


CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Date: January 24, 2017

To: Honorable Members of the City Council

From: Patricia J. Huber, Acting Administrative Officer 

Sharon M. Tso, Chief Legislative Analyst 

Rushmore Cervantes, General Manager, Housing and Community
Investment Department 

Subject: **PROPOSITION HHH HOUSING AND FACILITIES PROGRAM
IMPLEMENTATION AND REQUIREMENTS FOR BOND ISSUANCE**

SUMMARY

On June 29, 2016, Council adopted an ordinance and Resolution relative to placing a \$1.2 billion General Obligation bond (GO bond) proposition on the November ballot (CF# 16-1800-S2). On November 8, 2016, voters approved Proposition HHH (Prop HHH) on the State's General Election ballot. Prop HHH provides the City with authority to issue up to \$1.2 billion in GO bonds to finance the development of permanent supportive housing (PSH), affordable housing, and facilities. PSH would be constructed for chronically homeless and homeless households. PSH is housing combined with services, which may include mental and health services, drug and alcohol treatment, and education and job training. In accordance with Prop HHH, eighty percent (80%) of the GO bond proceeds are targeted for PSH units.

No more than twenty percent (20%) of the bond proceeds may be used for affordable housing, including veterans and housing for extremely low-income, very low-income, or low-income individuals and families, who are at risk of homelessness.

GO bond proceeds may also be used to finance facilities that provide services to the homeless, such as service centers, health centers, shelters, storage, and shower

facilities. Bond proceeds may only be used for “bricks and mortar,” not operations or services.

This report outlines the specific requirements for City bond issuances, oversight and reporting requirements, a timeline for the approval of housing and facilities programs, and an initial staffing plan. In addition, this report makes recommendations for departmental sponsors to implement a Prop HHH program.

RECOMMENDATIONS

That the Council, subject to approval by the Mayor:

1. Designate the Housing and Community Investment Department (HCID) as the departmental sponsor for the Proposition HHH Housing Program;
2. Designate the City Administrative Officer (CAO) as the departmental sponsor for the Proposition HHH Facilities Program;
3. Instruct HCID to present the proposed Proposition HHH Housing Program, including the recommended project expenditure plan for permanent supportive units in the current Managed Pipeline and additional staffing needs, for review by the Citizens Oversight Committee and Administrative Oversight Committee;
4. Instruct the CAO to present the proposed Proposition HHH Facilities Program, including the funding application process, and staffing needs to the Citizens Oversight Committee and Administrative Oversight Committee;
5. Authorize by resolution the following three positions through June 30, 2017;

| Department | Number | Title | Class Code |
|---------------|--------|-------------------------------|------------|
| HCID | 1 | Finance Development Officer I | 1571-1 |
| HCID | 1 | Management Analyst | 9184 |
| City Attorney | 1 | Deputy City Attorney III | 0552 |

6. Authorize a loan of up to \$69,978 from the Reserve Fund to the Housing and Community Investment Fund No. 100/43, in connection with salaries related to the Proposition HHH Housing Program, to be repaid from Proposition HHH bond proceeds to be issued in the future;
7. Transfer up to \$69,978 from the Reserve Fund to the Unappropriated Balance and appropriate therefrom to the Housing and Community Investment Fund No. 100/43, Salaries General Account 001010 in connection with the Proposition HHH Housing Program:
8. Authorize a loan of up to \$52,330 from the Reserve Fund to the City Attorney Fund No. 100/12, in connection with salaries related to the Proposition HHH Housing Program, to be repaid from Proposition HHH bond proceeds to be issued in the future;
9. Transfer up to \$52,330 from the Reserve Fund to the Unappropriated Balance and appropriate therefrom to the City Attorney Fund No. 100/12, Salaries General Account 001010 in connection with the Proposition HHH Housing Program:
10. Authorize HCID to transfer up to \$122,308 from General Obligation Bond proceeds (Fund and Account to be determined) to the Reserve Fund for repayment of the loan for salaries related to the Proposition HHH Housing Program; and an estimated \$70,029 or actual costs, to the General Fund for employee benefits; and
11. Authorize the City Administrative Officer to prepare Controller instructions and any necessary technical corrections consistent with the Mayor and Council action on this matter, and authorize the Controller to implement the instructions.

