

12-1334

AUG 21 2012

MOTION

The Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA) requires that a public hearing be conducted by the local jurisdiction for projects requesting tax exempt financing (i.e. bonds, loans, refunding, COPs). In addition, a Resolution declaring the results of the hearing and approving the issuance of the financing must be adopted by the Council. The Resolution also provides a description of the public benefits of the project and specifies that the City has no financial responsibility for the repayment.

The Los Angeles Housing Department (LAHD), Community Development Department (CDD) and the City Administrative Officer (CAO) currently have the ability to conduct TEFRA hearings on behalf for the Council, with certain policy restrictions. Recently, at the request of developers and in an effort to expedite the TEFRA hearing process, meet funding deadlines and take advantage of the bond market, the TEFRA hearings have been scheduled during regular Council meetings. While this process may expedite the hearing, the review of the projects relative to existing City policy may be compromised. At this time it is essential that the Council instruct city departments to review their tax-exempt financing policies, the existing Joint Powers Agreements and the TEFRA hearing process, and make recommendations to the Council to update the policies if necessary and to streamline the TEFRA hearing process to ensure policy compliance and timeliness.

I THEREFORE MOVE that the Council instruct the General Managers of LAHD and CDD, and the CAO, with the assistance of the CLA, City Clerk and the City Attorney to: (1) review the tax-exempt financing policies, existing Joint Powers Agreements and TEFRA hearing process; (2) compare the cost, fees and time associated with issuances by the City versus other issuers; (3) provide recommendations to the Council to update the policies, if necessary, to streamline and coordinate the TEFRA hearing process to ensure policy compliance and timeliness; and (4) report to Council within 60 days.

PRESENTED BY: Tony Cardenas
TONY CARDENAS
Councilmember, 6th District

SECONDED BY: Jose A. ...

ORIGINAL

is
[Signature]
AUG 21 2012