under this Agreement.

3.2.7 Coordination of Services. Contractor agrees to work closely with City staff in the performance of Services and shall be available to City's staff, Contractors and other staff at all reasonable times.

3.2.8 Standard of Care; Performance. Contractor shall perform all Services under this Agreement in a skillful and competent manner, consistent with the standards generally recognized as being employed by professionals in the same discipline in the State of California. Contractor represents and maintains that it is skilled in the professional calling necessary to perform the Services. Finally, Contractor represents that it has all licenses, permits, qualifications and approvals of whatever nature that are legally required to perform the Services, and that such licenses and approvals shall be maintained throughout the term of this Agreement. As provided for in the indemnification provisions of this Agreement, Contractor shall perform, at its own cost and expense and without reimbursement from the City, any services necessary to correct errors or omissions which are caused by the Contractor's failure to comply with the standard of care provided for herein.

3.2.9 Laws and Regulations. Contractor shall keep itself fully informed of and in compliance with all applicable local, state and federal laws, rules and regulations in force at the time the Services are performed by Contractor and in any manner affecting the performance of the Services, including all applicable Cal/OSHA requirements, and shall give all notices required by law. Contractor shall be liable for all violations of such laws and regulations in connection with Services. If the Contractor performs any work knowing it to be contrary to such laws, rules and regulations and without giving written notice to the City, Contractor shall be solely responsible for all costs arising therefrom. Contractor shall defend, indemnify and hold City, its officials, directors, officers, employees and agents free and harmless, pursuant to the indemnification provisions of this Agreement, from any claim or liability arising out of any failure or alleged failure to comply with such laws, rules or regulations. Contractor's violation of such laws, rules and regulations shall also constitute a material breach of this Agreement.

3.2.10 Cargill Clause. Consultant shall not at any time or in any manner represent that it is an agent or employee of City. In the event that Consultant is determined by a court of competent jurisdiction or the California Public Employees Retirement System (PERS) to be eligible for enrollment in PERS as an employee of the City, Consultant shall indemnify, defend, and hold harmless City for the payment of any employee and/or employer contributions for PERS benefits on behalf of Consultant, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of City

3.3 Fees and Payments.

3.3.1 Compensation. Contractor shall be retained and shall receive total compensation for all Services rendered under this Agreement at the rate of Fifty Dollars (\$50) per hour not to exceed a total of \$75,000 through the Term of this Agreement.

3.3.2 Payment of Compensation. Contractor shall be entitled to payment of the Compensation in those amounts and at times set forth herein;

a. Bi-weekly payments of equal amounts throughout the contract term.

3.3.3 Reimbursement for Expenses/Allowances. Contractor shall not be reimbursed for any expenses, mileage or other such costs unless authorized in writing by City.

3.4 Accounting Records.

3.4.1 Maintenance and Inspection. Contractor shall maintain complete and accurate records with respect to all costs and expenses incurred under this Agreement. All such records shall be clearly identifiable. Contractor shall allow a representative of City during normal business hours to examine, audit, and make transcripts or copies of such records and any other documents created pursuant to this Agreement. Contractor shall allow inspection of all work, data, documents, proceedings, and activities related to the Agreement for a period of three (3) years from the date of final payment under this Agreement.

3.5 General Provisions.

3.5.1.1 Termination of Agreement. This Agreement may be terminated by either Party, without cause and for any reason, upon giving not less than thirty (30) days written notice to the other Party.

3.5.1.2 Grounds for Termination. Either Party may terminate this Agreement, for cause, by giving written notice to the other Party of such termination, and specifying the effective date thereof, at least seven (7) days before the effective date of such termination. Upon termination, Contractor shall be compensated only for those Services which have been adequately rendered to City, and Contractor shall be entitled to no further compensation. The City shall within fifteen (15) calendar days following termination pay the Contractor for all services adequately rendered and all reimbursable costs incurred by Contractor up to the date of termination.

The following reasons shall constitute "cause" for which either party may terminate this Agreement as provided herein:

- Substantial failure by the other Party to perform in accordance with the terms of this Agreement and through no fault of the terminating Party;

- Assignment of this Agreement by either Party to any other entity without the prior written consent of the other Party;

- Material changes in the conditions under which this Agreement was entered into or the Scope of Services, and the failure of the Parties to reach agreement on the compensation and schedule adjustments necessitated by such changes.

3.5.1.3 Effect of Termination. If this Agreement is terminated as provided herein, City may require Contractor to provide all finished or unfinished Materials (defined below) and other information of any kind prepared by Contractor in connection with the performance of Services under this Agreement. Contractor shall be required to provide such Materials and other information within fifteen (15) days following the City's request.

3.5.1.4 Additional Services. In the event this Agreement is terminated in whole or in part as provided herein, City may procure, upon such terms and in such manner as it may determine appropriate, services similar to those terminated.

3.5.2 Delivery of Notices. All notices permitted or required under this Agreement shall be given to the respective parties at the following address, or at such other address as the respective parties may provide in writing for this purpose:

Contractor:
Anura "Andy" de Silva
20700 San Jose Hills Road #114
Walnut, CA 91789

City:
City of Covina
125 E. College Street
Covina, California 91723
Phone: (626) 384-5410
Fax: (626) 384-5420
Attn: Daryl Parrish, City Manager

Such notice shall be deemed made when personally delivered or when mailed, forty-eight (48) hours after deposit in the U.S. Mail, first class postage prepaid and addressed to the party at its applicable address. Actual notice shall be deemed adequate notice on the date actual notice occurred, regardless of the method of service.

3.5.3 Confidentiality of Materials. All ideas, memoranda, plans, procedures, descriptions, computer program data, and other information ("Materials") either created by or provided to Contractor in connection with the performance of this Agreement shall be held confidential by Contractor. Such Materials shall not, without the prior written consent of City, be used by Contractor for any purposes other than the performance of the Services. Nor shall such Materials be disclosed to any person or entity not connected with the performance of the Services. Nothing furnished to Contractor which is otherwise known to Contractor or is generally known, or has become known, to the related industry shall be deemed confidential.

3.5.4 Cooperation; Further Acts. The Parties shall fully cooperate with one another, and shall take any additional acts or sign any additional documents as may be necessary, appropriate or convenient to attain the purposes of this Agreement.

3.5.5 Entire Agreement. This Agreement contains the entire agreement of the Parties with respect to the subject matter hereof, and supersedes all prior negotiations, understandings or agreements. This Agreement may only be modified by a writing signed by both parties.

3.5.6 Governing Law. This Agreement shall be governed by the laws of the State of California. Venue shall be in Los Angeles County.

3.5.7 Time of Essence. Time is of the essence for each and every provision of this Agreement.

3.5.8 Successors and Assigns. This Agreement shall be binding on the successors and assigns of the Parties.

3.5.9 Assignment or Transfer. Neither Party shall assign, hypothecate, or transfer, either directly or by operation of law, this Agreement or any interest herein without the prior written consent of the other Party. Any attempt to do so shall be null and void, and any assignees, hypothecates or transferees shall acquire no right or interest by reason of such attempted assignment, hypothecation or transfer.

3.5.10 Construction; References; Captions. Since the Parties or their agents have participated fully in the preparation of this Agreement, the language of this Agreement shall be construed simply, according to its fair meaning, and not strictly for or against any Party. Any term referencing time, days or period for performance shall be deemed calendar days and not work days. All references to Contractor include all personnel, employees, agents, and subcontractors of Contractor, except as otherwise specified in this Agreement. All references to City include its elected officials, officers, employees, agents and volunteers except as otherwise specified in this Agreement. The captions of the various articles and paragraphs are for convenience and ease of reference only, and do not define, limit, augment, or describe the scope, content, or intent of this Agreement.

3.5.11 Amendment; Modification. No supplement, modification, or amendment of this Agreement shall be binding unless executed in writing and signed by both Parties.

3.5.12 Waiver. No waiver of any default shall constitute a waiver of any other default or breach, whether of the same or other covenant or condition. No waiver, benefit, privilege, or service voluntarily given or performed by a Party shall give the other Party any contractual rights by custom, estoppel, or otherwise.

3.5.13 No Third Party Beneficiaries. There are no intended third party beneficiaries of any right or obligation assumed by the Parties.

3.5.14 Invalidity; Severability. If any portion of this Agreement is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.

3.5.15 Prohibited Interests. Contractor warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for Contractor, to solicit or secure this Agreement. Further, Contractor warrants that it has not paid nor has it agreed to pay any company or person, other than a bona fide employee working solely for Contractor, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. For breach or violation of this warranty, City shall have the right to rescind this Agreement without liability. For the term of this Agreement, no member, officer or employee of City, during the term of his or her service with City, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

3.5.16 Equal Opportunity Employment. Contractor represents that it is an equal opportunity employer and it shall not discriminate against any subcontractor, employee or applicant for employment because of race, religion, color, national origin, handicap, ancestry, sex or age. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination. Contractor shall also comply with all relevant provisions of any City Minority Business Enterprise program, Affirmative Action Plan or other related programs or guidelines currently in effect or hereinafter enacted.

3.5.17 Authority to Enter Agreement. Contractor has all requisite power and authority to conduct its business and to execute, deliver, and perform the Agreement. Each Party warrants that the individuals who have signed this Agreement have the legal power, right, and authority to make this Agreement and bind each respective Party.

3.5.18 Counterparts. This Agreement may be signed in counterparts, each of which shall constitute an original.

IN WITNESS WHEREOF, the Parties have executed this Professional Services Agreement on the date first above written.

“City”
CITY OF COVINA

“Contractor”
Andy de Silva

By: _____
City Manager

By: _____

ATTEST:
City Clerk

By: _____

APPROVED AS TO FORM:
City Attorney

By: _____

•

Attachment A

Job Description: Project Manager MUNIS Financial Software Implementation

Role:

Role of Project Manager will be to plan, execute and finalize the MUNIS project according to strict deadline and budget. This includes ensuring the vendor implements a system that meets the needs, improves the effectiveness of the City's respective departments operational functions, and provide a more satisfying service to its Citizens. This includes coordinating with the vendor, steering committee, project team and stakeholders to deliver project according to the plan. Project Manager will also define the project's objectives and oversee quality control throughout its life cycle.

Responsibilities:

- Manage MUNIS project development from planning to live operations.
- Define project scope, goals and deliverables that support business goals in collaboration with project sponsor and stakeholders
- Develop full scale project plans and associated communications documents
- Execute project work plans and revise as appropriate to meet changing needs and requirements
- Manage day-to-day operational aspects of the project scope
- Minimize City's exposure and risk on project
- Effectively communicate project expectations to team members and stakeholders in a timely manner and with clarity
- Liaise with project stakeholders on an ongoing basis
- Estimate the resources and participants needed to achieve project goals
- Where required, negotiate with other department managers for the acquisition of required personnel
- Identify business opportunities as they relate to the project
- Set and continually manage project expectations with team members and other stakeholders
- Delegate tasks and responsibilities to appropriate personnel
- Resolve and/or escalate project issues in timely manner
- Suggest ideas for improvement in internal processes along with possible solutions
- Identify and manage project dependencies and critical path
- Plan and schedule project timelines and milestones
- Track project milestones and deliverables
- Develop and deliver progress reports, proposals, requirement documentations and presentations
- Determine the frequency and content of status reports from the project team, analyze results and troubleshoot problem areas
- Proactively manage changes in project scope, identify potential crises and devise contingency plans
- Define project success criteria and disseminate them throughout project life cycle
- Conduct project post mortems and create a recommendations report in order to identify successful and unsuccessfulness in project elements

CITY OF COVINA/COVINA REDEVELOPMENT AGENCY
AGENDA ITEM COMMENTARY

MEETING DATE: March 1, 2011

ITEM NO.: CC 3

STAFF SOURCE: Robert Neiuber, Deputy Executive Director Redevelopment ^{RN}

ITEM TITLE: Consider transfer of Project Area One and Project Area Two funds to allow the Parks and Recreation Department to plan and carryout Redevelopment Agency outreach events like Thunderfest, the Farmer's Market, and other family oriented events to promote the Redevelopment Project Areas of the City and aid in the elimination of blight during the 2011 calendar year.

STAFF RECOMMENDATION

City Council/Redevelopment Agency to adopt **City Resolution No. 11-6934 and Agency Resolution No. 11-658**, approving transfer of Project Area One Redevelopment funds from account number 5011-4600-00-51620 and transfer of Project Area Two Redevelopment funds from account number 5021-4650-00-53785 to General Fund account number 1010-3610-00-51620 to allow the Parks and Recreation Department to plan and carryout Redevelopment Agency outreach events like Thunderfest, the Farmer's Market, and other family oriented events to promote the Redevelopment Project Areas of the City and aid in the elimination of blight during the 2011 calendar year.

FISCAL IMPACT

Transfer of \$110,000 of Redevelopment funds to the General fund. \$90,000 of available Project Area One Redevelopment funds from account number 5011-4600-51620 and \$20,000 of available Project Area Two Redevelopment funds from account number 5021-4650-53785 would be transferred to account number 1010-3610-51620.

BACKGROUND

In order to allow Parks and Recreation to prepare and budget for events during the current calendar year, Agency staff is asking that the Board consider transferring \$110,000 from the redevelopment project areas to the Parks and Recreation Department. These funds will be used for events including but not limited to Thunderfest, the Farmer's Market, and other family oriented events to promote the Redevelopment Project Areas of the City and aid in the elimination of blight during the 2011 calendar year.

The Agency is asking the Board to consider this transfer of funds so that there is some certainty that these events can continue this year. The Governor's proposal to eliminate local redevelopment agencies put the community's ability to plan and carry out these events at risk. These programs benefit the project areas in that they encourage economic growth, help to show

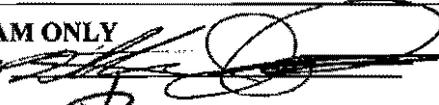
the viability of the project areas for retail and housing development, and are a mechanism to encourage the removal of blight.

RELEVANCE TO THE STRATEGIC PLAN

The transfer of funds from the Agency to the City for this purpose will help to enhance the financial stability of the City, retain the services provided by the City, and eliminate blight.

