



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

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

**ADJOURNED REGULAR MEETING AGENDA**

125 E. College Street, Covina, California

Council Chamber of City Hall

**Thursday, August 25, 2011**

7:00 p.m.

- **The City Council/Redevelopment Agency/Public Finance Authority/Housing Authority will meet in open session at 7:00 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 North Second Avenue during normal business hours. In addition, such writings and documents are available in the City Clerk's Office and may be posted on the City's website at [www.covinaca.gov](http://www.covinaca.gov).
- 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 **August 25, 2011**, meeting was posted on **August 22, 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.

*August 25, 2011*

**CITY COUNCIL/REDEVELOPMENT AGENCY/  
COVINA PUBLIC FINANCE AUTHORITY/COVINA HOUSING AUTHORITY  
JOINT MEETING—OPEN SESSION  
7:00 p.m.**

**CALL TO ORDER**

**ROLL CALL**

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

**PLEDGE OF ALLEGIANCE**

Led by Council Member Delach

**INVOCATION**

Led by Covina Police Chaplain

**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**

**CONTINUED BUSINESS**

**CB 1.** City Council to have second reading to consider adoption of **Ordinance No. 11-1999**, determining it will comply with the Voluntary Alternative Redevelopment Program pursuant to Part 1.9 of Division 24 of the California Health and Safety Code in order to permit the continued existence and operation of the Redevelopment Agency of the City of Covina.

**Staff Recommendation:**

- a) That the City Council pass and adopt **Ordinance No. 11-1999**, determining it will comply with the Voluntary Alternative Redevelopment Program pursuant to Part 1.9 of Division 24 of the California Health and Safety Code in order to permit the

continued existence and operation of the Redevelopment Agency of the City of Covina.

**ADJOURNMENT**

The Covina City Council/Redevelopment Agency/Covina Public Finance Authority/Covina Housing Authority will adjourn a special meeting, **Thursday, August 25, 2011 at 7:00 p.m.** for open session in the Council Chamber of City Hall, 125 East College Street, Covina, California, 91723.

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

**MEETING DATE:** August 25, 2011

**ITEM NO.:** CB 1

**STAFF SOURCE:** Robert Neiuber, Deputy Executive Director Redevelopment *RN*  
Elizabeth Hull, Agency Attorney

**ITEM TITLE:** Second reading to consider adoption of Ordinance No. 11-1999 an Ordinance of the City Council of the City of Covina, California, determining it will comply with the Voluntary Alternative Redevelopment Program pursuant to Part 1.9 of Division 24 of the California Health and Safety Code in order to permit the continued existence and operation of the Redevelopment Agency of the City of Covina

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**STAFF RECOMMENDATION:**

That the City Council:

- 1.) Pass and adopt Ordinance No. 11-1999 (attached as Exhibit A) an Ordinance of the City Council of the City of Covina, California, determining it will comply with the Voluntary Alternative Redevelopment Program pursuant to Part 1.9 of Division 24 of the California Health and Safety Code in order to permit the continued existence and operation of the Redevelopment Agency of the City of Covina.

**FISCAL IMPACT:**

Participation in the Voluntary Alternative Redevelopment Program ("Program") requires payment of \$2,817,817 dollars in the current fiscal year 2011-2012 and approximately \$700,000 every fiscal year thereafter adjusted for increases or decreases to gross tax increment received for the Covina Redevelopment Project Areas. This taking of local funds will also impact the City's General Fund in that the services the General Fund provides for the Agency will be reduced as the budget of the Agency is reduced. The General Fund could also be impacted if the City were to maintain the same level of service and personnel currently supported by the Agency.

**BACKGROUND/ANALYSIS:**

At its meeting on July 19, 2011, the City Council introduced Ordinance No. 11-1999, which determined the City will comply with the Program, under certain conditions, pursuant to Part 1.9 of Division 24 of the California Health and Safety Code in order to permit the continued existence and operation of the Redevelopment Agency of the City of Covina.

For added background leading up to this Ordinance, a copy of the July 19 Agenda Item Commentary is attached hereto as Exhibit B. That Commentary provides a detailed discussion of Assembly Bill AB x1 26 which eliminates redevelopment agencies, as well as AB x1 27 which establishes the Program whereby an agency can continue to exist. AB x1 27 requires the

City to enact an ordinance indicating it will participate in the Program, which includes the City's payment of an annual remittance to the County Auditor-controller.

