

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: November 23, 2020

CAO File No. 0220-05291-0899

Council File No. 13-1646-S7

Council District: 15

To: The Council
The Mayor

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



Reference: Council File 13-1646-S1

Council File 13-1646-S2

Mello-Roos and Assessment Financing Program Application dated October 4, 2018

Subject: **AUTHORIZING ORDINANCES AND OTHER ACTIONS NECESSARY TO
ESTABLISH COMMUNITY FACILITIES DISTRICT NO. 11, PONTE VISTA
(FORMERLY KNOWN AS THE HIGHPARK PROJECT)**

RECOMMENDATION

That the Council, subject to the approval of the Mayor:

1. Receive and file the attached Community Facilities District Report in accordance with the previously adopted Resolution of Intention to Establish Community Facilities District No. 11 (Ponte Vista) (Attachment A);
2. Receive and file the attached certification from the Registrar-Recorder/County Clerk that there are zero active registered voters residing within the area known as Community Facilities District No. 11 (Ponte Vista) as of October 30, 2020 (Attachment B);
3. Adopt the attached Ordinance of Formation for the Proposed Community Facilities District No. 11 (Ponte Vista) (Attachment C);
4. Adopt the attached Ordinance Deeming it Necessary to Incur Bonded Indebtedness within Community Facilities District No. 11 (Ponte Vista) (Attachment D);
5. Adopt the attached Ordinance Calling a Special Election for Community Facilities District No. 11 (Ponte Vista) (Attachment E); and,
6. Authorize the Office of the City Administrative Officer to make technical adjustments as necessary to implement the intent of the Mayor and Council actions.

SUMMARY

On October 28, 2020, the City Council considered the Office of the City Administrative Officer's (CAO) report and adopted the two accompanying Resolutions relative to the establishment of Community Facilities District (CFD) No. 11 (Ponte Vista) in San Pedro (CFD 11). The developer for this residential project and applicant for CFD 11 is SoCal San Pedro SPV 1, LLC (SoCal). The first resolution, the Resolution of Intention to Establish CFD 11, acknowledged that the landowners within the proposed CFD petitioned the City for the establishment of a CFD, proposed the formation of the CFD, set forth a public hearing date of December 1, 2020, described the facilities to be constructed and/or acquired with the proceeds of the bonds to be issued by the CFD, and approved the Rate and Method of Apportionment (RMA) of Special Tax to set the tax rates for different categories of property within the CFD. The second resolution, the Resolution to Incur Bonded Indebtedness, sets forth various bond terms, including the maximum amount of debt that the CFD may issue (up to \$30 million) and the date for the public hearing on the necessity to incur debt.

CFD 11 is being formed pursuant to the Mello-Roos Community Facilities Act of 1982 (Act) in order to finance the construction or acquisition of certain public facilities. The CAO recommends approval of the attached ordinances to continue proceedings for the establishment of the CFD and for the incurrence of debt. Additional Ordinances and Resolutions regarding formation and declaring the results of the election will also need to be approved by Council at a later date. These documents will be transmitted to Council by the CAO. The process to complete and finalize the formation of the CFD, the authorization of bonded indebtedness, and the levy of special taxes will require additional Council actions.

The following documents are required for the recommended actions:

Attachment A – Community Facilities District Report (CFD Report)

In accordance with the previously adopted Resolution of Intention to Establish Community Facilities District No. 11 (Ponte Vista), this report includes a description of the public facilities to be provided and the estimated fair and reasonable cost for said facilities. The CFD Report is being transmitted so that it is available for review during the public hearing that is scheduled for December 1, 2020.

Attachment B – Certification from the Registrar-Recorder/County Clerk

This certificate confirms that there are zero active registered voters within the boundaries of the proposed CFD. As such, the qualified electors are the owners of land within the proposed CFD 11 boundaries.

Attachment C – Ordinance of Formation for the Proposed CFD 11

This Ordinance authorizes the levy of a special tax in an amount sufficient to pay for the facilities within the CFD and establishes an appropriations limit for the CFD. The Ordinance also provides the Rate and Method of Apportionment of the special tax on the properties within the CFD and requires that the question of levying the special tax and establishment of the appropriations limit be submitted to the qualified electors (i.e. landowners) within the CFD pursuant to a special election to be conducted by the City Clerk.

Attachment D – Ordinance Deeming it Necessary to Incur Indebtedness for CFD 11

This Ordinance provides for the incurrence of bonded indebtedness by the CFD for the purpose of financing the proposed facilities. The ordinance establishes various bond terms, including the maximum amount of debt to be incurred at \$30 million. It also requires that the question of incurring the bonded indebtedness be submitted to the qualified electors (i.e., landowners) within the CFD pursuant to a special election to be conducted by the City Clerk.

Attachment E – Ordinance Calling a Special Election for CFD 11

This Ordinance calls for a special election within the CFD so that its qualified electors (i.e., landowners) can decide, in a combined proposition, whether to incur bonded indebtedness, to levy a special tax within the CFD, and to establish an appropriations limit for the CFD. The special election is to be conducted by mail or hand-delivered ballot. The special election will be conducted by the City Clerk in accordance with the Act on February 3, 2021. The Act requires that at least two-thirds of the qualified electors voting at the special election approve the proposition in order for the special tax to be imposed.

Landowner Consent and Waiver

It is anticipated that the current landowners within the proposed boundaries of CFD 11 will submit signed consent and waivers prior to December 1, 2020. These waivers will be submitted to the City Clerk's Office. The City Clerk will then prepare and file a separate report by December 1, 2020, that will confirm that the qualified electors of CFD 11 have unanimously consented (a) to the waiver of any time limit specified under the Act and any requirement pertaining to the conduct of the election, and agrees (b) to the holding of the election on February 3, 2021.

Authorizing Resolutions, Ordinances, Other Documents, and Timing

The following Authorizing Resolutions and Ordinances will be transmitted to Council at a later date by the CAO for the following Council meeting date:

February 3, 2021 (Council Meeting Date)

- A. Adopt Resolution Declaring Results of the Special Election
- B. Adopt Ordinance Levying Special Taxes within CFD 11
- C. Adopt Resolution approving various other necessary agreements (tentative)
- D. Notice of Special Tax Lien

The anticipated effective date of the Ordinance Levying Special Taxes is March 1, 2021.

FISCAL IMPACT STATEMENT

There is no impact on the City's General Fund as a result of the recommended actions. All consultant costs associated with the formation of the Community Facilities District are paid by the developer via the terms of the Deposit and Reimbursement Agreement.

FINANCIAL POLICIES STATEMENT

Consistent with the City's Financial Policies, all consultant and City costs associated with the formation of the Community Facilities District are paid by the developer via the terms of the Deposit and Reimbursement Agreement.

DEBT IMPACT STATEMENT

This report has no debt impact on the General Fund.

ATTACHMENT A - Community Facilities District Report

ATTACHMENT B – Certification from the Registrar-Recorder/County Clerk

ATTACHMENT C – Ordinance of Formation for the Proposed CFD 11

ATTACHMENT D - Ordinance Deeming it Necessary to Incur Bonded Indebtedness for CFD 11

ATTACHMENT E - Ordinance Calling a Special Election for CFD 11

RHL:BC:HTT:SMS:09210063

ATTACHMENT A



www.FinanceDTA.com

COMMUNITY FACILITIES DISTRICT REPORT

CITY OF LOS ANGELES

COMMUNITY FACILITIES DISTRICT NO. 11
(PONTE VISTA)

November 17, 2020

Public Finance
Public-Private Partnerships
Development Economics
Clean Energy Bonds

*Newport Beach / San Jose / San Francisco / Riverside
Dallas / Houston / Raleigh*



www.FinanceDTA.com

**5000 Birch Street, Suite 3000
Newport Beach, CA 92660**

COMMUNITY FACILITIES DISTRICT REPORT MELLO-ROOS COMMUNITY FACILITIES ACT OF 1982

City of Los Angeles
Community Facilities District No. 11
(Ponte Vista)

Prepared for:
City of Los Angeles
200 N. Main Street, Room 1500 CHE
Los Angeles, CA 90012

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INTRODUCTION

WHEREAS, the Council of the City of Los Angeles did, pursuant to the provisions of the "Mello-Roos Community Facilities Act of 1982," being Chapter 2.5, Part 1, Division 2, Title 5 of the Government Code of the State of California (hereinafter referred to as the "Act"), and specifically Section 53321.5 thereof, expressly order the filing of a written "Report" with the legislative body of the proposed community facilities district. This community facilities district, being City of Los Angeles Community Facilities District No. 11 (Ponte Vista), shall hereinafter be referred to as:

"CFD No. 11"; and,

WHEREAS, the Resolution of the Council of the City of Los Angeles of Intention to Establish a Community Facilities District and to Authorize the Levy of Special Taxes ("Resolution of Intention") did direct that said Report generally contain the following:

- A brief description of the public facilities by type which are required to adequately meet the needs of CFD No. 11 and an estimate of the cost of providing such facilities;
- An estimate of the fair and reasonable cost of the facilities proposed to be purchased as completed public facilities; and
- An estimate of the fair and reasonable cost of the incidental expenses related thereto.

This Community Facilities District Report has been prepared to comply with the above mentioned provision of the Resolution of Intention.



SECTION I PROJECT DESCRIPTION

I PROJECT DESCRIPTION

CFD No. 11 is intended to finance certain public facilities needed to serve new development within the boundaries of CFD No. 11.

Public facilities that may be financed by CFD No. 11 are described in Section III.

CFD No. 11 encompasses approximately 51 acres of land to be developed into 480 single family residential units that will be subject to the special tax.

II DESCRIPTION AND ESTIMATED COST OF PROPOSED FACILITIES

A Description of Proposed Public Improvements

A community facilities district may provide for the purchase, construction, expansion or rehabilitation of any real or tangible property, including public facilities and infrastructure improvements, with an estimated useful life of five (5) years or longer.

The facilities described in this Report are all facilities which the legislative body creating CFD No. 11 is authorized to own, construct, or finance. The facilities described herein are those currently expected to be required to adequately meet, in part, the needs of the development within CFD No. 11. CFD No. 11 reserves the right to modify the actual facilities proposed herein to the extent CFD No. 11 deems necessary, in its sole discretion, to meet those needs.

The types of facilities to be financed by the Community Facilities District are street improvements, including grading, paving, curbs and gutters, sidewalks, street signalization and signage, street lights and landscaping related thereto, storm drain facilities, sewer facilities, electric power facilities, including transmission lines, backbone cable, conduits and transformers, school facilities and land, rights-of-way and easements necessary for any of such facilities.

The special taxes required to pay for the construction, acquisition, or financing of said facilities will be apportioned as described in Section D of the Rate and Method of Apportionment for CFD No. 11.

B Estimated Costs of Proposed Bond Financed Public Improvements

The amounts shown in Table 1 below are estimates of the fair and reasonable cost of the facilities that may be financed by CFD No. 11, based upon current construction estimates, and actual costs may differ from those estimates herein. The facility cost estimates shown in Table 1 below include incidental expenses, including but not limited to (i) the costs of planning and designing such facilities, including the costs of environmental evaluations of those facilities, and (ii) other expenses incidental to the construction, completion, and inspection of the authorized work. It is anticipated that some or all of the proposed improvements will be purchased as completed facilities.

Based on current financing plans, it is anticipated that CFD No. 11 will fund approximately \$20.3 million of the amount shown in Table 1.

