

Culver
CITY
REDEVELOPMENT
AGENCY

FINANCIAL
MONITORING
REPORT

1st Quarter

FY 2008-09

PERFORMANCE AT A GLANCE

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- POSITIVE or BELOW BUDGET = Revenues greater than 5% ABOVE Adjusted Budget; or Expenditures greater than 5% BELOW Adjusted Budget
- NORMAL = Actual within 5% of Adjusted Budget
- NEGATIVE or EXCEED BUDGET = Revenues greater than 5% BELOW Adjusted Budget; or Expenditures greater than 5% ABOVE Adjusted Budget
- MIXED or WARNING = Category contains both positive and negative financial results; or Financial activity currently normal; however, there are potential factor(s) that may impact future financial activity

Notable Economic News

State Budget Update

Due to a shortage in revenues, the governor has released a proposed change to the FY 2008-09 budget just six weeks after it was finally adopted. The governor's proposal includes a combination of spending cuts and increases in revenues. As of now, there are no proposals to increase the ERAF payment from California Redevelopment Agencies beyond the **\$350 million already approved (CCRA share is \$2.25 million)**. There are a number of tough decisions and compromise talks that will need to take place over the next few weeks, but it is clear that something needs to be done to keep the state budget afloat. Staff will keep the Agency Board apprised of new developments as information becomes available.

Credit Markets

The credit crunch that continues to impact the residential real estate market has now reached the commercial development market. Bank lending practices have become significantly more conservative as developer's are being required to demonstrate a high level of financial stability. Some examples of these requirements include larger cash down payments, signed lease agreements for office space prior to construction of the building, executed legal agreements from any and all private equity partners, a history of audited financials for the development company, a history of audited financials for any and all private equity partners, etc. These stringent lending standards are making it nearly impossible for most developers to secure construction financing, even from banks with which they have an established relationship. Hopefully, the \$700 billion Fed Bail-out plan (now ballooning into the trillions) will help to loosen some of these lending practices over the next few months and get money flowing again.

Notable Development News

- Construction of the mixed use project at *9900 Culver Blvd* started in the summer and is expected to be completed by summer/fall 2009.
- Due to the tight credit markets, a number of projects have been delayed. *Parcel B* and the *Baldwin site* have required extensions to their DDAs in order to buy additional time until they can secure financing.

FIRST QUARTER AT-A-GLANCE

Executive Summary

As the economic contraction worsened through the first quarter, economists began to recognize that the economy is in a recession that will most likely last through the end of 2009. The stock market has lost more than 30% of its value since the beginning of the year, unemployment is above 6% and increases monthly, GDP and consumer spending decrease monthly, and loan defaults and foreclosures continue to plague the real estate market.

Due to the timing of the Agency's major revenues and expenditures, there typically is **not much activity in the first quarter to gauge the fiscal year to date finances of the RDA** (i.e. the first Tax Increment payment is not received until November and Debt Service payments are not made until October/November). However, the economic crunch has effected the RDA in a number of ways. The most direct impact is the state requiring the RDA to make a **\$2.25 million ERAF payment** to relieve some of the state's obligation to fund public schools. Another consequence of the tight credit market is the **delay of a number of projects**, most notably *Parcel B* and the *Baldwin Site*, due to developers' inability to secure financing because of the tight credit restrictions. In addition to **delaying any tax increment** that will be generated by these projects, this will **delay receipt of the land sale proceeds** from both of those projects (the Agency currently owns the land for both of those projects). This, in turn, will impact the Agency's ability to fully repay the loan to the City in this fiscal year, as anticipated in the budget.

Revenue & Expenditure Summary

The Agency's primary source of revenue is **Property Tax Increment**, which the Agency **begins receiving in November of each year**. Also, the **Agency did not close escrow on any land sales in the first quarter**. At this point in the fiscal year, there are only a few small revenue sources, such as the Pacific Theaters, parking revenue, and the Farmer's Market. **Pacific Theater outperformed budget projections by more than \$300,000** due mainly to a strong movie season with blockbusters such as *Batman*, *Iron Man*, and *Indiana Jones*. **Parking revenues were up mainly due to revenues from film parking**, which outperformed budget projections by \$42,500. And the **Farmers' Market continues to be a popular program and outperformed budget projections** by about \$7,800.

The Agency made **no large land purchases** or other expenditures during the first quarter. Therefore, **first quarter expenditures are primarily related to administrative reimbursements to the City**. In November, the Agency will make a large debt service expenditure.

CASH AVAILABLE for CAPITAL INVESTMENT

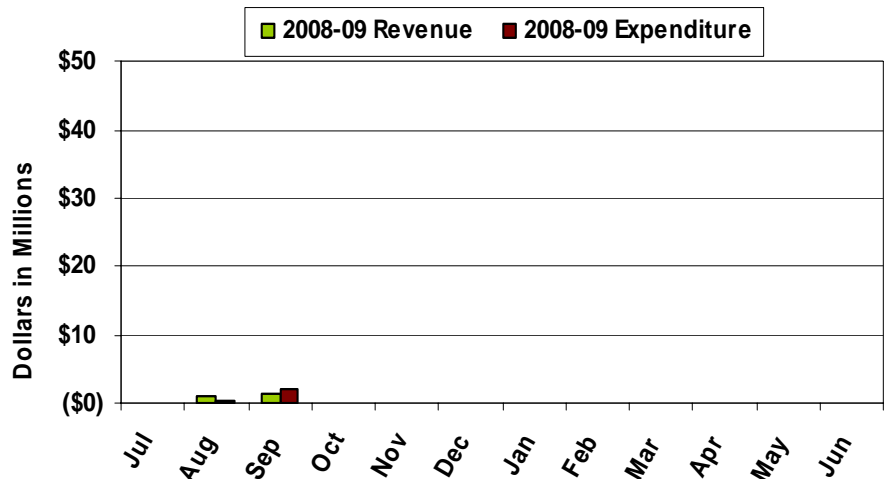
FUND BALANCE AVAILABLE FOR PROJECTS/PROGRAMS:

	<i>Actual Ending 2006-07</i>	<i>Preliminary Ending 2007-08</i>	<i>Estimated Ending 2008-09*</i>	<i>Estimated Ending 2009-10*</i>
Unrestricted Funds	\$13,700,000	11,300,000	6,500,000	10,800,000
Housing Set Aside	\$15,141,000	19,000,000	14,000,000	12,500,000
Tax Exempt Bonds	\$24,895,000	21,850,000	8,750,000	3,400,000

The estimated ending balance for each fund represents the approximate amount of cash capital available for investment in new projects or programs. The unaudited balance for **unrestricted funds as of June 30, 2008** (i.e. tax increment, parking revenues, theatre revenues, etc.) is **approximately \$11.3 million**. The estimated ending balances above assume that an interest only payment on the \$9 million loan from the City was made in FY 2007-08, a \$4 million principal payment is made in FY 2008-09, and the remaining \$5 million principal balance is repaid in FY 2009-10. The estimated balances in FY 2008-09 and 2009-10 also assume that 100% of the adjusted budget is expended and \$11.5 million in land sale proceeds is received (i.e. Washington/Centinel and Baldwin Motel). Based on the current economic conditions, the land sale proceeds and, consequently, the RDA's ability to repay the City loan, may need to be reevaluated. Staff will monitor the cash flow position of the RDA and make any necessary budget adjustments at mid-year.

