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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

T 213 977 1600 / F 213 977 1665
www.crala.org

DATE / MAR 6 2007

FILE CODE /

Frank Martinez, City Clerk
City of Los Angeles
200 North Main Street
City Hall, Room 360
Los Angeles, CA 90012

RE: AGENCY INVESTMENT REPORT (COUNCIL FILE NO. 96-1630)

Dear Mr. Martinez:

The Agency's Investment Policy, adopted by the Agency Commissioners on July 20, 2000 and approved by the City Council on November 21, 2000, requires that quarterly investment reports be submitted to the Agency Commissioners and forwarded to the City Clerk for inclusion in Council File No. 96-1630. Accordingly, the Agency is forwarding herewith a Report to Agency Commissioners on Agency Investments, dated March 1, 2007. 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

RECEIVED
MAR 12 2007
FRANK T. MARTINEZ

R-1

REPORT TO AGENCY COMMISSIONERS

ON AGENCY INVESTMENTS AS OF DECEMBER 31, 2006

MARCH 1, 2007

PURPOSE

To report Agency investment activities as of December 31, 2006, in accordance with the Agency's Investment Policy.

REPORT

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

As of December 31, 2006, the investment portfolio totaled $367,281,259, and had an overall yield of 5.06 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 Agency's adopted annual budget.

More than eighty-five percent (85.63%) of the investment portfolio was comprised of: securities issued by various Federal agencies (65.94%), United States Treasury obligations (1.91%), and investments in the Local Agency Investment Fund (17.78%) managed by the State of California Treasurer's Office. The balance of the portfolio was invested in Commercial Paper (14.34%) and Time Certificates of Deposit (.03%). Attachment B depicts the Agency's investment asset allocation as of December 31, 2006. The total cash balance on December 31, 2006, was $17,073,294, consisting primarily of monies in the Agency'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 Agency's investment portfolio; the institutions holding Agency 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 community involvement/reinvestment activities of banks holding Agency funds. Attachment C summarizes the community involvement/reinvestment activities of the banks holding Agency cash/investments.

Cecilia V. Estolano
Chief Executive Officer

By

Glenn E. Wasserman
Chief Operating Officer

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

INVESTMENT REPORT AS OF DECEMBER 31, 2006

DIVERSIFICATION OF INVESTMENTS:

TYPE	INVESTMENT AMOUNT	MATURITY VALUE	AVERAGE YIELD	PERCENTAGE OF PORTFOLIO	MATURITY DATES
Time Certificates of Deposit	$ 100,000	$ 101,409	2.78	0.03	01/01/07
Commercial Paper	52,668,496	53,492,000	5.40	14.34	01/02/07 - 05/24/07
Federal Farm Credit Banks	16,063,406	17,035,482	4.50	4.37	02/23/07 - 05/06/09
Federal Home Loan Banks	59,221,762	60,883,733	4.64	16.12	01/29/07 - 11/24/08
Federal Home Loan Mtge Corp	54,873,073	56,572,673	5.12	14.94	01/26/07 - 03/09/09
Federal National Mtge Assn	112,039,654	114,218,843	5.21	30.51	01/03/07 - 12/22/08
U.S. Treasury Notes	7,001,197	7,343,750	4.40	1.91	10/31/07 - 01/31/08
Local Agency Investment Fund	65,313,671	66,152,727	5.10	17.78	01/31/08
TOTALS	**$ 367,281,259**	**$ 375,800,617**	**5.06**	**100.00**	

INSTITUTION AND CASH/INVESTMENT DEPOSIT AMOUNTS:

NAME OF BANK/DEPOSITORY	CASH*	INVESTMENT AMOUNT	MATURITY VALUE
Banco Popular North America	$ 5,767	$ -	$ -
Bank of America	159,766	4,790,069	4,853,000
Cathay Bank	20,909	2,330,356	2,361,000
Central Pacific	1,365,197	-	-
Manufacturers Bank	484,308	-	-
OneUnited Bank	-	100,000	101,409
State of California	-	65,313,671	66,152,727
Union Bank of California, N.A.	12,328,620	293,010,281	300,565,481
Wells Fargo Bank, N.A.	2,708,727	1,736,882	1,767,000
TOTALS	**$ 17,073,294**	**$ 367,281,259**	**$ 375,800,617**

* 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.