Table 1: Projected Cost

Facilities Improvements	Projected Cost
City Facilities	
City Storm Drain Improvements	\$5,752,352
City Sewer Improvements	\$874,292
Los Angeles DWP Joint Trench / Dry Utilities	\$2,592,745
Western Avenue Street Improvements	\$10,021,492
Los Angeles Unified School District Improvements	\$4,539,285
Total	\$23,780,167

C Substitution Facilities

The descriptions of the public facilities, as set forth herein, are general in their nature. The final nature, location, and costs of improvements and facilities will be determined upon the preparation of final plans and specifications. The final plans may show substitutes, in lieu or modifications to the proposed work in order to complete the improvements, and any such substitution shall not be a change or modification in the proceedings as long as the facilities provide a service substantially similar to that as set forth in this report.

D Incidental Expenses to be Included in Proposed Bonded Indebtedness

Pursuant to Section 53345.3 of the Act, bonded indebtedness may include all costs and estimated costs incidental to, or connected with, the accomplishment of the purpose for which the proposed debt is to be incurred, including, but not limited to, the costs of administrative, legal, fiscal, and financial consultant fees; bond and other reserve funds; discount fees; interest on any bonds of the district due and payable within two years of the issuance of the bonds; election costs; and all costs of issuance of the bonds, including, but not limited to, fees for bond and disclosure counsel, costs of obtaining credit ratings, bond insurance premiums, fees for letters of credit, and other credit enhancement costs, and printing costs.

For purposes of determining the special tax rates for CFD No. 11, bond issue estimates included capitalized interest at approximately 4.45 percent, a reserve fund equal to 6.90 percent, and other incidental bond issuance expenses equal to 5.00 percent of the principal amount of the bonds. Actual bond issue characteristics will vary from the above estimates based on market conditions and other factors.

E Incidental Expenses to be Included in the Annual Levy of Special Taxes

Pursuant to Section 53340 of the Act, the proceeds of any special tax may only be used to pay, in whole or in part, the cost of providing public facilities, services and incidental



SECTION III DESCRIPTION AND ESTIMATED COST OF PROPOSED FACILITIES

expenses. As defined in Section 53317, annual incidental expenses include, but are not limited to, the costs associated with the determination of the amount of taxes, payment of taxes, or costs otherwise incurred in order to carry out the authorized purposes of CFD No. 11.

While the actual cost of administering CFD No. 11 may vary, it is anticipated that the amount of special taxes which can be collected will be sufficient to fund at least \$60,000 in annual administrative expenses.



5000 BIRCH STREET, SUITE 3000
NEWPORT BEACH, CA 92660
PHONE (800) 969-4DTA

Public Finance
Public-Private Partnerships
Development Economics
Clean Energy Bonds

ATTACHMENT B



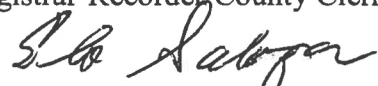
Los Angeles County Registrar-Recorder/County Clerk

DEAN C. LOGAN
Registrar-Recorder/County Clerk

STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

I, DEAN C. LOGAN, Registrar-Recorder/County Clerk, in and for the County of Los Angeles, do hereby certify that I have examined the records of registration on file in my office, and as nearly as can be determined, there are 0 active registered voter's residing within the area known as: CFD No. 11 (Ponte Vista) City of Los Angeles

Dated 10/30/2020

DEAN C. LOGAN
Registrar-Recorder/County Clerk

Elio Salazar, Head GIS Section

**PROPOSED BOUNDARIES OF
CITY OF LOS ANGELES
COMMUNITY FACILITIES DISTRICT NO. 11
(PONTE VISTA)
COUNTY OF LOS ANGELES
STATE OF CALIFORNIA**

(1) Filed in the office of the City Clerk of the City of Los Angeles this ____ day of _____, 2020.

Holly L. Wolcott
City Clerk, City of Los Angeles

(2) I hereby certify that the within map showing the proposed boundaries of City of Los Angeles Community Facilities District No. 11 (Ponte Vista), County of Los Angeles, State of California, was approved by the Council of the City of Los Angeles at a regular meeting thereof, held on this _____ day of November, 2020, by its Resolution No. _____.

Holly L. Wolcott
City Clerk, City of Los Angeles

(3) Filed this ____ day of _____, 2020, at the hour of ____ o'clock __m, in Book _____ of Maps of Assessment and Community Facilities Districts at Page _____ and as Instrument No. _____ in the office of the County Recorder in the County of Los Angeles, State of California.

Dean C. Logan
Registrar-Recorder/County Clerk,
County of Los Angeles

By _____
Deputy
Fee _____

Exempt recording requested,
per CA Government Code §27383

LEGEND

- Proposed Boundaries of City of Los Angeles Community Facilities District No. 11 (Ponte Vista), Los Angeles County, California
- Assessor Parcel Lines

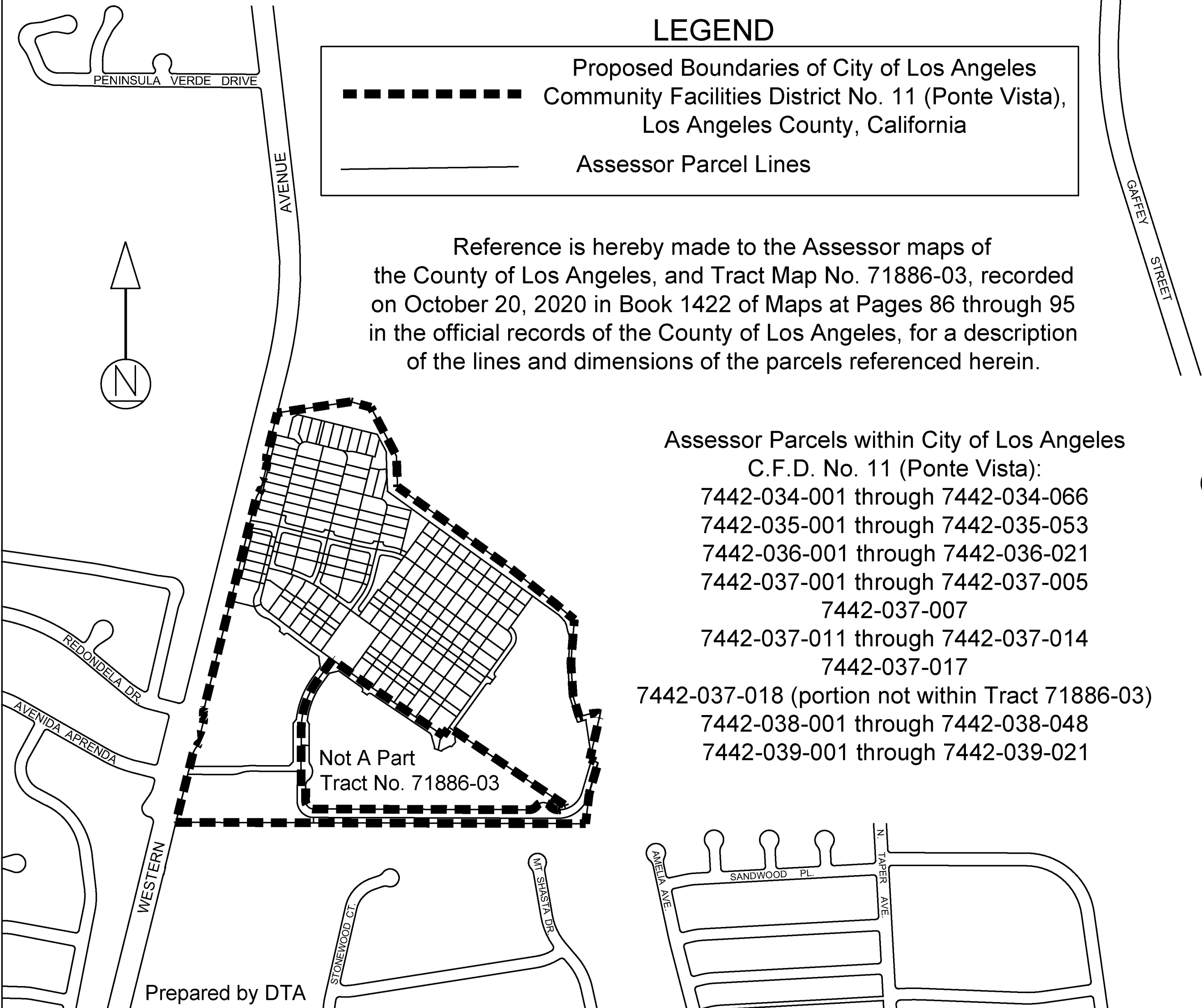
Reference is hereby made to the Assessor maps of the County of Los Angeles, and Tract Map No. 71886-03, recorded on October 20, 2020 in Book 1422 of Maps at Pages 86 through 95 in the official records of the County of Los Angeles, for a description of the lines and dimensions of the parcels referenced herein.

Assessor Parcels within City of Los Angeles
C.F.D. No. 11 (Ponte Vista):

- 7442-034-001 through 7442-034-066
- 7442-035-001 through 7442-035-053
- 7442-036-001 through 7442-036-021
- 7442-037-001 through 7442-037-005
- 7442-037-007
- 7442-037-011 through 7442-037-014
- 7442-037-017

- 7442-037-018 (portion not within Tract 71886-03)
- 7442-038-001 through 7442-038-048
- 7442-039-001 through 7442-039-021

Not A Part
Tract No. 71886-03



ATTACHMENT C

ORDINANCE NO. _____

An ordinance of formation of City of Los Angeles Community Facilities District No. 11 (Ponte Vista), authorizing the levy of a special tax within the Community Facilities District and establishing an appropriations limit for the Community Facilities District

WHEREAS, on October 28, 2020, the Council (the “City Council”) of the City of Los Angeles (the “City”), pursuant to the Mello-Roos Community Facilities Act of 1982 (the “Act”), adopted a resolution entitled “Resolution of the Council of the City of Los Angeles of Intention to Establish a Community Facilities District and to Authorize the Levy of Special Taxes” (the “Resolution of Intention”), stating its intention to establish a community facilities district (the “Community Facilities District”) proposed to be named City of Los Angeles Community Facilities District No. 11 (Ponte Vista), to authorize the levy of special taxes within the Community Facilities District to finance certain public facilities and setting the date for a public hearing to be held on the establishment of the Community Facilities District;

WHEREAS, pursuant to the Resolution of Intention, notice of said public hearing was published in the *Los Angeles Daily Journal*, a newspaper of general circulation published in the area of the Community Facilities District, in accordance with the Act;

WHEREAS, on December 1, 2020, the City Council opened, conducted and closed said public hearing;

WHEREAS, pursuant to the Resolution of Intention, each officer of the City who is or will be responsible for providing one or more of the proposed types of public facilities was directed to study, or cause to be studied, the proposed Community Facilities District and, at or before said public hearing, file a report with the City Council containing a brief description of the public facilities by type which will in his or her opinion be required to adequately meet the needs of the Community Facilities District, and his or her estimate of the cost of providing such public facilities; such officers were also directed to estimate the fair and reasonable cost of the public facilities proposed to be purchased as completed public facilities and of the incidental expenses proposed to be paid;

WHEREAS, said report was so filed with the City Council and made a part of the record of said public hearing;

WHEREAS, at the hearing, the testimony of all interested persons and taxpayers for or against the establishment of the Community Facilities District, the extent of the Community Facilities District and the furnishing of the specified types of public facilities was heard;

WHEREAS, written protests against the establishment of the Community Facilities District, the furnishing of any specified type or types of facilities within the Community Facilities District or the levying of any specified special tax were not made or filed at or before said hearing by 50% or more of the registered voters, or six registered voters, whichever is more, residing within the territory proposed to be included in the Community Facilities District, or the owners of one-half or more of the area of land in the territory proposed to be included in the Community Facilities District and not exempt from the special tax;