UNRESTRICTED REVENUE and EXPENDITURE SUMMARY: (cumulative)

	<i>2008-09 Revenue</i>	<i>2008-09 Expenditure</i>
Jul	\$ 29,131	\$ (61,504)
Aug	782,065	229,232
Sep	399,899	1,799,684
Oct	-	-
Nov	-	-
Dec	-	-
Jan	-	-
Feb	-	-
Mar	-	-
Apr	-	-
May	-	-
Jun	-	-
TOT Y-T-D	1,211,095	1,967,412
Adj Budget	46,119,775	37,799,540



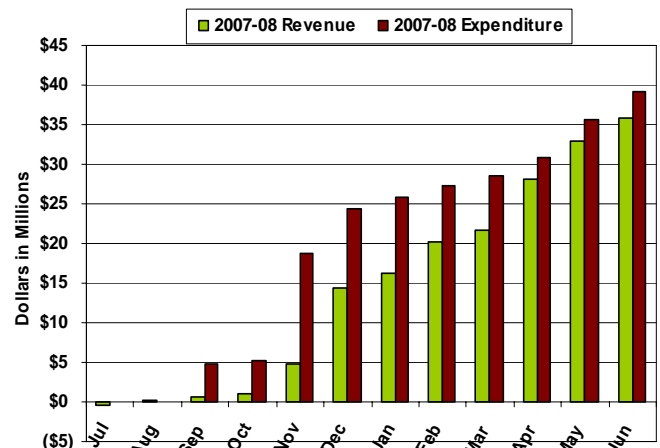
NORMAL

Generally, neither revenue nor expenditure figures in the first quarter are particularly relevant for gauging the Agency's financial position to date or predicting performance for the remainder of the fiscal year.

REVENUE: The first tax increment remittance for each fiscal year is not received from the County until November, therefore, there is not much revenue activity to report in the first quarter.

EXPENDITURE: The Agency's largest annual expenditure is Debt Service payments for all outstanding bonded debts. This payment is made annually in November. Expenditures through the first three months of the fiscal year are primarily related to administrative expenditures (i.e. salary and benefits and related admin expenses).

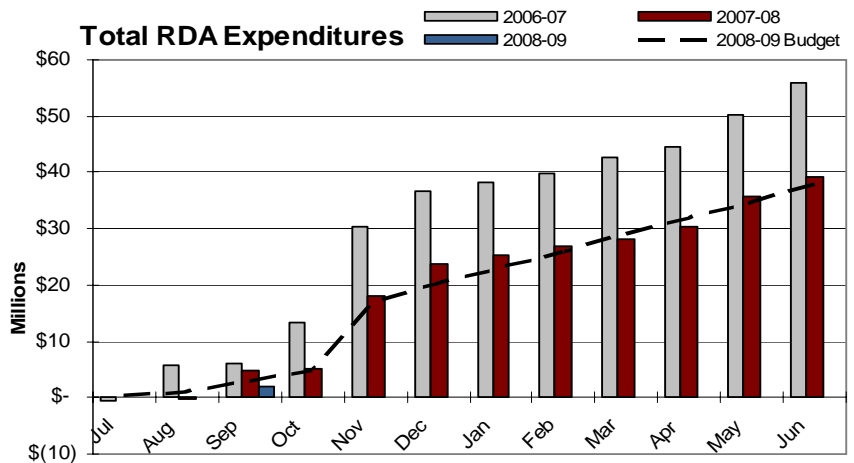
More detail on revenues and expenditures can be found in the following sections of this report.



UNRESTRICTED FUND EXPENDITURES:

TOTAL UNRESTRICTED FUNDS EXPENDITURES: (cumulative)

	2006-07	2007-08	2008-09
Jul	\$ (500,262)	\$ (49,291)	\$ (61,504)
Aug	6,215,095	(22,671)	229,232
Sep	441,704	4,950,808	1,799,685
Oct	7,136,304	282,921	-
Nov	16,966,460	13,049,104	-
Dec	6,551,911	5,526,036	-
Jan	1,524,960	1,602,987	-
Feb	1,551,627	1,441,268	-
Mar	2,681,795	1,279,876	-
Apr	2,123,695	2,277,211	-
May	5,550,786	5,313,400	-
Jun	5,665,612	3,545,668	-
TOT Y-T-D	55,909,687	39,197,317	1,967,413
Adj Budget	\$47,108,917	\$42,726,758	\$37,799,540



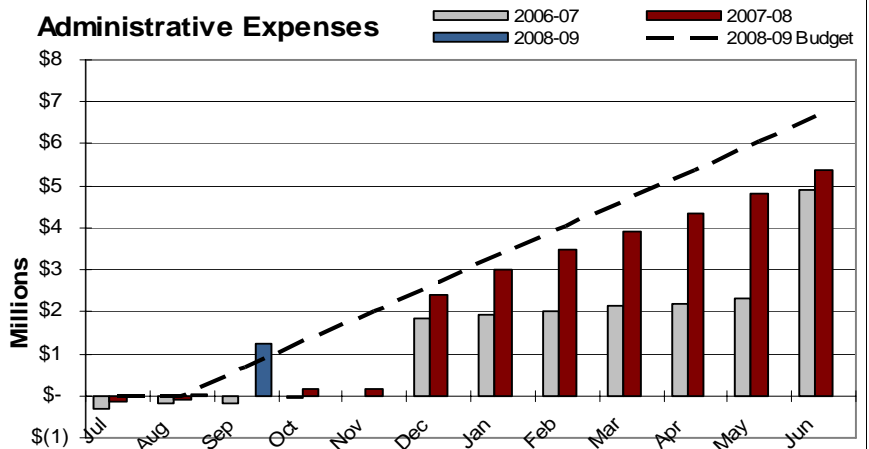
BELOW BUDGET Through the first quarter, the RDA has expended approx. 5% of the adjusted budget compared to 11% in 2007-08 and 13% in 2006-07. In the first quarter of both of the previous two fiscal years there were land acquisition related costs, which is not the case in FY 2008-09.

RDA expenditures are relatively sporadic on a monthly basis as there are often spikes in expenditures due to land acquisition costs or other one-time development related costs. Generally, the month of November has the most cash going out the door as that is when the annual debt service payments for RDA bonds are due (i.e. principal and interest payments to bond holders). The following sections will provide more detail on RDA expenditures by category.