ATTACHMENT A

CURRENT MARKET VALUE (INVESTMENTS MORE THAN 12 MONTHS):

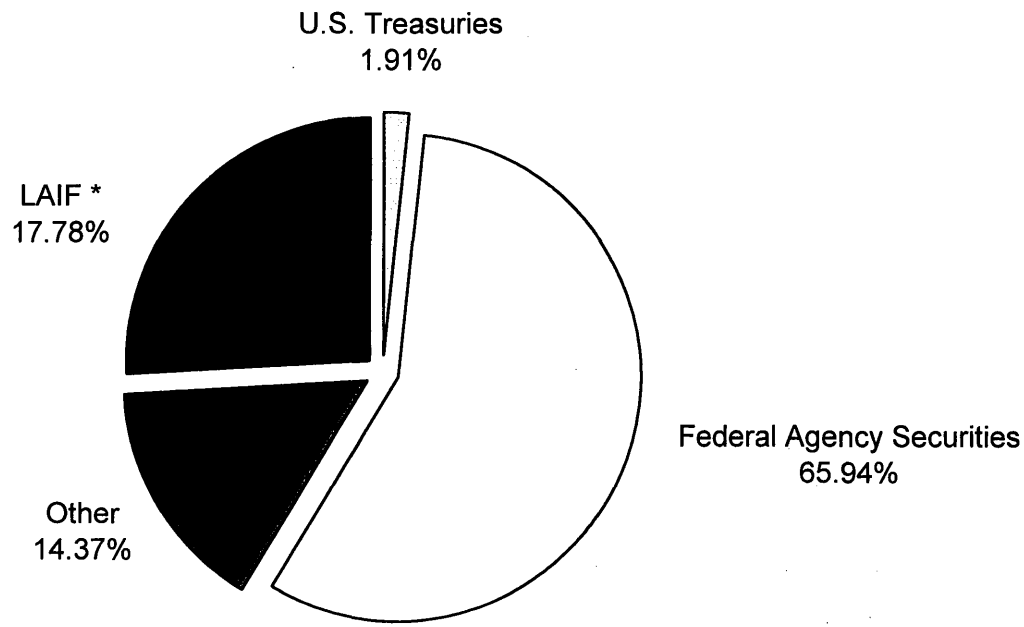
TYPE	PAR VALUE	INVESTMENT AMOUNT	CURRENT MARKET VALUE	MATURITY DATES
Federal Farm Credit Banks	$ 7,070,000	$ 7,067,687	$ 7,119,862	06/13/08 - 05/06/09
Federal Home Loan Banks	6,500,000	6,502,383	6,535,038	05/14/08 - 11/24/08
Federal Home Loan Mtge Corp	11,500,000	11,519,340	11,618,624	01/28/08 - 03/09/09
Federal National Mtge Assn	3,500,000	3,500,263	3,511,698	04/04/08 - 12/22/08
U.S. Treasury Notes	2,000,000	1,995,625	2,023,492	01/31/08
TOTALS	**$ 30,570,000**	**$ 30,585,298**	**$ 30,808,714**	

UNUSUAL INVESTMENT ACTIVITY :

N O N E

THE COMMUNITY REDEVELOPMENT AGENCY
OF THE CITY OF LOS ANGELES

INVESTMENT ASSET ALLOCATION
as of December 31, 2006



*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 AGENCY CASH/INVESTMENTS
AS OF DECEMBER 31, 2006

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 Agency 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 the Agency in December 2005 for the Marlton Square project in the Crenshaw project area.
MANUFACTURERS BANK	Maintains offices in the Little Tokyo Redevelopment Project and the City Center Redevelopment Project.
ONEUNITED BANK (Formerly Founders 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 and Little Tokyo 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 an affordable housing evelopment in Little Tokyo.
WELLS FARGO BANK, N.A.	Maintains a banking office in the Broadway-Spring Center; purchased Agency's only Marks Foran rehabilitation bond issue; provided a letter of credit in 198[illegible] to secure certificates of participation issued for Baldwin Hills Crenshaw Plaza Shopping Center that are currently outstanding; extremely active in financing very low/low income rehabilitation projects; participates in bridge financing on tax credit projects; made loans to Weingart Center Association.