WHEREAS, there has been filed with the City Clerk of the City a letter from the Registrar-Recorder/County Clerk of the County of Los Angeles indicating that no persons were registered to vote within the territory of the proposed Community Facilities District as of October 30, 2020, and, accordingly, that 12 or more persons have not been registered to vote within the territory of the proposed Community Facilities District for each of the 90 days preceding the close of said public hearing;

WHEREAS, Section 53314.9 of the Act provides that, at any time either before or after the formation of a community facilities district, the legislative body may accept advances of funds from any source, including, but not limited to, private persons or private entities and may provide, by resolution, for the use of those funds for any authorized purpose, including, but not limited to, paying any cost incurred by the local agency in creating a community facilities district;

WHEREAS, Section 53314.9 of the Act further provides that the legislative body may enter into an agreement, by resolution, with the person or entity advancing the funds, to repay all or a portion of the funds advanced, as determined by the legislative body, with or without interest, under all the following conditions: (a) the proposal to repay the funds is included in both the resolution of intention to establish a community facilities district adopted pursuant to Section 53521 of the Act and in the resolution of formation to establish a community facilities district pursuant to Section 53325.1 of the Act, (b) any proposed special tax is approved by the qualified electors of the community facilities district pursuant to the Act, and (c) any agreement shall specify that if the qualified electors of the community facilities district do not approve the proposed special tax, the local agency shall return any funds which have not been committed for any authorized purpose by the time of the election to the person or entity advancing the funds;

WHEREAS, the City and SoCal San Pedro SPV 1, LLC (“SoCal San Pedro”) have entered into a Deposit and Reimbursement Agreement, dated as of January 1, 2019 (the “Deposit Agreement”), that provides for the advancement of funds by SoCal San Pedro to be used to pay costs incurred in connection with the creation of the Community Facilities District and the issuance of special tax bonds thereby and, in accordance with Section 53314.9 of the Act, the City desires to accept such advances and to reimburse SoCal San Pedro therefor, without interest, from the proceeds of special tax bonds issued by the Community Facilities District; and

WHEREAS, the City is authorized to undertake all of the above pursuant to its Charter and the Constitution and other applicable laws of the State of California;

NOW THEREFORE,

**THE PEOPLE OF THE CITY OF LOS ANGELES
DO ORDAIN AS FOLLOWS:**

Sec. 1. The foregoing recitals are true and correct.

Sec. 2. The Community Facilities District is hereby established pursuant to the Act.

Sec. 3. The Community Facilities District is hereby named “City of Los Angeles Community Facilities District No. 11 (Ponte Vista).”

Sec. 4. The public facilities (the “Facilities”) proposed to be financed by the Community Facilities District pursuant to the Act are described under the caption “Facilities” on Exhibit A hereto, which is by this reference incorporated herein. Those Facilities proposed to be purchased as completed public facilities are described under the caption “Facilities to be Purchased” on Exhibit A hereto. The incidental expenses proposed to be incurred are identified under the caption “Incidental Expenses” on Exhibit A hereto. All or any portion of the Facilities may be financed through a financing plan, including, but not limited to, a lease, lease-purchase or installment-purchase arrangement.

Sec. 5. The proposed special tax to be levied within the Community Facilities District has not been precluded by majority protest pursuant to Section 53324 of the Act.

Sec. 6. Except where funds are otherwise available, a special tax sufficient to pay for all Facilities, secured by recordation of a continuing lien against all nonexempt real property in the Community Facilities District, will be annually levied within the Community Facilities District. The rate and method of apportionment of the special tax (the “Rate and Method”), in sufficient detail to allow each landowner within the proposed Community Facilities District to estimate the maximum amount that he or she will have to pay, is described in Exhibit B attached hereto, which is by this reference incorporated herein. The conditions under which the obligation to pay the special tax may be prepaid and permanently satisfied are specified in the Rate and Method. The special tax will be collected in the same manner as ordinary *ad valorem* property taxes or in such other manner as the City Council shall determine, including direct billing of the affected property owners.

The tax year after which no further special tax will be levied against any parcel used for private residential purposes is specified in the Rate and Method. Under no circumstances shall the special tax levied in any fiscal year against any parcel used for private residential purposes be increased as a consequence of delinquency or default by the owner or owners of any other parcel or parcels within the Community Facilities District by more than 10% above the amount that would have been levied in that fiscal year had there never been any such delinquencies or defaults. For purposes of this paragraph, a parcel shall be considered “used for private residential purposes” not later than the date on which an occupancy permit for private residential use is issued.

Sec. 7. Pursuant to Section 53344.1 of the Act, the City Council hereby reserves to itself the right and authority to allow any interested owner of property within the Community Facilities District, subject to the provisions of said Section 53344.1 and to those conditions as it may impose, and any applicable prepayment penalties as prescribed in the bond indenture or comparable instrument or document, to tender to the Community Facilities District treasurer in full payment or part payment of any installment of the special taxes or the interest or penalties thereon which may be due or delinquent, but for which a bill has been received, any bond or other obligation secured thereby, the bond or other obligation to be taken at par and credit to be given for the accrued interest shown thereby computed to the date of tender.

Sec. 8. The name, address and telephone number of the office which will be responsible for preparing annually a current roll of special tax levy obligations by assessor’s parcel number and which will be responsible for estimating further special tax levies pursuant to Section

53340.2 of the Act are as follows: City Administrative Officer, Debt Management Group, 200 North Main Street, Room 1500, Los Angeles, California 90012, (213) 473-7500.

Sec. 9. Upon recordation of a notice of special tax lien pursuant to Section 3114.5 of the California Streets and Highways Code, a continuing lien to secure each levy of the special tax shall attach to all nonexempt real property in the Community Facilities District and this lien shall continue in force and effect until the special tax obligation is prepaid and permanently satisfied and the lien canceled in accordance with law or until collection of the tax by the City Council ceases.

Sec. 10. The boundary map of the Community Facilities District was recorded in the County of Los Angeles on November 6, 2020 as document number 20201414066 in the office of the County Recorder of the County of Los Angeles.

Sec. 11. The annual appropriations limit, as defined by subdivision (h) of Section 8 of Article XIII B of the California Constitution, of the Community Facilities District is hereby established at \$30,000,000.

Sec. 12. Pursuant to the provisions of the Act, the levy of the special tax and a proposition to establish the appropriations limit specified above shall be subject to the approval of the qualified electors of the Community Facilities District at a special election. The City Council hereby finds and determines that no persons were registered to vote within the territory of the proposed Community Facilities District as of October 30, 2020, and that 12 or more persons have not been registered to vote within the territory of the Community Facilities District for each of the 90 days preceding the close of the public hearing held by the City Council on the establishment of the Community Facilities District. Accordingly, pursuant to Section 53326 of the Act, the vote shall be by the landowners of the Community Facilities District and each person who is the owner of land as of the close of said public hearing, or the authorized representative thereof, shall have one vote for each acre or portion of an acre that he or she owns within the Community Facilities District not exempt from the special tax. The voting procedure shall be by mailed or hand-delivered ballot.

Sec. 13. SoCal San Pedro has heretofore advanced certain funds, and may advance additional funds, which have been or may be used to pay costs incurred in connection with the establishment of the Community Facilities District and the issuance of special tax bonds thereby. The City Council has previously approved the acceptance of such funds for the purpose of paying costs incurred in connection with the establishment of the Community Facilities District and the issuance of special tax bonds thereby. The City Council proposes to repay all or a portion of such funds expended for such purpose, solely from the proceeds of such bonds, pursuant to the Deposit Agreement. The Deposit Agreement is hereby incorporated herein as though set forth in full herein.

Sec. 14. The City Council hereby finds and determines that all proceedings up to and including the adoption of this Ordinance were valid and in conformity with the requirements of the Act. In accordance with Section 53325.1 of the Act, such finding shall be final and conclusive.

Sec. 15. The officers, employees and agents of the City are hereby authorized and directed to take all actions and do all things which they, or any of them, may deem necessary or desirable to accomplish the purposes of this Ordinance and not inconsistent with the provisions hereof.

Sec. 16. The City Clerk shall certify to the passage of this ordinance and have it published in accordance with City Council policy, either in a daily newspaper circulated in the City of Los Angeles or by posting for ten days in three public places in the City of Los Angeles: one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall; one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall East; and one copy on the bulletin board located at the Temple Street entrance to the Los Angeles County Hall of Records.

Approved as to Form and Legality

MICHAEL N. FEUER, City Attorney

By: _____
CHARLES HONG
Deputy City Attorney

Date _____

File No. _____

The Clerk of the City of Los Angeles
hereby certifies that the foregoing
Ordinance was passed by the Council
of the City of Los Angeles

CITY CLERK

MAYOR

Ordinance Passed _____

Approved _____

EXHIBIT A
FACILITIES, FACILITIES TO BE PURCHASED
AND INCIDENTAL EXPENSES

Facilities

The types of facilities to be financed by the Community Facilities District are street improvements, including grading, paving, curbs and gutters, sidewalks, street signalization and signage, street lights and landscaping related thereto, storm drain facilities, sewer facilities, electric power facilities, including transmission lines, backbone cable, conduits and transformers, school facilities and land, rights-of-way and easements necessary for any of such facilities.

Facilities to be Purchased

The types of facilities to be purchased as completed facilities are street improvements, including grading, paving, curbs and gutters, sidewalks, street signalization and signage, street lights and landscaping related thereto, storm drain facilities, sewer facilities, electric power facilities, including transmission lines, backbone cable, conduits and transformers, and land, rights-of-way and easements necessary for any of such facilities.

Incidental Expenses

The incidental expenses proposed to be incurred include the following:

- (a) the cost of planning and designing public facilities to be financed, including the cost of environmental evaluations of those facilities;
- (b) the costs associated with the creation of the Community Facilities District, issuance of bonds, determination of the amount of taxes, collection of taxes, payment of taxes, or costs otherwise incurred in order to carry out the authorized purposes of the Community Facilities District; and
- (c) any other expenses incidental to the construction, completion, and inspection of the authorized work.

EXHIBIT B
RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

**RATE AND METHOD OF APPORTIONMENT FOR
CITY OF LOS ANGELES
COMMUNITY FACILITIES DISTRICT NO. 11
(PONTE VISTA)**

A Special Tax as hereinafter defined shall be levied on Assessor's Parcels in the City of Los Angeles Community Facilities District No. 11 (Ponte Vista) ("CFD No. 11") and collected each Fiscal Year commencing in Fiscal Year 2021-2022, in an amount determined through the application of the appropriate Special Tax for "Developed Property," "Taxable Property Owner Association Property," "Taxable Public Property," and "Undeveloped Property" as described below. All of the Assessor's Parcels in CFD No. 11, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent and in the manner herein provided.

A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

"Acre" or "Acreage" means the land area of an Assessor's Parcel as shown on an Assessor's Parcel Map, or if the land area is not shown on an Assessor's Parcel Map, the land area shown on the applicable final map, parcel map, condominium plan, or other recorded map.

"Act" means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, Division 2 of Title 5 of the California Government Code.

