



RON GALPERIN
CONTROLLER

March 2, 2020

Honorable Mayor Eric Garcetti
Honorable Members of the City Council

Re: Revenue Forecast Report

Each year, in accordance with City Charter Section 311(c), my office submits a Revenue Forecast Report, which includes information gleaned from City departments, recent regional economic reports and meetings with local economists. This report covers updated revenue estimates for the remainder of the current fiscal year — ending June 30, 2020 — and projections for fiscal year 2021. Although forecasts inherently involve some uncertainty, this report offers our best estimates based on the available information and seeks to promote responsible budgeting in the year ahead.

The City's adopted budget this fiscal year totals \$10.71 billion. Two-thirds of that, or \$6.57 billion, is comprised of General Fund revenues, while the balance, \$4.14 billion, comes from hundreds of special purpose funds. Our updated estimate of General Fund receipts for the current fiscal year is \$6.61 billion, slightly higher than the budgeted amount and a six percent increase over the last fiscal year. Revenues from property and cannabis business taxes are higher than expected, but will be offset by projected shortfalls in telephone users tax and transient occupancy tax (TOT) receipts.

The cannabis industry is projected to remit \$84 million in business taxes to Los Angeles this year, in addition to \$30 million in related sales tax receipts and \$14 million from cannabis permit fees. These amounts should continue to expand if the City is able to move forward more expediently in its efforts to permit new cannabis businesses and better enforce against illegal sales.

For fiscal year 2021, General Fund receipts are projected to be \$6.82 billion, 3.2 percent more than the current year. The revenues driving the current year's growth should continue to increase, but be partially offset again by the telephone users tax, which has dropped by 50 percent over the last decade.

Concerns to consider

The report also raises a number of concerns, the most pressing of which is the high likelihood that revenue growth will be eclipsed by climbing expenditures this year due to the increased cost of employee salaries and benefits. Short-term fixes and small adjustments can bolster the City's bottom line now, but any unanticipated economic stress in the future would put L.A. in a far more precarious financial situation. The City's reliance on economically sensitive revenue sources to fund neighborhood services underscores this worry.

Additionally, due to the roll-out of the City's home-sharing ordinance enforcement, listings across all hosting platforms in Los Angeles have decreased by approximately 49 percent. While it is too early to fully anticipate the impacts to TOT revenue, it is necessary for the City to closely monitor TOT receipts as there could be future negative impacts to TOT revenue growth.

Special fund revenue growth

My report also raises the issue of special purpose funds, as detailed in our 2019 [report](#). This fiscal year, special fund revenue is estimated to be \$3.20 billion, \$347 million higher than last year, spurred by large increases in Sewer Service Charges, Stormwater Pollution Abatement Charges and Street Damage Restoration Fees (SDRF). For fiscal year 2021, we project that special fund revenue will continue to grow by \$143 million to \$3.34 billion overall, led by Proposition A and Gas Tax revenues.

The SDRF Fund was the subject of a 2014 audit by my office. Because of fee changes accomplished through our partnership with the City Council, SDRF receipts are projected to grow from a historical average of less than \$10 million to \$54 million this year.

Overall, special fund receipts have increased faster than General Fund receipts in recent years, giving the City an opportunity to address some of its most pressing priorities using special funds. My office will continue to work with the Mayor and City Council to help the City better manage these funds and bring more of them into the yearly budget process.

While we project overall revenue growth for the City in the coming year, spending increases are certain. The City must exercise budgetary restraint to ensure that Angelenos receive the services they demand and deserve.

Explore the Revenue Forecast Report online at lacontroller.org/revenueforecast2021.

Sincerely,



RON GALPERIN
L.A. Controller

cc: Sharon M. Tso, Chief Legislative Analyst
Richard H. Llewellyn, City Administrative Officer

REVENUE FORECAST REPORT

CITY OF LOS ANGELES



RON GALPERIN
LA CONTROLLER

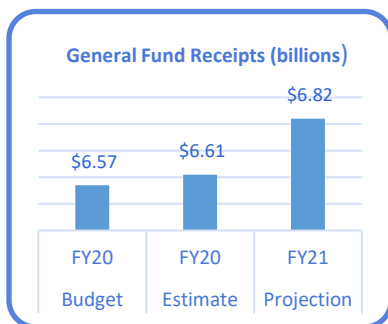
SUMMARY

This Revenue Forecast Report for the City of Los Angeles provides revenue estimates for fiscal years 2019-20 and 2020-21 in advance of the upcoming budget process. Also included are the estimated requirements for debt service and General Fund cash flow borrowing. The Forecast is issued pursuant to the Controller's City Charter mandate to monitor and report on all matters relating to the City's fiscal health, to keep the City's official financial records, and to supervise City expenditures.

An online interactive tool for exploring the Forecast, with 10 years of data, may be found at lacontroller.org/revenueforecast2021. Open data for all City financials is available online at ControlPanelLA (ControllerData.LACity.org), including regularly-updated information on General and Special Fund revenues.

Financial Outlook

According to the UCLA Anderson Forecast's December 2019 report, the national economy is expected to continue the 2% rate of growth through this year and next. California is currently growing at approximately 2.6% annually. The unemployment rate has fallen to 3.9%, a rate generally considered at or close to full employment. Unemployment within the City of Los Angeles is not as low as the statewide figure, but that rate continues to fall as well. Real personal income growth is forecasted to be 2.1% and 1.9% in 2020 and 2021. Los Angeles County will likely continue its long-term shift from production-based industries like manufacturing to service-based industries, with major growth in professional business services, health care and hospitality. Major investments in public transit systems will continue to support strong economic growth, although any lack of near-term mitigation of housing prices and the homelessness crisis may limit what is otherwise likely to be strong output and wage growth.



With this environment and assumptions in mind, we currently estimate 2019-20 General Fund revenues to be \$6.61 billion, 0.7 percent above the \$6.57 billion 2019-20 Adopted Budget and 6.0 percent greater than the prior year. Total 2020-21 General Fund revenues are projected to be \$6.82 billion, \$210 million (3.2 percent) more than the 2019-20 estimates.

Debt

The estimated City debt service requirement, excluding the Tax and Revenue Anticipation Notes (the TRAN), is \$587 million for 2020-21, which is \$39 million less than required in the current year. A total of \$129 million of this amount is for principal and interest payments on the City's \$901 million in outstanding General Obligation Bonds (GOBs). The remaining debt service covers the Municipal Improvement Corporation of Los Angeles (MICLA); Wastewater, Solid Waste Resources, Site-Specific Tax Districts, and Judgment Obligation Bonds.

In total, debt service is projected to be 4.96 percent of projected 2020-21 General Fund receipts, well under the 15 percent limit set by the City's Debt Policy.

General Fund Cash Flow

Annually, the Controller estimates an amount of borrowing needed to meet City short-term cash flow requirements in the first half of the next fiscal year. Based on revenue and expenditure patterns, the likely cash flow borrowing required in 2020-21 is between \$450 million and \$500 million.