EXPENDITURE ANALYSIS BY CATEGORY:

ADMINISTRATIVE EXPENSES: (cumulative)

	2006-07	2007-08	2008-09
Jul	\$ (329,591)	\$ (118,918)	\$ 100
Aug	136,261	23,471	54,109
Sep	19,104	87,185	1,187,627
Oct	123,136	153,831	-
Nov	31,666	14,318	-
Dec	1,872,801	2,248,339	-
Jan	81,371	596,748	-
Feb	73,893	461,430	-
Mar	120,521	456,443	-
Apr	41,418	438,066	-
May	157,485	439,925	-
Jun	2,563,801	553,815	-
TOT Y-T-D	4,891,866	5,354,653	1,241,836
Adj Budget	5,993,953	6,126,231	6,742,765

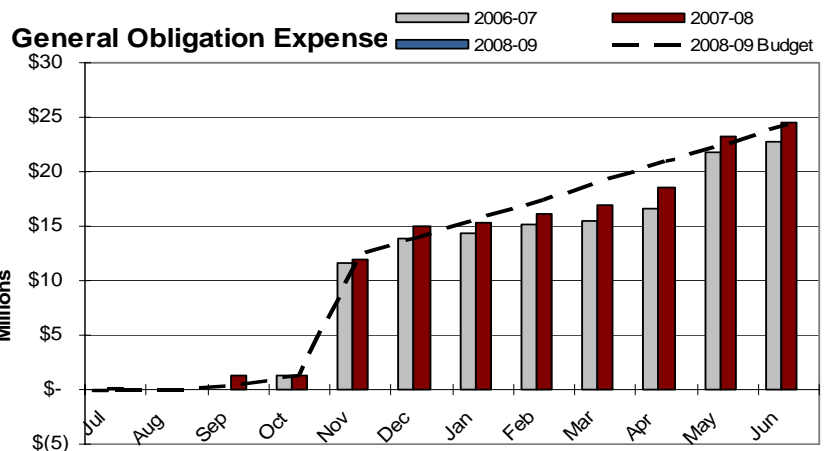


BELOW BUDGET The Redevelopment Agency reimburses the City for all City staff whose position is impacted by RDA activities (i.e. Redevelopment, Economic Development, and Cultural Affairs division staff as well as partial reimbursement for positions in Planning, Building Safety, Code Enforcement, City Attorney, Police, Fire, PRCS, Public Works, etc.). Admin expenditures also include operating expenses and contract costs for RDA activities. Reimbursement expenses for staff positions are prorated and transferred from the Agency to the City on a monthly basis, therefore, these expenditures are relatively stable. **Due to salary savings from vacant positions, Admin Expenses are 18.5% of the total budget through the first quarter of the fiscal year (Target = 25%).**

UNRESTRICTED FUNDS EXPENDITURE ANALYSIS:

GENERAL OBLIGATION EXPENSES: (cumulative)

	2006-07	2007-08	2008-09
Jul	\$ (177,364)	\$ 81,994	\$ (65,252)
Aug	177,364	(81,994)	76,724
Sep	625	1,334,270	-
Oct	1,218,471	-	-
Nov	10,394,293	10,648,686	-
Dec	2,280,387	2,937,420	-
Jan	401,505	393,052	-
Feb	912,231	873,941	-
Mar	244,576	738,546	-
Apr	1,160,872	1,611,638	-
May	5,208,021	4,712,379	-
Jun	863,673	1,280,618	-
TOT Y-T-D	22,684,654	24,530,550	11,472
Adj Budget	21,278,143	25,131,668	24,301,839

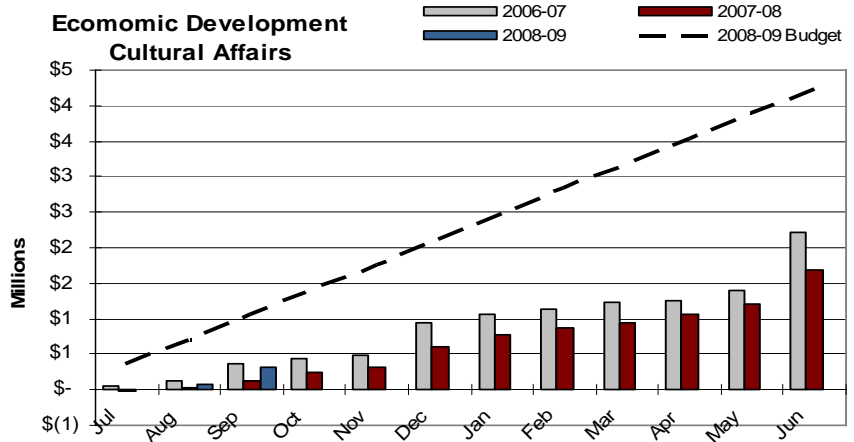


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Through the first quarter, the RDA has expended less than 1% of the adjusted budget, which is normal for the first quarter. GO expenses are payments that the Agency is legally required to make, such as debt service on RDA bond issues (paid each year in November), statutory pass through payments, transfers to the Housing fund for the 20% statutory housing set aside, and ERAF payments (when applicable). As noted, the State has required a one-time ERAF payment for FY 2008-09 of \$2.25 million. Since the state budget was adopted well after the RDA's budget was adopted, a budget amendment will be needed to account for the ERAF payment.

ECONOMIC DEVELOPMENT/CULTURAL AFFAIRS PROGRAMS: (cumulative)

	2006-07	2007-08	2008-09
Jul	\$ 44,193	\$ (12,367)	\$ 1,959
Aug	82,985	30,581	69,921
Sep	231,941	107,866	247,246
Oct	85,756	111,624	-
Nov	35,593	74,236	-
Dec	470,849	296,671	-
Jan	108,342	171,609	-
Feb	79,161	82,655	-
Mar	84,301	78,485	-
Apr	33,085	120,448	-
May	150,852	134,492	-
Jun	815,831	496,806	-
TOT Y-T-D	2,222,889	1,693,106	319,126
Adj Budget	3,048,870	3,118,088	4,245,277



BELOW BUDGET

Through the first quarter, Economic Development and Cultural Affairs programs have expended approx. 7.6% of the adjusted budget compared to 4% in 2007-08 and 12% in 2006-07. After a dip in expenditures in FY 2007-08 (primarily the result of the vacant Econ Dev Administrator position) FY 2008-09 expenditures have returned to a more normal level through the first quarter.

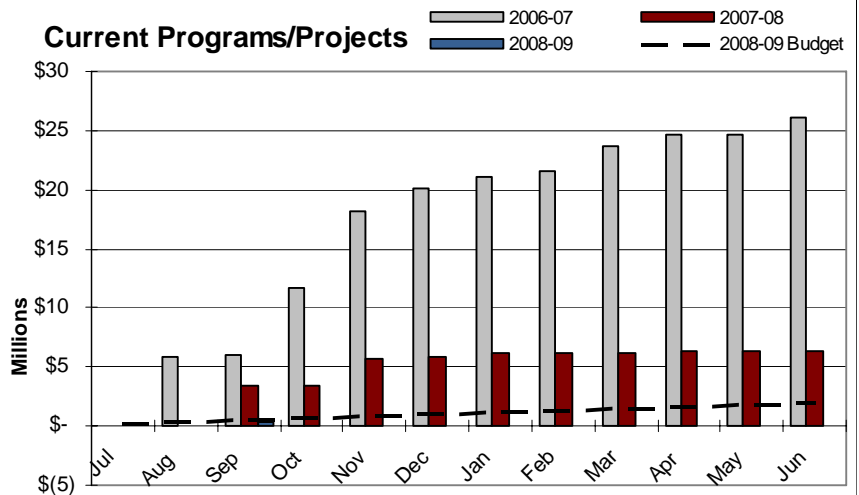
Economic Development expenditures typically run below the adopted budget due to the system for recording management costs for the three downtown parking structures (Cardiff, Ince, and Watseka). Basically, the full cost of the contract is budgeted, however, the revenues from transient parking that is collected by Modern Parking each month is deducted from their monthly fee and the RDA pays the difference. This system is being reviewed and a change will be proposed by staff when the current contract with Modern Parking expires in June 2009.