EXHIBITS

- A. Resolution No. 11-6934
- B. Resolution No. 11-658

REVIEW TEAM ONLY	
City Attorney: 	Finance Director: 
City Manager: 	Other: _____

RESOLUTION NO. 10-6934

A RESOLUTION OF THE CITY OF COVINA ACCEPTING THE TRANSFER OF PROJECT AREA ONE AND PROJECT AREA TWO FUNDS TO ALLOW THE PARKS AND RECREATION DEPARTMENT TO PLAN AND CARRYOUT REDEVELOPMENT AGENCY OUTREACH EVENTS LIKE THUNDERFEST, THE FARMER'S MARKET, AND OTHER FAMILY ORIENTED EVENTS TO PROMOTE THE REDEVELOPMENT PROJECT AREAS OF THE CITY AND AID IN THE ELIMINATION OF BLIGHT DURING THE 2011 CALENDAR YEAR.

WHEREAS, the City of Covina wishes to support the Covina Redevelopment Agency's (the "Agency") activities necessary to execute and implement the Redevelopment Plan for the Covina Revitalization Redevelopment Project No. 1 AND Project Area 2 ("Projects");

WHEREAS, the City of Covina is a politic body duly organized and existing pursuant to the Constitution and laws of the State of California ("Agency"); and

WHEREAS, the budget for the City for fiscal year commencing July 1, 2010 and ending June 30, 2011 was approved on June 15, 2010; and

WHEREAS, the approved budget is in accordance with all applicable ordinances of the Agency and all applicable statutes of the State; and

WHEREAS, the proposed transfer will allow the Parks and Recreation Department to plan and carryout Redevelopment Agency outreach events like Thunderfest, the Farmer's Market, and other family oriented events to promote the Redevelopment Project Areas of the City and aid in the elimination of blight during the 2011 calendar year; and

WHEREAS, the Governor's proposal to eliminate local redevelopment agencies put the community's ability to plan and carry out these events at risk; and

WHEREAS, these programs benefit the project areas in that they encourage economic growth, help to show the viability of the project areas for retail and housing development, and are a mechanism to encourage the removal of blight; and

WHEREAS, the accepting the transfer of budgeted funds from the Agency to the City for specific projects shall be by approval and Resolution of the City Council;

WHEREAS, the City of Covina is dedicated to improving City infrastructure and the aesthetics of the City and City of Covina Strategic Plan goals;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF COVINA AS FOLLOWS:

SECTION 1. Amend the fiscal year 2010 – 2011 City of Covina operating budget as follows: Appropriate \$90,000 from Redevelopment Agency Marketing Fund Balance 5011-4600-00-51620 and \$20,000 from Redevelopment Agency Redevelopment –Private Project Area -2 Fund Balance 5021-4650-00-53785 to City of Covina General Fund account number 1010-3300-00-51620.

SECTION 2. The City Clerk shall certify to the adoption of this resolution.

ADOPTED AND APPROVED THIS 1st day of March 2011.

Mayor

ATTEST:

Deputy City Clerk

Approved as to form:

Legal Counsel

I, Catherine LaCroix, Deputy City Clerk, hereby CERTIFY that Resolution No. 11-6934 was adopted by the City Council at a regular meeting held March 1, 2011, and was approved and passed by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Catherine LaCroix
Agency Secretary

RESOLUTION NO. 10-658

A RESOLUTION OF THE COVINA REDEVELOPMENT AGENCY APPROVING TRANSFER OF PROJECT AREA ONE AND PROJECT AREA TWO FUNDS TO ALLOW THE PARKS AND RECREATION DEPARTMENT TO PLAN AND CARRYOUT REDEVELOPMENT AGENCY OUTREACH EVENTS LIKE THUNDERFEST, THE FARMER'S MARKET, AND OTHER FAMILY ORIENTED EVENTS TO PROMOTE THE REDEVELOPMENT PROJECT AREAS OF THE CITY AND AID IN THE ELIMINATION OF BLIGHT DURING THE 2011 CALENDAR YEAR.

WHEREAS, the Covina Redevelopment Agency (the "Agency") is engaged in activities necessary to execute and implement the Redevelopment Plan for the Covina Revitalization Redevelopment Project No. 1 AND Project Area 2 ("Projects");

WHEREAS, the Covina Redevelopment Agency is a politic body duly organized and existing pursuant to the Constitution and laws of the State of California ("Agency"); and

WHEREAS, the budget for the Agency for fiscal year commencing July 1, 2010 and ending June 30, 2011 was approved on June 15, 2010; and

WHEREAS, the approved budget is in accordance with all applicable ordinances of the Agency and all applicable statutes of the State; and

WHEREAS, the proposed transfer will allow the Parks and Recreation Department to plan and carryout Redevelopment Agency outreach events like Thunderfest, the Farmer's Market, and other family oriented events to promote the Redevelopment Project Areas of the City and aid in the elimination of blight during the 2011 calendar year; and

WHEREAS, the Governor's proposal to eliminate local redevelopment agencies put the community's ability to plan and carry out these events at risk; and

WHEREAS, these programs benefit the project areas in that they encourage economic growth, help to show the viability of the project areas for retail and housing development, and are a mechanism to encourage the removal of blight; and

WHEREAS, the transfer of budgeted funds from the Agency to the City for specific projects shall be by approval and Resolution of the Agency Board;

WHEREAS, the Covina Redevelopment Agency is dedicated to achieving Agency goals, improving City infrastructure and the aesthetics of the City and City of Covina Strategic Plan goals;

NOW, THEREFORE, BE IT RESOLVED BY THE COVINA REDEVELOPMENT AGENCY AS FOLLOWS:

SECTION 1. Amend the fiscal year 2010 – 2011 Covina Redevelopment Agency operating budget as follows: Appropriate \$90,000 from Redevelopment Agency Marketing Fund Balance 5011-4600-00-51620 and \$20,000 from Redevelopment Agency Redevelopment – Private Project Area -2 Fund Balance 5021-4650-00-53785 to City of Covina General Fund account number 1010-3300-00-51620.

SECTION 2. The Agency Secretary shall certify to the adoption of this resolution.

ADOPTED AND APPROVED THIS 1st day of March 2011.

Chair

ATTEST:

Deputy City Clerk

Approved as to form:

Legal Counsel

I, Catherine LaCroix, Agency Secretary, hereby CERTIFY that Resolution No. 11-658 was adopted by the Agency Board at a regular meeting held March 1, 2011, and was approved and passed by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Catherine LaCroix
Agency Secretary

COVINA REDEVELOPMENT AGENCY
AGENDA ITEM COMMENTARY

MEETING DATE: March 1, 2011

ITEM NO.: CC 4

STAFF SOURCE: Robert Neiuber, Deputy Executive Director *RN*
Nuala Gasser, Sr. Redevelopment Manager *NG*

ITEM TITLE: Request for rent reduction by PRY Properties, tenant of the property located at 528 S. Citrus Avenue, location of Bozzani Volkswagen

STAFF RECOMMENDATION

Approve the Sixth Amendment to Lease Agreement between the Agency and tenant PRY Properties, for a reduction in base rent by 40% per month on a deferral basis.

FISCAL IMPACT

The reduction in monthly revenues of \$2,746 per month for a period of twelve months will be deferred to the end of the lease and then forgiven if all terms are met.

BACKGROUND

On February 3, 2009, and on May 4, 2010, the Agency Board approved temporary lease amendments each for no more than 12 months for the property known as 528 S. Citrus Avenue, under lease to PRY Properties, due to the economic downturn and the difficulties being experienced by the auto dealerships. The second period of reduced rent ended January 31, 2011.

The Agency has received a letter from the General Partner of PRY Properties requesting the continuance of the monthly rent reduction for an additional year. The letter is attached as Exhibit A. The tenant has advised that business is slow, and the business would not be able to make the full monthly rent payment.

Economic indicators show that there is a slow increase in car sales regionally; however, the level of business is still much lower than the mid 2000's. The Bozzani dealerships are showing a 30% decrease from the business being conducted in 2007, even though there is an anticipated uptick in the current year. The LAEDC Kyser Center for Economic Research, in their Economic Forecast February 2010, addresses the issue of vacant space, saying "recycling vacant retail space will be real challenge in 2010, especially auto dealers." In their July 2010 update, the Kyser Center stated that housing and automotive related purchases will turn up in the recovery, but both will remain at historically low levels. This is reflected in the request from PRY Properties to extend the rent reduction for an additional year.

The lease amendment, attached as Exhibit B, is structured similarly to the prior lease amendment. It allows for a 40% reduction in monthly rent for a period of twelve (12) months. The amount of the rent decrease in this period will be deferred to the end of the lease, to be forgiven if the obligations of the lease are fulfilled. The rent of \$6,865 will be decreased by \$2,746, for an

adjusted rent of \$4,119 per month, to start retroactively February 1, 2011, through January 31, 2012.

The Fifth Amendment to Lease extended the initial term of the lease to October 31, 2017. In consideration of the rent reduction under the Sixth Amendment, the initial term of the lease is extended for a period of one year to October 31, 2018.

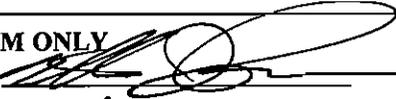
RELEVANCE TO THE STRATEGIC PLAN

Assisting businesses to reach economic stability will ensure that the City does not lose local revenue sources.

EXHIBITS

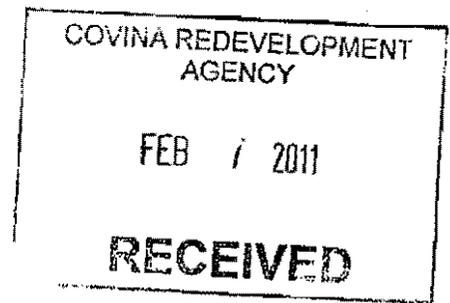
Exhibit A— PRY Properties' letter dated January 31, 2011

Exhibit B— Sixth Amendment to Lease

REVIEW TEAM ONLY	
City Attorney: 	Finance Director: 
City Manager: 	Other: _____

Arcadia, CA
January 31, 2011

City of Covina
Attn: Covina Redevelopment Agency
125 East College Street
Covina, CA 91723-2199



RE: Lease Agreement for 528 S. Citrus Avenue, Covina, CA--Rent reduction request

Dear Covina Redevelopment Agency:

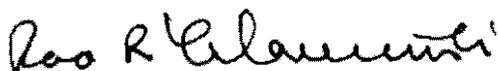
We very much appreciate your reducing the rent during the years 2009 and 2010 as per the Fourth and Fifth Amendments to the lease. This reduced payment period ends January 31, 2010, but the auto industry continues to suffer more losses than the previous year.

I would like to request you to continue this reduced monthly payment on the subject property for an additional year. As it is the current economic situation does not make it possible for us to continue making the present rental payment going forward, instead if we need to go back to the higher rent we will be forced out of business. So please help us.

Please contact me at your convenience with any questions or concerns.

Thank you.

Sincerely,



Rao R. Yalamanchili
General Partner
PRY Properties

Mobile: (818)370-7806

E-mail: rao@positiveinvestments.com

610 N. Santa Anita Avenue, Arcadia, California 91006
Phone: (626)321-4800. Fax: (626)321-4801

EXHIBIT B

SIXTH AMENDMENT TO LEASE

This Sixth Amendment to Lease is entered into as of February 1, 2011, by and between the Covina Redevelopment Agency ("Agency") and PRY Properties ("Tenant") who agree as follows:

1. RECITALS

1.1 The Agency is carrying out the Redevelopment Plan for the Covina Revitalization Redevelopment Project No. 1 (the Project). In connection with such Project, Agency entered into a lease for the property at 528 S. Citrus Avenue, Covina, with Harry Hill Volkswagen, Inc. dated February 3, 1986 (the Lease) which Lease has been amended by a First, Second, Third, Fourth and Fifth Amendment dated May 15, 1989, June 29, 1990, November 14, 1990, February 3, 2009, and May 4, 2010, respectively. The Lease, as amended, has been assigned by Harry Hill Volkswagen, Inc. to Bianco & Associates, and subsequently assigned by Bianco & Associates to Tenant as approved by Agency Resolution 96-346 on October 15, 1996. Tenant has operated its car sales business on the Premises, Bozzani Volkswagen, since that date.

1.2 Under the Fifth Amendment to Lease, through January 31, 2011, Tenant has been paying Agency the reduced sum of \$4,119 as the minimum monthly rent. The full rent amount under the lease is \$6,865.

1.3 Tenant has requested an extension of the reduction in the minimum monthly rent due to the continued reduction in revenue caused by the economic situation affecting the entire automobile industry, effective February 1, 2011.

1.4 Automotive industry economic indicators confirm that while vehicle sales in California remain unchanged in 2010 compared to 2009, 1,174,100 new vehicles were registered. This is still well below the 2.1 million unit levels recorded in 2005, due to effects of the housing slump and steep economic turndown.

2. AGREEMENT

2.1 In consideration of the mutual covenants herein contained, the Agency agrees that commencing February 1, 2011, the obligation for payment of minimum monthly rent shall be reduced by 40% for a period of twelve months ending January 31, 2012, and Tenant shall only be required to pay the sum of Four Thousand One Hundred and Nineteen Dollars and 00/100 (\$4,119.00) toward minimum monthly rent during such

period. The reduced payment period will end on January 31, 2012 and commencing February 1, 2012, and thereafter the full minimum monthly rent will resume as such rent is adjusted pursuant to the periodic cost of living adjustment.

2.2 The reduction in the obligation for payment of minimum monthly rent shall not be a waiver of the balance of the minimum monthly rent, but such difference of Two Thousand Seven Hundred Forty Six Dollars and no/100 (\$2,746.00) per month which will total the aggregated amount of \$32,952 as of January 31, 2012 (the Deferred Rent) shall be deferred until the expiration of the Lease term. The Deferred Rent will be forgiven by Agency at expiration of the Lease term if during the remainder of the Lease term Tenant does not default in any of the Lease provisions and performs all of its obligations under the Lease.