In addition to the TRAN, the Controller is authorized to enter into short-term borrowing from the Reserve Fund when cash flow is needed. However, this can cause concern when the Reserve Fund balance is close to the five percent target set by the City's financial policies. In order to balance this concern against cash flow needs and legal caps on the TRAN, the Controller will work closely with the City Administrative Officer to determine the most appropriate amount to borrow, and to explore alternatives to the TRAN, including internal sources of funds.

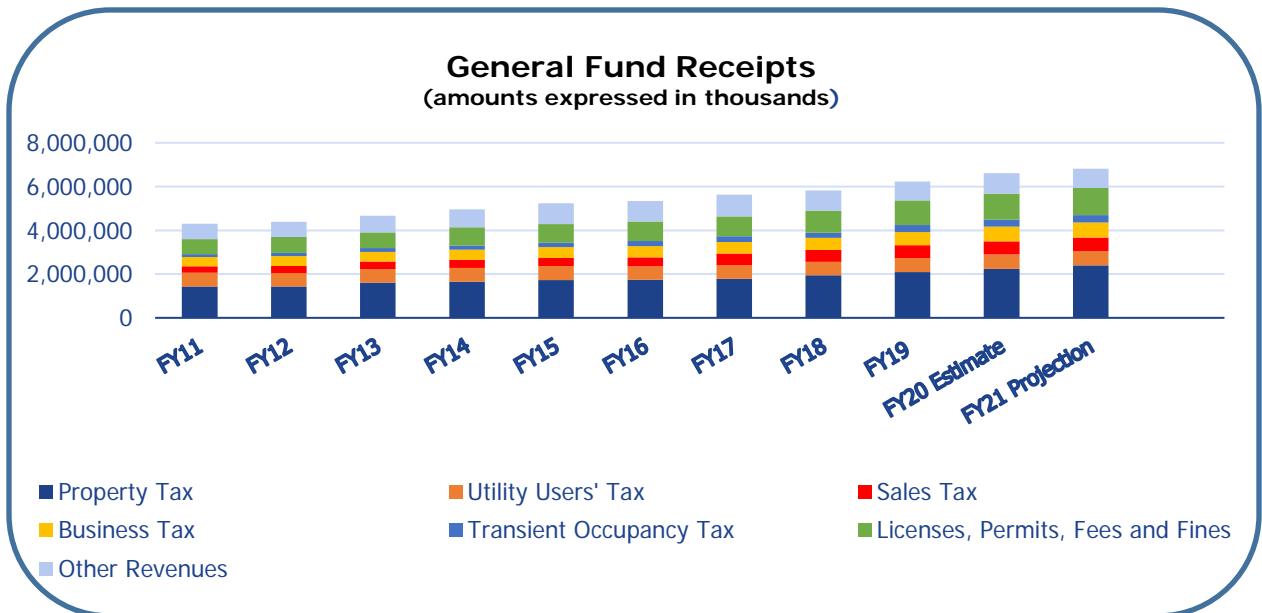
DISCUSSION

Revenue Projections for 2019-20 and 2020-21

EXHIBIT 1 TOTAL GENERAL FUND REVENUE (dollar amounts expressed in thousands)

Controller's March 1, 2020				
Estimated Receipts			% Change	
2019-20 Adopted Budget	2019-20 Estimate	2020-21 Estimate	2019-20 Estimate/ 2019-20 Budget	2020-21 Projected/ 2019-20 Estimate
(a)	(b)	(c)	(b) / (a)	(c) / (b)
\$ 6,569,749	\$ 6,612,621	\$ 6,822,139	0.65%	3.17%

The City's General Fund revenue comes from a wide variety of sources, the largest of which is property tax, which represents just under one third of all General Fund revenue. Other major revenue sources include utility users' tax, sales tax, business tax, transient occupancy tax, the power revenue transfer, documentary transfer tax, and licenses, permits, fees and fines. The chart below illustrates this diversity.



The City is estimated to realize General Fund revenues in the current fiscal year of approximately \$6.61 billion. This is \$43 million (0.65 percent) above the \$6.57 billion 2019-20 Adopted Budget, and \$376 million (6.0 percent) more than the \$6.24 billion generated in 2018-19.

Total 2020-21 General Fund revenues are projected to be \$6.82 billion, an increase of \$210 million (3.2 percent) over 2019-20 estimates. It should be noted that the estimate does not include discretionary transfers from the Reserve Fund or other funds which may be identified during the budget process.

This Office based these estimates on information received from departments, consultation with local economic experts and academics, and historical as well as recent trends.

The complete list of estimated City receipts for 2019-20 and 2020-21 is contained in Schedule 1 (page 20 of this report).

Economy-Sensitive General Fund Revenues

The seven major revenue sources considered “Economy-Sensitive” include property tax, utility users’ tax, business tax, sales tax, transient occupancy tax, documentary transfer tax, and parking users’ tax. Together, they represent more than 70 percent of General Fund revenues.

Exhibit 2 presents the City’s economy-sensitive General Fund receipts in the 2019-20 Adopted Budget, and the Controller’s estimates for 2019-20 and 2020-21.

EXHIBIT 2

GENERAL FUND ECONOMY-SENSITIVE REVENUES (dollar amounts expressed in thousands)

Tax Receipts	Adopted Budget 2019-20 (a)	Controller's March 1, 2020 Estimated Receipts		% Change over 2019-20 Adopted Budget	
		2019-20 (b)	2020-21 (c)	2019-20 (b) / (a)	2020-21 (c) / (a)
		Property	\$ 2,115,611	\$ 2,151,292	\$ 2,301,647
Utility Users'	652,165	657,297	644,656	0.79%	-1.15%
Business	657,150	664,306	689,992	1.09%	5.00%
Sales	589,790	604,188	626,543	2.44%	6.23%
Transient Occupancy	326,620	320,917	331,969	-1.75%	1.64%
Documentary Transfer	211,960	219,682	224,076	3.64%	5.72%
Parking Users'	121,900	123,093	126,617	0.98%	3.87%
Total Economy-Sensitive Revenues	\$ 4,675,196	\$ 4,740,775	\$ 4,945,500	1.40%	5.78%

Note: Property Tax revenue excludes Ex-CRA Property Tax Increment receipts.

General Fund economy-sensitive revenues are estimated to increase in 2020-21 by 5.8 percent over the 2019-20 Adopted Budget. Exhibit 3 presents explanations of the estimates of General Fund economy-sensitive revenues for 2019-20 and 2020-21.

EXHIBIT 3

**GENERAL FUND ECONOMY-SENSITIVE REVENUES
YEAR-TO-YEAR CHANGES
(All graphs presented in thousands)**

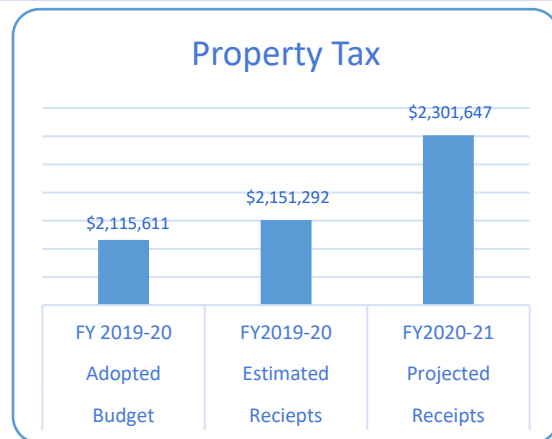
Property Tax

• Fiscal Year 2019-20

Total property tax receipts are estimated \$2.15 billion which is \$35.7 million (1.7%) above the budgeted amount, mainly due to higher than anticipated current secured property tax revenue.