"Administrative Expenses" means, for any Fiscal Year, any actual or reasonably estimated costs directly related to the administration of CFD No. 11 in such Fiscal Year, including (in no particular priority order):

- the costs of computing the Special Taxes and preparing the annual Special Tax collection schedules (whether by the City or a designee thereof or both);
- the costs of collecting the Special Taxes (whether by the County or otherwise);
- the costs of remitting the Special Taxes to the Trustee;
- the costs of the Trustee (including its legal counsel) in the discharge of the duties required of it under the Indenture payable by CFD No. 11 under the Indenture;
- the costs of the City or CFD No. 11 of complying with arbitrage rebate requirements;
- the costs of the City or CFD No. 11 of complying with City, CFD No. 11 or obligated persons disclosure requirements associated with applicable federal and state securities laws and of the Act;
- the costs of the City or CFD No. 11 associated with preparing Special Tax disclosure statements and responding to public inquiries regarding the Special Taxes;
- the costs of the City or CFD No. 11 related to an appeal of the Special Tax;
- the costs of the City or CFD No. 11 associated with the release of funds from an escrow account (to the extent not paid from other sources);

- the costs of calculating the prepayment of Special Taxes (to the extent not paid or provided for pursuant to Section H), and recordings related to such prepayment and satisfaction of Special Taxes;
- reasonable attorney's fees and other costs related to commencing and pursuing to completion any foreclosure of delinquent Special Taxes; and
- an allocable share of the salaries of the City staff directly related to the foregoing.

"Approved Property" means, for each Fiscal Year, all Taxable Property, exclusive of Developed Property, Taxable Property Owner Association Property, and Taxable Public Property, for which a Final Map was recorded prior to January 1 of the previous Fiscal Year.

"Assessor's Parcel" means a lot or parcel shown in an Assessor's Parcel Map with an assigned assessor's parcel number.

"Assessor's Parcel Map" means an official map of the Assessor of the County designating parcels by assessor's parcel number.

"Assigned Special Tax" means the Special Tax for each Land Use Class of Developed Property, as determined in accordance with Section C.1.b. below.

"Backup Special Tax" means the Special Tax applicable to each Assessor's Parcel of Developed Property, as determined in accordance with Section C.1.e. below.

"Bonds" means any bonds or other debt (as defined in Section 53317(d) of the Act), whether in one or more series, issued by CFD No. 11 under the Act.

"CFD Administrator" means the City Administrative Officer or designee thereof responsible for the overall administration of CFD No. 11.

"CFD No. 11" means City of Los Angeles Community Facilities District No. 11 (Ponte Vista).

"City" means the City of Los Angeles.

"City Administrative Officer" means the City Administrative Officer of the City of Los Angeles, or his or her designee, or a City official succeeding to the duties of the City Administrative Officer.

"Condominium Property" means property that includes one or more residential units, whether attached or detached, meeting the statutory definition of a condominium contained in the California Civil Code Section 4285.

"Council" means the Council of the City of Los Angeles, acting as the legislative body of CFD No. 11.

"County" means the County of Los Angeles.

"Developed Property" means, for each Fiscal Year, all Taxable Property, exclusive of Other Taxable Property, for which a building permit for new construction was issued after January 1, 2020 but prior to January 1 of the previous Fiscal Year.

"Exempt Welfare Exemption Property" means, for each Fiscal Year, an Assessor's Parcel that is (a) receiving a welfare exemption under subdivision (g) of Section 214 of the California Revenue and Taxation Code (or any successor statute), as indicated in the County's assessor's roll finalized as of January 1 of the previous Fiscal Year, and (b) exempt from the Special Tax pursuant to Section 53340(c) of the Act.

"Final Map" means (i) a final map, or portion thereof, approved by the County pursuant to the Subdivision Map Act (California Government Code Section 66410 et seq.) that creates individual lots or parcels for which building permits may be issued without further subdivision, or (ii) for Condominium Property, a final map approved by the City and a condominium plan recorded pursuant to California Civil Code Section 4285 creating such individual lots or parcels.

"Fiscal Year" means the period starting July 1 and ending on the following June 30.

"Indenture" means the indenture, trust agreement, fiscal agent agreement, or similar document, regardless of title, pursuant to which Bonds are issued, as modified, amended and/or supplemented from time to time in accordance with its terms.

"Land Use Class" means any of the classes listed in Table 1.

"Maximum Special Tax" means, with respect to an Assessor's Parcel, for any Fiscal Year, the maximum Special Tax, determined in accordance with Section C below, that can be levied in such Fiscal Year on such Assessor's Parcel.

"Non-Residential Property" means all Assessor's Parcels of Developed Property for which a building permit(s) was issued for a non-residential use.

"Other Residential Property" means all Assessor's Parcels of Developed Property for which a building permit has been issued for purposes of constructing one or more residential dwelling units and which is not classified as Condominium Property.

"Other Taxable Property" means Taxable Property Owners Association Property and Taxable Public Property.

"Outstanding Bonds" means all Bonds which are deemed to be outstanding under the Indenture.

"Property Owner Association Property" means, for each Fiscal Year, any property within the boundaries of CFD No. 11 that is owned in fee or by easement, or dedicated to, a property owner association, including any master or sub-association; provided, however,

that, any property previously classified as Developed Property and subsequently owned in fee or by easement, or dedicated to, a property owner association, including any master or sub-association, shall remain classified as Developed Property.

"Proportionately" means, for Developed Property, that the ratio of the actual Special Tax levy to the Assigned Special Tax is equal for all Assessor's Parcels of Developed Property. For Approved Property or Undeveloped Property, "Proportionately" means that the ratio of the actual Special Tax levy per Acre to the Maximum Special Tax per Acre is equal for all Assessor's Parcels of Approved Property or Undeveloped Property. For Taxable Property Owner Association Property, "Proportionately" means that the ratio of the actual Special Tax levy per Acre to the Maximum Special Tax per Acre is equal for all Assessor's Parcels of Taxable Property Owner Association Property. For Taxable Public Property, "Proportionately" means that ratio of the actual Special Tax levy per Acre to the Maximum Special Tax per Acre is equal for all Assessor's Parcels of Taxable Public Property.

"Public Property" means, for each Fiscal Year, any property within the boundaries of CFD No. 11 that is owned by or dedicated to the federal government, the State, the City or any other public agency, provided however that any property leased by a public agency to a private entity and subject to taxation under Section 53340.1 of the Act shall be taxed and classified in accordance with its use.

"Residential Floor Area" means all of the square footage of living area within the perimeter of a residential structure, not including any carport, walkway, garage, overhang, patio, enclosed patio, or similar area. The determination of Residential Floor Area shall be made by reference to the building permit(s) issued for such Assessor's Parcel.

"Special Tax" means the special tax, if any, to be levied in each Fiscal Year on each Assessor's Parcel of Developed Property, Taxable Property Owner Association Property, Taxable Public Property, and Undeveloped Property to fund the Special Tax Requirement.

"Special Tax Requirement" means, for any Fiscal Year, that amount required, after taking into account amounts held in the funds and accounts under the Indenture, to: (i) pay regularly scheduled debt service on all Outstanding Bonds due in the calendar year beginning in said Fiscal Year; (ii) pay periodic costs on the Bonds including but not limited to, credit enhancement fees and rebate payments on the Bonds due in the calendar year beginning in said Fiscal Year; (iii) pay Administrative Expenses; (iv) accumulate Developed Property Special Taxes to pay for debt service on Bonds in subsequent Fiscal Years; (v) pay any amounts required to establish or replenish any reserve funds for Outstanding Bonds; and (vi) pay for reasonably anticipated delinquent Special Taxes based on the delinquency rate for Special Taxes levied in the previous Fiscal Year.

"State" means the State of California.

"Taxable Property" means, for each Fiscal Year, all of the Assessor's Parcels within the boundaries of CFD No. 11 which are not exempt from the Special Tax for such Fiscal Year, pursuant to law or Section E below.

"Taxable Property Owner Association Property" means, for each Fiscal Year, all Assessor's Parcels of Property Owner Association Property that are not exempt from the Special Tax for such Fiscal Year, pursuant to Section E below.

"Taxable Public Property" means, for each Fiscal Year, all Assessor's Parcels of Public Property that are not exempt from the Special Tax for such Fiscal Year, pursuant to Section E below.

"Trustee" means the trustee, fiscal agent, or paying agent under the Indenture.

"Undeveloped Property" means, for each Fiscal Year, all Taxable Property not classified as Approved Property, Developed Property, Taxable Property Owner Association Property, or Taxable Public Property for such Fiscal Year.

B. ASSIGNMENT TO LAND USE CATEGORIES

Each Fiscal Year, all Assessor's Parcels within CFD No. 11 shall be classified as Taxable Property, Public Property, Property Owner Association Property, or Exempt Welfare Exemption Property. All Taxable Property within CFD No. 11 shall then be classified as Approved Property, Developed Property, Taxable Public Property, Taxable Property Owner Association Property, or Undeveloped Property, and shall be subject to Special Taxes determined pursuant to Sections C and D below. Developed Property shall be further classified as Condominium Property, Other Residential Property, and Non-Residential Property. Condominium Property and Other Residential Property shall be assigned to Land Use Classes 1 through 13, and Non-Residential Property shall be assigned to Land Use Class 14.

The Assigned Special Tax for Condominium Property and Other Residential Property shall be based on the Residential Floor Area of the dwelling unit(s) located on the Assessor's Parcel, as specified in Table 1 below. The Assigned Special Tax for Non-Residential Property shall be based on the Acreage of the Assessor's Parcel.

C. MAXIMUM SPECIAL TAX RATE

1. Developed Property

a. Maximum Special Tax

For each Fiscal Year, the Maximum Special Tax for each Assessor's Parcel classified as Developed Property shall be the greater of (i) the amount derived by application of the Assigned Special Tax for such Fiscal Year, or (ii) the amount derived by application of the Backup Special Tax for such Fiscal Year.

b. Assigned Special Tax

The Assigned Special Tax for each Land Use Class is indicated in Table 1 below.

TABLE 1
Assigned Special Taxes for Developed Property
CFD No. 11 (Ponte Vista)

Land Use Class	Description	Residential Floor Area	Assigned Special Tax
1	Condominium Property	≥ 2,000 SF	\$3,291.75 per unit
2	Condominium Property	1,800 – 1,999 SF	\$3,154.20 per unit
3	Condominium Property	1,600 – 1,799 SF	\$2,870.70 per unit
4	Condominium Property	1,400 – 1,599 SF	\$2,503.20 per unit
5	Condominium Property	1,200 – 1,399 SF	\$2,269.05 per unit
6	Condominium Property	< 1,200 SF	\$1,940.40 per unit
7	Other Residential Property	≥ 3,400 SF	\$5,148.15 per unit
8	Other Residential Property	3,100 – 3,399 SF	\$4,942.35 per unit
9	Other Residential Property	2,800 – 3,099 SF	\$4,617.90 per unit
10	Other Residential Property	2,600 – 2,799 SF	\$4,295.55 per unit
11	Other Residential Property	2,300 – 2,599 SF	\$3,972.15 per unit
12	Other Residential Property	2,000 – 2,299 SF	\$3,466.05 per unit
13	Other Residential Property	< 2,000 SF	\$3,276.00 per unit
14	Non-Residential Property	NA	\$93,908 per Acre

* Represents the original Assigned Special Tax rates prior to any reduction pursuant to Section J.

c. Multiple Land Use Classes

In some instances an Assessor's Parcel of Developed Property may contain more than one Land Use Class. The Assigned Special Tax levied on such Assessor's Parcel shall be the sum of the Assigned Special Taxes for all Land Use Classes located on that Assessor's Parcel. The Maximum Special Tax that can be levied on an Assessor's Parcel shall be the sum of the Maximum Special Taxes that can be levied for all Land Use Classes located on that Assessor's Parcel. For an Assessor's Parcel that contains Condominium Property, Other Residential Property, and Non-Residential Property, the Acreage of such Assessor's Parcel shall be allocated to each

type of property based on the amount of Acreage designated for each land use as determined by reference to the site plan (or other applicable map as determined by the CFD Administrator) approved for such Assessor's Parcel. The CFD Administrator's allocation to each type of property shall be final.

d. Backup Special Tax

The Backup Special Tax per Acre for Developed Property shall be \$93,908 per Acre.