DEPARTMENTAL SPONSORS, PROGRAM SCHEDULE AND BOND ISSUANCE

Pursuant to Prop HHH, the “bonds shall be issued and administered by the City Administrative Officer, and bond financed projects under the Program shall be administered by the Los Angeles Housing and Community Investment Department or such other department or entity as designated by the City Council and Mayor...” Prop HHH defines two uses for the bond funds, the development of housing and facilities. At this time, Council should officially designate the departments to administer the projects as “departmental sponsors.” Departmental sponsors are the entities that will develop and implement the programs.

For the Prop HHH Housing Program, we recommend that HCID be officially designated as the departmental sponsor. As the CAO manages the current GO bond facility programs, we recommend that the CAO be the departmental sponsor for the Prop HHH Facilities Program.

Implementation Program Schedule

The CAO Debt Management Group (Debt Group) is responsible for issuing GO bonds, such as the Prop HHH GO bond, for the City. Before the first bonds can be issued, the Citizens Oversight Committee (COC) and the Administrative Oversight Committee (AOC) must be established. On December 14, 2016, the Council approved the ordinance implementing the COC and the AOC, referred to as the Oversight Ordinance in this report (CF# 16-1060, Attachment 1). This ordinance took effect on January 19, 2017. These two oversight committees will review staff's recommendations for program and project expenditures, and then make recommendations to the Mayor and City Council for final approval. It is anticipated that at their initial meetings, the committees will consider the following: (1) the approach to housing and facilities programs; (2) the recommended Project Expenditure Plan (PEP) for the first bond issuance; (3) the recommended allocation to the facilities program; (4) an annual schedule to develop and review the expenditure plan; and (5) a plan for regular program and policy review.

To facilitate program development and implementation of these programs, our offices propose a program development schedule in Table 1 below. This expedited schedule would allow for a bond issuance in Fiscal Year (FY) 2017-18.

| Table 1: Program Development Schedule | | |
|--|---|-----------------------------|
| Due Date | Activity | Responsible Entity |
| December 2016 | <ul style="list-style-type: none"> COC and AOC responsibilities are established by ordinance (completed) | City Attorney, CAO, and CLA |
| January 2017 | <ul style="list-style-type: none"> COC members are appointed Mayor and Council | Mayor and Council |

| | | |
|-----------------------|---|--------------------------|
| February - March 2017 | <ul style="list-style-type: none"> • COC convenes and HCID and CAO present the program and project expenditure plan for the first bond issuance (Prop HHH requires that the COC submit a PEP to the AOC by April 1st for the following fiscal year) • AOC convenes to review and approve recommendations from COC • AOC forwards recommendations to Mayor and Council (Per Prop HHH, Council must approve PEP by June 30th for the following fiscal year) | Mayor, CAO, CLA and HCID |
|-----------------------|---|--------------------------|

Project Expenditure Plan (PEP)

Each year, the COC, AOC, Council and Mayor will consider and approve a PEP that sets forth the list of qualified projects that would receive funding. The PEP includes a description of each project and how bond proceeds are anticipated to be spent over a 24-month period. The PEP will describe project costs proposed for GO bond financing, including loan amounts, underwriting fees, and eligible City staff costs directly tied to project construction. Further, project descriptions will detail how non-Prop HHH eligible costs will be financed.

PEP Approval Process

The COC and AOC will consider and approve the departmental sponsors' proposed programmatic requirements that outline how projects will be evaluated and approved for funding. These projects will be added to the PEP based on these criteria by the COC and AOC. Each year, the COC will recommend approval of the PEP, which will then be reviewed by the AOC and approved by the Council and Mayor.

Based on the approved PEP, the CAO Debt Group, with the assistance of the City Attorney, will prepare the GO Bond Report for Council and Mayor approval. The GO Bond Report documents the projects and timelines for the Authorizing Resolution, which includes the Fund Ordinance and other bond documents that govern the use of bond proceeds for each bond issuance.