Staff is now requesting that the City Council pass and adopt the Ordinance. By agreeing to the Program as allowed in AB x1 27 we will still retain the tools and some of the funding that could allow the City and Agency in the future to try to address blight within the City. Without a local redevelopment agency, the City may not have a way to address blighted areas, create jobs, add additional affordable housing units, and work to incorporate these areas into our transit oriented town center specific plan to meet State sustainability requirements.

This taking of local funds under the Program will impact the City's General Fund in that the services the General Fund provides for the Agency will be reduced as the budget of the Agency is reduced.

Not participating in the "Voluntary" program would result in the City receiving approximately \$500,000 in additional property tax funds, but this increase would be offset by a loss of at least \$650,000 in indirect costs that the Agency pays to the General Fund based on a cost allocation study and the loss the projects, services, and staff support that the Agency provides to the community, see Exhibit C for a partial list of ongoing Agency projects and services.

On July 18, 2011, the California Redevelopment Association and the League of California Cities filed a lawsuit challenging the constitutionality of these two bills. The lawsuit also sought a stay to enable agencies to continue operating without opting into the Program while the case is being decided. The California Supreme Court has agreed to hear this issue and has issued a stay related to AB x1 26 and AB x1 27. Even though the City had adopted an Urgency Ordinance prior to the stay and the stay relates to this issue, staff believes it is in the City and Agency's best interest to adopt the Ordinance at this time in order to preserve our rights under AB1x27 should it not be overturned by the Court. This Ordinance continues to provide that payments made under the Program will be under protest and without prejudice to the City's right to recover the payments if the Court overturns AB x1 26 and AB x1 27. Pursuant to the Court order, the enforcement of AB 1x 27 is suspended until the litigation is resolved. The adoption of this ordinance will be contingent upon the stay being lifted and AB x1 27 being validated by the Court.

## **RELEVANCE TO THE STRATEGIC PLAN**

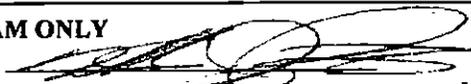
This shift of local funds will have a detrimental effect on the community's ability to enhance the financial stability of the City. Agency funds used previously to eliminate blight, improve access to and create affordable housing, and create jobs will be lost to the community.

## **EXHIBITS**

- A. Ordinance No. 11-1999 an Ordinance of the City Council of the City of Covina, California, determining it will comply with the Voluntary Alternative Redevelopment Program pursuant to Part 1.9 of Division 24 of the California Health and Safety Code in order to

permit the continued existence and operation of the Redevelopment Agency of the City of Covina.

- B. Agenda Item Commentary for Ordinance No. 11-1999 from July 19, 2011 City Council/Agency Board meeting
- C. List of Current Covina Redevelopment Agency Projects and Services

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| <b>REVIEW TEAM ONLY</b>  |   |
| City Attorney:  | Finance Director:  |
| City Manager:   | Other: _____  |

**ORDINANCE NO. 11-1999**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF COVINA, CALIFORNIA, DETERMINING IT WILL COMPLY WITH THE VOLUNTARY ALTERNATIVE REDEVELOPMENT PROGRAM PURSUANT TO PART 1.9 OF DIVISION 24 OF THE CALIFORNIA HEALTH AND SAFETY CODE IN ORDER TO PERMIT THE CONTINUED EXISTENCE AND OPERATION OF THE REDEVELOPMENT AGENCY OF THE CITY OF COVINA**

**WHEREAS**, the City Council of the City of Covina (“City”) approved and adopted the Redevelopment Plan for the Covina Redevelopment Agency Project Area One, Project Area Two, and Project Area Two Amended Area (“Redevelopment Plan”) covering certain properties within the City (the “Project Areas”); and

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

**WHEREAS**, since adoption of the Redevelopment Plan, the Agency has undertaken redevelopment projects in the Project Area to eliminate blight, to improve public facilities and infrastructure, to renovate and construct affordable housing, and to enter into partnerships with private industries to create jobs and expand the local economy; and

**WHEREAS**, over the next few years, the Agency hopes to implement a variety of redevelopment projects and programs to continue to eliminate and prevent blight, stimulate and expand the Project Area’s economic growth, create and develop local job opportunities and alleviate deficiencies in public infrastructure, to name a few; and

**WHEREAS**, as part of the 2011-12 State budget bill, the California Legislature has recently enacted and the Governor has signed, companion bills AB 1X 26 and AB 1X 27, requiring that each redevelopment agency be dissolved unless the community that created it enacts an ordinance committing it to making certain payments; and