NOTE: Economic Development/Cultural Affairs programs include expenses for economic development projects, real property management, and Cultural Affairs programs such as the Culver City Music Festival, Farmers' Market, Music in the Chambers, and the Art of... Speaker Series.

UNRESTRICTED FUNDS EXPENDITURE ANALYSIS:

CURRENT PROJECTS: (cumulative)

	2006-07	2007-08	2008-09
Jul	\$ (37,500)	\$ -	\$ 1,689
Aug	5,818,485	4,846	27,400
Sep	189,964	3,421,487	357,476
Oct	5,708,941	16,296	-
Nov	6,504,908	2,311,864	-
Dec	1,919,324	37,880	-
Jan	929,874	376,231	-
Feb	481,692	23,242	-
Mar	2,231,702	6,402	-
Apr	880,326	107,059	-
May	28,978	26,604	-
Jun	1,411,892	83,325	-
TOT Y-T-D	26,068,586	6,415,236	386,565
Adj Budget	16,547,177	7,086,497	2,019,885

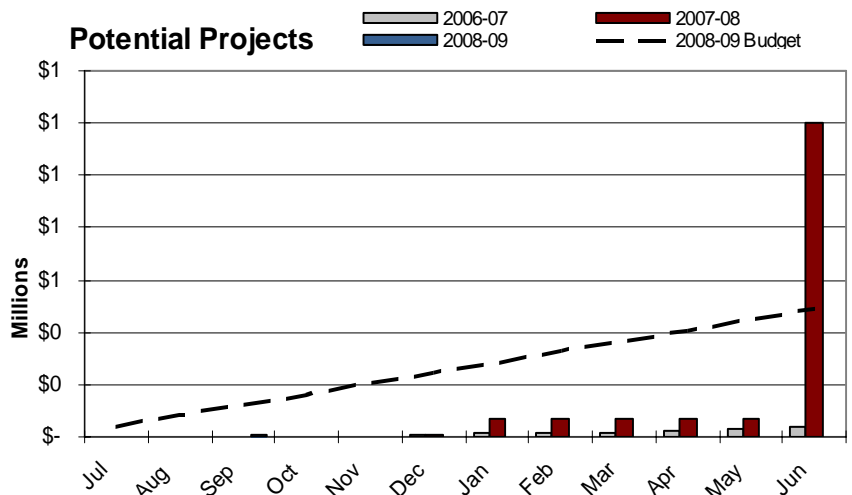


NORMAL

Current Projects are projects that are currently underway, such as Washington/Centinela, Washington/National, and the Baldwin Motel. Property acquisition costs are also included in the Current Projects category and makes up the primary expenditure. Current Project expenditures are not consistent throughout the year, therefore, a year to date comparison to prior years is irrelevant. **No land was purchased in the first quarter of FY 2008-09 and the primary expenditure is related relocation services for the Washington/National project.**

POTENTIAL PROJECTS: (cumulative)

	2006-07	2007-08	2008-09
Jul	\$ -	\$ -	\$ -
Aug	-	425	1,078
Sep	70	-	7,336
Oct	-	1,170	-
Nov	-	-	-
Dec	8,550	5,726	-
Jan	3,868	65,347	-
Feb	4,650	-	-
Mar	695	-	-
Apr	7,994	-	-
May	5,450	-	-
Jun	10,415	1,131,104	-
TOT Y-T-D	41,692	1,203,772	8,414
Adj Budget	240,774	1,264,274	489,774



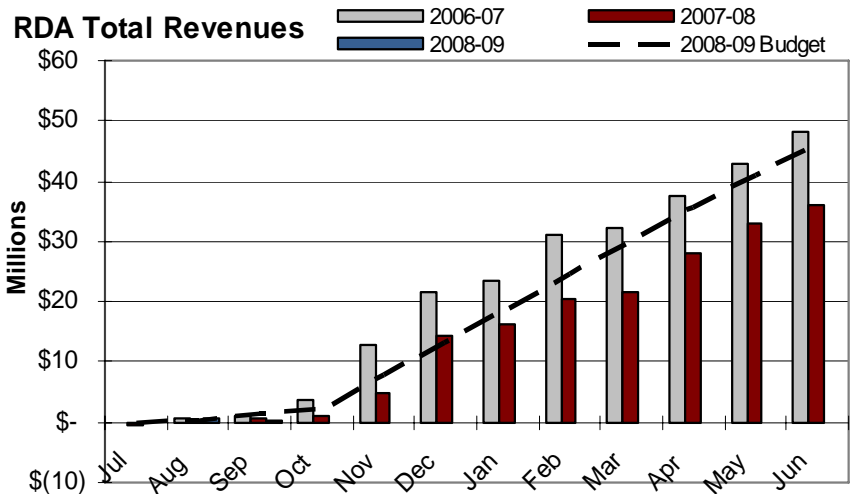
NORMAL

Potential Projects include expenses for opportunity sites as they arise in various parts of the City, such as potential sites on **Mid-Washington, Selmaraine/Sepulveda, Jefferson Blvd and the Hayden Tract**. A majority of the expenses are on appraisals, exploratory studies, and other expenses related to evaluating a potential redevelopment site. **The primary expenditures in the first quarter of FY 2008-09 were related to studies in the Hayden Tract area.**

UNRESTRICTED FUNDS REVENUE ANALYSIS

TOTAL UNRESTRICTED FUNDS REVENUE THROUGH SEPTEMBER 2008: Fiscal 2006-07 vs Fiscal 2007-08 (cumulative)

	2006-07	2007-08	2008-09
Jul	\$ 7,104	\$ (395,530)	\$ 29,131
Aug	612,417	656,599	782,065
Sep	386,765	368,304	399,899
Oct	2,755,046	415,202	-
Nov	9,158,540	3,676,946	-
Dec	8,717,465	9,651,356	-
Jan	2,007,880	1,965,506	-
Feb	7,308,540	3,912,079	-
Mar	1,460,304	1,378,423	-
Apr	5,198,605	6,434,458	-
May	5,185,795	4,831,876	-
Jun	5,536,717	3,042,264	-
TOT Y-T-D	48,335,178	35,937,483	1,211,095
Adj Budget	28,192,644	33,006,077	46,119,775



UNRESTRICTED REVENUES — ↑ Since the first Tax Increment remittance is not received until November of each fiscal year, there is not much activity to report in the first quarter. The Redevelopment Agency did receive an updated Assessed Valuation Report from the County Assessor in August. Based on this updated AV report, estimated tax increment revenues for FY 2008-09 will be increased by approximately \$1.5 million. There are a few small revenue sources, such as the Pacific Theaters, parking revenue, and the Farmer’s Market, which all outperformed budget projections in the first quarter. More detail on each of these revenue sources is provided in the following sections.