For the purpose of calculating the Backup Special Tax, the land area applicable to a dwelling unit of Condominium Property shall be computed from the Acreage of the Assessor's Parcel on which the dwelling unit is located, with the Acreage for such Assessor's Parcel allocated equally among all of the dwelling units located or to be located on such parcel. Once the Backup Special Tax is calculated for an Assessor's Parcel of Condominium Property or Other Residential Property.

2. Approved Property, Undeveloped Property and Other Taxable Property

The Maximum Special Tax for Approved Property, Undeveloped Property, and Other Taxable Property shall be \$93,908 per Acre.

D. METHOD OF APPORTIONMENT OF THE SPECIAL TAX

Commencing with Fiscal Year 2021-2022 and for each following Fiscal Year, the Council shall levy the Special Tax until the amount of Special Taxes levied equals the Special Tax Requirement. The Special Tax shall be levied each Fiscal Year as follows:

First: The Special Tax shall be levied Proportionately on each Assessor's Parcel of Developed Property at up to 100% of the applicable Assigned Special Tax;

Second: If additional monies are needed to satisfy the Special Tax Requirement after the first step has been completed, then the Special Tax shall be levied Proportionately on each Assessor's Parcel of Approved Property at up to 100% of the Maximum Special Tax for Approved Property;

Third: If additional monies are needed to satisfy the Special Tax Requirement after the first two steps have been completed, then the Special Tax shall be levied Proportionately on each Assessor's Parcel of Undeveloped Property at up to 100% of the Maximum Special Tax for Undeveloped Property;

Fourth: If additional monies are needed to satisfy the Special Tax Requirement after the first three steps have been completed, then the levy of the Special Tax on each Assessor's Parcel of Developed Property whose Maximum Special Tax is determined through the

application of the Backup Special Tax shall be increased in equal percentages from the Assigned Special Tax up to the Maximum Special Tax for each such Assessor's Parcel;

Fifth: If additional monies are needed to satisfy the Special Tax Requirement after the first four steps have been completed, then the Special Tax shall be levied Proportionately on each Assessor's Parcel of Taxable Property Owner Association Property at up to the Maximum Special Tax for Other Taxable Property;

Sixth: If additional monies are needed to satisfy the Special Tax Requirement after the first five steps have been completed, then the Special Tax shall be levied Proportionately on each Assessor's Parcel of Taxable Public Property at up to the Maximum Special Tax for Other Taxable Property.

Notwithstanding the above, pursuant to Section 53321(d)(3) of the California Government Code, under no circumstances shall the Special Tax levied in any Fiscal Year against any Assessor's Parcel in CFD No. 11 for which an occupancy permit for private residential use has been issued be increased as a consequence of delinquency or default by the owner or owners of any other Assessor's Parcel(s) within CFD No. 11 by more than 10% above the amount that would have been levied in that Fiscal Year had there never been any such delinquencies or defaults. To the extent that the levy of the Special Tax on Assessor's Parcels of residential property is limited by the provision in the previous sentence, the levy of the Special Tax on all of the Assessor's Parcels of non-residential property within CFD No. 11 shall continue to increase in equal percentages at up to 100% of the Maximum Special Tax.

E. EXEMPTIONS

No Special Tax shall be levied on up to a total of 23.6 Acres of Property Owner Association Property and Public Property, except as otherwise provided in Sections 53317.3, 53317.5, and 53340.1 of the Act.

All such property cited above will be allocated on a first-in-time basis separately for Property Owners Association Property and Public Property. If the total number of Acres of land conveyed or dedicated exceeds the amounts stated above, then the Acres exceeding such totals shall be taxed at the applicable rate set forth in Section C above and to the extent set forth in Section D above.

No Special Tax shall be levied on any Assessor's Parcel in any Fiscal Year in which such Assessor's Parcel is classified as Exempt Welfare Exemption Property.

F. REVIEW/APPEAL COMMITTEE

Any landowner, any non-exempt lessee or holder of a possessory interest in property otherwise exempt because it is exempt property of a public agency, and any lessee on a triple net lease may file a written appeal of the Special Tax on its property with the CFD Administrator, provided that the appellant is current in his/her payments of Special Taxes. During the pendency of an appeal, all Special Taxes previously levied must be paid on or

before the payment date established when the levy was made. The appeal must specify the reasons why the appellant claims the Special Tax is in error. The CFD Administrator shall review the appeal, meet with the appellant if the CFD Administrator deems necessary, and advise the appellant of its determination. If the CFD Administrator agrees with the appellant, the CFD Administrator shall make a recommendation to the Council to eliminate or reduce the Special Tax on the appellant's property and/or to provide a refund to appellant. The approval of the Council or its designee must be obtained prior to any such elimination or reduction. If the CFD Administrator disagrees with the appellant and the appellant is dissatisfied with the determination, the appellant then has 30 days in which to appeal to the Council by filing a written notice of appeal with the City Clerk, provided that appellant is current in his/her payments of Special Taxes. The appeal to the Council must specify the reasons for its disagreement with the CFD Administrator's determination. The City Clerk shall schedule the appeal to be heard before the appropriate Council committee and/or the Council.

Interpretations may be made by the Council by ordinance or resolution for purposes of clarifying any vagueness or ambiguity in this Rate and Method of Apportionment.

G. MANNER OF COLLECTION

The Special Tax shall be collected in the same manner and at the same time as ordinary *ad valorem* property taxes; provided, however, that CFD No. 11 may directly bill the Special Tax, may collect Special Taxes at a different time or in a different manner if necessary to meet its financial obligations, and may covenant to foreclose and may actually foreclose on delinquent Assessor's Parcels as permitted by the Act.

H. PREPAYMENT OF SPECIAL TAX

The following definitions apply to this Section H:

"CFD Public Facilities" means either \$21.4 million in 2020 dollars, which shall increase by the Construction Inflation Index on July 1, 2021, and on each July 1 thereafter, or such lower number as (i) shall be determined by the CFD Administrator as sufficient to provide the public facilities to be provided by CFD No. 11, or (ii) shall be determined by the Council concurrently with a covenant that it will not issue any more Bonds to be supported by Special Taxes levied under this Rate and Method of Apportionment.

"Construction Fund" means an account specifically identified in the Indenture to hold funds which are currently available for expenditure to acquire or construct public facilities eligible under the Act and the proceedings for CFD No. 11.

"Construction Inflation Index" means the annual percentage change in the Engineering News-Record Building Cost Index for the City of Los Angeles, measured as of the calendar year which ends in the previous Fiscal Year. In the event this index ceases to be published, the Construction Inflation Index shall be another index as determined by the CFD

Administrator that is reasonably comparable to the Engineering News-Record Building Cost Index for the City of Los Angeles.

"Future Facilities Costs" means the CFD Public Facilities minus (i) public facility costs previously paid from the Construction Fund; (ii) moneys currently on deposit in the Construction Fund; and (iii) moneys currently on deposit in an escrow fund, if any, that are expected to be available to finance public facilities costs.

"Outstanding Bonds" means all Previously Issued Bonds which are deemed to be outstanding under the Indenture after the first interest and/or principal payment date following the current Fiscal Year.

"Previously Issued Bonds" means all Bonds that have been issued by CFD No. 11 prior to the date of prepayment.

1. Prepayment in Full

All Assessor's Parcels of Developed Property and Assessor's Parcels of Approved Property and/or Undeveloped Property for which a building permit has been issued may be prepaid. The Special Tax obligation applicable to such Assessor's Parcel in CFD No. 11 may be fully prepaid and the obligation of the Assessor's Parcel to pay the Special Tax permanently satisfied as described herein; provided that a prepayment may be made only if there are no delinquent Special Taxes with respect to such Assessor's Parcel or any other Assessor's Parcel owned by such owner at the time of prepayment. An owner of an Assessor's Parcel intending to prepay the Special Tax obligation shall provide the CFD Administrator with written notice of intent to prepay. Within 60 days of receipt of such written notice, the CFD Administrator shall notify such owner of the prepayment amount of such Assessor's Parcel. The CFD Administrator shall charge a fee to the owner requesting prepayment for providing this figure. Prepayment must be made not less than 75 days prior to the next occurring date that notice of redemption of Bonds from the proceeds of such prepayment may be given to the Trustee pursuant to the Indenture.

The Prepayment Amount (defined below) shall be calculated as summarized below (capitalized terms as defined below):

Bond Redemption Amount	
plus	Redemption Premium
plus	Future Facilities Amount
plus	Defeasance Amount
plus	Administrative Fees and Expenses
<u>less</u>	<u>Reserve Fund Credit</u>
Total: equals	Prepayment Amount

As of the proposed date of prepayment, the Prepayment Amount shall be calculated as follows:

Paragraph No.:

1. Confirm that no Special Tax delinquencies apply to such Assessor's Parcel.
2. For Assessor's Parcels of Developed Property compute the Assigned Special Tax and Backup Special Tax applicable for the Assessor's Parcel to be prepaid. For Assessor's Parcels of Approved Property and/or Undeveloped Property (for which a building permit has been issued), compute the Assigned Special Tax and Backup Special Tax for that Assessor's Parcel as though it was already classified as Developed Property, based upon the building permit which has already been issued for that Assessor's Parcel.
3. (a) Divide the Assigned Special Tax computed pursuant to paragraph 2 by the total estimated Assigned Special Taxes for the entire CFD No. 11 based on the Developed Property Special Taxes which could be charged in the current Fiscal Year on all expected development through buildout of CFD No. 11, as determined by the CFD Administrator, as if such development had been completed prior to January 1 of the preceding Fiscal Year, excluding any Assessor's Parcels which have been prepaid, and

(b) Divide the Backup Special Tax computed pursuant to paragraph 2 by the estimated Backup Special Taxes at buildout of CFD No. 11 using the Backup Special Tax amount for the current Fiscal Year as if such development had been completed prior to January 1 of the preceding Fiscal Year, excluding any Assessor's Parcels which have been prepaid.
4. Multiply the larger quotient computed pursuant to paragraph 3(a) or 3(b) by the Outstanding Bonds to compute the amount of Outstanding Bonds to be retired and prepaid (the "Bond Redemption Amount").
5. Multiply the Bond Redemption Amount computed pursuant to paragraph 4 by the applicable redemption premium, if any, on the Outstanding Bonds to be redeemed (the "Redemption Premium").
6. Compute the current Future Facilities Costs.
7. Multiply the larger quotient computed pursuant to paragraph 3(a) or 3(b) by the amount determined pursuant to paragraph 6 to compute the amount of Future Facilities Costs to be prepaid (the "Future Facilities Amount").
8. Compute the amount needed to pay interest on the Bond Redemption Amount from the first Bond interest and/or principal payment date following the current Fiscal Year until the earliest redemption date for the Outstanding Bonds.
9. Determine the Special Taxes levied on the Assessor's Parcel in the current Fiscal Year which have not yet been paid.