The Authorizing Resolution provides the CAO the authority to advertise, issue, and sell GO bonds for the purposes stated. It also includes approval of the Preliminary Official Statement, Notice of Intention to Sell Bonds, Notices Inviting Bids, Continuing Disclosure Certificate, and the Bonds, which effectuate bond issuance and sale. The Fund Ordinance

authorizes the CAO to create a Project Fund where GO bond proceeds for the relevant issuance will be deposited and the Debt Service Fund to make principal and interest payments. Bond proceeds can only be expended from these designated funds.

Annual Bond Issuance

Several administrative and reporting thresholds must be met in order to issue GO bonds. These thresholds ensure that bond proceeds have maximum impact and that they are spent in a timely manner according to the requirements of both the Prop HHH initiative approved by voters and the Internal Revenue Service (IRS). The major administrative and reporting thresholds for the first issuance are:

- 1) The departmental sponsors submit a PEP detailing the specific projects and expenditures recommended for funding to the COC and AOC for approval;
- 2) The COC provides input and transmits the PEP to AOC; AOC approves the PEP prior to April 1st;
- 3) The AOC transmits an approved PEP to the Council and CAO Debt Group by April 1st;
- 4) PEP is considered and approved by Council;
- 5) CAO releases the GO Bond Report, including the PEP and the proposed form of the Bond Documents for Mayor and Council approval; and
- 5) The financial audit and compliance reporting requirements to monitor the expenditures of the proceeds after bond issuance.

While Prop HHH mandates certain deadlines, City and County requirements should be considered to ensure timely bond issuances. For example, Prop HHH requires that the COC submit the PEP to the AOC by April 1st for the following year. However, the CAO Debt Group must receive a COC and AOC-approved PEP by April 1st to ensure that the City can receive bond proceeds by July and to place the debt service on property owners' property tax bill by the August 10 County Assessor's deadline (or the date designated by the County Assessor). Thus, it is critical that the COC and AOC begin their review of the PEP well in advance of the April 1st date. The AOC should transmit the approved PEP to the CAO prior to April 1st in order to provide adequate time for the Council to review and meet the bond issuance deadline.

Also, Prop HHH requires that Council approve the PEP prior to the following fiscal year, or June 30th. However, all bond-related documents, including the PEP, should be approved before June 15th in order to receive bond proceeds in a timely manner.

A detailed bond issuance timeline for FY 2017-18 incorporating these targeted dates is attached to this report as Attachment 2.

OVERSIGHT AND ACCOUNTABILITY

The Oversight Ordinance prescribes the manner in which members of the COC will be appointed, as well as other duties and certain administrative criteria, such as meeting requirements. The ordinance also sets forth administrative responsibilities for the AOC.

Role and Composition of Citizens Oversight Committee

The COC is to be comprised of seven members, four appointed by the Mayor, and three appointed by City Council. The COC's duties and responsibilities, as specified by the Oversight Ordinance, are as follows:

- 1) Provide input on, and review plans for bond proceed expenditures, including preparing or causing to be prepared, and submitted to the AOC for review on or before April 1st of each year, an annual allocation plan, also referred to as a PEP for the upcoming fiscal year; and,
- 2) Advise and make recommendations to the AOC on items relative to the Proposition HHH Program, including policies and projects.

The Oversight Ordinance outlines the following qualifications and considerations for any person appointed to the COC by the Mayor or City Council:

- Any person appointed to the COC must:
 - Be at least 18 years of age; and
 - Not an officer, official, or employee of the City.
- Consideration to the following qualifications and experience:
 - Experience in the financing and development of supportive and affordable housing developments;
 - Lived homeless experience, particularly with respect to foster youth or homeless youth;
 - Experience providing supportive services to persons experiencing homelessness, including mental and health services;
 - Subject matter expertise in the homeless field;
 - Finance and business expertise;
 - Land use and planning expertise; and
 - Experience in working with businesses, nonprofits, neighborhood councils or community organizations that are seeking to address the homeless problem.

In addition, the ordinance states that the COC shall meet not less than twice each fiscal year and more frequently, as determined by the COC, to effectively perform its duties and responsibilities.