LAND SALE PROCEEDS — ↓ The FY 2008-09 adopted budget included approximately \$11.5 million in land sale proceeds in anticipation of the sale of Baldwin Motel and Washington/Centinela sites. Due to the current credit markets, both of those projects are having trouble with securing financing. Depending on the status of the credit markets over the coming months, those revenues may need to be deferred to future years, which will impact the Redevelopment Agency’s ability to meet some current obligations, such as the remaining balance on the loan to the City.

City Loan to the Agency — As mentioned above, a consequence of delaying receipt of approximately \$11.5 million in land sale proceeds will impact the Agency’s ability to repay the outstanding balance of the \$9 million loan. Staff will continue to monitor the Agency’s cash flow position throughout the fiscal year to determine the Agency’s ability to repay at least a portion of the outstanding principal (currently \$7 million outstanding).

SUMMARY — Due to the timing of the Agency’s major revenues, there is not much activity in the first quarter to gauge the fiscal year to date finances of the RDA. However, the smaller sources of revenue have outperformed budget projections to date. It is still very early in the fiscal year and many of the revenues were generated prior to the onset of the real financial instability, which began in late September. Staff will continue to monitor the state of the economy and the impacts to the Agency financial position.

UNRESTRICTED FUNDS REVENUE ANALYSIS (continued):

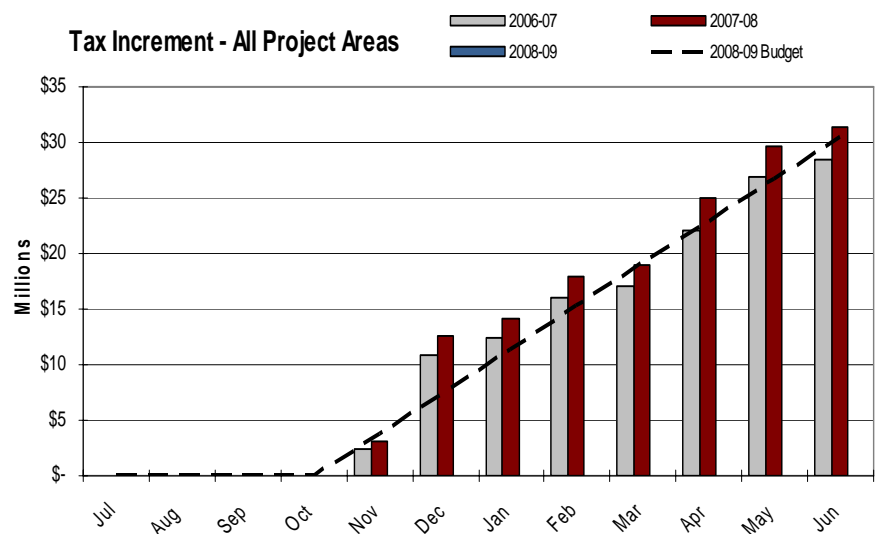
ASSESSED VALUATIONS: Fiscal 2006-07, 2007-08, and 2008-09

Per Proposition 13 passed by California voters in 1978, a property's value is assessed when it is purchased or significantly remodeled. Once the assessed value is established, it cannot increase by more than 2% per year until the property is sold or remodeled, at which time it is re-assessed. The property owners' annual property tax is calculated as 1% of the assessed value. The Redevelopment Agency receives tax increment based on the increase in assessed value over a base year (base year = the year that a particular project area was established). The table below shows the total assessed values and % change from the prior year for each project area for the three most recent years.

	2006-07	% change prior year	2007-08	% change prior year	2008-09	% change prior year
Project Area 1	\$741,987,037	6.51%	\$899,729,335	21.26%	\$991,903,331	10.24%
Project Area 2	\$576,349,621	9.07%	\$636,801,158	10.49%	\$696,384,724	9.36%
Project Area 3	\$1,284,738,339	5.25%	\$1,375,974,122	7.10%	\$1,516,215,389	10.19%
Project Area 4	\$513,029,124	6.67%	\$590,320,656	15.07%	\$635,175,732	7.60%
	\$3,116,104,121	6.47%	\$3,502,825,271	12.41%	\$3,839,679,176	9.62%

TAX INCREMENT: Fiscal 2006-07 vs Fiscal 2007-08 (cumulative)

	2006-07	2007-08	2008-09
July	\$ -	\$ -	\$ -
August	-	-	-
September	-	-	-
October	-	-	-
November	2,471,416	3,084,339	-
December	10,886,956	12,665,357	-
January	12,417,929	14,215,606	-
February	16,035,595	17,853,213	-
March	17,003,194	18,975,948	-
April	22,029,031	25,022,879	-
May	26,927,057	29,707,362	-
June	28,460,085	31,387,713	-
TOTAL	\$ 28,460,085	\$ 31,387,713	\$ -
Adj Budget	\$ 24,220,000	\$ 29,593,000	\$ 30,535,000



