

BUDGET AND FINANCE COMMITTEE REPORT and RESOLUTION relative to the Community Facilities District No. 8 (Legends at Cascades) Special Tax Refunding Bonds, Series 2022.

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

1. PRESENT and ADOPT the accompanying RESOLUTION which authorizes the issuance of the City of Los Angeles Community Facilities District No. 8 (Legends at Cascades) Special Tax Refunding Bonds, Series 2022, and approve the execution and delivery of various bond documents, including a First Supplemental Indenture, Escrow Agreement, and other matters related thereto.
2. AUTHORIZE the City Administrative Officer (CAO) to make technical changes and adjustments as necessary to those transactions in this report and to implement the intent of the Mayor and the City Council.

Fiscal Impact Statement: The CAO reports that there is no impact on the General Fund as a result of the recommendations contained in this report. The bonds are payable solely from Mello-Roos Special Tax Revenues collected from parcels within the District. All costs associated with this transaction will be paid by bond proceeds or existing special tax revenues, and in no event shall the General Fund be called upon for repayment of any principal or interest on these bonds.

Financial Policies Statement: The CAO reports that consistent with the City's Financial Policies, all consultant and City costs associated with the issuance of bonds are paid by the District through the levy and collection of special taxes for this purpose. Additionally, consistent with the City's Mello-Roos and Assessment Financing Policies, the District and Mello-Roos Bonds exceed the City's value-to-lien requirement, will not exceed the City's maximum tax burden threshold of two percent of assessed value on property annually, comply with the minimum debt service coverage ratio, provide funding for a reserve fund, and the bonds will amortize in no more than 25 years.

Debt Impact Statement: The CAO reports that there is no debt impact to the City's General Fund from the approval of the recommendations in this report. The average annual debt service for the bonds is \$365,000, over 18 years, until September 1, 2040. The total estimated debt service, including principal and interest, over the life of the bonds is \$6.786 million. The estimated present value savings from the refunding is \$1.8 million. The bonds are payable solely from Mello-Roos Special Tax Revenues collected from parcels within the District. A default in the repayment of Mello-Roos bonds would not adversely affect the City's general credit rating because Mello-Roos bonds are not payable from the General Fund.

Community Impact Statement: None submitted

SUMMARY

At its regular meeting held on January 10, 2022, the Budget and Finance Committee considered a CAO report attached to the Council file, relative to the Community Facilities District No. 8 (Legends at Cascades) Special Tax Refunding Bonds, Series 2022.

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

Respectfully Submitted,

BUDGET AND FINANCE COMMITTEE

MEMBER

VOTE

KREKORIAN YES
BLUMENFIELD YES
DE LEON YES
RODRIGUEZ YES
PRICE YES

AS 1/10/22
COUNCIL FILE NO. 22-0021



-NOT OFFICIAL UNTIL COUNCIL ACTS-