**WHEREAS**, specifically, AB 1X 26 prohibits agencies from taking numerous actions, effective immediately, and additionally provides that agencies are deemed to be dissolved as of October 1, 2011; and

**WHEREAS**, AB 1X 27 provides that a community may participate in an “Alternative Voluntary Redevelopment Program,” in order to enable a redevelopment agency within that community to remain in existence and carry out the provisions of the CRL, by enacting an ordinance agreeing to comply with Part 1.9 of Division 24 of the Health and Safety Code; and

**WHEREAS**, the Alternative Voluntary Redevelopment Program requires that the community agree to remit specified annual amounts to the county auditor-controller; and

**WHEREAS**, under the threat of dissolution pursuant to AB 1X 26, and upon the contingencies and reservations set forth herein, the City shall make the Fiscal Year 2011-2012 community remittance, currently estimated to be Two Million Eight Hundred Forty Thousand Two Hundred Eighty Dollars (\$2,840,280), as well as the subsequent annual community remittances; and

**WHEREAS**, the City reserves the right to appeal the California Director of Finance's determination of the Fiscal Year 2011-12 community remittance, as provided in Health and Safety Code Section 34194; and

**WHEREAS**, City understands and believes that an action challenging the constitutionality of AB 1X 26 and AB 1X 27 will be filed on behalf of cities, counties and redevelopment agencies; and

**WHEREAS**, while the City currently intends to make these community remittances, they shall be made under protest and without prejudice to the City's right to recover such amounts and interest thereon, in the event that there is a final determination that AB 1X 26 and AB 1X 27 are unconstitutional; and

**WHEREAS**, the City reserves the right, regardless of any community remittance made pursuant to this Ordinance, to challenge the legality of AB 1X 26 and AB 1X 27; and

**WHEREAS**, if a court of competent jurisdiction grants a stay on the effectiveness of AB 1X 26 and AB 1X 27, the City shall not be obligated to make any community remittance for the duration of the stay; and

**WHEREAS**, all other legal prerequisites to the adoption of this Ordinance have occurred.

**THE CITY COUNCIL OF THE CITY OF COVINA, CALIFORNIA, DOES ORDAIN AS FOLLOWS:**

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

**Section 2. Participation in the Alternative Voluntary Redevelopment Program.** In accordance with Health and Safety Code Section 34193, and based on the Recitals set forth above, the City Council hereby determines that the City shall comply with the provisions of Part 1.9 of Division 24 of the Health and Safety Code, as enacted by AB 1X 27.

**Section 3. Payment Under Protest.** Except as set forth in Section 4, below, and subject to annual City budget appropriations, the City Council hereby determines that the City shall make the community remittances set forth in Health and Safety Code section 34194 *et seq.* This determination is based on an estimated community remittance for Fiscal Year 2011-2012 of Two Million Eight Hundred Forty Thousand Two Hundred Eighty Dollars (\$2,840,280).

**Section 4. Effect of Stay or Determination of Invalidity.** As the California Supreme Court has issued a stay regarding the effectiveness of all or a portion of AB 1X 26 or AB 1X 27, pending resolution of one or more legal actions challenging the legality of some or all of such statutes, the City's implementation under this ordinance and participation in the Alternative Voluntary Redevelopment Program and the obligation to make any community remittance is stayed. Any community remittance shall be made under protest and without prejudice to the City's right to recover such amount and interest thereon in the event that there is a final determination that AB 1X 26 and AB 1X 27 are unconstitutional, illegal, invalid or otherwise unenforceable or inapplicable, for any reason or in any manner. If there is a final determination that AB 1X 26 and AB 1X 27 are illegal, invalid or otherwise unenforceable or inapplicable, for any reason or in any manner, this Ordinance shall be deemed to be null and void and of no further force or effect.

**Section 5. Additional Understandings and Intent.** It is the understanding and intent of the City Council that, once the Agency is again authorized to enter into agreements under the CRL, the City will enter into an agreement with the Agency as authorized pursuant to Section 34194.2, whereby the Agency will transfer annual portions of its tax increment to the City in amounts not to exceed the annual community remittance payments to enable the City, directly or indirectly, to make the annual remittance payments. The City Council does not intend, by enactment of this Ordinance, to pledge any of its general fund revenues or assets to make the remittance payments.

