

HOLLY L. WOLCOTT
CITY CLERK

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CALIFORNIA

OFFICE OF THE
CITY CLERK

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this matter, please refer to the
Council File No.: [18-0505](#)

OFFICIAL ACTION OF THE LOS ANGELES CITY COUNCIL

June 6, 2018

Council File No.: [18-0505](#)

Council Meeting Date: June 06, 2018

Agenda Item No.: 3

Agenda Description: COMMUNICATIONS FROM THE CITY ATTORNEY and CITY ADMINISTRATIVE OFFICER, ORDINANCE FIRST CONSIDERATION and RESOLUTION relative to the issuance of Proposition HHH General Obligation Bonds and General Obligation Refunding Bonds and creation of related special funds.

Council Action: BUDGET AND FINANCE COMMITTEE REPORT, ORDINANCE AND RESOLUTION - ADOPTED FORTHWITH

Council Vote:

YES	BLUMENFIELD	YES	HARRIS-DAWSON	YES	O'FARRELL
ABSENT	BONIN	YES	HUIZAR	YES	PRICE
ABSENT	BUSCAINO	YES	KORETZ	YES	RODRIGUEZ
ABSENT	CEDILLO	YES	KREKORIAN	YES	RYU
YES	ENGLANDER	YES	MARTINEZ	YES	WESSON

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Pursuant to Charter/Los Angeles Administrative Code Section(s): 250

FILE SENT TO MAYOR:

LAST DAY FOR MAYOR TO ACT:

APPROVED

***DISAPPROVED**

***VETO**

Acting Mayor

06/07/2018

DATE SIGNED

BUDGET AND FINANCE COMMITTEE REPORT, ORDINANCE FIRST CONSIDERATION and RESOLUTION relative to the issuance of Proposition HHH General Obligation Bonds and General Obligation Refunding Bonds, and adding sections to the Los Angeles Administrative Code (LAAC) to create related special funds.

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

1. PRESENT and ADOPT the accompanying ORDINANCE, dated May 24, 2018, providing for the issuance of Proposition HHH General Obligation Bonds, the issuance of General Obligation Refunding Bonds, and adding new Sections 5.82.27, 5.82.28, and 5.82.29 to Article 3.5 of Chapter 5 of Division 5 of the LAAC for the creation of related special funds.
2. ADOPT the accompanying RESOLUTION authorizing the issuance and sale of the General Obligation Bonds, Series 2018-A (Taxable) (Social Bonds) in an aggregate amount not to exceed \$300 million for Proposition HHH Projects, the General Obligation Refunding Bonds, Series 2018-B (Tax-Exempt), and General Obligation Refunding Bonds, Series 2018-C (Taxable) for refundings (collectively, the Bonds).
3. AUTHORIZE the City Administrative Officer (CAO) to receive and open bids on the published sale date and to award the Bonds to the bidder(s) with the lowest true interest cost on behalf of the City as described in the Notice Inviting Bids for the Bonds.
4. AUTHORIZE the Controller to transfer sufficient funds from various General Obligation Bond Debt Service Funds, as determined by the CAO, to the escrow account held by the Escrow Agent, U.S. Bank, relating to the refunding of General Obligation Bonds Series 2009-B, and any other series that may be refunded, to be applied to the payment of principal and interest of the refunded bonds.

Fiscal Impact Statement: The CAO reports that there is no fiscal impact on the General Fund from the issuances of the General Obligation Bonds, Series 2018-A (Taxable) (Social Bonds) and General Obligation Refunding Bonds, Series 2018-B (Tax-Exempt) and General Obligation Refunding Bonds, Series 2018-C (Taxable), as they will be repaid from ad valorem taxes levied upon all of the taxable properties within the City.

Debt Impact Statement: The CAO reports that the issuance of the General Obligation Bonds, Series 2018-A (Taxable) (Social Bonds) will result in annual estimated debt service payments of \$19.3 million over 20 years. The issuance of the General Obligation Refunding Bonds, Series 2018-B (Tax-Exempt) and General Obligation Refunding Bonds, Series 2018-C (Taxable) are projected to result in net present value interest savings of approximately \$4.3 million over the life of the bonds. The actual amount of savings will be determined at the time of issuance subject to market conditions and the City's Debt Management Policies. The Bonds will be repaid from ad valorem taxes levied upon all of the taxable properties within the City. These issuances will not cause the City's debt service payments to exceed 15 percent of General Revenues for voter and non-voter approved debt, as established in the City's Financial Policies, Debt Management Section. After the issuances, the projected voter approved debt ratio is 6.01 percent.

Community Impact Statement: None submitted.

SUMMARY

At its regular meeting held on June 4, 2018, the Budget and Finance Committee considered reports from the CAO and City Attorney, a Resolution, and an Ordinance relative to authorizing the issuance and sale of General Obligation Bonds, Series 2018-A (Taxable) (Social Bonds) in an aggregate amount not to exceed \$300 million for Proposition HHH Projects, General Obligation Refunding Bonds, Series 2018-B (Tax-Exempt), and General Obligation Refunding Bonds, Series 2018-C (Taxable) for refundings); and, adding sections to the LAAC to create related special funds.

After consideration, and after providing an opportunity for public comment, the Budget and Finance Committee recommended approval of the recommendations contained in the CAO report relative to the issuance of Proposition HHH General Obligation Bonds and General Obligation Refunding Bonds, and adoption of the accompanying authorizing Resolution and Ordinance. 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
KORETZ:	YES
BLUMENFIELD:	YES
BONIN:	YES

REW 6/4/18 FILE NO. 18-0505

-NOT OFFICIAL UNTIL COUNCIL ACTS-