



CARMEN A. TRUTANICH
City Attorney

REPORT NO. R 1 3 - 0 0 6 3

MAR 0 1 2013

REPORT RE:

**ORDINANCE OF CITY OF LOS ANGELES
COMMUNITY FACILITIES DISTRICT NO. 9 (DOWNTOWN STREETCAR)
LEVYING SPECIAL TAXES WITHIN THE DISTRICT**

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

Honorable Members:

This Office has prepared and now transmits for your consideration the enclosed draft ordinance, approved as to form and legality, in connection with the formation of a community facilities district (District) pursuant to the Mello-Roos Community Facilities Act of 1982 (Act) to finance a portion of the construction cost of a streetcar system (the "Streetcar Project") in downtown Los Angeles.

On June 27, 2012, the City Council initiated the formation of the District by adopting a Resolution of Intention to Establish Community Facilitates District No. 9 (Downtown Streetcar), and a Resolution of the City of Los Angeles to Incur Bonded Indebtedness of the Proposed Community Facilities District No. 9 (Downtown Streetcar), and setting the date of a public hearing to be held on the establishment of the District.

On July 31, 2012, the City Council opened, conducted and closed said public hearing. Subsequent to the close of the public hearing, the City Council adopted ordinances entitled "An Ordinance of the Council of the City of Los Angeles of

Formation of City of Los Angeles Community Facilities District No. 9 (Downtown Streetcar), Authorizing the Levy of a Special Tax within the District and Establishing an Appropriations Limit for the District" (Ordinance of Formation), "An Ordinance of the Council of the City of Los Angeles Deeming it Necessary to Incur Bonded Indebtedness within City of Los Angeles Community Facilities District No. 9 (Downtown Streetcar)" and "An Ordinance of the Council of the City of Los Angeles Calling Special Community Facilities District Election for City of Los Angeles Community Facilities District No. 9 (Downtown Streetcar)," which ordinances established the District, authorized the levy of a special tax within the District and called an election within the Community Facilities District on the proposition of incurring indebtedness, levying a special tax within the District and established an appropriations limit for District, respectively.

On December 3, 2012, an election was held in which the qualified electors of the District approved the proposition by more than the two-thirds vote required by the Act.

The enclosed draft ordinance provides for the levy of a special tax within the District. The approved Ordinance of Formation requires that the special tax will not begin to be levied until the first fiscal year (beginning on July 1) after all the following conditions are met, as determined by opinions of counsel. First, the legislative body responsible for overseeing the California Environmental Quality Act for the Streetcar Project must have approved any necessary environmental review for the Streetcar Project and the legal challenge period for the review must have expired. Second, the Federal Transit Administration must have accepted the Streetcar Project into project development. Third, there shall have been submitted to the Federal Transit Administration a local financial commitment for the Streetcar Project that meets the Federal Small Starts funding program requirements, including a commitment to operate the Streetcar Project system by a public or private operation for a minimum period of 30 years.

If you have any questions, regarding this matter, please contact Assistant City Attorney Marilyn Garcia at (213) 978-7782. She or another member of this Office will be present when you consider this matter to answer any questions you may have.

Very truly yours,

CARMEN A. TRUTANICH, City Attorney

By 

PEDRO B. ECHEVERRIA
Chief Assistant City Attorney

PBE:MG:sl
Transmittal

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ORDINANCE NO. _____

An ordinance of the Council of the City of Los Angeles levying special taxes within City of Los Angeles Community Facilities District No. 9 (Downtown Streetcar).

WHEREAS, on June 27, 2012, the Council (City Council) of the City of Los Angeles (City), pursuant to the Mello-Roos Community Facilities Act of 1982 (Act), adopted a resolution entitled "A 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. 9 (Downtown Streetcar) (Community Facilities District), to authorize the levy of special taxes within the Community Facilities District to finance certain public facilities (Facilities) and setting the date for a public hearing to be held on the establishment of the Community Facilities District; and

WHEREAS, on July 31, 2012, the City Council opened, conducted and closed said public hearing; and

WHEREAS, subsequent to the close of the public hearing, the City Council adopted ordinances entitled "An Ordinance of the Council of the City of Los Angeles of Formation of City of Los Angeles Community Facilities District No. 9 (Downtown Streetcar), Authorizing the Levy of a Special Tax within the District and Establishing an Appropriations Limit for the District" (Ordinance of Formation), "An Ordinance of the Council of the City of Los Angeles Deeming it Necessary to Incur Bonded Indebtedness within City of Los Angeles Community Facilities District No. 9 (Downtown Streetcar)" and "An Ordinance of the Council of the City of Los Angeles Calling Special Community Facilities District Election for City of Los Angeles Community Facilities District No. 9 (Downtown Streetcar)," which ordinances established the Community Facilities District, authorized the levy of a special tax within the Community Facilities District, called an election within the Community Facilities District on the proposition of incurring indebtedness, levying a special tax within the Community Facilities District, and established an appropriations limit for the Community Facilities District, respectively; and

WHEREAS, on December 3, 2012, an election was held in which the qualified electors of the Community Facilities District approved the proposition by more than the two-thirds vote required by the Act; 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:**

Section 1. The foregoing recitals are true and correct, and the City Council so finds.

Sec. 2. The City Council hereby authorizes and levies special taxes within the Community Facilities District pursuant to Sections 53328 and 53340 of the Act, at the rate and in accordance with the method of apportionment set forth in Exhibit A to the Ordinance of Formation (Rate and Method of Apportionment). Subject to the provisions of the Rate and Method, and the satisfaction of the conditions specified therein, the special taxes are hereby levied commencing in fiscal year 2013-14 and in each fiscal year thereafter until the last fiscal year in which the special taxes are authorized to be levied pursuant to the Rate and Method of Apportionment. The City Council may, in accordance with subdivision (b) of Section 53340 of the Act, provide, by resolution, for the levy of the special tax in future tax years at the same rate or at a lower rate than the rate provided by this Ordinance. In no event shall the special tax be levied on any parcel within the Community Facilities District in excess of the maximum tax specified in the Rate and Method of Apportionment.

Sec. 3. The special tax shall be levied on all of the parcels in the Community Facilities District, unless exempted by law or by the Rate and Method of Apportionment.

Sec. 4. The proceeds of the special tax shall only be used to pay, in whole or in part, the cost of providing the Facilities and incidental expenses pursuant to the Act.

Sec. 5. The special tax shall be collected in the same manner as ordinary *ad valorem* property taxes are collected and shall be subject to the same penalties and the same procedure, sale and lien priority in the case of delinquency as is provided for *ad valorem* taxes, unless another procedure is adopted by the City Council.

Sec. 6. If for any reason any portion of this ordinance is found to be invalid, or if the special tax is found inapplicable to any particular parcel within the Community Facilities District, by a court of competent jurisdiction, the balance of this ordinance and the application of the special tax to the remaining parcels within the Community Facilities District shall not be affected.

Sec. 7. The City Clerk of the City 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.

I hereby certify that this ordinance was passed by the Council of the City of Los Angeles at its meeting on _____.

JUNE LAGMAY, City Clerk

By _____
Deputy

Approved _____

Mayor

Approved as to Form and Legality

CARMEN A. TRUTANICH, City Attorney

By 
MARILYN L. GARCIA
Assistant City Attorney

Date March 1, 2013

File No. CF 11-0329-S6