• Fiscal Year 2020-21

Total property tax receipts are projected to increase by \$150.4 million (7.0%) and reach \$2.30 billion.



Utility Users' Tax (Electrical, Telephone, and Gas)

• Fiscal Year 2019-20

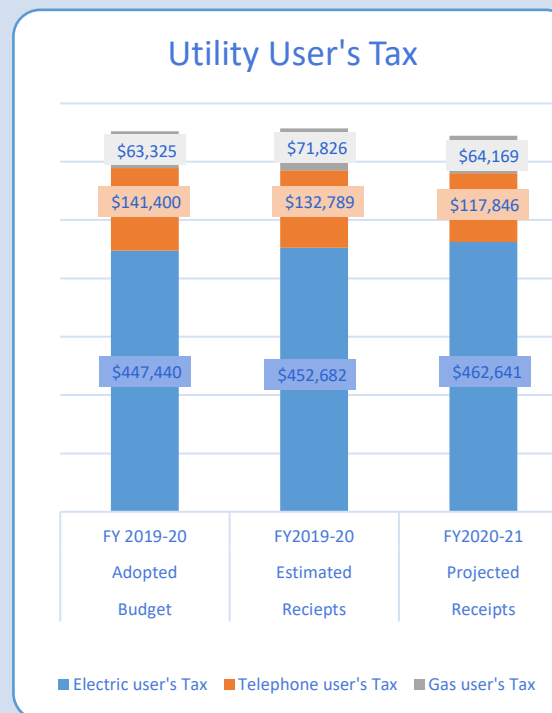
Electric users' tax receipts are estimated to be \$453 million based on year-to-date collection trend, reflecting the approved rate increase.

Telephone users' tax receipts are estimated to be \$133 million based on average 3 years collection trend. Gas users' tax receipts are estimated to be \$72 million based on collection to date, and reduced by \$1.9 million Lavinsky case payment.

• Fiscal Year 2020-21

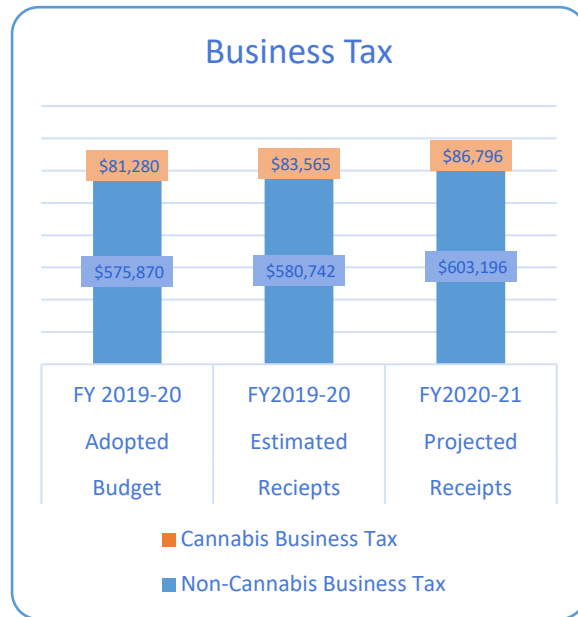
Electric users' tax receipts are estimated to be \$463 million, 2.2% increase due to DWP Retail Rate Change.

Telephone users' tax receipts are estimated to be \$118 million based on average 3 years collection trend. Gas users' tax receipts are estimated to be \$64 million at current year's level, reduced by \$7.7 million Lavinsky case payment.



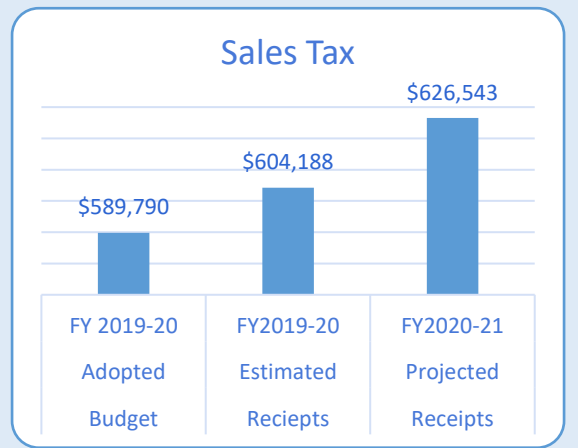
Business Tax

- Fiscal Year 2019-20**
 Non Cannabis Business tax receipts are estimated to be \$581 million based on average 3 years February-June change, an increase of 3.78%. Cannabis Business Tax is estimated to be \$84 million based on year-to-date collection trend.
- Fiscal Year 2020-21**
 Non Cannabis Business tax receipts are estimated to be \$603 million assuming an increase of 3.87%, average 3 years annual increase. Cannabis Business Tax is estimated to be \$87 million based on the same assumption as above.



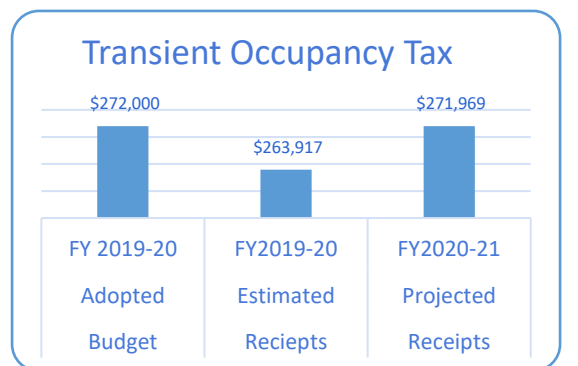
Sales Tax

- Fiscal Year 2019-20**
 Sales and use taxes are estimated to be \$604 million based on actual year-to-date receipts and a 3% increase of fiscal year 2018-19 Mar-Jun receipts, per UCLA taxable sales forecast.
- Fiscal Year 2020-21**
 Sales and use taxes are projected to be at \$627 million, a 3.7% increase over 2019-20 estimated receipts, per UCLA taxable sales forecast.



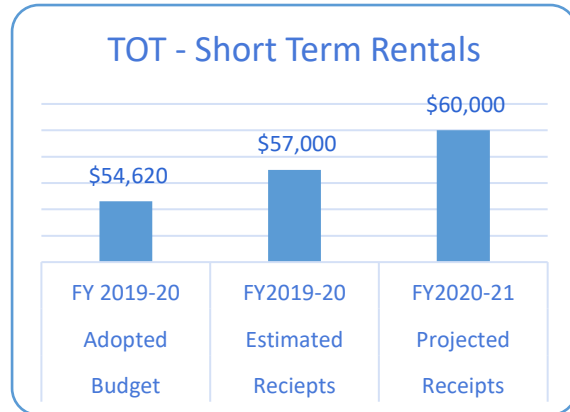
Transient Occupancy Tax (TOT) - Hotels

- Fiscal Year 2019-20**
 Current Year estimate of \$264 million is based on year-to-date collection trend, which reflects 3.05% growth from 2018-19.
- Fiscal Year 2020-21**
 \$272 million projection is based on the same 3.05% growth rate from estimated 2019-20.



