

**TO THE COUNCIL OF THE  
CITY OF LOS ANGELES**

Your

**BUDGET AND FINANCE Committee**

**reports as follows:**

BUDGET AND FINANCE COMMITTEE REPORT and RESOLUTION relative to necessary actions to establish a Community Facilities District for the Downtown Los Angeles Streetcar Project.

Recommendations for Council action, SUBJECT TO THE APPROVAL OF THE MAYOR:

1. ADOPT the accompanying RESOLUTION of the City of Los Angeles of Intention to Establish Community Facilities District No. 9 (Downtown Streetcar) [Attachment A of the City Administrative Officer (CAO) report, attached to the Council file].
2. INSTRUCT the CAO to prepare a revised RESOLUTION of the City of Los Angeles to Incur Bonded Indebtedness of the proposed Community Facilities District No. 9 (Downtown Streetcar) (Attachment B) as amended to change the requirement of an operational plan for a minimum period of 20 years to 30 years.
3. INSTRUCT the City Clerk to publish and mail a notice of a Public Hearing to take place during a regularly scheduled City Council meeting which is no less than 30 days following approval of the Resolution of the City of Los Angeles of Intention to Establish Community Facilities District No. 9 (Downtown Streetcar) pursuant to information to be provided by the CAO.
4. AUTHORIZE the CAO to make technical adjustments as necessary to implement the intent of the Mayor and Council actions.

Fiscal Impact Statement: The CAO reports that there is no impact on the City's General Fund as a result of the recommended actions. All administrative costs associated with the formation of the Community Facilities District are paid by the developer.

Debt Impact Statement: The CAO reports that this report has no immediate debt impact on the General Fund.

Community Impact Statement: None submitted.

**SUMMARY**

At its regular meeting of June 25, 2012, the Budget and Finance Committee considered a CAO report, submitted in response to Motion (Huizar – Krekorian), relative to necessary actions to establish a Community Facilities District (CFD) for the Downtown Los Angeles Streetcar Project. The CAO reports that it is in receipt of an application submitted by Los Angeles Streetcar, Inc. (LASI) seeking the formation of a CFD to finance a portion of the construction cost of a streetcar system in downtown Los Angeles. To initiate the establishment of the CFD, the adoption of the following documents is required: 1) Resolution of Intention to Establish a Community Facilities District and to Authorize the Levy of Special Taxes, which acknowledges the receipt of the

Written Request by two Council members requesting the establishment of the CFD (Attachment A), approves the Rate and Method of Apportionment and schedules the public hearing (Attachment B), and 2) Resolution to Incur Bonded Indebtedness (Attachment C). The City will then be required to hold a Public Hearing no sooner than thirty days following the adoption of these Resolutions. Additional Ordinances and Resolutions regarding formation and calling for the election will also need to be approved by Council at a later date. The process to finalize the formation of the CFD will require several Council actions.

The CAO report, attached to the Council file, provides additional details and states concerns about the issues of ownership, operations, responsibility for potential future deficits, and the commitment of future CRA funds that are now subject to review. The CAO further reports that approval of the report recommendations will enable the project to stay on track to meet deadlines required as part of the Federal Transportation Authority grant application. The CAO concludes that there will be future opportunities to further analyze and vet these issues.

During Committee consideration, representatives of the CAO and Councilmember Jose Huizar provided an overview of the recommendations and responded to related questions from Committee members. After further discussion and having offered an opportunity for public comment, the Budget and Finance Committee recommended to approve the CAO recommendations as amended to change the requirement of an operational plan for a minimum period of 20 years to 30 years. This matter is now forwarded to the Council for its consideration.

Respectfully submitted,

BUDGET AND FINANCE COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
KREKORIAN:	YES
ENGLANDER:	ABSENT
CARDENAS:	ABSENT
ROSENDAHL:	YES
KORETZ:	YES

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**-NOT OFFICIAL UNTIL COUNCIL ACTS-**