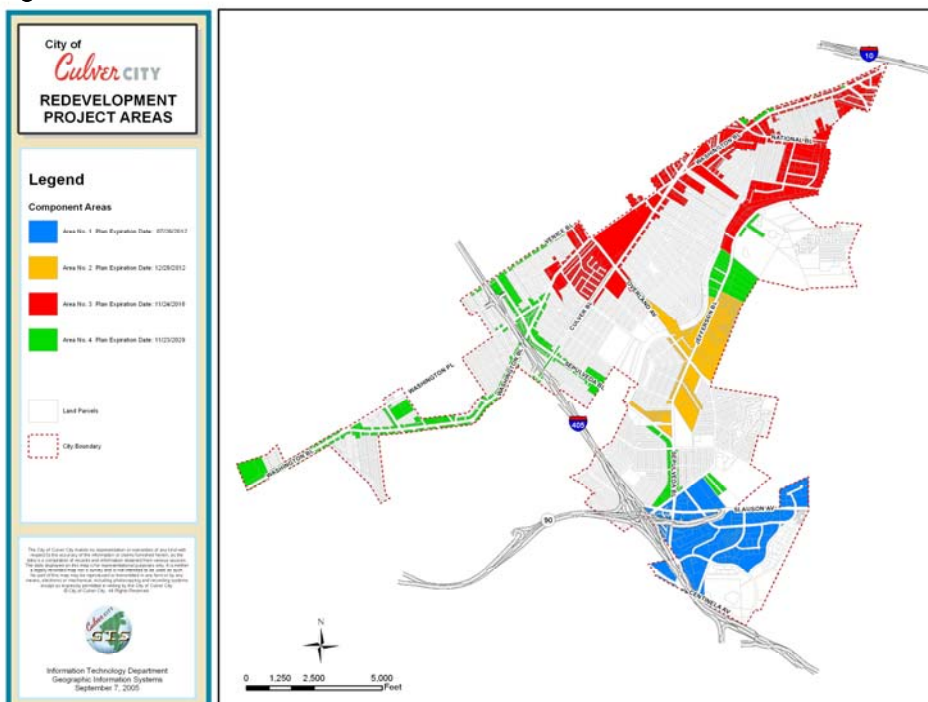
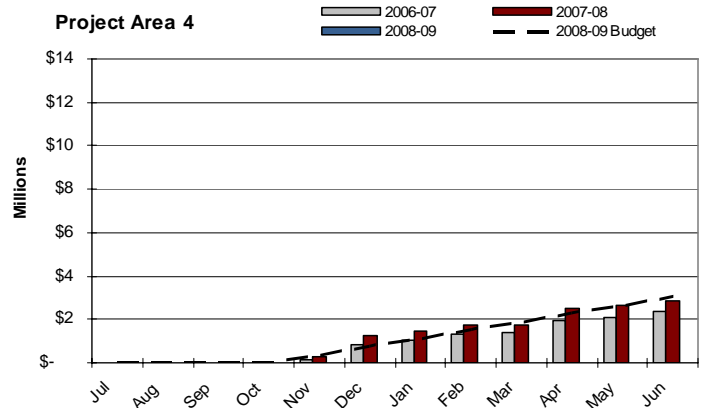
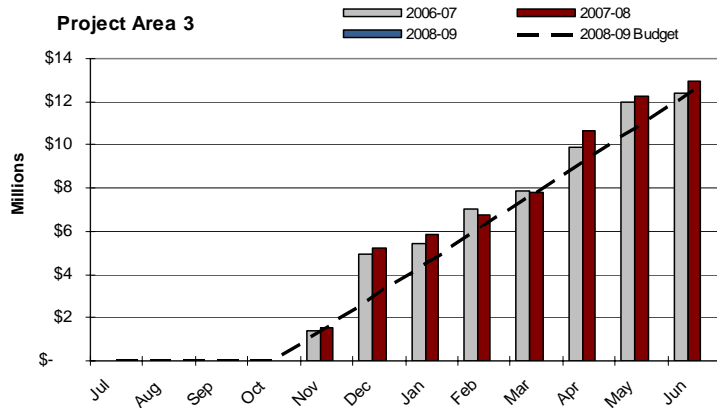
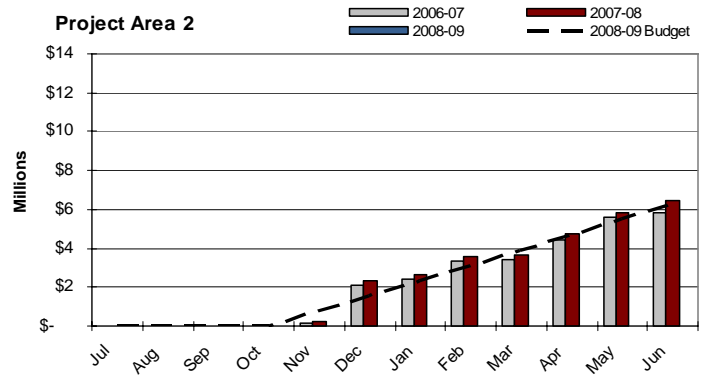
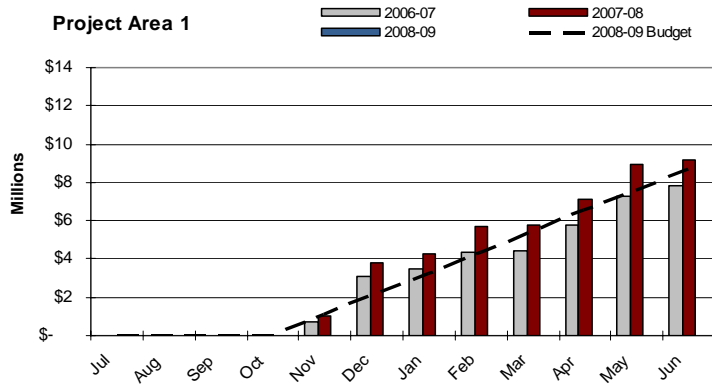
NORMAL

Since the first Tax Increment remittance is not received until November of each fiscal year, there is not much activity to report in the first quarter. The Redevelopment Agency did receive an updated Assessed Valuation Report from the County Assessor in August. **Based on this updated AV report, estimated tax increment revenues for FY 2008-09 will be increased by approximately \$1.5 million.**

Despite the current economic conditions, Tax Increment growth is expected to remain healthy through FY 2009-10 due to development currently being constructed (e.g. Westfield Mall renovation, Sony parking lot, and 9900 Culver Blvd) as well as development currently in the pipeline, such as Parcel B, and Washington/Centinela. However, due to the current state of the credit markets, which is now beginning to have a significant impact on construction financing (including the previously mentioned projects in the pipeline), TI receipts are expected to slow in FY 2010-11.

UNRESTRICTED FUNDS REVENUE ANALYSIS (continued):

TAX INCREMENT by COMPONENT AREA: Fiscal Years 2006-07, 2007-08, and 2008-09 (cumulative)



The above graphs illustrate the magnitude of tax increment generated from each of the four project areas. Project Areas 1 and 3 generate the most tax increment, with FY 2008-09 budget projections of \$8.7 million and \$12.5 million, respectively. **Project Area 1** is comprised primarily of the **Fox Hills area** (seen here in blue). **Project Area 3** is comprised primarily of the **Hayden Tract and Downtown areas** (seen in red). **Project Area 2** is comprised primarily of the **Jefferson/Overland intersection** (seen in yellow) and **Project Area 4** is comprised primarily of **West Washington Blvd and Sepulveda Blvd**.

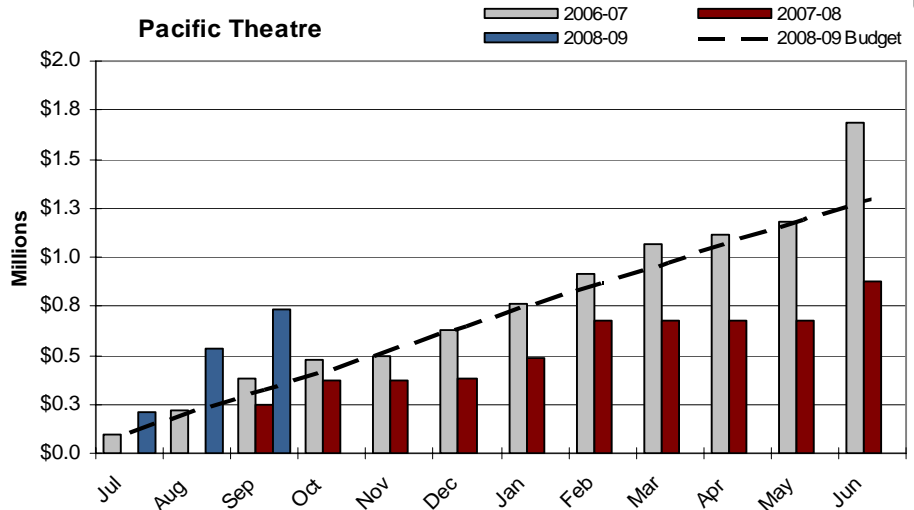
As previously mentioned, the first TI remittance from the County is received in November, therefore, **there is no TI activity to report at this time.**

UNRESTRICTED FUNDS REVENUE ANALYSIS (continued):

REVENUE SOURCES:

Fiscal Years 2006-07, 2007-08, and 2008-09 (cumulative)