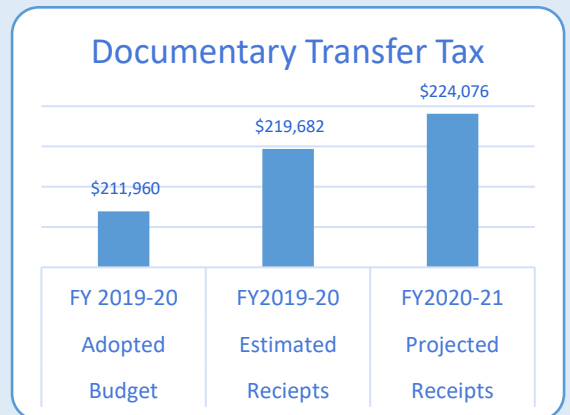
TOT – Short-term Rentals

- Fiscal Year 2019-20**
 \$57 million estimate is based year-to-date collection trend, reduced by 20.27% for the second half of the fiscal year due to Home Sharing Policy enforcement.
- Fiscal Year 2020-21**
 Projected \$60 million assumes the same 3.05% growth from estimated 2019-20 as the regular TOT growth rate.



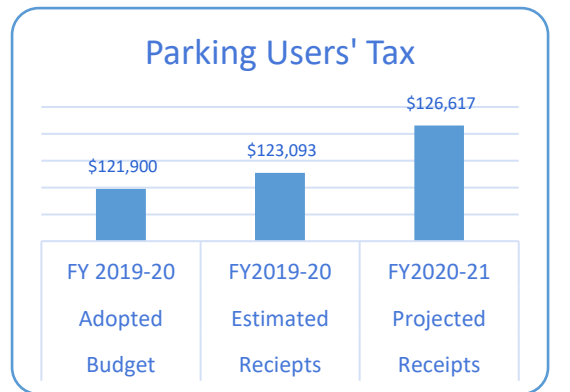
Documentary Transfer Tax

- Fiscal Year 2019-20**
 Current year \$220 million estimate is based on year-to-date collection trend.
- Fiscal Year 2020-21**
 \$224 million projection assumes 2% growth over 2019-20.



Parking Users' Tax

- Fiscal Year 2019-20**
 The estimated receipts of \$123 million is based on year-to-date collection trend.
- Fiscal Year 2020-21**
 The projected \$127 million is based on 2.9% 3 year average increase of 2019-20 estimated receipts.

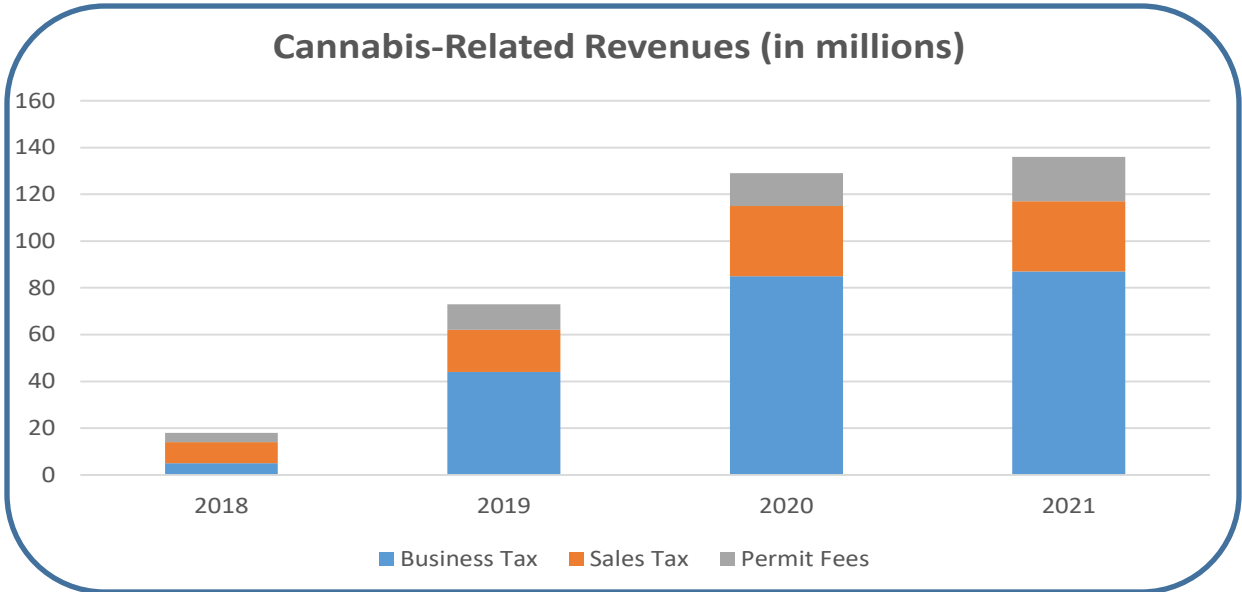


Spotlight On: Cannabis-Related Revenues

Beginning with the statewide passage of Proposition 64 in November 2016, the City worked to establish a regulatory and taxation framework around legal adult-use cannabis businesses, including retail storefronts and delivery services as well as cultivation and processing parts of the supply chain. In 2017 the Department of Cannabis Regulation (DCR) was created, and permit fees were established.

Cannabis business activity provides three direct sources of revenue to the City: business tax, sales tax, and permit fees. Business and sales tax receipts are deposited as General Fund revenue, while permit fees are deposited into the City's Cannabis Regulation Trust Fund to pay for DCR operations.

The graph below shows the progression of actual City revenues relating to legal cannabis business activity for fiscal years 2018 and 2019, along with projected receipts for 2020 and 2021.



The current year estimate is based largely on the significant increase in cannabis business tax receipts which began in the second half of the prior fiscal year but has accelerated in fiscal year 2020. 2021 revenues are harder to project, due largely to uncertainty about DCR's Social Equity program, which is the next available venue for significant expansion of these revenues. For purposes of projection, we have assumed only natural economic growth over the 2020 estimate, not an expansion of permitted businesses.

Licenses, Permits, Fees and Fines

For purposes of analysis, Licenses, Permits, Fees and Fines (LPFF) revenues, which represents 19 percent of the Adopted Budget General Fund receipts, are broken into four sub-categories: LPFF, Services to Proprietary Departments, Ambulance Billing, and Reimbursements from Other Funds.

City department services to proprietary departments, such as fire protection, construction inspection, and City Attorney legal services for Airports, Water and Power, and Harbor make up the "Services to Proprietary Departments" category. The "Reimbursement from Other Funds" category consists of special fund reimbursements for costs that are paid for by the General Fund for central services such as payroll, leasing and fleet, and fringe benefits such as health insurance and retirement, as well as reimbursements to the City from other governmental agencies such as Metro and LAUSD, for services like policing and election administration. Ambulance Billing represents cost recovery for emergency transport provided by the Fire Department. The remaining revenues consist of fees for special services such as animal licenses, engineering permits, fire brush clearance fees, as well as numerous other smaller revenues.

