

BUDGET AND FINANCE COMMITTEE REPORT, RESOLUTION, and ORDINANCE FIRST CONSIDERATION relative to the issuance and sale of Proposition HHH General Obligation (GO) Bonds, and adding a new Section to the Los Angeles Administrative Code (LAAC) for the creation of special funds.

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

1. ADOPT the accompanying Authorizing RESOLUTION, attached to the City Administrative Officer (CAO) report dated December 3, 2025, attached to the Council file, providing for the issuance and sale of the GO Bonds designated as Series 2026-A (Taxable) (Social Bonds), in an aggregate amount not to exceed \$86.015 million for Proposition HHH Projects, and the execution and delivery of various documents in connection with the issuance and sale of the GO Bonds.
2. PRESENT and ADOPT the accompanying ORDINANCE, dated December 2, 2025, relative to the issuance of Proposition HHH GO Bonds, and adding a new Section 5.82.34 to Article 3.5, Chapter 5, Division 5 of the LAAC for the creation of the related special funds for the administration of the GO Bond proceeds, and for purposes of payment of principal and interest on the GO Bonds.
3. AUTHORIZE the CAO to receive and open bids on the published sale date, and to award the GO Bonds to the bidder with the lowest true interest cost on behalf of the City as described in the Authorizing Resolution and the Notice Inviting Bids for the GO Bonds.

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

Financial Policies Statement: The CAO reports that the recommendations in the 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. After accounting for the issuance of the GO Bonds, the projected 2026-27 debt ratio is 3.85 percent, as detailed in Attachment B of the CAO report dated December 3, 2025. There is no impact to the 2025-26 debt ratio as the first debt service payment on the Bonds is expected to occur in 2026-27.

Debt Impact Statement: The CAO reports that the issuance of the GO Bonds will result in estimated average annual debt service payments of \$6.7 million over 18.5 years, until September 1, 2045. The total debt service, including total principal and interest, over the life of the GO Bonds is estimated to be approximately \$131.7 million. The actual amount of debt service will be determined at the time of issuance subject to market conditions. The principal and interest on the GO 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 the meeting held on December 3, 2025, the HHC considered the City Attorney report and draft Ordinance, dated December 2, 2025, and CAO report and Authorizing Resolution, dated December 3, 2025, relative to the issuance and sale of the GO Bonds, designated as Series 2026-A (Taxable) (Social Bonds), in an aggregate amount not to exceed \$86.015 million for Proposition HHH Projects; and, adding a new Section 5.82.34 to the LAAC for the creation of the related special funds in the Treasury of the City of Los Angeles for the administration of the GO Bond proceeds, and for the payment of principal and interest. The GO Bonds will be sold via a competitive method of sale, and awarded to the highest ranked responsible bidder with the lowest true interest cost on behalf of the City. The City will pay the principal and interest on the GO Bonds from proceeds of ad valorem taxes levied upon all taxable properties within the City.

After an opportunity for public comment was held, the Budget and Finance Committee moved to recommend approval of the recommendations contained in said CAO report, including adoption of the draft Ordinance and Authorizing Resolution. This matter is now forwarded to the Council for its consideration.

Respectfully Submitted,

BUDGET AND FINANCE COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
YAROSLAVSKY:	YES
BLUMENFIELD:	YES
HUTT:	YES
McOSKER:	YES
HERNANDEZ:	YES

AXB  
25-1431\_rpt\_BFC\_12-09-25

**-NOT OFFICIAL UNTIL COUNCIL ACTS-**