



# COUNTY OF LOS ANGELES TREASURER AND TAX COLLECTOR



KENNETH HAHN HALL OF ADMINISTRATION  
500 WEST TEMPLE STREET, ROOM 437  
LOS ANGELES, CALIFORNIA 90012  
TELEPHONE: (213) 974-2101 FAX: (213) 626-1812

**JOSEPH KELLY**  
ACTING TREASURER AND TAX COLLECTOR

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October 24, 2014

TO: Supervisor Don Knabe, Chairman  
Supervisor Gloria Molina  
Supervisor Mark Ridley-Thomas  
Supervisor Zev Yaroslavsky  
Supervisor Michael D. Antonovich

FROM: Joseph Kelly   
Acting Treasurer and Tax Collector

SUBJECT: **REDEVELOPMENT BOND REFUNDING PROGRAM ACHIEVES SAVINGS IN EXCESS OF \$55 MILLION**

On October 22, 2014, my office successfully priced the fourth installment of tax allocation refunding bonds as part of the County's Redevelopment Bond Refunding Program (the "County Program"). The bonds were issued in relation to the Bunker Hill Project Area of CRA/LA, the Successor Agency to the former City of Los Angeles Redevelopment Agency. Taking advantage of favorable market conditions, the County sold \$148.6 million of tax-exempt refunding bonds and \$22.4 million of taxable refunding bonds at a combined true interest cost of 2.69%. Total debt service savings from the refunding were greater than \$55 million.

Prior to the pricing of the bonds, the County was able to secure from Standard & Poor's a four-notch ratings upgrade from "BBB" on the prior bonds to "A+" on the refunding bonds. This substantial upgrade in ratings resulted from several unique features that the County included in the refunding structure. The "A+" rating helped lower both interest rates and transaction costs for the bonds, and materially increased the amount of savings. The County and the City of Los Angeles can each expect to receive approximately 25% of the total savings, which will translate to more than \$13.5 million of additional property tax revenue over the life of the bonds. To date, the County Program has produced in excess of \$101 million in debt service savings for the County, cities, local taxing agencies, and the State of California.

Should you have any questions regarding the County Program, please contact me directly or your staff may contact Doug Baron at (213) 974-8359 or [dbaron@ttc.lacounty.gov](mailto:dbaron@ttc.lacounty.gov).

JK:DB:LS:pab  
Pb/db/octrefunding

c: Chief Executive Officer  
Auditor-Controller  
County Counsel  
Executive Officer, Board of Supervisors