2.3 In consideration of the rent reduction referenced herein, the term of the initial lease term referenced in Section 3 of the Memorandum of Lease dated November 14, 1990, is extended by one year to October 31, 2018.

2.4 This amendment hereby certifies this and all previous amendments.

2.5 Except as hereby amended, and as previously amended, the Lease shall remain in full force and effect.

Executed by Agency on

March 1, 2011

Approved:

Covina Redevelopment Agency

Best, Best & Krieger

By: _____
Agency Counsel

By: _____
Daryl J. Parrish
Executive Director

Executed by Tenant on

_____, 2011

TENANT:

PRY Properties, L.P.,
A California Limited Partnership

By: _____

Its: _____

CITY OF COVINA
AGENDA ITEM COMMENTARY

MEETING DATE: March 1, 2011

ITEM NO.: CPH 1

STAFF SOURCE: Robert Neiuber, Director of Community Development *en*

ITEM TITLE: Consider application Conditional Use Permit 10-008, Variance 10-002 and Negative Declaration related to the wireless communication facility located at 1288 N. Bonnie Cove Avenue and determine if the required findings can be justified.

STAFF RECOMMENDATION

- A. Open the Public Hearing and consider public testimony; and
- B. Continue the Public Hearing to the meeting of April 5, 2011

FISCAL IMPACT

None.

BACKGROUND

The applicant is requesting that this item be continued to April 5, 2011, to allow further time to confirm and develop design alternatives and present them to the community. T-Mobile has tentatively scheduled a public meeting with the residents of the area for March 23rd. They plan to hold the meeting in the Church at the site. Staff recommends that the City Council consider their request and continue the public hearing to April 5, 2011.

RELEVANCE TO THE STRATEGIC PLAN

None.

EXHIBITS

None.

REVIEW TEAM ONLY	
City Attorney: 	Finance Director: 
City Manager: 	Other: _____

CITY OF COVINA
AGENDA ITEM COMMENTARY

MEETING DATE: March 1, 2011

ITEM NO.: CPH 2

STAFF SOURCE: Robert Neiuber, Director of Community Development *fn*

ITEM TITLE: Consider application Conditional Use Permit 10-010, Variance 10-004 and Negative Declaration related to the wireless communication facility located at 1175 East Garvey Avenue and determine if the required findings can be justified.

STAFF RECOMMENDATION

- A. Open the Public Hearing and consider public testimony; and
- B. Continue the Public Hearing to the meeting of March 15, 2011

FISCAL IMPACT

None.

BACKGROUND

The applicant is requesting that this item be continued to March 15, 2011, to allow further time to confirm and develop design alternatives and present them to the community. T-Mobile has tentatively scheduled a public meeting with the residents of the area for March 7, 2011 in the City Council Chambers at 6:00 PM. Staff recommends that the City Council consider their request and continue the public hearing to March 15, 2011.

RELEVANCE TO THE STRATEGIC PLAN

None.

EXHIBITS

None.

REVIEW TEAM ONLY	
City Attorney: 	Finance Director: 
City Manager: 	Other: _____

**CITY OF COVINA/COVINA REDEVELOPMENT AGENCY/
COVINA HOUSING AUTHORITY
AGENDA ITEM COMMENTARY**

MEETING DATE: March 1, 2011

ITEM NO: JPH1

STAFF SOURCE: Robert Neiuber, Director of Community Development/
Deputy Executive Director *RN*
Elizabeth Hull, Agency Counsel
Nuala Gasser, Senior Redevelopment Manager *mg*

ITEM TITLE: City Council/Agency Board/Covina Housing Authority to hold a Joint Public Hearing to consider the Disposition and Development Agreement between the Agency and Maria Mercy Moreno for the property at 147-151 E. College Street Covina.

STAFF RECOMMENDATION

- a) Conduct the public hearing to consider the Disposition and Development Agreement, and
- b) Adopt City Council **Resolution No. 11-6935** approving that certain Disposition and Development Agreement between the Covina Redevelopment Agency and Maria Mercy Moreno, and the sale of real property by the Covina Redevelopment Agency pursuant to that certain Disposition and Development Agreement
- c) Adopt Agency **Resolution No. 11-659** approving that certain Disposition and Development Agreement between the Covina Redevelopment Agency and Maria Mercy Moreno, the sale of real property by the Covina Redevelopment Agency pursuant to that certain Disposition and Development Agreement, and authorizing assignment of such Disposition and Development Agreement, and
- d) Adopt Authority **Resolution No. 11-002** accepting assignment of that certain Disposition and Development Agreement between the Covina Redevelopment Agency and Maria Mercy Moreno for property located at 147-151 E. College Street, Covina.

FISCAL IMPACT

Over the remaining life of Project Area Two, it is estimated that the benefit to the City will be \$202,210, realized through sales tax and property tax payments. There will be a loss to the Redevelopment Agency of \$80,283. The revenue realized through the land sale will be deposited to CRA Low-Income Housing Account 2052-4700-00-48700 to repay funds used to purchase the property initially.

BACKGROUND

The Agency has received a proposal from Maria Mercy Moreno (the "Developer") for the development of property commonly known as 147-151 E. College Street, Covina. The proposal

is in the form of a Disposition and Development Agreement (the "Agreement") executed by Developer.

The Developer proposes to purchase and rehabilitate the building on the Agency's parcel at 147-151 E. College Street, Covina. The Agency parcel is identified in the Agreement as Parcel 1, the "Property", and is located in Project Area Two Amended Area. The Agreement states that the proposed use is a family oriented, sit-down, dinner-house type of restaurant, subject to approval of the Agency. Escrow on the property would extend for a period of up to twelve months.

The Property would be sold to the Developer by Agency for \$715,000 which price is based upon an appraisal prepared by Himes and Himes dated July 2010, as the highest and best use without regard to the restrictions imposed by the terms of the Agreement, with an allowance which provides for the destruction of the workshed in the rear of the property as required under the DDA.

The project is categorically exempt from The California Environmental Quality Act (CEQA) under Article 19, Section 15332 of the CEQA Guidelines. Analysis by staff has determined that the project meets the conditions described in Section 15332.

The Agreement is the subject of a Joint Public Hearing by the Redevelopment Agency Members, City Council and the Covina Housing Authority pursuant to published notice.

The attached Exhibit A, Summary of Project, describes not only the proposed development, but also the financial aspects of the Agreement as required by Health and Safety Code Section 33433.

The Agency resolution, attached as Exhibit D, provides for the assignment of the DDA at the discretion of the Executive Director, from the Agency to the Housing Authority, with the approval of the Executive Director and the Redevelopment Counsel. The Authority resolution, Exhibit E, accepts the assignment of the DDA.

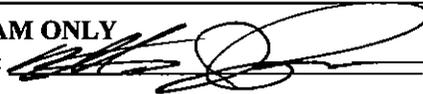
RELEVANCE TO THE STRATEGIC PLAN

The sale of the property will assist in the revitalization of the downtown commercial area, promoting commercial development and encouraging private investment, all of which contribute to enhancing financial stability in the City.

EXHIBITS

- A. Summary of Project
- B. Disposition and Development Agreement (on file in the office of the City Clerk)
- C. Resolution of City Council making environmental findings and approving Agreement
- D. Resolution of Agency making environmental findings and approving Agreement
- E. Resolution of the Housing Authority accepting assignment of the DDA

REVIEW TEAM ONLY

City Attorney: 

Finance Director: 

City Manager: _____

Other: _____

EXHIBIT A

INFORMATION SUMMARY (33433 REPORT) FOR THE DISPOSITION AND DEVELOPMENT AGREEMENT WITH MARIA MERCY MORENO

This summary is provided pursuant to Section 33433 of the California Community Redevelopment Law (Part 1 of Division 24 of the Health and Safety Code) for the proposed Disposition and Development Agreement (DDA) between the Covina Redevelopment Agency/the Covina Housing Authority and Maria Mercy Moreno (the "DDA").

1. Cost of the Project to the Agency:

On May 20, 2005, the Covina Redevelopment Agency (the "Agency") acquired the property at 147-149-151 East College Street, Covina (Parcel 1). Property is identified by Assessor's Parcel Number 8445-001-918.

The property was purchased initially for a housing project in the downtown area. As the project did not come to fruition, the funds to purchase the property be repaid to the redevelopment LMIHF by funds realized from the sale approved under this DDA.

Pursuant to the proposed Disposition and Development Agreement, Maria Mercy Moreno (the "Developer") would purchase the property in order to renovate the building and conduct a restaurant business. A map showing the commercial site area and location of Parcel 1 is attached. The cost to assemble the site is determined based on the following information:

a.	Real Property Acquisition Costs	The Agency-owned property was acquired for a purchase price of \$681,000. The total acquisition cost is estimated at \$729,100.
b.	Acquisition Expense	\$681,000 for Sales Parcel 1.
c.	Relocation Costs & Goodwill	\$113,373 paid by Agency.

d.	Clearance Costs	\$0 to Agency. Developer shall be responsible for all building remediation costs and business preparation costs.
e.	Improvement Costs	Water and sewer service to the Site is currently provided to the Site and all on-site improvements and connection fees to such utilities are the Developer's responsibility. No Agency cost is anticipated.
f.	Finance Costs	\$0 (estimated)

2. Estimated value of interest to be conveyed by the Agency to the Developer determined at highest and best use permitted by the Redevelopment Plan:

The estimated value of interest for the Sales Parcel to be conveyed at its "highest and best use" based on the appraised value is \$725,000 prepared by an independent appraisal firm, Himes and Himes. This is the fair market value as determined by such independent appraisal of the property prepared in July 2010. However the Sales Parcel will be sold at a purchase price which equals the appraised value, less the Developer's actual out of pocket cost, estimated at \$10,000, to demolish the work shed as required and defined in section 1.186 of the DDA.

3. Estimated value of interest to be conveyed at the use and with the conditions, covenants and development costs required by the sale:

Analysis of the "estimated value of interest" must take into account the fair market value of the interest to be conveyed at \$715,000. Although a reuse value for the Sales Parcel being conveyed might support a lower value, a reuse value has not been prepared since the Sales Parcel will be conveyed at its fair market value as determined by the Agency's appraisal.

4. The acquisition price which the Developer will be required to pay during the terms of the PDDA:

Pursuant to the terms of the DDA, as noted above the Developer will pay \$715,000 for Sales Parcel 1.

5. Explanation as to the reason why the sale of the property will assist the elimination of blight:

The sale of this property will help to eliminate blight as a result of promoting development within vacant and underutilized areas of the Covina Redevelopment Agency Project Area No. 2. The long-vacant property on the Site will be fully renovated, and become a revenue-producing business which will attract more foot-traffic to the downtown area, which will result in increased economic activity in surrounding businesses.

6. Consistency with the Five-Year Implementation Plan

Pursuant to the California Redevelopment Law, all agencies must adopt an implementation plan that outlines the projects, programs, and expenditures anticipated over a five-year period. The Covina Redevelopment Agency has adopted such a plan, covering fiscal years 2009-2010 through 2013-2014.

The proposed development is located in Project Area 2. Programs identified by the Implementation Plan for Project Area 2 includes the "College Street Project", and suggests a reuse would include a restaurant. In addition, goals and objectives for Project Area 2 to address blighting conditions includes the goals to facilitate revitalization of commercial areas, thereby enhancing the economic viability; to promote compatible commercial development, and to encourage private sector investment.

The proposed development would contribute to accomplishing these objectives by bringing new private sector investment to the downtown. In addition, this project will allow for the upgrade of the building.

7. DDA stipulations regarding Definition of Project, Scope of Development, and Designation of Certain Dates

Project

Project is defined as one (1) family oriented, sit-down, dinner-house type of restaurant subject to approval by the Agency to be located on the property.

Scope of Development/Escrow Closing:

The Scope of Development provides that escrow close no later than 12 months after the Effective Date, as defined in the DDA.

147-151 E. College Street, Covina

EXPENDITURES

LAND ACQUISITION PRICE	
147-151 E. College Street, Covina	\$681,000
ACQUISITION and DISPOSITION EXPENSE	
Business and consulting fees	\$48,100
RELOCATION/GOODWILL	\$113,373
OFFSITE & BUILDING IMPROVEMENTS	\$0
OTHER COSTS (LEGAL, APPRAISALS, EIR, TRAFFIC & ECONOMIC STUDIES)	\$30,000
BOND INTEREST	\$0
TOTAL EXPENDITURES	\$872,473

REVENUES

LAND SALE	\$715,000
ESTIMATED TAX INCREMENT THROUGH 2027(net gain @ 2% annual growth)	\$50,000
ESTIMATED TAX INCREMENT TO LOW/MOD FUND THROUGH 2727	\$27,190
ESTIMATED PROPERTY TAX PAID TO CITY THROUGH 2027	\$5,000
ESTIMATED SALES TAX THROUGH 2025 (net gain @ 2% annual growth)	\$197,210
REVENUES TOTAL-RANGE	\$994,400

TOTAL BENEFIT (LOSS)	\$121,927
BENEFIT (LOSS) TO CITY	\$202,210
BENEFIT (LOSS) TO AGENCY/LOW-MOD FUND	-\$80,283

EXHIBIT B

Disposition and Development Agreement

Is on file in the office of the Covina City Clerk

EXHIBIT C

RESOLUTION NO. 11-6935

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COVINA APPROVING THAT CERTAIN DISPOSITION AND DEVELOPMENT AGREEMENT BETWEEN THE COVINA REDEVELOPMENT AGENCY AND MARIA MERCY MORENO, AND THE SALE OF REAL PROPERTY BY THE COVINA REDEVELOPMENT AGENCY PURSUANT TO THAT CERTAIN DISPOSITION AND DEVELOPMENT AGREEMENT

WHEREAS, the City Council of the City of Covina ("City") approved and adopted redevelopment plans ("Redevelopment Plan") for a redevelopment project area known as Project Area No. 1 on July 15, 1974 and a redevelopment project area known as Project Area No. 2 on September 19, 1983, and amended on July 13, 1987 to add territory (collectively, the "Project Areas" and individually the "Project Area"); and

