

# THE REDEVELOPMENT AGENCY OF THE CITY OF SAN JOSE

## MEMORANDUM

TO: PUBLIC SAFETY, FINANCE AND STRATEGIC SUPPORT COMMITTEE	FROM: HARRY S. MAVROGENES EXECUTIVE DIRECTOR
SUBJECT: SEE BELOW	DATE: JUNE 6, 2008

SUBJECT: CASH FLOW PROJECTION – APRIL 2008

### RECOMMENDATION

Accept the Cash Flow Projection for April 2008.

### BACKGROUND

The attached Cash Flow Projection is a forecast of expected cash receipts and payments for FY 2007-2008. This document is also used by the City's Finance Treasury Division to facilitate its investment decisions in investing the Agency's money sent to the City's Cash and Investment Pool. These projections are subject to change due to internal and external circumstances, such as changing economic conditions, which may affect revenues and/or expenditures.

The figures in the Cash Flow Projection can be expected to differ from the figures in the Adopted Budget. For example, the total on the Capital Projects Expenditure line item in the Cash Flow Projection will not equal the total of the Capital Expenditures in the Adopted Budget. These figures differ because the capital budget primarily tracks encumbrances (commitments) rather than cash payments. The budget shows the full amount of a contract in the year awarded while the Cash Flow Projection shows payments made over the life of the contract. This difference is especially pronounced in the Redevelopment Agency, where many projects extend beyond a single fiscal year.

In addition, the figures in the actual columns of the Cash Flow Projection differ from the financial statements due to the method of recognizing revenues and expenditures. The actual figures reported in the Cash Flow Projections are actual cash transactions, whereas the financial statements are based on accrual method of accounting whereby revenues and expenditures are recognized when earned and incurred regardless of timing of receipts and disbursements.

The Cash Flow Projection covers a period of one fiscal year. Because much of the information is dependent upon timing of contract awards, bond issues, and other unscheduled events, the projection is subject to change, particularly in the later months of the fiscal year. For the purpose of guiding the City's Treasury Division on investments, the earlier months of the projection provide the most pertinent information.

## ANALYSIS

### APRIL 2008 ACTIVITY

The Agency's cash balance increased by a net amount of \$12.3 million in April 2008, ending the month at \$151.3 million.

Cash receipts include \$51.7 million in tax increments; \$13.8 million returned from bond trustee; \$1.5 million in interest income; \$363,000 in supplemental assessments; and \$409,000 in miscellaneous income.

Cash disbursements include \$34.6 million transferred to fiscal agent for future debt service; \$10.3 million for the 20% Housing set-aside fund; \$6.2 million for capital project expenditures; \$1.9 million representing administrative fees paid to the County of Santa Clara; \$985,000 for capital direct and indirect operating costs; \$622,000 in general operating costs; \$469,000 for AB1290 pass-through; \$274,000 for HUD loan interest; and \$162,000 for letters of credit/ fiscal agent fees.

Major capital project cash expenditures include \$2.2 million paid to Pacific Properties, III per Owner Participation Agreement in connection with seismic retrofit, historic renovation and off-site improvements at the Sainte Claire building located at 301 S. 1<sup>st</sup> Street; \$1.7 million for the acquisition of property located at 96 South Almaden (Plaza Hotel) for future development; and \$734,000 transferred to the City per Cooperation Agreements for various projects including \$175,000 for the Phase II funding of the SNI Multi-Family Housing Improvement Program and \$125,000 for the 2<sup>nd</sup> semi-annual reimbursement of the City of San Jose's contribution to the Neighborhood Housing Services of Silicon Valley's first-time homebuyer program and a volunteer paint program within Strong Neighborhood Initiative Areas.

COORDINATION

This report has been coordinated with the Agency's General Counsel.



HARRY S. MAVROGENES  
Executive Director

Attachment

REDEVELOPMENT AGENCY OF THE CITY OF SAN JOSE

Cash Flow Projections for Fiscal Year 2007-2008

Cash and Investment - Unrestricted

(Dollars Expressed in Thousands)