Role of Administrative Oversight Committee

Pursuant to the Oversight Ordinance, the AOC is comprised of the Mayor, City Administrative Officer (CAO), and the Chief Legislative Analyst (CLA), or their respective designees. The Chair of the AOC is the CAO. The AOC is responsible for reviewing all plans for bond proceed expenditures, including the annual PEP submitted by the COC and submitting the approved PEP to the Council for review and approval prior to July 1 of each year. The AOC will monitor and make recommendations to ensure the effective implementation of Prop HHH. Further, the AOC shall provide bi-annual status reports on the Prop HHH projects and expenditures to Council.

Pursuant to the Oversight Ordinance, the AOC shall meet not less than twice each fiscal year or more frequently, as determined by the AOC to effectively perform its duties and responsibilities. It is anticipated that the AOC will meet monthly, on the last Thursday of the month, as has been the practice for all other AOC bond oversight committees.

Financial Audits and Compliance Reporting

In accordance with Prop HHH, the City Controller will conduct an annual financial audit for each fiscal year bonds are outstanding or any bond proceeds remain unspent. These audits will commence one year after the first issuance of GO bonds and will be made available to the public. Audits will monitor the use of proceeds to ensure that funds are spent in a timely manner and on eligible costs as permitted under State and Federal regulations.

Additionally City debt policy requires that departmental sponsor(s) submit bi-annual compliance reports to the CAO Debt Group beginning six months after the first bond issuance. These reports will provide status updates on bond-funded projects, explanations of any unforeseen delays, use of bond proceeds, and any eligible revisions to PEPs. Both the annual financial audits and bi-annual compliance reports, in conjunction with the COC and AOC, will rigorously monitor the use of GO bonds proceeds to ensure the timely, efficient and proper expenditure of such funds.

PROPOSED PROP HHH INITIAL STAFFING PLAN AND PEP

The use of GO bond proceeds to fund staff costs is limited to work directly tied to the construction of Prop HHH funded projects. This includes work completed prior to construction that is necessary to advance the project to the construction phase, such as staff that underwrite projects and prepare loan documents for housing and facility projects funded with bond proceeds. Additionally, staff costs associated with project monitoring for compliance with applicable regulations during construction are also eligible to be paid with bond proceeds.

A short-term staffing plan has been developed by HCID and is recommended for approval to help with the start-up and implementation of the Prop HHH Program. Details of this plan are provided below. It is anticipated that a long-term staffing plan will be included as part of the report transmitted from the AOC to Council. Eligible staff costs will be incorporated into the annual PEP to be paid for or reimbursed through bond proceeds. In the future, the staffing will be addressed in the PEP and on-going budget process.

The ongoing maintenance, operations and monitoring work required to maintain the projects after construction cannot be financed with bond proceeds. This will be addressed in HCID's report to the COC.

Staffing Plan – Housing Program

It is anticipated that a Council-approved Prop HHH Housing Program will be in place by June 2017. Recognizing that developing a new loan program requires significant up-front legal and administrative work, we recommend position authority and funding for one Finance Development Officer (FDO) and one Management Analyst (MA) at HCID, and one Deputy City Attorney III. Additional staff needs for program implementation will be presented to the COC and AOC after the proposed new Prop HHH Housing Program has been approved.

The initial position request includes the following positions described below:

- 1) One Finance Development Officer (FDO) to develop financial lending and underwriting parameters. In addition, the FDO will ensure that the program developed will be compatible with all other lending programs in order to maximize opportunities for leveraging resources;
- 2) One Management Analyst to help coordinate and implement the program requirements and the regulations required to have a lending program. This will

also include initial legal documents, term sheets, commitment letters, and processing guidelines that outline requirements for the expenditure of Prop HHH funds and other City requirements; and

- 3) One Deputy City Attorney III to assist in the development of the program and address all legal requirements of the program. This includes Prop HHH legal requirements, legal documents, and additional authorities that will be needed from the City to implement the program.

To fund these positions, a Reserve Fund loan in the amount of \$122,308 is being requested. This amount would fund these interim positions for the period March 1, 2017 through June 30, 2017. These funds will be advanced and reimbursed by bond proceeds, as these are eligible Prop HHH bond costs. In addition, a total of \$70,028 for employee benefits will be paid to the General Fund from bond proceeds.