10. Compute the minimum amount the CFD Administrator reasonably expects to derive from the reinvestment of the Prepayment Amount less the Future Facilities Amount and the Administrative Fees and Expenses from the date of prepayment until the redemption date for the Outstanding Bonds to be redeemed with the prepayment.
11. Add the amounts computed pursuant to paragraphs 8 and 9 and subtract the amount computed pursuant to paragraph 10 (the "Defeasance Amount").
12. Verify the administrative fees and expenses of CFD No. 11, including the costs of computation of the prepayment, the costs to invest the prepayment proceeds, the costs of redeeming Bonds, and the costs of recording any notices to evidence the prepayment and the redemption (the "Administrative Fees and Expenses").
13. The reserve fund credit (the "Reserve Fund Credit") shall equal the lesser of: (a) the expected reduction in the reserve requirement (as defined in the Indenture), if any, associated with the redemption of Outstanding Bonds as a result of the prepayment, or (b) the amount derived by subtracting the new reserve requirement (as defined in the Indenture) in effect after the redemption of Outstanding Bonds as a result of the prepayment from the balance in the reserve fund on the prepayment date, but in no event shall such amount be less than zero.
14. The Special Tax prepayment is equal to the sum of the amounts computed pursuant to paragraphs 4, 5, 7, 11 and 12, less the amount computed pursuant to paragraph 13 (the "Prepayment Amount").
15. From the Prepayment Amount, the amounts computed pursuant to paragraphs 4, 5, 11, and 13 shall be deposited into the appropriate fund as established under the Indenture and be used to retire Outstanding Bonds or make debt service payments. The amount computed pursuant to paragraph 7 shall be deposited into the Construction Fund. The amount computed pursuant to paragraph 12 shall be retained by CFD No. 11.

The Prepayment Amount may be sufficient to redeem other than a \$5,000 increment of Bonds. In such cases, the increment above \$5,000 or integral multiple thereof shall be retained in the appropriate fund established under the Indenture to be used with the next prepayment of Bonds or to make debt service payments.

As a result of the payment of the current Fiscal Year's Special Tax levy as determined under paragraph 9 (above), the CFD Administrator shall remove the current Fiscal Year's Special Tax levy for such Assessor's Parcel from the County tax rolls. With respect to any Assessor's Parcel that is prepaid, the Council shall cause a suitable notice to be recorded in compliance with the Act, to indicate the prepayment of Special Taxes and the release of the Special Tax lien on such Assessor's Parcel, and the obligation of such Assessor's Parcel to pay the Special Tax shall cease.

2. Prepayment in Part

The Maximum Special Tax on an Assessor's Parcel of Developed Property or an Assessor's Parcel of Approved Property and/or Undeveloped Property for which a building permit has been issued may be partially prepaid. The amount of the prepayment shall be calculated as in Section H.1; except that a partial prepayment shall be calculated according to the following formula:

$$PP = (P_E - A) \times F + A$$

These terms have the following meaning:

PP = the partial prepayment

P_E = the Prepayment Amount calculated according to Section H.1

F = the percent by which the owner of the Assessor's Parcel(s) is partially prepaying the Maximum Annual Special Tax.

A = the Administration Fees and Expenses from Section H.1

The owner of an Assessor's Parcel who desires to partially prepay the Maximum Special Tax shall notify the CFD Administrator of such owner's intent to partially prepay the Maximum Special Tax and the percentage by which the Maximum Special Tax shall be prepaid. The CFD Administrator shall provide the owner with a statement of the amount required for the partial prepayment of the Maximum Special Tax for an Assessor's Parcel within 30 days of the request and will charge a fee to the owner requesting prepayment for providing this figure.

With respect to any Assessor's Parcel that is partially prepaid, the City shall (i) distribute the funds remitted to it according to Paragraph 15 of Section H.1. and (ii) indicate in the records of CFD No. 11 that there has been a partial prepayment of the Maximum Special Tax and that a portion of the Maximum Special Tax equal to the outstanding percentage (1.00 - F) of the remaining Maximum Special Tax shall continue to be authorized to be levied on such Assessor's Parcel pursuant to Section D.

Notwithstanding the foregoing, no full or partial Special Tax prepayment shall be allowed unless the amount of Assigned Special Taxes that may be levied on Taxable Property within CFD No. 11 both prior to and after the proposed prepayment, less expected Administrative Expenses, is at least 1.1 times the maximum annual debt service on all Outstanding Bonds.

I. TERM OF SPECIAL TAX

The Special Tax shall be levied each Fiscal Year for the period necessary to fully satisfy the Special Tax Requirement for each Fiscal Year until no Bonds are outstanding, but in no event shall it be levied after Fiscal Year 2059-60.

J. SPECIAL TAX REDUCTION

"Contractual Encumbrances" means (a) a voluntary contractual assessment established and levied on an individual Assessor's Parcel pursuant to Chapter 29 of Part 3 of Division 7 of the California Streets and Highways Code (commencing with Section 5898.10 et seq., as amended from time to time), (b) a special tax established and levied on an individual Assessor's Parcel pursuant to Section 53328.1 of the California Government Code and related provisions of the Act, as amended from time to time, and (c) any other governmental fee, charge, tax or assessment established and levied on an individual Assessor's Parcel on the County tax roll pursuant to a contractual agreement or other voluntary consent by the owner thereof.

"Independent Price Point Consultant" means any consultant or firm of such consultants selected by CFD No. 11 that (a) has substantial experience in performing price point studies for residential units within community facilities districts or otherwise estimating or confirming pricing for residential units in community facilities districts, (b) is well versed in analyzing economic and real estate data that relates to the pricing of residential units in community facilities districts, (c) is in fact independent and not under the control of CFD No. 11 or the City, (d) does not have any substantial interest, direct or indirect, with or in (i) CFD No. 11, (ii) the City, (iii) any owner of real property in CFD No. 11, or (iv) any real property in CFD No. 11, and (e) is not connected with CFD No. 11 or the City as an officer or employee thereof, but who may be regularly retained to make reports to CFD No. 11 or the City.

"Plan Type" means a discrete residential plan type (generally consisting of residential dwelling units that share a common product type (e.g., single family, multi-family, senior) and that have nearly identical amounts of living area) that is constructed or expected to be constructed within CFD No. 11 as identified in the Price Point Study.

"Price Point" means, with respect to the residential dwelling units in each Plan Type, as of any date, the minimum base price of such residential dwelling units, estimated as of such date, including any incentives and concessions, but excluding potential appreciation or premiums, options or upgrades, based upon their actual or expected characteristics, such as living area and lot size.

"Price Point Study" means a price point study or a letter updating a previous price point study, which (a) has been prepared by an Independent Price Point Consultant, (b) sets forth the Plan Types constructed or expected to be constructed within CFD No. 11, (c) sets forth the estimated number of constructed and expected residential dwelling units for each Plan Type, (d) sets forth such Independent Price Point Consultant's estimate of the Price Point for each Plan Type and (e) uses a date for establishing such Price Points that is no earlier than 60 days prior to the date the Price Point Study is delivered to the CFD Administrator pursuant to Section D herein.

"Total Effective Tax Rate" means, for a Plan Type, the quotient of (a) the Total Tax and Assessment Obligation for such Plan Type divided by (b) the Price Point for such Plan Type, converted to a percentage.

"Total Tax and Assessment Obligation" means, with respect to a Plan Type, for the

Fiscal Year in which the calculation is being performed, the quotient of (a) the sum of the Assigned Special Tax and estimated ad valorem property taxes, special assessments, special taxes for any overlapping community facilities districts, and any other governmental taxes, fees and charges included on the County tax roll (excluding any Contractual Encumbrances) levied or imposed on all residential dwelling units of such Plan Type in such Fiscal Year or that would have been levied or imposed on all such residential dwelling units had such residential dwelling units been completed, sold and subject to such levies and impositions in such Fiscal Year divided by (b) the number of residential dwelling units in such Plan Type. The Total Tax and Assessment Obligation for each Plan Type shall be calculated based on the applicable Residential Floor Area, Price Point, and number of constructed and expected residential dwelling units for such Plan Type as identified in the Price Point Study.

Prior to the issuance of the first series of Bonds, the following steps shall be taken:

Step No.:

1. At least 30 days prior to the expected issuance date of the first series of Bonds, CFD No. 11 shall cause a Price Point Study to be delivered to the CFD Administrator.
2. As soon as practicable after receipt of the Price Point Study, the CFD Administrator shall calculate the Total Effective Tax Rate for each Plan Type.
3. Separately, for each Land Use Class, the CFD Administrator shall determine whether or not the Total Effective Tax Rate for all Plan Types in a Land Use Class is less than or equal to 2.00%.
 - a. If the Total Effective Tax Rate for all Plan Types in a Land Use Class is less than or equal to 2.00%, then there shall be no change in the Assigned Special Tax for such Land Use Class.
 - b. If the Total Effective Tax Rate for any Plan Type in a Land Use Class is greater than 2.00%, the CFD Administrator shall calculate a revised Assigned Special Tax for such Land Use Class, which revised Assigned Special Tax shall be the highest amount (rounded to the nearest whole dollar) that will not cause the Total Effective Tax Rate for any Plan Type in such Land Use Class to exceed 2.00%.
 - c. If the revised Assigned Special Tax amounts result in a situation in which the Assigned Special Tax for a particular Land Use Class of Condominium Property or Other Residential Property would be less than the Assigned Special Tax for the numerical Land Use Class of Condominium Property or Other Residential Property directly above it (e.g., the Assigned Special Tax for Land Use Class 1 is less than the Assigned Special Tax for Land Use Class 2), then the Assigned Special Tax for the lower numbered Land Use Class shall be revised to be equal to the Assigned Special Tax for the higher numbered Land

Use Class (e.g., the Assigned Special Tax for Land Use Class 1 shall be revised to be equal to the Assigned Special Tax for Land Use Class 2.)

4. If the Assigned Special Tax for any Land Use Class is revised pursuant to step 3.b. or 3.c. above, the CFD Administrator shall calculate a revised Backup Special Tax for all property within CFD No. 11. The revised Backup Special Tax shall be an amount (rounded to the nearest whole dollar) equal to the Backup Special Tax as set forth in Section C.1.(c), reduced by a percentage equal to the weighted average percentage reduction in the Assigned Special Taxes for all Land Use Classes of Residential Property resulting from the calculations in steps 3.a. through 3.c. above. The weighted average percentage shall be calculated by taking the sum of the products of the number of units constructed or expected to be constructed in each Land Use Class multiplied by the percentage change in the Assigned Special Tax (pursuant to step 3.b. or 3.c. above) for each Land Use Class (or 0 for Land Use Classes that are not changing). This amount shall then be divided by the total number of units constructed or expected to be constructed within CFD No. 11 and converted to a percentage.
5. If the Assigned Special Tax for any Land Use Class is revised pursuant to step 3.b. or 3.c. above, the CFD Administrator shall prepare and execute a Certificate of Reduction in Special Taxes substantially in the form of Exhibit B hereto and shall deliver such Certificate of Reduction in Special Taxes to CFD No. 11. The Certificate of Reduction in Special Taxes shall be completed for all Land Use Classes and shall set forth, as applicable, either (i) the reduced Assigned Special Tax for a Land Use Class as calculated pursuant to step 3.b. or 3.c. above, or (ii) the Assigned Special Tax as identified in Table 1 in Section C for a Land Use Class that was not revised as determined pursuant to step 3.a.; as well as either (i) the revised Backup Special Tax as calculated pursuant to step 4, or (ii) the Backup Special Tax as identified in Section C.1.(c) that was not revised as determined pursuant to step 4.
6. If the first series of Bonds is issued within 90 days of the date of receipt of the Price Point Study by the CFD Administrator, CFD No. 11 shall execute the acknowledgement on such Certificate of Reduction in Special Taxes, dated as of the date of such issuance, and, upon the issuance of such first series of Bonds, the Assigned Special Tax for each Land Use Class and the Backup Special Tax shall, *ipso facto*, be, for all purposes, as set forth in such Certificate of Reduction in Special Taxes. If the first series of Bonds is not issued within 90 days of the date of receipt of the Price Point Study by the CFD Administrator, such Certificate of Reduction in Special Taxes shall not be acknowledged by CFD No. 11 and shall, as of such date, be void and of no further force and effect. In such case, if subsequently, a first series of Bonds is expected to be issued, at least 30 days prior to the expected issuance date of such first series of Bonds, the CFD Administrator shall cause a new Price Point Study to be delivered to the CFD Administrator and, following such delivery, steps 2 through 5 of this section shall be performed based on such new Price Point Study.