WHEREAS, the Covina Redevelopment Agency ("Agency") is engaged in activities to execute and implement the Redevelopment Plans for the Project Areas pursuant to the provisions of the California Community Redevelopment Law (Health and Safety Code § 33000, *et seq.*) ("CRL"); and

WHEREAS, the Covina Housing Authority was activated by the City of Covina on January 25, 2011, to collaborate with the City and the Agency to provide sanitary and safe housing for people of very low, low or moderate income within the City, through participation in housing projects, and

WHEREAS, the City and Agency and Housing Authority entered into an Agreement for Services on January 25, 2011 and on February 15, 2011, and

WHEREAS, the Agency proposes to sell certain real property ("Site") described in and pursuant to the terms and provisions of a certain Disposition and Development Agreement ("Agreement"); and

WHEREAS, MARIA MERCY MORENO ("Developer") submitted to the Agency a written offer in the form of said Agreement to purchase one parcel of real property identified in the Agreement as the Site; and

WHEREAS, the proposed Agreement contains all the provisions, terms, conditions, and obligations required by state and local law; and

WHEREAS, Developer possesses the qualifications and financial resources necessary to acquire the Site and develop the Site as described in the Agreement, in accordance with the purposes and objectives of the Redevelopment Plan; and

WHEREAS, the Agency has prepared, and the City Council has reviewed and considered, a summary setting forth the cost of the Agreement to the Agency, the estimated value of the interests to be conveyed determined at the reuse value permitted under the Agreement, and the purchase price and made said summary available for public inspection in accordance with the California Community Redevelopment Law; and

WHEREAS, development of Site is categorically exempt under the California Environmental Quality Act (CEQA) under Article 19, Section 15332 of the CEQA Guidelines allowed for infill development; and

WHEREAS, pursuant to provisions of the California Community Redevelopment Law, the Agency and the City Council and the Housing Authority held a duly noticed joint public hearing on the proposed sale of the Site and on the proposed Agreement; and

WHEREAS, the City Council has considered all terms and conditions of the proposed sale, and the redevelopment of the Site pursuant to the proposed Agreement is in the best interests of the City and in accord with the public purposes and provisions of applicable State and local laws.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF COVINA AS FOLLOWS:

SECTION 1. The City Council hereby finds and determines that the development of the Site is categorically exempt under the California Environmental Quality Act (CEQA) under Article 19, Section 15332 of the CEQA Guidelines allowed for infill development.

SECTION 2. The City Council hereby finds and determines that the proposed Agreement, sale and development of the Site will not have a significant effect on the environment or result in a substantial or potentially substantial adverse change in the environment.

SECTION 3. The City Council authorizes that a Notice of Exemption shall be filed with the Clerk of the County of Los Angeles, California, within five (5) working days following the date of adoption of this Resolution.

SECTION 4. The City Council hereby finds and determines that the consideration for sale of that certain real property described as the Site, pursuant to the Disposition and Development Agreement between the Agency and Developer, is not less than the fair reuse value at the use and with the covenants and conditions and development costs authorized by the sale.

SECTION 5. The City Council further hereby finds and determines that development pursuant to the Agreement is consistent with the implementation plan adopted by the Agency for the Project Area pursuant to CRL Section 33490 in that it addresses a proposed

facilitates revitalization of commercial areas, thereby enhancing the economic viability, promoting commercial development, and encouraging private sector investment.

SECTION 6. The sale of that certain real property by the Agency to Developer and the Disposition and Development Agreement which establishes the terms and conditions for the sale and development of such Site, are hereby approved.

SECTION 7. The City Clerk shall certify to the passage and adoption of this Resolution and the same shall thereupon take effect and be in force.

APPROVED AND ADOPTED this 1st day of March, 2011 .

Mayor

ATTEST:

City Clerk

(SEAL)

APPROVED AS TO FORM:

City Attorney

CERTIFICATION

I, Catherine M. LaCroix, Deputy City Clerk, City of Covina, do hereby CERTIFY that the foregoing Resolution was adopted by the Covina City Council at a regular meeting of the City Council held this 1st day of March, 2011, and was approved and passed by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Catherine M. LaCroix
Deputy City Clerk, City of Covina

EXHIBIT D

RESOLUTION NO. 11-659

A RESOLUTION OF THE COVINA REDEVELOPMENT AGENCY APPROVING THAT CERTAIN DISPOSITION AND DEVELOPMENT AGREEMENT BETWEEN THE COVINA REDEVELOPMENT AGENCY AND MARIA MERCY MORENO, THE SALE OF REAL PROPERTY BY THE COVINA REDEVELOPMENT AGENCY PURSUANT TO THAT CERTAIN DISPOSITION AND DEVELOPMENT AND AUTHORIZING ASSIGNMENT OF SUCH DISPOSITION AND DEVELOPMENT AGREEMENT

WHEREAS, the City Council of the City of Covina ("City") approved and adopted redevelopment plans ("Redevelopment Plan") for a redevelopment project area known as Project Area No. 1 on July 15, 1974 and a redevelopment project area known as Project Area No. 2 on September 19, 1983, and amended on July 13, 1987 to add territory (collectively, the "Project Areas" and individually the "Project Area"); and

WHEREAS, the Covina Redevelopment Agency ("Agency") is engaged in activities to execute and implement the Redevelopment Plans for the Project Areas pursuant to the provisions of the California Community Redevelopment Law (Health and Safety Code § 33000, *et seq.*) ("CRL"); and

WHEREAS, the Covina Housing Authority was activated by the City of Covina on January 25, 2011, to collaborate with the City and the Agency to provide sanitary and safe housing for people of very low, low or moderate income within the City, through participation in housing projects, and

WHEREAS, the City and Agency and Housing Authority entered into an Agreement for Services on January 25, 2011 and on February 15, 2011, and

WHEREAS, in order to implement the Redevelopment Projects, the Agency proposes to sell certain real property ("Site") described in and pursuant to the terms and provisions of a certain Disposition and Development Agreement ("Agreement"); and

WHEREAS, MARIA MERCY MORENO ("Developer") submitted to the Agency a written offer in the form of said Agreement to purchase the Site; and

WHEREAS, the proposed Agreement contains all the provisions, terms, conditions, and obligations required by state and local law; and

WHEREAS, Developer possesses the qualifications and financial resources necessary to acquire the Site and develop the Site as described in the Agreement, in accordance with the purposes and objectives of the Redevelopment Plan; and

WHEREAS, the Agency has prepared, and the City Council has reviewed and considered, a summary setting forth the cost of the Agreement to the Agency, the estimated value of the interests to be conveyed determined at the uses permitted under the Agreement, and the purchase price and made said summary available for public inspection in accordance with the California Community Redevelopment Law; and

WHEREAS, the Agency considered the environmental impacts pertaining to said Agreement, sale of the Site, and development of Site and the proposed development is categorically exempt from The California Environmental Quality Act (CEQA) under Article 19, Section 15332 of the CEQA Guidelines allowed for infill development; and

WHEREAS, pursuant to provisions of the California Community Redevelopment Law, the Agency, the City Council and the Housing Authority held a duly noticed joint public hearing on the proposed sale of the Site and on the proposed Agreement; and

WHEREAS, the City Council has considered all terms and conditions of the proposed sale, and the redevelopment of the Site pursuant to the proposed Agreement is in the best interests of the City and in accord with the public purposes and provisions of applicable State and local laws.

NOW, THEREFORE, BE IT RESOLVED BY THE COVINA REDEVELOPMENT AGENCY AS FOLLOWS:

SECTION 1. The Agency hereby finds and determines that the environmental impacts related to the redevelopment of the Site pursuant to the Agreement is categorically exempt from CEQA under Article 19, Section 15332 of the CEQA Guidelines allowed for infill development.

SECTION 2. The Agency hereby finds and determines that the proposed Agreement and sale and development of the Site will not have a significant effect on the environment or result in a substantial or potentially substantial adverse change in the environment.

SECTION 3. The Agency Board authorizes that a Notice of Exemption shall be filed with the Clerk of the County of Los Angeles, California, within five (5) working days following the date of adoption of this Resolution.

SECTION 4. The Agency Board hereby finds and determines that the consideration for sale of that certain real property described as the Site, pursuant to the Disposition and Development Agreement between the Agency and Developer, is not less than

the fair reuse value at the use and with the covenants and conditions and development costs authorized by the sale.

SECTION 5. The Agency Board further hereby finds and determines that development pursuant to the Agreement is consistent with the implementation plan adopted by the Agency for the Project Area pursuant to CRL Section 33490 in that it addresses a proposed project in the implementation plan and assists in the elimination of blighting conditions and facilitates revitalization of commercial areas, thereby enhancing the economic viability, promoting commercial development, and encouraging private sector investment.

SECTION 6. The sale of that certain real property by the Agency to Developer and the Disposition and Development Agreement which establishes the terms and conditions for the sale and development of such Site, are hereby approved.

SECTION 7. The Executive Director is hereby authorized to execute said Agreement on behalf of the Agency and to take all action necessary to carry out said Agreement, including but not limited to execution of the Grant Deed.

SECTION 8. In the event that ownership of the Site is transferred from the Agency to the Housing Authority, the Executive Director is hereby authorized, at his discretion, to assign the Disposition and Development Agreement to the Housing Authority, as may be approved by both the Executive Director and the Redevelopment Counsel.

SECTION 9. The Agency Board hereby authorizes and directs the Executive Director of the Agency to take any action and execute any documents necessary to implement this Resolution.

SECTION 10. The Secretary shall certify to the passage and adoption of this Resolution and the same shall thereupon take effect and be in force.

PASSED, APPROVED AND ADOPTED this 1st day of March, 2011.

COVINA REDEVELOPMENT AGENCY

Chairman

Attest:

Secretary

Approved as to form:

Agency Counsel

CERTIFICATION

I, Catherine M. LaCroix, Secretary of the Redevelopment Agency of the City of Covina, do hereby CERTIFY that the foregoing Resolution was adopted by the Covina Redevelopment Agency at a regular meeting of the Agency held this 1st day of March, 2011, and was approved and passed by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Catherine M. LaCroix, Secretary

EXHIBIT E

RESOLUTION NO. 11-002

A RESOLUTION OF THE BOARD OF THE COVINA HOUSING AUTHORITY ACCEPTING ASSIGNMENT OF THAT CERTAIN DISPOSITION AND DEVELOPMENT AGREEMENT BETWEEN THE COVINA REDEVELOPMENT AGENCY AND MARIA MERCY MORENO FOR PROPERTY LOCATED AT 147-151 E. COLLEGE STREET, COVINA

WHEREAS, the City Council of the City of Covina ("City") approved and adopted redevelopment plans ("Redevelopment Plan") for a redevelopment project area known as Project Area No. 1 on July 15, 1974 and a redevelopment project area known as Project Area No. 2 on September 19, 1983, and amended on July 13, 1987 to add territory (collectively, the "Project Areas" and individually the "Project Area"); and

WHEREAS, the Covina Redevelopment Agency ("Agency") is engaged in activities to execute and implement the Redevelopment Plans for the Project Areas pursuant to the provisions of the California Community Redevelopment Law (Health and Safety Code § 33000, *et seq.*) ("CRL"); and

WHEREAS, the Covina Housing Authority was activated by the City of Covina on January 25, 2011, to collaborate with the City and the Agency to provide sanitary and safe housing for people of very low, low or moderate income within the City, through participation in housing projects, and

WHEREAS, the City and Agency and Housing Authority entered into an Agreement for Services on January 25, 2011 and on February 15, 2011, and

WHEREAS, MARIA MERCY MORENO ("Developer") submitted to the Agency a written offer in the form of a certain Disposition and Development Agreement ("Agreement") to purchase one parcel of real property owned by the Agency identified in the Agreement as the Property, and generally known as 147-151 E. College Street, Covina, and

WHEREAS, on March 1, 2011, the City and the Agency approved the sale of real property pursuant to the Agreement in accordance with the California Community Redevelopment Law, and

WHEREAS, in the event that the Agency transferred ownership of the Property to the Housing Authority, the Agency authorized the Executive Director at his discretion, to assign the Agreement to the Housing Authority.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF THE COVINA HOUSING AUTHORITY AS FOLLOWS:

SECTION 1. The Authority Board hereby finds and determines that the assignment of the Disposition and Development Agreement for the Property at 147-151 E. College Street Covina, which establishes the terms and conditions for the sale and development of such Property, from the Agency to the Housing Authority, is hereby approved.

SECTION 2. In the event that ownership of the Property is transferred from the Agency to the Housing Authority, and the Executive Director of the Agency assigns the Disposition and Development Agreement to the Housing Authority, the Executive Director of the Housing Authority is hereby authorized to accept the assignment of the Disposition and Development Agreement and to take any action and execute any documents necessary to implement such assignment and this Resolution.

SECTION 3. The Secretary shall certify to the passage and adoption of this Resolution and the same shall thereupon take effect and be in force.

APPROVED AND ADOPTED this 1st day of March, 2011 .

Interim Chairperson, Housing Authority

ATTEST:

Secretary, Housing Authority

(SEAL)

APPROVED AS TO FORM:

Authority Counsel

CERTIFICATION

I, Catherine M. LaCroix, Secretary of the Covina Housing Authority of the City of Covina, do hereby CERTIFY that the foregoing Resolution was introduced and adopted by the Covina Housing Authority at a regular meeting thereof held on the 1st day of March, 2011, by the following vote of the Housing Authority:

AYES:

NOES:

ABSTAIN:

ABSENT:

IN WITNESS THEROF, I have hereunto set my hand and affixed the official seal of the Housing Authority of the City of Covina, this 1st day of March, 2011.