**Section 6. Implementation.** The City Council hereby authorizes and directs the City Manager to take any action and execute any documents necessary to implement this Ordinance, including but not limited to notifying the Los Angeles County Auditor-Controller, the Controller of the State of California, and the California Department of Finance of the adoption of this Ordinance and the City's agreement to comply with the provisions of Part 1.9 of Division 24 of the Health and Safety Code, as set forth in AB 1X 27.

**Section 7. Custodian of Records.** The documents and materials that constitute the record of proceedings on which these findings are based are located at the City Clerk's office located at 125 East College Street Covina CA 91723. The custodian for these records is the City Clerk.

**Section 8. Severability.** If any provision of this Ordinance or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this Ordinance which can be given effect without the invalid provision or application, and to this end the provisions of this Ordinance are severable. The City Council hereby declares that it would have adopted this Ordinance irrespective of the invalidity of any particular portion thereof.

**Section 9. Certification; Publication.** The City Clerk shall certify to the adoption of this Ordinance and cause it, or a summary of it, to be published once within 15 days of adoption in a newspaper of general circulation printed and published within the City of Covina, and shall post a certified copy of this Ordinance, including the vote for and against the same, in the Office of the City Clerk in accordance with Government Code § 36933.

**Section 10. Effective Date.** This Ordinance shall become effective thirty (30) days from its adoption but shall not be implemented until the Court order staying implementation of AB 1X 27 is lifted and AB 1X 27 is upheld.

**PASSED, APPROVED AND ADOPTED** this 25<sup>th</sup> day of August, 2011, by the following vote:

AYES:

NAYS:

ABSENT:

ABSTAIN:

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Mayor

ATTEST:

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Deputy City Clerk

APPROVED AS TO FORM;

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City Attorney



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

**MEETING DATE:** July 19, 2011

**ITEM NO.:** NB 1

**STAFF SOURCE:** Robert Neiuber, Community Development Director  
Elizabeth Hull, Agency Attorney

**ITEM TITLE:** Adopt Urgency Ordinance No. 11-1998 an Urgency Ordinance of the City Council of the City of Covina, California, determining it will comply with the Voluntary Alternative Redevelopment Program pursuant to Part 1.9 of Division 24 of the California Health and Safety Code in order to permit the continued existence and operation of the Redevelopment Agency of the City of Covina, and Introduce and waive further reading of Ordinance No. 11-1999 an Ordinance of the City Council of the City of Covina, California, determining it will comply with the Voluntary Alternative Redevelopment Program pursuant to Part 1.9 of Division 24 of the California Health and Safety Code in order to permit the continued existence and operation of the Redevelopment Agency of the City of Covina

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**STAFF RECOMMENDATION**

- 1.) Adopt Urgency Ordinance No. 11-1998 an Urgency Ordinance of the City Council of the City of Covina, California, determining it will comply with the Voluntary Alternative Redevelopment Program pursuant to Part 1.9 of Division 24 of the California Health and Safety Code in order to permit the continued existence and operation of the Redevelopment Agency of the City of Covina; and
- 2.) Introduce and waive further reading of Ordinance No. 11-1999 an Ordinance of the City Council of the City of Covina, California, determining it will comply with the Voluntary Alternative Redevelopment Program pursuant to Part 1.9 of Division 24 of the California Health and Safety Code in order to permit the continued existence and operation of the Redevelopment Agency of the City of Covina and schedule second reading and consideration of adoption of the Ordinance for August 16<sup>th</sup>.

**FISCAL IMPACT**

Participation in the Voluntary Alternative Redevelopment Program requires payment of approximately \$3 million dollars in the current fiscal year 2011-2012 and approximately \$700,000 every fiscal year thereafter adjusted for increases or decreases to gross tax increment received for the Covina Redevelopment Project Areas. With the adoption of a future remittance Agreement and resolution exempting the Agency from making the full fiscal year 2011-2012 allocation to Housing Set-Aside funds, which will be considered at the second reading of this Ordinance, the payments would first be drawn from funds that would otherwise be deposited in the Housing Set-Aside fund, as allowed in the current legislation, and any shortfall would be paid from unallocated redevelopment fund balance. In future years, the funds would be paid from redevelopment tax increment or other allowable redevelopment funds as determined yearly

by the City Council/Agency Board. This taking of local funds will also impact the City's General Fund in that the services the General Fund provides for the Agency will be reduced as the budget of the Agency is reduced. The General Fund could also be impacted if the City were to try to maintain the same level of service and personnel currently supported by the Agency.