Exhibit 4 presents the budgeted and estimated 2019-20 and projected 2020-21 LPFF revenues by category.

EXHIBIT 4

LICENSES, PERMITS, FEES AND FINES (amounts expressed in thousands)

	Adopted Budget	Controller March 1, 2020 Estimated Receipts	
		FY 2019-20	FY 2020-21
Licenses, Permits, Fees and Fines	\$ 287,818	\$ 294,240	\$ 294,521
Emergency Ambulance	94,523	90,482	90,000
Services to Proprietary Departments	185,711	175,443	191,657
Reimbursement from Other Funds	658,830	633,692	664,556
Total Licenses, Permits, Fees and Fines	\$ 1,226,882	\$ 1,193,857	\$ 1,240,734

In 2019-20, total LPFF is estimated to \$1.19 billion or \$33 million below budget. The shortfall is largely due to reduced related costs reimbursements for various departments such as Housing and Community Investment and Building and Safety, attributable to staff vacancies, and services to proprietary departments. The 2020-21 LPFF, projected to \$1.24 billion, which is 3.9% above 2019-20 estimated actual and 1.1% above the 2019-20 Adopted Budget.

Other Significant Revenues

Exhibit 5 depicts other revenues such as Franchise Income, Parking Fines, Power Revenue Transfer, and Ex-CRA Tax Increment. The revenue estimates are provided by various departments responsible for administration of the program(s) and/or collection and transmittal of the receipts to the General Fund.

EXHIBIT 5

OTHER SIGNIFICANT REVENUES (amounts expressed in thousands)

	Adopted Budget		Estimated Receipts		% Change over 2019-20	
	FY 2020		2019-20	2020-21	Adopted Budget	
	(a)		(b)	(c)	(b) / (a)	(c) / (a)
Franchise Income	\$ 80,240		\$ 85,772	\$ 86,141	6.89%	7.35%
Parking Fines	123,785		135,000	135,000	9.06%	9.06%
Power Revenue Transfer	235,600		229,913	226,850	-2.41%	-3.71%
Ex-CRA Tax Increment	100,386		89,513	95,317	-10.83%	-5.05%

Franchise income is collected from City franchisees, including distributors of natural gas, cable TV operators, and others such as official police garages and taxicabs. RecycLA, the solid waste collection franchise system for commercial, industrial and large multi-family buildings, was partially implemented during the prior fiscal year and is now the largest element of Franchise Income. Current year Franchise income revenue is estimated to be \$86 million and 2020-21 is projected to be \$86 million.

Parking Fines estimates are based on Department of Transportation (DOT) estimates.

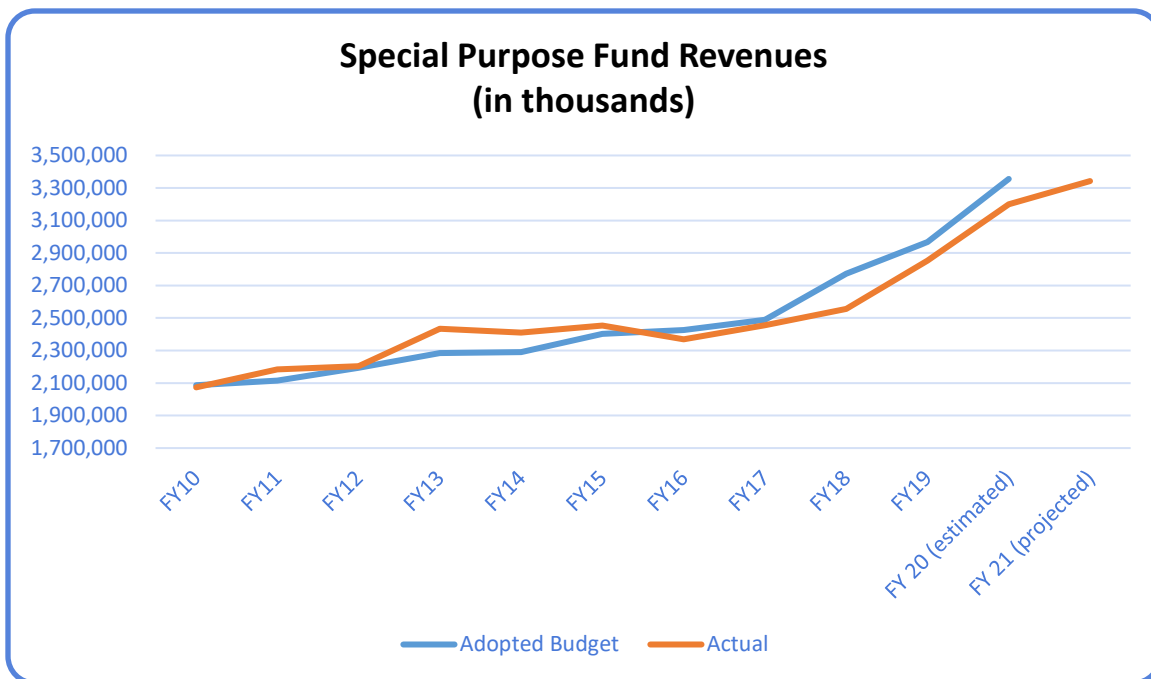
The Department of Water and Power (DWP) provides a portion of certain revenue from the prior year to the City as Power Revenue Transfer. DWP has approved a transfer of \$230 million this fiscal year. The 2020-21 forecast of \$227 million is based on average of low and high estimates provided by DWP.

Ex-CRA Tax Increment current year and 2020-21 revenue are projected based on trend analysis and anticipated property sales.

Special Purpose Fund Revenues

Special Purpose Fund revenues represent 31.4 percent of total 2019-20 Adopted Budget receipts, while Available Balances, which are projected balances at the beginning of the fiscal year, represent 7.3 percent of the Adopted Budget revenues. Schedule I presents a breakdown of 2018-19 actual, 2019-20 estimated and 2020-21 projected revenues by budgeted Special Funds. Available Balances are excluded from this report.

Based on departmental estimates, 2019-20 total Special Fund revenues are estimated to be \$3.20 billion, \$156 million below budget. 2020-21 Special Fund revenues are projected to be \$3.34 billion, an increase of \$143 million or 4.5 percent over current year estimated revenues.



General Fund Cash Flow Borrowing

Current and Prior Year Experience

Due to the timing difference between receipts and expenditures, the Controller annually requests issuance of Tax and Revenue Anticipation Notes (TRAN) to ensure that the General Fund has sufficient cash to cover expenditures during the first half of the fiscal year before the first Property Tax payment arrives in December. The Controller also has the ability to initiate Reserve Fund and interfund borrowing during the year for cash flow purposes. Exhibit 6 illustrates cash flow borrowings for 2010-11 through 2019-20.