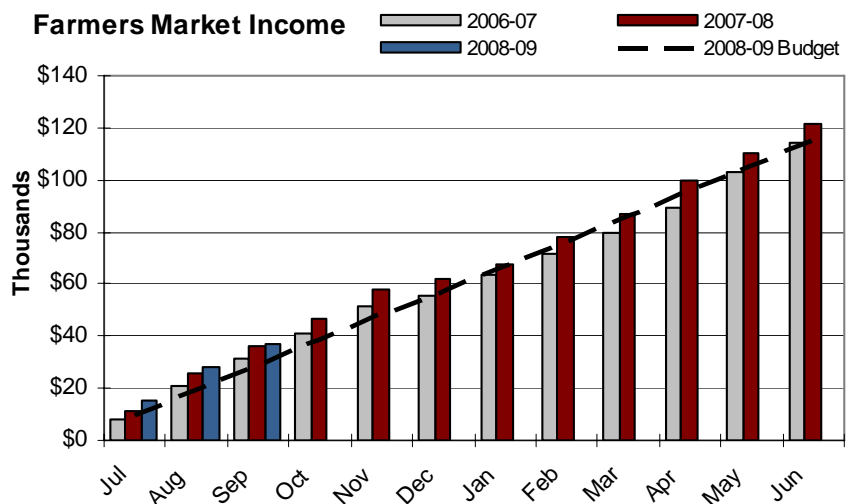
	2006-07	2007-08	2008-09
Jul	91,770	-	209,487
Aug	128,562	-	323,733
Sep	163,466	248,471	201,622
Oct	94,202	125,539	-
Nov	20,343	1,786	-
Dec	128,939	1,786	-
Jan	137,587	112,184	-
Feb	153,384	182,126	-
Mar	147,478	1,786	-
Apr	47,719	-	-
May	66,962	3,572	-
Jun	506,545	196,961	-
TOTAL	1,686,957	874,211	734,842
Adj. Budget	800,000	1,200,000	1,300,000



POSITIVE

Despite falling short of budget projections in FY 2007-08 (due to a number of factors, including lack of quality product and increased property tax assessment), **Pacific Theater rebounded in the first quarter of FY 2008-09 aided by a number of blockbuster movies (e.g. Batman, Iron Man, Indiana Jones, Hulk, etc.).** Although the Theaters did very well in the first quarter, there is a lag in receipts of a few months. The continually weakening economy may have a negative impact on theater receipts through the remainder of the fiscal year. Staff will continue to monitor the performance of the theater and provide that information to the Agency Board.

	2006-07	2007-08	2008-09
Jul	\$ 7,896	\$ 11,234	\$ 15,220
Aug	13,160	14,155	12,581
Sep	10,087	10,426	8,843
Oct	9,773	10,461	-
Nov	10,806	11,378	-
Dec	3,918	4,522	-
Jan	7,713	5,118	-
Feb	7,894	10,472	-
Mar	8,694	9,330	-
Apr	9,755	12,579	-
May	13,139	10,919	-
Jun	11,573	11,100	-
TOTAL	\$ 114,408	\$ 121,694	\$ 36,644
Adj Budget	100,000	105,000	115,000



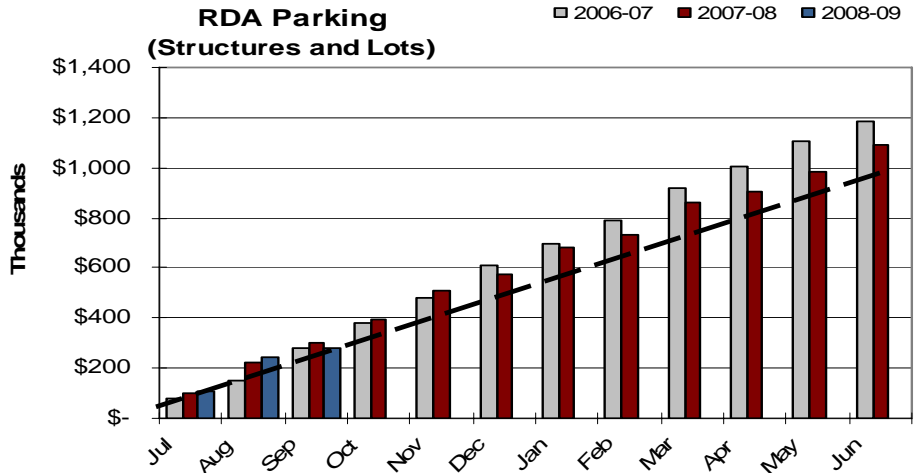
POSITIVE

Through the first quarter, Farmers' Market receipts exceeded budget projections by almost 28% (\$7,800). The Farmers' Market continues to be a popular and successful downtown event.

Unrestricted Funds Revenue Analysis (continued):

OTHER REVENUE SOURCES (cont.): Fiscal 2006-07 vs Fiscal 2007-08 (cumulative)

	2006-07	2007-08	2008-09
Jul	\$ 75,728	\$ 101,177	\$ 105,496
Aug	78,021	121,649	139,479
Sep	127,398	76,377	32,109
Oct	101,623	92,723	-
Nov	101,395	116,765	-
Dec	124,093	67,513	-
Jan	90,620	108,650	-
Feb	93,334	46,103	-
Mar	127,719	129,622	-
Apr	82,842	43,353	-
May	104,235	80,256	-
Jun	77,747	106,047	-
TOTAL	\$ 1,184,755	\$1,090,235	\$ 277,084
Adj Budget	832,000	943,120	977,620



POSITIVE

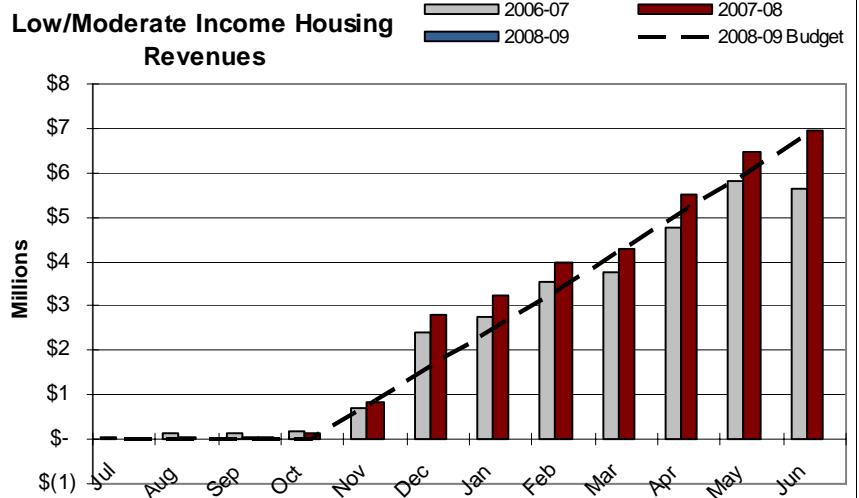
Through the first quarter, parking revenues exceeded budget projections by a little more than 13% (\$32,680) due primarily to strong film parking revenues. Actual receipts from film parking in the first quarter (\$54,576) have already exceeded the budget projection for the year (\$50,000 projected) and well outpaced film parking receipts through the first quarter of last year by almost \$34,000 (162%). Barring any significant strikes (e.g. SAG), film parking revenues are expected to remain strong.