A full and permanent staffing plan will be submitted for COC consideration as the Prop HHH Housing Program is finalized.

PEP for FY 2017-2018

In order to issue bonds for FY 2017-18, HCID should be instructed to identify projects in its existing Managed Pipeline that meet the Prop HHH bond requirements and present them for COC consideration by March 2017. These projects have been selected and approved by Council through the existing competitive process at HCID.

HCID will also propose the new Prop HHH/Permanent Supportive Housing Program for the COC and AOC's consideration and approval prior to April 1, 2017. This program would be in place for a bond issuance in FY 2018-19.

Facilities Program - Staffing Plan

The CAO anticipates submitting a proposed Prop HHH Facilities Program and staffing plan to the COC and AOC prior to April 1, 2017.

The FY 2017-18 bond issuance as well as the housing and facilities program recommendations will be subject to the COC and AOC consideration and Mayor and Council approval.

FISCAL IMPACT

Approval of these recommendations will reduce the Reserve Fund by \$122,308. However, the Reserve Fund loan will be reimbursed in FY 2017-18 with Prop HHH bond proceeds. In addition, a total \$70,028 for employee benefits will be paid to the General Fund from bond proceeds.

Attachments

1. Proposition HHH Administrative Oversight Committee and Citizens Oversight Committee Ordinance
2. Proposition HHH Bond Annual Issuance Requirements Timeline FY 2016-17/2017-18

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ORDINANCE NO. 184671

An ordinance adding a new Chapter 26 to Division 8 of the Los Angeles Administrative Code for a Proposition HHH Administrative Oversight Committee and a Proposition HHH Citizens Oversight Committee.

WHEREAS, the voters of the City of Los Angeles (City) on November 8, 2016, approved of Proposition HHH, the Homelessness Reduction and Prevention, Housing, and Facilities Bond (Proposition HHH), to authorize the City to issue up to \$1.2 billion in general obligation bonds (Bonds) to provide for the acquisition or improvement of real property to provide housing and other facilities for the homeless and for those in danger of becoming homeless;

WHEREAS, Proposition HHH provides that an Administrative Oversight Committee and a Citizens Oversight Committee shall be established prior to the issuance of any Bonds; and

WHEREAS, the Council of the City desires to establish the Administrative Oversight Committee and the Citizens Oversight Committee at this time.

NOW, THEREFORE,

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

Section 1 Division 8 of the Los Angeles Administrative Code is hereby amended to add a new Chapter 26 to be captioned and to read as follows:

CHAPTER 26

PROPOSITION HHH OVERSIGHT COMMITTEES

Sec. 8.327. Citizens Oversight Committee.

(a) **Creation.** The Council hereby creates the Proposition HHH Citizens Oversight Committee (the "Citizens Oversight Committee"). The purpose of the Citizens Oversight Committee is to review and propose expenditures of bond proceeds under Proposition HHH, the Homelessness Reduction and Prevention, Housing, and Facilities Bond, approved by the voters on November 8, 2016 ("Proposition HHH"), and to advise and make recommendations to the Proposition HHH Administrative Oversight Committee on items relative to the Proposition HHH program, including making recommendations on its policies and projects.

(b) **Membership.** The Citizens Oversight Committee shall be comprised of seven members: four members appointed by the Mayor and three

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members appointed by the Council. The members appointed by the Council shall be nominated by the Council President and subject to approval by the Council.

(c) **Terms.** Except as otherwise provided in subsections (d) and (e) of this section, each member shall be appointed for a term of three years commencing on July 1st of the year of his or her appointment and ending on June 30th of the succeeding third year. Members may be reappointed for successive terms.

Each appointed member shall serve at the pleasure of the member's appointing authority (the Mayor or the Council, as applicable), and may be removed by the member's appointing authority at its sole discretion for any reason, including the failure to regularly attend Citizens Oversight Committee meetings.

