CRA/LA
Building communities with jobs & housing

Community Redevelopment Agency
of the CITY OF LOS ANGELES

354 South Spring Street / Suite 800
Los Angeles / California 90013-1258

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www.crala.org

DATE / MAY 27 2008

FILE CODE /

RECEIVED
JUN 26 2008
KAREN E. KALFAYAN

Karen Kalfayan, City Clerk
City of Los Angeles
200 North Main Street
City Hall, Room 360
Los Angeles, CA 90012

RE: CRA/LA INVESTMENT REPORT (COUNCIL FILE NO. 96-1630)

Dear Ms. Kalfayan:

The CRA/LA's Investment Policy, adopted by the CRA/LA Board of Commissioners on July 20, 2000 and approved by the City Council on November 21, 2000, requires that quarterly investment reports be submitted to the CRA/LA Board of Commissioners and forwarded to the City Clerk for inclusion in Council File No. 96-1630. Accordingly, the CRA/LA is forwarding herewith a Report to CRA/LA Board of Commissioners on CRA/LA Investments, dated May 15, 2008. Kindly place such report in Council File No. 96-1630.

Thank you for your attention to this matter.

Very truly yours,

Cecilia V. Estolano
Chief Executive Officer

Attachment

R-1

REPORT TO CRA/LA BOARD OF COMMISSIONERS

ON

CRA/LA INVESTMENTS AS OF MARCH 31, 2008

MAY 15, 2008

PURPOSE

To report to the CRA/LA Board of Commissioners investment activities as of March 31, 2008, in accordance with the CRA/LA's Investment Policy.

REPORT

The CRA/LA's Investment Policy requires that an Investment Report (Attachment A) be submitted quarterly to the CRA/LA Board of Commissioners and forwarded to the City Clerk for inclusion in the Council File. The stated objectives of the Investment Policy are safety, liquidity and yield.

As of March 31, 2008, the investment portfolio totaled $457,768,989, and had an overall yield of 3.04 percent. Invested funds include unexpended bond proceeds, tax increment revenues, loan proceeds, income from lease and loan payments, interest income and other financial resources which are invested prior to their expenditure consistent with the CRA/LA's adopted annual budget.

More than ninety-six percent (96.95%) of the investment portfolio was comprised of: securities issued by various Federal agencies (80.15%), United States Treasury obligations (2.17%), and investments in the Local Agency Investment Fund (14.63%) managed by the State of California Treasurer's Office. The balance of the portfolio was invested in Commercial Paper (3.03%) and Time Certificates of Deposit (.02%). Attachment B depicts the CRA/LA's investment asset allocation as of March 31, 2008. The total cash balance on March 31, 2008, was $8,632,909, consisting primarily of monies in the CRA/LA's principal disbursement accounts needed to fund outstanding expenditures, and/or funds pledged to repay certain existing obligations.

In accordance with the Investment Policy, the attached Investment Report summarizes the types of investments held in the CRA/LA's investment portfolio; the institutions holding CRA/LA cash/investment deposits; maturity dates; amounts of deposits; current market value of all securities having a maturity date of more than 12 months; the overall yield on the investment portfolio; a discussion of any unusual investment activity or developments during the reporting period; and a summary of the relevant community involvement/reinvestment activities of banks holding CRA/LA funds (Attachment C).

Cecilia V. Estolano
Chief Executive Officer

By

Glenn F. Wasserman
Chief Operating Officer

Attachment A – Investment Report
Attachment B – Investment Asset Allocation Chart
Attachment C – Banks Holding CRA/LA Cash / Investments

THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF LOS ANGELES

INVESTMENT REPORT
AS OF MARCH 31, 2008

DIVERSIFICATION OF INVESTMENTS

TYPE	INVESTMENT AMOUNT	MATURITY VALUE	AVERAGE YIELD (%)	PERCENTAGE OF PORTFOLIO (%)	MATURITY DATES
Time Certificates of Deposit	$ 100,000	$ 101,681	5.00	0.02	05/29/08
Commercial Paper	$ 13,863,879 1/	$ 14,000,000	4.05	3.03	04/07/08 - 04/10/08
Federal Agencies					
Federal Farm Credit Banks	$ 11,998,126	$ 12,905,614	3.30	2.62	07/29/09 - 03/24/11
Federal Home Loan Banks	125,386,323	126,795,188	2.84	27.39	04/02/08 - 12/17/10
Federal Home Loan Mtge Corp	103,592,666	104,757,000	2.76	22.63	04/03/08 - 08/06/10
Federal National Mtge Assn	110,045,949	111,149,750	2.85	24.04	04/01/08 - 06/04/09
Federal Agricultural Mtge Corp	15,870,098	16,000,000	3.28	3.47	04/09/08 - 05/08/08
Total Federal Agencies	$ 366,893,162	$ 371,607,552	4.40	80.15	
U.S. Treasury Bills	$ 9,931,231	$ 10,000,000	1.50	2.17	08/28/08 - 09/25/08
Local Agency Investment Fund (LAIF)					
LAIF Regular	$ 40,000,000	$ 40,415,929	4.18	8.74	04/01/08
LAIF Bond Proceeds	26,980,717	27,260,431	4.18	5.89	04/01/08
Total LAIF	$ 66,980,717	$ 67,676,360	4.18	14.63	
TOTALS	$ 457,768,989	$ 463,385,593	3.04	100.00	

1/ Includes $4 million of Mainsail II LLC commercial paper which was not paid at maturity, as discussed in the Report on CRA/LA Investments as of December 31, 2007, submitted to CRA/LA Board of Commissioners on March 6, 2008.

THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF LOS ANGELES

INVESTMENT REPORT
AS OF MARCH 31, 2008

INSTITUTION AND CASH / INVESTMENT DEPOSIT AMOUNTS

NAME OF BANK / DEPOSITORY	CASH *	INVESTMENT AMOUNT	MATURITY VALUE
Banco Popular North America	$ 6,804	$ -	$ -
Bank of America	161,206	5,053,195	5,118,000
Cathay Bank	308,441	2,573,339	2,600,000
Central Pacific Bank	986,769	-	-
OneUnited Bank	-	100,000	101,681
State of California	-	66,980,717	67,676,360
Union Bank of California, N.A.	5,562,661	381,387,051 **	386,196,552
Wells Fargo Bank, N.A.	1,607,028	1,674,687	1,693,000
TOTALS	$ 8,632,909	$ 457,768,989	$ 463,385,593

* With the exception of the cash deposits with Bank of America, Central Pacific Bank and a small portion of the funds held at Wells Fargo Bank, all cash is held in interest-bearing checking accounts.
** Consists of investment securities purchased from various securities dealers that are held in safekeeping accounts by Union Bank of California, N.A., which receives a nominal custodial fee for this service.

CURRENT MARKET VALUE (INVESTMENTS MORE THAN 12 MONTHS)

