

BUDGET AND FINANCE COMMITTEE REPORT, RESOLUTION, and ORDINANCE FIRST CONSIDERATION relative to the issuance and sale of general obligation bonds, Series 2022-A, for Proposition HHH projects.

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

1. PRESENT and ADOPT the accompanying ORDINANCE dated August 9, 2022, attached to the Council file, relative to the issuance of Proposition HHH General Obligation Bonds and adding new Section 5.82.32 to Article 3.5 of Chapter 5 of the Los Angeles Administrative Code for the creation of the related special funds.
2. ADOPT the accompanying Authorizing RESOLUTION, attached to the City Administrative Officer (CAO) report dated August 16, 2022, providing for the issuance and sale of the General Obligation Bonds, Series 2022-A (Taxable) (Social Bonds) in an aggregate amount not to exceed \$410 million for Proposition HHH Projects (the "Bonds").
3. AUTHORIZE the CAO to receive and open bids on the published sale date and to award the Bonds to the bidder with the lowest true interest cost on behalf of the City as described in the Notice Inviting Bids for the Bonds.

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

Financial Policies Statement: The CAO reports that the recommendations in this report are in compliance with the City's Financial Policies. The Debt Management Policy requires that the ratio of annual debt service payments on voter-approved and non voter-approved debt to general revenues be no more than 15 percent. The 2022-23 debt ratio is 4.44 percent. As the first debt service payment on the Bonds is expected to take place in 2023-24, there is no projected impact to the 2022-23 debt ratio. After accounting for the issuance of the Bonds, the debt ratio is projected to increase to 4.53 percent in 2023-24.

Debt Impact Statement: The CAO reports that the issuance of the Bonds will result in estimated debt service payments that average \$29.7 million annually over 20 years. The actual amount of debt service will be determined at the time of issuance subject to market conditions. The principal and interest on the Bonds will be paid from ad valorem taxes levied upon all of the taxable properties within the City.

Community Impact Statement: None submitted

SUMMARY

At its regular meeting held on August 22, 2022, the Budget and Finance Committee considered a CAO report relative to the issuance and sale of general obligation bonds, Series 2022-A, for Proposition HHH projects.

After an opportunity for public comment was held, the Committee moved to approve the CAO recommendations, as detailed above. This matter is now forwarded to the Council for its consideration.

Respectfully Submitted,

BUDGET AND FINANCE COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
KREKORIAN	YES

BLUMENFIELD	YES
DE LEON	YES
RODRIGUEZ	YES
PRICE	YES

AS 8/22/22
COUNCIL FILE NO. 22-0913

-NOT OFFICIAL UNTIL COUNCIL ACTS-