EXHIBIT 6

GENERAL FUND CASH FLOW BORROWINGS FOR FISCAL YEARS 2010- 11 THROUGH 2019-20 (amounts expressed in thousands)

Fiscal Year	Total Annual Cash Flow Borrowings			
	Reserve Fund	Other Funds	TRAN	Total
2010-11	--	--	450,000	450,000
2011-12	--	--	400,000	400,000
2012-13	--	--	425,000	425,000
2013-14	--	--	400,000	400,000
2014-15	--	--	350,000	350,000
2015-16	50,000	(1)	350,000	400,000
2016-17	--	--	400,000	400,000
2017-18	50,000	(1)	400,000	450,000
2018-19	35,000	(1)	400,000	435,000
2019-20	--	--	450,000	450,000

Notes:

(1) Short term borrowing until Property Tax receipts were received.

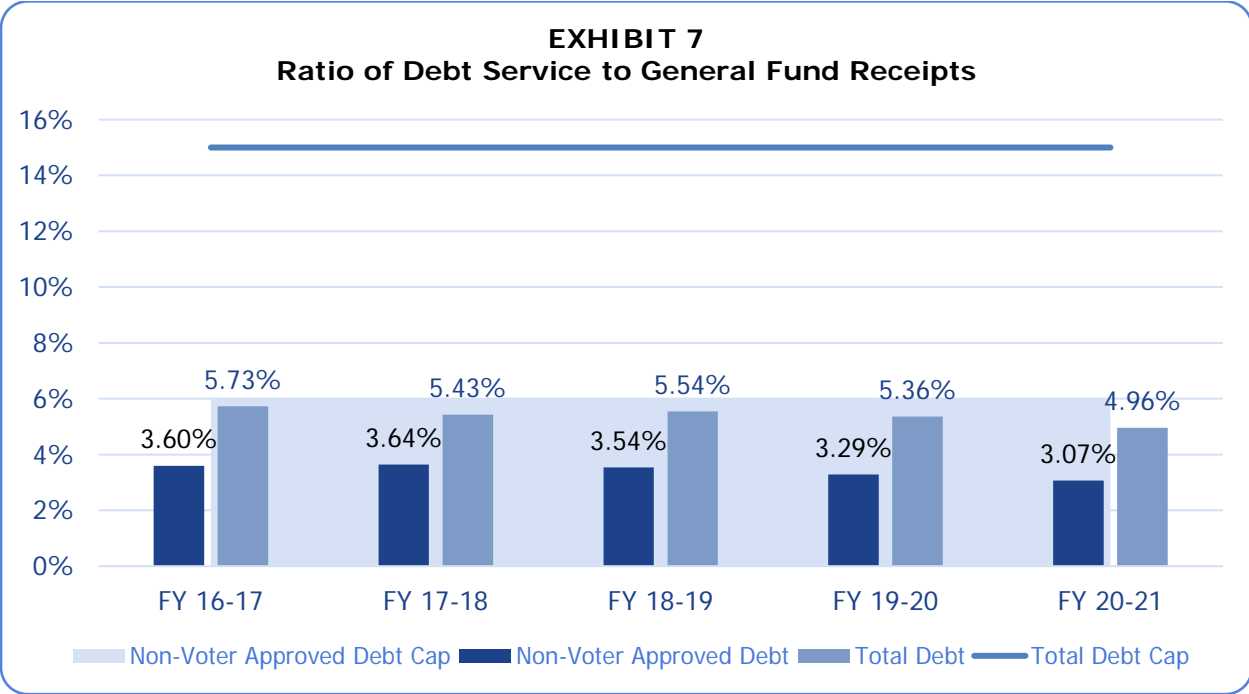
Annually, the Controller estimates an amount of borrowing needed to meet City short-term cash flow requirements in the first half of the next fiscal year. The Controller's Office will work with the Mayor and City Administrative Officer (CAO), as in prior years, to determine the amount of borrowing required as better information becomes available. The cash flow borrowing requirement in 2020-21 will likely be between \$450 million to \$500 million.

As the amount borrowed for cash flow needs is sometimes insufficient to meet General Fund cash flow needs, the Controller is authorized to enter into short-term borrowing from the Reserve Fund. However, this can cause concern when the Reserve Fund balance is close to the five percent target set by the City's financial policies. In order to balance this concern against cash flow needs and legal caps on the TRAN, the Controller's Office will work closely with the City Administrative Officer to determine the most appropriate amount to borrow and to explore options other than the TRAN, including internal sources of funds.

Debt and Debt Service Requirements

City Debt Policy

Exhibit 7 below illustrates the City’s debt service in relation to General Fund receipts and demonstrates compliance with the City’s debt management policies.



Note: FY 2016-17 to FY 2018-19 ratios are based on actual General Fund receipts. FY 2019-20 and FY 2020-21 ratios are based on estimated and projected receipts.

The City’s debt policy established maximum levels for voter and non-voter approved debt. The maximum debt service level for non-voter approved debt is not to exceed six percent of General Fund revenues (with certain exceptions). As you can see, the City has managed its debt issuance very conservatively, with debt service well below the policy limits. Based on the current ratio of debt service to total projected receipts in 2020-21, the City has the capacity to issue additional non-voter approved debt with an annual debt service requirement of up to \$179 million or 2.71 percent of General Fund receipts. Assuming long term debt at five percent interest, this would equate to more than \$3 billion in additional debt capacity.

The City's total debt service level for voter and non-voter approved debt shall not be greater than 15 percent of General Fund revenues. After the \$179 million, the City has the capacity to issue voter approved debt with an annual debt service requirement of no more than \$457 million. Again assuming long term debt at five percent interest, this would equate to almost \$8 billion in additional voter-approved debt capacity.

EXHIBIT 8

CITY DEBT POLICY

Shall not exceed 6% of General Fund revenue for non-voter approved debt and 15% for voter approved and non-voter approved combined (dollar amounts expressed in thousands)

Fiscal Year	Debt Service Requirement			General Fund Receipts ⁽¹⁾	Ratio of Debt Service to Total Receipts		
	Non-Voter Approved	Voter Approved	Total		Non-Voter Approved	Voter Approved	Total
2010-11	\$ 206,825	\$ 198,867	\$ 405,692	\$ 4,304,950	4.80%	4.62%	9.42%
2011-12	207,383	188,246	395,629	4,396,040	4.72%	4.28%	9.00%
2012-13	210,809	188,707	399,516	4,676,009	4.51%	4.04%	8.55%
2013-14	218,868	184,844	403,712	4,960,718	4.41%	3.73%	8.14%
2014-15	221,428	152,477	373,905	5,247,997	4.22%	2.91%	7.13%
2015-16	202,603	138,054	340,657	5,338,014	3.80%	2.59%	6.39%
2016-17	202,444	120,166	322,610	5,628,790	3.60%	2.13%	5.73%
2017-18	211,576	104,429	316,005	5,819,502	3.64%	1.79%	5.43%
2018-19	220,999	124,563	345,562	6,236,881	3.54%	2.00%	5.54%
2019-20	217,708	136,815	354,523	6,612,621	3.29%	2.07%	5.36%
2020-21	209,300	128,979	338,279	6,822,139	3.07%	1.89%	4.96%

(1) All years with capitalized interest have been adjusted upwards to reflect bond proceeds to pay for capitalized interest. For 2010-11; 2011-12; 2012-13; and 2013-14, the adjustments are \$4,060,169; \$2,942,063; \$4,928,625; \$3,308,633; respectively. In addition, receipts for all fiscal years include revenues from the Staples Center.