7. As soon as practicable after the execution by CFD No. 11 of the acknowledgement on the Certificate of Reduction in Special Taxes, CFD No. 11 shall cause to be recorded in the records of the County Recorder an Amended Notice of Special Tax Lien for CFD No. 11 reflecting the Assigned Special Taxes and the Backup Special Tax set forth in such Certificate of Reduction in Special Taxes.
8. If the Assigned Special Tax is not required to be changed for any Land Use Class based on the calculations performed under step 3 above, there shall be no reduction in the Maximum Special Tax, and no Certificate of Reduction in Special Taxes shall be required. However, the CFD Administrator shall prepare and deliver to CFD No. 11 a Certificate of No Reduction in Special Taxes substantially in the form of Exhibit B hereto dated as of the date of the issuance of the first series of Bonds that states that the calculations required pursuant to this Section J have been made and that no changes to the Maximum Special Tax are necessary.
9. CFD No. 11 and the CFD Administrator shall take no further actions under this Section J upon the earlier to occur of the following: (i) the execution of the acknowledgement by CFD No. 11 on a Certificate of Reduction in Special Taxes pursuant to step 6; or (ii) the delivery by the CFD Administrator of a Certificate of No Reduction in Special Taxes pursuant to step 8.

EXHIBIT A

CERTIFICATE OF REDUCTION IN SPECIAL TAXES

City of Los Angeles CFD No. 11

1. Pursuant to Section J of the Rate and Method of Apportionment, the Assigned Special Tax and Backup Special Tax for Developed Property for [certain or all] Land Use Classes within CFD No. 11 has been reduced.
2. The calculations made pursuant to Section J were based upon a Price Point Study that was received by the CFD Administrator on _____.
3. Table 1A below show the new Assigned Special Tax for each Land Use Class after such reduction.

Table 1A
Assigned Special Taxes for Developed Property

Land Use Class	Description	Residential Floor Area	New Assigned Special Tax
1	Condominium Property	≥ 2,000 SF	\$_____ per unit
2	Condominium Property	1,800 – 1,999 SF	\$_____ per unit
3	Condominium Property	1,600 – 1,799 SF	\$_____ per unit
4	Condominium Property	1,400 – 1,599 SF	\$_____ per unit
5	Condominium Property	1,200 – 1,399 SF	\$_____ per unit
6	Condominium Property	< 1,200 SF	\$_____ per unit
7	Other Residential Property	≥ 3,400 SF	\$_____ per unit
8	Other Residential Property	3,100 – 3,399 SF	\$_____ per unit
9	Other Residential Property	2,800 – 3,099 SF	\$_____ per unit
10	Other Residential Property	2,600 – 2,799 SF	\$_____ per unit
11	Other Residential Property	2,300 – 2,599 SF	\$_____ per unit
12	Other Residential Property	2,000 – 2,299 SF	\$_____ per unit
13	Other Residential Property	< 2,000 SF	\$_____ per unit
14	Non-Residential Property	NA	\$_____ per Acre

Certificate of Reduction in Special Taxes

Page 2

4. The Backup Special Tax for each Assessor's Parcel of Developed Property shall equal \$ _____ per Acre after such reduction.
5. Upon execution of this certificate by the CFD Administrator, the CFD Administrator shall cause an amended notice of Special Tax lien for CFD No. 11 to be recorded reflecting the Assigned Special Tax, and Backup Special Tax set forth herein.

Submitted

CFD ADMINISTRATOR

By: _____ Date: _____

By execution hereof, the undersigned acknowledges, on behalf of CFD No. 11, receipt of this certificate and modification of the Rate and Method of Apportionment as set forth in this certificate.

CITY OF LOS ANGELES CFD NO. 11

By: _____

Date as of: _____

[prior to date of issuance of Bonds]

EXHIBIT B

CERTIFICATE OF NO REDUCTION IN SPECIAL TAXES

**City of Los Angeles
CFD No. 11**

1. All calculations, as prepared by the CFD Administrator, required pursuant to Section J of the Rate and Method of Apportionment have been made based upon a Price Point Study that was received by the CFD Administrator on _____.
2. Total Effective Tax Rate for all Plan Types in all Land Use Classes is less than or equal to 2.00%.
3. The Maximum Special Tax for Developed Property within CFD No. 11, including the Assigned Special Taxes set forth in Section C.1.(b) and the Backup Special Tax set forth in Section C.1.(c) of the Rate and Method of Apportionment, shall remain in effect and not be reduced.

Submitted

CFD ADMINISTRATOR

By: _____

Date as of: _____
[prior to date of issuance of Bonds]

ATTACHMENT D

ORDINANCE NO. _____

An ordinance deeming it necessary to incur bonded indebtedness within City of Los Angeles Community Facilities District No. 11 (Ponte Vista)

WHEREAS, on October 28, 2020, the Council (the “City Council”) of the City of Los Angeles (the “City”), pursuant to the Mello-Roos Community Facilities Act of 1982 (the “Act”), adopted a resolution entitled “Resolution of the Council of the City of Los Angeles of Intention to Establish a Community Facilities District and to Authorize the Levy of Special Taxes” stating its intention to establish City of Los Angeles Community Facilities District No. 11 (Ponte Vista) (the “Community Facilities District”) and to authorize the levy of special taxes within the Community Facilities District to finance certain public facilities;

WHEREAS, on October 28, 2020, the City Council also adopted a resolution entitled “Resolution of the Council of the City of Los Angeles to Incur Bonded Indebtedness of the Proposed City of Los Angeles Community Facilities District No. 11 (Ponte Vista) (the “Resolution to Incur Bonded Indebtedness”) declaring the necessity for incurring bonded indebtedness and setting the date for a public hearing to be held on the proposed debt issue;

WHEREAS, pursuant to the Resolution to Incur Bonded Indebtedness, notice of said public hearing was published in the *Los Angeles Daily Journal*, a newspaper of general circulation published in the area of the Community Facilities District, in accordance with the Act;

WHEREAS, on December 1, 2020, the City Council opened, conducted and closed said public hearing;

WHEREAS, at said public hearing, any person interested, including persons owning property within the area and desiring to appear and present any matters material to the questions set forth in the Resolution to Incur Bonded Indebtedness appeared and presented such matters;

WHEREAS, no oral or written protests against the proposed debt issue were made or filed at or before said public hearing;

WHEREAS, the City Council adopted an ordinance entitled “An Ordinance of Formation of City of Los Angeles Community Facilities District No. 11 (Ponte Vista), Authorizing the Levy of a Special Tax within the Community Facilities District and Establishing an Appropriations Limit for the Community Facilities District” (the “Ordinance of Formation”);

WHEREAS, the City Clerk of the City (the “City Clerk”) is the election official that will conduct the special election on the proposition to incur bonded indebtedness for the Community Facilities District;

WHEREAS, there has been filed with the City Clerk a letter from the Registrar-Recorder/County Clerk of the County of Los Angeles indicating that no persons were registered to vote within the territory of the proposed Community Facilities District as of October 30, 2020, and, accordingly, that 12 or more persons have not been registered to vote within the territory of the Community Facilities District for each of the 90 days preceding the close of said public hearing;

WHEREAS, there has been filed with the City Clerk consents and waivers of all of the landowners of record in the Community Facilities District waiving any time limit specified by Section 53326 of the Act and any requirement pertaining to the conduct of said special election, including any time limit or requirement applicable to an election pursuant to Article 5, Chapter 2.5, Division 3, Title 5 of the Act (commencing with Section 53345 of the Act), consenting to the holding of said special election on February 3, 2021 and waiving any impartial analysis, arguments or rebuttals, as set forth in Sections 53326 and 53327 of the Act;

WHEREAS, the City Clerk has concurred in said waivers and has concurred in holding said special election on February 3, 2021; and

WHEREAS, the City is authorized to undertake all of the above pursuant to its Charter and the Constitution and other applicable laws of the State of California;

NOW THEREFORE,

**THE PEOPLE OF THE CITY OF LOS ANGELES
DO ORDAIN AS FOLLOWS:**

Sec. 1. The foregoing recitals are true and correct.

Sec. 2. The City Council deems it necessary to incur the bonded indebtedness.

Sec. 3. The bonded indebtedness will be incurred for the purpose of financing the costs of the Facilities (as defined in the Ordinance of Formation), including all costs and estimated costs incidental to, or connected with, the accomplishment of such purpose.

Sec. 4. In accordance with the previous determination of the City Council, the whole of the Community Facilities District will pay for the bonded indebtedness.

Sec. 5. The maximum amount of debt to be incurred is \$30,000,000.

Sec. 6. The maximum term the bonds to be issued shall run before maturity is 40 years.

Sec. 7. The maximum annual rate of interest to be paid shall not exceed the maximum interest rate permitted by applicable law at the time of sale of the bonds, payable semiannually or at such times as the City Council or its designee shall determine, the actual rate or rates and times of payment of such interest to be determined by the City Council or its designee at the time or times of sale of the bonds.

Sec. 8. The proposition to incur the bonded indebtedness will be submitted to the voters.

Sec. 9. The City Council hereby finds and determines that no persons were registered to vote within the territory of the proposed Community Facilities District as of October 30, 2020, and that 12 or more persons have not been registered to vote within the territory of the Community Facilities District for each of the 90 days preceding the close of the public hearings held by the City Council on the proposed debt issue for the Community Facilities District. Accordingly, pursuant to Section 53326 of the Act, the vote shall be by the landowners of the

Community Facilities District and each person who is the owner of land as of the close of said public hearings, or the authorized representative thereof, shall have one vote for each acre or portion of an acre that he or she owns within the Community Facilities District not exempt from the special tax.

Sec. 10. The City Council hereby finds and determines that the qualified electors of the Community Facilities District have unanimously consented (a) to the waiver of any time limit specified by Section 53326 of the Act and any requirement pertaining to the conduct of said election, including any time limit or requirement applicable to an election pursuant to Article 5, Chapter 2.5, Division 3, Title 5 of the Act (commencing with Section 53345 of the Act), and (b) to the holding of said election on February 3, 2021. The City Council hereby finds and determines that the City Clerk has concurred in said waivers and has concurred in holding said election on February 3, 2021.

Sec. 11. The date of the special community facilities district election (which shall be consolidated with the special district election to levy a special tax within the Community Facilities District) at which time the proposition shall be submitted to the voters is February 3, 2021.

Sec. 12. The election is to be conducted by mail ballot. The voted ballots shall be returned to the City Clerk no later than 10:00 a.m. on February 3, 2021; provided, however, that if all of the qualified electors have voted prior to such time, the election may be closed with the concurrence of the City Clerk.

Sec. 13. The officers, employees and agents of the City are hereby authorized and directed to take all actions and do all things which they, or any of them, may deem necessary or desirable to accomplish the purposes of this Ordinance and not inconsistent with the provisions hereof.

Sec. 14. The City Clerk shall certify to the passage of this ordinance and have it published in accordance with City Council policy, either in a daily newspaper circulated in the City of Los Angeles or by posting for ten days in three public places in the City of Los Angeles: one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall; one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall East; and one copy on the bulletin board located at the Temple Street entrance to the Los Angeles County Hall of Records.