## **BACKGROUND**

The Governor signed several budget-related bills on June 29, 2011, including AB x1 26, which eliminates redevelopment agencies, and AB x1 27, which establishes a voluntary alternative redevelopment program whereby an agency can continue to exist upon the enactment of an ordinance by the City to comply with the provisions of AB x1 27, including payment of an annual remittance to the County Auditor-Controller. Under the legislation, the County Auditor-Controller would then allocate the funding to school districts, county offices of education, charter schools, and community college districts based on information provided by the County Superintendent of Schools. This is not new or additional funding for education; it simply relieves the State of their responsibility to pay these funds.

AB x1 26 and AB x1 27 became effective immediately upon being signed by the Governor. The Covina Redevelopment Agency is now prohibited from entering into any new agreements until the City Council enacts an ordinance committing to make the payments required by AB x1 27.

The State Director of Finance will notify the City of the voluntary payment amount due by August 1. We can appeal the amount due by August 15 if we believe the amount is incorrect based on the calculations contained in AB 1x 27. Staff estimates the FY 11-12 payment will be approximately \$3 million. Payments for FY 12-13 and beyond will change, but the FY 12-13 payment is estimated at \$700,000.

The proposed Ordinances (Exhibit A and B) provide the City will participate in the Alternative Voluntary Redevelopment Program, under certain conditions, in order to enable the Agency to remain in existence and carry out the provisions of the California Community Redevelopment Law. Payments under this Program will be made under protest and without prejudice to the City's right to recover the payments if AB x1 26 and 27 are overturned. As specified further in the Ordinances, the Agency and City may enter into an agreement at a later date whereby the Agency will transfer annual portions of its tax increment to the City to enable the City to use tax increment funds, rather than general funds, to make the payments. The Urgency Ordinance will be effective immediately, if adopted by a four-fifths vote. The second Ordinance will be effective thirty days from its adoption.

The California Redevelopment Association and the League of California Cities are preparing to file a lawsuit challenging the constitutionality of the State's recent actions. They also intend to seek an injunction, or stay, to enable agencies to continue operating without opting into the alternative voluntary redevelopment program while the case is being decided.

This "voluntary" shift of local funds that allows the State to erroneously claim it passed a balanced budget will have a detrimental effect on the FY 2011-12 operating budget of the City and Redevelopment Agency. Based on initial staff review there appears to be sufficient funds under the options allowed in the current legislation to pay the exorbitant 2011-2012 payment and the ongoing payments required by AB 1x 27.

Staff will put together for the City Council and Agency Board to consider at their August 16<sup>th</sup> meeting a list of possible budget cuts that will be necessitated by agreeing to the “voluntary” shift of local funds, and although this will severely limit the Agency in its future projects and programs, not approving the shift would lead to elimination of all the projects and programs and could lead to problems with a number of ongoing projects and programs that the City and Agency have previously approved as detailed below.

AB x1 26 would seek to set-aside certain Agency actions dating back to January 1, 2011. For the Covina Redevelopment Agency this means that the State could seek to overturn the transfer of funds and property to the Housing Authority, the repayment of tax increment secured loans between the City and the Agency, agreements for providing current and future services between the Agency and the City, and the transfer of public land such as the City Yard, parking lots, and Xalapa Park from the Agency to the City. Under AB x1 26 these actions could be reversed, the Agency land could be transferred to other public jurisdictions or sold, with proceeds from asset sales being transferred to the County auditor-controller for distribution as property tax proceeds, and Housing funds could be disbursed.

AB x1 26 could also cause the State to review and potentially overturn or impact various Agency actions such as the following:

- Community improvement projects including but not limited to the 1.3 million dollar joint partnership with the Covina Valley Unified School District to construct a new Industrial Arts Center to provide jobs and train people for better jobs;
- Public Improvement Projects including but not limited to (1) Heritage Plaza Park, which will include a beautified town square courtyard, a tot lot, new restroom facilities, a historical walk, and a platform for open-air performances, and (2) the Shoppers Lane parking lot sustainability project, which will result in lower maintenance costs and take advantage of the latest in green building standards like permeable concrete and solar lighting, and the construction jobs that those projects create;
- Affordable rental housing projects including but not limited to (1) 200 W. Rowland which will result in 89 new low, very low and moderate-income covenants and substantial rehabilitation of the site and construction jobs; and (2) the Habitat for Humanity low income house on Cypress, and (3) Agency assistance for transitional housing improvements that are part of a larger YWCA WINGS program to improve and provide transitional housing for victims of domestic abuse and the jobs those funds will create;
- The Agency’s support for a transitional homelessness facility that houses up to two families at a time and has a high success rate in helping mothers and their children transition out of homelessness and into jobs;
- The Agency’s Façade Improvement Program which is responsible for helping to eliminate blight in the City’s Downtown and retain and attract jobs.