Catherine M. LaCroix, Secretary

**CITY OF COVINA/
COVINA REDEVELOPMENT AGENCY
AGENDA ITEM COMMENTARY**

MEETING DATE: March 1, 2011

ITEM NO.: JPH 2

STAFF SOURCE: Daryl Parrish, City Manager/Executive Director^P
Robert Neiuber, Director of Community Development/
Deputy Executive Director Redevelopment^{PN}
Dilu De Alwis, Director of Finance

ITEM TITLE: City Council/Redevelopment Agency to authorize the transfer of Redevelopment Agency properties described as Assessor Parcel Numbers 8451-001-912, 8444-021-904, 8431-014-904, 8430-026-900, 8429-009-900, 8447-031-901, AND 8445-009-909 from the Agency to the City.

STAFF RECOMMENDATION

- a) Conduct the joint public hearing, consider public testimony, and
- b) City Council to adopt **Resolution No. 11-6936**, approving the transfer of certain real properties owned by the Covina Redevelopment Agency within the Covina Revitalization Redevelopment Project No. One and Project No. Two to the City of Covina pursuant to California Health and Safety Code Sections 33430, 33431 and 33445 and making certain findings with regard thereto, and
- c) Covina Redevelopment Agency to adopt **Resolution No. 11-660** approving the transfer of certain agency owned real properties within the Covina Revitalization Redevelopment Project No. One and Project No. Two to the City of Covina pursuant to California Health and Safety Code Sections 33430, 33431 and 33445 and making certain findings with regard thereto.

FISCAL IMPACT

Approval of this action will decrease the assets of the agency and increase the assets of the City. The park properties are currently maintained through the Parks and Recreation Department. The vacant lot at Puente west of Citrus is not currently maintained by the City, therefore there will be an impact to the Parks and Recreation Department for the maintenance of this property.

BACKGROUND

According to California Health and Safety Code Section 33445, a redevelopment agency may, with the consent of the City Council, pay with tax increment funds all or part of the value of land for publicly owned improvements located inside or contiguous to a project area, if the City Council makes the following findings: (i) the acquisition of land is of benefit to the project area by helping eliminate blight within the project area; (ii) no other reasonable means of financing the acquisition of land is available; (iii) the payment of funds for the acquisition of land is consistent with the implementation plan adopted pursuant to California Health and Safety Code

Section 33490. The City Council makes such findings in City Council Resolution No. 11-6936 and the Agency's Governing Board affirms such findings in Agency Resolution No. 11-660 with regard to the transfer of the following properties ("Properties") from the Agency to the City:

<u>APN</u>	<u>Description</u>
8451-001-912	Parking lot, Shopper's Lane
8444-021-904	Vacant land, Puente at Citrus
8431-014-904	Parking lot, 547 N. Citrus
8430-026-900	Park, Heritage Square, Citrus/San Bernardino Road
8429-009-900	City Yard, 534 N. Barranca
8447-031-901	Jalapa Park, Holt and Garvey
8445-009-909	Portion of Civic Center Parking Structure, 114 E. College St.

In response to the Governor's proposed State budget package and proposals for FY 2011-2012 which include recommending the elimination of redevelopment agencies "to realign the delivery of state services to counties and local governments" and eliminate a projected State deficit of \$25.4 billion, the City Manager and Agency Executive Director proposes the recommended actions intended to provide flexibility to preserve local public assets.

Pursuant to Health and Safety Code Section 33430 and 33431, an agency may transfer any real or personal property or any interest in property and must provide public notice. The public hearing is properly noticed, and the Agency proposes to transfer to the City ownership of the Properties for public use to the City of Covina.

RELEVANCE TO THE STRATEGIC PLAN

Preservation of local control of public properties in the City is of benefit to the financial stability of the City.

EXHIBITS

- A. City Resolution No. 11-6936
- B. Agency Resolution No. 11-660

REVIEW TEAM ONLY	
City Attorney: _____	Finance Director: _____
City Manager: _____	Other: _____

EXHIBIT A

RESOLUTION NO. 11-6936

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COVINA APPROVING THE TRANSFER OF CERTAIN REAL PROPERTIES OWNED BY THE COVINA REDEVELOPMENT AGENCY WITHIN THE COVINA REVITALIZATION REDEVELOPMENT PROJECT NO. ONE AND PROJECT NO. TWO TO THE CITY OF COVINA PURSUANT TO CALIFORNIA HEALTH AND SAFETY CODE SECTIONS 33430, 33431 AND 33445 AND MAKING CERTAIN FINDINGS WITH REGARD THERETO

WHEREAS, the City Council of the City of Covina (“City”) approved and adopted redevelopment plans (“Redevelopment Plan”) for a redevelopment project area known as Project Area No. 1 on July 15, 1974 and a redevelopment project area known as Project Area No. 2 on September 19, 1983, and amended on July 13, 1987 to add territory (collectively, the “Project Areas” and individually the “Project Area”); and

WHEREAS, the Covina Redevelopment Agency (“Agency”) is engaged in activities to execute and implement the Redevelopment Plans for the Project Areas pursuant to the provisions of the California Community Redevelopment Law (Health and Safety Code § 33000, *et seq.*) (“CRL”); and

WHEREAS, for the improvement of the Project Areas and the immediate neighborhoods in which the Project Areas are located, the Agency has recognized the need for certain public improvements, which improvements are located within the boundaries of, and contiguous to, the Project Areas, and

WHEREAS, pursuant to CRL Section 33445, a redevelopment agency may, with the consent of the City Council, pay all or part of the value of land located inside or contiguous to a project area, if the City Council makes certain findings and transfer such property; and

WHEREAS, as provided in this Resolution, the City Council has made the required findings pursuant to CRL Section 33445; and

WHEREAS, in accordance with CRL Section 33445, the Agency has used its tax increment funds received pursuant to CRL Section 33670 to pay for all or part of the cost of the value of land for seven properties (collectively, “Properties”), as listed below:

<u>APN</u>	<u>Description</u>
8451-001-912	Parking lot, Shopper’s Lane
8444-021-904	Vacant land, Puente at Citrus
8431-014-904	Parking lot, 547 N. Citrus

8430-026-900 Park, Heritage Square
8429-009-900 City Yard, 534 N. Barranca
8447-031-901 Jalapa Park, Holt and Garvey
8445-009-909 Portion of Civic Center Parking Structure, 114 E. College St.

WHEREAS, the Agency desires to transfer the Properties to the City of Covina in accordance with a quitclaim deed in substantially the form attached to this Resolution as Exhibit "A" and the City desires to acknowledge acceptance of the Properties through a certificate of acceptance in substantially the form attached to such quitclaim deed; and

WHEREAS, CRL Section 33430 authorizes a redevelopment agency to sell real property and CRL Section 33431 provides that such sale may be made without public bidding only after a public hearing, notice of which shall be given by publication for not less than once a week for two weeks in a newspaper of general circulation published in the county in which the land lies; and

WHEREAS, pursuant to Health CRL Section 33431, notice of the public hearing held on March 1, 2011 was published in a newspaper of general circulation on February 10 and February 17, 2011; and

WHEREAS, pursuant to provisions of the California Community Redevelopment Law, the City Council and the Redevelopment Agency held a duly noticed joint public hearing on the proposed transfer of the Properties on March 1, 2011; and

WHEREAS, the City Council has considered all terms and conditions of the proposed transfer, and has determined that the proposed action is in the best interests of the City and in accord with the public purposes and provisions of applicable State and local laws; and

WHEREAS, in accordance with the California Environmental Quality Act (codified as Public Resources Code Sections 21000 *et seq*) ("CEQA") and the State CEQA Guidelines, City staff has determined that the transfer of the Properties is exempt pursuant to CEQA Guidelines Section 15378(b)(5), which provides that the authorization of such a transfer is not considered a project subject to CEQA review because the transfer of the Properties is an organizational activity that will not result in direct or indirect physical changes in the environment.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Covina as follows:

Section 1. Recitals. The Recitals set forth above are true and correct and incorporated herein.

Section 2. 33445 Findings. The City Council finds and determines, based on the information made available in the staff report accompanying this Resolution, the oral

presentation of City staff, and all other written and oral evidence presented to the City at or prior to the public hearing, that:

- (i) That the Agency's transfer of the Properties is of benefit to the Project Areas because the transfer of the Properties and the public improvements on them will: (1) improve the quality of life in the Project Areas and is in the best interest of the City and the health, safety, morals and welfare of its residents, businesses, tenants, and property owners and (2) provide needed public improvements, stimulate economic development and minimize depreciated or stagnant property values and high business vacancies, while improving aesthetics and visibility in the Project Areas.
- (ii) That there are no other reasonable means of preserving the public improvements on the Properties available to the City. The City cannot fully assume the costs of needed capital improvements within the City without the assistance of property tax increment funding or other funding from the Project Areas. Capital public improvements in other parts of the City would have to be deferred or eliminated in order to fund these certain public improvements.
- (iii) That the transfer of the Properties will benefit the Project Areas by assisting in the elimination of one or more blighting conditions in the Project Areas. The transfer will assist the City and Agency in providing and preserving needed public improvements and stimulating economic development. Transfer of the Properties and the associated provision of the public improvements on the Properties will eliminate blight by making the Project Areas attractive to private investment, which subsequently will contribute to an appreciation of the value of both businesses and property within the Project Areas.
- (iv) The transfer of the Properties is consistent with the implementation plan adopted pursuant to Section 33490 in that the implementation plan contemplates the on-going availability and preservation of public improvements that will stimulate private investment on private property in the Project Areas and elimination of one or more blighting conditions within the Project Areas.
- (v) The public improvements on the Properties are provided for in the Redevelopment Plans which authorize the installation, construction or reconstruction of streets, utilities and other public improvements (including, but not limited to gutters, sidewalks, sewers and appurtenant work thereto) in areas which benefit the Project Areas.

Section 3. Quitclaim Deed Authorization. The City Council authorizes and directs the City Manager to execute and deliver on behalf of the City, a certificate of acceptance, substantially in the form attached hereto as Exhibit "A" as part of the quitclaim deed for each of the seven Properties and to take any action and execute any other documents as may be necessary to implement this Resolution.

Section 4. **CEQA.** The City Council directs and authorizes that a Notice of Exemption shall be filed with the Clerk of the Board of Supervisors of the County of Los Angeles, California, within five (5) working days following the date of adoption of this Resolution.

Section 5. **Effective Date.** This Resolution shall take effect immediately upon its adoption.

Section 6. **Certification.** The City Clerk shall certify to the passage and adoption of this Resolution and the same shall thereupon take effect and be in force immediately upon its adoption.

PASSED, APPROVED AND ADOPTED this 1st day of March, 2011.

Mayor

ATTEST:

City Clerk

(SEAL)

APPROVED AS TO FORM;

City Attorney

CERTIFICATION

I, Catherine M. LaCroix, Deputy City Clerk, City of Covina, do hereby CERTIFY that Resolution No. 11-6936 was adopted by the Covina City Council at a regular meeting of the City Council held this 1st day of March, 2011, and was approved and passed by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Catherine M. LaCroix

Deputy City Clerk, City of Covina

Exhibit "A"

Quitclaim Deed

[see attached behind this page]

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

Covina Redevelopment Agency
125 E. College Street
Covina, CA 91723-2199
Attention: Executive Director

APN:

SPACE ABOVE THIS LINE FOR RECORDER'S USE
EXEMPT FROM RECORDING FEES – GOVERNMENT
CODE SECTION 27383

COVINA REDEVELOPMENT AGENCY
QUITCLAIM DEED

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,

COVINA REDEVELOPMENT AGENCY, a public body, corporate and politic,

does hereby remise, release and forever quitclaim to

CITY OF COVINA, a California municipal corporation,

all right, title and interest of Transferor in that certain real property in the City of Covina, County of Los Angeles, State of California, specifically described in Exhibit "A" attached to this Quitclaim Deed ("Property") and made a part of this Quitclaim Deed by this reference.

Dated: _____ **COVINA REDEVELOPMENT AGENCY**, a public body, corporate and politic

By: _____
Daryl Parrish
Executive Director

[SIGNATURE MUST BE NOTARY ACKNOWLEDGED FOR RECORDING]

Exhibit "A"
To
Covina Redevelopment Agency
Quitclaim Deed

Property Legal Description

To be provided

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by the above Quitclaim Deed from the COVINA REDEVELOPMENT AGENCY, a public body, corporate and politic, to CITY OF COVINA, a California municipal corporation, is hereby accepted by the undersigned officer on behalf of the City of Covina and the City of Covina consents to recordation of such Quitclaim Deed in the official records of the County of Los Angeles, California.

