



MICHAEL N. FEUER
CITY ATTORNEY

REPORT NO. R 20 - 0317
NOV 19 2020

REPORT RE:

**DRAFT 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**

**DRAFT ORDINANCE DEEMING IT NECESSARY TO INCUR BONDED
INDEBTEDNESS WITHIN CITY OF LOS ANGELES
COMMUNITY FACILITIES DISTRICT NO. 11
(PONTE VISTA)**

**DRAFT ORDINANCE CALLING SPECIAL ELECTION
FOR CITY OF LOS ANGELES COMMUNITY FACILITIES
DISTRICT NO. 11 (PONTE VISTA)**

The Honorable City Council
of the City of Los Angeles
Room 395, City Hall
200 North Spring Street
Los Angeles, California 90012

Council File No. 13-1646-S7

Honorable Members:

On October 28, 2020, the City Council initiated the formation of City of Los Angeles Community Facilities District No. 11 (Ponte Vista) (CFD) by adopting the following resolutions:

- 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; and
- 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)" (collectively, Resolutions).

The CFD 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. In adopting the Resolutions, the City Council scheduled a public hearing for December 1, 2020, on the proposed formation of the CFD and proposed debt issue.

This Office now transmits for your consideration the enclosed three draft ordinances in connection with the formation of the CFD and proposed debt issue:

1. 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 (Formation Ordinance);
2. Ordinance deeming it necessary to incur bonded indebtedness within City of Los Angeles Community Facilities District No. 11 (Ponte Vista) (Bond Ordinance); and
3. Ordinance calling special election for City of Los Angeles Community Facilities District No. 11 (Ponte Vista) (Special Election Ordinance).

The ordinances were drafted by bond counsel for the CFD. We have approved the ordinances as to form and legality.

The Formation Ordinance forms the CFD, identifies the public facilities (Facilities) proposed to be financed by the CFD pursuant to the Act, and provides that a special tax will be levied in an amount sufficient to pay for the Facilities. The ordinance also provides the rate and method of apportionment of the special tax on properties within the CFD. The ordinance also requires that the question of levying the special tax and establishment of the appropriations limit be submitted to be submitted to the qualified electors (i.e., landowners) within the CFD pursuant to a special election to be conducted by the City Clerk.

The Bond Ordinance provides for the incurrence of bonded indebtedness by the CFD for the purpose of financing the proposed Facilities. The ordinance establishes the maximum amount of debt to be incurred of \$30,000,000. The ordinance 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.

The Special Election 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. 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.

California Environmental Quality Act

The Department of City Planning is recommending that the adoption of the ordinances is not a "project" as defined by and subject to the California Environmental Quality Act (CEQA). "Project" as defined in CEQA Guidelines Section 15378(b)(4) does not include the creation of a government funding mechanism or other government fiscal activity which does not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment.

Additionally, the Department of City Planning is recommending that any potential improvements funded through the CFD were analyzed in Environmental Impact Report (EIR), SCH No. 2010101082, certified on November 27, 2013, and in the Addendum prepared in September 2018, and no major revision to the EIR is required. CEQA Guidelines Section 15162 provides that a new EIR shall not be prepared for a subsequent approval to a project analyzed in the EIR unless a change to the project, change to the circumstances, or new information requires a major revision to the EIR due to the involvement of new significant impacts or more severe significant impacts from those identified in the EIR.

Following the adoption of the draft ordinances, it is advised that Council direct staff to file a notice of exemption and a notice of determination with the County Clerk. The filing will commence the running of the statute of limitations on any challenge that the adoption of the ordinances was exempt from CEQA.

Council Rule 38 Referral

A copy of the draft ordinances was sent, pursuant to Council Rule 38, to the Office of the City Administrative Officer, and its comments have been incorporated.

If you have any questions regarding this matter, please contact Deputy City Attorney Charles Hong at (213) 978-7782. He or another member of this Office will be available when you consider this matter and to answer questions you may have.

Sincerely,

MICHAEL N. FEUER, City Attorney

A handwritten signature in dark ink, appearing to read "D. Michaelson", written over a horizontal line.

By DAVID MICHAELSON
Chief Assistant City Attorney

DM:CSH:mc
Transmittals