Although staff believes these projects and the third party contracts that were entered into on these projects prior to the signing of this legislation are enforceable obligations under the law, these issues could result in litigation should the Council not agree to "voluntarily" enter into the Alternate Voluntary Redevelopment Program as allowed in AB x1 27.

By agreeing to the Alternate Voluntary Redevelopment Program as allowed in AB 1x 27 we will still retain the tools and some of the funding that could allow the City and Agency in the future to try to address blight such as the two large blighted former car dealership sites in Covina's Downtown that have been vacant and underutilized for a number of years. Without a local redevelopment agency, the City may not have a way to address this blighted area, create jobs, add additional affordable housing units, and work to incorporate this area into our transit oriented town center specific plan to meet State sustainability requirements.

The Ordinances are exempt from the requirements of the California Environmental Quality Act ("CEQA") in that they are not a "project," but instead consist of the creation and continuation of a governmental funding mechanism for potential future projects and programs, and do not commit funds to any specific project or program.

**RELEVANCE TO THE STRATEGIC PLAN**

This shift of local funds will have a detrimental effect on the community's ability to enhance the financial stability of the City. Agency funds used previously to eliminate blight, improve access to and create affordable housing, and create jobs will be lost to the community.

**EXHIBITS**

- A. Urgency Ordinance No. 11-1998 an Urgency Ordinance of the City Council of the City of Covina, California, determining it will comply with the Voluntary Alternative Redevelopment Program pursuant to Part 1.9 of Division 24 of the California Health and Safety Code in order to permit the continued existence and operation of the Redevelopment Agency of the City of Covina;
- B. Ordinance No. 11-1999 an Ordinance of the City Council of the City of Covina, California, determining it will comply with the Voluntary Alternative Redevelopment Program pursuant to Part 1.9 of Division 24 of the California Health and Safety Code in order to permit the continued existence and operation of the Redevelopment Agency of the City of Covina

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| <b>REVIEW TEAM ONLY</b>  |   |
| City Attorney:  | Finance Director:  |
| City Manager:   | Other: _____  |

## **Covina Redevelopment Agency Projects and Services**

- Community improvement projects like the 1.3 million dollar Joint Partnership with the Covina Valley Unified School District to construct a new Industrial Arts Center that will provide jobs and train people for better jobs.
- Economic outreach and ombudsman programs that have assisted in the creation and retention of numerous local jobs at large businesses like the Home Depot and Lowe's Home Improvement and smaller businesses like Thematic Attic, Fonda Don Chon, and 3 Vinos.
- Public improvement projects in the Redevelopment Project Areas like Heritage Plaza Park, which will include a beautified town square courtyard, a tot lot, new restroom facilities, a historical walk, and a platform for open-air performances, and the Shoppers Lane parking lot sustainability project, which will result in lower maintenance costs and take advantage of the latest in green building standards like permeable concrete and solar lighting and the construction jobs that those projects create.
- Affordable rental housing projects like the one at 200 W. Rowland that will result in 89 new low, very low and moderate-income covenants and substantial rehabilitation of the site and construction jobs.
- Projects like our Habitat for Humanity house on Cypress and the low income housing it provides.
- Events like Thunderfest, which is partially funded by redevelopment to promote the project areas and assist in the elimination of blight.
- Assistance for transitional housing improvements that are part of a larger YWCA WINGS program to improve and provide transitional housing for victims of domestic abuse and the jobs those funds will create.
- The Agency supported transitional homelessness facility in Covina that houses up to two families at a time and has a high success rate in helping mothers and their children transition out of homelessness and into jobs.
- The Agency's Façade Improvement Program that is responsible for helping to eliminate blight in the City's Downtown and assists in the retention and attraction of jobs.
- Mixed-use and transit oriented developments like Citrus Walk and Vintage Walk and the construction jobs they provide and the affordable housing units that they will produce.
- The Agency's incentive programs designed to eliminate blight create jobs and promote economic development such as the broker incentive program and the environmental loan program.

There are two large blighted former car dealerships in Covina's Downtown that have been vacant and underutilized for a number of years. Having the tools provided by redevelopment may be the only way to address this blighted area, create jobs, add additional affordable housing units, and work to incorporate this area into our Town Center Specific Plan to meet State sustainability requirements.