City Indebtedness

Exhibit 9 provides the outstanding balances of City debts along with 2019-20 and 2020-21 estimated debt service requirements based on the amount of current outstanding debt.

EXHIBIT 9

OUTSTANDING DEBT AND DEBT SERVICE REQUIREMENTS ⁽¹⁾ (amounts expressed in thousands)

	Outstanding Balance, 6/30/2020			Debt Service Requirement	
	Principal	Interest	Total	2019-20	2020-21
Bonds					
MICLA ⁽²⁾	\$1,375,984	\$ 474,230	\$1,850,214	\$ 210,942	\$ 208,954
General Obligation	729,520	170,943	900,463	136,286	128,456
Judgment Obligation	-	-	-	6,495	-
Site-Specific Tax Revenue	4,806	918	5,724	800	868
Solid Waste Resources Revenue	185,660	44,101	229,761	47,503	28,696
Wastewater System	2,624,685	1,606,825	4,231,510	223,925	220,319
<i>Subtotal</i>	<i>4,920,655</i>	<i>2,297,017</i>	<i>7,217,672</i>	<i>625,951</i>	<i>587,293</i>
Tax and Revenue Anticipation Notes ⁽³⁾	--	--	--	79,533	--
Total	\$ 4,920,655	\$ 2,297,017	\$ 7,217,672	\$ 705,484	\$ 587,293

Notes:

(1) Long-term debt does not include short-term commercial paper notes. However, the goal is to replace commercial paper with long term debt. As of January 2020, the balance of commercial paper notes was \$242 million.

(2) Includes debt service requirements supported by voter-approved assessments on real property of \$523,500 in 2020-21.

(3) A total of \$1,655,030,000 in TRAN were issued on July 09, 2019, with final maturity of June 25, 2020. The amount of interest to be paid in 2020-21 will depend upon the size of the TRAN and interest rates at the time of sale. The size of the TRAN will depend upon the amount of cash needed for cash flow and budgetary decisions on advance funding of City pensions and retirement contributions.

The City strategically structures its various debt service schedules with the goal of stability. This means that, when one issuance is paid off and retired, payments are accelerated for other issuances. By scheduling the payments this way the City avoids large swings in debt service which can have negative budgetary impacts.

General Obligation Bond Payments

Exhibit 10 lists the City's General Obligation Bonds (GOB) debt service requirements for principal and interest for 2020-21, which are estimated at \$129 million. GOBs are general obligations of the City payable from ad valorem taxes levied upon all of the taxable property in the City. Taxes levied for the GOB debt service requirement are separate from the General Fund property tax revenue. The City issues GOB debt for capital improvement projects, including the acquisition of property and the construction of new facilities and improvements to existing facilities.

EXHIBIT 10

GENERAL OBLIGATION BONDS DEBT SERVICE REQUIREMENTS FOR FISCAL YEAR 2020-21

	Principal	Interest	Total Requirement
GOB - Series 2011-B	32,590,000	3,203,000	35,793,000
GOB - Series 2012-A	22,815,000	4,353,225	27,168,225
GOB - Series 2016-A	17,060,000	3,197,348	20,257,348
GOB - Series 2017-A	4,320,000	2,287,508	6,607,508
GOB - Series 2017-B	11,460,000	1,888,750	13,348,750
GOB - Series 2018-A	13,815,000	9,354,627	23,169,627
GOB - Series 2018-B	-	1,733,250	1,733,250
GOB - Series 2018-C	-	378,015	378,015
Total	\$102,060,000	\$ 26,395,723	\$128,455,723

SCHEDULE I

Office of the Controller Actual and Estimated Receipts for Fiscal Years 2019-20 and 2020-21

	Actual 2018-19	Estimated 2019-20	Projected 2020-21
Property Tax:			
Property Tax 1%	\$ 1,537,067,985	\$ 1,635,863,000	\$ 1,743,954,000
Property Tax - Miscellaneous	8,539,505	9,719,000	10,000,000
Property Tax - VLF Replacement	473,439,839	505,710,000	547,693,000
Total Property Tax	2,019,047,329	2,151,292,000	2,301,647,000
Property Tax - Ex-CRA Tax Increment	73,970,632	89,513,000	95,317,000
Utility Users' Tax:			
Electric Users' Tax	417,488,423	452,682,000	462,641,000
Telephone Users' Tax	149,628,382	132,789,000	117,846,000
Gas Users' Tax	77,034,899	71,826,000	64,169,000
Total Utility Users' Tax	644,151,704	657,297,000	644,656,000
Licenses, Permits, Fees and Fines:			
Licenses, Permits, Fees, and Fines	325,835,516	294,240,000	294,521,000
Emergency Ambulance	78,471,703	90,482,000	90,000,000
Services to Proprietary Departments	163,925,504	175,443,000	191,657,000
Reimbursements from Other Funds	552,995,181	633,692,000	664,556,000
Total Licenses, Permits, Fees and Fines	1,121,227,904	1,193,857,000	1,240,734,000
Business Tax	603,122,610	664,306,000	689,992,000
Sales Tax	581,443,469	604,188,000	626,543,000
Documentary Transfer Tax	206,210,711	219,682,000	224,076,000
Power Revenue Transfer	232,557,000	229,913,000	226,850,000
Transient Occupancy Tax	256,103,424	263,917,000	271,969,000
Transient Occupancy Tax - Short-term Rental	62,784,439	57,000,000	60,000,000
Parking Fines	129,900,054	135,000,000	135,000,000
Parking Users' Tax	120,948,665	123,093,000	126,617,000
Franchise Income	84,313,613	85,772,000	86,141,000
Grant Receipts	11,613,561	19,389,000	11,778,000
Interest	34,098,927	41,676,000	37,422,000
State Motor Vehicle License Fees	1,946,137	3,198,000	3,198,000
Tobacco Settlement	10,615,990	10,968,000	11,102,000
Residential Development Tax	4,917,786	5,247,000	5,597,000
Special Parking Revenue Transfer	32,115,566	57,313,000	23,500,000
Transfer from Reserve Fund	5,791,190	--	--
Total General Fund Receipts	\$ 6,236,880,709	\$ 6,612,621,000	\$ 6,822,139,000