City of Covina,
a California municipal corporation

By: _____
Daryl Parrish
City Manager

EXHIBIT B

RESOLUTION NO. 11-660

A RESOLUTION OF THE COVINA REDEVELOPMENT AGENCY APPROVING THE TRANSFER OF CERTAIN AGENCY OWNED REAL PROPERTIES WITHIN THE COVINA REVITALIZATION REDEVELOPMENT PROJECT NO. ONE AND PROJECT NO. TWO TO THE CITY OF COVINA PURSUANT TO CALIFORNIA HEALTH AND SAFETY CODE SECTIONS 33430, 33431 AND 33445 AND MAKING CERTAIN FINDINGS WITH REGARD THERETO

WHEREAS, the City Council of the City of Covina (“City”) approved and adopted redevelopment plans (“Redevelopment Plan”) for a redevelopment project area known as Project Area No. 1 on July 15, 1974 and a redevelopment project area known as Project Area No. 2 on September 19, 1983, and amended on July 13, 1987 to add territory (collectively, the “Project Areas” and individually the “Project Area”); and

WHEREAS, the Covina Redevelopment Agency (“Agency”) is engaged in activities to execute and implement the Redevelopment Plans for the Project Areas pursuant to the provisions of the California Community Redevelopment Law (Health and Safety Code § 33000, *et seq.*) (“CRL”); and

WHEREAS, for the improvement of the Project Areas and the immediate neighborhoods in which the Project Areas are located, the Agency has recognized the need for certain public improvements, which improvements are located within the boundaries of, and contiguous to, the Project Areas, and

WHEREAS, pursuant to CRL Section 33445, a redevelopment agency may, with the consent of the City Council, pay all or part of the value of land located inside or contiguous to a project area, if the City Council makes certain findings and transfer such property; and

WHEREAS, in accordance with CRL Section 33445, the Agency has used its tax increment funds received pursuant to CRL Section 33670 to pay for all or part of the cost of the value of land for seven properties (collectively, “Properties”), as listed below:

<u>APN</u>	<u>Description</u>
8451-001-912	Parking lot, Shopper’s Lane
8444-021-904	Vacant land, Puente at Citrus
8431-014-904	Parking lot, 547 N. Citrus
8430-026-900	Park, Heritage Square
8429-009-900	City Yard, 534 N. Barranca
8447-031-901	Jalapa Park, Holt and Garvey

WHEREAS, the City Council made the required findings for the transfer of the Properties pursuant to CRL Section 33445 as set forth in City Council Resolution No. 11-6936 on March 1, 2011; and

WHEREAS, the Agency desires to transfer the Properties to the City of Covina in accordance with a quitclaim deed attached to this Resolution as Exhibit "A"; and

WHEREAS, CRL Section 33430 authorizes a redevelopment agency to sell real property and CRL Section 33431 provides that such transfer may be made without public bidding only after a public hearing, notice of which shall be given by publication for not less than once a week for two weeks in a newspaper of general circulation published in the county in which the land lies; and

WHEREAS, pursuant to Health CRL Section 33431, notice of the public hearing held on March 1, 2011 was published in a newspaper of general circulation on February 10 and February 17, 2011; and

WHEREAS, pursuant to provisions of the California Community Redevelopment Law, the City Council and the Redevelopment Agency held a duly noticed joint public hearing on the proposed transfer of the Properties on March 1, 2011; and

WHEREAS, the City Council has considered all terms and conditions of the proposed transfer, and has determined that the proposed action is in the best interests of the City and in accord with the public purposes and provisions of applicable State and local laws; and

WHEREAS, the Agency is the lead agency pursuant to the California Environmental Quality Act (codified as Public Resources Code Sections 21000 *et seq*) ("CEQA") and the State CEQA Guidelines; and

WHEREAS, Agency staff has determined that the Agency's authorization of the transfer is exempt from CEQA, pursuant to the CEQA Guidelines set forth in California Code of Regulations, Title 14, Section 15378(b)(5), which provides that such authorizations are not considered a project subject to CEQA review because the transfer of the Properties is an organizational activity that will not result in direct or indirect physical changes in the environment.

NOW, THEREFORE, BE IT RESOLVED by the Governing Board of the Covina Redevelopment Agency as follows:

Section 1. **Recitals.** The Recitals set forth above are true and correct and incorporated herein.

Section 2. **33445 Findings.** The City Council has found, and the Governing Board affirms, finds and determines, based on the information made available in the staff report

accompanying this Resolution, the oral presentation of Agency staff, and all other written and oral evidence presented to the Governing Board at or prior to the public hearing, that:

- (i) That the Agency's transfer of the Properties is of benefit to the Project Areas because the transfer of the Properties and the public improvements on them will: (1) improve the quality of life in the Project Areas and is in the best interest of the City and the health, safety, morals and welfare of its residents, businesses, tenants, and property owners and (2) provide needed public improvements, stimulate economic development and minimize depreciated or stagnant property values and high business vacancies, while improving aesthetics and visibility in the Project Areas.
- (ii) That there are no other reasonable means of preserving the public improvements on the Properties available to the City. The City cannot fully assume the costs of needed capital improvements within the City without the assistance of property tax increment funding or other funding from the Project Areas. Capital public improvements in other parts of the City would have to be deferred or eliminated in order to fund these certain public improvements.
- (iii) That the transfer of the Properties will benefit the Project Areas by assisting in the elimination of one or more blighting conditions in the Project Areas. The transfer will assist the City and Agency in providing and preserving needed public improvements and stimulating economic development. Transfer of the Properties and the associated provision of the public improvements on the Properties will eliminate blight by making the Project Areas attractive to private investment, which subsequently will contribute to an appreciation of the value of both businesses and property within the Project Areas.
- (iv) The transfer of the Properties is consistent with the implementation plan adopted pursuant to Section 33490 in that the implementation plan contemplates the on-going availability and preservation of public improvements that will stimulate private investment on private property in the Project Areas and elimination of one or more blighting conditions within the Project Areas.
- (v) The public improvements on the Properties are provided for in the Redevelopment Plans which authorize the installation, construction or reconstruction of streets, utilities and other public improvements (including, but not limited to gutters, sidewalks, sewers and appurtenant work thereto) in areas which benefit the Project Areas.

Section 3. Quitclaim Deed Authorization. The Governing Board authorizes and directs the Executive Director of the Agency, with the concurrence of the Agency Counsel, to execute and deliver on behalf of the Agency, a quitclaim deed, substantially in the form attached hereto as Exhibit "A" for each of the seven Properties owned by the Agency.

Section 4. Implementation. The Governing Board hereby authorizes and directs the Executive Director of the Agency at his discretion to make decisions to take any action and execute any documents necessary to implement the property transfer and this Resolution, as may be approved by both the Executive Director and the Redevelopment Counsel.

Section 5. CEQA. The Governing Board directs and authorizes that a Notice of Exemption shall be filed with the Clerk of the Board of Supervisors of the County of Los Angeles, California, within five (5) working days following the date of adoption of this Resolution.

Section 6. Effective Date. This Resolution shall take effect immediately upon its adoption.

Section 7. Certification. The Agency Secretary shall certify to the passage and adoption of this Resolution and the same shall thereupon take effect and be in force immediately upon its adoption.

PASSED, APPROVED AND ADOPTED this 1st day of March, 2011.

Chairperson, Covina Redevelopment Agency

ATTEST:

Secretary, Covina Redevelopment Agency

APPROVED AS TO FORM;

Agency Counsel

CERTIFICATION

I, Catherine M. LaCroix, Secretary of the Redevelopment Agency of the City of Covina, does hereby CERTIFY that Resolution No. 11-660 was adopted by the Covina Redevelopment Agency at a regular meeting of the Agency held this 1st day of March, 2011, and was approved and passed by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Catherine M. LaCroix, Secretary

Exhibit "A"

Quitclaim Deed

[see attached behind this page]

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

Covina Redevelopment Agency
125 E. College Street
Covina, CA 91723-2199
Attention: Executive Director

SPACE ABOVE THIS LINE FOR RECORDER'S USE
EXEMPT FROM RECORDING FEES – GOVERNMENT
CODE SECTION 27383

APN:

COVINA REDEVELOPMENT AGENCY
QUITCLAIM DEED

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,

COVINA REDEVELOPMENT AGENCY, a public body, corporate and politic,

does hereby remise, release and forever quitclaim to

CITY OF COVINA, a California municipal corporation,

all right, title and interest of Transferor in that certain real property in the City of Covina, County of Los Angeles, State of California, specifically described in Exhibit "A" attached to this Quitclaim Deed ("Property") and made a part of this Quitclaim Deed by this reference.

Dated: _____ **COVINA REDEVELOPMENT AGENCY**, a public body, corporate and politic

By: _____
Daryl Parrish
Executive Director

[SIGNATURE MUST BE NOTARY ACKNOWLEDGED FOR RECORDING]

Exhibit "A"
To
Covina Redevelopment Agency
Quitclaim Deed

To be provided

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by the above Quitclaim Deed from the COVINA REDEVELOPMENT AGENCY, a public body, corporate and politic, to CITY OF COVINA, a California municipal corporation, is hereby accepted by the undersigned officer on behalf of the City of Covina and the City of Covina consents to recordation of such Quitclaim Deed in the official records of the County of Los Angeles, California.

City of Covina,
a California municipal corporation

By: _____
Daryl Parrish
City Manager

**CITY OF COVINA/
COVINA REDEVELOPMENT AGENCY/
COVINA HOUSING AUTHORITY**

AGENDA ITEM COMMENTARY

MEETING DATE: March 1, 2011

ITEM NO.: JPH 3

STAFF SOURCE: Daryl Parrish, City Manager/Executive Director *DP*
Robert Neiuber, Director of Community Development/
Deputy Executive Director Redevelopment *RN*
Dilu De Alwis, Director of Finance

ITEM TITLE: City Council/Redevelopment Agency/Covina Housing Authority to authorize the transfer of Redevelopment Agency properties described as Assessor Parcel Numbers 8445-001-918 and 8434-002-904 from the Redevelopment Agency to the Covina Housing Authority.

STAFF RECOMMENDATION

- a) Conduct the joint public hearing, consider public testimony, and
- b) City Council to adopt **Resolution No. 11-6937**, approving the transfer of certain real properties owned by the Covina Redevelopment Agency within and outside the Covina Revitalization Redevelopment Project No. One and Project No. Two to the Covina Housing Authority pursuant to California Health and Safety Code Sections 33430, 33431, 33445 and 33445.1 and making certain findings with regard thereto, and
- c) Covina Redevelopment Agency to adopt **Resolution No. 11-661** approving the transfer of certain Agency owned real properties within and outside the Covina Revitalization Redevelopment Project No. One and Project No. Two to the Covina Housing Authority pursuant to California Health and Safety Code Sections 33430, 33431, 33445 and 33445.1 and making certain findings with regard thereto, and
- d) Covina Housing Authority to adopt **Resolution No. 11-003** accepting the transfer of certain real properties owned by the Covina Redevelopment Agency within and outside the Covina Revitalization Redevelopment Project No. One and Project No. Two.

FISCAL IMPACT

Approval of this action will decrease the assets of the Agency and increase the assets of the Housing Authority. Fund accounts will not be affected.

BACKGROUND

According to California Health and Safety Code Section 33445, a redevelopment agency may, with the consent of the City Council, pay with tax increment funds all or part of the value of land for affordable housing located inside or contiguous to a project area, if the City Council makes the following findings: (i) the acquisition of land is of benefit to the project area by helping

eliminate blight within the project area; (ii) no other reasonable means of financing the acquisition of land is available; (iii) the payment of funds for the acquisition of land is consistent with the implementation plan adopted pursuant to California Health and Safety Code Section 33490. The City Council makes such findings in City Council Resolution No. 11-6937 and the Agency's Governing Board affirms such findings in Agency Resolution No. 11-661 with regard to the transfer of the following property ("College Street Property") from the Agency to the City:

<u>APN</u>	<u>Description</u>
8445-001-918	147-151 E. College Street

According to California Health and Safety Code Section 33445.1, a redevelopment agency may, with the consent of the City Council, pay with tax increment funds all or part of the value of land for affordable housing located outside and not contiguous to a project area, if the City Council makes the following findings: (i) the acquisition of land is of primary benefit to the project area; (ii) the acquisition of land benefits the project area by helping to eliminate blight within the project area, or will directly assist in the provision of housing for low- or moderate-income persons; (iii) no other reasonable means of financing the acquisition of the land are available to the community, including, but not limited to, general obligation bonds, revenue bonds, special assessment bonds, or bonds issued pursuant to the Mello-Roos Community Facilities Act, taking into account relevant legal, economic and political factors; (iv) the payment of funds for the acquisition of land is consistent with the implementation plan adopted pursuant to California Health and Safety Code Section 33490; and (v) the acquisition of land is provided for in the redevelopment plan. The City Council makes such findings in City Council Resolution No. 11-6937 and the Agency's Governing Board affirms such findings in Agency Resolution No. 11-661 with regard to the transfer of the following property ("Residential Property") from the Agency to the City:

<u>APN</u>	<u>Description</u>
8434-002-904	Residential Property

In response to the Governor's proposed State budget package and proposals for FY 2011-2012 which include recommending the elimination of redevelopment agencies "to realign the delivery of state services to counties and local governments" and eliminate a projected State deficit of \$25.4 billion, the City Manager and Agency Executive Director proposes the recommended actions intended to provide flexibility to preserve local public assets.

Pursuant to Health and Safety Code Section 33430 and 33431, an agency may transfer any real or personal property or any interest in property and must provide public notice. The public hearing is properly noticed, and the Agency proposes to transfer to the Housing Authority ownership of the College Street and Residential Properties by quitclaim deed for public use.

RELEVANCE TO THE STRATEGIC PLAN

Preservation of local control of public properties in the City is of benefit to the financial stability of the City.

