

**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

0590-00123-0036

Date: June 11, 2020

To: Budget and Finance Committee

From: Richard H. Llewellyn, Jr., City Administrative Officer

Subject: **CAPITAL IMPROVEMENT EXPENDITURE PROGRAM/MICLA – FUNDING FOR PACOIMA SPREADING GROUNDS STUDY (BUDGET MOTION 36 – C.F. 20-0600-S36)****RECOMMENDATION**

Note and file this Motion.

**DISCUSSION**

Budget Motion Number 36 proposes to amend the 2020-21 Budget to include \$400,000 in Municipal Improvement Corporation of Los Angeles (MICLA) funding for the Pacoima Spreading Grounds feasibility and concept study. Predevelopment costs such as feasibility and concept studies are generally eligible MICLA expenditures if the projects associated with the costs are MICLA eligible and owned by the City. In this case, the spreading grounds that provide groundwater recharge are not eligible for MICLA financing as they are not owned by the City, but by the County of Los Angeles. Furthermore, the asset cannot be pledged in a lease/lease back financing. Additional research would be needed to identify eligible funding sources.

**FISCAL IMPACT STATEMENT**

The recommendation to note and file this Budget Motion will have no fiscal impact. If the Motion is approved using funds other than MICLA, the 2020-21 Budget would fall out of balance by \$400,000.

**DEBT IMPACT STATEMENT**

The proposed expenditures associated with this project are not eligible for MICLA financing. As a result, there is no debt impact to the General Fund.

**FINANCIAL POLICY COMPLIANCE**

The recommendation in this report complies with the City's Financial Policies