

2.1.1. USE OF ANNUAL ALLOCATIONS

Agencies who receive annual allocation funds have several options for how they may use their annual allocation, including expend, accrue, bond, and share/transfer. Agencies must inform RPOSD of their plans for using annual allocations during the initial registration process and in subsequent annual verifications of registration information.

Expend

Each year agencies may choose to expend all or a portion of their total annual allocation. Agencies choosing to not expend any funds, or expend only a portion of total available allocation funds, must follow the guidelines for accruing funds, listed below.

- **Advancement.** If advance payment is required to get a project started, grantees may request advancement of funds up to 50% of the grant award. This requires jurisdictional support such as a city council or board resolution and a detailed timeline of funds use. For additional information on advancements, please refer to Section 3.4.4.

Accrue

Agencies may choose to accrue all or a portion of their annual allocations for up to five years. Agencies choosing to accrue their annual allocations must inform RPOSD during registration of their plan for the funds, including the number of accrual years and the intended use of the funds. Failure to do so may affect the agency's Good Standing status.

Agencies will be required to provide a report annually throughout their identified accrual period that reflects the pre-project work completed or planned, including community engagement, planning, design, CEQA, NEPA and/or site assessments. Failure to do so may affect the agency's good standing status.

RPOSD Grant Officers will work closely with agencies in their final year of accrual to ensure that agencies are prepared to expend funds in the following year.

Bonding Measure A

If RPOSD and/or the County move forward with bonding in any given year, an agency's annual allocation(s) can be used to secure bond financing through RPOSD and/or the County.

Cities or agencies may not bond against annual allocation funds themselves; as RPOSD and/or the County will be the bonding agency, not the cities or other public entities.

Agencies wishing to participate in the bond issuance might receive between 14.2 and 15.9 times their annual allocation, depending on market conditions, the bonding volume and maturity date. For example, a city with an annual allocation of \$100,000 might receive between \$1.42 million and \$1.59 million if they participated in the bond issuance. RPOSD would then be responsible for making annual payments on these funds from the agency's annual allocations until the bond reaches maturity (20 to 25 years, depending on the specifics of the bond).

Agencies should take the following into consideration regarding bond funding:

- **Identification of Projects.** Projects must be specified prior to the issuance of bonds. The County Bond Counsel will certify that the projects being funded qualify for the interest paid on the bonds to be exempted from income taxes.
- **Timely Completion of Projects.** Bond-funded projects must be complete within three years from the time the bond proceeds are made available to the local jurisdiction by Los Angeles County. The time to complete projects may be changed to reflect changes in federal law, regulations, and the interpretations of bond counsel and the Los Angeles County agencies involved in the issuance of bonds. The application materials submitted by jurisdictions intending to use bonding to finance eligible projects shall demonstrate the ability to meet this requirement.
- **Pay-as-you-go Projects.** Even for Study Areas that use their entire Category 1 and 2 revenue streams for bond funding, additional revenue may be available for pay-as-you-go projects in subsequent years if the countywide total improvement square footage increases and, hence, the Measure A special tax revenue increases.
- **Capital Projects.** Bonded funds may only be utilized for capital projects and the soft costs will be limited to 25 percent. Eligible soft costs will be those allowable under the bond funding conditions and are expected to be more constrained than other Measure A eligible soft costs.

Additional information about bonding can be found in Section 1.2 and Appendix C.

Share/Transfer of Study Area Annual Allocations

Under Measure A, allocations from the Community-based Park Investment Program and the Neighborhood Parks, Healthy Communities, & Urban Greening Program represent relatively fixed funding allocations that are to flow to and be expended within specific Study Areas by the Agency of Record. However, due to distribution of local resources, land availability, and other local conditions, it is likely that sharing annual allocation funds between Study Areas could benefit residents of all Study Areas involved.

A public agency receiving annual allocations under the Community-based Park Investment Program and Neighborhood Parks, Healthy Communities, & Urban Greening Program may consider sharing annual allocation funds in one of the following ways:

- Utilize funds associated with a Study Area for which it is the Agency of Record for a project in an adjacent Study Area for which it is the Agency of Record;
- Transfer funds associated with a Study Area for which it is the Agency of Record to an adjacent Study Area for which it is not the Agency of Record; or
- Transfer funds associated with a Study Area for which it is the Agency of Record to another agency that owns and/or operates parks in said Study Area.

Such sharing of annual allocations may occur provided that:

1. The funds will be expended on a specific project or projects that are eligible for Measure A funds;

2. The agency initiating the request demonstrates to RPOSD’s satisfaction that all Study Area(s) involved will benefit from the sharing of funds and resulting project(s). To do this, the agency must provide the following:
 - a. GIS data showing the service area of the proposed project(s) based on local, State, or National standards for the project type(s);
 - b. Information about project accessibility for all involved Study Areas;
 - c. Evidence of support from communities in all Study Areas involved. This evidence must be the result of meaningful community engagement conducted by all agencies involved in the sharing of funds.

3. RPOSD determines that the proposed sharing of funds will result in timely completion of the park project(s); and

4. The governing body of each public agency has authorized the sharing of funds for a specific project or projects.

If all four provisions above are true, the relinquishment of funds from the donor Study Area(s) to recipient Study Area(s) shall be approved for use on the identified project or projects.