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ORDINANCE NO. 157564

An Ordinance adding Chapter I to Division 14 of the City of Los Angeles Administrative Code and entitled "Grant Anticipation Notes and Bonds" and adding Article 4 to Chapter 9 of Division 5 of the Los Angeles Administrative Code entitled "Grant Anticipation Notes and Bonds Fund."

THE PEOPLE OF THE CITY OF LOS ANGELES

DO ORDAIN AS FOLLOWS:

Section 1. Chapter 2 is hereby added to Division 14 of the City of Los Angeles Administrative Code to read as follows:

Chapter 2

GRANT ANTICIPATION NOTES AND BONDS

Sec. 14.20 Authority

Whenever by the provisions of any federal or state statute authority is granted to issue notes or bonds or otherwise incur indebtedness secured by a right to receive funds in the future from any grant or offer of financial assistance from a federal, state or local entity or agency, or from any private person or corporation, or the City desires to issue such notes or bonds on the authority of its Charter the issuance of such notes or bonds or the incurring of such indebtedness shall be governed by this Chapter.

Sec. 14.21 Conflict with Other Law

Whenever federal or state statutory authority, or regulations promulgated to implement same, to issue notes or bonds or incur indebtedness secured by grant or offer of financial assistance provides a procedure which is in conflict with any provision of this chapter, the provisions of the federal or state statute or regulation shall prevail over any procedure specified in this Chapter, provided, however, whenever possible, the procedures of both the federal and state statute or regulation and of this chapter shall be followed.

Sec. 14.22 Order or Resolution

Such bonds or notes shall be issued only after the Council of the City of Los Angeles has by order or resolution authorized the issuance thereof, and the Mayor has approved the order or resolution. The order or resolution shall state, among such other matters as may be necessary or desireable:

(1) The statutory authority, if any, under which the bonds or notes are issued.

(2) The grants or prospective grants which will be the source of funds for repayment of notes or bonds.

(3) The total amount of the notes or bonds to be issued to be secured by such grants or prospective grants; the identifying name or number of the issue; the maximum rate of interest payable; the term or maturity date, or the maturity dates if there are more than one, of the notes or bonds; and whether or not the notes or bonds are callable prior to maturity and if so, the premium, if any, payable upon such call.

(4) Whether the notes or bonds will be sold by competitive bids to the bidder offering the lowest net rate of interest or by negotiation, and if sold by negotiation, a short statement of the manner in which requirements of Los Angeles City Charter Section 387 have been met.

(5) That the notes or bonds are to be executed in the manner set forth in Section 14.23 hereof and are to be in the form of the sample instrument which is attached to the Council File approving such issuance.

Sec. 14.23 Execution

The approval of the Mayor endorsed upon the order or resolution authorizing the issuance of the notes or bonds shall be sufficient. However, if it is necessary that any agreement be entered into by the City prior to the issuance of the notes or bonds, the Mayor is further authorized to execute such agreements on behalf of the City. The Treasurer of the City of Los Angeles is authorized and directed to sign, either manually or by facsimile, as may be appropriate, each note or bond, and any coupons attached thereto, as may be necessary.

Sec. 14.24 Deposit of Proceeds

All note or bond proceeds shall be deposited in various accounts to be maintained in the Grant Anticipation Notes and Bonds Fund established pursuant to Article 4 of Chapter 9 of Division 5 of this Code commencing with Section 5.167. The proceeds of each issue shall be placed in a separate and appropriate account established within such fund.

Each account may be divided into sub-accounts as necessary for the proper administration and expenditure of the proceeds of the issue. The use of the funds in each of such accounts and sub-accounts and the disbursements therefrom shall be strictly in accordance with the note or bond order or resolution authorizing the issuance of such notes or bonds and/or the agreements entered into by the City of Los Angeles to secure the repayment of such notes or bonds.

Section 2. Article 4 is added to Chapter 9 of Division 5 of the City of Los Angeles Administrative Code to read as follows:

Article 4

GRANT ANTICIPATION NOTES AND BONDS FUND

Sec. 5.167 Creation of the Fund.

There is hereby created a fund within the Treasury of the City of Los Angeles known as the Grant Anticipation Notes and Bonds Fund and hereafter referred to in this Article as the "Fund." Said Fund shall be divided into separate accounts for each issue of grant anticipation notes or bonds, which account will be identified by the name or number of the said issue. Each account shall also be divided into such sub-accounts as may be required by the resolution or order of the Council authorizing the issuance of such grant anticipation notes or bonds or by the note or bond indenture or agreement therefor.

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Sec. 5.168 Expenditures from Fund.

So long as all or any portion of an issue of grant anticipation notes or bonds is outstanding the moneys in the accounts and sub-accounts for such issue shall be expended solely for the purposes of and in strict accordance with the resolution or order authorizing such issue of grant anticipation notes or bonds and the indenture or agreement therefor. Upon full payment of all the indebtedness created by such issue, and the retirement or cancellation of all the grant anticipation notes or bonds of a particular issue, the funds remaining in the account established for that issue shall be paid to the fund or funds which furnished the City's share of project costs, or if no City share was paid, to the general fund, or to the fund or funds furnishing the City's share and to the general fund in appropriate proportions.

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Sec. 3 .....**The City Clerk shall certify to the passage of this ordinance and cause the same to be published in some daily newspaper printed and published in the City of Los Angeles.**

I hereby certify that the foregoing ordinance was passed by the Council of the City of Los Angeles, at its meeting of MAR 25 1983.

ELIAS MARTINEZ, City Clerk,

By Edward Ashdown, Deputy.

MAR 30 1983

Approved .....

Tom Bradley, Mayor

Approved as to Form and Legality

March 15, 1983

IRA REINER, City Attorney,

By Norman Roberts

NORMAN L. ROBERTS
Assistant City Attorney

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File No. 80-1823

City Clerk Form No. 23 (Rev. 7-81)