SCHEDULE I

Special Fund Receipts:	Actual 2018-19	Estimated 2019-20	Projected 2020-21
Accessible Housing Fund	\$ 10,151,919	\$ 7,250,000	\$ 7,250,000
Affordable Housing Trust Fund	2,993,963	1,950,000	1,933,000
Arts and Cultural Facilities and Services Fund	26,083,573	26,538,000	27,711,000
Arts Development Fee Trust Fund	3,826,499	3,254,000	3,250,000
Building and Safety Permit Enterprise Fund	215,617,680	220,535,000	220,535,000
Cannabis Regulation Special Revenue Fund	6,615,830	14,201,000	19,150,000
Central Recycling and Transfer Fund	11,657,021	10,195,000	10,125,000
City Employees' Retirement Fund	111,549,846	117,462,000	122,262,000
City Employees Ridesharing Fund	3,079,952	3,046,000	3,223,000
City Ethics Commission Fund	3,409,102	3,333,000	4,195,000
City Tax Levy (Debt Service)	149,561,024	136,286,000	128,456,000
Citywide Recycling Trust Fund	24,986,929	24,857,000	23,583,000
Code Compliance Fund	1,407,354	1,594,000	1,594,000
Code Enforcement Trust Fund	40,041,856	40,169,000	40,446,000
Community Development Trust Fund	20,167,073	21,530,000	16,780,000
Community Services Administration Grant Fund	1,717,295	1,591,000	1,442,000
Convention Center Revenue Fund	38,757,319	29,188,000	29,188,000
Disaster Assistance Trust Fund	3,304,005	2,217,000	12,348,000
El Pueblo de Los Angeles Historical Monument Re	5,456,696	4,994,000	5,473,000
Forfeited Assets	5,669,099	1,443,000	--
Greater Los Angeles Convention & Visitors Bureau	24,534,791	25,050,000	26,400,000
HOME Investment Partnerships Program Fund	3,065,819	7,169,000	7,551,000
Household Hazardous Waste Special Fund	4,037,445	3,828,000	3,621,000
Housing Opportunities for Persons with AIDS Fund	428,463	554,000	477,000
Landfill Maintenance Special Fund	3,336	-	--
Local Public Safety Fund	45,978,820	47,408,000	49,069,000
Local Transportation Fund	820,301	3,371,000	3,437,000
Measure M Local Return Fund	57,852,111	61,400,000	61,530,000
Measure R Traffic Relief and Rail Expansion Fund	51,445,073	51,447,000	52,795,000
Mobile Source Air Pollution Reduction Trust Fund	5,346,448	5,325,000	5,325,000
Multi-Family Bulky Item Fund	10,947,448	8,069,000	7,985,000
Municipal Housing Finance Fund	9,143,803	9,267,000	7,031,000
Neighborhood Empowerment Fund	2,457,211	3,522,000	5,530,000
Older Americans Act Fund	2,050,079	1,958,000	1,958,000
Park and Recreational Sites and Facilities Fund	3,280,963	3,356,000	3,200,000
Planning Case Processing Revenue Fund	30,249,132	30,631,000	31,773,000
Proposition A Local Transit Assistance Fund	163,846,274	187,733,000	245,995,000
Proposition C Anti-Gridlock Transit Improvement I	84,975,073	81,905,000	84,120,000
Rent Stabilization Trust Fund	14,894,969	14,779,000	23,072,000
Sewer Construction and Maintenance Fund	756,869,131	1,097,864,000	1,090,396,000
Sidewalk Repair Fund	18,912,335	15,493,000	15,493,000
Solid Waste Resources Revenue Fund	383,764,266	323,664,000	319,849,000
Special Gas Tax Street Improvement Fund	93,867,450	106,902,000	115,786,000
Special Gas Tax Road Maintenance and Rehabilita	70,186,986	74,978,000	76,304,000
Special Parking Revenue Fund	50,091,058	27,045,000	84,450,000
Staples Arena Special Fund	4,956,707	5,104,000	4,404,000
Stormwater Pollution Abatement Fund	34,384,180	67,225,000	81,778,000

Continued.....

SCHEDULE II

	Actual 2018-19	Estimated 2019-20	Projected 2020-21
Special Receipts: (Continued)			
Street Damage Restoration Fee Fund	\$ 27,986,984	\$ 54,400,000	\$ 54,050,000
Street Lighting Maintenance Assessment	59,955,510	74,690,000	73,768,000
Supplemental Law Enforcement Services	8,811,367	9,381,000	9,381,000
Telecommunications Development Account	18,536,923	18,630,000	18,300,000
Traffic Safety Fund	3,609,519	3,912,000	3,866,000
Workforce Innovation Opportunity Act	10,655,322	11,646,000	16,578,000
Zoo Enterprise Trust	23,756,406	24,990,000	25,332,000
Allocations fr. Other Gov'tal Agencies	85,018,947	65,497,000	52,931,000
Total Special Receipts	2,852,774,682	3,199,826,000	3,342,479,000

SCHEDULE III

**Office of the Controller
General Fund Receipts
Last 20 Fiscal Years and Estimates for Fiscal Years 2019-20 and 2020-21
(amounts expressed in thousands)**

Fiscal Year	Property Tax ^(a)	Utility Users' Tax	Sales Tax	Business Tax	Transient Occupancy Tax	Licenses, Permits, Fees and Fines	Other Revenues ^(b)	Total General Fund Receipts
1999-00	527,810	487,439	331,710	317,340	98,306	420,475	667,521	2,850,601
2000-01	588,307	557,401	357,222	344,605	108,538	431,628	753,640	3,141,341
2001-02	622,393	488,778	351,062	360,336	93,901	473,162	831,956	3,221,588
2002-03	663,440	510,339	363,787	356,041	92,652	467,577	878,182	3,332,018
2003-04	717,801	576,251	377,890	373,248	97,989	462,600	970,296	3,576,075
2004-05	1,029,161	589,858	316,561	396,794	127,751	496,598	948,582	3,905,305
2005-06	1,121,848	604,947	323,555	434,529	126,989	477,231	1,043,559	4,132,658
2006-07	1,334,172	605,270	333,885	464,330	134,557	545,931	964,734	4,382,879
2007-08	1,389,255	628,319	335,562	466,997	148,523	614,891	779,314	4,362,861
2008-09	1,509,073	647,823	311,938	451,495	136,323	689,633	668,912	4,415,197
2009-10	1,442,270	631,048	280,096	424,830	118,500	735,306	783,441	4,415,491
2010-11	1,434,152	628,069	296,608	418,374	134,796	691,280	693,753	4,297,032
2011-12	1,438,840	615,034	323,247	439,802	151,722	727,538	693,061	4,389,244
2012-13	1,609,228	620,448	338,970	448,832	167,824	724,702	757,229	4,667,233
2013-14	1,660,180	627,437	356,503	475,397	184,382	831,974	817,691	4,953,564
2014-15	1,726,824	639,391	371,031	497,329	202,897	851,507	955,180	5,244,159
2015-16	1,737,472	614,702	417,541	509,765	230,818	887,442	937,337	5,335,077
2016-17	1,894,511	624,831	520,404	528,076	265,653	913,233	882,082	5,628,790
2017-18	1,933,300	633,000	536,000	544,000	293,000	998,753	853,389	5,791,442
2018-19	2,093,018	644,151	581,443	603,123	318,888	1,121,228	875,030	6,236,881
2019-20 (Estimated)	2,240,805	657,297	604,188	664,306	320,917	1,193,857	931,251	6,612,621
2020-21 (Projected)	2,396,964	644,656	626,543	689,992	331,969	1,240,734	891,281	6,822,139

(a) Includes Ex-CRA Property Tax Increment receipts.

(b) Other Revenues include transfers from the Reserve Fund except for 1999-00, 2008-09 and 2012-13 through 2013-14, 2019-20.