(d) **Initial Terms.** Each initial appointment of members to the Citizens Oversight Committee by the Mayor and the Council shall be as follows:

(1) The initial term of two initial members of the Citizens Oversight Committee (consisting of one member appointed by the Mayor and one member appointed by the Council) shall commence on the date of such appointment and end on June 30, 2017.

(2) The initial term of two other initial members of the Citizens Oversight Committee (consisting of one member appointed by the Mayor and one member appointed by the Council) shall commence on the date of such appointment and end on June 30, 2018.

(3) The initial term of the three remaining initial members of the Citizens Oversight Committee (consisting of two members appointed by the Mayor and one member appointed by the Council) shall commence on the date of such appointment and end on June 30, 2019.

(e) **Vacancies.** In the event of a vacancy of a member position, whether by resignation, removal or otherwise, the successor member appointed to fill such vacancy shall serve for the term remaining of the member being replaced.

(f) **Qualifications and Considerations for Appointments.**

(1) Any person appointed to the Citizens Oversight Committee must:

(i) Be at least 18 years of age; and

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(ii) Not be an officer, official, or employee of the City.

(2) The Mayor and the Council shall give consideration to the following qualifications and experiences when appointing members to the Citizens Oversight Committee:

(i) Experience in the financing and development of supportive and affordable housing developments;

(ii) Lived homeless experience, particularly with respect to foster youth or homeless youth;

(iii) Experience providing supportive services to persons experiencing homelessness, including mental and health services;

(iv) Expertise or knowledge in the homeless field;

(v) Finance and business expertise;

(vi) Land use and planning expertise; and

(vii) Experience in working with businesses, non-profits, neighborhood councils or community organizations that are seeking to address the homeless problem.

(g) **Chair and Vice-Chair.** The Chair and Vice-Chair of the Citizens Oversight Committee shall be selected by the members of the Citizens Oversight Committee for each fiscal year. Members may serve as Chair or Vice-Chair for consecutive fiscal years.

(h) **Meetings.** The Citizens Oversight Committee meetings shall be held not less than twice each fiscal year and more frequently as determined to be necessary by the Citizens Oversight Committee to effectively perform its duties and responsibilities described herein, including to ensure the timely preparation and submission of the project expenditure plan. Meetings shall be held at a location designated by the Citizens Oversight Committee.

(i) **Quorum.** A quorum shall be present for the Citizens Oversight Committee to meet and take action. A quorum shall consist of not less than four members.

(j) **Duties and Responsibilities.** The Citizens Oversight Committee shall have the following duties and responsibilities:

(1) Provide input on, and review plans for, bond proceed expenditures, including by preparing or causing to be prepared, and

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submitting to the Proposition HHH Administrative Oversight Committee for review on or before April 1st of each year, an annual allocation plan (also referred to as the project expenditure plan) for the upcoming fiscal year; and

(2) Advise and make recommendations to the Proposition HHH Administrative Oversight Committee on items relative to the Proposition HHH program, including its policies and projects.

(k) **Staffing.** The Office of the City Administrative Officer, with the assistance of the Office of the Mayor, the Office of the Chief Legislative Analyst, the Los Angeles Housing and Community Investment Department and any other City department, as applicable and as necessary from time to time, shall provide staffing for the Citizens Oversight Committee.

The Citizens Oversight Committee staff shall be responsible for the noticing of meetings, as well as the taking, preparation and distribution of the Citizens Oversight Committee meeting minutes.

(l) **Resignation.** Any member of the Citizens Oversight Committee may resign by providing 30 days written notice to the appointing authority.

Sec. 8.327.1. Administrative Oversight Committee.

(a) **Creation.** The Council hereby creates the Proposition HHH Administrative Oversight Committee (the "Administrative Oversight Committee"). The purpose of the Administrative Oversight Committee is to review and recommend, for Council approval, the expenditure of bond proceeds under Proposition HHH, and to monitor and make recommendations to the Council to effectuate the Proposition HHH program, including making recommendations on its policies and projects.

(b) **Membership.** The Administrative Oversight Committee shall be comprised of three members: the Mayor, the Chief Legislative Analyst and the City Administrative Officer. Each of the members may designate someone to act on the member's behalf.

