

BUDGET, FINANCE AND INNOVATION COMMITTEE REPORT, AUTHORIZING RESOLUTION and ORDINANCE FIRST CONSIDERATION relative to the issuance and sale of general obligation bonds for Proposition HHH (Prop HHH) projects.

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

1. PRESENT and ADOPT the accompanying ORDINANCE dated February 21, 2024, relative to the issuance of Prop HHH General Obligation Bonds and adding a new Section 5.82.33 to Article 3.5 of Chapter 5 of Division 5 of the Los Angeles Administrative Code for the creation of the related special funds.
2. ADOPT the accompanying AUTHORIZING RESOLUTION attached to the City Administrative Officer (CAO) report dated February 22, 2024, attached to Council file No. 24-0202, providing for the issuance and sale of the General Obligation Bonds, Series 2024-A (Taxable) (Social Bonds) in an aggregate amount not to exceed \$150 million for Prop HHH Projects (the "Bonds"), and the execution and delivery of various documents in connection with the issuance and sale of the Bonds.
3. AUTHORIZE the CAO to receive and open bids on the published sale date and to award the Bonds to the bidder with the lowest true interest cost on behalf of the City as described in the Authorizing Resolution and the Notice Inviting Bids for the Bonds.

Fiscal Impact Statement: The CAO reports there is no fiscal impact on the General Fund from approval of the recommendations in this report. Principal and interest on the Bonds will be paid from ad valorem taxes levied upon all of the taxable properties within the City.

Financial Policies Statement: The CAO reports that the recommendations in this report are in compliance with the City's Financial Policies. The Debt Management Policy requires that the ratio of annual debt service payments on voter-approved and non voter-approved debt to general revenues be no more than 15 percent. After accounting for the issuance of the Bonds, the projected 2024-25 debt ratio is 4.14 percent (Attachment B, of the CAO report dated February 22, 2024, attached to the Council file). There is no impact to the 2023-24 debt ratio as the first debt service payment on the Bonds is expected to take place in 2024-25.

Debt Impact Statement: The CAO reports that the issuance of the Bonds will result in estimated average annual debt service payments of \$10.8 million over 19 years, until September 1, 2043. The total debt service, including total principal and interest, over the life of the Bonds is estimated to be approximately \$209 million. The actual amount of debt service will be determined at the time of issuance subject to market conditions. The principal and interest on the Bonds will be paid from ad valorem taxes levied upon all of the taxable properties within the City.

Community Impact Statement: None submitted

## SUMMARY

At the meeting held on February 28, 2024, your Budget, Finance and Innovation Committee considered City Attorney and CAO reports, Ordinance and Resolution relative to the issuance and sale of general obligation bonds for Prop HHH projects.

After an opportunity for public comment was held, the Committee recommended to move forward the recommendations contained in the City Attorney and CAO reports, as detailed above. This matter is now submitted to the Council for consideration.

Respectfully Submitted,

BUDGET, FINANCE AND INNOVATION COMMITTEE



<u>MEMBER</u>	<u>VOTE</u>
BLUMENFIELD:	YES
HARRIS-DAWSON:	YES
YAROSLAVSKY:	YES
MCOSKER:	YES
RODRIGUEZ:	YES

LV 2.28.24

**-NOT OFFICIAL UNTIL COUNCIL ACTS-**