OTHER NOTES:

LOW/MODERATE INCOME HOUSING FUND ANALYSIS:

HOUSING FUND: Revenues and Expenditures (cumulative)

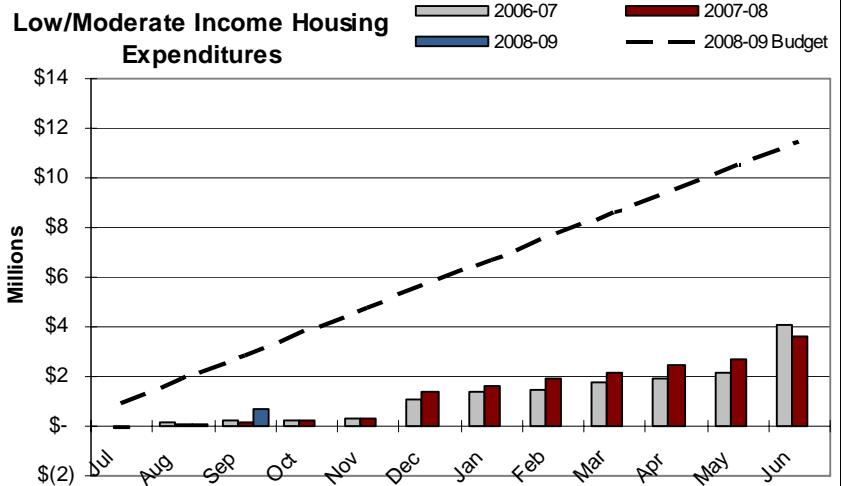
	2006-07	2007-08	2008-09
Jul	\$ 52,839	\$ 6,332	\$ (6,882)
Aug	71,101	33,466	19,162
Sep	18,974	21,952	41,097
Oct	27,025	87,573	-
Nov	514,441	705,449	-
Dec	1,707,662	1,939,384	-
Jan	344,616	422,836	-
Feb	802,183	747,414	-
Mar	212,713	338,554	-
Apr	1,011,680	1,194,032	-
May	1,049,063	960,582	-
Jun	(170,393)	478,963	-
TOT Y-T-D	5,641,904	6,936,537	53,377
Adj Budget	\$ 5,166,000	\$ 6,865,000	\$ 6,943,000



REVENUES — The Low/moderate Income Housing funds primary revenue source is tax increment housing set aside funds, which the Agency begins collecting in November. Therefore, **there is very little activity to report.** The only revenues received in the first quarter is interest income.

EXPENDITURES — There was not much activity in the housing fund in the first quarter. The primary expenditures were on Rental Assistant Program Grants (about \$20,000 per month) and administrative charges. The Housing Division is working toward identifying development opportunities for low/moderate income housing projects. Approximately \$6 million is budgeted in 2008-09 for implementation/construction of low/moderate income housing projects.

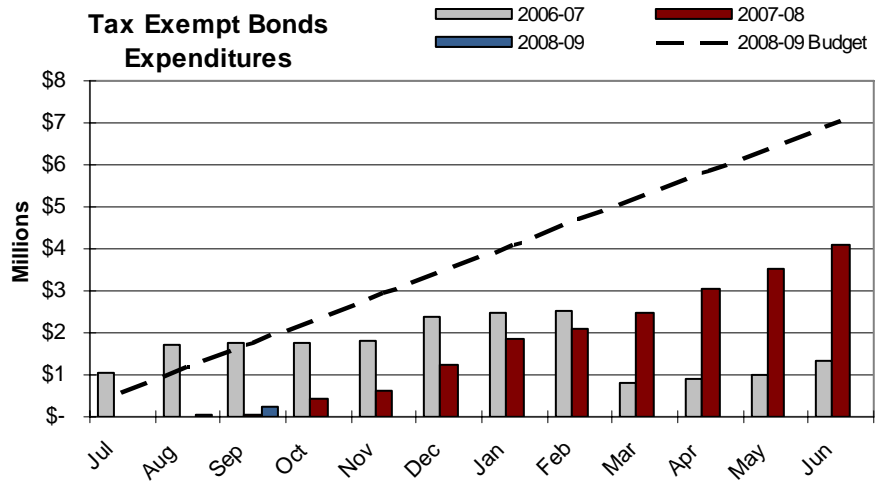
	2006-07	2007-08	2008-09
Jul	\$ 25,943	\$ (52,060)	\$ 31,277
Aug	136,033	114,800	37,276
Sep	57,686	87,763	609,316
Oct	(15,895)	82,561	-
Nov	90,339	52,196	-
Dec	791,918	1,114,943	-
Jan	279,861	234,455	-
Feb	112,394	290,272	-
Mar	266,838	238,400	-
Apr	153,937	284,597	-
May	250,670	280,090	-
Jun	1,930,740	915,689	-
TOT Y-T-D	4,080,464	3,643,706	677,869
Adj Budget	\$ 13,813,454	\$ 12,330,046	\$ 11,481,422



TAX EXEMPT BOND FUNDS

FISCAL YEAR TO DATE: (cumulative)

	2006-07	2007-08	2008-09
Jul	\$1,048,465	\$ -	\$ -
Aug	655,910	-	37,323
Sep	57,845	40,031	182,198
Oct	12,076	397,032	-
Nov	57,834	161,740	-
Dec	548,342	642,128	-
Jan	110,054	639,181	-
Feb	27,131	237,320	-
Mar	(1,697,158)	356,464	-
Apr	94,006	574,914	-
May	94,341	462,252	-
Jun	307,535	600,315	-
TOT Y-T-D	1,316,381	4,111,377	219,521
Adj Budget	\$9,885,012	\$8,019,086	\$7,037,793



REVENUES — Tax exempt bond fund revenue is primarily interest income earned on the fund balance. \$800,000 in interest income is budgeted in FY 2008-09; \$80,000 has been earned to date. As investments mature at different times throughout the year, interest income is recognized.

EXPENDITURES — There was not a lot of expenditure activity in the first quarter. The Tax Exempt Bond expenditures in the first quarter were related to demolition expenses in the Washington/National triangle and continuing construction costs for Fire Station #3.

NOTE: Tax exempt bond funds are restricted and can only be used for public improvements and public infrastructure. Bond funded projects are often similar to Capital Improvement Projects as they are typically larger projects that may take more than one fiscal year to complete. Typically, the entire project budget is allocated in the first year and any unspent bond funds are typically carried over to the following year.

CURRENT BOND FUNDED PROJECTS

	Total Budget	Total Bond Funding	Bond Funds Expended to Date	Estimated Completion
1. Fire Station #3* (93700)	\$6,527,000	\$3,000,000	\$2,287,793	Dec. 2008
2. Town Plaza (93400)	\$3,100,000	\$3,100,000	\$300,000	FY 2009-10

All of the current bond funded projects have been completed or are scheduled for completion in FY 2008-09. In the FY 2008-09 and FY 2009-10 budget process, most of the remaining \$20 million in bond funds has been allocated for various public improvement projects, including the General Plan update, parking improvements, area improvement plans on Washington Blvd and Sepulveda Blvd, and contributions toward the EXPO light rail project. Through the first quarter, there have been no expenditures related to newly allocated money. As those projects become active, they will be added to the current bond funded projects table above.

*The total budget for Fire Station #3 includes \$3 million in Agency Bond funding and \$3.5 million in City funding.