Approved as to Form and Legality

MICHAEL N. FEUER, City Attorney

By: _____

CHARLES HONG
Deputy City Attorney

Date _____

File No. _____

The Clerk of the City of Los Angeles
hereby certifies that the foregoing
Ordinance was passed by the Council
of the City of Los Angeles

CITY CLERK

MAYOR

Ordinance Passed _____

Approved _____

ATTACHMENT E

ORDINANCE NO. _____

An ordinance calling special election for City of Los Angeles Community Facilities District
No. 11 (Ponte Vista)

WHEREAS, the Council (the “City Council”) of the City of Los Angeles (the “City”), pursuant to the Mello-Roos Community Facilities Act of 1982 (the “Act”), adopted an ordinance entitled “An Ordinance of Formation of City of Los Angeles Community Facilities District No. 11 (Ponte Vista), Authorizing the Levy of a Special Tax within the Community Facilities District and Establishing an Appropriations Limit for the Community Facilities District” (the “Ordinance of Formation”), establishing City of Los Angeles Community Facilities District No. 11 (Ponte Vista) (the “Community Facilities District”), authorizing the levy of a special tax within the Community Facilities District and establishing an appropriations limit for the Community Facilities District;

WHEREAS, the City Council also adopted an ordinance entitled “An Ordinance Deeming it Necessary to Incur Bonded Indebtedness within City of Los Angeles Community Facilities District No. 11 (Ponte Vista)” (the “Ordinance Deeming it Necessary to Incur”), deeming it necessary to incur bonded indebtedness in the maximum amount of \$30,000,000;

WHEREAS, pursuant to the provisions of said ordinances, the propositions to incur bonded indebtedness, to levy a special tax within the Community Facilities District and to establish an appropriations limit for the Community Facilities District are to be submitted to the qualified electors of the Community Facilities District as required by the Act;

WHEREAS, the City Council desires to designate the City Clerk of the City (the “City Clerk”) as the election official for the special election provided for herein;

WHEREAS, there has been filed with the City Clerk a letter from the Registrar-Recorder/County Clerk of the County of Los Angeles indicating that no persons were registered to vote within the territory of the proposed Community Facilities District as of October 30, 2020, and, accordingly, that 12 or more persons have not been registered to vote within the territory of the Community Facilities District for each of the 90 days preceding the close of the public hearings on the establishment of the Community Facilities District and the proposed debt issue for the Community Facilities District;

WHEREAS, there has been filed with the City Clerk consents and waivers of all of the landowners of record in the Community Facilities District waiving any time limit specified by Section 53326 of the Act and any requirement pertaining to the conduct of said special election, including any time limit or requirement applicable to an election pursuant to Article 5, Chapter 2.5, Division 3, Title 5 of the Act (commencing with Section 53345 of the Act), consenting to the holding of said special election on February 3, 2021 and waiving any impartial analysis, arguments or rebuttals, as set forth in Sections 53326 and 53327 of the Act;

WHEREAS, the City Clerk has concurred in said waivers and has concurred in holding said special election on February 3, 2021; and

WHEREAS, the City is authorized to undertake all of the above pursuant to its Charter and the Constitution and other applicable laws of the State of California;

NOW THEREFORE,

**THE PEOPLE OF THE CITY OF LOS ANGELES
DO ORDAIN AS FOLLOWS:**

Sec. 1. Pursuant to Sections 53351, 53326 and 53325.7 of the Act, the propositions to incur bonded indebtedness, to levy a special tax within the Community Facilities District and to establish an appropriations limit for the Community Facilities District shall be submitted to the qualified electors of the Community Facilities District at an election called therefor as provided below.

Sec. 2. The City Clerk is hereby designated as the official to conduct said election.

Sec. 3. As authorized by Section 53353.5 of the Act, the propositions to incur bonded indebtedness, to levy a special tax within the Community Facilities District and to establish an appropriations limit for the Community Facilities District shall be combined into one ballot proposition.

Sec. 4. The City Council hereby finds and determines that no persons were registered to vote within the territory of the proposed Community Facilities District as of October 30, 2020, and that 12 or more persons have not been registered to vote within the territory of the Community Facilities District for each of the 90 days preceding the close of the public hearings heretofore held by the City Council on the establishment of the Community Facilities District and the proposed debt issue for the Community Facilities District. Accordingly, pursuant to Section 53326 of the Act, the vote shall be by the landowners of the Community Facilities District and each person who is the owner of land as of the close of said public hearings, or the authorized representative thereof, shall have one vote for each acre or portion of an acre that he or she owns within the Community Facilities District not exempt from the special tax.

Sec. 5. The City Council hereby finds and determines that the qualified electors of the Community Facilities District have unanimously consented (a) to the waiver of any time limit specified by Section 53326 of the Act and any requirement pertaining to the conduct of said election, including any time limit or requirement applicable to an election pursuant to Article 5, Chapter 2.5, Division 3, Title 5 of the Act (commencing with Section 53345 of the Act), (b) to the holding of said election on February 3, 2021, and (c) to the waiver of any impartial analysis, arguments or rebuttals, as set forth in Sections 53326 and 53327 of the Act. The City Council hereby finds and determines that the City Clerk has concurred in said waivers and has concurred in holding said election on February 3, 2021.

Sec. 6. The City Council hereby calls a special election to submit to the qualified electors of the Community Facilities District the combined proposition to incur bonded indebtedness, to levy a special tax within the Community Facilities District and to establish an appropriations limit for the Community Facilities District, which election shall be held at the Office of the City Clerk, Election Division, 200 North Spring Street, Room 285, Los Angeles,

California, on February 3, 2021; provided, that, in the event the February 3, 2021 City Council meeting is held via teleconference and/or videoconference only, the means for observing such meeting would be as prescribed in the notice and agenda for such City Council meeting. The City Council has caused to be provided to the City Clerk, as the official to conduct said election, the Ordinance of Formation, the Ordinance Deeming it Necessary to Incur, a certified map of sufficient scale and clarity to show the boundaries of the Community Facilities District, and a sufficient description to allow the City Clerk to determine the boundaries of the Community Facilities District.

The voted ballots shall be returned to the City Clerk not later than 10:00 a.m. on February 3, 2021; provided, however, that if all of the qualified electors have voted prior to such time, the election may be closed with the concurrence of the City Clerk.

Sec. 7. Pursuant to Section 53326 of the Act, the election shall be conducted by mail or hand-delivered ballot pursuant to Section 4000 *et. seq.* of the California Elections Code. Except as otherwise provided in the Act, the provisions of law regulating elections of the City, insofar as they may be applicable, will govern the election.

Sec. 8. The form of the ballot for said election is attached hereto as Exhibit A and by this reference incorporated herein, and such form of ballot is hereby approved. The City Clerk shall cause to be delivered to each of the qualified electors of the Community Facilities District a ballot in said form. Each ballot shall indicate the number of votes to be voted by the respective landowner to which it pertains.

Each ballot shall be accompanied by all supplies and written instructions necessary for the use and return of the ballot. The identification envelope for return of the ballot shall be enclosed with the ballot, shall have the return postage prepaid, and shall contain: (a) the name and address of the landowner, (b) a declaration, under penalty of perjury, stating that the voter is the owner of record or the authorized representative of the landowner entitled to vote and is the person whose name appears on the identification envelope, (c) the printed name, signature and address of the voter, (d) the date of signing and place of execution of the declaration described in clause (b) above, and (e) a notice that the envelope contains an official ballot and is to be opened only by the canvassing board.

Analysis and arguments with respect to the ballot proposition are hereby waived, as provided in Section 53327 of the Act.

Sec. 9. The City Clerk shall accept the ballots of the qualified electors in the Office of the City Clerk, Election Division, 200 North Spring Street, Room 285, Los Angeles, to and including 10:00 a.m. on February 3, 2021, whether said ballots be personally delivered or received by mail. The City Clerk shall have available ballots which may be marked at said location on the election day by said qualified electors.

Sec. 10. The City Council hereby determines that the facilities financed by the Community Facilities District are necessary to meet increased demands placed upon local agencies as a result of development occurring in the Community Facilities District.

Sec. 11. The specific purposes of the bonded indebtedness proposed to be incurred is the financing of the Facilities (as defined in the Ordinance of Formation), including all costs and estimated costs incidental to, or connected with, the accomplishment of such purpose, and the proceeds of such bonded indebtedness shall be applied only to such specific purposes.

Upon approval of the proposition to incur bonded indebtedness, and the sale of any bonds evidencing such indebtedness, the City Council shall take such action as may be necessary to cause to be established an account for deposit of the proceeds of sale of the bonds. For so long as any proceeds of the bonds remain unexpended, the City Administrative Officer of the City shall cause to be filed with the City Council, no later than January 1 of each year, a report stating (a) the amount of bond proceeds received and expended during the preceding year, and (b) the status of any project funded or to be funded from bond proceeds. Said report may relate to the calendar year, fiscal year, or other appropriate annual period, as the City Administrative Officer of the City shall determine, and may be incorporated into the annual budget, audit, or other appropriate routine report to the City Council.

Sec. 12. The officers, employees and agents of the City are hereby authorized and directed to take all actions and do all things which they, or any of them, may deem necessary or desirable to accomplish the purposes of this Ordinance and not inconsistent with the provisions hereof.

Sec. 13. The City Clerk shall certify to the passage of this ordinance and have it published in accordance with City Council policy, either in a daily newspaper circulated in the City of Los Angeles or by posting for ten days in three public places in the City of Los Angeles: one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall; one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall East; and one copy on the bulletin board located at the Temple Street entrance to the Los Angeles County Hall of Records.

Sec. 14. This ordinance shall become operative on the later of (a) the date on which that certain ordinance entitled "An ordinance of formation of City of Los Angeles Community Facilities District No. 11 (Ponte Vista), authorizing the levy of a special tax within the Community Facilities District and establishing an appropriations limit for the Community Facilities District" (the "Ordinance of Formation"), becomes effective, or (b) the date on which this ordinance would otherwise become effective pursuant to the City Charter; provided, however, that this ordinance shall not become operative unless the Ordinance of Formation becomes effective.

Approved as to Form and Legality

MICHAEL N. FEUER, City Attorney

By: _____

CHARLES HONG
Deputy City Attorney

Date _____

File No. _____

The Clerk of the City of Los Angeles
hereby certifies that the foregoing
Ordinance was passed by the Council
of the City of Los Angeles

CITY CLERK

MAYOR

Ordinance Passed _____

Approved _____

EXHIBIT A

OFFICIAL BALLOT

CITY OF LOS ANGELES

February 3, 2021

SPECIAL ELECTION

This ballot is for a special, landowner election. The number of votes to be voted pursuant to this ballot is ____.

INSTRUCTIONS TO VOTERS:

To vote on the measure, mark a cross (+) in the voting square after the word “YES” or after the word “NO”. All distinguishing marks or erasures are forbidden and make the ballot void. If you wrongly mark, tear, or deface this ballot, return it to the City Clerk of the City of Los Angeles and obtain another.

**CITY OF LOS ANGELES
COMMUNITY FACILITIES DISTRICT NO. 11
(PONTE VISTA)**

MEASURE SUBMITTED TO VOTE OF VOTERS: Shall the City of Los Angeles Community Facilities District No. 11 (Ponte Vista) (the “Community Facilities District”) be authorized to incur bonded indebtedness in a maximum amount of not to exceed \$30,000,000 and levy a special tax in order to finance certain facilities and shall the annual appropriations limit of the Community Facilities District be established in the amount of \$30,000,000, all as specified in the Ordinance entitled “An Ordinance of Formation of City of Los Angeles Community Facilities District No. 11 (Ponte Vista), Authorizing the Levy of a Special Tax within the Community Facilities District and Establishing an Appropriations Limit for the Community Facilities District” and the Ordinance entitled “An Ordinance Deeming it Necessary to Incur Bonded Indebtedness within City of Los Angeles Community Facilities District No. 11 (Ponte Vista),” adopted by the Council of the City of Los Angeles on _____, 2020?

Yes: ☐

No: ☐