EXHIBITS

- A. City Resolution No. 11-6937
- B. Agency Resolution No. 11-661
- C. Housing Authority Resolution No. 11-003

REVIEW TEAM ONLY	
City Attorney: 	Finance Director: 
City Manager: 	Other: 

EXHIBIT A

RESOLUTION NO. 11-6937

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COVINA APPROVING THE TRANSFER OF CERTAIN REAL PROPERTIES OWNED BY THE COVINA REDEVELOPMENT AGENCY WITHIN AND OUTSIDE THE COVINA REVITALIZATION REDEVELOPMENT PROJECT NO. ONE AND PROJECT NO. TWO TO THE COVINA HOUSING AUTHORITY PURSUANT TO CALIFORNIA HEALTH AND SAFETY CODE SECTIONS 33430, 33431, 33445 AND 33445.1 AND MAKING CERTAIN FINDINGS WITH REGARD THERETO

WHEREAS, the City Council of the City of Covina (“City”) approved and adopted redevelopment plans (“Redevelopment Plan”) for a redevelopment project area known as Project Area No. 1 on July 15, 1974 and a redevelopment project area known as Project Area No. 2 on September 19, 1983, and amended on July 13, 1987 to add territory (collectively, the “Project Areas” and individually the “Project Area”); and

WHEREAS, the Covina Redevelopment Agency (“Agency”) is engaged in activities to execute and implement the Redevelopment Plans for the Project Areas pursuant to the provisions of the California Community Redevelopment Law (Health and Safety Code § 33000, *et seq.*) (“CRL”); and

WHEREAS, for the improvement of the Project Areas and the immediate neighborhoods in which the Project Areas are located, the Agency has recognized the need to provide affordable housing and affordable housing sites, which properties are located within the boundaries of, and in close proximity to, the Project Areas as well as throughout the City, and

WHEREAS, pursuant to CRL Section 33445, a redevelopment agency may, with the consent of the City Council, pay all or part of the value of land located inside or contiguous to a project area, if the City Council makes certain findings and transfer such property; and

WHEREAS, as provided in this Resolution, the City Council has made the required findings pursuant to CRL Section 33445; and

WHEREAS, in accordance with CRL Section 33445, the Agency has used its housing set-aside funds received pursuant to CRL Section 33334.3 to pay for all or part of the cost of the value of land for that certain property located within the Project Area (“College Street Property”), to increase, improve and preserve the supply of low- and moderate-income housing within the territorial jurisdiction of the Agency, as listed below:

<u>APN</u>	<u>Description</u>
8445-001-918	147-151 E. College Street, Covina

WHEREAS, pursuant to CRL Section 33445.1, a redevelopment agency may, with the consent of the City Council, pay all or part of the value of land located outside and not contiguous to a project area, if the City Council makes certain findings and transfer such property; and

WHEREAS, as provided in this Resolution, the City Council has made the required findings pursuant to CRL Section 33445.1; and

WHEREAS, in accordance with CRL Section 33445.1, the Agency has used its housing set-aside funds received pursuant to CRL Section 33334.3 to pay for all or part of the cost of the value of land for that certain property located outside and not contiguous to the Project Area (“Residential Property”), to increase, improve and preserve the supply of low and moderate income housing within the territorial jurisdiction of the City, as listed below:

<u>APN</u>	<u>Description</u>
8434-002-904	Residential Property, Covina

WHEREAS, the Covina Housing Authority (“Authority”) was activated by the City of Covina on January 25, 2011, to collaborate with the City and the Agency to provide sanitary and safe housing for people of very low, low or moderate income within the City, through participation in housing projects, and

WHEREAS, the City and Agency and Authority entered into an Agreement for Services on January 25, 2011 and on February 15, 2011, and

WHEREAS, the Agency desires to transfer the College Street Property and the Residential Property (collectively, “Properties”) to the Authority and the Authority desires to acknowledge acceptance of the Properties; and

WHEREAS, CRL Section 33430 authorizes a redevelopment agency to sell real property and CRL Section 33431 provides that such sale may be made without public bidding only after a public hearing, notice of which shall be given by publication for not less than once a week for two weeks in a newspaper of general circulation published in the county in which the land lies; and

WHEREAS, pursuant to Health CRL Section 33431, notice of the public hearing held on March 1, 2011 was published in a newspaper of general circulation on February 10 and February 17, 2011; and

WHEREAS, pursuant to provisions of the California Community Redevelopment Law, the City Council and the Redevelopment Agency and the Authority held a duly noticed joint public hearing on the proposed transfer of the Properties on March 1, 2011; and

WHEREAS, the City Council has considered all terms and conditions of the

proposed transfer, and has determined that the proposed action is in the best interests of the City and in accord with the public purposes and provisions of applicable State and local laws; and

WHEREAS, in accordance with the California Environmental Quality Act (codified as Public Resources Code Sections 21000 *et seq*) (“CEQA”) and the State CEQA Guidelines, City staff has determined that the transfer of the Properties is exempt pursuant to CEQA Guidelines Section 15378(b)(5), which provides that the authorization of such a transfer is not considered a project subject to CEQA review because the transfer of the Properties is an organizational activity that will not result in direct or indirect physical changes in the environment.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Covina as follows:

Section 1. Recitals. The Recitals set forth above are true and correct and incorporated herein.

Section 2. 33445 Findings. The City Council finds and determines, based on the information made available in the staff report accompanying this Resolution, the oral presentation of City staff, and all other written and oral evidence presented to the City at or prior to the public hearing, that:

- (i) That the Agency’s transfer of the College Street Property is of benefit to the Project Areas because the transfer of the College Street Property and the residential development on it will improve the quality of life in the Project Areas and is in the best interest of the City and the health, safety, morals and welfare of its residents, businesses, tenants, and property owners by providing needed affordable housing and affordable housing sites.
- (ii) That there are no other reasonable means of preserving the affordable housing and the affordable housing site on the College Street Property available to the City. The City cannot fully assume the costs of affordable housing development within the City without the assistance of property tax increment funding or other funding from the Project Areas. Capital public improvements in other parts of the City and other necessary uses of the City’s general fund revenues would have to be deferred or eliminated in order to provide affordable housing.
- (iii) That the transfer of the College Street Property will benefit the Project Areas by assisting in the elimination of one or more blighting conditions in the Project Areas. The transfer will assist the City, Agency and Authority in providing and preserving needed affordable housing. Transfer of the College Street Property and the associated provision of the housing will provide housing for low- and moderate-income families and eliminate blight by improving property within the Project Area with housing and making the Project Areas attractive to private

investment, which subsequently will contribute to an appreciation of the value of both businesses and property within the Project Areas.

- (iv) The transfer of the College Street Property is consistent with the implementation plan adopted pursuant to Section 33490 in that the implementation plan contemplates the increase and improvement of the supply of housing affordable to very low-, low- and moderate-income households. Implementation Plan goals includes giving priority to affordable housing proposals that will eliminate or prevent the spread of blight citywide, and to continue to stimulate construction of affordable infill housing units on a citywide basis.
- (v) The development of affordable housing is provided for in the Redevelopment Plans which authorize the development of buildings or other improvements in areas which benefit the Project Areas.

Section 3. 33445.1 Findings. The City Council finds and determines, based on the information made available in the staff report accompanying this Resolution, the oral presentation of City staff, and all other written and oral evidence presented to the City at or prior to the public hearing, that:

- (i) That the Agency's transfer of the Residential Property is of primary benefit to the Project Areas because the transfer of the Residential Property and the residential development on it will increase the supply of affordable housing options within or in close proximity to the Project Areas and is thus in the best interest of the City and the health, safety, morals and welfare of its residents, businesses, tenants, and property owners.
- (ii) That there are no other reasonable means of preserving the affordable housing and the affordable housing site on the Residential Property available to the City, including general obligation bonds, revenue bonds, special assessment bonds or bonds issued pursuant to the Mello-Roos Community Facilities Act. In addition, the City cannot fully assume the costs of affordable housing development within the City without the assistance of property tax increment funding or other funding from the Project Areas. Capital public improvements in other parts of the City and other necessary uses of the City's general fund revenues would have to be deferred or eliminated in order to provide such affordable housing.
- (iii) That the transfer of the Residential Property will directly assist in preserving and providing affordable housing options for low- and moderate-income families.
- (iv) The transfer of the Residential Property is consistent with the implementation plan adopted pursuant to Section 33490 in that the implementation plan contemplates the increase and improvement of the supply of housing affordable to very low, low and moderate-income households. Implementation Plan goals includes giving priority to affordable housing proposals that will eliminate or

prevent the spread of blight citywide, and to continue to stimulate construction of affordable infill housing units on a citywide basis.

- (v) The development of affordable housing is provided for in the Redevelopment Plans which authorize the development of buildings or other improvements in areas which benefit the Project Areas.

Section 4. Authorization. The City Council hereby authorizes the transfer of the Properties from the Agency to the Authority.

Section 5. CEQA. The City Council directs and authorizes that a Notice of Exemption shall be filed with the Clerk of the Board of Supervisors of the County of Los Angeles, California, within five (5) working days following the date of adoption of this Resolution.

Section 6. Effective Date. This Resolution shall take effect immediately upon its adoption.

Section 7. Certification. The City Clerk shall certify to the passage and adoption of this Resolution and the same shall thereupon take effect and be in force immediately upon its adoption.

PASSED, APPROVED AND ADOPTED this 1st day of March, 2011.

Mayor

ATTEST:

City Clerk

(SEAL)

APPROVED AS TO FORM;

City Attorney

CERTIFICATION

I, Catherine M. LaCroix, Deputy City Clerk, City of Covina, do hereby CERTIFY that Resolution No. 11-6937 was adopted by the Covina City Council at a regular meeting of the City Council held this 1st day of March, 2011, and was approved and passed by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Catherine M. LaCroix

Deputy City Clerk, City of Covina

EXHIBIT B

RESOLUTION NO. 11-661

A RESOLUTION OF THE COVINA REDEVELOPMENT AGENCY APPROVING THE TRANSFER OF CERTAIN AGENCY OWNED REAL PROPERTIES WITHIN AND OUTSIDE THE COVINA REVITALIZATION REDEVELOPMENT PROJECT NO. ONE AND PROJECT NO. TWO TO THE COVINA HOUSING AUTHORITY PURSUANT TO CALIFORNIA HEALTH AND SAFETY CODE SECTIONS 33430, 33431, 33445 AND 33445.1 AND MAKING CERTAIN FINDINGS WITH REGARD THERETO

WHEREAS, the City Council of the City of Covina (“City”) approved and adopted redevelopment plans (“Redevelopment Plan”) for a redevelopment project area known as Project Area No. 1 on July 15, 1974 and a redevelopment project area known as Project Area No. 2 on September 19, 1983, and amended on July 13, 1987 to add territory (collectively, the “Project Areas” and individually the “Project Area”); and

WHEREAS, the Covina Redevelopment Agency (“Agency”) is engaged in activities to execute and implement the Redevelopment Plans for the Project Areas pursuant to the provisions of the California Community Redevelopment Law (Health and Safety Code § 33000, *et seq.*) (“CRL”); and

WHEREAS, the Covina Housing Authority (“Authority”) was activated by the City of Covina on January 25, 2011, to collaborate with the City and the Agency to provide sanitary and safe housing for people of very low, low or moderate income within the City, through participation in housing projects, and

WHEREAS, the City and Agency and Authority entered into an Agreement for Services on January 25, 2011 and on February 15, 2011, and

WHEREAS, for the improvement of the Project Areas and the immediate neighborhoods in which the Project Areas are located, the Agency has recognized the need to provide affordable housing and affordable housing sites, which properties are located within the boundaries of, and contiguous to, the Project Areas as well as throughout the City, and

WHEREAS, pursuant to CRL Section 33445, a redevelopment agency may, with the consent of the City Council, pay all or part of the value of land located inside or contiguous to a project area, if the City Council makes certain findings and transfer such property; and

WHEREAS, in accordance with CRL Section 33445, the Agency has used its housing set-aside funds received pursuant to CRL Section 33334.3 to pay for all or part of the cost of the value of land for that certain property located within the Project Area (“College Street

Property"), to increase, improve and preserve the supply of low- and moderate-income housing within the territorial jurisdiction of the Agency, as listed below:

<u>APN</u>	<u>Description</u>
8445-001-918	147-151 E. College Street, Covina

WHEREAS, the City Council made the required findings for the transfer of the College Street Property pursuant to CRL Section 33445 as set forth in City Council Resolution No. 11-6937 on March 1, 2011; and

WHEREAS, pursuant to CRL Section 33445.1, a redevelopment agency may, with the consent of the City Council, pay all or part of the value of land located outside and not contiguous to a project area, if the City Council makes certain findings and transfer such property; and

WHEREAS, in accordance with CRL Section 33445.1, the Agency has used its housing set-aside funds received pursuant to CRL Section 33334.3 to pay for all or part of the cost of the value of land for that certain property located outside and not contiguous to the Project Area ("Residential Property"), to increase, improve and preserve the supply of low and moderate income housing within the territorial jurisdiction of the City, as listed below:

<u>APN</u>	<u>Description</u>
8434-002-904	Residential Property, Covina

WHEREAS, the City Council made the required findings for the transfer of the Residential Property pursuant to CRL Section 33445.1 as set forth in City Council Resolution No. 11-6937 on March 1, 2011; and

WHEREAS, the Agency desires to transfer the College Street Property and the Residential Property (collectively, "Properties") to the Authority in accordance with a quitclaim deed attached to this Resolution as Exhibit "A"; and

WHEREAS, CRL Section 33430 authorizes a redevelopment agency to sell real property and CRL Section 33431 provides that such transfer may be made without public bidding only after a public hearing, notice of which shall be given by publication for not less than once a week for two weeks in a newspaper of general circulation published in the county in which the land lies; and

WHEREAS, pursuant to Health CRL Section 33431, notice of the public hearing held on March 1, 2011 was published in a newspaper of general circulation on February 10 and February 17, 2011; and

WHEREAS, pursuant to provisions of the California Community Redevelopment Law, the City Council and the Redevelopment Agency and the Authority held a duly noticed joint public hearing on the proposed transfer of the Properties on March 1, 2011; and

WHEREAS, the City Council has considered all terms and conditions of the proposed transfer, and has determined that the proposed action is in the best interests of the City and in accord with the public purposes and provisions of applicable State and local laws; and

WHEREAS, the Agency is the lead agency pursuant to the California Environmental Quality Act (codified as Public Resources Code Sections 21000 *et seq*) (“CEQA”) and the State CEQA Guidelines; and

WHEREAS, Agency staff has determined that the Agency’s authorization of the transfer is exempt from CEQA, pursuant to the CEQA Guidelines set forth in California Code of Regulations, Title 14, Section 15378(b)(5), which provides that such authorizations are not considered a project subject to CEQA review because the transfer of the Properties is an organizational activity that will not result in direct or indirect physical changes in the environment.

NOW, THEREFORE, BE IT RESOLVED by the Governing Board of the Covina Redevelopment Agency as follows:

Section 1. Recitals. The Recitals set forth above are true and correct and incorporated herein.

Section 2. 33445 Findings. The City Council has found, and the Governing Board affirms, finds and determines, based on the information made available in the staff report accompanying this Resolution, the oral presentation of Agency staff, and all other written and oral evidence presented to the Governing Board at or prior to the public hearing, that:

- (i) That the Agency’s transfer of the College Street Property is of benefit to the Project Areas because the transfer of the College Street Property and the residential development on it will improve the quality of life in the Project Areas and is in the best interest of the City and the health, safety, morals and welfare of its residents, businesses, tenants, and property owners by providing needed affordable housing and affordable housing sites.
- (ii) That there are no other reasonable means of preserving the affordable housing and the affordable housing site on the College Street Property available to the City. The City cannot fully assume the costs of affordable housing development within the City without the assistance of property tax increment funding or other funding from the Project Areas. Capital public improvements in other parts of the City and other necessary uses of the City’s general fund revenues would have to be deferred or eliminated in order to provide affordable housing.
- (iii) That the transfer of the College Street Property will benefit the Project Areas by assisting in the elimination of one or more blighting conditions in the Project Areas. The transfer will assist the City, Agency and Authority in providing and

preserving needed affordable housing. Transfer of the College Street Property and the associated provision of the housing will provide housing for low- and moderate-income families and eliminate blight by improving property within the Project Area with housing and making the Project Areas attractive to private investment, which subsequently will contribute to an appreciation of the value of both businesses and property within the Project Areas.