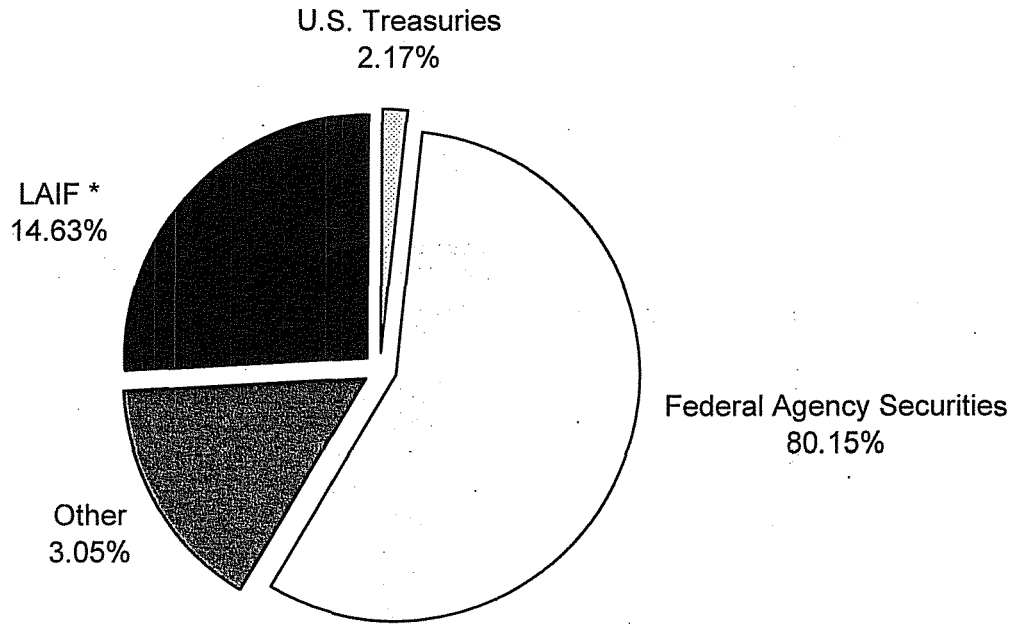
TYPE	PAR VALUE	INVESTMENT AMOUNT	CURRENT MARKET VALUE	MATURITY DATES
Federal Farm Credit Banks	$ 12,000,000	$ 11,998,126	$ 12,087,043	07/29/09 - 03/24/11
Federal Home Loan Banks	4,000,000	3,999,672	4,066,857	12/03/09 - 12/17/10
Federal Home Loan Mortgage Corp	3,500,000	3,500,000	3,523,926	02/26/10 - 08/06/10
Federal National Mtge Assn	1,000,000	1,000,000	1,021,885	06/04/09
TOTALS	$ 20,500,000	$ 20,497,798	$ 20,699,711	

UNUSUAL INVESTMENT ACTIVITY

None

THE COMMUNITY REDEVELOPMENT AGENCY
OF THE CITY OF LOS ANGELES

INVESTMENT ASSET ALLOCATION
AS OF MARCH 31, 2008



*Local Agency Investment Fund administered by the State of California

ATTACHMENT B

THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF LOS ANGELES

COMMUNITY INVOLVEMENT/REINVESTMENT ACTIVITIES OF BANKS HOLDING CRA/LA CASH AND INVESTMENTS AS OF MARCH 31, 2008

BANK	COMMUNITY INVOLVEMENT / REINVESTMENT ACTIVITIES
BANCO POPULAR NORTH AMERICA	Provided letters of credit for several Spring Street projects; provided financing for supermarket in Pico Union in 1998; maintains banking office in the Historic Core portion of the City Center Redevelopment Project and in the Westlake and Wilshire-Koreatown Redevelopment Projects.
BANK OF AMERICA	Provided loans to the Beacon Street and Exposition/University Park (formerly Hoover) Redevelopment Projects; maintains offices in several redevelopment project areas; a major source of construction financing for low income rental housing and permanent loans to moderate income homebuyers.
CATHAY BANK	Minority-owned bank that serves Chinatown and other redevelopment project areas.
CENTRAL PACIFIC BANK	Provided a $5.3 million loan to the CRA/LA in August 2005 to refinance a loan which provided "start-up" funds for thirteen newly adopted redevelopment project areas. Also provided a $6.1 million loan to CRA/LA in December 2005 for the Marlton Square project in the Crenshaw project area.
ONEUNITED BANK (Formerly Founder's National Bank and Family Savings Bank)	Minority-owned financial institution serving the Crenshaw area; served as a mortgage originator and servicer for housing units developed in Monterey Hills. An active home mortgage initiator in South Los Angeles.
UNION BANK OF CALIFORNIA, N.A.	Maintains offices in the Bunker Hill, City Center, Little Tokyo and Mid-City Corridors redevelopment projects; provided a loan for relocation and other activities in the Los Angeles Harbor Redevelopment Project in 1998; successor to Bank of California and Union Bank, which merged. Bank of California provided construction financing for redevelopment activity in the Central Business District Historic Core and for affordable housing development in Little Tokyo.
WELLS FARGO BANK, N.A.	Maintains a banking office in the Broadway-Spring Center; purchased CRA/LA's only Marks Foran rehabilitation bond issue; provided a letter of credit that is renewable periodically through 2014, to secure certificates of participation issued for Baldwin Hills Crenshaw Plaza Shopping Center; extremely active in financing very low/low income rehabilitation projects; participates in bridge financing on tax credit projects; made loans to Weingart Center Association.