(c) **Chair.** The Chair of the Administrative Oversight Committee shall be the City Administrative Officer.

(d) **Meetings.** The Administrative Oversight Committee meetings shall be held not less than twice each fiscal year and more frequently as determined to be necessary by the Administrative Oversight Committee to effectively perform its duties and responsibilities described herein. Meetings shall be held at a location designated by the Administrative Oversight Committee.

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(e) **Quorum.** A quorum shall be present for the Administrative Oversight Committee to meet and take action. A quorum shall consist of all three members.

(f) **Duties and Responsibilities.** The Administrative Oversight Committee shall have the following duties and responsibilities:

(1) Review all plans for bond proceed expenditures, including the annual allocation plan (also referred to as the project expenditure plan) submitted by the Citizens Oversight Committee for each fiscal year, and review and approve and then submit the project expenditure plan to the Council for review and approval prior to the beginning of such fiscal year;

(2) Monitor the Proposition HHH program and make recommendations to effectuate the Proposition HHH program; and

(3) Provide biannual reports on the status of Proposition HHH projects and expenditures no later than January 1st and July 1st of each year commencing with the January 1st or July 1st following the issuance of the first series of Proposition HHH bonds, and provide additional reports on the status of Proposition HHH projects and expenditures as may be requested by the Council.

(g) **Staffing.** The Office of the City Administrative Officer, with the assistance of the Office of the Mayor, the Office of the Chief Legislative Analyst, the Los Angeles Housing and Community Investment Department and any other City department, as applicable and as necessary from time to time, shall provide staffing for the Administrative Oversight Committee.

The Administrative Oversight Committee staff shall be responsible for the noticing of meetings, as well as the taking, preparation and distribution of the Administrative Oversight Committee meeting minutes.

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Sec. 2. The City Clerk shall certify to the passage of this ordinance and have it published in accordance with 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 in the Main Street entrance to the Los Angeles City Hall; one copy on the bulletin board located at the Main Street entrance to 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.

I hereby certify that this ordinance was passed by the Council of the City of Los Angeles, at its meeting of DEC 14 2016.

HOLLY L. WOLCOTT, City Clerk

By  Deputy

Approved 12/14/16


Mayor

Approved as to Form and Legality

MICHAEL N. FEUER, City Attorney

By 
GERALD KIM
Deputy City Attorney

Date 12-09-2016

File No. 16-10650

**Attachment 2 – Proposition HHH Bond Annual Issuance Requirements
Timeline for Fiscal Year 2016-17/2017-18**

| Due Date | Activity | Responsible Entity |
|---|--|----------------------------------|
| Before April 1 | Project Expenditure Plan submitted to COC and AOC for Approval | HCID and CAO |
| April 1 | <p>Submit Preliminary Project Expenditure Plan to the appropriate Committees and Council for approval.</p> <p>Simultaneously, submit Project Expenditure Plan to CAO Debt Group for bond review. Plan should include the following:</p> <ul style="list-style-type: none"> - Demonstrate bond proceeds are expected to be expended over a 24-month period - List and Description of qualified projects - Breakdown of Costs <ul style="list-style-type: none"> o Loan Amount o Underwriting Fees (if any) o Staffing Costs - Explain how non-eligible costs will be funded | AOC |
| April 15 | Kick-Off Bond Financing | CAO Debt Group |
| Mid-May | <p>Release CAO Bond Report</p> <ul style="list-style-type: none"> - Authorizing Resolution - Fund Ordinance - Form of Bond Documents | CAO Debt Group and City Attorney |
| May - June | Appropriate Council Committee Approvals | Council |
| June (before 15 th) | City Council Approval | Council |
| June 15 | Post the Preliminary Official Statement (Advertise Bond Sale) | CAO Debt Group |
| July 1 | Competitive Bond Sale | CAO Debt Group |
| July 1 | <p>City Council Approval – Award of Sale</p> <ul style="list-style-type: none"> - Award Resolution | CAO Debt Group |
| July 15 | Bond Closing and City receives bond proceeds | CAO Debt Group |
| August 10 (or date designated by County Assessor) | Provide debt service for tax bill to County Assessor | CAO Debt Group |