- (iv) The transfer of the College Street Property is consistent with the implementation plan adopted pursuant to Section 33490 in that the implementation plan contemplates the increase and improvement of the supply of housing affordable to very low, low and moderate-income households. Implementation Plan goals includes giving priority to affordable housing proposals that will eliminate or prevent the spread of blight citywide, and to continue to stimulate construction of affordable infill housing units on a citywide basis.
- (v) The development of affordable housing provided for in the Redevelopment Plans which authorize the development of buildings or other improvements in areas which benefit the Project Areas.

Section 3. **33445.1 Findings.** The City Council has found, and the Governing Board affirms, finds and determines, based on the information made available in the staff report accompanying this Resolution, the oral presentation of Agency staff, and all other written and oral evidence presented to the Governing Board at or prior to the public hearing, that:

- (i) That the Agency's transfer of the Residential Property is of primary benefit to the Project Areas because the transfer of the Residential Property and the residential development on it will increase the supply of affordable housing options within or in close proximity to the Project Areas and is thus in the best interest of the City and the health, safety, morals and welfare of its residents, businesses, tenants, and property owners.
- (ii) That there are no other reasonable means of preserving the affordable housing and the affordable housing site on the Residential Property available to the City, including general obligation bonds, revenue bonds, special assessment bonds or bonds issued pursuant to the Mello-Roos Community Facilities Act. In addition, the City cannot fully assume the costs of affordable housing development within the City without the assistance of property tax increment funding or other funding from the Project Areas. Capital public improvements in other parts of the City and other necessary uses of the City's general fund revenues would have to be deferred or eliminated in order to provide such affordable housing.
- (iii) That the transfer of the Residential Property will directly assist in preserving and providing affordable housing options for low- and moderate-income families.
- (iv) The transfer of the Residential Property is consistent with the implementation plan adopted pursuant to Section 33490 in that the implementation plan

contemplates the increase and improvement of the supply of housing affordable to very low, low and moderate-income households. Implementation Plan goals includes giving priority to affordable housing proposals that will eliminate or prevent the spread of blight citywide, and to continue to stimulate construction of affordable infill housing units on a citywide basis.

- (v) The development of affordable housing is provided for in the Redevelopment Plans which authorize the development of buildings or other improvements in areas which benefit the Project Areas.

Section 4. Quitclaim Deed Authorization. The Governing Board authorizes and directs the Executive Director of the Agency, with the concurrence of the Agency Counsel, to execute and deliver on behalf of the Agency, a quitclaim deed, substantially in the form attached hereto as Exhibit "A" for each of the two Properties owned by the Agency.

Section 5. Implementation. The Governing Board hereby authorizes and directs the Executive Director of the Agency at his discretion to make decisions to take any action and execute any documents necessary to implement the property transfer and this Resolution, as may be approved by both the Executive Director and the Redevelopment Counsel.

Section 6. CEQA. The Governing Board directs and authorizes that a Notice of Exemption shall be filed with the Clerk of the Board of Supervisors of the County of Los Angeles, California, within five (5) working days following the date of adoption of this Resolution.

Section 7. Effective Date. This Resolution shall take effect immediately upon its adoption.

Section 8. Certification. The Agency Secretary shall certify to the passage and adoption of this Resolution and the same shall thereupon take effect and be in force immediately upon its adoption.

PASSED, APPROVED AND ADOPTED this 1st day of March, 2011.

Chairperson, Covina Redevelopment Agency

ATTEST:

Secretary, Covina Redevelopment Agency

APPROVED AS TO FORM;

Agency Counsel

CERTIFICATION

I, Catherine M. LaCroix, Secretary of the Redevelopment Agency of the City of Covina, do hereby CERTIFY that Resolution No. 11-661 was adopted by the Covina Redevelopment Agency at a regular meeting of the Agency held this 1st day of March, 2011, and was approved and passed by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Catherine M. LaCroix, Secretary

Exhibit "A"

Quitclaim Deed

[see attached behind this page]

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

Covina Redevelopment Agency
125 E. College Street
Covina, CA 91723-2199
Attention: Executive Director

APN:

SPACE ABOVE THIS LINE FOR RECORDER'S USE
EXEMPT FROM RECORDING FEES – GOVERNMENT
CODE SECTION 27383

COVINA REDEVELOPMENT AGENCY
QUITCLAIM DEED

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,

COVINA REDEVELOPMENT AGENCY, a public body, corporate and politic
("Transferor"),

does hereby remise, release and forever quitclaim to

COVINA HOUSING AUTHORITY, a public body, corporate and politic
("Transferee"),

all right, title and interest of Transferor in that certain real property in the City of Covina, County of Los Angeles, State of California, specifically described in Exhibit "A" attached to this Quitclaim Deed ("Property") and made a part of this Quitclaim Deed by this reference.

Dated: _____ **COVINA REDEVELOPMENT AGENCY**, a public
body, corporate and politic

By: _____
Daryl Parrish
Executive Director

[SIGNATURE MUST BE NOTARY ACKNOWLEDGED FOR RECORDING]

Exhibit "A"
To
Covina Redevelopment Agency
Quitclaim Deed

Property Legal Description

To be provided

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by the above Quitclaim Deed from the COVINA REDEVELOPMENT AGENCY, a public body, corporate and politic, to COVINA HOUSING AUTHORITY, a public body, corporate and politic, is hereby accepted by the undersigned officer on behalf of the Covina Housing Authority and the Covina Housing Authority consents to recordation of such Quitclaim Deed in the official records of the County of Los Angeles, California.

Covina Housing Authority,
a public body, corporate and politic

By:

Peggy Delach
Chairperson

NOTARY ACKNOWLEDGEMENT
(California All-Purpose Acknowledgement)

STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

On _____, before me, _____, notary public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature of Notary Public

EXHIBIT C

RESOLUTION NO. 11-003

A RESOLUTION OF THE BOARD OF THE COVINA HOUSING AUTHORITY ACCEPTING THE TRANSFER OF CERTAIN REAL PROPERTIES OWNED BY THE COVINA REDEVELOPMENT AGENCY WITHIN AND OUTSIDE THE COVINA REVITALIZATION REDEVELOPMENT PROJECT NO. ONE AND PROJECT NO. TWO

WHEREAS, the City Council of the City of Covina (“City”) approved and adopted redevelopment plans (“Redevelopment Plan”) for a redevelopment project area known as Project Area No. 1 on July 15, 1974 and a redevelopment project area known as Project Area No. 2 on September 19, 1983, and amended on July 13, 1987 to add territory (collectively, the “Project Areas” and individually the “Project Area”); and

WHEREAS, the Covina Redevelopment Agency (“Agency”) is engaged in activities to execute and implement the Redevelopment Plans for the Project Areas pursuant to the provisions of the California Community Redevelopment Law (Health and Safety Code § 33000, *et seq.*) (“CRL”); and

WHEREAS, the Covina Housing Authority (“Authority”) was activated by the City of Covina on January 25, 2011, to collaborate with the City and the Agency to provide sanitary and safe housing for people of very low, low or moderate income within the City, through participation in housing projects, and

WHEREAS, the City and Agency and Authority entered into an Agreement for Services on January 25, 2011 and on February 15, 2011, and

WHEREAS, for the improvement of the Project Areas and the immediate neighborhoods in which the Project Areas are located, the Agency has recognized the need to provide affordable housing and affordable housing sites, which properties are located within the boundaries of, and in close proximity to, the Project Areas as well as throughout the City, and

WHEREAS, pursuant to CRL Section 33445, a redevelopment agency may, with the consent of the City Council, pay all or part of the value of land located inside or contiguous to a project area, if the City Council makes certain findings and transfer such property; and

WHEREAS, as provided in Resolution No. 11-6937, adopted on March 1, 2011, the City Council has made the required findings pursuant to CRL Section 33445; and

WHEREAS, in accordance with CRL Section 33445, the Agency has used its housing set-aside funds received pursuant to CRL Section 33334.3 to pay for all or part of the cost of the value of land for that certain property located within the Project Area (“College Street

Property"), to increase, improve and preserve the supply of low- and moderate-income housing within the territorial jurisdiction of the Agency, as listed below:

<u>APN</u>	<u>Description</u>
8445-001-918	147-151 E. College Street, Covina

WHEREAS, pursuant to CRL Section 33445.1, a redevelopment agency may, with the consent of the City Council, pay all or part of the value of land located outside and not contiguous to a project area, if the City Council makes certain findings and transfer such property; and

WHEREAS, as provided in Resolution No. 11-6937, adopted on March 1, 2011, the City Council has made the required findings pursuant to CRL Section 33445.1; and

WHEREAS, in accordance with CRL Section 33445.1, the Agency has used its housing set-aside funds received pursuant to CRL Section 33334.3 to pay for all or part of the cost of the value of land for that certain property located outside and not contiguous to the Project Area ("Residential Property"), to increase, improve and preserve the supply of low and moderate income housing within the territorial jurisdiction of the City, as listed below:

<u>APN</u>	<u>Description</u>
8434-002-904	Residential Property, Covina

WHEREAS, the Agency desires to transfer the College Street Property and the Residential Property (collectively, "Properties") to the Authority and the Authority desires to accept the Properties; and

WHEREAS, CRL Section 33430 authorizes a redevelopment agency to sell real property and CRL Section 33431 provides that such sale may be made without public bidding only after a public hearing, notice of which shall be given by publication for not less than once a week for two weeks in a newspaper of general circulation published in the county in which the land lies; and

WHEREAS, pursuant to Health CRL Section 33431, notice of the public hearing held on March 1, 2011 was published in a newspaper of general circulation on February 10 and February 17, 2011; and

WHEREAS, pursuant to provisions of the California Community Redevelopment Law, the City Council and the Agency and the Authority held a duly noticed joint public hearing on the proposed transfer of the Properties on March 1, 2011; and

WHEREAS, in accordance with the California Environmental Quality Act (codified as Public Resources Code Sections 21000 *et seq*) ("CEQA") and the State CEQA Guidelines, Authority staff has determined that the transfer of the Properties is exempt pursuant to CEQA Guidelines Section 15378(b)(5), which provides that the authorization of such a

transfer is not considered a project subject to CEQA review because the transfer of the Properties is an organizational activity that will not result in direct or indirect physical changes in the environment.

NOW, THEREFORE, BE IT RESOLVED by the Board of the Covina Housing Authority as follows:

Section 1. Recitals. The Recitals set forth above are true and correct and incorporated herein.

Section 2. Quitclaim Deed Authorization. The Board hereby authorizes and directs the Chairperson of the Authority to execute and deliver on behalf of the Authority, a certificate of acceptance, substantially in the form attached hereto as Exhibit "A" as part of the quitclaim deed for each of the two Properties and to take any action and execute any other documents as may be necessary to implement this Resolution.

Section 3. CEQA. The Board directs and authorizes that a Notice of Exemption shall be filed with the Clerk of the Board of Supervisors of the County of Los Angeles, California, within five (5) working days following the date of adoption of this Resolution.

Section 4. Effective Date. This Resolution shall take effect immediately upon its adoption.

Section 5. Certification. The Secretary shall certify to the passage and adoption of this Resolution and the same shall thereupon take effect and be in force immediately upon its adoption.

PASSED, APPROVED AND ADOPTED this 1st day of March, 2011.

Chairperson

ATTEST:

City Clerk

(SEAL)

APPROVED AS TO FORM;

Attorney

CERTIFICATION

I, Catherine M. LaCroix, Secretary, Covina Housing Authority, do hereby CERTIFY that Resolution No. 11-003 was adopted by the Covina Housing Authority at a regular meeting of the Board held this 1st day of March, 2011, and was approved and passed by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Catherine M. LaCroix, Secretary

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

Covina Redevelopment Agency
125 E. College Street
Covina, CA 91723-2199
Attention: Executive Director

APN:

SPACE ABOVE THIS LINE FOR RECORDER'S USE
EXEMPT FROM RECORDING FEES – GOVERNMENT
CODE SECTION 27383

COVINA REDEVELOPMENT AGENCY
QUITCLAIM DEED

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,

COVINA REDEVELOPMENT AGENCY, a public body, corporate and politic
("Transferor"),

does hereby remise, release and forever quitclaim to

COVINA HOUSING AUTHORITY, a public body, corporate and politic
("Transferee"),

all right, title and interest of Transferor in that certain real property in the City of Covina, County
of Los Angeles, State of California, specifically described in Exhibit "A" attached to this
Quitclaim Deed ("Property") and made a part of this Quitclaim Deed by this reference.

Dated: _____ **COVINA REDEVELOPMENT AGENCY**, a public
body, corporate and politic

By: _____
Daryl Parrish
Executive Director

[SIGNATURE MUST BE NOTARY ACKNOWLEDGED FOR RECORDING]

Exhibit "A"
To
Covina Redevelopment Agency
Quitclaim Deed

Property Legal Description

To be provided

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by the above Quitclaim Deed from the COVINA REDEVELOPMENT AGENCY, a public body, corporate and politic, to COVINA HOUSING AUTHORITY, a public body, corporate and politic, is hereby accepted by the undersigned officer on behalf of the Covina Housing Authority and the Covina Housing Authority consents to recordation of such Quitclaim Deed in the official records of the County of Los Angeles, California.

Covina Housing Authority,
a public body, corporate and politic

By:

Peggy Delach
Chairperson

NOTARY ACKNOWLEDGEMENT
(California All-Purpose Acknowledgement)

STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

On _____, before me, _____, notary public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature of Notary Public