FORM GEN. 160

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

0670-00014-0001

Date: August 10, 2016

To: Holly Wolcott, City Clerk
Attn: Brian Walters, Council and Public Services Division

From: Miguel A. Santana, City Administrative Officer Miguel A. Santana

Subject: **PROPOSED HOMELESSNESS REDUCTION AND PREVENTION, HOUSING AND FACILITIES GENERAL OBLIGATION BOND PROPOSITION – NOVEMBER 8, 2016**

Pursuant to State Election Code Section 9401, the Tax Rate Statement for the proposed Homelessness Reduction and Prevention, Housing and Facilities General Obligation Bond Proposition for the November 8, 2016 State General Election, is hereby submitted.

If you have any questions, please feel free to contact Ha To at (213) 473-7529.

MAS:YC:BC:NRB:HTT:09170015

Attachment

PROPOSED
HOMELESSNESS REDUCTION AND PREVENTION, HOUSING AND FACILITIES
GENERAL OBLIGATION BOND PROPOSITION
NOVEMBER 8, 2016

TAX RATE STATEMENT
By Miguel A. Santana

If the bond proposition is approved, the general obligation bonds will be issued in phases, as projects are ready. The City expects to sell the bonds in 10 series over time ranging from approximately $30 million to $210 million per series. Principal and interest on the bonds will be payable from the proceeds of taxes levied upon taxable property in the City.

In Fiscal Year 2017-18, the first fiscal year after the first series of bonds are expected to be issued, the estimated tax rate is $0.0006 per every $100 of assessed valuation ($0.60 per every $100,000 of assessed valuation).

In Fiscal Year 2026-27, the first fiscal year after the expected issuance of the last series of bonds (and the year in which the tax rate is expected to be the highest), the estimated tax rate is $0.0185 per every $100 of assessed valuation ($18.54 per every $100,000 of assessed valuation).

Over the life of the bonds, the estimated average annual tax rate is $0.0096 per every $100 of assessed valuation ($9.64 per every $100,000 of assessed valuation). A home with an assessed value of $341,000 is estimated to have an average annual tax of $32.87 for 29 years.

The best estimate of the total debt service, including the principal ($1.2 billion) and interest ($693 million), that would be required to be repaid if all the bonds are issued and sold is $1,893,000,000.

The foregoing information is based upon the City's projections and estimates only, which are not binding upon the City. The estimates provided herein do not account for the taxes levied to pay for bonds issued by the City pursuant to prior voter authorizations. The actual tax rates and the years in which they will apply may vary from those presently estimated due to variations from these estimates in, among other factors: the timing of bond sales, the amount of bonds sold at each sale, market interest rates for bonds at the time of each bond sale, the credit quality of the City at the time of each bond sale, and the actual assessed valuations of taxable property in the City during the term of repayment of the bonds.