	ACTUAL										FORECAST		Total
	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	
<b>CASH AND INVESTMENTS:</b>													
Beginning Balance	\$ 76,785	\$ 54,941	\$ 41,149	\$ 34,540	\$ 29,083	\$ 169,772	\$ 204,281	\$ 159,566	\$ 145,111	\$ 139,001	\$ 151,315	\$ 153,385	
<b>Cash Receipts - Sources</b>													
Tax Increments	-	-	-	-	16,957	51,720	21,232	-	16,957	51,687	-	20,769	179,322
Supplemental Assessments	297	481	53	74	228	550	1,572	15	98	363	1,080	-	4,811
Interest Income	7	482	28	980	357	97	1,090	114	11	1,546	852	256	5,820
Bond Issue (Net)	-	-	-	-	200,000	-	-	-	-	-	-	-	200,000
Return from bond trustee	-	-	-	-	-	-	-	-	-	13,812	7,231	16,899	37,942
Grant	-	-	127	-	-	197	1,000	13	-	-	-	-	1,337
Blake Hunt Venture Parcel 1 - Story & King	-	-	-	-	1,400	-	-	-	-	-	-	-	1,400
Profit & Revenue Sharing with Developers	190	-	-	500	-	4,991	-	-	-	-	25	-	5,706
New Century Commons Note Payoff	-	-	-	-	-	2,000	-	-	-	-	-	-	2,000
101 San Fernando Refinance	-	550	-	-	-	-	-	-	-	-	-	-	550
Other	359	2,559	227	618	1,189	282	511	1,150	933	409	456	409	9,102
<b>Total Cash Receipts</b>	<b>852</b>	<b>4,072</b>	<b>435</b>	<b>2,172</b>	<b>220,131</b>	<b>59,838</b>	<b>25,405</b>	<b>1,292</b>	<b>17,999</b>	<b>67,818</b>	<b>9,644</b>	<b>38,333</b>	<b>447,991</b>
<b>Cash Payments - Uses</b>													
Capital Project Expenditures	8,121	4,402	4,774	5,418	3,006	4,045	9,697	5,428	3,200	6,213	5,086	6,000	65,390
Capital Direct Operating Costs	563	856	570	542	532	584	557	855	550	555	643	1,656	8,462
Capital Indirect Operating Costs	355	510	382	399	380	400	481	482	444	430	232	875	5,369
General Operating Costs	805	197	999	734	748	601	762	748	674	622	469	464	7,822
Transfer To Housing - 20% Tax Increment	-	96	11	15	3,391	10,454	4,561	3	3,411	10,337	216	4,225	36,720
Transfer To Fiscal Agent for Debt Service (Union Bank)	-	-	-	-	14,097	6,965	53,277	-	13,577	34,561	864	16,899	140,241
Transfer To Fiscal Agent for Debt Service (US Bank)	4,530	-	-	-	-	2,275	-	-	-	-	-	-	6,805
Convention Center Bonds (US Bank)	-	10,121	-	-	-	-	-	3,841	-	-	-	-	13,962
CSJ-4th St. Garage Bonds (Wells Fargo)	-	1,682	-	-	-	-	-	1,682	-	-	-	-	3,363
State of CA - ERAF Loan Repayment	-	-	-	-	2,247	-	-	-	2,247	-	-	-	4,495
HUD 108 Loan Interest/ Principal Payment	740	-	-	489	-	-	448	-	-	274	-	-	1,951
AB 1290 Pass-Through	-	-	-	-	-	-	-	-	-	469	-	-	469
Letters of Credit/ Fiscal Agent Fees	24	-	310	31	4	6	335	15	6	162	65	70	1,026
Arena Pass-Through	-	-	-	-	341	-	-	-	-	-	-	-	341
County Delegated (20% of Net Bond proceeds)	59	-	-	-	40,000	-	-	-	-	-	-	-	40,059
County Settlement	7,500	-	-	-	-	-	-	-	-	-	-	-	7,500
County Pass-through	-	-	-	-	14,695	-	-	2,694	-	-	-	-	17,389
County Administration Fee	-	-	-	-	-	-	-	-	-	1,883	-	-	1,883
<b>Total Cash Payments</b>	<b>22,697</b>	<b>17,863</b>	<b>7,045</b>	<b>7,629</b>	<b>79,442</b>	<b>25,329</b>	<b>70,120</b>	<b>15,746</b>	<b>24,109</b>	<b>55,504</b>	<b>7,575</b>	<b>30,188</b>	<b>363,246</b>
<b>Monthly Activity - Net</b>	<b>(21,844)</b>	<b>(13,791)</b>	<b>(6,609)</b>	<b>(5,457)</b>	<b>140,689</b>	<b>34,509</b>	<b>(44,715)</b>	<b>(14,455)</b>	<b>(6,110)</b>	<b>12,314</b>	<b>2,070</b>	<b>8,145</b>	
<b>Ending Balance</b>	<b>\$ 54,941</b>	<b>\$ 41,149</b>	<b>\$ 34,540</b>	<b>\$ 29,083</b>	<b>\$ 169,772</b>	<b>\$ 204,281</b>	<b>\$ 159,566</b>	<b>\$ 145,111</b>	<b>\$ 139,001</b>	<b>\$ 151,315</b>	<b>\$ 153,385</b>	<b>\$ 161,530</b>	